

## INFINITI HR PEO PAYROLL OPT-OUT PROGRAM SERVICE AGREEMENT

This Payroll Opt-Out Program Service Agreement ("Agreement") is made this day, the \_\_\_\_ of \_\_\_\_\_ by and between HR Service Group LLC (Infiniti HR), with its principal place of business at 3905 National Drive, Suite 400 Burtonsville, MD 20866 and \_\_\_\_\_ ("Client") with its principal place of business at \_\_\_\_\_

**NOW THEREFORE**, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

Infiniti HR is a Professional Employer Organization ("PEO"), which provides a wide range of professional human resource services to employers otherwise known as "co-employment". Client has decided to engage Infiniti HR to provide professional employment services and to enter into a co-employment relationship with regard to Client's specified worksite employees ("Members"). This Agreement sets forth the allocation of rights, duties, obligations and responsibilities of the parties in this contractual relationship. The parties intend to enter into a co-employment relationship and not a joint employment relationship.

### 1. Rights and Responsibilities of Infiniti HR

**A. Services.** Infiniti HR will provide Client the professional employment services outlined in this Agreement for only Members and such other Members added by the parties from time to time subject to the terms and conditions of this Agreement.

#### CLIENT ELECTION OF INFINITI HR SERVICES (Check all applicable boxes.)

Client elects to participate in Infiniti HR's voluntary core group benefit plans (vision, dental, short-term disability, long-term disability, & supplemental life).

Client elects to participate in Infiniti HR's core group health insurance plan as well as Infiniti HR's voluntary core benefit plans (vision, dental, short-term disability, long-term disability, & supplemental life). Client contribution is required for health insurance.

Client elects to participate in Infiniti HR's Multiple Employer 401(k) Plan or similar offering

Client elects to sponsor and provide to Members health, dental, and/or vision insurance plans, and/or a retirement plan, if any.

#### CLIENT ELECTION OF INFINITI HR'S PAYROLL SERVICES

Client elects to participate in Infiniti HR's payroll services. Client does not elect to participate in Infiniti HR's payroll services. Client does not elect to participate in Infiniti HR's payroll services until an agreed upon start date of: \_\_\_\_\_ at which time the INFINITI HR SERVICE GROUP CLIENT SERVICE AGREEMENT WILL BE ENFORCED. ELECTION REGARDING EMPLOYEES AND INFINITI HR'S WORKERS' COMPENSATION ("WC") COVERAGE (Client must notify Infiniti HR within five (5) days if this information changes during the term of this Agreement.) All of Client's employees will be co-employed by Infiniti HR pursuant to this Agreement. Yes No If "No", Client has a "Divided Workforce". Infiniti HR is not obligated or responsible for the employees of Client not covered by this Agreement. Client is responsible for maintaining workers' compensation insurance coverage for any employees not covered by this Agreement. Information below must be provided: Client WC Insurance Carrier Name/Policy #: \_\_\_\_\_ Select one: Infiniti HR shall maintain workers' compensation insurance coverage for all "Members" (as defined in Section 6A). Client shall maintain workers' compensation insurance coverage for all "Members" (as defined in Section 6A). If Client shall maintain workers' compensation insurance coverage for all Members, a certificate of insurance must be provided to Infiniti HR. Also, provide the following information: Client WC Insurance Carrier Name/Policy #: \_\_\_\_\_

**B. Members.** All employees of Client shall become "Members" unless otherwise designated in following Sections (Members are defined as employees of Client who become co-employed by Infiniti HR for certain purposes pursuant to this Agreement.) Client solely engages the services or labor of the Members. Members are co-employed by Infiniti HR on an "At-Will" basis. Infiniti HR is not a party to, and has no responsibility for, any employment agreements between Client and Members. No Member may perform any work in a state other than those other states listed on Exhibit A and consistent with Exhibit C without the prior written approval of Infiniti HR and adjustment of the fees, as applicable. No independent contractor or subcontractor shall be a Member. Infiniti HR is not obligated or responsible for the employees of Client not covered by this Agreement. Client is responsible for maintaining workers' compensation insurance coverage for any employees not covered by this Agreement. Members' job functions shall be identified by workers' Compensation classification codes. Client represents that the workers' compensation classification codes are accurate and complete and the Members performing these job functions do so at the locations specified in Exhibit A and consistent with Exhibit C. Approval from Infiniti HR and the workers' compensation carrier must be obtained prior to the addition of any workers' compensation classification code or worksite location. Infiniti HR retains the right to change the workers' compensation classification codes where necessary to comply with the guidelines set forth by the National Council on Compensation Insurance ("NCCI") or applicable state regulatory agency. Client may be liable for any additional workers' compensation insurance fees resulting from misclassification of any workers' compensation classification codes. **C. Payroll Opt-Out Program.** Client is responsible for maintaining its own payroll services for its Members. Client shall fund its payroll. Client is responsible for the timely and accurate reporting and calculation of all wages and hours worked, as well as job classifications, exempt and non-exempt status, and any other pertinent employee and payroll data required by state or federal authority. Client is responsible for the proper voluntary deduction amounts including but not limited to 401(k), health insurance and garnishments, if any. Client is solely responsible for all payroll-related taxes, reporting requirements and other liabilities with respect to those payments, and the work performed by Client Members for such payments shall be deemed solely

