



## CLIENT SERVICE AGREEMENT

This Agreement is executed this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, by and between Pinnacle PEO Corporation with their principal office located at 9311 San Pedro Ave, Suite 700, San Antonio, Texas 78216, (hereinafter referred to as "COMPANY") and \_\_\_\_\_, dba (if applicable) \_\_\_\_\_ (hereinafter referred to as "CLIENT") with its principal office located at the address set forth in Paragraph 2.0 below. Collectively, CLIENT and COMPANY are referred to as "the parties".

- 1.0 **COMPANY IDENTIFICATION:** COMPANY warrants that it is licensed as a Professional Employer Organization the Texas Department of Licensing and Regulation (P.O. Box 12157, Austin, Texas 78711), telephone number (800) 803-9202 and that COMPANY is in compliance with applicable regulations. COMPANY agrees to inform CLIENT of any change in its status with the Texas Department of Licensing and Regulation.
- 2.0 **CLIENT IDENTIFICATION:** CLIENT hereby advises COMPANY that CLIENT'S principal place of business is located at \_\_\_\_\_.
- 3.0 **DESCRIPTION OF RELATIONSHIP:** The parties to the Agreement acknowledge and agree that this arrangement will apply to all existing active Employees of the CLIENT employed in the United State as well as to any new Employees in the United States who are hired by the CLIENT. Hereinafter all CLIENT Employees pursuant to this Agreement shall be referred to as "Covered Employees". It is not CLIENT's desire to escape, nor COMPANY's desire to assume, certain risks and responsibilities which are traditionally and correctly assigned to the owner of a business, location or equipment. CLIENT agrees that it has the sole and exclusive control of the worksites at which Covered Employees work, as well as the scheduling and supervision of employees, and has the day-to-day direction and control over Covered Employees. The CLIENT shall be solely responsible for recruiting, directing, supervising, training, controlling the work of the Covered Employees and termination of employment with respect to the business activities of the CLIENT and the CLIENT is solely responsible for the acts, errors, or omissions of the Covered Employee with respect to such activities. The CLIENT shall be solely responsible for the quality, adequacy, or safety of the goods and/or services produced or sold in the CLIENT's business.
  - 3.1 COMPANY will process payroll and pay wages based solely on wage and other applicable information reported to COMPANY by CLIENT. Under no circumstances will COMPANY provide any services, guidance or decisions related to strategic, financial, operational or other matters concerning CLIENT'S business. All decisions and actions taken in furtherance of CLIENT'S business shall be the inclusive responsibility of CLIENT, and COMPANY shall bear no responsibility or liability for any actions or inactions by CLIENT, even if the actions are implemented by Covered Employees. CLIENT must provide means to fund payroll for covered employees or COMPANY will be forced to withhold payroll until funding is provided. Any fine, sanction, or fee associated with failure to timely provide payroll caused by CLIENT's failure to fund payroll shall be the responsibility of CLIENT.
  - 3.2 CLIENT shall remain responsible for complying with all state and federal wage and hour laws, to include, but not limited to the Fair Labor Standards Act ("FLSA"). CLIENT agrees to comply with all applicable labor laws and laws regarding Equal Employment Opportunities. Additionally, CLIENT covenants, represents and agrees that all information transmitted to COMPANY, including but not limited to documents and payroll statements, shall comply with applicable state and federal laws. CLIENT shall not discriminate on the basis of national origin, race, color, religion, age, sex, disability, or any other protected category or description.
  - 3.3 In no event shall COMPANY bear any responsibility for wage-hour compliance at any time during the Term of this Agreement. CLIENT and COMPANY both warrant that each will inform the other of any potential claim arising from, or related to wage-hour compliance.
  - 3.4 CLIENT and COMPANY specifically assumes the record-keeping obligations associated with the respective duties identified herein. Nothing in this paragraph shall be construed to relieve either party of the contractual duty to cooperate with each other in the performance of these record-keeping obligations. CLIENT acknowledges and agrees that it may be required to comply with certain record-keeping obligations, or to assist in the compliance therewith, which it had not heretofore been so obligated to meet.
  - 3.5 CLIENT acknowledges that with respect to the Americans with Disabilities Act ("ADA"), CLIENT assumes responsibility for all obligations under the ADA, including, without limitation, those relating to public access and public accommodation.

