

Client Service Agreement: General Terms & Conditions (January 1, 2020)

These Client Service Agreement Terms & Conditions, together with all Annexes, are incorporated into, and form a part of, your Client Service Agreement and are referred to as the “Terms & Conditions”. We refer to the combination of the Client Service Agreement, these Terms & Conditions and all other Exhibits, Schedules and Addenda, if applicable, as this “Agreement”.

1.) CO-EMPLOYMENT SERVICES-

A. Client, CONGRUITY, and Co-Employees: The employment arrangement established under this Agreement will apply only in the states listed and priced in Schedule A, which is incorporated by reference. Client’s existing active employees and employees subsequently hired by Client in these states will become co-employed by both Client and CONGRUITY upon CONGRUITY’s confirmation that they are co-employed (“Co-Employees”). If Client establishes a worksite in any area outside of such states (“Other Area”), this Agreement shall not apply in such Other Area until such time as Client has requested in writing and CONGRUITY has given written concurrence that services will be provided in such Other Area. Consistent with Treasury Regulations at 26 C.F.R. Parts 301 and 602, Client shall at all times be the common law employer of Co-Employees, but the entirety of an employer’s rights and responsibilities shall be shared and allocated between CONGRUITY and Client as provided in this Agreement so that Co-Employees also shall be employed by CONGRUITY for specified, limited purposes. CONGRUITY shall be the employer of Co-Employees only for the purpose of providing the Services, as defined in §3. C., and for purposes of compliance with the laws specified in §8. A of this Agreement. Client shall be the employer of Co-Employees for all employer responsibilities not specifically delegated to CONGRUITY in this Agreement. CONGRUITY’s retention of rights shall not be deemed a mandate to exercise any of such rights and does not negate Client’s ability to exercise its rights and obligations as an employer. Client shall at all times have the privilege, authority, and duty to exercise the rights and responsibilities that a worksite or common law employer has with respect to employees, including the rights assumed by CONGRUITY, subject to the requirements of this Agreement. CONGRUITY reserves a right of direction and control over Co-Employees and retains authority to hire, terminate its employment of, and discipline and reassign, Co-Employees only as may be required under applicable law for CONGRUITY to fulfill its responsibilities under this Agreement. However, CONGRUITY assigns to Client the actual control over (i) the day-to-day job duties of Co-Employees, and (ii) the portion of all job sites at which and from which Co-Employees work. Client (a) accepts the assignment of actual control as provided in this Section, (b) understands that Client has actual control over Co-Employees’ job duties and job sites at which and from which Co-Employees work, and (c) agrees that CONGRUITY is absolved of actual control over the Co-Employees’ job duties and job sites at which and from which Co-Employees work. Client has the right to hire, accept, or cancel the assignment of, and to terminate its employment of, any Co-Employee, only to the extent consistent with applicable law. Client also has the right and obligation to supervise, direct, and control the Co-Employees in order to conduct its business, discharge fiduciary responsibilities, or comply with any federal, state or local licensure, regulatory, statutory, or other legal requirement. Client is solely responsible for the quality, adequacy, and safety of all goods produced and services performed by the Co-Employees and for the consequences, including damage to property and injury to third parties, resulting from Co-Employees’ acts committed during and within the line and scope of Client’s business. All decisions made and actions taken in furtherance of Client’s business shall be the exclusive responsibility of Client; CONGRUITY shall bear no responsibility or liability for any action or inaction related to Client’s business operations, even if Co-Employees implement the actions.

B. Cooperation and Information Exchange: If CONGRUITY needs to make a decision regarding its employment of any Co-Employee, Client will provide the information necessary for CONGRUITY to make a reasonable and informed decision. If CONGRUITY finds it necessary to conduct an investigation before making a decision, Client shall cooperate reasonably in that investigation. If Client does not cooperate reasonably or provide requested information necessary for CONGRUITY to make an informed decision regarding a Co-Employee, Client will be fully responsible for the consequences of such action, inaction, or decision. Client understands that no individual hired by Client will become a Co-Employee for whom CONGRUITY will provide Services, as defined in §1. C., until CONGRUITY issues an employee identification number after receiving required information and forms. Also, under the laws referred to in §6. A., CONGRUITY must obtain and maintain certain documents produced by Co-Employees. Client agrees to help facilitate the timely delivery of such documents to CONGRUITY. It is understood that if required signed documents for an employee hired by Client are not timely received by CONGRUITY, or if CONGRUITY determines that an employee has submitted invalid documentation, then CONGRUITY may refuse to co-employ and provide Services for that employee or may exercise its right to terminate that employee’s employment with CONGRUITYHR.

C. CONGRUITY’s Services: In furtherance of its responsibilities as a co-employer, CONGRUITY will, under its own employer identification numbers, (i) process payroll, pay wages, and make deductions that are legally required or duly authorized; (ii) collect, report, and pay applicable payroll taxes and keep payroll and tax records as required by federal, state, and local tax laws and regulations; (iii) comply with state and federal unemployment laws by maintaining accounts, paying unemployment insurance taxes, filing required reports and administering and managing claims (subject to the understanding that in certain states, Client’s employer identification number will be used for all unemployment matters and, upon receiving Client’s written authorization, CONGRUITY will perform its responsibilities as Client’s designated agent); and, (iv) administer employee benefits programs sponsored by CONGRUITY and selected by Client or its Co-Employees and provide other services as agreed to in Schedule A (“Services”). CONGRUITY assumes responsibility for the payment of legally required wages to Co-Employees without regard to payments by Client to CONGRUITY. Notwithstanding any assumption of liability as to the Co-Employees required by law, CONGRUITY reserves all rights under this Agreement and at law and equity to collect all amounts from Client due as required herein. Client and CONGRUITY agree to keep a copy of the Agreement in their respective corporate files. Under no circumstances will CONGRUITY provide any service, guidance, or decision on strategic, financial, operational or other matters concerning Client’s business.

D. Notices to Co-Employees: CONGRUITY will give written notice of the relationship established between CONGRUITY, Client, and the Co-Employees as a result of this Agreement. Client understands that with respect to CONGRUITY, Co-Employees are at-will employees, and that the written notice to Co-Employees contains a statement that there is no written, verbal, or implied contract between CONGRUITY and a Co-Employee. When a Co-Employee’s employment with Client ends for any reason, Client shall immediately notify CONGRUITY of the date the employment terminated and the reasons therefore so that CONGRUITY may timely remove the Co-Employee’s name from its active records, promptly notify

insurance carriers and other necessary third parties and otherwise comply with post-employment requirements related to its Services. If Client fails to timely notify CONGRUITY that a Co-Employee's employment has ended, Client agrees to reimburse CONGRUITY for any premiums and other costs attributable to that Co-Employee paid to third parties through the date CONGRUITY receives notice from Client. If this Agreement is terminated, CONGRUITY shall immediately notify all Co-Employees of that fact and shall inform them that they are no longer employees of CONGRUITY and will no longer be covered by CONGRUITY's benefits or insurance.

E. Payroll Reports: Client agrees that, since it controls the worksite and the scheduling and supervision of Co-Employees, and exercises the day-to-day direction and control over Co-Employees, Client will determine, verify, and accurately report to CONGRUITY, at the same times that payment information is reported to CONGRUITY pursuant to §10.A.: (i) the total number of hours worked by all Co-Employees and their exempt and non-exempt status; and (ii) the total remuneration due each Co-Employee for each payroll period in accordance with the Fair Labor Standards Act ("FLSA"), any applicable state or local law, and any agreement between Client and the Co-Employee. Client assumes all responsibility for the accuracy of such reports and the amount of remuneration due each employee. Client shall maintain records of hours worked by all Co-Employees throughout their tenure of employment and for a period of at least four years thereafter and shall make such records available to CONGRUITY upon request. Client shall not withhold or authorize the withholding of a payment of wages absent express permission from a Co-Employee and shall not violate any applicable law pertaining to the payment of wages. Client shall not make any taxable payment of any kind, except profit sharing or pension plan distributions pursuant to the terms of a qualified plan, directly to any Co-Employee. Any owner or officer of Client enrolled as a Co-Employee must receive sufficient remuneration through CONGRUITY's system to satisfy CONGRUITY's minimum payroll requirement established from time to time. Client agrees to immediately forward to CONGRUITY any order or notice of garnishment, involuntary deduction, IRS lien, or other legal process received by Client affecting wages paid to Co-Employees and to sign such documents as are necessary to authorize CONGRUITY to act on Client's behalf in responding to such legal process. Client shall be solely responsible for all non-compliance penalties and liabilities resulting from Client's failure to timely forward such legal process to CONGRUITY or to sign required authorization documents.

