

City of Casa Grande
and
Smartworksplus, Inc.

SERVICE AGREEMENT

This SERVICE AGREEMENT (this "AGREEMENT") is entered into as of this 3rd day of December, 2019 between Smartschoolsplus, Inc, an Arizona corporation, d/b/a smartworksplus ("Provider"), and the City of Casa Grande ("Entity").

RECITALS

- A. Provider is a corporation engaged in the business of providing professional services, including employee staffing services, to governmental entities;
- B. Provider's employees include qualified personnel and/or administrators. , [
- C. Entity is a governmental entity within the State of Arizona that requires the services of qualified personnel and/or administrators.
- D. Entity is authorized to enter into this Agreement pursuant to Arizona Revised Statutes A.R.S. 9-240 (A).
- E. City desires to obtain services, as more fully described in Exhibit A, attached hereto ("Services") from Provider and Provider is willing to provide Services to City upon the terms and conditions contained in this Agreement, pursuant to RFP #17A-0217 – Temporary Employment and Recruitment Services, Best and Final Offer and the associated contract issued by Mohave Educational Services Cooperative available to Entity which supersedes Entire Agreement language.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and intending to be legally bound, Provider and Entity 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"), substantially in the form of Exhibit B, attached hereto, with staff and/or administrators. Collectively, "Provider Employees" to provide Services required by Entity. A roster of Provider Employees, and their daily pay rates, are set forth in Exhibit C. A copy of each Employment Agreement shall be provided to Entity 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 Entity, shall be solely responsible for administrative employment matters regarding Provider Employees including, but not limited to, all payroll and payroll income tax withholding matters, payment of workers' compensation premiums and funding of appropriate fringe benefit programs. Provider agrees to hold harmless Entity for failure to remit to the appropriate governmental authority any and all taxes, assessments or governmental charges in connection with its employment of Provider Employees. Entity shall immediately forward to Provider any garnishment orders, involuntary deduction orders, notices of IRS liens and other forms of legal process received by Entity affecting payment of wages to Provider Employees and shall cooperate with Provider in responding thereto.

C. Health and Safety. Provider shall, and 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, and shall immediately report all work-related accidents involving the Provider Employee within 24 hours to Entity. 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 Entity. 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 Entity.

E. Legal Arizona Worker's Act. Provider, and not Entity, 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. Provider or Entity may terminate this Agreement, 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 30 days prior to the effective date of termination. Entity and Provider shall each have the right to 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 Entity or Provider or defrauds Entity 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 Entity 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 30 days, in which event this Agreement shall terminate as of the first day following the end of such 30-day period, or (ii) an aggregate of 45 days within a 12-month period, in which event this Agreement shall terminate as of the first day following the 45th such day;

(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 Employer or Entity during the term of the Provider Employee's Employment 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 10 days following receipt of such written notice; or

(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.

3. Compensation. Entity 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 Entity monthly; invoices shall be due and payable within 7 days after receipt by Entity. The parties acknowledge and agree that Provider Employees shall receive wages solely from Provider. Entity shall not pay any Provider Employee in cash or by any other means for any services rendered by such Provider Employee pursuant to his or her Employment Agreement. Any individual whom Entity pays directly for any services rendered shall not be considered a Provider Employee as to any services for which Entity provides compensation.

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

A. Supervision; Reporting. Entity 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. Entity 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 Entity 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 Entity. Provider or its workers' compensation carrier has the right to inspect Entity's premises and operation, but is not obligated to conduct any inspections. Provider reserves the right to audit safety activities. Provider or its insurer may, but neither is obligated to, give reports to Entity on the conditions found at Entity's worksites. Neither Provider's insurer nor Provider warrants the result of the inspections or the absence thereof, or that the operations or premises are in compliance with any laws, regulations, codes or standards.

5. Term. The term of this Agreement shall commence as of January 1, 2020, for a three (3) year term, terminating on June 30, 2022, unless earlier terminated pursuant to the provisions hereof. Entity acknowledges and agrees that prior to any renewal, the Exhibits will be adjusted to account for changes in the duties, responsibilities and wages for Provider Employees. Provider shall provide revised copies of the Exhibits to Entity at least 30 days prior to the end of the then-current term.

6. Insurance.

A. Worker's Compensation.

(i) Except as otherwise provided in this Agreement, Provider shall be considered the "employer" of all Provider Employees for the purposes of 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 Entity from the workers' compensation insurer. Provider shall, upon Entity's request, upon termination of this Agreement, provide to Entity records regarding the loss experience for workers' compensation insurance provided to Provider Employees pursuant to this Agreement.

