TELStaffing & HR
PAYROLL
WORKERS COMP
HUMAN RESOURCES
BENEFITS
STAFFING

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PEO Full Service Agreement

PARTIES

This Agreement is effective this _____ day of _____, 2019 by and between Total Employee Leasing, Inc., a Florida corporation (hereafter referred to as "TEL"), and _____ (hereafter referred to as "Client"), whose respective addresses are set forth on the signature page of this Agreement.

I. UNDERSTANDING

The purpose of this Agreement is to set forth the understanding of the parties with regard to the obligations and responsibilities of the parties in this professional employer organization contractual relationship. In this contractual relationship, it is the intention of the parties that they not be in a joint employment relationship. The parties shall at all times act consistent with the intent that a professional employer organization relationship and not a joint employment relationship is to exist between the parties. In this professional employer organization relationship the duties and responsibilities of the parties are set forth herein between Client and TEL. It is the intent of the parties that any wording contained in this Agreement which is mandated by law to be included herein or which is included because of the nature of the professional employer organization relationship shall in no manner be indicative of liability or joint employer status. Additionally, this Agreement is not intended to in any way limit Client's ability to run its own business and to exercise direction and control over its own employees. The retention or reservation of any right or authority by TEL does not require its exercise by TEL and in no manner abridges Client's rights and responsibilities with regard to Client's ability to run its own business.

II. TERM OF AGREEMENT

This contractual relationship between TEL and Client is intended to be long term and on-going rather than temporary in nature and not a series of limited-term assignments or a project-specific agreement. The initial term of this Agreement shall be for one (1) year (the "Initial Term"). Following the completion of the Initial Term, this Agreement shall automatically renew and remain in full force and effect for additional terms of one year, and shall remain in effect until either party gives written notice to the other party by delivering notice of termination as specified in Section XI, below, at least thirty (30) days prior to the expiration of the Initial Term or any extension of the Initial Term. In addition, TEL may at any time immediately terminate this Agreement in the event of breach by Client of any of the terms of this Agreement or upon the occurrence of any of the events set forth in Section IX below. Termination or expiration of this Agreement shall not affect the continuation of any outstanding obligation or liability incurred by either party during the term of this Agreement.

III. UTILIZED INDIVIDUALS

A. TEL agrees to utilize in a non-joint employment relationship, to the extent required by applicable state law, certain of Client's employees (hereafter referred to as "utilized individuals") who will be on the payroll of TEL to perform job functions identified by workers' compensation code classifications. Client warrants that the list of workers' compensation classifications as set forth on Exhibit A is accurate and complete and that utilized individuals performing these job functions do so at the locations specified in this Agreement as Client's addresses or at such other locations as are set forth on Exhibit A. Because of possible application of professional employer organization statutory, regulatory, and contractual requirements, Client understands and agrees that prior written approval from the applicable workers' compensation carrier must be obtained prior to the addition of any workers' compensation classification or location.

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B. As the holder of the workers' compensation policy, TEL (or the applicable workers' compensation carrier) retains the right to change the classification codes, where necessary, to comply with the guidelines set forth by the National Council on Compensation Insurance (NCCI) or applicable state regulatory agency. Additionally, as TEL is the holder of the workers' compensation policy that encompasses utilized individuals, TEL or its workers' compensation carrier may provide guidance regarding injury prevention and safety issues. Such guidance is not provided as an employer or joint employer, but instead is provided in furtherance of TEL's goal to minimize injuries that will impact TEL's experience rating regarding its workers' compensation policy. The parties recognize that TEL's experience rating impacts all of TEL's clients, not just Client, and accordingly, minimizing injuries benefits all TEL clients, but in no way affects any client's ability to run its own business and control its own worksite(s) and its own employees. Client expressly waives any claim against any TEL Indemnified Party (as defined below) based on any safety, risk or hazard issue at Client's worksite(s).

C. Client expressly agrees and understands that no individual shall be covered by TEL's workers' compensation insurance (if TEL is supplying such insurance), or any other benefit, or issued a payroll disbursement, unless the individual has properly completed Form I-9 as required by law, and prior to entering into a PEO relationship with TEL, completed TEL's utilized individual paper work and W-4 withholding form. The obligation to obtain a properly completed I-9 Form is assigned to Client for all current and future utilized individuals. Utilized individuals who have properly completed an I-9 form for Client or for another professional employer organization which had a contractual relationship with Client at that time, prior to Client's entering into this Agreement, shall not be obligated to complete a new I-9 form upon their entering into a professional employer organization relationship with TEL. The utilized individual paper work and W-4 withholding form must be delivered to TEL before the individual commences a PEO relationship with TEL. TEL shall not be considered to be in a PEO relationship with regard to any individual until the utilized individual paper work and withholding forms (and Form I-9 as required by law) are received by TEL for that individual and Client is notified that the individual has been accepted by TEL as a utilized individual. Client represents and warrants that all of its current employees have properly completed I-9 forms.

D. Utilized individuals are defined in this Agreement as "individuals performing services for Client for whom TEL processes payroll and Client submits timely, accurate and complete payment and information, while this Agreement is in effect."

E. Client is solely responsible for all matters, including, without limitation, worker injuries and wages that occur while an employee is not acting in the capacity of a utilized individual.

F. If Client has not notified TEL that it has terminated the employment of a specific utilized individual or has not notified TEL that the utilized individual is on a leave of absence or on an approved PTO, vacation or sick leave, and yet payroll is not reported for such utilized individual for TWO (2) consecutive payroll periods, the utilized individual shall temporarily be removed from the active payroll of TEL. The utilized individual will be notified by TEL that the utilized individual is not covered by TEL's workers' compensation policy for any future workplace injury unless or until the utilized individual is reinstated to active status at TEL. The individual will be informed that this action by TEL and the notification to the individual in no way affects the individual's status as an employee of Client. Should this individual return to work for Client at some point in the future, said individual will be required to complete a return to work form for TEL prior to workers' compensation insurance once again being applicable to this individual. TEL's workers' compensation policy shall not be applicable to this individual until Client is notified by TEL that the individual is covered by TEL's workers' compensation policy.

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IV. TEL'S RESPONSIBILITIES PURSUANT TO THIS AGREEMENT

A. TEL assumes such responsibility for the payment of wages and payment of any other financial obligation to utilized individuals as is required by applicable law (and, where allowed by law, this assumption is only to the extent that Client has funded such TEL wage payment and financial obligations with TEL), which shall be paid by TEL from its own account. To the extent allowed by applicable law, in the event Client does not pay TEL for all services rendered, TEL may pay utilized individuals at the minimum wage rate or minimum salary provided for in the Fair Labor Standards Act and pursuant to applicable state law. This provision in no way affects the obligation of Client to pay TEL for all services rendered and in no way affects the obligations of Client pursuant to local, state and federal law, including but not limited to the requirement to timely pay all utilized individuals their regular rate of pay through TEL (or directly, if otherwise required by law). Additionally, where allowed by law, in this Agreement, the term "wages" does not include any obligation on the part of TEL to assume or become a party to any agreement, contract, plan, policy, or obligation which may exist between Client and any utilized individual, or to assume or become a party to any other agreement to provide any compensation or benefit, in any form, and does not include any obligation between Client and any utilized individual for payments beyond or in addition to the utilized individual's salary, draw, or regular rate of pay, unless TEL specifically adopts such obligations by way of a written agreement entered into with the utilized individual and signed by an officer of TEL. It is the intent of the parties that TEL will assume no contractual obligation which may exist between Client and any utilized individual. The parties agree that as of the Effective Date of this Agreement, TEL has not assumed or become a party to any of the aforementioned additional obligations of Client as set forth in this Section and TEL has neither assumed nor become a party to any contractual obligation which may exist between Client and any utilized individual. In this regard, to the extent allowed by law, TEL does not assume responsibility for payment of bonuses, commissions, severance pay, deferred compensation, profit sharing, vacation, sick, or other paid time off pay, compensation, benefit, or for any other payment not required by law, in any form, where payment for such items has not been received by TEL from Client.