F. Employment Qualifications and Prerequisites: If pursuant to state, local, or federal law, a Co-Employee is required to have or maintain a special license or to work under a supervisor who has or maintains a special license; Client will be responsible for verifying such licensure and providing the required supervision. Client is solely responsible for determining what qualifications are necessary to perform each job, for assuring that all Co-Employees have and maintain the ability and qualifications necessary to perform the essential tasks of their jobs, and for the consequences of its hiring, supervision, disciplinary and termination decisions. Client has the sole responsibility to recruit, screen, interview, review résumés and other documents submitted by job applicants, conduct appropriate background investigations, verify education, references and prior experience, determine job assignments, decide where and when employees work, provide necessary training and supervision, evaluate performance, carry out necessary discipline as appropriate and remove workers from jobs for which they lack the ability or qualifications to perform if they or the life or property of others are in danger because of the deficiency.

G. Loss Prevention: Client is responsible for the implementation and enforcement of all worksite procedures that may be necessary to prevent theft, misappropriation or embezzlement of Client's personal, real, or intellectual property.

H. Point of Contact: Prior to the Effective Date, Client shall give CONGRUITY the name of one or more individuals to be the initial contact(s) authorized by Client to report to, and receive from, CONGRUITY payroll and other confidential information regarding Client and Co-Employees. At such time as a designated contact is no longer authorized by Client to receive confidential information, Client shall notify CONGRUITY, and if necessary, shall designate a successor contact.

I. Other Client Agreements: The co-employment relationship established by this Agreement shall not affect or be affected by any agreements between Client and Co-Employees, such as employment contracts, compensation agreements, confidentiality or non-compete agreements, agreements establishing terms and conditions of employment, agreements providing for severance pay, bonuses, profit sharing or commission payments, agreements creating rights and obligations between Client and Co-Employees, or any policies regarding paid time off or paid benefits. Client understands that CONGRUITY will not adopt or ratify any such agreements or policies and that Client is solely responsible for enforcing its rights and fulfilling its obligations under such agreements and policies.

2.) ONLINE SERVICES- Certain Services may be accessed by Client and its authorized employees, participants, or beneficiaries through the Internet at a site provided by CONGRUITY ("CONGRUITY Online Services"). Client agrees to take commercially reasonable precautions to maintain the privacy of usernames and passwords for any CONGRUITY Online Services. In addition, Client acknowledges that security of transmissions over the Internet cannot be guaranteed. CONGRUITY is not responsible for: (i) Client's access to the Internet; (ii) interception or interruptions of communications through the Internet; or (iii) changes or losses of data through the Internet. CONGRUITY may suspend Client, Client's employee(s) or plan participant(s) use of CONGRUITY Online Services immediately, without notice, pending an investigation, if any breach of security is suspected. CONGRUITY's Online Services or Internet site(s) may contain links to other Internet sites. Links to and from a site to other third-party sites do not constitute an endorsement by CONGRUITY or any of its subsidiaries or affiliates of such third-party sites or the acceptance of responsibility for the content on such sites.

3.) CLIENT INFORMATION- "Client Information" shall mean (i) payroll, benefits, human resources, and similar information provided by Client or its employees or plan participants, including transactional information; and (ii) any other information or materials provided by Client, regardless of form (e.g., images, graphics, text, etc.) to be included in any web-based CONGRUITY Online Services whether included therein by CONGRUITY on behalf of Client as a part of its setup or directly by Client or any of its employees or plan participants. The following provisions shall apply with respect to Client Information: (a) Client shall be solely responsible for the updating of and accuracy of all Client Information; (b) Client hereby grants to CONGRUITY a non-exclusive, non-transferable license to use, edit, modify, adapt, translate, reproduce, copy (including backup copies), and display the Client Information as reasonably necessary for CONGRUITY to perform the Services covered under this Agreement or, in the event CONGRUITY, in its sole discretion, elects Certified PEO status under the Small Business Efficiency Act ("SBEA"), to provide any reports and filings required of CONGRUITY necessary to comply with the SBEA and implementing regulations, including any reports or filings necessary to qualify as a Certified PEO with the U.S. Treasury and to apply for any credits applicable to Client's payroll taxes under the SBEA; and (c) Client acknowledges that, in

making CONGRUITY Online Services available, CONGRUITY is not acting as an investment advisor, broker-dealer, insurance agent or intermediary, or a financial or benefit planner. CONGRUITY is only making available benefits information related thereto.

4.) TRANSMISSION OF DATA- In the event that Client requests that CONGRUITY provide any Client Information or employee or plan participant information to any third party or to any non-U.S. location, Client represents that it has acquired any consents or provided any notices required to transfer such information and that such transfer does not violate any applicable law.

5.) DATA/FILE PROTECTION-CONGRUITY will employ commercially reasonable storage (including backup, archive, and redundant data storage, on-site and off-site) and reasonable precautions to prevent the loss of or alteration to any Client Information in CONGRUITY's possession, but CONGRUITY does not undertake to guarantee against any such loss or alteration

6.) REGULATORY COMPLIANCE-

A. CONGRUITY's Duties: With respect to Co-Employees, CONGRUITY is responsible for and agrees to the following: (i) all laws and regulations governing the reporting, collection and payment of federal and state payroll taxes on wages paid under this Agreement, including, but not limited to: (a) federal income tax withholding provisions of the Internal Revenue Code, (b) state and local income tax withholding provisions, if applicable, (c) Federal Insurance Contributions Act ("FICA"), (d) Federal Unemployment Tax Act ("FUTA"), and (e) applicable state unemployment tax laws, including managing claims, and (f) in the event CONGRUITY, in its sole discretion, elects Certified PEO status under the SBEA, all reports and filings regarding CONGRUITY and its Clients necessary to comply with the SBEA and implementing regulations; (ii) assist Client's compliance with applicable workers' compensation laws by (a) administering Client's workers' compensation insurance, and (b) assist Client in the completion and filing of required reports; (iii) all laws and regulations governing the garnishment of wages, provided that Client has forwarded the pertinent legal process and authorization to CONGRUITY; and (iv) all laws and regulations governing administration, procurement of, and payments for any employee benefits available through CONGRUITY or covered by this Agreement. Because of requirements imposed on CONGRUITY by certain laws, Client will be required to furnish CONGRUITY with certain information regarding its ownership structure and compensation packages of its principals and key executives. Client warrants that, to the best of its knowledge and belief, such information will be correct.

