



**Educational Services Incorporated  
Client Service Agreement**

## **AGREEMENT FOR EMPLOYEE STAFFING SERVICES**

This Agreement for Employee Staffing Services ("Agreement") is entered into in the State of Arizona this **1<sup>st</sup> day of July 2011** ("Effective Date"), by and between **Mammoth-San Manuel Unified District** ("Client"), and Educational Services, Inc., an Arizona corporation ("Contractor").

### **RECITALS**

- A. Contractor is a corporation in the business of providing employee-staffing services.
- B. Client is a Client within the State of Arizona that requires qualified staff, and administrators.
- C. Client desires to obtain employee staffing services ("Services") from Contractor and Contractor is willing to provide Services to Client upon the terms and conditions contained in this Agreement to provide for the allocation between Client and Contractor of responsibilities with respect to covered employees ("Workers" pursuant to Section 2 below), including hiring, discipline and dismissal responsibilities, and other responsibilities required by law and by this Agreement.
- D. The parties acknowledge and agree that Contractor is not a Professional Employer Organization as it does not provide Professional Employer Services as such terms are defined respectively in Arizona Revised Statutes ("A.R.S.") §§ 23-561(8) and (9) and consequently the provisions of A.R.S. §§ 23-561 through 23-576 are inapplicable to this Agreement.
- E. This Agreement shall govern the relationship between the Client and the Contractor and between the Contractor and each Worker.
- F. This Agreement shall not (1) offset, modify or amend any Federal, Arizona or local licensing, registration or certification required by the Client or for any Worker employed under this Agreement; (2) diminish, abolish or remove any rights of Workers against the Client or obligations of the Client to any Workers (e.g., retirement benefits, retiree health insurance, etc.), if any, that existed before the effective date of this Agreement; or (3) establish new or additional enforceable rights of a Worker against the Contractor or the Client that are not specifically allocated to the Contractor under this Agreement.

## AGREEMENT

In consideration of the foregoing premises, and mutual promises contained herein, Client and Contractor agree as follows:

### 1. Relationship of the Parties

Contractor is an independent contractor and shall perform its obligations under this Agreement as an independent contractor. Contractor agrees that persons performing Services hereunder are not employees of Client. All persons provided by Contractor shall be employees of Contractor. Client has the right to direct and control Workers only to the extent necessary to conduct the Client's business and operations and to comply with licensing and certification requirements that apply to the Client or to any Worker. In all other respects, Contractor retains full control over the employment, direction, supervision, compensation, discipline, and discharge of all Workers performing Services under this Agreement.

### 2. Employee

In this Agreement, the term "Employee" or "Employees" means an individual(s) (a) who is employed by the Contractor in Arizona to work in Arizona, (b) who pursuant to this Agreement is performing Services for Client, (c) who is listed on Contractor's roster of Workers delivered to Client, (d) who has completed Contractor's required enrollment forms, and, where applicable, is certified to be an administrator or licensed as required by law for the position in which employed by the Contractor, (e) who has entered into an employment agreement with Contractor, (f) who has provided all data required by Contractor for payroll processing and workers' compensation coverage, and (g) who has been entered onto Contractor's payroll system. The parties understand, agree, and acknowledge that no individual will be considered a "Employee" under this Agreement unless and until all of the conditions set forth in this section have been satisfied with respect to such individuals.

ESI will neither hire nor place into employment positions with the Client any employee who has not received all necessary endorsements for the position assigned.

Neglect or failure of a worker to carry out the Client's policies is sufficient cause for dismissal from employment with ESI and removal from association with the Client.

Employees who are placed with Client through ESI and who have responsibilities including control over personnel decisions shall not take reprisal against an worker because the worker reports in good faith information regarding immoral or unprofessional conduct.

ESI will maintain equal employment opportunity and anti-discrimination policies, including complaint procedures that address discrimination and/or harassment claims. ESI will strive to assign or place employees based on diversity.

### 3. Contractor Employment Agreements

Contractor has entered into employment agreements with Employees. A copy of a Client Services Agreement is attached as **Exhibit A**, and fully executed employment agreements are available for review by Client at any time. Contractor shall be solely responsible for guaranteeing that an Employee performs in accordance with the Contractor's employment agreements.