B. To the extent required by law (and, where allowed by law, to the extent that Client has funded such TEL financial obligations) TEL assumes responsibility for the payment of benefits for utilized individuals provided by TEL as well as for payment, withholding, collecting, reporting, and remittance of payroll and unemployment taxes from payroll on utilized individuals, regarding payroll reported to and paid by TEL.

C. The responsibility to obtain workers' compensation coverage for utilized individuals from a carrier properly licensed to do business in the State where the utilized individuals are located and which is in compliance with all applicable requirements of being a carrier shall be the responsibility of TEL, unless otherwise required by law. It is the intent of the parties that no volunteer, independent contractor, or anyone else who is not a utilized individual of TEL, be covered by any workers' compensation policy issued to TEL. Should Client perform work in a state that allows or requires Client to maintain its own workers' compensation policy and should TEL, in writing, agree to allow Client to maintain its own workers' compensation policy, TEL shall, at TEL's option, be named as an additional insured or a labor contractor (or listed on the alternate employer endorsement) and shall be a certificate holder on such policy or policies. To the extent allowed by law, TEL shall have no responsibility to cover any utilized individual with a workers' compensation policy issued in the name of TEL, and TEL shall have no liability for any accident or injury which occurs to any utilized individual or non-utilized individual or to anyone else, in such situations where Client retains its own workers' compensation policy for utilized individuals. It is the intent of the parties that no utilized individual be covered by any workers' compensation policy issued to TEL in situations in which the parties have agreed that Client shall maintain its own workers' compensation policy for utilized individuals. In situations where Client maintains its own workers' compensation policy covering utilized individuals, Client shall periodically, at the

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reasonable request of TEL, provide documentation to TEL sufficient to establish that Client has paid all workers' compensation premiums.

D. Client and TEL shall adhere to such drug free workplace program, if any, as may be implemented pursuant to the applicable workers' compensation policy.

E. TEL shall notify, in writing, all utilized individuals of the relationship between TEL and Client as well as the inception, termination, and/or expiration of this Agreement and explain the general nature of the professional employer organization relationship by and among Client, utilized individuals, and TEL. Client and TEL agree that should any utilized individual raise an issue of discrimination, harassment, retaliation, or any other employment related issue, it shall be Client's responsibility to handle, investigate and resolve such issue(s). Should any investigation of such issue(s) occur and should the utilized individual and Client desire TEL to be involved in such investigation of the issue(s), if TEL, in its sole discretion, agrees to be involved in the investigation, TEL's role shall be strictly limited. TEL shall not be a decision-maker/joint employer, and TEL's role shall be limited to conducting such investigation deemed appropriate by TEL and attempting to facilitate a resolution of the issue(s) which is mutually agreeable to the utilized individual and to Client. The responsibility to defend, resolve and/or end any such inappropriate conduct which may be occurring rests solely with Client.

F. With respect to any group health plan maintained by TEL and set forth on Exhibit B which provides coverage to eligible utilized individuals, TEL assumes responsibility for proper COBRA administration, subject to timely and complete notification by Client of the occurrence of any "qualifying event." For these purposes any group health plan shall be maintained by TEL only if the contract is between TEL and the insurer. As of the Effective Date of this Agreement and only if utilized individuals and Client participate in TEL's group health plan, TEL shall be responsible for current COBRA participants on Client's group health plan who are listed in Exhibit C, attached and incorporated herein by reference. Client warrants that all COBRA participants, at all times, were and remain eligible for coverage in accordance with federal law. Client shall be fully responsible for any group health plan maintained by Client.

G. TEL shall provide and coordinate the benefit programs, if any, set forth on Exhibit C. A utilized individual's available coverage and eligibility to participate in a given plan shall be governed by and subject to the terms and conditions of the plans offered by TEL. TEL and its applicable carrier reserve the right to change or substitute benefit plans or to implement cost increases. TEL shall provide at least TWENTY (20) days prior notice of any such change, substitution, or cost increase. Client shall have TWENTY (20) days following its receipt of notice from TEL regarding any such change, substitution, or cost increase to notify TEL, in writing, of its termination of this Agreement. Such termination shall only occur after payment by Client of all sums owed TEL. TEL also reserves the right to cancel a plan due to lack of participation or a change in applicable law. No utilized individual shall be covered by any benefit plan until the utilized individual has prepared the appropriate submission form, submitted it to the carrier, been notified by the carrier of the utilized individual's acceptance into the plan, and paid the premium for the first month.

H. As of the date of this Agreement, TEL has secured Employment Practice Liability Insurance ("EPLI") that provides coverage for certain employment-related claims involving utilized individuals. Nothing in this Agreement is intended to create rights to insurance in addition to the terms of such insurance policy which is meant to solely be applicable to utilized individuals and to no other employees who may be employed outside the terms of this Agreement. To the extent the provisions of this Agreement conflict with such policy, the provisions of the EPLI shall control. The current terms of the EPLI policy provides coverage which is subject to annual limits (including limits applicable to claims in the aggregate made by all TEL utilized individuals against TEL and all TEL clients) and deductibles, among other terms and conditions contained in the EPLI policy. In the event that EPLI becomes unavailable on terms acceptable to TEL (in TEL's sole

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discretion), Client will be notified of the cancellation of such insurance in accordance with the terms of the insurance policy.

1. With regard to any matter covered by the terms of an EPLI policy maintained by TEL, the following shall be applicable:

a. The EPLI shall not cover any claim or cause of action that arose or existed prior to the Effective Date of this Agreement unless otherwise agreed to by the EPLI carrier in writing and neither TEL, nor any insurer, shall be obligated to pay for any defense of such claim or cause of action or otherwise participate financially in the resolution of such claim.

b. The EPLI has a deductible amount that Client must pay in full before the insurance carrier is obligated to make any payment. On claims covered by such EPLI, Client agrees to pay the total deductible amount due pursuant to the EPLI policy (whether the claim is against Client, TEL, or Client and TEL). In addition, Client agrees:

(i) To act in conformity with the terms of the EPLI and with the terms of this Agreement;

(ii) To cooperate in the investigation or processing of such claim, including utilization of legal counsel chosen by the EPLI carrier;

(iii) To settle or compromise such claims upon terms and conditions satisfactory to the carrier;

(iv) This Agreement must remain in effect and not be terminated by Client (either directly or indirectly), for a one (1) year period following the resolution of any claim under the EPLI where the deductible amount is exceeded.]

I. Notwithstanding anything to the contrary contained herein, no rights or authority required to remain with TEL shall be delegated to Client.

V. CLIENT RESPONSIBILITIES

A. To the extent allowed by law regarding Client: Client shall be entitled to exercise all rights, and shall be obligated to perform all duties and responsibilities, otherwise applicable to an employer in an employment relationship; Client shall retain sufficient direction and control over the workplace and over the utilized individuals as is necessary to supervise all day-to-day work activities of the utilized individuals. Additionally, Client and not TEL, shall have the right to control the manner, means, and details of the work performed by the utilized individuals. In this regard, authority to change utilized individuals' employment and working conditions, the services provided by utilized individuals, and the ability to determine utilized individuals' rate and method of pay are all the responsibility of Client. Client shall retain such sufficient direction and control over the utilized individuals and over the workplace as is necessary to conduct Client's business, discharge any applicable fiduciary duty that it may have, or comply with any applicable licensure, regulatory, or statutory requirement of Client or any utilized individual.

