

SERVICE AGREEMENT

PARTIES

This Agreement is entered into this ____ day of _____, 2002, by and between Sample PEO Outsourcing, Inc., its successors and assigns, hereafter referred to as "Sample PEO"), and _____ (hereafter referred to as "Client"), whose respective addresses are set forth on the signature page of this Agreement.

I. TERM OF AGREEMENT

A. The initial term of this Agreement shall be for thirty days (the "Initial Term"). Following the completion of the Initial Term, this Agreement shall automatically renew and remain in full force and effect for additional terms of thirty days, and shall remain in effect until either party gives written notice to the other party by delivering notice of termination as specified in Section XII, below, at least thirty (30) days prior to the expiration of the Initial Term or any extension of the Initial Term. In addition, SAMPLE PEO may at any time immediately terminate this Agreement or withhold its employees' services in the event of breach by Client of any of the terms of this Agreement or upon the occurrence of any of the events set forth in Section XI below. Termination or expiration of this Agreement shall not affect the continuation of any outstanding obligation or liability incurred by either party during the term of this Agreement.

Client agrees it will comply with Worker Adjustment and Retraining Notification Act ("WARN") and that it will give SAMPLE PEO at least sixty-two (62) days notice prior to effecting any plant closing or mass lay-off as defined in WARN.

II. SERVICES

A. SAMPLE PEO agrees to furnish to Client employees to perform job functions identified by workers' compensation code classifications. Client warrants that the list of workers' compensation classifications is accurate and complete and that employees performing these job functions do so at the location specified in this Agreement as Client's address. Client understands and agrees that prior written approval from SAMPLE PEO' workers' compensation carrier must be obtained prior to the addition of any workers' compensation classification.

B. Client expressly agrees and understands that no employee shall become employed by SAMPLE PEO, covered by SAMPLE PEO' workers' compensation insurance or any other benefit or term and condition of employment, or issued a payroll check, unless the individual has completed Form I-9, and prior to commencing work for SAMPLE PEO, completed SAMPLE PEO' employment application and W-4 withholding form. The employment application and W-4 withholding form must be delivered to SAMPLE PEO before the employee commences employment. SAMPLE PEO shall not be considered an employer for any employee until that individual completes these application and withholding forms (and Form I-9 as required by law) and Client is notified that the employee has been hired by SAMPLE PEO as a leased employee. Client also represents and warrants that all wages (including bonuses) paid to any employee are to be paid through SAMPLE PEO and that any such employees will receive no additional wages in any form from Client. Client agrees it will be solely responsible for damages of any nature arising out of Client's failure to report to SAMPLE PEO the payment to an employee of any remuneration for services rendered for Client. In addition, SAMPLE PEO shall not be considered to be an employer of any individual for whom required payroll information is not supplied during any payroll period (except as may be required by law). Client assumes full responsibility for workers' compensation claims, benefit claims (including but not limited to health insurance claims and pension claims), tax obligations, employment discrimination claims, general liability claims, third-party claims, and any and all other obligations or claims pertaining in any way to any individual for whom payroll information is not supplied during any payroll period (except as may be required by law), or who is paid in whole or in part by Client, as an employee, independent contractor, or in any other capacity. In no event will any independent contractor who is not employed by SAMPLE PEO be covered by SAMPLE PEO' workers' compensation policy.

C. SAMPLE PEO shall have sufficient authority so as to maintain a right of direction and control over leased employees assigned to Client's location, and shall retain authority to hire, terminate, discipline and reassign leased employees. Client shall, however, retain such sufficient direction and control over the leased employees as is necessary to conduct Client's business and without which Client would be unable to conduct its business, discharge any fiduciary responsibility that it may have, or comply with any applicable licensure, regulatory, or statutory requirement of Client. Such authority maintained by Client shall include the right to accept or cancel the assignment of any leased employee. Additionally, Client shall have sole and exclusive control over the day-to-day job duties of all leased employees and SAMPLE PEO shall have no responsibilities with regard to the leased employees' performance of such day-to-day job duties. Furthermore, SAMPLE PEO shall have no control over the job site at which, or from which, leased employees perform their services. Control over the day-to-day job duties of leased employees and over the job site at which, or from which, leased employees perform their services is solely and exclusively assigned to Client. Client expressly absolves SAMPLE PEO of control over the day to day job duties of the leased employees and over the job site at which, or from which, leased employees perform their services. SAMPLE PEO assumes responsibility for the payment of wages to the leased employees without regard to payments by Client to SAMPLE PEO and SAMPLE PEO assumes full responsibility for the payment of payroll taxes and collection of taxes from payroll on leased employees. In the event Client does not pay SAMPLE PEO for all services rendered, SAMPLE PEO may pay leased employees at the minimum wage rate or minimum salary provided for in the Fair Labor Standards Act. This provision in no way affects the obligation of Client to pay SAMPLE PEO for all services rendered and in no way affects the obligations of Client pursuant to state and federal law, including but not limited to the requirement to pay all leased employees their regular rate of pay. SAMPLE PEO will give written notice of the relationship between SAMPLE PEO and Client to each leased employee it assigns to perform services for Client. SAMPLE PEO does not assume any responsibility for and makes no assurances, warranties, or guarantees as to the ability or competence of any leased employee. This Agreement in no way alters any responsibilities of Client which arise from Section 768.096, Florida Statutes and Client assumes all responsibilities pursuant to Section 768.096, including, but not limited to, responsibility to perform any and all work history, reference checks and background checks on leased employees.