for the benefit of Client and outside the scope this Agreement. D. Administrative Control. Client has the right of direction and control over Members and the workplace as is necessary to conduct Client's business, discharge any fiduciary responsibilities, and comply with all applicable licensure, regulatory, or statutory requirements. Client has sole responsibility for all Client's business operations and profit and loss, including making all strategic, operational and other business-related decisions. Client has sole responsibility for the quality, adequacy and safety of the goods or services produced or sold in Client's business. Client has the right to hire, discipline, terminate, and to accept or cancel the assignment of any Member, as well as set the rate of pay. Client has sole responsibility for directing, supervising, training and controlling the work activities and performance of job duties by Members and is solely responsible for the acts, errors or omissions of Members with regard to these activities. Client has sole and exclusive control over the day-to-day job duties of all Members and absolves Infiniti HR of control over the day-to-day job duties of Members and over the job site where Members perform their services. Client has sole responsibility for recruiting and selection of job applicants and employees, including, but not limited to, interviewing, testing, matching work skills with job requirements, assigning employee job duties, and determining appropriate times, methods and performance requirements for such jobs, as well as the appropriate level of compensation. Client assumes full responsibility for compliance with applicable laws regarding negligent hiring, including full responsibility for reference, work history and background checks on Members including, but not limited to, driving record and accident record background checks. Any Member who is required by law to be licensed, registered or certified shall be deemed an employee of Client for purposes of such license, registration or certification requirement. Client shall maintain and secure all employee payroll and personnel records, as well as provide such records to Infiniti HR. Client has sole responsibility for providing Members with a place of employment that shall comply with all applicable local, state, and/or federal laws, ordinances, and regulations related to occupational health and safety. Client has the right of direction and control over management of safety, risk, and hazard control at Client worksites, including performing safety inspections of client equipment and premises, and promulgation/administration of employment and safety policies. Client shall exercise all rights and perform all duties and responsibilities otherwise applicable to an employer in an employment relationship that are not specifically allocated to Infiniti HR in this Agreement. E. Workers' Compensation. Infiniti HR will provide workers' compensation coverage for Members and administer and manage all claims for workers' compensation filed by Members. In so doing, Infiniti HR agrees that notice to Client of an injury to a Member is notice to Infiniti HR; Infiniti HR is subject to the jurisdiction of the workers' compensation laws the same as Client and will be bound by any awards, judgments or decrees rendered thereunder; and that the insolvency, bankruptcy or discharge in bankruptcy of either Infiniti HR or Client will not relieve either party of liability for payment of compensation under the workers' compensation laws for an injury or death of a Member during the term of this Agreement. Upon request, Infiniti HR will provide a certificate of insurance verifying coverage for workers' compensation insurance. Infiniti HR and/or its workers' compensation carrier has the unilateral right for the term of this Agreement and three (3) years following termination to inspect Client's premises, operations and records to verify job duties and compensation of Members, and compliance with safety requirements, but is not obligated to make such inspections. Infiniti HR or its insurers may give reports to Client on conditions found upon such inspections. Neither the insurer nor Infiniti HR warrant through the result of such inspection or the absence thereof, that the operations and/or premises are in compliance with any laws, regulation, codes or standards, nor shall the exercise of this right, nor the non-exercise of this right, have any bearing on the indemnification and insurance provisions of this Agreement. Nothing in this Agreement shall obligate Infiniti HR to provide workers' compensation statutory coverage beyond its ability to offer coverage for Members under any of its master workers' compensation policies. Client may at their option or by disqualification, elect to retain their own worker's compensation coverage.

1. Obligations of Client. Client shall provide to Infiniti HR complete, timely and accurate reporting of all payroll data to Infiniti HR and designated Infiniti HR insurance agent within two (2) business days after payment of payroll. Client has the final and ultimate responsibility for checking the accuracy of the payroll data. If Client fails to submit timely and accurate information, workers' compensation coverage may lapse or be penalized for untimely reporting. If Client learns of a reporting error, Client has the responsibility to communicate and provide written proof of the error to Infiniti HR timely. 2. Policy Requirements. Client shall be listed as an alternate employer and shall be a certificate holder on Infiniti HR's WC policy. The policy shall provide that the carrier is required to give Client at least thirty (30) days advance written notice prior to cancellation, termination, non-renewal, or any other material change to Infiniti HR's policy. This notice shall not apply to termination of coverage as a result of termination of this Agreement. 3. Subcontractors/Independent Contractors/Volunteers. No independent contractor, subcontractor or volunteer shall be a Member of Infiniti HR's. Client shall not, directly or indirectly, engage or hire any independent contractor or subcontractor without first obtaining a certificate evidencing current WC insurance coverage. In no event will any independent contractor, subcontractor, volunteer or non-Member be covered by Infiniti HR's WC insurance policy. 4. Report of Incident/Injury. Client shall immediately report any workplace incident or injury of a Member to Infiniti HR, and Client shall timely cooperate in any investigation related thereto. In the event Client or any Member fails to notify Infiniti HR within forty-eight (48) hours following a work-related incident or injury, Client shall immediately reimburse Infiniti HR for any fees or penalties for late reporting imposed by any state or federal governing authority. 5. Return to Work/Modified Duty. Client will make every effort to offer modified duty work assignments to Members recovering from a work-related injury/illness. Such assignments will be monitored by a Client supervisor and an Infiniti HR WC Professional. Client must ensure all job restrictions, as defined by the treating physician, are strictly followed. Client will make every effort to return such Member to full or partial employment as soon as his/her medical condition permits, provided said return to employment and job duties associated therewith: (i) have been approved in writing by the treating physician; and (ii) will not cause/contribute harm to fellow employees, property, clients or the general public. Client modified duty obligations shall survive termination of this Agreement.