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B. Also to the extent allowed by law: Client shall be responsible for directing, supervising, training, establishing and maintaining safety at its worksite(s), and controlling the work of the utilized individuals with respect to the business activities of Client, including, but not limited to, controlling the manner, means, and details of the work performed by utilized individuals, setting, changing, and controlling utilized individuals' wages, wage rates, method of pay, hours, employment and working conditions, and terms and conditions of employment; Client shall make any and all strategic, operational, and all other business-related decisions regarding Client's business; Such decisions and related outcomes shall exclusively be the responsibility of Client and TEL shall bear no responsibility or liability for any actions or inactions by Client or by any utilized individual; Additionally, Client shall have sole and exclusive control over the day-to-day job duties of all utilized individuals, including the services to be provided by such utilized individuals and the tools and equipment to be utilized by such utilized individuals, and TEL shall have no responsibilities with regard to the utilized individuals' performance of such day-to-day job duties; Furthermore, TEL shall have no control over the job site at which, or from which, utilized individuals perform their services; Control over the day-to-day job duties of utilized individuals and over the job site at which, or from which, utilized individuals perform their services is solely and exclusively assigned to Client; Client expressly absolves TEL of control over the day-to-day job duties of the utilized individuals and over the job site at which, or from which, utilized individuals perform their services; Client shall be solely responsible for the quality, adequacy, and safety of the goods and services produced or sold in Client's business and Client and not TEL shall be liable for the acts, errors, or omissions of Client and those of any utilized individual. Client shall have sole and exclusive control of all matters within the jurisdiction of the United States Occupational Safety and Health Administration and any applicable state agency. Responsibilities not assigned to TEL in this Service Agreement, or by applicable law, shall remain with Client.

C. At the end of each pay period, Client shall obtain and provide to TEL all records of actual time worked by each utilized individual, the status of the utilized individual as either exempt or nonexempt, and verify that this information is accurate and in compliance with the requirements of the Fair Labor Standards Act, other laws administered by the U.S. Department of Labor's Wage and Hour Division, and any applicable local or state law. Client shall be solely responsible for the verification of payroll information, including but not limited to verifying that child labor laws have been complied with and that wages, minimum wage, overtime, prevailing wage rate, piece rate, meal and rest breaks, commissions, and bonuses have been correctly calculated and followed. In addition, Client shall be solely responsible for any and all liability to any utilized individual with regard to all aspects of Client's payroll, whether or not such payroll has been paid through TEL, including but not limited to wages, minimum wage, overtime, prevailing wage rate, piece rate, meal and rest breaks, commissions, and bonus obligations to utilized individuals. Client shall review all payrolls and payroll information provided to Client by TEL to ensure that all data, paychecks and payroll disbursements are accurate and that no incorrect or fraudulent information has been supplied to TEL, whether such information is supplied to TEL by a utilized or a non-utilized individual. Client acknowledges that any failure on its part to timely and accurately review the payroll and the documentation and paychecks and/or payroll disbursements provided by TEL prior to the time that paychecks and/or payroll disbursements are disseminated to utilized individuals shall be an absolute bar to any claim for damages against TEL. Unless otherwise provided to Client by TEL in writing, Client shall submit all time records for a given pay period no later than TWO (2) business days prior to the date paychecks and/or payroll disbursements are to be distributed to utilized individuals. If Client fails to provide the necessary information as required, or submits changes to the information previously reported on time, the delivery of payroll checks and/or payroll disbursements by TEL will be delayed and Client, at TEL's sole discretion, may be billed an out of cycle processing charge, plus any out-of-cycle shipping charges. Client shall be solely responsible for incorrect, improper or fraudulent records of hours worked, for improper classification of utilized individuals, and for any fraudulent, improper, or illegal activity engaged in by any utilized individual. Client shall be responsible for any checks and payroll disbursements that have been requested by Client and which have been issued by TEL to any utilized individual, including any checks that have been cashed by a holder in due course,

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whether or not a stop payment request has been filed. Additionally, wherever state or federal law affixes payroll check cashing fees or other disbursement fees as the responsibility of the "employer," that responsibility shall be assumed by Client.

D. Subject to the requirements and limitations set forth at Section IV. B., Client also represents and warrants that all payments that qualify as W-2 wages to be paid to any utilized individual are to be paid through TEL and that any such utilized individuals will receive no additional wages in any form from Client. Client agrees it will be solely responsible for damages of any nature, including, but not limited to back wage claims, unpaid wage claims, wage theft claims, tax claims, as well as claims pursuant to the Fair Labor Standards Act, arising out of Client's failure to properly report hours worked, exempt status, and other required payroll and tax information to TEL and for any direct payment by Client to a utilized individual of any remuneration. In addition, TEL shall not be considered to have any obligations towards any employee of Client for whom required payroll information is not supplied during any payroll period (except as may be required by law). Client assumes full responsibility for workers' compensation claims, benefit claims (including but not limited to health insurance claims and pension claims), tax obligations, employment discrimination claims, general liability claims, third-party claims, and any and all other obligations or claims pertaining in any way to any individual for whom payroll information is not supplied during any payroll period (except as may be required by law), or who is paid or treated in whole or in part by Client, as a non-utilized individual, independent contractor, volunteer, or in any other capacity. TEL shall have no obligation to provide workers' compensation insurance for independent contractors, subcontractors, and for employees of such entities engaged or hired by Client. Client shall not, directly or indirectly, engage or hire any independent contractor or subcontractor that does not have workers' compensation insurance coverage with respect to itself and its employees. Client shall obtain a certificate evidencing workers' compensation insurance coverage with respect to the employees of any independent contractor or subcontractor engaged or hired by Client, or shall provide workers' compensation insurance coverage with respect to the employees of any such contractor. In no event will any independent contractor (including any subcontractor of the independent contractor), subcontractor, volunteer, non-utilized individual, or any of the aforementioned' s employees, be covered by TEL's workers' compensation policy or be considered a utilized individual of TEL. Client shall at all times maintain a workers' compensation policy encompassing all of its employees who are not utilized individuals pursuant to this Agreement and Client is on notice that pursuant to applicable law, Client has a statutory obligation to secure workers' compensation coverage for employees who are not utilized individuals of TEL. Client agrees to unconditionally indemnify, hold harmless, protect, defend and unconditionally release, acquit, remise, waive and forever discharge all TEL Indemnified Parties and any insurer of TEL (including paying all of the aforementioned' s attorneys' fees and costs) if any claim (including administrative, legal, or equitable claim) is brought against a TEL Indemnified Party or against an insurer of TEL alleging a workers' compensation based claim, where Client was responsible for obtaining workers' compensation insurance for utilized individuals.

E. In states where required or allowed by law or regulation, TEL shall have the right to use Client's state identification numbers for unemployment tax reporting purposes. In such states, Client shall provide TEL with its state identification number used for reporting state unemployment insurance, and shall forward all state unemployment information and notices to TEL within FIVE (5) business days of receipt. In the event applicable law affords TEL the option to report under Client's state identification number, TEL shall have, at its sole discretion, the right to do so. In the event TEL reports under its own number, then Client shall notify the state or states in which it operates that unemployment shall be reported under TEL's identification number.

F. At its own expense, Client shall provide a suitable place of employment for all utilized individuals, which shall comply with all applicable local, state and/or federal laws, ordinances, and regulations related to occupational health and safety, and Client agrees to provide all facilities, supplies, equipment, training and all other

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necessary items that may be required by utilized individuals to perform their services. Client represents that its working environment, equipment, machinery, supplies and training for existing employees currently meet all state and federal OSHA standards and that they will be maintained in compliance with such standards during the duration of this Agreement. Client agrees that it is solely responsible for compliance with safe work practices and the use of protective equipment imposed by controlling federal, state and local government, as well as any required by the applicable workers' compensation carrier. Client is also solely responsible to comply with all applicable laws, ordinances, and regulations related to environmental, equipment, machinery and all other matters affecting utilized individual safety. Client further agrees to comply with any TEL workers' compensation light-duty requirements, including reinstatement of utilized individuals in a light-duty capacity. Such Client light-duty obligations shall survive termination or expiration of this Agreement.