D. If any leased employee is required to be licensed, registered or certified under any federal, state, or municipal law or regulation, or to act under the supervision of such a licensed, registered or certified person or entity in performing the employee services, then any such leased employee shall be deemed to be an employee of Client for such licensure purposes. Client shall also be solely responsible for verifying such licensure and/or providing such required supervision.

E. Client agrees to provide all facilities, supplies, equipment, and all other necessary items that may be required by employees to perform their employee services.

III. WORKERS' COMPENSATION

A. SAMPLE PEO shall secure workers' compensation coverage in such amounts as is required by applicable law and shall be responsible for the management of workers' compensation claims, claims filings and related procedures for its leased employees for services which they perform as leased employees. Should Client be allowed to maintain its own workers' compensation policy, SAMPLE PEO shall be named as an additional insured on such policy or policies. In addition, in such situations where Client maintains its own workers' compensation policy, and where allowed by law, Client shall at no time directly pay any workers' compensation premiums but shall instead, at least fourteen (14) days prior to the premium due date, remit to SAMPLE PEO by overnight mail, next day delivery service, a cashier's check sufficient to cover the premium due from Client in order for SAMPLE PEO to submit these funds to the carrier. SAMPLE PEO shall have no responsibility in such situations where Client retains its own workers' compensation policy other than to remit to the carrier such payments as Client forwards to SAMPLE PEO.

B. While SAMPLE PEO shall retain a right of direction and control over the management of safety, risk and hazard control involving leased employees performing work at Client work sites, as may be required by applicable state and federal laws, compliance with all applicable laws related to such matters is a responsibility of Client. Client acknowledges that it is responsible to maintain a safe working environment, provide proper training in compliance with state and federal OSHA standards, and establish and maintain such safety programs, safety policies, and safety committees as may be required by law or by SAMPLE PEO. SAMPLE PEO shall provide such assistance and maintain such responsibility for performing safety inspections of Client equipment and premises and assistance and responsibility for the promulgation and administration of employment and safety policies as is required by applicable law; however, Client acknowledges that

SAMPLE PEO in either providing or not providing such assistance and responsibility assumes no liability. Client further agrees to comply with any SAMPLE PEO workers' compensation light duty requirements as directed by SAMPLE PEO, including reinstatement of employees in a light duty capacity, and shall comply with such Drug Free Workplace Act policies, if any, as may be implemented by SAMPLE PEO.

C. Client represents that its working environment, equipment, machinery, supplies and training for existing employees currently meet all state and federal OSHA standards and that they will be maintained in compliance with such standards during the duration of this Agreement. Client shall provide and ensure use of all personal protection gear and equipment, as required by law, or as deemed necessary by SAMPLE PEO or SAMPLE PEO' workers' compensation carrier.

D. In the event Client or any leased employee fails to notify SAMPLE PEO within FORTY-EIGHT (48) hours following a work-related accident or injury, Client shall immediately reimburse SAMPLE PEO for any fees, penalties, or expenses imposed upon or incurred by SAMPLE PEO.

