

SERVICE AGREEMENT

This SERVICE AGREEMENT (this "Agreement") is entered into as of this 25th day of June, 2018 between smartschoolsplus, Inc., an Arizona corporation, d/b/a smartworksplus ("Provider"), and City of Coolidge, an Arizona municipal corporation ("City").

RECITALS

- A. Provider is a corporation engaged in the business of providing professional services, including employee staffing services, to governmental entities;
- B. City is a governmental entity within the State of Arizona that requires the services of qualified personnel.
- C. City desires to obtain Services (hereafter defined) from Provider and Provider is willing to provide Services to City upon the terms and conditions contained in this Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and intending to be legally bound, Provider and City agree as follows:

- 1. Services. Provider shall provide the Services set forth in this Agreement and in the Scope of Services attached as Exhibit A (collectively, "Services").
- 2. Provider Employees.
 - A. Employment Agreement. Provider shall enter, or has previously entered, into employment agreements ("Employment Agreements"). A copy of the last page of the Employment Agreement that will be provided to City by Provider is substantially in the form of Exhibit B, attached hereto, which includes information regarding the qualified personnel ("Provider Employees") that is to provide Services required by City. An example of the roster of Provider Employees, and their daily pay rates that will be provided to City by Provider is set forth in Exhibit C. A copy of the last page of each Employment Agreement shall be provided to City as soon as available. Provider shall (i) take steps to assure that each Provider Employee performs in accordance with his or her Employment Agreement, and (ii) provide general direction, supervision and control of each Provider Employee in the performance of his or her duties, as more fully described in the Scope of Services.
 - B. Payroll. Provider, and not City, shall be solely responsible for all payroll and payroll income tax withholding matters, payment of workers' compensation premiums and funding of appropriate fringe benefit programs. Provider shall defend, indemnify and hold City harmless from any and all claims, liability, expense or cost, including reasonable attorney's fees, arising out of, or is in any way connected with any and all taxes, assessments or governmental charges in connection with the services provided by Provider Employees under this Agreement. City shall immediately forward to Provider any garnishment orders, involuntary deduction order, notices of IRS liens and other forms of legal process received by City affecting payment of wages to Provider's Employees by Provider and shall cooperate with Provider in responding thereto.
 - C. Health and Safety. Provider shall require Provider's Employees to comply with all health and safety laws, regulations, ordinances, directives and rules imposed by controlling federal, state or local governments. Provider shall provide where necessary, and shall require that all Provider Employees use, personal protective equipment as required by federal, state or local law, regulation, ordinance, directive or rule.

D. Compensation of Provider Employees. Provider shall pay Provider Employees in compliance with applicable wage and hour laws including, but not limited to, the Fair Labor Standards Act (“FLSA”) and Arizona Labor Code. Provider shall maintain complete and accurate records of all wages paid to a Provider Employee assigned to provide services to City. Provider shall be exclusively responsible for, and shall comply with, applicable law governing the reporting and payment of wages, payroll-related and unemployment taxes attributable to wages paid to Provider Employees assigned to provide services to City.

E. Legal Arizona Worker’s Act. Provider, and not City, shall be responsible for compliance with the Legal Arizona Worker’s Act (2007), as amended from time to time. Compliance shall include, but not be limited to, verification of employment eligibility for all new employees through the E-Verify program, as defined in A.R.S. § 23-211.

F. Termination. Except as otherwise provided herein, City and Provider shall each have the right to immediately terminate the service of, and therefore cease to have any obligation with respect to, any particular Provider Employee, upon written notice to the other (or its successor in interest) upon the occurrence of any of the following:

(1) if the Provider Employee: (i) embezzles, steals or misappropriates funds or property of City or Provider or defrauds City or Provider; (ii) is convicted of a felony; (iii) has a necessary certification revoked or suspended; or (iv) commits an act or omission which constitutes unprofessional conduct or which adversely affects the reputation of City or Provider.