B. Client's Duties: With respect to Co-Employees, Client is responsible for and agrees to comply with the following: (i) applicable workers' compensation laws including laws requiring employers to: (a) procure workers' compensation insurance, (b) cooperate with CONGRUITY in establishing and maintaining a drug-free workplace in accordance with a compliant Substance Abuse Policy, (c) provide, at Client's expense, and ensure use of personal protective equipment, as required by federal, state or local law, or as deemed prudent by CONGRUITY or Client's workers' compensation carrier, and (d) complete and file required reports; (ii) the Occupational Safety and Health Act ("OSHA") and related or similar applicable law; (iii) if applicable: government contracting requirements as regulated by law, as amended, including but not limited to: (a) Executive Order 11246 and corresponding executive orders and affirmative action regulations, (b) The Rehabilitation Act of 1973, (c) Vietnam Era Veterans' Readjustment and Assistance Act of 1974, (d) Walsh-Healy Public Contracts Act, (e) Davis-Bacon Act, (f) the Service Contract Act of 1965, (g) the False Claims Act, and (h) any similar federal, state, or local laws or regulations; (iv) professional licensing and liability; (v) fidelity bonding requirements; (vi) Internal Revenue Code §§414(m), (n), & (o) (In this regard, Client agrees to integrate and coordinate the terms of any extant Client-sponsored benefit plans so that CONGRUITY's plans remain in compliance with all applicable laws); (vii) the Fair and Accurate Credit Transactions Act; (viii) the Worker Adjustment and Retraining Notification Act ("WARN") (Client agrees to notify CONGRUITY at least 65 days in advance of any event that would require notices under WARN); (ix) laws affecting assignment of and ownership of intellectual property rights including, but not limited to, inventions whether patentable or not and patents resulting therefrom, copyrights and trade secrets; (x) laws affecting the maintenance, storage, and disposal of hazardous materials (Client is responsible for the completion and filing of IRS form 8027 (Employer's Annual Information Return of Tip Income and allocated Tips, if required for Client's business and Client shall properly maintain all material safety data sheets on an on-going basis during any term of this Agreement); (xi) all other federal, state, or local laws concerning the employer/employee relationship, wages, hours, benefits, fair employment practices, terms and conditions of employment, as amended, including, but not limited to: (a) the Fair Labor Standards Act, (b) the Equal Pay Act, (c) the Fair Credit Reporting Act, (d) the Employee Polygraph Protection Act, (e) the Immigration Reform and Control Act as further specified in §6.E, (f) the Uniformed Services Employment and Reemployment Rights Act, (g) Title VII of the Civil Rights Acts of 1964, (h) the Family and Medical Leave Act ("FMLA") as further specified in §6.C, (i) the Age Discrimination in Employment Act, (j) the Older Workers Benefit Protection Act, (k) the National Labor Relations Act, (l) the Americans With Disabilities Act (including provisions thereunder relating to the accessibility of Client's premises, non-discrimination, and reasonable accommodations), (m) the Pregnancy Discrimination Act, (n) the Genetic Information Nondiscrimination Act, (o) the Employee Retirement Income Security Act; (p) the Health Insurance Portability and Accountability Act, (q) the Health Information Technology for Economic and Clinical Health Act, and (r) the Patient Protection and Affordable Care Act ("ACA") as further specified in §13; (xii) all federal, state, and local laws requiring posting or providing of notices at the place of employment or hire; and (xiii) all laws and regulations governing garnishment of wages.

C. Client's FMLA Obligations: The Client's relationship with CONGRUITY under this Agreement in no way affects the Client's status as a covered employer under the FMLA. Any determination of Client's status under the FMLA will be determined without regard for its relationship with CONGRUITY. Client shall be solely responsible for compliance with all aspects of the FMLA and similar state and local paid and unpaid leave laws.

D. Client's Employment Policies: Client represents and warrants that it has duly adopted and published or posted employment policies and procedures contained in an employee handbook or otherwise that conform to the requirements of all applicable federal, state, and local laws and that Client is in compliance with any federal, state, or local law requiring the posting of certain notices regarding employee rights. CONGRUITY reserves the right to develop and implement reasonable comprehensive or supplemental policies, including its own employee handbook, to be applicable to the employment of all co-employees. In the event CONGRUITY develops and implements such policies, Client will make reasonable efforts to ratify and comply with such policies and ensure that its employees also comply.

E. Immigration Compliance: All Co-Employees will be subject to the E-Verify system when and where required by any applicable law or as determined to be consistent with CONGRUITY's business practices in its sole discretion. CONGRUITY will submit newly hired Co-Employees to E-Verify on Client's behalf. When applicable, CONGRUITY will communicate any non-confirmation to Client and Client shall not allow any Co-Employee

to perform work unless such Co-Employee has been confirmed eligible to work by E-Verify. CONGRUITY will not submit any newly hired Co-Employees to E-Verify if such Co-Employees are working outside of a jurisdiction where the use of E-Verify is required by applicable law.

7.) CLIENT'S REPRESENTATIONS AND WARRANTIES- CONGRUITY's obligations hereunder are conditioned upon Client's full and accurate disclosure of any and all information reasonably requested by CONGRUITY both before and after the execution of this Agreement. As of the effective date of this Agreement, Client represents and warrants the following:

A. All compensation for Co-Employees accrued prior to the effective date of this Agreement and for which Client or any third party is responsible and obligated has been paid in full;

B. To the knowledge of Client, neither Client nor any third party who provides or has provided PEO services, employee leasing services or personnel staffing services to Client, has any employment contract, written or verbal, with any Co-Employee;

C. There are no separate contracts, agreements, or arrangements existing with respect to Co-Employees as a group or individually which would bind or obligate Client;

D. Client shall notify CONGRUITY of the principal location of the work-site of each Co-Employee and each location where such Co-Employee performs services, and of any changes in such locations;

E. All pension, profit sharing, or other employee benefit plans existing at the effective date of this Agreement are current and in compliance with applicable law, and the execution of this Agreement shall not be deemed a breach under the terms of those plans;

F. Except as previously disclosed to CONGRUITY in writing, there is no action, suit, proceeding, or investigation pending, or, to the knowledge of Client, threatened against Client, related to the Co-Employees or the Client's employer/employee relationship with the Co-Employees or which may result in a material adverse change in the financial condition of Client or of any guarantor of Client's obligations under this Agreement. Client will advise CONGRUITY promptly upon the inception of any such action, suit, proceeding, investigation or threat thereof;

G. Client has not knowingly violated any applicable statute or regulation in any respect, which would adversely affect the Co-Employees or Client's employment relationship with the Co-Employees. Client is and shall remain in compliance with all statutes, regulations and executive orders regarding Co-Employees and employment practices including, but not limited to, federal, state and local employment laws. Client acknowledges that certain statutes, rules and regulations are based on the status of the employer, and that Client's status under one or more of such statutes, rules and regulations may change as a result of entering into this Agreement;

H. Client is not a federal, state or local government contractor or subcontractor and that none of the Co-Employees perform work on government contracts, except as previously disclosed in writing to CONGRUITY. Client agrees to provide written notice to CONGRUITY prior to entering into any government contract. CONGRUITY is not and will not be a federal contractor and has no responsibility or liability for Client's federal contracts and Client remains responsible for all compliance under such contracts. If CONGRUITY accepts/continues to provide its Services to Client after notice, CONGRUITY will provide information and assistance to Client in relation to Client's federal contractor obligations; and

I. All Co-Employees employed by Client prior to the Effective Date of this Agreement are authorized to work in the United States consistent with the requirements of the United States Citizenship and Immigration Services ("USCIS") and E-Verify where required by applicable law, and they have provided documentary proof of such authorization as reflected on I-9 forms in the custody or under the control of Client. Furthermore, Client represents and warrants that all names and Social Security records of Co-Employees hired by Client prior to the Effective Date match, and that Client is without knowledge of any fact that would render any such Co-Employee ineligible under applicable law to work in the United States. If during the term of this Agreement, any Co-Employee's work authorization expires (such as through the expiration of a visa or work permit), Client shall prevent such Co-Employee from performing any further work until such Co-Employee's work authorization has been restored and verified consistent with USCIS and I-9 requirements. Client shall be solely responsible for any such restoration and verification.

J. CONGRUITY 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.

8.) ADMINISTRATIVE FEES- The fees to be paid by Client for CONGRUITY's Services are listed on Schedule A, and subject to change by CONGRUITY from time to time ("Fees"). The Fees are based on information concerning Co-Employees' job classifications and remuneration supplied to CONGRUITY by Client and on the requirements, methods, and level of Services agreed upon by the parties. Client agrees that CONGRUITY has relied upon the information provided by Client for establishment of the Fees and as the basis for entering into this Agreement.