IV. EMPLOYER PRACTICES LIABILITY INSURANCE

A. As of the date of this Agreement, SAMPLE PEO has secured Employer Practices Liability Insurance (EPLI) that provides coverage for certain employment-related claims. Nothing in this Agreement is intended to create rights to insurance in addition to the terms of such insurance policy. To the extent the provisions of this Agreement conflict with such policy, the provisions of the EPLI shall control. In the event that EPLI becomes unavailable on terms acceptable to SAMPLE PEO (in SAMPLE PEO' sole discretion), the Client will be notified of the cancellation of such insurance in accordance with the terms of the insurance policy.

B. The EPLI shall not cover any claim or cause of action that arose or existed prior to the effective date of this Agreement and neither SAMPLE PEO, nor any insurer, shall be obligated to pay for any defense of such claim or cause of action or otherwise participate financially in the resolution of such claim.

C. The EPLI has a retention amount that the Client must pay before the insurance carrier is obligated to make any payment. On claims covered by such EPLI, Client agrees to pay the total retention amount due pursuant to the EPLI policy. In addition, Client agrees:

- (i) To act in conformity with the terms of the EPLI and with the terms of this Agreement;
- (ii) To cooperate with SAMPLE PEO in the investigation of proceeding of such claim;
- (iii) To settle or compromise such claims upon the terms and conditions satisfactory to SAMPLE PEO; and
- (iv) This Agreement must remain in effect and not be terminated by either the Client or SAMPLE PEO (without good cause) for a one (1) year period following the resolution of any claim under the EPLI.

V. BENEFIT PLANS

A. Client acknowledges that SAMPLE PEO has available employee benefit plans for the possible application to employees. Any other employee benefit plans maintained by Client, regardless of whether they provide benefits to the employees, shall be the sole responsibility of Client. All benefit plans shall be subject to the terms and conditions of eligibility and to such modifications as may occur to such plans. SAMPLE PEO reserves the right to change any benefit plan which it offers to leased employees (including the right to change carriers) and to raise the rates charged for such benefit plans. Following any increase in rates or change in any benefit plan being offered to leased employees, Client may terminate this Agreement within fourteen (14) days of its receipt from SAMPLE PEO or its applicable carrier or benefit plan administrator of notification of an increase in rates or a change in any benefit plan.

B. SAMPLE PEO agrees to assume responsibility for the current COBRA participants on Client's group health insurance plan in effect as of the effective date of this Agreement (current COBRA participants), who have all been

listed by Client on Exhibit B, provided such current COBRA participants were eligible for coverage under Client's plan in accordance with federal law. Client agrees that upon termination or expiration of this Agreement Client will immediately replace all group benefit plans offered by SAMPLE PEO. Should Client at any time obtain any form of group employee benefit coverage from an insurance carrier, another employee leasing company/professional employer or otherwise, which will provide group health or life insurance coverage to any of the employees, Client will assume full responsibility for the continuation of coverage under COBRA for the current COBRA participants in addition to any employees who may elect COBRA coverage under SAMPLE PEO' plans during the term of this Agreement, for the remainder of their COBRA eligibility period. Should Client not obtain group health coverage immediately upon termination or expiration of this Agreement for any reason, Client will pay to SAMPLE PEO each month the sum of FIVE HUNDRED and NO/100 (\$500.00) dollars per month (this sum is in addition to the premium payment payable by the applicable employee and/or family member/dependent), per former leased employee who is a COBRA participant (the fee shall also be applicable for a family member/dependent who is receiving COBRA benefits through SAMPLE PEO where the former leased employee is not receiving COBRA benefits) under SAMPLE PEO' plans. The Client acknowledges that this amount is reasonable to cover SAMPLE PEO' expense in extending continued health care coverage to the leased employees and this amount is not a penalty. Nothing in this provision shall be construed or interpreted as precluding or limiting SAMPLE PEO' right to pursue damages in a court of law or equity, which arose as a result of Client's failure to obtain and provide insurance as set forth herein.

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

Prior to Client merging its plan into the qualified SAMPLE PEO Retirement Plan, or prior to Client transferring assets from its qualified plan into the SAMPLE PEO Retirement Plan, Client understands and agrees that SAMPLE PEO shall have the right to inspect all plan documents, records, IRS determinations, etc. for compliance with the law.

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

Client agrees that in the event the SAMPLE PEO Retirement Plan as adopted by the Client plan becomes top heavy as defined by the prevailing Internal Revenue Code and/or regulations, Client will be solely responsible for making a contribution to non-key employees assigned to it to satisfy the top heavy test.

Client acknowledges that it is solely responsible for any matching, non-elective, or qualified non-elective contributions to be made to the SAMPLE PEO plan on behalf of the Client's co-employees.