(2) the death of the Provider Employee occurring any time during the term of this Agreement, in which event this Agreement (as it relates to that employee) shall terminate as of his date of death.

(3) the permanent disability of the Provider Employee occurring at any time during the term of this Agreement. For purposes of the foregoing, a Provider Employee shall be deemed to be permanently disabled if, by reason of any physical or mental condition, the Provider Employee is unable to substantially perform his duties hereunder during either (i) any continuous period of thirty (30) days, in which event this Agreement shall terminate as of the first day following the end of such thirty (30) day period, or (ii) an aggregate of forty-five (45) days within a twelve (12) month period, in which event this Agreement shall terminate as of the first day following the forty-fifth (45th) such day. Notwithstanding the foregoing, City shall have no obligation to compensate Provider for any days Provider Employee does not provide services prior to a determination that Provider Employee is deemed to be permanently disabled.

(4) in the event that Provider sells or disposes of all or substantially all of its assets or permanently discontinues operating its business;

(5) in the event that a Provider Employee is unwilling, unable or fails to satisfactorily comply with any rules, guidelines, policies, procedures or regulations promulgated by Provider or City during the term of this Agreement; provided, however, that termination for cause shall not occur unless written notice of the alleged non-compliance is first given to Provider and Provider fails to cure the non-compliance within ten (10) days following receipt of such written notice;

(6) if it is later discovered that a Provider Employee has made any material misrepresentations or has failed to provide any material information in connection with the application for employment that was previously submitted to Provider.

(7) Notwithstanding anything herein to the contrary, Provider or City may terminate this Agreement in full or with respect to any or all of the Provider Employees, without cause or justification of any kind, by providing the other party with written notice of such termination at least thirty (30) days prior to the effective date of termination.

3. Compensation. City agrees to compensate Provider for work performed, and reimbursable expenses incurred in the performance thereof, by Provider Employees in accordance with the compensation schedule attached hereto as Exhibit D. Provider shall invoice City monthly. Invoices shall be due and payable within thirty (30) days after receipt by City. The parties acknowledge and agree that Provider Employees shall receive wages solely from Provider. City shall not pay any Provider Employee in cash or by any other means for any services rendered by such Provider Employee pursuant to this Agreement. Any individual whom City pays directly for any services rendered shall not be considered a Provider Employee as to any services for which City provides direct compensation.

4. Responsibilities of City. In addition to its payment, and other obligations set forth in this Agreement, City shall have the following responsibilities:

A. Supervision; Reporting. City shall provide daily monitoring of the Provider Employees and shall report to Provider on an ongoing regular basis regarding the Provider Employees' performance of their respective duties.

B. Safety Obligations. City shall provide a safe workplace for Provider Employees, shall supply documentation related to safety activities as prescribed by law (e.g., safety meeting, training, maintaining OSHA log), shall include Provider Employees in any specific safety training that City offers or requires for its own personnel in the same or similar positions, and shall inform Provider of any necessary protective equipment that Provider Employees must use in the performance of services for City. Provider or its workers' compensation carrier has the right to inspect City's premises and operation, but is not obligated to conduct any inspections. Provider reserves the right to audit safety activities.

5. Term. The term of this Agreement shall commence on July 1, 2018 and shall end on June 30, 2019, unless earlier terminated pursuant to the provisions hereof. The City may renew this Agreement for three (3) additional one (1) year terms by providing Provider with written notice not less than thirty (30) days prior to the expiration of the then current term. City acknowledges and agrees that prior to any renewal, the Exhibits may be adjusted to account for changes in the duties, responsibilities and wages for Provider Employees. Provider shall provide revised copies of the Exhibits to City at least thirty (30) days prior to the end of the then current term.