F. Notice to Assigned Employees. Infiniti HR will obtain from all Assigned Employees a written acknowledgement that they understand the nature of their employment relationship with Infiniti HR and that they accept such assignment. Infiniti HR shall, in the event of termination of this Agreement, provide immediate written notice of termination to the Assigned Employees. G. Confidentiality. Infiniti HR will keep Client's business and Assigned Employee information confidential and will not disclose such information to third parties unless required by law, in order to fulfill its obligations pursuant to this Agreement, with the consent of the Client or to protect Infiniti HR's interests.

## **2. Rights and Responsibilities of Client.**

A. Insurance. Client shall keep in full force and effect during the term of this Agreement, at its own expense, workers' compensation insurance for those workers that are not Members. Client shall cause the insurance carrier to issue a certificate of insurance to Infiniti HR, allowing not less than ten (10) days advance notice of cancellation or material change. Client shall obtain and maintain, at its own expense through the term of this Agreement, the following insurances:

1) General Liability – Coverage is to include, but is not limited to, where applicable, premise, operation, products, completed operations, contractual, broad form property damage, personal injury, independent contractors and host liquor liability. 2) Automobile Liability – Coverage is to include bodily injury and property damage at the limits stated above, and Uninsured Motorist and Personal Injury Protection (PIP) equivalent of at least the minimum limits required by the state where a "no fault" law shall apply. Coverage shall include all owned, non-owned or hired vehicles, where applicable, used in connection with Client's business. If the vehicle is personally owned by a Principal or Employee of the Client, a Certificate of Insurance will be required evidencing coverage as defined in Paragraph O. 3) Professional Liability – If Client renders professional services it shall obtain Professional Liability Insurance, in addition to General Liability and Automobile Liability. 4) Liquor Liability – If the Client's operation includes the sale of alcoholic beverages, including beer and wine, it shall obtain Liquor Liability Insurance, in addition to General Liability and Automobile Liability.

Further, Client shall cause a certificate of insurance to be issued to Infiniti HR evidencing same, allowing not less than ten (10) days' notice of cancellation or material change. Each of said policies shall have a combined single limit not less than Three Hundred Thousand Dollars (\$300,000.00). With regard to insurance referenced in this paragraph, additional coverage may be required at Infiniti HR's discretion, based on the size or nature of Client's business.

## **3. Client's Representations and Warranties.**

A. Client is authorized to execute and deliver this Agreement and has full and complete authority to enter into same. B. Client certifies that it has and will make a complete and full disclosure to Infiniti HR of any investigation, lawsuit, claim, labor proceeding, employment related claim or adversary proceeding involving Client related to discriminatory employment practices, worksite safety, labor relations, workers' compensation, unemployment compensation, wage/hour issues or other areas involving Client's legal duties to Assigned Employees during the three (3) years immediately preceding this Agreement.

## **4. Fees and Payments.**

A. Fees. For services rendered under this Agreement, Infiniti HR shall be entitled to fees and costs as specified on Exhibits C and D. All funds due Infiniti HR are payable by wire transfer, reverse wire transfer/drawdown as authorized, ACH or COD at Infiniti HR's sole discretion based upon size of payroll and Client's credit worthiness. All amounts not paid when due will be subject to a late payment charge. Checks returned unpaid from Client's bank will be subject to a late payment charge plus any additional costs incurred by Infiniti HR. Any unpaid balance will also be subject to a periodic charge of one percent (1%) to accrue weekly until paid in full. Infiniti HR reserves the right to terminate this Agreement immediately if full payment is not made when due B. Fees/Costs Adjustment. The fees set forth on Exhibits C and D are subject to adjustment by Infiniti HR based upon proactive or retroactive changes in local, state and/or federal employment law, changes in insurance requirements or costs, changes in workers' Compensation rates or classification codes, changes in employee headcount, payroll, turnover rates, or employee benefit participation and costs directly attributable to Client or Members. Client shall not deduct any amount from payment of an invoice as a credit or set off. Any adjustments or correction of errors must be verified/approved by Infiniti HR and will be reflected on an adjusted invoice.