G. Client shall comply with any and all safety requirements and recommendations, if any, made by the applicable workers' compensation carrier. Client also shall establish and maintain a safety program in accordance with state and/or federal laws and regulations, along with any committees, programs, policies, plans and training required under state and/or federal laws and regulations pertinent to professional employer organizations and their clients. Additionally, as TEL is the holder of the workers' compensation policy that encompasses utilized individuals, TEL or its workers' compensation carrier may provide guidance regarding injury prevention and safety issues. Such guidance is not provided as an employer or joint employer, but instead is provided in furtherance of TEL's goal to minimize injuries that will impact TEL's experience rating regarding its workers' compensation policy. The parties recognize that TEL's experience rating impacts all of TEL's clients, not just Client, and accordingly, minimizing injuries benefits all TEL clients, but in no way affects any client's ability to run its own business and control its own worksite(s) and its own employees. Client acknowledges with regard to TEL and/or its workers' compensation carrier, in their either providing or not providing guidance and/or assistance, assumes no liability and no responsibility regarding safety issues at Client's worksite(s). Client expressly waives any claim against any TEL Indemnified Party (as defined below) based on any safety, risk or hazard issue at Client's worksite(s).

H. If a utilized individual is injured, Client shall immediately report the accident and injury to TEL, and shall cooperate in conducting any investigation related to the accident and injury. If Client fails to accommodate any utilized individual released for light-duty assignment, then Client shall pay to TEL all workers' compensation wages disbursed to such utilized individuals that should have been paid in the form of earned wages for performing light-duty services. Workers' compensation work-related accidents or injuries must be reported to TEL immediately after they occur. In the event Client or any utilized individual fails to notify TEL within TWENTY-FOUR (24) hours following a work-related accident or injury, Client shall immediately reimburse TEL for any fees, fines, or penalties imposed by TEL's insurance carriers or any state or federal agency. This provision shall only be applicable in situations where TEL provides workers' compensation coverage for utilized individuals.

I. Client acknowledges that TEL maintains for eligible utilized individuals only the employee benefit plans set forth in this Agreement. Any other employee benefit plans maintained by Client, regardless of whether they provide a benefit to the utilized individuals, shall be the sole responsibility of Client, and shall not duplicate or otherwise conflict with the benefits provided by TEL. Client will provide to TEL, written statements of its policies regarding all employee benefit programs related to utilized individuals. Such policies will comply with all local, state, and/or federal, governmental laws, ordinances, and regulations.

J. Client retains all obligations for the continuation of coverage for any current COBRA participants as well as for any and all eligible utilized individuals at the time of termination or expiration of this Agreement if group health insurance is not provided to utilized individuals pursuant to this Agreement. If TEL's group health insurance coverage, if any, has been accepted pursuant to this Agreement, upon termination or expiration

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of this Agreement, for any reason, Client shall obtain group health insurance coverage for all former utilized individuals, and shall assume from TEL all responsibility and obligation for the continuation of coverage for any COBRA participants listed in Exhibit D, as well as for any and all eligible utilized individuals at the time of termination or expiration of this Agreement for the remainder of their COBRA eligibility period. In the event Client fails to provide said group health insurance, Client shall pay an administrative fee to TEL in the amount of ONE HUNDRED and NO/100 ($100.00) dollars per month (this sum is in addition to the premium payment payable by the applicable utilized individual and/or family member/dependent), per former utilized individual who is a COBRA participant (the fee shall also be applicable for a family member/dependent who is receiving COBRA benefits through TEL where the former utilized individual is not receiving COBRA benefits) under TEL's plans. Client acknowledges that this amount is reasonable to cover TEL's expense in extending continued health care coverage to the utilized individuals and this amount is not a penalty. Nothing in this provision shall be construed or interpreted as precluding or limiting TEL's right to pursue damages in a court of law or equity, which arose as a result of Client's failure to obtain and provide insurance as set forth herein.

K. Client shall provide, at its own expense, reasonable access and accommodations as required by the Americans with Disabilities Act, and any regulations related thereto. In addition, Client shall comply with the guidelines and provisions of the Americans with Disabilities Act in its determinations of individuals it desires to hire, promote, place at certain Client work location(s), or fire.

L. Where applicable, Client shall comply with the Worker Adjustment and Retraining Notification Act ("WARN"), and will give TEL at least SIXTY-FIVE (65) days' written notice prior to effecting any plant closing or effecting any mass lay-off as defined in WARN.

M. To the extent the Family and Medical Leave Act ("FMLA") is applicable to Client, if at all, Client shall at all times comply with the FMLA and where the FMLA is applicable to Client, it is Client's responsibility to reinstate eligible utilized individuals, and in all other manner to comply with the FMLA. This provision shall survive termination or expiration of this Agreement.

N. Client acknowledges that during the term of this Agreement, Client will be the sponsoring employer for purposes of petitioning or applying for immigration visas for the employment of an alien selected for hire as a utilized individual and that Client shall have sole and exclusive responsibility for compliance with the requirements of law regarding the employment of individuals working pursuant to a visa. Client understands and agrees that it is Client's responsibility to obtain and maintain any necessary visas and to pay all associated costs. In addition, Client acknowledges that to the extent allowed by law it has all responsibility to properly obtain and to maintain I-9 forms in conformity with the Immigration Reform and Control Act of 1986. A copy of all such properly completed I-9 forms will be timely and immediately supplied to TEL.

O. Client shall abide by and comply with all other applicable employment-related laws, ordinances and regulations (local, state and federal), including, but not limited to, those related to discrimination based on race, sex, sexual orientation, harassment of any type (including sexual harassment), disability, color, age, genetic information, national origin, citizenship status, religion, retaliation, veteran status, military status, and union status.

P. Any obligation placed upon an employer by applicable law to verify the eligibility of an individual for employment through the Basic Employment Verification Pilot Program as jointly administered by the United States Department of Homeland Security and the Social Security Administration ("E-Verify") or any successor program or to in any manner utilize the E-Verify system, to the extent allowed by law, is retained solely and exclusively by Client.

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1. Should either Client or TEL obtain actual knowledge that a utilized individual is an unauthorized alien, such knowledge shall immediately be conveyed to the other Party via facsimile, e-mail, and overnight delivery and it shall be the responsibility of Client to immediately conform with the requirements of applicable state and federal law and to terminate the employment of such unauthorized alien upon receipt of such actual knowledge (after providing all appropriate procedural due process rights to the affected individual). Client or TEL shall be solely responsible for any actual knowledge which it may possess regarding the employment of any unauthorized alien which is not timely conveyed to the other party, as set forth herein. Neither Client nor TEL shall utilize such unauthorized alien in any capacity whether as an employee, independent contractor, subcontractor, volunteer, or any other capacity, after it obtains actual knowledge of the unauthorized status of any individual.

Q. If any utilized individual is required to be licensed, registered or certified under any federal, state, or municipal law or regulation, or to act under the supervision of such a licensed, registered or certified person or entity in performing services, then any such utilized individual shall be deemed to be an employee of Client for such purposes but shall remain covered by TEL's workers' compensation policy where TEL is supplying workers' compensation coverage. Client shall also be solely responsible for verifying such licensure, registration, or certification and/or providing such required supervision.

R. TEL does not assume any responsibility for and makes no assurances, warranties, or guarantees as to the ability or competence of any utilized individual. This Agreement in no way alters any responsibilities of Client to perform any and all work history, reference checks and background checks on utilized individuals (including driving record and accident record background checks). Additionally, Client assumes full and complete responsibility for the consequences of performing or failing to perform, initially and on an on-going basis, work history, reference checks and background checks on utilized individuals, including, but not limited to, driving record and accident record background checks on utilized individuals and TEL shall have no responsibility with regard to these matters.

S. Any and all Affirmative Action Plan program development, administration, tracking, and the like, shall be the exclusive responsibility of Client.

T. Client shall notify, in writing, all utilized individuals, of the inception and termination or expiration of this Agreement. Client shall also immediately upon termination or expiration of this Agreement notify all utilized individuals of the termination or expiration of this Agreement and inform them that if they were covered by TEL's workers' compensation policy, they are no longer covered by TEL's workers' compensation policy.

U. Upon termination or expiration of this Agreement, Client shall continue sole responsibility for all accumulated, but unused, sick leave and vacation time for utilized individuals and for sole compliance with all employment agreements.