(ii) Entity 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 work for Entity that individual satisfies the following requirements: (a) is employed by Provider in Arizona to work in Arizona; (b) is performing Services for Entity 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.

(iii) Entity 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 Entity, whether as employees, independent contractors or otherwise. Entity agrees to provide workers' compensation insurance or maintain a program of approved self-insurance covering Entity's own employees.

B. Entity Liability Insurance.

Entity shall provide liability indemnity protection to the Provider Employees who provide services to Entity but only if those Provider Employees are acting within the course and scope of the authorization granted. The coverage provided shall be made available to the Provider Employee as an additional covered party under the terms of Entity's participation agreement with Arizona Municipal Risk Retention Pool, if any (the "Pool"). Coverage shall be made available by the Pool to each Provider Employee on the same terms and conditions as coverage is made available to employees of Entity. Provider shall be added as an additional covered party to the Pool coverage agreement, but only to the extent that Provider is vicariously liable for the acts of the Provider Employee while the Provider Employee is performing services on behalf of Entity, but not for any actual or alleged wrongful act, error or omission of Provider in its own right (e.g., claims of negligent hiring, supervision or retention, employment discrimination, etc.). In no event, however, shall the provision of liability indemnity protection be construed as evidence that the relationship between the parties and the Provider Employees is other than as specifically provided for and agreed to in this Agreement.

C. 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 its employees that is not the direct consequence of the services provided by the Provider Employees under the terms of this Agreement. Entity shall be added as an additional insured to the CGL policy, but only to the extent that the covered liability-causing event is not related to the Services provided for under the terms of this Agreement.

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

D. Medical Insurance.

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 Entity shall pay to Provider \$10.00 for each Provider Employee who elects such coverage and shall pay to Provider \$3,000 for each Provider Employee who declines such coverage, secures coverage through an Exchange and qualifies for a premium subsidy. The Entity acknowledges that Provider may not know whether any Provider Employee has qualified for a subsidy until after the term of this Agreement. Therefore, the Entity 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 Entity. Provider's employees are not intended to

be and shall not be considered employees of Entity. 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 Entity may enter into agreements with other provider organizations to supply services to Entity and that Provider is not the exclusive organization with which Entity 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 Entity: City of Casa Grande
510 E. Florence Blvd.
Casa Grande, AZ 85122

With a copy to:

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 10.

10. Attorney's Fees. Should any litigation be commenced between the parties hereto concerning the terms of this Agreement, or the rights and duties of the parties under this Agreement, the prevailing party in such litigation shall be entitled to, and in addition to any other relief that may be granted, the prevailing party's attorneys' fees and costs.

11. Binding Nature of Agreement; Assignment and Nominee. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

12. 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.

13. 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.

14. 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 and the transactions contemplated hereby, and all matters incident thereto.

15. 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.

16. Construction; Interpretation; Modification. This Agreement is intended to express the mutual intent of the parties, and no rule of strict construction shall be applied against the drafting party. In this Agreement, the singular includes the plural, and the plural the singular; words imparting gender include both genders; references to "writing" include printing, typing 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 "without limitation." The term "person" shall include an individual, corporation, joint venture, partnership, trust, estate, association or any other entity. This Agreement may not be modified or amended other than by a writing signed by the party to be charged with such modification or amendment.

17. 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.

18. 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.

19. 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 brought to interpret or enforce any provisions of this Agreement, or otherwise relating to or arising from this Agreement, shall be commenced and maintained (i) if applicable, in accordance with the procedures set forth in A.R.S. § 41-2611, *et seq.*, or, if such procedures are not applicable, then (ii) in a state or local court located within Pinal County, Arizona.

20. 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.

21. Indemnification. Provider agrees to indemnify, defend and hold harmless Entity, its board members, officers, directors, employees, insurers, indemnitors and agents for, from and against all suits, claims, liabilities, costs, expenses and debt, including reasonable attorneys' fees, incurred by Entity arising from, attributable to or caused by acts or omissions of Provider (or its officers, directors, shareholders or agents) or any Provider Employee in the performance of or related to the performance of the duties of any Provider Employee as described in the Employment Agreement (including, but not limited to injuries to Provider Employees that may or may not be covered by workers compensation insurance); except, to the extent such suits, claims, liabilities, costs, expenses and debt result from acts or omissions of Entity or its board members, officers, directors, employees, insurers, indemnitors or agents.