## **5. Indemnification.**

The parties agree to release, defend, indemnify and hold harmless as follows:

A. Client Indemnification of Infiniti HR. Client shall unconditionally indemnify, hold harmless, protect and defend Infiniti HR, its subsidiaries, affiliates, sister/parent companies, shareholders, corporate employees, officers, directors, agents and representatives (collectively the " Infiniti HR Indemnified Parties") from and against any and all claims, demands, actions, damages, losses, liability, injuries, deaths, costs, expenses, and attorney's fees without limit and without regard to the cause(s) thereof, which arises from or is in any way related to this Agreement, the products or services provided by Client or Infiniti HR, the actions of any Member or non Member employed by Client or any other individual, including without limitation, any violation of any federal, state and/or local law, regulation, ordinance or rule, and all employment-related matters which shall include but not be limited to all matters arising under federal, state, and local right-to-know laws, environmental laws, laws within the jurisdiction of the NLRB, OSHA, U.S. Department of 5 Labor, and EEOC, including Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the WARN Act, ERISA, all laws governing wages and hours, race, sex, harassment of any nature, sexual harassment, retaliation, religion, national origin, color, age, veteran status, disability, union status, marital status, and all other types of discrimination prohibited by applicable law, all laws governing disclosed and undisclosed benefit plans, and all other labor laws. Infiniti HR reserves the right to select its own defense counsel related to any claim(s) subject to Client's indemnification as described in this paragraph. B. Infiniti HR Indemnification of Client. Infiniti HR shall unconditionally indemnify, hold harmless, protect and defend Client, its subsidiaries, affiliates and sister/parent companies, shareholders, officers, directors, agents and representatives from and against any and all claims, demands, actions, damages, losses, liability, injuries, deaths, costs, expenses, and attorney's fees arising out of the negligent or willful failure of any corporate employee of Infiniti HR to comply with applicable workers' compensation or ERISA laws, rules and regulations or where any action is taken by Client in compliance with a written corporate Infiniti HR policy, procedure or direction which is illegal under any applicable federal, state or local law. C. Survival of Indemnification. All indemnifications shall be deemed to be contractual in nature

and shall survive the termination of this Agreement.

## **6. Term of Agreement.**

A. Initial Term and Renewal. The initial term of this Agreement shall be for one (1) year from the Commencement Date. Following the completion of the initial term, this Agreement shall automatically renew for additional one-year terms and shall remain in effect until either party gives written notice to the other party by delivering notice of termination at least thirty (30) days prior to the expiration of the initial term or any extension or renewal of this Agreement. B. Immediate Termination of Infiniti HR. Notwithstanding other provisions in this Agreement, Infiniti HR may immediately terminate this Agreement as allowed by law and be discharged from all further responsibilities under this Agreement upon delivery of written notice to Client in the event of: (i) Client's failure to pay Infiniti HR for the services provided in this Agreement; (ii) Client's failure to properly report payroll data to Infiniti HR and Infiniti HR's insurance agent; (iii) Client's failure to disclose or Client's misrepresentation of key information regarding the nature of work duties, business operations or worksite locations; (iv) Infiniti HR's determination, in its sole discretion, that a material change has occurred in Client's financial condition, business operations, or workforce composition that would materially change the risk or cost of providing services; (v) a material breach of the terms of this Agreement by Client or repeated non-compliance with workplace policies related to employment practices, employee safety, return-to work of injured employees, or timely reporting of accidents and injuries by Client; (vi) a determination by Infiniti HR or Infiniti HR's workers' compensation carrier that the workers' compensation risk is unacceptable; or (vii) any federal, state, or local legislation, regulatory action, or judicial decision which, in the sole discretion of Infiniti HR, adversely affects Infiniti HR's interests in connection with this Agreement. C. Deficiency/Cure. Either party may provide written notice of deficiency to the other party. The party receiving notice of deficiency shall have thirty (30) days from the date of delivery of said notice to cure the cited deficiency. If the cited deficiency is not cured within the thirty (30) day period, the party complaining of deficiency may terminate this Agreement upon providing written notice to the other party. The provisions of this Section 12C shall not apply to immediate termination pursuant to Section 11B. D. Outstanding Obligations at Termination. All services provided by Infiniti HR will cease upon termination of this Agreement and Infiniti HR shall be immediately released from all obligations as permitted by law. Termination of this Agreement shall not affect any outstanding obligation or liability incurred by either party during the term of this Agreement. Upon termination of this Agreement, Client shall continue to have sole responsibility for payment of all unpaid wages, bonuses and any other payments, for all accumulated but unused sick leave, vacation time, and paid time off that may be due, and compliance with any employment agreements between Client and Members. In the event of bankruptcy of Client, Client agrees any unpaid amounts to Infiniti HR will be considered employment wages and taxes for Members. E. Early Termination Fees. If Client terminates the Agreement prior to the end of a term or Infiniti HR terminates due to Client's fault listed in Section 12B(i) - (v), in addition to any outstanding amounts due to Infiniti HR, Client shall pay an early termination fee of ten thousand dollars (\$10,000). F. Automatic Termination of Members. Upon termination of this Agreement, all Members shall be automatically terminated from employment with Infiniti HR. Client shall immediately assume all federal, state and local obligations of an employer that were assumed 6 by Infiniti HR under this Agreement, including full responsibility for providing workers' compensation coverage, if applicable. If for any reason, Infiniti HR makes any payment to any of the employees after this Agreement has been terminated, Infiniti HR shall be entitled to full reimbursement for such expenditures.

