



## THE SERVICE COMPANIES

### The Service Companies Services Agreement Temporary Staffing

This agreement ( this "Agreement") between The Service Companies, Inc., with its principal office located at 2900 Monarch Lakes Boulevard, Suite 202, Miramar, FL 33027 ("TSC"), and Cavallopoint located at 601 Murray Circle Sausalito, CA 94965, is made effective as of May 19, 2022 and will continue for a period of 1 year until May 18, 2023. This Agreement will automatically renew after 1 year, for subsequent 1-year renewal terms, if no notice to the contrary is given by either party.

**Staffing Services:** TSC will assign certain of its employees ("TSC employees") with the skills CLIENT requests, to do CLIENT's work under CLIENT's operational supervision.

**Bill Rates:** TSC's bill rates include the employee's hourly wage, and all deductions required by federal, state and local law -- including employer's contribution for FICA taxes, providing Unemployment and Worker's Compensation, liability insurance and fidelity bonding, health care and commuter ordinances as well as other deductions and benefits paid to our employees. Additionally, all administrative charges are covered, including preparation of W-2 forms at the end of the year.

| Position                                                        | Bill Rate Per Hour |
|-----------------------------------------------------------------|--------------------|
| Host/Cashier                                                    | \$35.70            |
| Bellman                                                         | \$37.40            |
| Servers/Bartenders                                              | \$39.10            |
| Spa Front Desk Attendant                                        | \$39.10            |
| Dishwashers                                                     | \$35.70            |
| Prep Cooks                                                      | \$39.10            |
| Line Cooks                                                      | \$42.50            |
| <b>*TSC observes the following Holidays:</b>                    |                    |
| New Year's Day                                                  | Labor Day          |
| Easter Sunday                                                   | Thanksgiving Day   |
| Memorial Day                                                    | Christmas Day      |
| Independence Day                                                |                    |
| <b>On these dates your normal bill rate will increase 1.5X.</b> |                    |

TSC may, on occasion, increase the rates set forth above in proportion to any legally-mandated new or increased cost which may be required by federal, state, or local law commencing upon the effective date of such new or increased cost, such as FICA State Unemployment Tax increase or any new or increased cost associated with the passage of a federal or state or local law mandating any benefits for employees. In any event, on occasion, rates may be prospectively changed by TSC upon notice to CLIENT. Any sales, use, value added, or similar taxes that apply to sales to CLIENT will be added to CLIENT's invoices as a separate item. Paid sick time will be billed back to CLIENT at the straight-time bill rate for all hours taken by any TSC employee in any jurisdiction that has passed or will pass paid sick time legislation.

**Affordable Care Act:** TSC offers medical benefits to all eligible temporary employees in compliance with the Patient Protection and Affordable Care Act ("ACA"). You will be assessed a minimal % ACA surcharge on every invoice. This rate can vary and is currently 3% of the invoice amount.

**Five-hour Minimum:** TSC requires a five-hour minimum workday. If an employee is scheduled to work a minimum of five hours in one day and the employee is sent home in less than five hours due to a lack of work, the employee will be paid for five hours and CLIENT will be billed for five hours. **Show-up:** In the event CLIENT cancels the employee's assignment and the employee is already on his/her way to work, or at the location, the five hour minimum will be applied, and CLIENT will be billed for five hours.

**Cancellation of Event:** There will be a 50% cancellation fee of estimated hours for the Event if cancelled within 36 hours of the scheduled start time. The parties agree that the minimum hours for the Event are 5. For Saturday, Sunday and Monday jobs all cancellations or order changes need to be received by Friday morning at 9 a.m. PST to avoid fees.

**Overtime:** All overtime worked by TSC employees will be paid to employees as required by federal, state and local statutes. Principal agrees to pay Contractor overtime rates for the performance of overtime work to the extent that a TSC employee's work on assignment to CLIENT, taken alone, would legally require premium overtime pay and CLIENT has scheduled, requested or approved the TSC employee to work those hours. The rate for overtime hours will be the same multiple of the Straight Time bill rate as TSC is required to apply to the TSC employee's pay rate. For purposes of this Agreement, "Straight Time" is defined under the Fair Labor Standards Act.