V. If TEL is providing workers' compensation coverage to utilized individuals, TEL will only provide workers' compensation insurance for utilized individuals working in the state designated on Exhibit A as the "Home State" and for such other states or jurisdictions as are set forth on Exhibit A. No utilized individual may perform any work in a state other than the Home State and those other states and jurisdictions listed on Exhibit A without the prior written approval of TEL and TEL's workers' compensation carrier unless the performance of such temporary work outside the Home State (or such other state or jurisdiction as may be listed on Exhibit A where the utilized individual performs services) is permitted by TEL's workers' compensation policy and is in compliance with the requirements of Home State law and the law of the state or jurisdiction where such utilized individual is temporarily performing services. Because of possible application of workers' compensation and professional employer organization statutory, regulatory, and contractual requirements, should TEL and its workers' compensation carrier agree to allow any utilized

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individual to perform services outside of the Home State and those other states listed on Exhibit A as a utilized individual who is covered by TEL's workers' compensation policy, Client and TEL will negotiate any fee adjustment which is deemed applicable by TEL. Absent the agreement of TEL and its workers' compensation carrier to allow work to be performed outside the Home State and those other states and jurisdictions listed on Exhibit A and be covered by TEL's workers' compensation policy and absent agreement of the Parties on a fee adjustment, no utilized individual may perform such services outside the Home State and those other states and jurisdictions listed on Exhibit A and be covered by TEL's workers' compensation policy. TEL's workers' compensation policy shall not be applicable to any utilized individual performing work outside the Home State and those other states and jurisdictions listed on Exhibit A without the written permission of TEL and its workers' compensation carrier and the performance of such work, without written permission, shall be a material breach of this Agreement, at the sole option of TEL.

W. Any tax imposed by any local or state taxing authority based upon Client's relationship with TEL, such as a sales or use tax, or gross receipts tax, shall be the sole responsibility of Client.

X. Client shall at all times comply with and be responsible for all federal, state, and local laws requiring the posting or providing of notices to employees at Client's workplace.

VI. SERVICE FEES

A. For services to be rendered under this Agreement, TEL shall be entitled to a setup fee and service fee as specified on Exhibit B hereto (in determining the total charges billed to Client, the component parts of the total charges may be less than or may exceed TEL's actual costs of doing business. It is the intent of the Parties that the total charges billed to Client be one composite charge where Client accepts, and is satisfied with, the total bill, which is billed to Client, irrespective of what TEL's actual cost of any component part of the total bill may be or any refund, rebate, or credit which either Party may be entitled to receive). In addition, Client agrees that since FUTA and SUTA taxes may be adjusted at any time by any applicable state or by the federal government, FUTA and SUTA rates may be adjusted at any time by TEL using reasonable business judgment following, or in anticipation of such increases. All funds due TEL are payable by wire transfer or ACH, as specified on Exhibit C hereto, prior to TEL's issuance of payroll checks and/or disbursements each pay period and shall be paid to TEL on the day after each pay period ends. All accounts not paid when due will be subject to, at TEL's sole discretion, a late payment charge of up to one and one-half percent (1.5%). Checks or other disbursements from Client to TEL returned unpaid from Client's bank will be, at TEL's sole discretion, subject to the late payment charge plus any additional costs incurred by TEL. An unpaid balance will also be subject to, at TEL's sole discretion, periodic charge of up to one and one-half percent (1.5%) per calendar month (or such maximum lesser interest amount if set by applicable law at a lower amount) until paid in full. For any past due amounts or payments not paid for any reason, Client authorizes TEL to convert the unpaid balance(s) to electronic check(s) for submission to Client's bank for payment via Automated Clearing House (ACH). TEL reserves the right to at any time terminate this Agreement if full payment is not made when due.

B. Should Client require additional services not included in this Agreement, the fee for any such additional services shall be negotiated and paid separately. The fees set forth on Exhibit B are subject to increase by TEL based upon changes in local, state and/or federal employment law, increases in TEL's cost of doing business (including, but not limited to, increases in taxes, premiums, fees, and/or assessments whether or not retroactive in nature), changes in insurance requirements or costs, costs directly attributable to Client or to utilized individuals working at Client, or changes in Client's payroll. Upon written notification to Client from TEL of a fee adjustment, Client shall have the right to terminate this Agreement by giving notice of termination to TEL within FOURTEEN (14) days after receipt from TEL of a notice of a fee adjustment, and

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after payment of all funds owed to TEL by Client. Such termination shall be effective THIRTY (30) days after TEL's receipt of Client's notice of termination (or such other date as is mutually agreed to by the parties). Notwithstanding anything to the contrary contained herein, Client shall be liable for any retroactive increase imposed upon TEL which is applicable to the period during which this Agreement has been in effect.

C. Should Client and TEL be agreeable to allowing Client to reimburse TEL by means other than a wire transfer, Client may be required to maintain a prepayment with TEL in an amount equal to the total payroll and any direct and indirect costs related to that payroll for one average payroll period. These monies shall be maintained by TEL to help guarantee performance of all terms, covenants, and obligations of Client under this Agreement. Client agrees that should any interest be earned on such prepayment, such interest shall belong to TEL. If Client should fail to pay TEL any payment or any other funds when due, TEL may apply the prepayment to the amount due. TEL shall refund any remaining prepayment within TWENTY (20) days after the termination or expiration of this Agreement, provided Client has fulfilled all of its obligations under this Agreement.

D. In addition, Client may also be required to provide to TEL a financial assurance in the form of a Security Agreement (if a Security Agreement is required, it is attached hereto and incorporated herein by reference), an irrevocable letter of credit, a bond, or such other financial assurance acceptable to TEL to guaranty the obligations of Client hereunder. TEL may require additional financial assurance if, at any time, TEL in its sole discretion determines that a change has occurred in the financial condition of Client or if Client's average payroll increases.

VII. INDEMNIFICATIONS

A. Client will provide proof of comprehensive general liability insurance coverage for its operations and all utilized individuals, with a minimum limit of liability not less than one million ($1,000,000.00) dollars per occurrence. If any utilized individual will operate a vehicle owned or otherwise of any kind for Client, Client shall maintain automobile liability insurance (including Hired/Non Owned automobile liability insurance) and furnish liability insurance encompassing liability for bodily injury and property damage and against uninsured motorists, each with a minimum limit of liability no less than one million ($1,000,000.00) dollars per occurrence. Such policies shall also include blanket contractual liability and personal injury liability coverage. In addition, if professional employees become utilized individuals pursuant to this Agreement, professional liability coverage will be secured and maintained by Client with a limit of liability of no less than one million ($1,000,000.00) dollars per occurrence. If Client's business includes the sale of alcoholic beverages, including beer and wine, it shall obtain liquor liability insurance with a combined single limit of liability of not less than one million ($1,000,000.00) dollars per occurrence in addition to general liability insurance and Hired/Non Owned automobile liability insurance. Client agrees, at its own expense, to include TEL as an additional named insured on all of Client's insurance policies, including without limitation professional liability policies and fidelity bonds. Client shall at the request of TEL deliver to TEL a certificate evidencing such insurance and the agreement(s) of the insurer(s) that such insurance may not be canceled without TWENTY (20) days prior notice to TEL. Any coverage that issues against the dishonest or criminal conduct or misappropriation of any funds engaged in by any utilized individual maintained hereunder, such as fidelity bonding, shall be at Client's expense. All insurance policies maintained by Client shall provide coverage, which will be primary in the event of any claim. All insurance policies shall waive Client's subrogation rights in favor of TEL. Client's obligation under this Section shall survive termination or expiration of this Agreement.