## **7. GENERAL PROVISIONS**

A. Representations. Client acknowledges it has not been induced to enter into this Agreement by any representation or warranty not set forth in this Agreement. Client acknowledges that Infiniti HR shall not be liable for any Client loss of business, goodwill, profits, or other damages. B. False Statement or Omission. Client affirms that all information provided to Infiniti HR with regard to this Agreement is accurate, true and correct. Any intentional false statement or omission by Client in connection with this Agreement shall be deemed a material breach of this Agreement, and Infiniti HR, at its option, may adjust the bill rates retroactively or prospectively in accordance with the corrected data, and/or terminate this Agreement and seek appropriate relief. C. Assignment of Agreement. This Agreement is assignable by Infiniti HR at its sole discretion. Client may not assign this Agreement without the prior written consent of Infiniti HR. Client shall provide written notice to Infiniti HR at least fourteen (14) days prior to any sale, substantial reorganization or change of ownership of Client. D. Impossibility of Performance. Infiniti HR shall not be liable for any loss or damage resulting from Infiniti HR's failure to perform its obligations or delay in performing its obligations if Infiniti HR's failure to perform or delay results from: (i) compliance with any law, ruling, order, or regulation of any federal, state or local government or court of competent jurisdiction, (ii) natural disasters or acts of God, (iii) acts or omissions of Client, (iv) fires, strikes, acts of terrorism, war, insurrection or riot, or (v) any other cause, external to Infiniti HR, beyond Infiniti HR's reasonable control. E. Waiver. The failure by either party to require strict performance by the other party or to claim a breach of any provision of this Agreement will not be construed as a waiver of performance or any subsequent breach, nor affect the effectiveness of this Agreement, or any part thereof, or prejudice either party regarding any subsequent action. F. Notices. Any notice or demand under this Agreement must be in writing and delivered in person, or by certified mail, return, receipt requested, or by overnight mail carrier to the address set forth herein for the other party, and shall be deemed effective upon proof of attempted delivery. Delivery may also be accomplished via email and/or fax provided one of the previously mentioned delivery methods is also used. G. Taxes. Client is solely responsible for all business and payroll taxes pertaining to Client's business including, but not limited to, payroll-related tax, sales tax, gross receipts tax, franchise tax, and business and occupation tax imposed by any state or federal law. H. Duty to Cooperate. Both parties recognize that their mutual cooperation is necessary to fulfill their obligations under this Agreement and agree to reasonably cooperate with each other in the performance of their obligations hereunder. I. Prior Premiums/Obligations of Client. Under penalty of perjury, Client represents it has met all prior premium and fee obligations with regard to workers' compensation premiums and employee leasing/professional employer organization payments to all prior employee leasing/professional employer organizations and workers' compensation carriers with which Client has previously had a contractual relationship. J. Inventions and Discoveries. Any inventions, copyrightable works and creations ("Intellectual Property") of Client, whether or not accomplished through the use of Members, shall be the sole and exclusive property of Client. Client shall have sole and exclusive responsibility for protecting its rights to such Intellectual Property and to all of its other assets, and Infiniti HR shall have no responsibility with regard to same. K. Non-Solicitation. During the term of this Agreement

and for a period of two (2) years following the termination of the Agreement, Client shall not directly or indirectly, solicit, hire, or retain any employee of Infiniti HR, the management company of Infiniti HR, or its successors or assigns, without prior written consent of Infiniti HR. L. No Third Party Rights. No rights of any third party (other than Infiniti HR) are created by this Agreement, and no person not a party to this Agreement may rely on any aspect of this Agreement notwithstanding any representation, written or oral, to the contrary. 7 M. Enforceability. In the event any provision contained in this Agreement is held to be unenforceable by a court of competent jurisdiction, the validity, legality or enforceability of the remainder of this Agreement shall not be affected or impaired thereby. N. Laws/Venue. This Agreement shall be governed by and construed in accordance with the laws of Maryland both as to interpretation and performance (excluding its choice of law provisions if such law would result in the application of the law of a jurisdiction other than Maryland), and venue for any claim or action brought by either party and arising out of or related to this Agreement shall be in the applicable court in Howard County, Maryland. The parties irrevocably waive the defense of an inconvenient forum. O. Litigation Attorney's Fees/Costs. In the event of any action to enforce this Agreement, the prevailing party shall be entitled to an award of costs and reasonable attorney's fees incurred at all levels of proceedings. The parties agree to waive any right to a jury trial in the event of litigation. P. Entire Agreement/Amendment. This Agreement constitutes the entire agreement between the parties with regard to this subject matter. This Agreement may be changed only by a written amendment signed by Infiniti HR and Client. Q. Interpretation/Headings. 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 Infiniti HR on the basis Infiniti HR drafted it. The headings are intended for convenience and shall not affect the interpretation of this Agreement. R. Authorized Signatory. This Agreement shall be valid and enforceable only upon signature by an authorized officer of Infiniti HR. Any individual signing this Agreement on behalf of Client or Infiniti HR represents, warrants, and guarantees he/she has full power and authority to do so.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below.