9.) CLIENT DEPOSIT- As a condition of the performance of its Services under this Agreement, CONGRUITY may require a refundable deposit equal to one week of Client's estimated payroll and Fees or an irrevocable letter of credit acceptable to CONGRUITY equal to same, only as specified on Schedule A. If a deposit is required, these moneys shall be held by CONGRUITY to guarantee performance of all terms, covenants and obligations of the Client under this Agreement. Such deposit amount may be adjusted from time to time at CONGRUITY's option upon written notice to Client. If CONGRUITY must apply any part of the deposit to the payment of any invoice or other charges, Client agrees to replenish said deposit prior to the continuation of any Services. Subject to the terms and conditions of this Agreement, any remaining balance of said deposit shall be refunded within sixty (60) days following termination of this Agreement. The waiver by CONGRUITY of this requirement at any time shall not estop or act as a waiver of CONGRUITY's right to require a deposit at any subsequent time during the term of this Agreement.

10.) PAYMENT –

A. Client will pay CONGRUITY the gross remuneration of Co-Employees, the Fees for Services, any employer contributions for optional benefits that Client has agreed to pay and for any other services CONGRUITY performs at Client's request, all of which will be invoiced on a periodic basis. CONGRUITY's right to receive the invoiced amount shall arise upon Client's receipt of each invoice, and the amount invoiced shall be due upon receipt. Any amounts not paid when due are subject to a late penalty of up to 1.5% of the amount due per month or fraction thereof that remains outstanding or such lesser amount that is the maximum late penalty allowed by state law.

B. Client shall pay for CONGRUITY's Services with bank wire transfers, through automatic clearing house transfer ("ACH"), cashier's check, or other method acceptable to CONGRUITY. Payment shall have been made only when CONGRUITY has received final, irrevocable credit at its bank. If Client pays CONGRUITY with a check that is dishonored, then Client shall pay CONGRUITY a service charge equal to the maximum service charge allowed by state law plus the applicable late penalty. If Client pays CONGRUITY through an ACH that is dishonored, then Client shall pay CONGRUITY a service charge of up to \$200.00 per ACH dishonored plus the applicable late penalty. Under no circumstances shall any amounts advanced by CONGRUITY to employees or third parties and which are not paid by Client on a timely basis, be deemed a loan to Client. Past due amounts are delinquent obligations.

C. If Client defaults in paying the amounts due and CONGRUITY continues to pay any wages to Co-Employees, Client shall fully indemnify and hold CONGRUITY harmless from any and all claims made by employees for wages in excess of the amount paid by CONGRUITY and all legal fees and expenses incurred in defense of such claims. If Client fails to fulfill its obligations as an employer under this Agreement or another agreement or any law or regulation and as a result of such failure CONGRUITY becomes obligated at any time to pay amounts due in satisfaction of Client's obligation, Client agrees to pay, upon receipt, CONGRUITY's invoice covering such amounts and any applicable costs or other fees. Unless otherwise specified, Client agrees to collect, verify, and transmit to CONGRUITY's principal office in Kernersville, North Carolina by 12 o'clock noon (in Client's time zone) no less than 72 hours, or longer, as required by CONGRUITY before each CONGRUITY payroll date ("Reporting Time"), the information needed for the correct and accurate determination of the gross and net amounts due to Co-Employees and the payment due CONGRUITY. If Client transmits payroll information to CONGRUITY after the Reporting Time, Client agrees to pay CONGRUITY its applicable charges for the special handling required to process and timely deliver payroll to Co-Employees on the scheduled payroll date. Client must immediately inform CONGRUITY of any situation in which payment will not be made when due, and CONGRUITY shall have the right to immediately remove from its payroll the Co-Employees for whom payment will not be made and to require Client to immediately notify those workers of CONGRUITY's action.

D. CONGRUITY may adjust its Fees if there are any statutory changes in the minimum wage, other significant employment law, employer taxes, sales tax, or Client's workers' compensation rates which must be paid during any term of this Agreement or which applies to the time period during which this Agreement was in effect; such adjustments shall be effective on the date of the mandated change. CONGRUITY's Fees may also be adjusted if the Client information is or becomes inaccurate, if Client requests changes in the requirements, methods, and levels of Services agreed upon, if Client frequently transmits payroll information after the reporting time, if there are variations in the number of Co-Employees or their gross payroll, or within 30 days of any anniversary date of this Agreement if in CONGRUITY's sole discretion the Fees then being charged become insufficient to maintain a consistent level of Services. All such adjustments shall be effective upon reasonable advance notice from CONGRUITY.

E. Client authorizes CONGRUITY during any term of this Agreement to conduct credit and background reference checks on Client and the owners of Client to verify Client's creditworthiness and reliability to perform its obligations under this Agreement.

11.) WORKERS' COMPENSATION INSURANCE COVERAGE-

A. Insurance Coverage: Unless otherwise indicated by section 2.B of your Client Service Agreement with CONGRUITY, beginning with the effective date of this Agreement and until its termination, it shall be CONGRUITY's obligation to provide acceptable workers' compensation insurance to all Co-Employees in compliance with applicable law. Client agrees to report its newly hired employees to CONGRUITY on or before the date they are hired by sending to CONGRUITY CONGRUITY's "New Hire Acknowledgement Package" completed and signed by that worker and Client. Client agrees to require its sub-contractors and independent contractors (jointly, "Contractors") to provide, before starting work, evidence of workers' compensation insurance. Client shall indemnify and hold CONGRUITY harmless from claims, damages, expenses, and liability arising from and related to (i) employing workers by utilizing procedures that are inconsistent with the requirements set forth in this Agreement; and (ii) unilaterally terminating the employment of an insured Co-Employee in contravention of applicable law. To the extent that any federal or state reporting or filing obligations are required due to Client's workers' compensation program, including, but not limited to Medicare Secondary Payer Section 111 reporting requirements, Client's workers' compensation insurer or Client and not CONGRUITY shall be responsible for any such reporting or filing obligations.

B. Administration of Coverage (Workers' Compensation Carve Out Only): At Client's request and only where provided among the Services, CONGRUITY will administer Client's workers' compensation insurance during the term of this Agreement. If so requested, Client shall appoint CONGRUITY "Limited Power of Attorney" for the purpose of said administration and said appointment will, unless otherwise agreed to in writing, include but not be limited to (i) negotiating workers' compensation premium on Client's behalf, (ii) payment of the deposit premium and down payment from CONGRUITY's own funds; (iii) payment of monthly invoices; (iv) receiving first reports of injury from Client; (v) submitting first reports of injury to client's workers' compensation carrier; and (vi) receiving and replying to correspondence from the respective carriers. If for any reason during the term of this Agreement Client's workers' compensation insurance should be assigned to a state risk pool or equivalent, Client will be responsible for the initial deposit and down payment.

C. Certificates (Workers' Compensation Carve Out Only): Client shall maintain the insurance required under §11B. during the term(s) of this Agreement. Client will cause its workers' compensation carrier to issue a certificate of insurance which evidences coverage, names CONGRUITY as a certificate holder and allows not less than 30 days' notice of cancellation or material change. 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 in whole or in part by Client, as an employee, independent contractor, or in any other capacity. In no event will any independent contractor be covered by Client's workers' compensation policy without written approval from said carrier.

D. Notification of Injury; Reinstatement of Workers: If a Co-Employee is injured at an assigned worksite, Client agrees to notify Client's workers compensation insurance carrier or CONGRUITY (if CONGRUITY is administering Client's workers compensation insurance) by the completion of a "First Report of Injury Form" within 24 hours and to cooperate in any investigation conducted following the injury, to provide transportation to an approved medical facility, and if required due to medical restrictions, to permit the Co-Employee (where reasonably possible and permitted by law) to work in a modified-duty capacity until such time as the employee is no longer medically restricted from resuming duties performed prior to the injury. Client also agrees to cooperate with CONGRUITY in making reasonable accommodation, which may be required by applicable law and in restoring a Co-Employee to his or her job at the conclusion of any such leave. Client is solely responsible for all direct and indirect costs associated with reasonable accommodations required by the ADA and similar state and local laws.