22. Conflict of Interest. The parties expressly acknowledge that Entity 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 Entity 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 Entity employee to become a Provider Employee and recognizes the applicability of A.R.S. § 38-511.

23. Compliance with Immigration Laws and Regulations.

A. Warranty. Pursuant to the provisions of A.R.S. § 41-4401, each party warrants to the other party that it is in compliance with all Arizona and Federal Immigration laws and regulations that relate to its employees and with the E-Verify Program under A.R.S. § 23-214(A). Each party acknowledges that its breach of this warranty is a material breach of this Agreement subject to penalties up to and including termination of this Agreement. Each party retains the legal right to inspect the papers of any employee of the other Party or any independent contractor who works on this Agreement to ensure compliance with this warranty.

B. Verification. A party may conduct random verification of the employment records of the other party to ensure compliance with this warranty.

C. Contracts for Services. The provisions of this Section must be included in any contract a party enters into with any and all of its employees or independent contractors who provide services under this Agreement or any subcontract. As used in this Section, "services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

23. 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.

[Signature page to follow]

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

By: Sandra McClelland
Its: President

"Entity"

By: _____
Its: _____

EXHIBIT A

Scope of Services

The following Services shall be performed by smartschoolsplus, inc. [d/b/a smartworksplus] in fulfillment of its obligations under the terms of the Agreement.

1. Provider shall recruit, hire, train, evaluate and supervise Provider Employees who are professionally and technically qualified to perform the duties of staff and/or administrators, 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 Entity 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 Entity. 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 Entity of any human-resource-type issue raised by a Provider Employee that may affect Entity, such as threats of violence, harassment, discrimination or retaliation;

e. maintaining a program of supervision that enforces the policies and procedures of Entity. In order to maintain the program, Provider shall designate one or more on-site staff as the supervisor and/or Provider contact who will 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 Entity and the applicable Schools of any human-resource-type issue raised by a Provider Employee that may affect Entity or such Schools, such as threats of violence, harassment, discrimination or retaliation.

f. providing annual harassment, discrimination, retaliation, abuse and neglect training for all Provider Employees, or ensure Provider Employees participate in similar training provided by Entity. 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.

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

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 in writing that other than the liability indemnity protection specifically delineated in this Agreement the only benefits they shall receive shall be from Provider, and that they are not entitled to any benefits from Entity.

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.

6. 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 Entity. 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 Entity.

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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 Entity monthly (i) at agreed-upon offered contractual salary for internal Provider Employee's or Provider Employees that previously worked at Entity, or (ii) at agreed-upon offered contractual salary for Provider Employees that did not previously work at Entity.
- For Provider Employees who are flexible rate employees (collectively "Part-time Provider Employees"), Provider will invoice the Entity 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 Entity for Part-Time Provider Employees' utilization of accrual leave and will absorb the payroll for accrued time within the Service Fee.

Extra Compensation: Entity shall pay Provider for Provider Employees that have qualified for bonus or similar extra compensation. Provider shall invoice Entity, for agreed-upon Extra Compensation for Provider Employees. The method and timing of payment of such "Added Service Pay" shall be in accordance with the performance of such service.

Service Fee/Direct Payroll Costs: In addition to the payments for work performed and extra factor/incentive pay, Entity shall pay Provider a service fee equal to four percent (4%) and all applicable direct payroll costs (e.g., Social Security, FICA & Medicare, AZ Unemployment, Federal Unemployment, Worker's Compensation (professional/classified)).

Reimbursement:

- (a) Entity shall reimburse Provider for mileage, travel, conferences and other out-of-pocket expenses incurred by Provider Employees, but only if such expenses are approved (prior to the expense being incurred) by the Provider and Entity. To obtain such reimbursement, Provider Employees must submit a written claim for reimbursement to Entity. Entity shall forward the claim to Provider. Provider shall reimburse the Provider Employee and include the amount of the reimbursement on Provider's invoice to Entity.
- (b) Entity will reimburse Provider for Provider's out-of-pocket costs to provide Medical Insurance coverage to Provider Employees pursuant to Section 5(c) of this Agreement.

Vacation/Sick/Bereavement Leave Days: Entity shall provide Provider Employees with the same number of leave days as are made available to Entity's other personnel in the same classification.

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