**Guarantee:** TSC guarantees that the assigned employees that they recruit and assign to CLIENT will reasonably meet the qualifications CLIENT requests. If CLIENT finds any assigned employee's qualifications or general work-related behavior lacking and notifies TSC know within one (1) hour, TSC will not charge for the first two (2) hours of the assignment and will make reasonable efforts to replace the assigned employee immediately. This shall be CLIENT's sole remedy with respect to CLIENT's dissatisfaction with a TSC employee's qualifications or performance.

**Employee Timesheets:** TSC will send CLIENT a timesheet and an electronic link to report employee hours with every job staffed, which will be provided to CLIENT by local staffing manager. These timesheets will have the names of the staff reporting to your event or business as well as a place to indicate time in, time out and break time. The timesheet requires the staff, as well as the client to input hours worked to ensure the validity of the recorded time by all parties. Each week, when jobs are finished, TSC will email CLIENT reminders to submit hours electronically. CLIENT electronic timesheets are due no later than Monday at 4:00 PM. If TSC does not receive CLIENT timesheets with hours worked by the time timesheets are due, TSC will pay employees as scheduled and bill CLIENT the same.

**Employee Breaks; Safety:** Per California labor laws an employee: a. must receive a 10 minute break for every 4 hours that they work provided the shift is at least 5 hours;  
b. must receive an uninterrupted 30 minute break after 5 hours, except when the workday will be completed in 6 hours or less and there is mutual employer/employee consent to waive the break period. If working more than 8 hours additional breaks must be provided. CLIENT shall comply with applicable employee break laws with respect to TSC employees assigned to CLIENT. CLIENT shall maintain a safe, healthy, and legal workplace for TSC employees in accordance with the OSHA, including all safety and site specific training (including exposure to hazardous substances), provide TSC employees with all required personal protective equipment, record on CLIENT's OSHA Form 300, Log of Work-Related Injuries and Illnesses, any recordable injuries and illnesses of TSC employees and comply with all other OSHA recordkeeping responsibilities applicable to TSC employees, and notify TSC immediately of any OSHA inspection or request for information

**Hiring an Employee of TSC:** Should CLIENT wish to hire a TSC employee as a permanent employee of CLIENT, conversion fees and/or hiring fees will apply. Hiring options include:

1. If CLIENT maintains the employee as an employee of TSC for at least 180 days with a minimum of 1040 hours worked then CLIENT can hire the TSC employee with a Conversion fee of \$0. CLIENT must notify TSC if CLIENT decides to hire an employee.

2. CLIENT may hire any TSC employee that has worked less than 180 Days and 1040 hours after paying a Temporary-to-Hire Conversion fee to TSC for each such employee. The Temporary-to-Hire Conversion fee is \$6,500.

**Payment Terms:** All invoices are due upon receipt of the invoice. CLIENT will pay invoices without any offset or deduction.

**Finance Charge:** CLIENT agrees to pay interest on any unpaid balances after thirty (30) days from the date of the invoice, at the compounded rate of 1.5% per month (Annual Percentage Rate of 18%) or the maximum legal rate, whichever is lower, calculated from the date of the invoice. CLIENT will pay TSC all of the reasonable expenses, costs and fees TSC incurs to collect overdue invoice payments from CLIENT.

CLIENT will promptly notify TSC of any disputed item, and TSC will work with CLIENT to resolve such item. If any portion of any invoice is disputed, CLIENT shall pay the undisputed portion as the parties attempt to resolve any disputed amounts. Invoices that are undisputed by CLIENT for more than 30 days after the invoice date will be deemed correct.

**Term of Agreement:** The Agreement may be terminated by either party upon 30 days written notice to the other party, except that, if a party becomes bankrupt or insolvent, discontinues operations, or fails to make any payments as required by this Agreement, either party may terminate this Agreement upon 24 hours written notice. Obligations incurred by the parties hereunder prior to termination of this Agreement shall survive such termination. No provision of this Agreement may be amended or waived unless agreed to in a writing signed by the parties.

Authorized representatives of the parties have executed this Agreement below to express the parties' agreement to its terms. The provisions of this Agreement will inure to the benefit of and be binding on the parties and their respective representatives, successors, and assigns.

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CLIENT: Cavallo Point LLC

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TSC: THE SERVICE COMPANIES

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Signature



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Signature

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Printed Name Claudio Cid

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Printed Name

\_\_\_\_\_  
Title Director of Human Resources

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date 5/19/2022

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Date