### 4. Term of Agreement

The initial term of this Agreement will be one (1) year following the Effective Date. Upon the expiration of the initial term and any term renewed hereunder, and subject to the provisions for termination set forth below, the term of this Agreement may be renewed for an additional one-year term each year thereafter, by written notice of the client unless either party submits at least thirty (30) days' written notice to the other party of its intent not to renew this Agreement at the end of the term then in effect, subject at all times to Client's right to decline to accept or to reject any Worker proposed for assignment to Client by Contractor.

### 5. Termination

- a. Notwithstanding any other provision of this Agreement, Contractor or Client may terminate this Agreement with respect to any or all Employees at any time without cause upon the submission of at least thirty (30) days' written notice to the other party, or for non-appropriation at the end of Fiscal Year for lack of funds.
- b. Notwithstanding any other provision of this Agreement, Client may terminate this Agreement at any time with respect to any or all Employees by written notice to Contractor upon the occurrence of any of the following:
  - i. A material breach by Contractor or an Employee of any of Contractor's or Employee's obligations under this Agreement or under a Employee's contract of employment.
  - ii. If an Employee embezzles or misappropriates Client funds or property, defrauds Client, is convicted of a felony or of any crime involving moral turpitude, has his or her licensing required for the position for which employed by Contractor revoked or suspended, commits an act or omission which constitutes a breach of the Employee's contract of employment, violation of the policies of the Client applicable to Client's own employees, unprofessional conduct or which adversely affects the reputation of Client.
  - iii. Death or permanent disability of an 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 or her death or permanent disability.
  - iv. If an Employee is unwilling, unable or fails to satisfactorily comply with Client rules, guidelines, policies, procedures and regulations. Termination of the Employee under this provision shall not occur unless written notice of the alleged

non-compliance is first given to Contractor and Contractor fails to cure the non-compliance within ten (10) days following receipt of such written notice. Notwithstanding this notice period, Client may at any time require that any Employee be immediately removed from any Client worksite or assignment. Furthermore, the Client will have complete discretion in deciding whether an employee is immediately terminated for violation of Client policy per subsection 5(b)(ii) or given ten (10) day notice and opportunity to cure the violation per this subsection.

- v. If it is later discovered that an Employee has made any material misrepresentations or has failed to provide any material representations in connection with the information provided to Contractor.

## 6. Scope of Services

The Contractor shall supply Employees and shall perform the following services and/or activities in fulfillment of its obligations under the terms of the Agreement. Specifically, but without limitation, the Contractor shall:

- a. Recruit, hire, train, evaluate, replace, supervise, discipline and terminate Employees.
- b. Maintain 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"), the Arizona Civil Rights Act ("ACRA") and the Arizona Employment Protection Act ("AEPA").
- c. Maintain a system of statewide personal background checks on all Employees provided to Client to include pre-screening, credentialing, licensure, personal history, qualifications, work history, references, statewide criminal background check, and fingerprinting, the results of which shall be made available to Client upon request to the extent permitted by law. Contractor shall ensure that all Employees possess all certifications, licenses and qualifications necessary to enable them to perform their assignments.
- d. Maintain a system of performance evaluation for each Employee provided to the Client.
- e. Maintain a program of supervision that enforces the policies and procedures of the Client and of the Contractor. In order to maintain the program, Contractor shall designate one or more on-site Contractor employees as the supervisor and/or Contractor contact that will be responsible for addressing and responding to Employees. The designated on-site supervisor and/or Contractor contact shall be trained by Contractor in regard to (i) applicable workers' compensation laws, (ii) applicable equal employment opportunity laws, regulations and policies, including reporting procedures (iii) workplace violence prevention; including the detection of early warning signs of violence and the proper reporting of threats and acts of

violence and (iv) the policies of the Client regarding its own employees which govern the conduct and performance of Employees under this Agreement. The supervisor and/or Contractor contact shall promptly notify Client of any human-resource-type issue raised by an Employee that may affect Client, such as threats of violence, harassment, discrimination or retaliation.