- 3.6 As to all state and federal immigration laws, CLIENT shall be the employer. CLIENT shall examine and review all documents submitted by applicants for purposes of completing form I-9 and any other immigration forms, and complete the I-9 and other immigration forms completely and in accordance with the law. CLIENT agrees that it shall be responsible for maintaining properly all original I-9 forms for existing employees and future applicants and employees. CLIENT agrees that it shall submit to COMPANY a copy of a completed I-9 form for each Covered Employee, but CLIENT understands that it shall keep and maintain the originals of each form I-9 for each Covered Employee and shall remain solely responsible for corrected and accurately completing a form I-9 and all other documents required for immigration and work authorization purposes as to all Covered Employees. CLIENT warrants and represents by submitting any such form to COMPANY as to each Covered Employee, CLIENT has examined all identification and work authorization documents required for completing the I-9 forms, and CLIENT certifies that the information contained on each I-9 form is true and accurate, and that CLIENT has in good faith reviewed any and all identification documents permitted by law and that such documents are authentic. CLIENT agrees that the indemnity protections to COMPANY stated herein shall apply to any matter relating to immigration law compliance and allegations of persons working illegally at a CLIENT location. CLIENT will retain its status as petitioner and sponsor for any and all U.S. nonimmigrant and/or immigrant visa petitions filed before and after this Agreement is executed. CLIENT acknowledges and agrees that it is solely responsible for complying with all directives, guidance, regulations, and/or laws issued or enacted by any federal, state or local government or agency relating to immigration or the right to work legally in the United States of America, including, but not limited to, how to respond to notice from any government agency that a social security number reported by an Covered Employee (directly or through Client or Company) does not match the social security number on file with such government agency. CLIENT further agrees to provide to COMPANY any such notice (s) immediately upon receipt by CLIENT.
- 3.7 For any Covered Employee under this Agreement, CLIENT is solely responsible for and hereby agrees to comply with all federal and state laws affecting CLIENT and its worksites, including, but not limited to the following:
1. Occupational Safety and Health Act ("OSHA") and related or similar federal state or local regulations;
  2. Professional licensing and liability;
  3. Fidelity bonding requirements.
- 3.8 If this Agreement is terminated, CLIENT will notify all Covered Employees in writing of the termination of this Agreement and shall inform them that they are no longer covered by COMPANY's services, workers' compensation policy or other benefits and insurance.
- 4.0 **BENEFIT PLANS:** The CLIENT acknowledges that COMPANY has available benefit plans for the possible application to Covered Employees. Any other employee benefit plans maintained by the CLIENT, regardless of whether they provide benefits to the employees, shall be the sole responsibility of the CLIENT, including responsibility for complying with provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code of 1986, as amended (the IRC), relating to such plans.
- 4.1 CLIENT acknowledges that changes in circumstances, fact, law or any other requirement may cause or require a change in the benefits package offered by COMPANY. CLIENT authorizes COMPANY to effect any such changes upon reasonable notice to CLIENT. COMPANY will attempt to make such changes with as much notice as reasonably possible, with as little disruption as possible, and in a manner designed to ensure minimum inconvenience to COMPANY's and CLIENT's shared employees.
- 4.2 CLIENT agrees to integrate and coordinate the terms of any CLIENT-sponsored benefit plans so that COMPANY's plans remain in compliance with all applicable laws and Internal Revenue Code provisions.
- 5.0 **SAFETY RESPONSIBILITY:** CLIENT shall comply with all health and safety laws, regulations, ordinances, directives, and rules imposed by controlling federal, state, and local government and will immediately report all employee accidents and compensation carrier, or any government agency having jurisdiction over the work place, health and safety. CLIENT acknowledges that it is responsible for maintaining a safe working environment, and shall provide, at its expense, all necessary personal protective equipment and training required under federal and state law or regulation and shall establish and maintain such safety programs', safety polices and safety committees as may be required by law. COMPANY's liability insurance carriers shall have the right to inspect CLIENT's premises to ensure that Covered Employees are not exposed to an unsafe work place. To the extent possible such inspection shall be scheduled at a mutually convenient time. In no event shall this right or the exercise of this right affect the CLIENT's obligations to COMPANY and the employees specified in this Agreement, nor shall this right or the exercise of this right have any effect upon the indemnifications contained in the Agreement.
- 6.0 **WORKERS' COMPENSATION:** Covered Employees shall be covered by workers' compensation insurance in compliance with applicable state and federal laws and as specified in the "Schedule A".