Infiniti HR Inc.  
3905 National Drive, Suite 400  
Burtonsville, MD 20866

IN WITNESS WHEREOF, the parties hereto have executed this Agreement: Client Infiniti HR, LLC By (print):

By (print): \_\_\_\_\_ Signature: \_\_\_\_\_  
Signature: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_ Date: \_\_\_\_\_

EXHIBIT A: STATE ADDENDA The following state-specific addenda are incorporated by reference in the PEO Client Service Agreement in accordance with state laws. The provisions below only apply to worksite locations in those states. Should any provision in the state addenda conflict with Sections 1-17 of the Agreement, the terms of the state addenda shall prevail. California Client shall provide PEO adequate advance notice when a Member shall be terminated to ensure Member is paid all accrued compensation, hourly wages or salary, vacation or any other on the last day of the Member's employment as required by California Labor Code Section 201. Colorado PEO and Client shall share the responsibility for addressing Member complaints, claims or requests related to employment except as otherwise provided pursuant to any existing collective bargaining agreements; however, Client shall have the primary responsibility in this regard. Connecticut At least 75% of Client's employees shall become Members under this Agreement. Members are intended to be permanent employees at the Client worksite(s) and employer responsibilities are allocated between PEO and Client pursuant to this Agreement. Client shall be responsible for paying CT state sales tax on PEO's administrative fees (sales tax will be reflected on PEO invoices). Florida Infiniti HR assumes responsibility for payment of Member wages without regard to payments by Client to Infiniti HR or state law. Infiniti HR assumes full responsibility for the payment of payroll taxes and collection of taxes on leased employees. Nothing in this paragraph shall relieve Client of its obligations with respect to payment of wages to Members and/or payment to Infiniti HR pursuant to the terms of the Infiniti HR Agreement. Infiniti HR retains the right to conduct an annual onsite physical examination of a Client who is or has been subject to this Agreement, in accordance with Florida laws and regulations. Louisiana The PEO Client Service Agreement is executed between the parties subject to the provisions of Title 22, Chapter 5, Part VII and Title 23, Chapter 11, Part XII of the Louisiana Revised Statutes of 1950. Maine Client may take complaints regarding PEO services to the Maine Bureau of Insurance, 34 State House Station, Augusta, ME 04333- 0034. Montana PEO assumes responsibility for the payment of Member wages, workers' compensation premiums for any PEO workers' compensation policy, payroll-related taxes, and Member benefits for any PEO group benefits plan from its own accounts without regard to payments by Client to PEO; however, PEO may pay Members at the minimum wage rate or minimum salary provided for in the FLSA or state law. Nothing in this paragraph shall relieve Client of its obligations with respect to payment of wages to Members and/or payment to PEO pursuant to the terms of the PEO Client Service Agreement. Client shares joint and several liability for any Member wages, workers' compensation premiums, and payroll-related taxes and for any benefits left unpaid by PEO. In the event that PEO's license is suspended or revoked, this liability is retroactive to the Client's entering into the PEO Client Service Agreement. Client is responsible for compliance with the Montana Safety Culture Act, Title 39, Chapter 71, Part 15. Nevada If Client has elected to provide workers' compensation ("WC") insurance for the leased employees, Client has the responsibility to provide WC coverage for all of the employees of Client, including, without limitation, the employees leased from PEO (i.e., employees co-employed by PEO pursuant to this Agreement). If WC insurance through PEO has been elected by Client, Client is notified that: 1) 9 coverage for WC does not take effect until the effective date designated by the insurer in the policy of WC insurance, and 2) while the policy of WC insurance is in force, PEO will pay all premiums required by the policy, including, without limitation, any adjustments or assessments, and will be entitled to any refunds of premiums. The insurer from whom the policy of WC insurance is obtained by PEO has the right to inspect the premises and records of Client. The loss experience of Client will continue to be reported in the name of Client to the Nevada Commissioner of Insurance and will be available to subsequent insurers upon request. The policy of WC insurance covers only those employees acknowledged in writing by PEO to be co-employees of PEO who are being leased to Client pursuant to this Agreement. Client is responsible at all times for