- f. Provide the Employee with information regarding his or her obligation to comply with all of Client's safety, drug/alcohol, work policies, anti-harassment, anti-discrimination, anti-retaliation and conduct policies. Contractor will establish a complaint and/or reporting procedure for violations of policies and instruct Employees on the use of the procedure. Contractor shall obtain written acknowledgement from the Employee that s/he has read, understood and agrees to abide by those policies and procedures.
- g. Provide annual harassment, discrimination, retaliation, abuse and neglect training for all Employees, or ensure Employee participates in similar training provided by the Client. Contractor shall maintain a record of all such training.
- h. Inform the Employee in writing that s/he is employed by Contractor and not employed by the Client.
- i. Inform the Employee in writing that job related illness/injury reports are to be made to the supervisor or Contractor contact and provide information on where and how reports are to be made to the Contractor contact.
- j. Provide the Employee with an Employee Handbook that will identify and explain Contractor's policies and procedures, as well as the policies and procedures of the Client that will be followed during the course of the Employee's employment with Contractor.
- k. Inform the Employee in writing that other than the liability indemnity protection specifically delineated in this Agreement the only salary, wages and benefits the Employee will receive will be from Contractor, and that the Employee is not entitled to any benefits from Client.
- l. Pay Employees in compliance with applicable wage and hour laws, including, but not limited to the Fair Labor Standards Act ("FLSA") and Arizona Labor Code. Contractor shall maintain complete and accurate records of all wages paid to a Employee assigned to provide services to Client. Contractor shall be exclusively responsible for and will comply with applicable law governing the reporting and payment of wages, payroll-related and unemployment taxes attributable to wages paid to Employees assigned to provide services to Client. **Hourly Employees will not be allowed to accrue comp time and will be paid at overtime rate, 1 ½ times their regular hourly rate for any hours worked over 40 hours in a work week. The ESI work week runs from Sunday through Saturday.**
- m. Be responsible for the quality, adequacy and safety of the services provided by Employees pursuant to this Agreement, and the acts, errors or omissions of Employees at all times.

- n. Be responsible for, and hold the Client harmless from, claims of Employees arising from any act, error or omission of Contractor allocated to Contractor or shared by Contractor and Client under this Agreement.
- o. The Contractor shall perform all other responsibilities with respect to Employees, otherwise required of an employer and not assumed by Client pursuant to this Agreement.

7. Approval of Supplied Employees

Client has the right, but not the obligation, to pre-approve or decline to pre-approve, any employee hired by Contractor to fill a position for which the Client has contracted with the Contractor to provide a Employee. The Client has the right to reject any Employee prior to or at the time of placement or at any time thereafter. If the Client rejects an Employee at the time of initial placement or thereafter, Contractor agrees, upon Client's request, to use best efforts to provide in a timely manner a professionally and technically qualified replacement Employee. Client may recommend or decline to recommend that Contractor impose discipline upon any Employee, and Contractor may, in its own right, impose discipline, up to and including dismissal, upon any Employee.

8. Service Fees

Client will pay Contractor a service fee in accordance with the Fee Schedule, attached as **Exhibit B**. With written notice of changes, Contractor may adjust the service fee for statutory increases in payroll taxes and insurance, including but not limited to increases in FICA (OASDI/Medicare), federal or state unemployment taxes (but not for increases in income taxes of Contractor), workers' compensation premiums/experience modifier, as declared annually by the National Council on Compensation Insurance, Inc., and other insurance premiums (excluding increases in premiums for liability insurance carried by Contractor), or any changes in job functions or positions of Employees, and any such adjustments will be effective on the date of the increase or change. No up front payment required by members with signed purchase order. 45 days net pay. No late fees charged.

9. Workers' Compensation

- a. Except as otherwise provided in this Agreement, Contractor will be considered the "employer" of all Employees for the purposes of providing workers' compensation insurance within the meaning of A.R.S. § 23-901. Contractor 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 each accident and \$500,000 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 Client from the workers' compensation insurer. Contractor shall, upon Client's request, upon termination of this Agreement, provide to Client records regarding the loss experience for workers' compensation insurance provided to Workers pursuant to this Agreement.

- b. Client and Contractor understand, agree, and acknowledge that no individual will be covered by Contractor's workers' compensation insurance, or be issued a payroll check unless and until that individual has, prior to commencing work for the Client, satisfied the requirements and definition of an "Employee" under Section 2 of this Agreement.
- c. Client understands, agrees, and acknowledges that the workers' compensation insurance that Contractor will provide under this Agreement will only cover individuals who are listed on the Contractor's roster of Employees provided to the Client as set forth in Section 2 of this Agreement, and that such Contractor's workers' compensation insurance will not cover other individuals who might perform services for Client, whether as employees, independent contractors, or otherwise. The parties agree that a percentage of the service fee paid by Client shall be for payment of workers' compensation insurance premiums. Client agrees to provide workers' compensation insurance or maintain a program of approved self-insurance covering Client's own Employees.