B. Without regard to the fault or negligence of any party, Client hereby unconditionally indemnifies, holds harmless, protects and defends and unconditionally releases, acquits, remises, waives and forever discharges, and to the extent allowed by law covenants not to sue TEL, and all subsidiary, affiliate, related,

and parent companies, their current and former respective shareholders, non-utilized individuals, attorneys, officers, directors, agents and representatives (all indemnified parties referred to as "TEL Indemnified Parties") from and against any and all claims, demands, damages (including liquidated, punitive and compensatory), injuries, deaths, actions and causes of actions, costs and expenses (including attorney's fees and expenses at all levels of proceedings), losses and liabilities of whatever nature (including liability to third parties), and all other consequences of any sort, whether known or unknown, without limit and without regard to the cause or causes thereof or the negligence (whether active or passive) of TEL or any TEL Indemnified Party that may be asserted by TEL or asserted or brought against any TEL Indemnified Party which is in any way related to this Agreement, the products or services provided by Client or by TEL, the actions of any utilized individual, the actions of any non-utilized individual employed by Client, or of any other individual, any act by or against any individual who is acting outside the capacity of a utilized individual at the time the matter arises, including without limitation, all safety, risk, and hazard issues, all unsafe conditions and safety violations, any violation of any local, state and/or federal law, regulation, ordinance, directive or rule whatsoever, and all employment-related matters which shall include but not be limited to all matters arising under local, state and/or federal right-to-know laws, environmental laws, immigration laws (including I-9 obligations), all laws within the jurisdiction of the NLRB, OSHA, U.S. Department of Labor, and EEOC, including Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act (including without limitation those aspects relating to employment, public access and public accommodation), the WARN Act, ERISA, all laws governing wages and hours (including without limitation: prevailing wage rate; exempt and non exempt status; child labor; family and medical leave; and minimum wage and overtime matters), all laws governing race, sex, sexual orientation, harassment of any type (including sexual harassment), disability, color, age, genetic information, national origin, citizenship status, religion, retaliation, veteran status, military status, union status, and all other types of discrimination prohibited by applicable law, all laws governing disclosed and undisclosed benefit plans, all other labor laws, and all contract and all tort claims.

C. TEL hereby unconditionally indemnifies, holds harmless, protects and defends Client, and all subsidiary, affiliate and parent companies, their shareholders, employees, attorneys, officers, directors, agents and representatives from and against any and all claims, demands, damages, injuries, deaths, actions, costs and expenses (including attorney's fees and expenses at all levels of proceedings), losses and liabilities of whatever nature (including liability to third parties), and all other consequences of any sort, arising out of the negligent or willful failure of any non-utilized individual employed by TEL at any of its corporate offices to comply with applicable workers' compensation coverage for utilized individuals (where correct information is timely supplied by Client to TEL and TEL is providing such insurance), withholding tax, or ERISA laws, ordinances, and regulations, or where any action is taken by Client in compliance with a corporate TEL policy, procedure, or direction, which is in writing and which is illegal under any applicable local, state or federal law.

D. All indemnifications are and shall be deemed to be contractual in nature and shall survive the termination or expiration of this Agreement.

VIII. BENEFIT PLANS

A. TEL shall have such rights and authority so as to allow TEL to provide benefits to utilized individuals and to have an insurable interest with regard to utilized individuals. Client acknowledges that TEL has available employee benefit plans for the possible application to utilized individuals. Any other employee benefit plans maintained by Client, regardless of whether they provide benefits to the utilized individuals, shall be the sole responsibility of Client. All benefit plans shall be subject to the terms and conditions of eligibility and to such modifications as may occur to such plans. TEL reserves the right to change any benefit plan which it offers

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to utilized individuals (including the right to change carriers) and to raise the rates charged for such benefit plans.

B. To assure compliance with the Internal Revenue Code, the Employee Retirement Income Security Act and other federal regulations, Client agrees to properly disclose to TEL all information reasonably required by TEL for the proper administration of its benefit plans. This includes, without limitation, certification by Client that it has disclosed to TEL all information requested by TEL in any benefit plan questionnaires including the following information: (1) any retirement plans currently or previously maintained by the adopting company or any related entities (within the meaning of the Internal Revenue Code Section 414, including 414(b), 414(c), 414(m) or 414(o); (2) listed all of the owners, officers and shareholders (to identify those highly compensated and key employees for purpose of discrimination and top heavy testing); (3) listed/entered any family relationships for owners, officers and shareholders with utilized individuals. In the event that Client has failed to properly identify and/or properly complete any benefit plan questionnaire, Client agrees to indemnify TEL Indemnified Parties for any and all liability associated therein.

1. Prior to Client merging its plan into the qualified TEL Retirement Plan, or prior to Client transferring assets from its qualified plan into the TEL Retirement Plan, Client understands and agrees that TEL shall have the right, but not the obligation, to inspect all plan documents, records, IRS determinations, etc. for compliance with the law.

2. If Client maintained a plan during the plan year (January 1 through December 31) prior to contracting with TEL, Client agrees to provide TEL with all required information (including but not limited to Box I wages and employee deferrals, employer matches, and contributions, etc.), prior to contracting with TEL so that TEL may conduct discrimination testing on a combined basis for the first plan year.

3. Client agrees that in the event the TEL Retirement Plan as adopted by the Client plan becomes top heavy as defined by the prevailing Internal Revenue Code and/or regulations, Client will be solely responsible for making a contribution to non-key employees (utilized individuals) working at Client to satisfy the top heavy test.

4. Client acknowledges that it is solely responsible for any matching, nonelective, or qualified nonelective contributions to be made to the TEL plan on behalf of the Client's employees (utilized individuals).

5. If Client adopts the TEL Plan, Client acknowledges that it has reviewed the adoption agreement for the TEL Plan and agrees to comply with all of the obligations and responsibilities set forth in the terms of said adoption agreement.

C. In addition, Client further warrants that no utilized individual will receive W-2 wages originating from Client that will not be paid directly by TEL. Client understands that any payment made to any utilized individual outside this Agreement may result in the TEL Retirement Plan being disqualified. Should the TEL Retirement Plan be disqualified as a result of Client failing to report any compensation to covered employees (utilized individuals), Client will be solely liable for any damages of any nature arising out of the failure to report such compensation to TEL.

D. Client represents and warrants that there are no unfunded accrued benefits due to any utilized individual or due pursuant to any existing or previously existing employee retirement plan, or collective bargaining agreement.

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IX. EFFECT OF TERMINATION

A. If for any reason payment is not made by Client when due, Client agrees that TEL will have the right to immediately terminate this Agreement, terminate its performance hereunder and/or bring suit seeking damages. Upon termination or expiration of this Agreement, for any reason, or should Client fail to timely pay TEL for its services, all of the utilized individuals shall be deemed to have ceased their TEL relationship with TEL and immediate notification of this shall be provided by Client to utilized individuals who had been utilized individuals pursuant to this Agreement. Client shall immediately assume all federal, state and local obligations of an employer to the employees, which are not in conflict with state or federal law, and shall immediately assume full responsibility for providing workers' compensation coverage. TEL shall immediately be released from such obligations as are permitted by law. If for any reason (whether or not required by applicable law) TEL makes any payment to or on behalf of any of the utilized individuals, or to any governmental agency related to Client's utilized individuals, after this Agreement has been terminated or expires, TEL shall be entitled to full reimbursement from Client for such expenditures.

B. TEL may also terminate this Agreement if, at any time, TEL in its sole discretion determines that a material adverse change has occurred in the financial condition of Client, or that Client is unable to pay its debts as they become due in the ordinary course of business. This Agreement may also be terminated at any time by TEL in the event of any federal, state, or local legislation, regulatory action, or judicial decision which, in the sole discretion of TEL, adversely affects its interest under this Agreement or where TEL in its sole discretion determines the workers' compensation risk is unacceptable. Where the workers' compensation risk becomes unacceptable to TEL in TEL's sole discretion, TEL will provide Client at least fourteen (14) days written notice prior to termination. Additionally, notwithstanding anything to the contrary, TEL may terminate this Agreement upon thirty (30) days written notice to Client. Except as otherwise expressly provided or required by law, all services provided by TEL to Client shall cease immediately as of the effective date of the termination. Any termination or expiration shall not relieve Client of any obligation set forth herein, including but not limited to its payment obligations to TEL. In addition, in the event of any bankruptcy of Client, Client agrees that any unpaid amounts to TEL will be considered as owing employment wages and taxes to utilized individuals.