6. Insurance.

A. Worker's Compensation.

(i) Provider is the employer of all Provider Employees providing services to City pursuant to this Agreement and Provider is responsible for providing workers' compensation insurance within the meaning of Arizona Revised Statute ("A.R.S.") §23-901. Provider shall provide workers' compensation and employer's liability insurance in accordance with the statutory requirement of the State of Arizona, including Employer's Liability insurance with limits of liability of not less than \$500,000 for each accident and \$500,000 for bodily injury or disease. The workers' compensation policy shall be endorsed to include the Alternate Employer Endorsement and shall include a waiver of subrogation in favor of City from the workers' compensation insurer.

(ii) City and Provider understand, agree and acknowledge that no individual shall be covered by Provider's workers' compensation insurance, or be issued a payroll check unless prior to commencing services for City that individual satisfies the following requirements: (a) is employed by Provider in Arizona to work in Arizona; (b) is performing Services for City pursuant to this Agreement; (c) is listed on Provider's roster of Provider Employees in Exhibit C; (d) has completed Provider's required enrollment forms and, where applicable, is certified or licensed as required by law for the position in which employed by Provider; (e) has completed necessary criminal background checks, including fingerprinting; (f) has entered into an Employment Agreement with Provider; (g) has provided all data required by Provider for payroll processing and workers' compensation coverage; and (h) has been entered onto Provider's payroll system. It shall be Provider's responsibility to ensure that Provider Employee has

satisfied all of the aforementioned requirements prior to such Employee providing services to City under this Agreement.

(iii) City understands, agrees and acknowledges that the workers' compensation insurance that Provider shall provide under this Agreement shall only cover individuals who are listed on Provider's roster of Provider Employees in Exhibit C, and shall not cover other individuals who might perform services for City outside of this Agreement, whether as employees, independent contractors or otherwise. City agrees to provide workers' compensation insurance or maintain a program of approved self-insurance covering City's own employees.

B. Other Insurance.

Provider shall maintain in full force and effect at all times during the term of this Agreement the Commercial General Liability ("CGL") Insurance and unemployment insurance.

(i) The CGL policy shall provide for limits of not less than \$1,000,000 per occurrence and if such CGL policy contains a general aggregate limit of liability, the limit shall be no less than \$2,000,000. The CGL policy shall be written on an occurrence form and shall cover liability arising from the independent negligence or other wrongful act, error or omission of Provider or Providers Employees. City shall be added as an additional insured to the CGL policy.

(ii) Provider shall provide unemployment insurance coverage to the extent required by law.

C. Medical Insurance. Provider shall make available to Provider Employees medical coverage that provides minimum value and meets the requirements of minimum essential coverage, as those terms are defined for purposes of the Affordable Care Act. The City shall pay to Provider \$10.00 for each Provider Employee who elects medical coverage from Provider. If a Provider Employee declines medical coverage from Provider and (i) secures coverage through an Exchange; and (ii) qualifies for a premium subsidy, then the City shall pay Provider \$3,000 for each such Provider Employee. The City acknowledges that Provider may not know whether any Provider Employee has qualified for a subsidy until after the term of this Agreement. Therefore, the City agrees that it will pay Provider the \$3,000 per qualifying Provider Employee, upon presentation of an invoice therefor by Provider, at any time during a period ending twenty-four (24) months following the termination or expiration of this Agreement.

7. Independent Contractor. The relationship created by this Agreement shall be deemed and construed to be, and shall be, that of principal and independent contractor. Provider has no authority to enter into any contract or incur any liability on behalf of City. Provider's employees are not intended to be and shall not be considered employees of City. Except as otherwise provided in this Agreement, Provider retains full control over the employment, direction, supervision, compensation, discipline and discharge of all persons performing Services under this Agreement.

8. Non-Exclusive Use. Provider acknowledges and agrees that City may enter into agreements with other provider organizations to supply services to City and that Provider is not the exclusive organization with which City may contract to provide services.