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

In addition, Client further warrants that no covered employee will receive compensation originating from Client that will not be paid directly by SAMPLE PEO. Client understands that any payment made to any leased employee outside this Agreement may result in the SAMPLE PEO Retirement Plan being disqualified. Should the SAMPLE PEO Retirement Plan be disqualified as a result of the Client failing to report any compensation to covered employees, Client will be solely liable for any damages of any nature arising out of the failure to report such compensation to SAMPLE PEO.

Client also understands and agrees that if this Agreement is terminated and the Client does not adopt a successor retirement plan and arrange for a transfer of assets from SAMPLE PEO retirement plan within one hundred and twenty (120) days of the termination date, all leased employees covered under SAMPLE PEO retirement plan will become fully vested in their account balances. Furthermore, CLIENT agrees to reimburse SAMPLE PEO an administrative fee in the amount of \$300 per annum or any part thereof plus \$25 per leased employee per annum or any part thereof for administering this provision.

VI. SERVICE FEES

A. For services to be rendered under this Agreement, SAMPLE PEO shall be entitled to a set up fee and service fee as specified on Exhibit A hereto titled "Fee Schedule." All funds due SAMPLE PEO are payable by wire transfer or ACH, as specified on Exhibit C hereto titled "Payment Method and Financial Guaranty", prior to SAMPLE PEO' issuance of payroll checks each pay period and shall be paid to SAMPLE PEO on the day after each pay period ends. A late payment charge of one and one-half percent (1 1/2%) will be added to all accounts not paid when due. Checks returned unpaid from Client's bank will be subject to the late payment charge plus any additional costs incurred by SAMPLE PEO. An unpaid balance will also be subject to periodic charge of one and one-half percent (1 1/2%) per calendar month (or such maximum lesser interest amount if set by applicable law at a lower amount) until paid in full. SAMPLE PEO reserves the right to at any time terminate this Agreement if full payment is not made when due.

B. Should Client require additional services not included in this Agreement, the fee for any such additional services shall be negotiated and paid separately. The fees set forth on Exhibit A are subject to adjustment by SAMPLE PEO based upon changes in local, state and/or federal employment law, changes in insurance requirements or costs, costs directly attributable to Client or to leased employees assigned to Client, or changes in Client's payroll. Upon written notification to Client from SAMPLE PEO of a fee adjustment, Client shall have the right to terminate this Agreement by giving notice of termination to SAMPLE PEO within fourteen (14) days after receipt from SAMPLE PEO of a notice of a fee adjustment, and after payment of all funds owed to SAMPLE PEO by Client.

C. As specified on Exhibit C, hereto titled "Payment Method and Financial Guaranty" Client will provide to Sample PEO a financial assurance in the form of a Personal Guaranty, an irrevocable letter of credit, a deposit (held in a non-interest bearing account by SAMPLE PEO) or a bond. An irrevocable letter of credit, a deposit or a bond will be in an amount equal to the total payroll and any direct and indirect costs related to payroll for two average payroll periods. This financial assurance shall be maintained by SAMPLE PEO to help guarantee performance of all terms, covenants, and obligations of Client under this Agreement. If Client should fail to pay SAMPLE PEO any payment or any other funds when due, SAMPLE PEO may apply the financial assurance to the amount due. SAMPLE PEO, in its sole discretion, may require additional financial assurance if, at any time, SAMPLE PEO in its sole discretion determines that a change has occurred in the financial condition of Client or if Client's average payroll increases. SAMPLE PEO shall provide Client with advance written notice of the required additional financial assurance. Client shall provide the additional financial assurance within five (5) business days of their receipt of notice. Should Client fail to provide the additional financial assurance within five business days, SAMPLE PEO may immediately terminate this Agreement.

VII. LIMIT OF SERVICES

SAMPLE PEO will only provide the above listed services and no other services shall be provided or implied, including without limitation any strategic, operational or other business related decisions with regard to Client's business. Such decisions shall exclusively be the responsibility of Client and SAMPLE PEO shall bear no responsibility nor liability for any actions or inactions by Client. When implementing such decisions, whether or not the actions are implemented by leased employees, Client shall be acting solely on its own volition and responsibility. If SAMPLE PEO is leasing any supervisory employees to Client, such supervisory employees' scope of employment is strictly limited. Supervisors' actions which are in violation of law or which result in liability will be outside the scope of their responsibility as SAMPLE PEO leased employees and in such an event supervisory employees will be acting solely as the agents of Client.