E. Safety: CONGRUITY shall retain a right of direction and control over the management of safety, risk, and hazard control involving Co-Employees performing work at Client worksite(s) as may be required by local, state, and federal laws, ordinances, and regulations; however, compliance with all applicable laws, ordinances, and regulations related to such matters is the responsibility of Client. Client agrees 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 or state law or regulations and shall establish and maintain such safety programs, safety policies and safety committees as may be required by law. CONGRUITY, CONGRUITY's liability insurance carrier and Client's workers' compensation carrier or their assignees have the right to survey Client's worksite to look for unsafe conditions or unsafe acts which may lead to accidents. However, the retention by CONGRUITY of the right to survey Client's worksite does not relieve Client of any obligations that it has pursuant to Federal or State OSHA or any other federal, state or local law intended to provide employees at Client's worksite with a safe work environment. Upon notification by CONGRUITY to Client of an unsafe working condition, Client shall within a reasonable period of time take necessary steps to rectify the unsafe condition or correct the violation. Client agrees to indemnify and hold harmless CONGRUITY for any and all citations, including fines and legal expenses incurred as a result of safety issues of Client, Client's worksite and Co-Employees.

F. Workers' Compensation Class Codes: Workers' compensation class codes are based on information provided by Client to the workers' compensation carrier. It shall be Client's sole responsibility to assign Co-employees to workers' compensation class codes. Client warrants that the list of workers' compensation classifications as set forth on Schedule A is accurate and complete and that Co-Employees performing these job functions do so at the location specified in this Agreement as Client's address or at other such location as are set forth on Schedule A. Client understands and agrees that prior written approval must be obtained from CONGRUITY and Client's workers' compensation carrier prior to the addition of any workers' compensation classification or location to this Agreement. CONGRUITY retains the right to change the classification codes, where necessary, to comply with the guidelines set forth by the NCCI or applicable state regulatory agency.

G. Inspection: Client agrees that CONGRUITY, Client's workers' compensation insurance carrier, or an authorized representative of either is entitled to conduct an on-site physical examination at each Client location at least annually during the term of this Agreement, and periodically thereafter, to audit the employee classification list, employee rolls and financial records relating thereto to make sure that all Co-Employees are classified properly, and being reported for workers' compensation purposes and that all of their remuneration is being reported to CONGRUITY. If CONGRUITY is administering Client's workers' compensation insurance and learns during an audit or otherwise that Co-Employees have been misclassified or all of their hours and remuneration have not been reported to CONGRUITY, Client will promptly reimburse CONGRUITY, upon invoice for charges which otherwise would have been payable by Client had all of the hours, remuneration and job classifications of Co-Employees been properly reported, plus a service charge equal to 25% of such charges or such lesser amount that is the maximum service charge allowed by state law.

H. Termination of Client's Workers' Compensation Insurance (Workers Compensation Carve Out Only): Upon notice of failure of Client to carry workers' compensation insurance, CONGRUITY will terminate this Agreement immediately. In the event this Agreement is terminated for any reason, Client agrees that, if paid by CONGRUITY from its own funds, any workers' compensation down payment(s), deposit(s), credits or unearned premium(s) shall be the property of CONGRUITY, and Client hereby appoints CONGRUITY as "Attorney-in-fact" for the purpose of endorsing any refund check(s) issued by Client's workers' compensation insurer. In the event such refund is to be in the form of a credit, Client agrees to reimburse CONGRUITY within ten (10) days after the termination of this Agreement. Client understands that some carriers charge a penalty in the form of a "short rate" or other form for early termination of coverage and that Client will be responsible for reimbursing CONGRUITY for such penalties. If CONGRUITY has paid workers' compensation deposit(s) or premiums in excess of the amount CONGRUITY has actually collected from Client, Client agrees that the full amount, including any penalties, will be added to Client's final invoice and is due upon receipt of invoice.

I. Replacement Coverage: In the event this Agreement is terminated, Client agrees to immediately make arrangements with CONGRUITY to continue the then current workers' compensation insurance or to immediately secure replacement workers' compensation insurance for the benefit of employees who continue their employment with Client.

12). SUPPLEMENTAL SERVICES- From time to time CONGRUITY may participate in joint marketing promotions with vendors whose services will be offered to clients of CONGRUITY. Client agrees that (i) CONGRUITY is not the provider of such supplemental services, (ii) CONGRUITY shall have no responsibility or liability for services provided by any vendor, and (iii) if Client does elect to utilize services of a vendor, Client will look solely to the vendor for performance and liability with regard to such services. These are not included in CONGRUITY's basic Services provided under this Agreement. Such services would be provided by a vendor under separate contract between vendor and Client and would be billed separately, if applicable.

13.) HEALTH AND WELFARE BENEFITS-

A. If Client is or hereafter becomes subject to any provision of the ACA, as measured according to the guidelines of the ACA, Client is solely responsible for all compliance with the ACA applicable to Client, including without limitation, plan design, maintenance, eligibility, participation, affordability, benefits and formulary, offers of coverage, tracking initial measurement periods, standard measurement periods, or stability periods, providing plan notices and plan documents, and making appropriate filings and reports as required under ACA or related employee benefits laws, where applicable.

B. CONGRUITY may, in its sole discretion, offer Client the opportunity to adopt employee benefit plans offered by CONGRUITY, if any, to meet the requirements of the ACA. Any such offer by CONGRUITY will be in writing to Client and any selection by Client also shall be in writing and the provision of benefits subject to that selection shall be identified in Schedule A attached hereto. No CONGRUITY employee benefit plans will be offered to Co-Employees without Client's prior authorization. All of CONGRUITY's employee benefit plans shall be subject to the terms and conditions of eligibility provided for in the applicable plan documents, including any amendments. Unless the opportunity to participate in CONGRUITY's employee benefit plans is provided to Client pursuant to Schedule A, Co-Employees shall not be eligible for CONGRUITY's employee benefit plans. Unless access to CONGRUITY's employee benefit plans is provided pursuant to Schedule A, CONGRUITY shall have no responsibility to Client or any Co-Employee for maintaining compliance with the ACA. If CONGRUITY has offered to make some or all of its employee benefit plans available to Client to elect to offer such benefits to Co-Employees, as provided pursuant to Schedule A, such offer is intended to be construed as an offer made on behalf of Client, consistent with ACA's safe harbor applicable to same under 29 C.F.R. § 54.4980H-4(b)(2). Client and CONGRUITY agree that CONGRUITY is not a seller of insurance and does not engage in the sale of insurance.

C. Client may, in its sole discretion, elect to offer its own medical benefits to Co-Employees. If Client offers its own medical benefits to Co-Employees in accordance with the preceding paragraph, Client understands and acknowledges that: (i) CONGRUITY will administer only deductions for Co-Employees for the plan(s), according to a separate signed Agreement, and relies on information supplied by Client and participants in doing so; (ii) eligibility and participation requirements are the absolute responsibility of Client; (iii) CONGRUITY is not a fiduciary to any participant of Client's plan(s) or any assets of the plan(s); (iv) the benefit plan sponsored and administered by Client will be under a "Section 125" plan under the Internal Revenue Code and any request to cancel, enroll, or change benefits coverage outside of the annual enrollment period must be in compliance with applicable plan documents and Section 125; (v) an "Employee/Co-Employee" for purposes of the cafeteria plan regulations does not include an independent contractor, self-employed person, a 2 percent shareholder in an S corporation, or a partner; (vi) CONGRUITY shall cooperate with Client to ensure that timely and accurate reports are filed and provided under ACA §§ 6055 and 6056; however, Client shall be responsible for providing any such reports to Co-Employees; and (vii) Client shall be responsible for COBRA continuation for participants, 5500 filings, and similar federal and state filings under any group health plan sponsored by Client. Client agrees that it is Client's responsibility to fulfill all obligations under any Client sponsored plan(s) and to notify CONGRUITY of any changes or cancellations when they occur. Likewise, if Client offers its own medical benefits to Co-Employees, Client shall indemnify, hold harmless, protect and defend CONGRUITY from all claims, damages, costs, penalties, taxes, interest, or other liability (including without limitation, any penalty assessed under § 4980H of the Internal Revenue Code) assessed against CONGRUITY arising out of the Client's sponsorship of its own medical benefits to any Co-Employee, including without limitation: (1) the Client's administration of any employee benefit plan; (2) compliance with ACA; and (3) compliance with the Employee Retirement Income Security Act of 1974, as amended, the Internal Revenue Code, or any other federal, state, or local law that governs employer-sponsored employee benefit plans.