providing coverage for WC for any employees of Client who are not leased from PEO. Client must provide satisfactory evidence of the WC coverage for any employees of Client who are not leased from PEO to the insurer from whom the policy of WC is obtained by PEO. Except as otherwise provided by law, all services provided by PEO to the Client will cease immediately on the effective date of any termination of the Agreement. New Hampshire PEO is solely responsible for (a) paying wages to Members; (b) preparing and issuing W-2 forms for Members; (c) calculating, collecting and remitting all payroll taxes, including income tax and social security tax, as required by law with respect to Members; (d) complying with state and federal unemployment compensation requirements; (e) paying for workers' compensation insurance for Members; (f) making payments for health or other benefits for Members to the extent this Agreement calls for PEO to provide such benefits; (g) complying with all laws, rules, and regulations for PEOs under this Agreement or as required by New Hampshire or the federal government; (h) paying the tax imposed by New Hampshire RSA 77-E and inclusion in its compensation portion of the base tax those wages paid to the Members; (i) providing to each Member an employee manual outlining the terms and conditions of employment with PEO; and (j) providing an employee grievance system for Members. PEO may rely on initial hiring documentation of wages, ongoing pay change documentation, and reported payroll documentation regarding hours worked or other measured unit of employee compensation received from Client. Client is solely responsible for: (a) directing and controlling the Members as necessary to conduct the Client's business, discharge any applicable fiduciary duty, or comply with any licensure or regulatory or statutory requirement; (b) the goods and services produced by Client and its direct and leased employees; (c) the acts, errors, and omissions of the Members committed within the scope of Client's business or under Client's direction and control; (d) providing accurate personnel and payroll information, and a record of hours and wages to PEO and the Dept. of Labor when requested, as a co-employer of the Members as required of employers under New Hampshire RSA 279:27; (e) complying with all wage and hour laws, including recordkeeping requirements and determinations of exempt and non-exempt status; (f) providing a safe workplace to the Members, free of all hazards; (g) complying with all laws prohibiting employment discrimination, harassment, and retaliation; (h) paying all expenses arising from unionization, negotiating collective bargaining agreements, and processing grievances and unfair labor practice charges related to Client or Members; (i) complying with all applicable professional license or bonding requirements pertaining to Client's business and maintaining professional liability coverage; (j) assuming and accepting responsibility for all compensation paid to any employee that is not paid through the PEO relationship or reported to PEO (including, but not limited to, all payroll taxes, federal and state taxes, additional premium for insurances including but not limited to workers' compensation insurance, and additional matching contributions, if any); (k) assuming and accepting all responsibilities of an employer when hiring or employing individuals separately and not included in the PEO Client Service Agreement. Client retains the statutory obligation of providing workers' compensation coverage for employees that are not provided, supplied, or assigned by PEO under the Client Service Agreement. PEO shall notify the Commissioner of Employment Security and the Commissioner of Labor in writing of all new and terminated Clients within ten (10) days of engagement or termination. In addition, PEO hereby provides notice that PEO is the rated employer for unemployment compensation purposes. Payments made by PEO to the New Hampshire Department of Employment Security are made on PEO's account, PEO's rate and the new wage base at the time of engagement. Upon termination of the PEO Client Service Agreement, Client will return to its previous rate and account balance, if allowable under applicable law, and Client shall assume a new wage base. New Jersey PEO assumes responsibility for payment of Member wages and payroll-related taxes without regard to payments by Client to PEO; however, PEO may pay Members at the minimum wage rate or minimum salary provided for in the FLSA or state law. Nothing in this paragraph shall relieve Client of its obligations with respect to payment of wages to Members and/or payment to PEO pursuant to the terms of the PEO Client Service Agreement. PEO shall, except for newly established business entities, hire its initial Member complement from among employees of Client at the time of the execution of the PEO Client Service Agreement at comparable terms and conditions of employment as are in existence at Client's company at the time of execution of the PEO Client Service Agreement and as designated by Client. 10 If Client has a collective bargaining representative for the covered employees, Client shall continue to honor and abide by the terms of any applicable collective bargaining agreements, and upon expiration thereof, any obligations of Client to bargain in good faith in connection with such collective bargaining agreements shall not be affected in any manner by the PEO Client Service Agreement with PEO. Client's right of direction and control shall include a responsibility for the management of workers' compensation claims, claims filings, and related procedures. PEO has provided a notice to Client of the method utilized for calculation of unemployment benefit experience contribution rates and temporary disability contribution rates upon both the inception and dissolution of the PEO Relationship. New Mexico The party responsible for workers' compensation coverage (referred to in this paragraph as "employer") agrees to direct its workers' compensation carrier to file a proof of coverage certificate with the Office of the Director of Workers' Compensation Administration for the State of New Mexico in compliance with Section 52-1-4 NMSA 1978. Every contract or policy insuring against liability for workers' compensation benefits or certificate filed shall provide that the insurance carrier or the employer shall be directly and primarily liable to the Member (and in event of his death to Member's dependents) to pay the compensation and other workers' compensation benefits for which the employer is liable. Ohio The Members are permanently leased to (co-employed by) Client. South Carolina PEO assumes responsibility for payment of Member wages and payroll-related taxes without regard to payments by Client to PEO. Nothing in this paragraph shall relieve Client of its obligations with respect to payment of wages to Members and/or payment to PEO pursuant to the terms of the PEO Client Service Agreement. Notice to or acknowledgement of the occurrence of an injury on the part of Client is notice to or knowledge on the part of PEO and its workers' compensation insurer. For the purposes of South Carolina Code Title 42 (Worker's Compensation Law), jurisdiction of Client is jurisdiction of PEO and its workers' compensation insurer. PEO and its workers' compensation insurer are bound by and subject to the awards, judgments, or decrees rendered against them under the provisions of S.C. Code Title 42. Insolvency, bankruptcy, or discharge in bankruptcy of PEO or Client does not relieve PEO, Client, or their respective workers' compensation insurers from payment of compensation for disability or death sustained by a Member during the life of a workers' compensation insurance policy. Client shall inform PEO at the commencement of the PEO relationship, and on an ongoing basis at least annually during the PEO relationship, if it engages any non-assigned employees, including those considered employees under Title 42, in any part of Client's trade, business, or occupation. If Client's entire work force includes non-assigned employees, Client must secure and maintain worker's compensation insurance for non-assigned employees. Client shall post in each of its places of business in a conspicuous place that is in clear and unobstructed view of the Members notices stating, substantially, the following: "We are operating under and subject to the Workers' Compensation Act of South Carolina. In case of accidental injury or death to an employee, the injured employee, or someone acting on his or her behalf, shall notify immediately (insert name of PEO, address and