- 6.1 CLIENT agrees to require any independent contractor it utilizes to provide evidence of workers' compensation coverage before the independent contractor commences work. CLIENT also agrees that if it utilizes uninsured subcontractors, CLIENT shall be solely responsible to secure a minimum premium workers' compensation policy in CLIENT's name to cover claims asserted by employees of such contractors. CLIENT shall indemnify and hold COMPANY harmless from all consequences of CLIENT utilizing uninsured independent contractors on CLIENT'S worksites.
- 6.2 The following statement applies only in those states that require such language: COMPANY shares the right of direction and control of Covered Employees, regarding:
1. Responsibility for the promulgation, adoption and administration of employment and safety policies; and
  2. Responsibility for management of workers' compensation claims, claims filing, and related procedures.
- 7.0 **INSURANCE:** CLIENT shall furnish and keep in full force and effect at all times during the term of this Agreement General Liability insurance in the amount of one million dollars (\$1,000,000.00) and Employment Practices Liability Insurance in an amount no less than five hundred thousand dollars (\$500,000.00). CLIENT shall cause its insurance carrier to identify COMPANY as an additional insured and issue a Certificate of Insurance providing for not less than thirty (30) days advance notice of cancellation or material changes.
- 7.1 In the event a Covered Employee is assigned to fill a job function requiring said Covered Employee to operate a vehicle for CLIENT, CLIENT shall furnish automobile liability insurance. The policy shall insure against public liability for bodily injury and property with a minimum combined single limit of five hundred thousand dollars (\$500,000) and uninsured motorist insurance with a minimum combined single limit of sixty thousand dollars (\$60,000). This policy shall include uninsured motorist coverage. In state where "no-fault" laws apply, Personal Injury Protection (P.I.P.) or equivalent coverage shall be required. CLIENT shall cause its insurance carrier to identify COMPANY as an additional insured and issue a Certificate of Insurance providing for not less than thirty (30) days notice of cancellation or material changes.
- 7.2 CLIENT and COMPANY waive any claim in favor of each against the other by way of subrogation or otherwise, which arises during the term of this Agreement, for any and all bodily injury, loss of or damage to any of its property which loss or damage is covered by policies of insurance, to the extent that such loss or damage is recovered under such policies of insurance.
- Since mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company or any other person, each party agrees to immediately give each insurance carrier which insures any of its property, written notice of the terms of said mutual waiver, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage's by reason of said waiver. Each party shall cause its insurance carrier to provide written evidence of said waiver.
- 7.3 If in relation to an Employment Practices Liability Insurance claim, any matters that are threatened or alleged which are not covered by CLIENT's EPLI policy, CLIENT will be obligated to defend, indemnify and hold COMPANY harmless for all attorneys' fees, costs, damages, losses, etc. arising from the claim.
- 7.4 CLIENT agrees that it shall be solely responsible for all premiums or contributions required by state or local laws to provide health insurance or other benefits to Covered Employees.
- 7.5 Unemployment Insurance: COMPANY shall have the right to use CLIENT's state identification number for unemployment Insurance, unemployment benefits and unemployment tax reporting purposes. In such states, CLIENT shall provide COMPANY with its state identification number used for reporting state unemployment insurance, and shall forward all state unemployment information and notices to COMPANY within five (5) business days of receipt of the notice from COMPANY. In the event applicable law affords COMPANY the option to report under CLIENT's state identification number, COMPANY shall have, at its discretion, the right to do so. In the event COMPANY reports under its own number, then CLIENT shall notify the state or states in which it operates that income withholding shall be reported under the COMPANY identification number.
- 8.0 **HUMAN RESOURCES:** COMPANY shall make available Human Resources counseling to CLIENT. CLIENT agrees to notify the COMPANY in writing if CLIENT becomes aware of any Covered Employee's legal disputes to include, but not limited to charges, complaints, investigations, governmental inquiries, audits, threats or circumstances that could reasonably be anticipated to lead to employment related legal matters as it relates to any past or current Covered Employee. CLIENT understands and agrees that any Human Resources counseling provided by the COMPANY is not intended as legal advice and should not be taken as such.