VIII. INDEMNIFICATIONS

A. Client will provide proof of comprehensive general liability insurance coverage for its operations and all employees, with a minimum limit of liability not less than one million (\$1,000,000.00) dollars per occurrence. If any leased employee will operate a vehicle owned or otherwise of any kind for Client, Client shall furnish liability insurance therefor against liability for bodily injury and property damage and against uninsured motorists, each with a minimum limit of liability not less than one million (\$1,000,000.00) dollars. Such policies shall also include blanket collateral liability and personal injury liability coverage. In addition, if professional employees are leased, professional liability coverage will be secured and maintained by Client with a limit of liability of not less than one million (\$1,000,000.00) dollars. Client agrees, at its own expense, to include SAMPLE PEO as an additional named insured on all of Client's insurance policies, including without limitation professional liability policies and fidelity bonds. Client shall at the request of SAMPLE PEO deliver to SAMPLE PEO a certificate evidencing such insurance and the agreement(s) of the insurer(s) that such insurance may not be cancelled without twenty (20) days prior notice to SAMPLE PEO. Any protection against the dishonest or criminal conduct or misappropriation of any funds engaged in by any employee maintained hereunder, such as fidelity bonding, shall be at Client's expense. All insurance policies shall waive Client's subrogation rights in favor of SAMPLE PEO. Client's obligation under this Section shall survive termination or expiration of this Agreement.

B. Without regard to the fault or negligence of any party, Client hereby unconditionally indemnifies, holds harmless, protects and defends SAMPLE PEO, and all subsidiary, affiliate, related, and parent companies, their current and former respective shareholders, non-leased employees, attorneys, officers, directors, agents and representatives (all indemnified parties referred to as "SAMPLE PEO Indemnified Parties") from and against any and all claims, demands, damages (including liquidated, punitive and compensatory), injuries, deaths, actions and causes of actions, costs and expenses (including attorney's fees and expenses at all levels of proceedings), losses and liabilities of whatever nature (including liability to third parties), and all other consequences of any sort, whether known or unknown, without limit and without regard to the cause or causes thereof or the negligence of SAMPLE PEO or any SAMPLE PEO Indemnified Party, that may be asserted or brought against any SAMPLE PEO Indemnified Party which is in any way related to this Agreement, the products or services provided by Client or by SAMPLE PEO, the actions of any leased employee, the actions of any non-leased employee employed by Client, or of any other individual, including without limitation, any violation of any local, state and/or federal law, regulation, ordinance, directive or rule whatsoever, and all employment-related matters which shall include but not be limited to all matters arising under local, state and/or federal right-to-know laws, environmental laws, all laws within the jurisdiction of the NLRB, OSHA, and EEOC, including Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act (including without limitation those aspects relating to employment, public access and public accommodation), the WARN Act, ERISA, all laws governing wages and hours (including without limitation: prevailing wage rate; exempt and non-exempt status; child labor; and minimum wage and overtime matters), all laws governing race, sex, sexual harassment, retaliation, religion, national origin, color, age, veteran status, disability, and marital status, all laws governing disclosed and undisclosed benefit plans, and all other labor laws.

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

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

IX. GOVERNMENT INVESTIGATIONS/LEGAL ACTIONS/INQUIRIES

A. Client acknowledges that it is essential to SAMPLE PEO' performance under this Agreement that SAMPLE PEO have complete knowledge of any government investigation or inquiry or private adversary action which could in any manner impact upon the types of duties contemplated by this Agreement. For example, but not by limitation, an audit by the Bureau of Workers' Compensation could affect the performance of functions under this Agreement. Thus, Client has provided to SAMPLE PEO, prior to entering into this Agreement, full and complete disclosure, in writing, of any such administrative proceeding (including but not limited to EEOC, NLRB, OSHA, and Wage and Hour matters),

investigation, lawsuit, or other adversary proceeding, including those which are threatened as well as those not yet asserted, in which Client has been involved during the last five (5) years.

B. SAMPLE PEO shall not be considered to be an employer with any liability regarding leased employees for purposes of claims of discrimination involving disability, race, sex, sexual harassment, religion, color, age, national origin, marital status, veteran status, retaliation, or for any other claim pursuant to any local, state or federal law regulation, or ordinance unless the action is taken by Client in compliance with a written corporate SAMPLE PEO policy, procedure, or corporate direction, which is illegal under any applicable local, state or federal law.