C. TEL may immediately terminate this Agreement if the Client fails to disclose key information regarding the nature of work duties, business operations and locations of utilized individuals.

X. HEALTH CARE REFORM

A. Any and all penalties and liabilities assessed against or incurred by any TEL Indemnified Party as a result of a violation of the provisions of the Patient Protection and Affordable Care Act of 2010, the Health Care and Education Reconciliation Act of 2010, as well as any guidance and regulation issued thereunder (such laws, guidance and regulations are collectively referred to as "Health Care Reform") with respect to the utilized individuals are the sole responsibility of Client, except as is set forth in Section X. B. Notwithstanding and in addition to any other indemnification provision contained in this Agreement, without regard to the fault or negligence of any party, Client hereby unconditionally indemnifies, holds harmless, protects and defends all TEL Indemnified Parties and unconditionally releases, acquits, remises, waives and forever discharges (and to the extent allowed by law covenants not to sue) all TEL Indemnified Parties from and against any and all penalties and liabilities assessed against any TEL Indemnified Party, incurred by any TEL Indemnified Party, or due as a result of an actual or alleged Health Care Reform violation, including, but not limited to, any penalty and/or liability resulting from a violation of the nondiscrimination requirements and/or the employer mandate requirements regarding the provision of affordable minimum essential coverage related to Client's

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utilized individuals and non-utilized individuals and their dependents. Furthermore, in the event that penalties are assessed or liabilities are incurred by any TEL Indemnified Party in any situation where: (i) any TEL Indemnified Party acts (or does not act) with respect to utilized individuals in the absence of any written directions from Client; (ii) as a result of incorrect information provided to TEL by Client; or (iii) the failure of Client to provide required information, which in turn was included or not included on reports or returns provided and/or generated by TEL, including, but not limited to Form W-2, Client agrees to indemnify, hold harmless, protect and defend all TEL Indemnified Parties. The provisions of this paragraph shall not apply in the event that any penalty imposed by Health Care Reform is assessed against any TEL Indemnified Party as a direct result of TEL's actions (or inactions) that are contrary to the lawful and timely written directions received by TEL from Client regarding Health Care Reform.

B. TEL hereby unconditionally indemnifies, holds harmless, protects and defends Client Indemnified Parties from and against any and all penalties and liabilities assessed against any Client Indemnified Party, incurred by any Client Indemnified Party, or due as a result of an actual or alleged Health Care Reform violation incurred as a direct result of TEL's actions (or inactions) that are contrary to the lawful and timely written directions received by TEL from Client regarding Health Care Reform.

C. In the event Client offers its own health benefits to utilized individuals, Client shall, with or without the assistance of TEL, be the sole plan sponsor and administrator of such plan(s). In any case, Client understands and agrees that Client is solely responsible for establishing and monitoring: (i) the plan under Client's own tax identification number; (ii) employee notices, Form 5500, plan updates, plan testing, HIPAA compliance, COBRA compliance, compliance with Health Care Reform and ERISA responsibilities; and (iii) the correct identification and representation of the plan in any correspondence, communication, or statement issued by Client or by any representative of Client. Client may, in TEL's sole discretion, be allowed by TEL to adopt TEL's multiple employer Section 125 plan in order to allow the utilized individuals' contributions, if any, to be deducted on a pre-tax basis, as allowed by applicable law. If Client requests assistance from TEL with the administration of such plan(s), then TEL, with written direction from Client, shall assist with plan administration, including bill reconciliation and claims processing. Client shall execute those additional agreements necessary or required by TEL to provide such assistance, including, but not limited to, the Indemnification Agreement, Administrative Assistance Agreement and the HIPAA Business Associate Agreement. In addition to the foregoing, Client is solely responsible for any premium payments due under its own health benefits plan and any COBRA continuation coverage plan.

XI. GENERAL PROVISIONS

A. Client acknowledges that it has not been induced to enter into this Agreement by any representation or warranty not set forth in this Agreement, including but not limited to any statement made by any marketing agent of TEL. Client acknowledges that TEL has made no representation concerning whether TEL's services will improve the performance of Client's business. Client acknowledges and agrees that any decisions made relative to cancellation or termination of any insurance policies in effect prior to the Effective Date of this Agreement are the sole responsibility of Client.

B. Client acknowledges that TEL shall not be liable for any Client loss of business, goodwill, profits, or other damages.

C. Client specifically authorizes TEL to conduct a credit and background reference check on Client and such officers of Client, as TEL deems appropriate in compliance with the requirements of law.

D. This Agreement is assignable by TEL at its sole discretion.

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E. Client acknowledges and agrees that TEL is not engaged in the practice of law or the provision of legal, financial, tax, or investment advice or services, and that Client alone is completely and independently responsible for its own legal rights and obligations, regardless of any human resource advice which may be supplied to Client. Client at all times retains the right to seek appropriate advice from professionals of its own choosing, including, but not limited to attorneys and accountants.

F. This Agreement constitutes the entire agreement between the parties with regard to this subject matter and no other agreement, statement, promise or practice between the parties relating to the subject matter shall be binding on the parties. This Agreement may be changed only by a written amendment signed by both parties, with the exception that any change to this Agreement sent by TEL to Client in writing, in a manner in which proof of delivery can be established shall be deemed to have amended this Agreement and have been accepted by Client where such change has not been objected to in writing by Client. Notice of such objection must be received by TEL within FOURTEEN (14) days of Client's receipt of TEL's notification of change (proof of TEL's receipt of objection must be supplied by Client upon request of TEL).

G. The failure by either party at any time to require strict performance by the other party or to claim a breach of any provision of this Agreement will not be construed as a waiver of any subsequent breach nor affect the effectiveness of this Agreement, or any part thereof, or prejudice either party as regards to any subsequent action.

H. In the event of any lawsuit or other proceeding between the Parties, including, but not limited to, any action by either Party to enforce the provisions of this Agreement, any party who shall substantially prevail in such lawsuit or other proceeding shall be entitled to an award of its costs and reasonable attorneys' fees incurred at all levels of proceedings.

I. Any notice or demand given hereunder shall be accomplished by the personal delivery in writing (with written receipt) or by other delivery with proof of delivery or attempted delivery to the address set forth herein for the other party, and shall be deemed effective upon proof of attempted delivery (actual delivery to be made as soon as is practicable following attempted delivery).

J. No rights of any third party are created by this Agreement and no person not a party to this Agreement may rely on any aspect of this Agreement notwithstanding any representation, written or oral, to the contrary.

K. In the event that any provision contained in this Agreement is held to be unenforceable by a court of competent jurisdiction, the validity, legality, or enforceability of the remainder of this Agreement shall in no way be affected or impaired thereby.

L. Any false statement, omission, or fraudulent act by or on behalf of Client with regard to any information supplied by Client to TEL in anticipation of Client's contracting with TEL or at any other time shall be deemed a material breach of this Agreement and TEL, at its option, may terminate this Agreement and seek appropriate relief.

M. Any and all inventions, discoveries, improvements, copyrightable works and creations (hereafter referred to as "Intellectual Property") which Client has previously, solely or jointly, conceived or made or may conceive or make during the period of this Agreement, whether or not accomplished through the use of utilized individuals, shall be the sole and exclusive property of Client. Client shall have sole and exclusive responsibility for protecting its rights to such Intellectual Property and to all of its other assets and TEL shall have no responsibility with regard to same.

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N. Client may not assign this Agreement nor its rights and duties hereunder, nor any interest herein, without the prior written consent of TEL. Client will provide at least FOURTEEN (14) days' prior written notice to TEL of any sale of Client, whether a stock or asset sale. Where TEL agrees in writing to a successor becoming obligated to comply with this Agreement, this Agreement may be terminated by TEL at any time, in TEL's sole discretion, during the first SIXTY (60) days following successor's assumption of this Agreement. Thereafter, this Agreement may only be terminated by TEL in conformity with the terms of this Agreement.