- 9.0 **GENERAL & MUTUAL INDEMNIFICATION:** CLIENT and COMPANY agree to release, defend, indemnify, and hold harmless the other from any and all wrongful and negligent acts which may they respectively commit, or any failure or omission to act in performance of their respective duties under this Agreement. For the purposes of this indemnification clause, the traditional tests of direction and control shall determine on whose behalf any employee or other person was acting.
- 9.1 CLIENT agrees to defend and indemnify COMPANY from any claims made by Covered Employees resulting from any actions or conduct of CLIENT, including but not limited to charges of discrimination brought through an applicable state agency, the Equal Employment Opportunity Commission, the Workers' Compensation Commission, including fees and lawsuits alleging failure to comply with applicable federal and state wage and hour laws, violations of the Fair Labor Standards Act, wrongful termination, discrimination, denial of due process, or other labor-related causes of action resulting from Covered Employee discipline, termination, or conduct. CLIENT shall also defend and indemnify COMPANY from Covered Employee claims of sexual harassment by CLIENT. CLIENT retains responsibility for the acts, errors, and omissions of Covered Employees committed within scope of CLIENT'S business. The duty to defend includes the duty to pay reasonable attorney's fees incurred by COMPANY in defending such claims, and the duty to indemnify includes the duty to pay any award imposed by an administrative agency or judgment or settlement reached in a court action.
- 9.2 CLIENT acknowledges that certain CLIENT activities, the legitimate performance of which and for which it has engaged the services of COMPANY'S Covered Employees, could expose third person, who are not parties to this contract, to potential risk, which risk might entail liability to either CLIENT or COMPANY. CLIENT specifically, without reservation, and without limitation of any previous or subsequent provision of this Agreement, indemnifies and holds harmless COMPANY for any such liability to third parties.
- 10.0 **CLAIMS NOTIFICATION:** CLIENT agrees to notify COMPANY immediately of the assertion or possible assertion of any and all claims as described in this Agreement, and to cooperate with COMPANY in the investigation and defense of said claims.
- 11.0 **DISCLOSURE:** CLIENT warrants that it has made complete and full disclosure of all information requested by COMPANY. CLIENT agrees to indemnify COMPANY for any material omission or failure to disclose any materials requested. Such material omission will, at COMPANY's option, result in immediate termination of this Agreement.
- 12.0 **DUE DILIGENCE:** CLIENT and COMPANY acknowledge that they have had a complete opportunity to satisfy themselves as to the bona fides of the order, and that each cooperated with the other in reaching this accord.
- 13.0 **FEES & PAYMENTS:** CLIENT shall pay COMPANY the amount set forth in Schedule a (Proposal for Services). The fees shall be payable during the entire term of this Agreement and any unpaid fees shall be immediately due upon termination of this Agreement. COMPANY may adjust its fee schedule by providing CLIENT thirty (30) days advance written notice of such adjustment, however, any increase in the fee rates for increases in employment taxes, insurance, or any change in the Job Function Positions shall be effective on the date of such increase or change. Payment in full for all Covered Employees and services shall be received by COMPANY no later than the date of the current payroll disbursement. CLIENT agrees to verify all time sheets submitted by Covered Employees. If CLIENT believes that any billing or other communication between the parties is in error, CLIENT shall immediately notify COMPANY. CLIENT agrees to pay on demand a late payment charge of one and one-half percent (1 ½%) of the total amount due if payment is not made by 2:00 PM Central Time on the date of the invoice. Checks returned unpaid from CLIENT's bank will be subject to the late payment penalty plus any additional costs incurred by COMPANY. An unpaid balance will also be subject to a periodic charge of one and one half percent (1½%) per calendar month until paid in full. In no event will the aggregate amount of any penalties and periodic charges owed by CLIENT exceed any amount permitted by applicable law. COMPANY reserves the right to suspend or terminate automatically without notice the services to CLIENT if full payment is not made when due.
- 13.1 In the event this agreement is terminated, CLIENT'S last payroll is to be prepaid by bank wire transfer. The receipt of the wire transfer consisting of the entire final payroll must be verified by COMPANY'S accounting department before the final payroll will be released.
- 14.0 **PAYMENT ASSURANCES:** CLIENT will enter into a personal Guarantor Agreement as set forth in Schedule B.
- 15.0 **CREDIT CHECK:** CLIENT authorizes COMPANY to conduct a credit check and background check on CLIENT and such Officers or Owners of CLIENT, as COMPANY deems necessary.
- 16.0 **COMMENCEMENT AND TERM:** This Agreement shall become effective and is contingent upon COMPANY'S receipt of satisfactory credit approval, workers' compensation approval and health insurance approval on CLIENT and COMPANY'S receipt and approval of all other forms and documents requested by COMPANY. The effective date of this Agreement (the "Effective Date") shall be the first day of the first payroll period for which CLIENT's employees are carried as Covered Employees of COMPANY. This agreement has an initial term of one (1) year and will automatically renew at the completion of the initial term