D. If CONGRUITY sponsors any medical or supplemental health plans that are subject to COBRA and offers such plans to Client and its Co-Employees, Client is responsible for and hereby agrees to comply with the following: (a) Client must provide complete, accurate, and timely information so that CONGRUITY can fulfill any COBRA administration tasks; (b) Client understands and agrees to abide by all federal and state statutes requiring employer subsidized or paid coverage through the end of the month in which the employee separates from employment or until certain notice is given to the health insurer; and (c) Client agrees to indemnify and hold harmless CONGRUITY for providing inaccurate or untimely information related to COBRA.

14.) PAYMENTS FOR HEALTH AND WELFARE BENEFITS- If Co-Employees enroll in Health & Welfare or other available employee benefits programs, Client understands and agrees that if CONGRUITY is unable to collect premiums or amounts due from Co-Employees (i) Client will pay CONGRUITY such uncollected amounts upon receipt of CONGRUITY's invoice; (ii) CONGRUITY will, upon a Co-Employee's return to work, deduct the amount billed to Client and credit same to Client's next invoice, or (iii) if Co-Employee terminates employment, deduct any unpaid amount from Co-Employee's final check and credit same to Client. Client will inform Co-Employees of the requirements set forth in this section.

15.) RETIREMENT PLANS- Pursuant to Schedule A, CONGRUITY may offer Client and Co-Employees the opportunity to participate in a multiple employer 401k plan. If Client does not adopt CONGRUITY's 401k plan and offers any other 401k, Roth 401k, 403b, IRA, Simple IRA, Roth IRA, SARSEP, SEP, or other retirement plan, Client understands and agrees that: (i) CONGRUITY will administer only deductions for Co-Employees for the plan(s), according to a separate signed Agreement, and relies on information supplied by Client and participants in doing so; (ii) eligibility and participation requirements are the absolute responsibility of Client; and (iii) CONGRUITY is not a fiduciary to any participant of Client's plan(s) or any assets of the plan(s).

16.) OTHER INSURANCE-

A. Automobile: Client shall obtain and maintain automobile liability insurance for all owned, non-owned, and hired vehicles used in connection with its business, with the work performed on its premises or where any Co-Employee is permitted or required to operate a vehicle of any kind for Client. The policy shall insure against liability for bodily injury and property damage, with a minimum combined single limit of \$1,000,000.00 and Uninsured Motorist or PIP equivalent coverage of at least the minimum limits required by a state having a "no fault" law.

B. General Liability: Client shall obtain and maintain general liability insurance with a minimum combined single limit of \$1,000,000.00 with the following coverage, where applicable: premises, operations, products, completed operations, contract and broad form property damage, independent contractors, personal injury, host liquor, and full liquor liability. If Client renders professional services, it shall obtain and maintain professional liability

coverage, as applicable, with a minimum combined single limit of not less than \$1,000,000.00. With regard to insurance referenced in this paragraph, additional coverage may be required at CONGRUITY's discretion based on size and nature of Client's business.

C. Certificates: The insurance required under §16.A and B shall be maintained by Client during the term(s) of this Agreement. Client will cause each of its insurance carriers to issue a certificate of insurance which evidences coverage, names CONGRUITY as an additional insured, and allows not less than 30 days' notice of cancellation or material change.

D. Claims: If any third party initiates a claim against Client or CONGRUITY for bodily injury, property damage, or death, or if a Co-Employee files a claim against Client or CONGRUITY for any type of loss, injury, or damage, including without limitation wrongful discharge, employment discrimination, harassment, or retaliation, Client shall immediately notify CONGRUITY and cooperate and assist CONGRUITY in the filing of any applicable claim with CONGRUITY's insurance carriers or file for recovery under Client's own applicable insurance policy. Client is required, and agrees, to timely report to CONGRUITY all complaints, allegations, or incidents of any tortious misconduct or workplace safety violations, regardless of the source. CONGRUITY maintains employment practices liability ("EPL") insurance for the benefit of CONGRUITY and Client. Client understands and agrees that EPL-covered claims may include without limitation: claims for wrongful discharge, employment discrimination, harassment, and retaliation. Claims for violations of any federal, state, or local wage and hour law generally are not covered. A copy of CONGRUITY's EPL policy will be made available to Client upon Client's request. Client agrees to refer to the policy for any terms and conditions applicable to Client's business and to familiarize itself with its obligations related to timely submission of claims. If any provision of this Agreement is in conflict with the EPL policy in effect, the EPL policy shall control. CONGRUITY retains the sole discretion over its choice of EPL insurance carriers, the terms of such policies, and whether to renew or not renew the EPL insurance; and shall inform Client of any decision not to renew the EPL insurance no later than the termination date for such coverage. If CONGRUITY's EPL carrier accepts a claim submitted by Client or CONGRUITY on Client's behalf, Client agrees that Client shall be solely responsible for the payment of any applicable deductible or self-insured retention ("Deductible") and CONGRUITY or counsel appointed to defend Client from such claim shall be entitled to collect from Client the full sum of its Deductible upon the appointment of counsel for defense with such sum to be held either as a retainer or to be billed to the Client and remitted by the Client as such fees are incurred. CONGRUITY shall have the discretion to determine whether the Deductible shall be paid as retainer or paid as such fees are incurred. If CONGRUITY requires Client to remit its Deductible to be held as a retainer, such retainer will be held by appointed counsel in trust, against which legal fees incurred shall be deducted. In the event of a resolution of a claim prior to the exhaustion of the Deductible, the balance of such unexhausted Deductible shall be returned to the Client.

17.) INSURED CLAIMS- Each party hereby waives any claim in its favor against the other party by way of indemnification or otherwise which may arise during the term(s) of this Agreement for any and all loss of or damage to any of its property or for bodily injury, which loss, damage, or bodily injury is covered by insurance to the extent that such loss or damage is recovered under such policies of insurance as required herein. Client hereby waives any right of subrogation in favor of CONGRUITY.

18.) DUTY TO COOPERATE- If an employee, Co-Employee, government agency, or other third-party files any complaint, claim, charge, agency audit, or lawsuit against CONGRUITY, Client, or both, alleging violation of a law or failure to do something required by law, each party shall cooperate with the other's defense of such complaint, claim, charge, agency audit, or lawsuit. CONGRUITY and Client will make available to each other upon request any and all documents that either party has in its possession which relate to any such complaint, claim, charge, agency audit, or lawsuit. However, neither party shall have the duty to cooperate with the other if the dispute is between the parties themselves, nor shall this provision preclude the raising of cross claims or third-party claims between Client and CONGRUITY. This duty to cooperate shall encompass the obligation of each party to timely supply documents, witnesses, and such other evidence as is necessary for a party to properly fulfill its obligations under this Agreement.

19.) TERMINATION-

A. This Agreement is terminable by either party without cause upon 30 days' written notice. In the event of a breach, violation or default of any term or condition of this Agreement ("Breach") by one party, the other party shall have the absolute right to immediately terminate this Agreement by giving written notice of termination to the party in Breach. At the option of the non-Breaching party the termination date shall be the date of the Breach, the date it sends notice, the date notice is received by the Breaching party, or any later date selected by the non-Breaching party.