O. Client represents that there is no existing employee who is subject to collective bargaining or who is subject to any collective bargaining agreement at any Client worksite. Any responsibility and/or liability with regard to collective bargaining, any union contract, union representation petition, union drive, unfair labor practice charge, and with regard to any employment contract between Client and any utilized individual shall be the exclusive responsibility and/or liability of Client. It is the intent of the Parties that TEL shall not be a party to or have any responsibility for any such contract, including any employment contract with any utilized individual (unless otherwise mandated by law). TEL will have no responsibility or liability in connection with or arising out of any such union or employment contract or collective bargaining agreement, except to prepare checks and/or make payroll disbursements and to pay any such utilized individual who is a party or is subject to such a contract, in conformity with information provided by Client. TEL shall not make any payment to any union or to any union trust fund as all such required payments shall be made by Client. With respect to any employment contract between Client and any utilized individual, and with regard to any union contract, Client shall be acting solely on its own volition and responsibility with regard to all aspects of any such contract, including but not limited to its negotiation, compliance, implementation, renewal, enforcement, and termination. The Parties agree that TEL is not and will not become a paying entity or contributing employer within the meaning of the Multi-Employer Pension Plan Amendment Act and does not and will not have any withdrawal liability under this Act or any comparable law.

P. Client represents that it is not a local, state, or federal contractor and that prior to becoming a local, state, or federal contractor Client will immediately notify TEL in writing as Client understands that there may be specific E-Verify (or its successor or replacement law) obligations and other obligations to which such contractors must adhere.

Q. In recognition of the effort that is necessary to provide the services described in this Agreement, TEL and Client agree to cooperate with each other. This duty to cooperate shall encompass the obligation of the other party to timely supply documents, witnesses and such other evidence as is necessary for a party to properly fulfill its obligations under this Agreement.

R. Client represents that it has met any and all prior premium and fee obligations with regard to workers' compensation premiums and professional employer organization payments, to all prior professional employer organizations and workers' compensation carriers, with which Client has previously had a contractual relationship.

S. Upon any request by TEL or its assigns, Client shall allow an on-site physical examination of such books, records, documents and other information sources deemed appropriate by TEL and/or its assigns to aid TEL and its assigns in the determination of proper workers' compensation classifications of utilized individuals and to aid in the determination of payroll amounts paid to such utilized individuals. Such examination shall be strictly for the purposes of determining proper workers' compensation classifications of utilized individuals and to aid in the determination of payroll amounts paid to such utilized individuals. Any such examination can only occur upon reasonable notice to and consent from Client. Such consent shall not be unreasonably withheld. Client shall remain obligated to TEL for any misclassification, delinquency and/or unpaid premium amount found in the audit. This provision shall survive the expiration or other termination of this Agreement.

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info@telstaffing.com
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T. This Agreement shall be valid and enforceable only upon signature by an authorized officer of TEL. Any individual signing this Agreement on behalf of Client represents, warrants and guarantees that she or he has full authority to do so. Each party represents that it has the power and actual authority to enter into this Agreement and to be bound by the conditions and terms contained herein.

U. With respect to any dispute concerning the meaning of this Agreement, this Agreement shall be interpreted as a whole with reference to its relevant provisions and in accordance with its fair meaning, and no part of this Agreement shall be construed against TEL on the basis that TEL drafted it. This Agreement shall be viewed as if prepared jointly by TEL and Client.

V. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida both as to interpretation and performance (excluding its choice of law provisions if such law would result in the application of the law of a jurisdiction other than Florida) and venue shall be in the applicable court in Escambia County, Florida. The Parties hereby irrevocably waive, to the extent they may do so, the defense of an inconvenient forum.

W. Excluding any payment obligations to TEL as provided hereunder, either party hereto will be excused from performance under this Agreement for any period of time that the party is prevented from performing its obligations hereunder as a result of a Force Majeure event, which shall include an act of God, war, terrorism, civil riot, generalized labor strike, lockout, utility or communication failure, hurricane, tornado, flood, earthquake, tsunami, or other cause beyond the party's reasonable control. Both parties will use reasonable efforts to mitigate the effect of a Force Majeure event.

X. The subject headings of the sections and subsections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

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AGREED TO:

TOTAL EMPLOYEE LEASING, INC.

By:_____ _____
Print Name Signature

_____
Date

_____
Address

CLIENT

By:_____ _____
Print Name Signature

_____
Date

_____
Address

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Client Understand/Agrees

If there is a period in which a client does not process any payroll (a.k.a. non-process payroll), the client understands that they will be required to sign an affidavit stating that no hours have been worked, or reported in any other way, by any employees and/or officers of that organization for that non-process payroll cycle. A $199 fee will be applied per occurrence of non-process payroll

Employee Direct Deposits cannot be guaranteed **UNLESS** client turns in time 48 business hours before pay date.

Client agrees that employees will complete TEL's New Hire Packet and have the New Hire Packet AT TEL'S OFFICE PRIOR TO THE EMPLOYEE BEGINNING WORK.

Client agrees to notify TEL within eight (8) hours of any workers compensation accident or claim. A $350 fee will be applied to any account in which a workers compensation accident or claim is not reported to TEL **within eight (8) hours**. In addition, an Unauthorized Treatment fee of $500 will be applied if TEL is not notified.

All workers compensation accidents that **do not** threaten someone's llife, limb, or eyesight will be immediately reported to TEL and the injured worker transported safely to an local **Occupational Medicine Clinic** as designated by the TEL Urgent Care Location Form (located in the online portal). Client also agrees and fully understands that all workers compensation accidents that occur with **INJURIES THAT THREATENED THE LOSS OF THEIR LIVE, LIMB, OR EYESIGHT are to CALL 911 IMMEDIATELY AND FOLLOW THEIR INSTRUCITIONS**. When the patient is then admitted to a licensed medical facility their supervisor (or client point of contact) is to then immediately call TEL and report the accident/claim. Failure to report may lead to an additional $500 fee.

Client will ensure all employees who report an accident, even those that refuse treatment, **will report for a urinalysis within 24 hours**.

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Exhibit B: Fee Schedule

Voluntary Services and Fees	Fee	Frequency
Background Check:		
Address History	$1.80	One Time
National	$5.95	Per Name/Alias
Drug Testing	$45.00	Per Occurrence
Motor Vehicle Record (MVR) Report	$12.00	Per Occurrence

Please Note: The rates above are given in good faith, but are subject to change based on the vendor.

Standard Services and Fees		
Non-Process of Client Payroll	$199.00	Per Occurrence
In addition to the Non-Process Fee, a non-process of payroll requires Client to sign affidavit stating no hours were worked or reported for employees and/or officers		
New Client Set-Up Fee	$495.00	One Time
Injury Non-Report or Late Reporting	$350.00	Per Occurrence
Unauthorized Treatment	$500.00	Per Occurrence
*All injuries must be reported within **8 hours***		
Workers Compensation Claims Fee	$495.00	Per Occurrence
Workers Compensation Certification Binder	$1,000.00	
FedEx COD Delivery (Per Location)	$19.00	Per Occurrence
Late Payment	2.5 %	
Non-Sufficient Funds (NSF)	2.5 %	
EPLI	30 Cents	Per Employee Per Week

Additional Information for Small Business Plan Customers		
Delivery Fee (if available)	$14.00	Per Occurrence
Minimum Admin Fee Per Week	$75.00	Per Occurrence

Time Clock Service Fee		
Installation Fee (power and ethernet available at time clock location)	$200.00	Per Occurrence
Monthly Hosting and Tech Support	$3.00	Per Employee
Additional Installation Fee	$60.00	Per Hour
Clock Lease	TBD	Per Month

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Exhibit C: Benefits

Listed below are benefits offered to individual employees by Total Employee Leasing, Inc.

Vision

Guardian – Davis Vision

Dental

Guardian

Life Insurance

Colonial Life

Cancer

Colonial

Disability

Colonial

Hospital Confinement

Colonial

Accident

Colonial

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Exhibit D: Current Cobra Participants

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