unless terminated as described herein. COMPANY may at COMPANY's discretion move the termination date forward or backward to coincide with a normal pay ending date. This Agreement shall be deemed null and void if CLIENT fails to begin its first payroll period within six (6) weeks of the first date above mentioned in this Agreement, unless an extension of time for effective date addendum is agreed to in writing and attached to this Agreement. COMPANY retains the right to reapprove CLIENT's credit, workers' compensation and health insurance information. This Agreement shall remain in effect until cancelled in the manner proved for in Paragraph 16.0.

**17.0 DEFAULT & TERMINATION:** This Agreement may be terminated by CLIENT or COMPANY at any time by giving sixty (60) days written notice to the other party. Early termination will result in increased costs, risk and other damages and exposures that are hard to determine; therefore CLIENT will pay COMPANY liquidated damages and without prejudice to any other relief COMPANY may be entitled to. An early termination fee (not a penalty) of the average administrative cost per Covered Employee for the duration of the contract will be assessed. This fee is based on all fulltime and part-time Covered Employees reported one (1) year prior to the date of termination. Such termination shall not relieve CLIENT of its obligations for any unpaid wages and benefits costs hereunder, nor shall such termination relieve CLIENT of its fee obligations under Paragraph 12.0 through and including the effective date of such termination. The security deposit, if applicable, shall be refunded to CLIENT to the extent it exceeds any such unpaid fees on the effective day of termination.

**17.1** COMPANY may terminate this Agreement at any time upon any default of CLIENT, immediately without notices. Default by CLIENT is defined as:

1. Failure of CLIENT to pay any sums due COMPANY;
2. CLIENT'S failure to comply within thirty (30) days with any directive of COMPANY, when such directive is issued or made necessary by (i) federal, state, or local governmental body, department, or agency, (ii) an insurance carrier providing coverage to COMPANY and/or its employees, and/or (iii) specific circumstances which currently or potentially affect COMPANY, CLIENT or their employees;
3. Failure to make direct payment of taxable wages by CLIENT to COMPANY Covered Employees for services contemplated by this Agreement;
4. Commission or omission of any act that prevents COMPANY from exercising or performing any right or obligation of COMPANY under this Agreement: or
5. Violation by CLIENT of any provision of this Agreement.

**17.2** COMPANY may, at its discretion, extend to CLIENT in writing a grace period not exceed ten (10) days in which to cure the default. The extension of such a grace period shall not obligate COMPANY to extend another at any time, nor shall such an extension obligate COMPANY in any way to reinstate this Agreement.