9. Notice. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received when hand delivered to the party addressed or upon the date noted upon the receipt for registered or certified mail, first class postage prepaid, return receipt requested, addressed as set forth below:

If to Provider: smartworksplus
P.O. Box 11618

Tempe, AZ 85284-0027

With a copy to: Perkins Coie Brown & Bain P.A.
2901 N. Central Ave., Suite 2000
Phoenix, AZ 85012
Attention: Judith K. Weiss, Esq.

If to City: City of Coolidge
130 W. Central Avenue
Coolidge, AZ 85128

With a copy to: City Manager
130 W. Central Avenue
Coolidge, AZ 85128

Either party may alter the address or addresses to which communications or copies are to be sent to such party by giving notice of such change of address in conformity with the provisions of this Section 9.

10. Binding Nature of Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns. Neither party shall assign its interest in this Agreement without the prior written consent of the other party.

11. Entire Agreement. This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified or amended other than by a writing signed by both parties.

12. Waiver. The failure or delay on the part of any party to exercise any right, remedy, power or privilege under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such rights, remedies, powers or privileges with respect to any other occurrence.

13. Costs and Expenses. Each party hereto shall bear its own costs, including attorneys' fees and accounting fees, incurred in connection with the negotiation, drafting and consummation of this Agreement.

14. Headings. All sections and descriptive headings of sections and subsections in this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

15. Construction; Interpretation. This Agreement is intended to express the mutual intent of the parties hereto and thereto, and irrespective of the identity of the party preparing any such document, no rule of strict construction shall be applied against any party. In this Agreement, the singular includes the plural, and the plural the singular; words imparting either gender include the other gender; references to "writing" include printing, typing, lithography and other means of reproducing words in a tangible visible form; the words "including," "includes" and "include" shall be deemed to be followed by the words "but not limited to." The term "person" shall include an individual, corporation, joint venture, partnership, trust, estate, association, governmental entity or any other entity.

16. Exhibits and Recitals. All Exhibits referred to herein and the Recitals made and stated hereinabove are hereby incorporated by reference into, and made a part of, this Agreement.

17. Materiality. All covenants, agreements, representations and warranties made herein shall be deemed to be material and to have been relied on by the parties in entering into this Agreement and shall survive the execution and delivery of this Agreement.

18. Governing Law; Forum; Venue. This Agreement is executed and delivered in the State of Arizona, and the substantive laws of the State of Arizona (without reference to choice of law principles) shall govern its interpretation and enforcement. Any action at law or in equity brought by either party for the purpose of enforcing a right or rights provided for in this Agreement shall be tried in a court of competent jurisdiction in Pinal County, State of Arizona. The parties hereby waive all provisions of law providing for a change of venue in such proceeding to any other county. In the event either party shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that the prevailing party in such action shall recover all cost including all litigation and appeal expenses, collection expenses, reasonable attorney's fees, necessary witness fees and court costs to be determined by the court in such action.

19. Knowing Covenants. The parties hereby represent to each other that the covenants and agreements provided for in this Agreement have been knowingly and voluntarily granted after thorough consultation with counsel as to the binding and irrevocable effect thereof. Based upon consultation with counsel, the parties hereby represent and warrant to each other that this Agreement is binding and enforceable in accordance with its terms.

20. Indemnification by Provider. Except as otherwise provided in Section 21, Provider shall defend, indemnify, and hold City, its officers and employees harmless from any and all loss, damage, claim for damage, liability, expense, or cost, including reasonable attorneys' fees, which arise out of, or is in any way connected with the performance of services under this Agreement by Provider or Provider Employees or agents and from all claims by Provider Employees and agents for compensation for services rendered in the performance of this Agreement, notwithstanding that City may have benefited from their services. This indemnification provision shall apply to any and all negligent acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of Provider or Provider Employees, or agents. This section shall survive the expiration or early termination of the Agreement.