telephone number) or (name of client company, address, and telephone number). Failure to give immediate notice may be the cause of serious delay in the payment of compensation to you or your beneficiaries and may result in failure to receive any compensation benefits.” and “The business operated at this worksite location is in a co-employment relationship with (PEO name) that is licensed and regulated by the South Carolina Department of Consumer Affairs. Any questions or complaints regarding the PEO should be directed to: State of South Carolina Department of Consumer Affairs, P.O. Box 5757, Columbia, SC 29250-5757, (803) 734-4200, www.scconsumer.gov.” Tennessee PEO assumes responsibility for the payment of Member wages, Member benefits for any PEO group benefits plan, and payroll-related taxes, without regard to payments by Client to PEO for such wages, benefits and taxes; however, PEO may pay Members at the minimum wage rate or minimum salary provided for in the FLSA or state law. Nothing in this paragraph shall relieve Client of its obligations with respect to payment of wages to Members and/or payment to PEO pursuant to the terms of the PEO Client Service Agreement 11 Texas PEO assumes responsibility for payment of Member wages and payroll-related taxes without regard to payments by Client to PEO; however, PEO may pay Members at the minimum wage rate or minimum salary provided for in the FLSA or state law. Nothing in this paragraph shall relieve Client of its obligations with respect to payment of wages to Members and/or payment to PEO pursuant to the terms of the PEO Client Service Agreement. In the state of Texas, professional employer organization services (referred to in Texas as staff leasing services) are regulated by the Texas department of licensing and regulation, 920 Colorado, PO box 12157, Austin, TX 78701, phone (800) 803-9202, (512) 463- 6599. Any unresolved complaints concerning PEO or questions concerning the regulation of staff leasing services may be addressed to the department. Pursuant to §91.032(c) of the Texas code, client is solely obligated to pay any wages for which the obligation to pay is created by an agreement, contract, plan, or policy between client and member(s) and for which PEO has not contracted to pay. The above notice shall also be provided in writing to Members by PEO as required by Texas law. West Virginia If PEO has been designated to provide workers’ compensation coverage for the covered employees (Members) pursuant to this Client Service Agreement, PEO shall maintain and provide workers’ compensation coverage for the covered employees (Members) from a carrier authorized to do business in West Virginia: Provided, that the provisions of section seven, article two, chapter twenty-three of this chapter of the Code of West Virginia may not be abrogated by the PEO agreement and Client shall at all times remain ultimately liable under chapter twenty-three of the Code of West Virginia to provide workers’ compensation coverage for its covered employees. Persons who are officers, directors, shareholders, partners and managers of Client and who perform day-to-day operational services for Client will be covered employees (Members) only to the extent expressly set forth in this Client Service Agreement. Wisconsin PEO retains a general right of direction and control over Members and corporate officers which is shared with Client in order for Client to conduct its business or comply with applicable legal requirements.

Client Infiniti HR, LLC Initials: \_\_\_\_\_ Initials: \_\_\_\_\_

#### **EXHIBIT B: SCOPE OF SERVICES**

Infiniti HR will provide the standard services set forth in this Exhibit B. Workers’ Compensation (WC) Administration Manage claims administration and accident reporting as submitted by Client Network of physicians and facilities for treatment Manage Drug Free Workplace Program Manage the Return to Work Program Safety and Loss Control materials/resources to worksite supervisors Initial required notices and compliance postings Access to annual OSHA 300 Log Workers’ Compensation certificates upon request

Client Infiniti HR, LLC Initials: \_\_\_\_\_ Initials: \_\_\_\_\_

#### **EXHIBIT C: FEE SCHEDULE**

Client: Client ID: TBD Client FEIN: Client Address: Effective Date: Client Operating Worksite Location(s): PEO Services pursuant to this Agreement are provided by the following PEO entities in the states listed below: Entity: Infiniti HR State(s): BILL RATES: The following pricing is based on the standard services outlined in Exhibit B. Any optional services set forth in Exhibit B are billed separately. In addition to the bill rates set forth in this Exhibit C, Exhibit D contains standard fees, costs and expenses.

Client shall, until such time as later determined by the parties, process its own payroll on its own behalf from its own account. Client shall also fund and remit its own payroll-related and unemployment taxes for Client’s Members. Client shall file all required FUTA and SUTA using Client’s tax identification numbers(s) and its own SUTA account(s) and other payroll-related taxes account(s). PAYROLL REPORTING TEMPLATE: The Payroll Reporting Template as provided to Client, is due on each check date or within 1 business day after. Any supplemental payrolls should be picked up on the next payroll report. PAYMENT TERMS: The payment for the Workers’ Compensation and inclusive administration fees are due by wire no later than three (3) business days after the check date. DEPOSIT: AMOUNT REQUIRED: An initial deposit, specified above, which represents the estimated amount due for the initial month’s premium costs.. This deposit is a non-working collateral that can be used for next year’s renewal or applied to the last payment if Client elects to non-renew.

Client Infiniti HR, LLC Initials: \_\_\_\_\_ Initials: \_\_\_\_\_

#### **EXHIBIT D: STANDARD FEES, COSTS, AND EXPENSES**

Workers’ Compensation (WC): Deposit: Claims Fund Deposit Collateral: Wavier of Subrogation Endorsement Safety Review/Audits Late Reporting Fee for WC Incidents Drug and/or alcohol testing (optional) Random drug and/or alcohol testing (optional) Compliance Posters Employment-Related Investigations Per Rate Schedule \$ Waived Included Included ((Any onsite travel and expenses are additional) Waived \$45 \$50 Included Included (Any onsite travel and expenses are additional) All fees are subject to change upon thirty (30) days written notice. Client Infiniti HR, LLC Initials: \_\_\_\_\_ Initials: \_\_\_\_\_