**17.3** This Agreement shall terminate automatically without notice to CLIENT if a petition in Bankruptcy is filed by or against CLIENT, or if CLIENT shall have made an assignment for the benefit of creditors, shall have been voluntarily or involuntarily adjudicated bankrupt by any Court of competent jurisdiction, or if a petition is filed for reorganization of CLIENT, if a receiver shall have been appointed for all or a substantial part of CLIENT's business or if CLIENT shall have permitted or suffered any attachment, levy, or execution to be made or levied against all or a substantial part of the property of CLIENT, or if CLIENT is dissolved, or in the event that CLIENT shall deem itself insecure, or upon the nonpayment of taxes on property, or premiums on any insurance required hereunder, or upon any other default or warranty, or information of the undersigned pertaining to this misleading, then, and in such events, this Agreement shall terminate automatically without notice to CLIENT. In the event this Agreement shall terminate as provided in the paragraph, COMPANY shall be entitled to collect from CLIENT or its successor all charges due and unpaid hereunder to and including the date of such termination.

**17.4** Upon termination, CLIENT shall cooperate with COMPANY in giving notice to all Covered Employees of the termination of this Agreement and file all notices required by law with all appropriate governmental and regulatory bodies. CLIENT shall also inform Covered Employees that they are no longer covered by COMPANY'S services, workers' compensation policy or other COMPANY benefits and insurance. CLIENT agrees to assist COMPANY with any such notification, as deemed necessary by COMPANY.

**18.0 CHOICE OF LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

**19.0 HEALTH COVERAGE:** If following termination of this Agreement, COMPANY is required by law to continue to provide health care coverage for the Covered Employees, CLIENT will reimburse COMPANY for all costs and expenses incurred by COMPANY in providing such coverage and CLIENT shall remit to COMPANY the sum of \$500 per employee as a one-time set-up fee for the continuation of health care coverage. CLIENT understands and agrees that this sum is fair compensation to COMPANY for its expense in extending to the employees provided under this Agreement health care coverage continuation.

19.1 The above paragraphs shall not apply to individual cases of employee resignation or discharge, which do not occur in the context of the termination of this Agreement.

## 20.0 REPRESENTATIONS AND WARRANTIES OF CLIENT

CLIENT warrants and represents to COMPANY that:

1. All wages and compensation owed by CLIENT to Covered Employees have been paid by CLIENT.
2. No separate agreement or arrangement exists with respect to any Covered Employee that would obligate COMPANY to any person or entity, except as set forth in this Agreement.
3. Any representations made elsewhere in, or outside, this Agreement, by CLIENT to COMPANY concerning CLIENT, are true for all CLIENT's operations, and all of its workers, wherever located.
4. All of CLIENT's pension and profit sharing and employee welfare benefit plans in existence, if any, are funded and reported current, and are in compliance with applicable law, and this Agreement shall not be deemed a breach under the terms of any of those plans.
5. CLIENT warrants that there are no actions, suits, demands, notices, injuries, penalties, charges, warnings, or other proceedings, threatened, pending, or filed with the last two years against CLIENT, its officers, directors, owners, or employees, covered or otherwise nor are there any unreported workers' compensation claims, or any lawsuit related to any employees, the working conditions of the employees, the products or services produced or provided by employees at CLIENT's worksite.
6. CLIENT also warrants that all hazardous materials, if any, on its premises are maintained, stored, and disposed of in accordance with applicable law. CLIENT acknowledges that it has the sole and exclusive responsibility to account for, report and maintain all records and logs required by law relating to in any way hazardous or dangerous substances. Client shall properly maintain all material safety data sheets on an ongoing basis during the term of this Agreement.
7. Client warrants that its correct legal name as of the Effective Date of this Agreement is stated in this Agreement on page one and on the signature page that as of the effective date of this Agreement, Client is a legally authorized entity in its state of incorporation, and is duly authorized to conduct business in all states in which it conducts business and that the person executing this Agreement is authorized by Client to execute the Agreement. Client further warrants that all representations made and information provided to Company are true and correct.