#### 10. Client's Liability Insurance

Client will provide liability indemnity protection to the Employees performing Services under this Agreement to the extent that the Employee is providing services for the Client, and the Employee is acting within the course and scope of the authorization granted. The coverage provided will be made available to the Employee as an additional covered party under the terms of the Client's participation agreement with the Arizona School Risk Retention Trust, Inc. (Trust). Coverage will be made available by the Trust to the Employee on the same terms and conditions as coverage is made available to employees of the Client. The Contractor shall be added as an additional covered party to the Trust coverage agreement, but only to the extent that the Contractor is vicariously liable for the acts of an Employee while the Employee is performing the services on behalf of the Client, but not for any actual or alleged wrongful act, error or omission of the Contractor 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 Employees is other than specifically provided for and agreed to in this Agreement. If Client is not covered under the Arizona School Risk Retention Trust, Inc., Client may verify with their Liability Carrier: \_\_\_\_\_, if they would desire to these same terms.

#### 11. Contractor's Liability Insurance

Contractor shall maintain in full force and effect at all times during the term of this Agreement Commercial General Liability ("CGL") insurance with limits of liability of not less than one-million dollars (\$1,000,000) per occurrence, Commercial General Liability insurance contains a general aggregate limit of liability, the limit of liability shall be at least two-million dollars (\$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 the Contractor and its employees that is not the direct

consequence of the Services provided by Employees under the terms of this Agreement. The Client 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 by Employees under the terms of this Agreement.

## 12. Administration

- a. All Employees assigned to fill positions with the Client are employees of Contractor. Contractor is thereby responsible for administrative employment matters such as payment of all federal, state and local employment taxes, providing workers' compensation insurance, as well as fringe benefit programs for its employees, including those employees who are Employees under the terms of this Agreement. Contractor agrees to pay and hold harmless Client from any and all taxes, assessments or governmental charges in connection with all or any of the Services provided under the terms of this Agreement.
- b. Client will immediately forward to Contractor any garnishment orders, involuntary deduction orders, notices of IRS liens, and other forms of legal process received by Client affecting payment of wages to Workers and will cooperate with Contractor in responding thereto.
- c. Employees will receive wages solely through Contractor. It is a material breach of this Agreement for Client to pay any Employee in cash or by any other means for any Services rendered. Any individual whom the Client pays directly for any Services rendered will not be considered an Employee under this Agreement as to the Services for which the Client provides payment.
- d. Contractor shall warrant compliance with all federal immigration laws and regulations that relate to Employees and that it has verified employment eligibility of each Employee through the e-verify program. Contractor shall acknowledge that a breach of this warranty shall be deemed a material breach of this Agreement subject to penalties up to and including termination of the Agreement.
- e. Contractor further acknowledges that Client retains the legal right to inspect the papers of any Employee of Contractor who works under this Agreement to ensure compliance by Contractor. Contractor shall facilitate this right by notice to Workers and their supervisors.

## 13. Safe Work Environment

- a. Contractor and its Employees will comply with all health and safety laws, regulations, ordinances, directives, and rules imposed by controlling federal, state, or local governments, and will immediately report all work related accidents involving the Employee within 24 hours to Client.
- b. Contractor will provide or ensure that all Employees use personal protective equipment as required by federal, state, local law, regulations, ordinance, directive, or rule.



- c. Contractor or its workers' compensation carrier has the right to inspect the Client's premises and operation, but is not obligated to conduct any inspections. Contractor reserves the right to audit safety activities. Contractor or its insurers may give reports to Client on the conditions found at Client's worksites. Client will supply documentation related to safety activities as prescribed by law (e.g., safety meeting, training, maintaining OSHA log). Neither the Contractor's insurer nor Contractor 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.