B. In addition to any other Breach, the following shall be deemed Breaches giving rise to the non-Breaching party's right of termination (i) a party's failure to pay any monies when due as required by this Agreement; (ii) a party's failure to secure and maintain any insurance required by this Agreement; (iii) situations where a party (a) would be required to issue a notice under WARN, (b) closes or sells a facility or operation, (c) transfers its business to a third party, or (d) a party's current equity owners fail to maintain at least a majority ownership in the party; (iv) the filing of a petition for reorganization, bankruptcy, receivership, or insolvency by or against a party or if a party makes any assignment for the benefit of creditors; (v) Client's misrepresentation of employees' job descriptions or workers' compensation classifications, reporting of inaccurate employment rolls, employee payroll hours, pay rates or salary, or paying remuneration directly to Co-Employees without reporting same to CONGRUITY; (vi) Client's failure to comply with any reasonable directive regarding health and safety from CONGRUITY, Client's workers' compensation carrier, or any government agency; (vii) Client's failure to report payroll to CONGRUITY for one or more payroll periods; or (viii) if gross payroll reported by Client for three or more consecutive payroll periods declines more than 15% below either (a) the periodic payroll specified in the proposal, or (b) the average periodic payroll reported by Client during the previous 12 months.

C. In the event of a Breach by Client, Client shall forfeit its deposit as liquidated damages in addition to paying any amounts due and owing at the time of Breach. If CONGRUITY waived the deposit required in §9, liquidated damages will be assessed at the amount of \$5,000 at the time of Breach in addition to paying any amounts due and owing at the time of Breach.

D. Upon the termination of this Agreement for any reason: (i) CONGRUITY's status as an employer and its obligation to provide Services or any optional benefits or services to Client or Co-Employees shall cease on the date this Agreement terminates. Client shall be obligated to pay to CONGRUITY the full amount of CONGRUITY's invoices covering periods through the termination date for Services and any other amounts Client has agreed under this Agreement to pay to CONGRUITY; unpaid amounts shall continue as obligations of Client beyond the termination of this Agreement;

and (ii) Client shall immediately assume (a) all federal, state, and local obligations of an employer to the employees, and (b) full responsibility for payroll, taxes, unemployment insurance and workers' compensation insurance. If the affected employees are entitled to the payment of any remuneration or pay for accrued vacation, sick or personal leave, or other benefits accrued prior to the termination date, Client shall be liable for the payment thereof. Client shall make payments directly to the employees; however, if CONGRUITY pays employees any such amounts, Client shall reimburse CONGRUITY.

20.) CONFIDENTIALITY- During the term of this Agreement, the parties may exchange certain confidential information, including without limitation all non-public information of a confidential or proprietary nature provided by the disclosing party to the receiving party for use in connection with the Services; CONGRUITY's trade secrets, proprietary information, pricing, processes, policies, forms, and materials or documentation related thereto, and documents or data received, created, or maintained by CONGRUITY in the performance of the Services; and Client's trade secrets, proprietary information, personally identifiable payroll information and employee-level data ("Confidential Information"). Confidential Information shall not include: (a) information that is already known by the receiving party, (b) information that becomes generally available to the public other than as a result of disclosure by the receiving party in violation of this Agreement, and (c) information that becomes known to the receiving party from a source other than the disclosing party on a non-confidential basis. All Confidential Information disclosed by one party to the other during any term of this Agreement will remain the exclusive and confidential property of the disclosing party. The receiving party will not disclose the Confidential Information of the disclosing party and will use at least the same degree of care, discretion, and diligence in protecting the Confidential Information of the disclosing party as it uses with respect to its own confidential information. The receiving party will limit access to Confidential Information to its employees and authorized representatives with a need to know and will instruct them to keep such information confidential. The receiving party may disclose Confidential Information of the disclosing party as follows: (a) to the extent necessary to provide Services under this Agreement, provided that any disclosure to a third party is made in confidence if such disclosure was not requested by the disclosing party; (b) to the extent necessary to comply with any law, rule, regulation, or ruling applicable to it; (c) as appropriate to respond to any summons or subpoena or in connection with any litigation; (d) relating to a specific Co-Employee, to the extent such employee has consented to its release; (e) to any affiliate of the disclosing party covered by this Agreement; and (f) to the extent necessary to enforce its rights under this Agreement. Upon the request of the disclosing party, the receiving party will return or destroy all Confidential Information of the disclosing party that is in its possession. However, CONGRUITY may retain information for the purposes of regulatory compliance or in back-up files, provided that CONGRUITY's confidentiality obligations hereunder continue to apply.

21.) NON-SOLICITATION- During the term of this Agreement and for one year thereafter, each party shall not knowingly hire or solicit the employment of any employee of the other party. However, nothing herein shall prevent a party from advertising vacant positions in the ordinary course of business where such advertising is not directly aimed at the other party's employees.

22.) INTELLECTUAL PROPERTY RIGHTS- Client shall own all intellectual property rights incident to all processes, products, or inventions created or invented by any Co-Employee who was directed by Client to create or develop such process, product, or invention. Client shall bear all costs associated with any patents, copyrights, or trademarks that Client chooses to obtain to protect Client's intellectual property rights.

23.) INDEMNIFICATION-

A. CONGRUITY agrees to indemnify, hold harmless, protect, and defend Client, all of Client's subsidiaries, affiliates, and parent entities and their partners or shareholders, agents, attorneys, insurers, re-insurers, and employees from all claims, out-of-pocket expenses, reasonable attorney's fees and court costs, damages (including compensatory and punitive damages) and liabilities arising from or related to (i) acts, errors, or omissions, (whether negligent or willful) by CONGRUITY while performing Services under this Agreement; (ii) violations of any statute, law, or regulation by CONGRUITY; or (iii) CONGRUITY's failure to perform any of its obligations under this Agreement.

B. Client agrees to indemnify, hold harmless, protect, and defend CONGRUITY, all of CONGRUITY's subsidiaries, affiliates, and parent entities and their partners or shareholders, agents, attorneys, insurers, re-insurers, and employees from all claims, out-of-pocket expenses, reasonable attorney's fees and court costs, damages (including compensatory and punitive damages) and liabilities arising from or related to (i) acts, advice, errors, or omissions (whether negligent or willful) by Client or by a Co-Employee while performing services in furtherance of Client's business; (ii) violations of any statute, law, or regulation by Client or a Co-Employee; (iii) breaches of contract attributed to Client or to a Co-Employee; (iv) Client's failure to perform any of its obligations under this Agreement; or (v) failure by Client to authorize or make payments due to Co-Employees under any law or under a policy or agreement with Client, such as pay for commissions, bonuses, profit sharing, severance, other compensation, vacation, fringe benefits, or other paid time off; (vi) failure of Client to timely advise CONGRUITY of an issue that could lead to or did in fact result in a claim or suit against CONGRUITY; (vii) Client taking action or failing to take action regarding a Co-Employee or work condition, including without limitation disciplinary actions such as performance reviews, suspensions, and terminations, that lead or contribute to a claim or suit against CONGRUITY.

C. All indemnity obligations hereunder are without monetary limit and without regard to the cause thereof, including the negligence of either party, whether the negligence is sole, joint, comparative, or contributory. Except with respect to §23.B.(vi) and (vii), if such indemnification is for any reason not available or insufficient to hold the indemnitee harmless, the indemnitor agrees to contribute to the losses involved in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by each party with respect to the matters contemplated by this Agreement or, if such allocation is judicially determined to be unavailable, in such proportion as is appropriate to reflect the relative benefits and equitable considerations such as the relative fault of the parties. In the event of a breach of indemnity under §23.B. (vi) or (vii), Client agrees that CONGRUITY shall have the right to tender the defense of any claim or legal proceeding to Client, and that Client as of the date of such tender shall have the obligation to pay all expenses incurred in the defense of such claim or legal proceeding, including attorneys' fees, and such expenses and legal fees as are incurred. Notwithstanding any such tender, CONGRUITY shall retain the right to select its own counsel and direct the defense of any action or legal proceeding and to approve any settlement relating thereto.

24.) LEGAL ADVICE- Client agrees that no advice provided by CONGRUITY during the term of this Agreement shall be construed as legal advice or as substitute for legal advice. Client is encouraged to seek independent legal advice at its sole expense from licensed, qualified professionals of its choice. Client agrees that CONGRUITY does not provide legal advice and is not engaged in the practice of law or the provision of legal services, and that Client alone is completely and independently responsible for its own legal rights and obligations.