21. Indemnification by City. Except as provided in Section 20, City shall defend, indemnify and hold Provider, its officers and employees harmless from and against any and all loss, damage, claim for damage, liability, expense or cost, including reasonable attorneys' fees which arise from or relate in any way to any act or omission of City, or its employees, agents or representatives in implementing the terms of or undertaken in fulfillment of City's obligations under this Agreement. The City shall also defend, indemnify and hold Provider, its officers and Provider Employees harmless from and against all loss, damage, claim for damage, liability, expense or costs, including reasonable attorneys' fees which arise from or relate in any way to the acts of the Provider Employee while acting within the course and scope of providing services to City under this Agreement; provided, however, that this indemnification shall not apply to any negligent acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of the Provider Employee. This section shall survive the expiration or early termination of the Agreement.

22. Conflict of Interest. The parties expressly acknowledge that City has the option of canceling this contract within three years from the date of execution without any further penalty or obligation pursuant to A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of City is at any time during the term or any extension thereof, an employee or agent of Provider or a consultant to Provider. Provider acknowledges the potential for a current City employee to become a Provider Employee and recognizes the applicability of A.R.S. § 38-511.

23. Arbitration. In the event that there is a dispute hereunder which the parties cannot resolve between themselves, the parties agree to attempt to settle the dispute by nonbinding arbitration before commencement of litigation. The arbitration shall be held under the rules of the American Arbitration Association. The matter in dispute shall be submitted to an arbitrator mutually selected by Provider and

the City. In the event that the parties cannot agree upon the selection of an arbitrator within seven (7) days, then within three (3) days thereafter, the City and Provider shall request the presiding judge of the Superior Court in and for the County of Pinal, State of Arizona, to appoint an independent arbitrator. The cost of any such arbitration shall be divided equally between the City and Provider. The results of the arbitration shall be nonbinding on the parties, and any party shall be free to initiate litigation subsequent to the final decision of the arbitrator.

24. Federal Regulations. Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Provider acknowledges, by signature to this Agreement, that: Provider is not currently suspended or debarred from contracting with the federal government or any of its agencies or the State of Arizona or any of its political subdivisions; Provider's principals are not currently suspended or debarred from contracting with the federal government or any of its agencies or the State of Arizona or any of its political subdivisions.

25. Undocumented Workers: Provider understands and acknowledges the applicability to it of the Immigration Reform and Control Act of 1986. Under the provisions of A.R.S. §41-4401, Provider hereby warrants to the City that the Provider will comply with and is contractually obligated to comply with, all Federal Immigration laws and regulations that relate to Provider Employees and A.R.S. §23-214(A) (hereinafter "Immigration Warranty"). A breach of the Immigration Warranty shall constitute a material breach of this Agreement and shall subject the Provider to penalties up to and including termination of this Agreement at the sole discretion of the City. The City retains the legal right to inspect the papers of any Provider Employee who provide services under this Agreement to ensure that the Provider is complying with the Immigration Warranty. Provider agrees to assist the City in regard to any such inspections. The City may, at its sole discretion, conduct random verification of the employment records of the Provider to ensure compliance with Immigration Warranty. Provider agrees to assist the City in regard to any random verification(s) performed.

Provider shall be deemed to not have materially breached the Immigration Warranty if it establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214, Subsection A.

The provisions of this paragraph must be included in any contract the Provider enters into with any and all of its subcontractors (if any) who provide services under this Agreement or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a Provider or subcontractor.

26. No Kick-Back Certification. Provider warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no member of the City Council or any employee of the City has an interest, financially or otherwise, in the Provider's firm. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability, or at its discretion to deduct from the compensation to be paid Provider hereunder, the full amount of such commission, percentage, brokerage or contingent fee.

27. Prohibition on Boycott of Israel. Pursuant to A.R.S. §§ 35-393.01, each party hereby certifies to the other party that the certifying party will not engage in a boycott of Israel, as that term is defined in A.R.S. §§ 35-393. The certifying party acknowledges that, in the event either of the certifications contained in this paragraph is determined by the other party to be false, that party may terminate this Agreement and exercise other remedies as provided by law, in accordance with A.R.S. §§ 35-393.01.