#### 14. Supervision

- a. Contractor will provide direction, supervision, training and control of each Employee in the performance of the Services. The Client will provide only daily monitoring of the Employee and will report to Contractor. Contractor shall designate at least one (1) on-site supervisor from among the Employees assigned to complete the Services. This on-site supervisor shall direct the operational and administrative matters relating to the Services, and shall be under the direct supervision of the Contractor. If Contractor fails to designate an on-site supervisor, Employees assigned to perform Services for the Client shall remain responsible to the Contractor or designee.
- b. Contractor shall determine the procedures to be followed by Employees regarding the time and performance of the Employees' job functions and duties, and these will coincide with Client requirements regarding time and performance of same. Client agrees to cooperate with Contractor in the formation of such policies and procedures and permit Contractor to implement its policies and procedures relating to the Workers.
- c. Client shall make all non-routine directives through the Contractor's on-site supervisor, or if an on-site supervisor is not provided, then through the Contractor or designee.
- d. Contractor shall have no authority to bind the Client to any contract, promise, statement, or representation or incur any other liability unless specifically authorized in writing by the Client. Should Contractor incur costs or expense on behalf of the Client without the specific authorization of the Client, the Contractor shall pay such cost or expense and shall hold harmless the Client from any and all claims assessments or charges in connection with such unauthorized costs or expenses.
- e. Contractor shall not be liable to the Client for any costs or expense incurred by the Contractor with the specific written authorization of the Client. Should Contractor incur costs on behalf of the Client and claims or assessments be incurred by the Client as a result, Client shall pay such cost or expense and shall hold harmless the Contractor from any and all claims, assessments or charges in connection with such authorized costs or expenses.

#### 15. Indemnification

Contractor expressly and unequivocally agrees to defend and indemnify Client and its governing board members, officers, directors, employees, insurers, indemnitors, and

agents for and hold them harmless from all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, attorney's fees, including injuries to Contractor's employees (including Workers) ("Claims"), arising from, connected with, relating to, or resulting from this Agreement and/or Contractor's or Employee's performance of Services under this Agreement, including without limitation all claims arising from, connected with, relating to, or resulting from any actual or claimed negligent acts or omissions of Contractor or its officers, directors, shareholders, employees, and agents, provided that this indemnification agreement shall only be applicable to the extent that Claims are not covered under the terms and conditions of the coverage provided to the Contractor and the Worker by the Arizona School Risk Retention Trust, Inc., and that such Claims are not the sole result of any act, error or omission of the Client.

#### 16. Adjudication of Agreement

If any court or arbitrator of competent jurisdiction holds that any provision of this Agreement is invalid or unenforceable, the parties desire and agree that the remaining parts of this Agreement will nevertheless continue to be valid and enforceable.

#### 17. Modification or Waiver of Agreement

No modification or waiver of this Agreement will be valid unless the modification or waiver is in writing and signed by the designated representative of the Client and a principal of Contractor. The failure of either party at any time to insist upon the strict performance of any provision of this Agreement will not be construed as a waiver of the right to insist upon the strict performance of the same provision, at any future time.

#### 18. Notices

All notices or other communication required or permitted under this Agreement shall be in writing and shall be made by hand delivery or overnight courier, or prepaid first class certified mail addressed as follows:

Contractor: PO Box 235 Cottonwood, AZ 86326

Client: PO Box 406, San Manuel AZ 85631

#### 19. No Rule of Strict Construction

Both parties have approved the language of this Agreement, and no rule of strict construction will be applied against either party.

#### 20. Entire Agreement

This Agreement contains all of the agreements between the parties relating to the matters set forth in this Agreement. The parties have no other agreements relating to those matters, written or oral. The parties will execute and deliver to each other any and all such further documents and instruments, and will perform any and all such other acts, as reasonably may be necessary or proper to carry out or effect the purposes of this Agreement. Usage of the Mohave Educational Services Cooperative, Inc. contract necessitates compliance with the Mohave contract terms.

21. Headings

The descriptive headings of the paragraphs and subparagraphs of this Agreement are intended for convenience only, and do not constitute parts of this Agreement.

22. Counterparts

This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

23. Choice of Forum

The parties agree that the proper and exclusive forum for any action or arbitration arising out of or relating to this Agreement is the county in which Client is located or Maricopa County, Arizona, at the Client's sole election, and that any such action or arbitration will be brought only in that county. The parties consent to the exercise of personal jurisdiction in any such action or arbitration by the courts or arbitrators of that county. This shall not be construed as a waiver for a jury trial.

24. Arbitration

In the event of any dispute between the parties to this Agreement arising out of, relating to, or in connection with the provisions of this Agreement or the performance hereunder, the parties hereby agree that any such dispute may be submitted to binding arbitration. The arbitrator shall be selected by mutual agreement. The arbitrator's decision and/or award shall be final and binding. The prevailing party, if any, shall be entitled to reasonable attorney's fees and costs.

25. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona without regard to the conflict of law provisions thereof.