25.) NOTICES- Any notices under this Agreement shall be in writing and deemed given: (i) on the delivery date if delivered personally or by local commercial delivery service or if sent by facsimile transmission with printed verification of delivery; (ii) one business day after deposit with a commercial overnight carrier, with written verification of receipt; or (iii) five business days after mailing date whether or not actually accepted by addressee, if sent by U.S. mail, return receipt requested, postage and charges prepaid, or any other means of delivery for which a receipt is available.

26.) WAIVER- Failure by either party at any time to require 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, nor any part thereof, nor prejudice either party in regard to any subsequent action.

27.) ASSIGNMENT- Client shall not assign or transfer its rights or obligations hereunder without the prior written consent of CONGRUITY. CONGRUITY reserves the right to transfer its rights, duties and obligations hereunder.

28.) NO PARTNERSHIP OR AGENCY- Nothing in this Agreement shall be deemed to create a partnership or joint venture between Client and CONGRUITY, and no fiduciary duty shall arise from the relationship created herein. In no event may either party act as the agent of the other party unless specifically authorized in writing to do so.

29.) NO THIRD-PARTY RIGHTS- This Agreement is intended solely for the mutual benefit of the parties hereto and does not create any rights in a third party.

30.) CONSTRUCTION- CONGRUITY has prepared this Agreement and provided it to Client for Client's review. Client has either retained counsel or had the opportunity to do so to review this Agreement. 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 CONGRUITY on the basis that CONGRUITY drafted it. This Agreement shall be viewed as if prepared jointly by CONGRUITY and Client.

31.) SEVERABILITY- Should any term, condition, or provision of this Agreement be held to be unenforceable, the balance of this Agreement shall remain in force as if the unenforceable part did not exist. The captions in this Agreement are provided for convenience only and are not part of the terms and conditions of this Agreement.

32.) HEADINGS- The section and subsection headings have been included for convenience only, are not part of this Agreement, and shall not be construed as an interpretation of any provision of this Agreement.

33.) AUTHORITY TO SIGN AGREEMENT- Any officer or owner of Client signing this Agreement on behalf of Client represents, warrants, and guarantees that he or she 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 terms and conditions contained herein. The parties further represent that their signatures constitute a legal, valid, and binding obligation under this Agreement.

34.) COUNTERPARTS- This Agreement may be signed in one or more counterparts, each of which when executed shall be deemed an original and together shall constitute one and the same instrument.

35.) INTEGRATION- This Agreement, and any signed amendment, exhibit, or schedule attached hereto or incorporated herein constitute the entire agreement between the parties with regard to this subject matter and supersedes any and all agreements, whether oral or written, between the parties with respect to this subject matter. 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 employee or marketing agent of CONGRUITY. Client acknowledges that CONGRUITY has made no representation that the Services will improve the performance of Client's business.

36.) MODIFICATION- Except as otherwise provided in this Agreement, CONGRUITY may amend the terms and conditions of this Agreement by giving Client 30 days' written notice. Any other modifications to this Agreement must be in writing and executed by authorized representatives of both parties to be enforceable.

37.) CHOICE OF LAW- This Agreement is executed between the parties; and is subject to the following provisions of the North Carolina Professional Employer Organizations Act, N.C.Gen.Stat. § 58-89A-1 et seq.; and shall at all times be construed so as to give maximum effect to its terms in compliance with such Act. CONGRUITY and the Client assume the responsibilities required by the Act. Accordingly, this Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to principles of conflicts of law. Client hereby irrevocably submits itself to the personal jurisdiction of the state or federal courts in and for Forsyth County, North Carolina, and Client hereby waives, to the full extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any such action in such court and any claim that any such action, suit or proceeding ("Action") has been brought in an inconvenient forum. The parties desire to have any Action filed by either of them to be tried before a judge or judicial panel without a jury, and therefore: (i) agree not to elect a trial by jury of any issue triable of right by jury, and (ii) waive any right to trial by jury fully to the extent that any such right shall now or hereafter exist. This waiver of right to trial by jury is separately given, knowingly and voluntarily, by each of the parties hereto, and this waiver is intended to encompass individually each instance and each issue as to which the right to a jury trial would otherwise accrue. Client hereby certifies that no representative or agent of CONGRUITY has represented, expressly or otherwise, that CONGRUITY will not seek to enforce this waiver of right to trial by jury.

38.) ARBITRATION AND WAIVER OF JURY TRIAL- CONGRUITY and Client agree that any controversy, dispute, or claim, whether individual, joint, or class in nature, arising from this Agreement or otherwise between them, including without limitation contract and tort disputes, shall be arbitrated in Kernersville, North Carolina or such other place as the parties may mutually agree in writing, under the Commercial Arbitration Rules or other applicable

volume of rules of the American Arbitration Association. The award and any findings of the arbitrator(s) shall be rendered within 30 days of final arbitration hearing unless otherwise agreed upon by the parties. Judgment on any award rendered by the arbitrator(s) may be entered in any court having jurisdiction over such matter. The parties agree (i) to be bound by the findings, conclusions, and decision of the arbitrator(s), (ii) the statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party in court shall be applicable in any arbitration proceeding, (iii) the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes, and (iv) the provision of this Agreement relating to arbitration shall be construed in accordance with the Federal Arbitration Act (9 U.S.C. §§ 1, et seq.). In the event of a dispute, the prevailing party in any arbitration shall be entitled to recover from the other party its reasonable attorneys' fees and costs incurred, subject to the approval of the arbitrator(s). Consistent with this section, the parties WAIVE THEIR RIGHTS TO A JURY TRIAL of any dispute between them arising from this Agreement; however, nothing contained in this section will limit either party's ability to seek injunctive relief in any court. Nothing contained in this section shall limit CONGRUITY's right to file suit against Client (or to engage a collection agent to file suit against Client on CONGRUITY's behalf) to (i) collect a payment owed to CONGRUITY by Client under this Agreement or to otherwise demand payment from a Guarantor of Client, if any and (ii) seek damages in a court of law or equity, which arose as a result of Client's failure to obtain and provide insurance or to provide an indemnification as required under this Agreement, both of which may be brought in any court with competent jurisdiction.

39.) ATTORNEY'S FEES- If either party refers a matter to a collection agency or brings other action as a result of a Breach of this Agreement, the prevailing party in such collection proceeding or action shall be entitled to reimbursement for its reasonable attorney's fees and other costs and fees incurred in such collection or action in addition to any other relief to which the party may be entitled.

40.) REMEDIES NOT EXCLUSIVE- The rights and remedies provided herein shall not be exclusive and the parties shall have rights and remedies now or hereafter provided by law in addition to those provided for in this Agreement. Institution of an action to effect collection of payment of an amount in default or the entry of a judgment in such action shall not be deemed to be an election by CONGRUITY nor shall it bar CONGRUITY from pursuing other remedies available to it at law or in equity.

41.) SAVINGS- If during the term of this Agreement, any federal, state, or local law or ordinance shall further alter the obligations of the parties hereto, this Agreement shall be amended or otherwise construed so as to comply with applicable law, giving maximum effect to the terms hereof.

42.) DISCLAIMER OF WARRANTIES- EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, CONGRUITY EXPRESSLY DISCLAIMS ANY WARRANTY, EITHER EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, NON-INTERRUPTION OF USE, AND FREEDOM FROM PROGRAM ERRORS, VIRUSES, OR ANY OTHER MALICIOUS CODE WITH RESPECT TO CONGRUITY SERVICES, ANY CUSTOM PROGRAMS CREATED BY CONGRUITY OR ANY THIRD-PARTY SOFTWARE DELIVERED BY CONGRUITY. CONGRUITY FURTHER DISCLAIMS ANY WARRANTY THAT THE RESULTS OBTAINED THROUGH THE USE OF CONGRUITY SERVICES, ANY CUSTOM PROGRAMS CREATED BY CONGRUITY, OR ANY THIRD-PARTY SOFTWARE DELIVERED BY CONGRUITY WILL MEET CLIENT'S NEEDS.

43.) SURVIVABILITY- Except where otherwise specified in this Agreement, the following sections of this Agreement shall survive the termination §§17 through 43.