[Signatures on next page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and date first above written and effective as of the date hereinabove stated.

“Provider”

Smartschoolsplus, Inc.
an Arizona corporation, d/b/a smartworksplus

“City”

City of Coolidge

By: Sandra McClelland
Its: President

Jon Thompson, Mayor

EXHIBIT A

Scope of Services

The following Services shall be performed by Provider in fulfillment of its obligations under the terms of the Agreement.

1. Provider shall recruit, hire, train, evaluate, place, supervise and compensate Provider Employees who are professionally and technically qualified to perform the duties of staff requested by and provided to City pursuant to this Agreement and shall discipline and terminate Provider Employees, as appropriate, including the following:

a. maintaining a recruiting and hiring program that is in compliance with federal and state laws, rules and regulations, equal opportunity and anti-discrimination policies applicable to, and restricting, the hiring and selection process, including, but not limited to, Title VII of the Civil Rights Act of 1964 ("Title VII"), the Americans With Disabilities Act ("ADA"), the Age Discrimination in Employment Act ("ADEA"), the Fair Credit Reporting Act ("FCRA") and the Arizona Employment Protection Act ("AEPA");

b. maintaining a system of statewide personal background checks on all Provider Employees provided to City to include statewide criminal background check and fingerprinting. Provider shall ensure that all Provider Employees possess all certifications and qualifications necessary to enable them to perform their assignments, and that Provider Employees have satisfied any legal prerequisites to the performance of their assignments;

c. maintaining a system of performance evaluation for each Provider Employee;

d. maintaining a program of supervision that enforces the policies and procedures of City. In order to maintain the program, Provider shall designate one or more on-site staff as the supervisor and/or Provider contact who shall be responsible for addressing and responding to Provider Employees. The designated on-site supervisor and/or Provider contact shall be trained by Provider in regard to: (i) applicable workers' compensation laws; (ii) applicable equal employment opportunity laws, regulations and policies, including reporting procedures; and (iii) workplace violence prevention, including the detection of early warning signs of violence and the proper reporting of threats and acts of violence. The supervisor and/or Provider contact shall promptly notify City of any human-resource-type issue raised by a Provider Employee that may affect City, such as threats of violence, harassment, discrimination or retaliation;

e. providing to each Provider Employee information regarding his or her obligation to comply with all of City's safety, drug/alcohol, work policies, anti-harassment, anti-discrimination and anti-retaliation policies. Provider shall establish a complaint and/or reporting procedure for violations of policies and instruct Provider Employees on the use of the procedure. Provider shall obtain written acknowledgement from the Provider Employee that he or she has read, understood and agrees to abide by those policies and procedures;

f. providing annual harassment, discrimination, retaliation, abuse and neglect training for all Provider Employees, or ensure Provider Employees participate in similar training provided by City. Provider shall maintain a record of all such training; and

g. preparing and distributing an Employee Handbook to Provider Employees that identifies and explains Provider's policies and procedures that are to be followed during the course of the Provider Employees' employment with Provider.

h. Pay Provider Employees in compliance with applicable wage and hour laws including, but not limited to, the Fair Labor Standards Act ("FLSA") and Arizona Labor Code. Provider shall maintain complete and accurate records of all wages paid to a Provider Employee assigned to

provide services to City. Provider shall be exclusively responsible for and will comply with applicable law governing the reporting and payment of wages, tracking of time and attendance and earned paid accrual time (not to exceed 40 hours per year) in accordance with the Fair Wages and Healthy Families Act for Part-time Provider Employees (as defined in Exhibit "D"), Earned Paid Sick Time in accordance with A.R.S. § 23-371 et seq., payroll-related and unemployment taxes attributable to wages paid to Provider Employees assigned to provide services to City.

2. Provider shall inform the Provider Employee in writing that he or she is employed by Provider, not City.

3. Provider shall inform the Provider Employee in writing that job related illness/injury reports are to be made to the supervisor or Provider contact and provide information on where and how reports are to be made to Provider contact.