21.0 **MEDIATION/ARBITRATION:** If any dispute, other than collection of unpaid amounts owed to COMPANY by CLIENT under this Agreement, arises between the parties that cannot be settled through negotiation, the parties shall first try in good faith to settle the dispute by mediation administered by the American Arbitration Association, or similar entity, under its Commercial Mediation Procedures before resorting to binding arbitration. The costs of mediation shall be borne equally by both parties. If the dispute is not resolved through mediation, then either party may elect to arbitrate the dispute by serving written notice on the other. Once a party elects arbitration, such election is binding on both parties and an arbitrator selected from a panel provided by the American Arbitration Association or similar entity shall resolve the dispute. The cost of arbitration shall be borne equally by the parties. The first arbitrator may be rejected and a second arbitrator may be selected. The Commercial Arbitration Rules of the American Arbitration Association and the Federal Arbitration Act shall be applied to and govern the arbitration. The arbitrator's decision shall be final, conclusive and binding except as permitted by the Federal Arbitration Act. Notwithstanding the foregoing, if COMPANY seeks to collect for unpaid amounts owed to it by CLIENT as a result of CLIENT's breach of this Agreement, COMPANY may, at its sole option, proceed with judicial action instead of mediation and arbitration. If COMPANY opts to proceed judicially, all defenses and counterclaims of CLIENT shall also be determined judicially.

22.0 **ELECTRONIC SIGNATURE:** By executing this Agreement, CLIENT agrees to comply with, and agrees that COMPANY and CLIENT may transact business electronically pursuant to the "Electronic Signatures in Global and National Commerce Act" and any other similar state or local statute that authorizes electronic signatures in commerce. CLIENT agrees that COMPANY may rely on electronic authorization by CLIENT or a Covered Employee to make changes to employee or payroll records or data relating to a Covered Employee. CLIENT hereby releases COMPANY and waives any rights to bring an action or seek damages from COMPANY based in whole or in part on electronic instructions or authorizations by CLIENT or a Covered Employee. The indemnity described in this Agreement shall apply to COMPANY's reliance on electronic authorizations or instructions by CLIENT or a Covered Employee.

## 23.0 MISCELLANEOUS:

1. 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.
2. This agreement may be changed only by written amendment signed by both parties.
3. None of the Parties hereto may assign any of its rights, or delegate any of its duties hereunder without the prior written consent of the other Parties hereto, and any such assignment *or delegation* without the prior written consent of such other Parties shall be void *ab initio*, and said consent shall not be unreasonably withheld.
4. Failure or delay by either party to demand performance by the other party, or to claim a breach of any provision of this Agreement will not be construed as waiver of any subsequent breach nor otherwise affect this Agreement or any part hereof, or prejudice either party in any subsequent action.
5. Any notice or demand to be given hereunder by either party to the other shall be effected by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated forty-eight (48) hours after so mailing. Mailed notices shall be addressed to the party's principal place of business, or as set forth in this Agreement, but each party may change its address by written notice in accordance with this paragraph.
6. If any provision of this Agreement, or the application thereof to any person or circumstance, shall be invalid or unenforceable to any extent, such provision shall be deleted or modified to the minimum extent necessary to make its application valid and enforceable, and the remainder of this Agreement, and the application of such provision to other persons or circumstances, shall not be affected thereby, and shall be enforced to the greatest extent permitted by law.
7. No consent or waiver, express or implied, by any party hereto, of or to any breach or default of or by any other party in performance of his or its obligation hereunder, shall be deemed to be a consent to, or a waiver of, any subsequent or other breach or default of such party of the same or any other obligation of such party hereunder. Failure by one party to complain of any act, or failure of another party to act, or failure to declare the other party in default, irrespective of how long such failure continues, shall not constitute waiver by such party of any rights hereunder.
8. The paragraph headings of this Agreement are for reference only, and shall not be considered an interpretation of this Agreement.

#### 24.0 SUPERVISION:

24.1 COMPANY is not responsible for designating an on-site supervisor (the "Supervisor") for the Covered Employees working for the CLIENT. CLIENT agrees that it has the sole and exclusive control of the worksites at which Covered Employees work, as well as the scheduling and supervision of employees, and has the day-to-day direction and control over Covered Employees.

25.0 **STATE SPECIFIC PROVISIONS:** COMPANY shall comply with all applicable licensing and registration laws applicable to COMPANY's business in any state in which a Covered Employee works. The provisions specified above are controlling except where such state-specific language is in addition to or changes any of these terms listed above:

Executed on the day and year first written above; to be effective as of the "Effective Date" provided for in Paragraph 15 above.

COMPANY

CLIENT

By \_\_\_\_\_  
Name/Title (Type or Print)

By \_\_\_\_\_  
Name/Title (Type or Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date