26. Validity

This Agreement shall be valid and enforceable only after the designated representative of both Client and Contractor has signed it.

27. Cancellation for Conflict of Interest

Pursuant to A.R.S. § 38-511, the Client may, within three (3) years after its execution cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Client is, at any time while the contract or any extension of the contract is in effect, an Worker or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

28. Mandatory Sudan and Iran Provision

Pursuant to Arizona Revised Statutes § 35-397, the Contractor certifies that it does not have a scrutinized business operation in either Sudan or Iran.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated at their respective signatures below.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

**Client Name**

By: \_\_\_\_\_

Its: \_\_\_\_\_

DATED this 1<sup>st</sup> day of July, 2011

Educational Services Inc.

By: Phil Tavasci

Its: President



## Educational Services Incorporated

PO Box 235

Cottonwood, AZ 86326

928-634-7639 Fax 928-634-5639

### Subscriber Service Agreement

#### SAMPLE Exhibit A

District: **Client Name**

We are pleased to honor your request for the position of **Position Title**. **Employee's Name** is being recommended for this position. Please review the information below and return a signed original copy to ESI. Upon receipt of approved purchase order from MESC, Employee's Name will be assigned to this position.

Length of Contract: 2011-2012 FY

Starting and Ending Dates: Starting Date to Ending Date: # days

Benefits: Days per year sick leave; Days per year vacation leave.

Special Requirements:

A. Employee Gross Wages

B. Direct Payroll Costs and Insurance\*

Fica & Medicare	7.65%	\$	-
AZ Unemployment	1.83% of first \$7000.00 per calendar yr.	\$	256.20
Federal Unemployment	0.80% of first \$7000.00 per calendar yr.	\$	112.00
Worker's Comp.	0.51%	\$	-

C. Employee Benefit Charge

D. Special Requirements by Subscriber

E. Management Fee 4.0000% of Emp. Gross Wages \$ -

Total Service Fee \$ 368.20

A. Employee Gross Wages: Gross wages including commissions, bonus and overtime.

B. Direct Payroll Costs and Insurance: Includes social security, unemployment, comprehensive liability, workers' compensation, etc.

C. Employee Benefit Plan: As listed above.

D. Special Requirements by Subscriber.

E. Administration Fee: Equals Mohave Price (including Admin Fee).

\*Comprehensive liability and workers' compensation rates subject to change during contract period. Billing is one month in advance.

Accepted by: **Client Name**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted by: Educational Services, Inc.

*Phil Tavaszi*

By: \_\_\_\_\_ Date: \_\_\_\_\_

President

Title: \_\_\_\_\_

**EXHIBIT B**

**COMPENSATION AGREEMENT**

The undersigned agrees to perform the services each period described in the Client Service Agreement between Educational Services Incorporated and **Mammoth-San Manuel Unified District** for a total administration fee as shown below and in accordance with Mohave contract No. 07F-ESI-0516:

**JULY 1, 2011 TO JUNE 30, 2012**

Employee's first year = 4.00% of gross wages  
Employee's second year = 4.00% of gross wages  
Employee's third + years = 3.5% of gross wages

**AGENCY NAME:** Educational Services, Inc.  
PO Box 235  
Cottonwood, AZ 86326

Phil Tavasci  
**Signed By**  
President  
**Title**

July 1, 2011  
**Date**  
(928) 634-7639      (928) 634-5639  
**Telephone**      **Fax**

\*See Exhibit

## **EXHIBIT C**

ESI Employees are required to follow the Client Calendar and adhere to Client Policies with the same standards of conduct as regular employees. Daily activities are closely monitored by the Client's supervisor. If the supervisor has any concerns with the performance of one of our Employees or their conduct we wish to be notified immediately so that we can, in collaboration with the Client, take any necessary action. Since we are the employer of record it is important that we are accountable for and responsive to any ESI Employee concerns.

Please notify supervisors that monitor ESI Employees so that they, too, understand the relationship and accountability of ESI Employees to the City. Employee behaviors detrimental to the workplace will not be tolerated and immediate action for removal will be instigated by placing the Employee on administrative leave until an investigation has been completed and a collaborative decision made by the Client and ESI.

If there are any complaints of sexual harassment or discrimination based on sex, race, color, national origin, religion, age, or disability report it immediately to Dr. John Tavasci at 877-303-7639.

Thank you for collaborative participation in this venture with E.S.I.