4. Provider shall notify Provider Employees that the only benefits they shall receive shall be from Provider, and that they are not entitled to any benefits from City.

5. Provider shall be responsible for the quality, adequacy and safety of the Services provided by Provider Employees pursuant to this Agreement, and the acts, errors or omissions of Provider Employees at all times.

EXHIBIT B

Form of Employment Agreement

[See attached]

EXHIBIT C

Roster of Provider Employees and Fee Schedule

[See attached]

EXHIBIT D

Provider Compensation Schedule

Compensation: Provider compensation is computed based on the number of days Provider Employees work during designated month, multiplied by their Daily Rate of Pay set forth in Exhibit C.

- Provider shall invoice City monthly (i) at agreed-upon offered contractual salary equal to 80% of Provider Employee's exit salary for Provider Employees that previously worked at City or (ii) at agreed-upon offered contractual salary for Provider Employees that did not previously work at City.
- For Provider Employees who are flexible rate employees (collectively "Part-time Provider Employees"), Provider will invoice the City every two (2) weeks at their applicable respective Daily Rate of Pay plus a Service Fee of 6.5% plus Direct Payroll Costs. Provider agrees that it will not invoice the City for Part-Time Provider Employees' utilization of accrual leave and will absorb the payroll for accrued time within the Service Fee.

Extra Compensation: City shall pay Provider for Provider Employees bonuses or similar extra compensation as mutually agreed upon by Provider and City. Provider shall invoice City, for agreed-upon Extra Compensation at eighty percent (80%) for Provider Employees. The method and timing of payment of such "Added Service Pay" shall be in accordance with the performance of such service and as mutually agreed upon by Provider and City.

Service Fee/Direct Payroll Costs: In addition to the payments for work performed and similar extra compensation pay for Provider Employees, City shall pay Provider a service fee equal to four percent (4%) of agreed-upon offered contractual salary and all applicable direct payroll costs paid by Provider for Provider Employees (e.g., Social Security, FICA & Medicare, AZ Unemployment, Federal Unemployment, Worker's Compensation (professional/classified)).

Reimbursement:

(a) City shall reimburse Provider for mileage, travel, conferences and other out-of-pocket expenses incurred by Provider Employees, but only if such expenses are approved in writing (prior to the expense being incurred) by the Provider and City. To obtain such reimbursement, Provider Employees must submit a written claim for reimbursement to Provider. Provider shall reimburse the Provider Employee and include the amount of the approved expense on Provider's invoice to City.

(b) City will pay Provider for Medical Insurance coverage to Provider Employees in accordance with the provisions of Section 6(c) of this Agreement.

Discretionary Leave Days: At no cost to City, City shall allow Provider Employees to take 96 hours/year or 4.0 hours per pay period (twice per month) (non-accrual) leave days upon initial placement. Provider Employees may be eligible for professional leave days to attend conferences/workshops. The Provider Employee must follow Provider's policies on reporting discretionary leave days.

Vacation Days: At no cost to City, City shall allow Provider Employees to take 84 hours/year or 3.5 per pay period (twice per month) (non-accrual) vacation days. The Provider Employee must follow Provider's policies on requesting and reporting vacation leave.

Bereavement Days: At no cost to City, City shall allow Provider Employees to take 3 days of bereavement if in state, and 5 days if out of state. The Provider Employee must follow Provider's policies on requesting and reporting bereavement leave.

Electronic Access: City shall provide each Provider Employee access to electronic and technological tools allowing for participation and function of normal City duties (e.g., Kronos, computer hardware and software, e-mail, internet, cell phones, etc.). Provider shall reimburse City directly for all charges incurred as the result of Provider Employee's personal use of City cell phones, which amount shall be credited to City on Provider's invoice to City. Provider Employees agree to follow all City guidelines and policies regarding use of the same.