C. Client represents that there are no union employees at the Client work-site, that there are no collective bargaining representatives for the leased employees, and that there are no applicable collective bargaining agreements with any labor organization.

X. CLIENT OBLIGATIONS AND RIGHTS

A. Client has the right to accept or cancel the assignment of any leased employee. Client agrees that in making such decisions it will at all times comply with all applicable laws. Client further agrees that it will at all times comply with the Family and Medical Leave Act ("FMLA") and Client's responsibilities to reinstate employees and in all other manner to comply with the FMLA shall survive termination or expiration of this Agreement.

B. Client agrees that it will obtain and provide to SAMPLE PEO at the end of each pay period records of actual time worked by each employee, verify their exempt or non-exempt status, and that all hours worked by employees are reported to SAMPLE PEO, and that they are accurate and are in accordance with the requirements of the Fair Labor Standards Act and other laws administered by the U.S. Department of Labor's Wage and Hour Division and any applicable state law. These records submitted to SAMPLE PEO shall become the basis for SAMPLE PEO to issue all payroll checks. SAMPLE PEO shall not be responsible for incorrect, improper or fraudulent records of hours worked, or for improper determination of exempt status. Should Client fail to meet the processing and payment schedule, the delivery of payroll checks by SAMPLE PEO will be delayed and an out-of-cycle processing charge could be billed to Client at SAMPLE PEO' option. Similarly, any changes to the hours reported to SAMPLE PEO after the reporting time could be subject to an out-of-cycle check charge at SAMPLE PEO' option.

C. Upon termination or expiration of this Agreement, Client shall assume sole responsibility for all accumulated, but unused, sick leave and vacation time for leased employees.

XI. EFFECT OF TERMINATION

A. If for any reason payment is not made when due, Client agrees that SAMPLE PEO will have the right to immediately terminate its performance hereunder, withhold its employees services, and/or bring suit seeking damages. Upon termination or expiration of this Agreement, for any reason, or should Client fail to timely pay SAMPLE PEO for its services, all of the employees shall be deemed to have been laid off by SAMPLE PEO and immediate notification of this shall be provided by Client to employees who had been leased pursuant to this Agreement. Client shall immediately assume all federal, state and local obligations of an employer to the employees which are not in conflict with state or federal law, and shall immediately assume full responsibility for providing workers' compensation coverage. SAMPLE PEO shall immediately be released from such obligations as are permitted by law. It is the intent of the parties that, where allowed by law, they be placed in their respective positions immediately before their entry into this Agreement in the event of a termination or expiration or Client's failure to pay SAMPLE PEO. If for any reason (whether or not required by applicable law) SAMPLE PEO makes any payment to any of the employees after this Agreement has been terminated, SAMPLE PEO shall be entitled to full reimbursement for such expenditures.

B. SAMPLE PEO may also terminate this Agreement if, at any time, SAMPLE PEO in its sole discretion determines that a material adverse change has occurred in the financial condition of Client, or that Client is unable to pay its debts as they become due in the ordinary course of business. This Agreement may also be terminated at any time by SAMPLE PEO in the event of any federal, state, or local legislation, regulatory action, or judicial decision which, in the sole discretion of SAMPLE PEO, adversely affects its interest under this Agreement. Such termination or expiration shall not relieve Client of any obligation set forth herein, including but not limited to its payment obligations to SAMPLE PEO.

XII. GENERAL PROVISIONS

A. Client acknowledges that it has not been induced to enter into this Agreement by any representation or warranty not set forth in this Agreement, including but not limited to any statement made by any marketing agent of SAMPLE PEO. Client acknowledges that SAMPLE PEO has made no representation concerning whether SAMPLE PEO' services will improve the performance of Client's business.

B. In no event will SAMPLE PEO be liable for any indirect, incidental or consequential damages to Client as a result of a breach of this Agreement nor for any loss of business, goodwill, profits or other damages.

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

D. This Agreement is assignable by SAMPLE PEO at its sole discretion.

E. Client acknowledges and agrees that SAMPLE PEO 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.

F. This Agreement constitutes the entire agreement between the parties with regard to this subject matter and no other agreement, statement, promise or practice between the parties relating to the subject matter shall be binding on the parties. This Agreement may be changed only by a written amendment signed by both parties.

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

H. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida and venue shall be in the applicable court in Palm Beach County, Florida.

I. In the event of any lawsuit or other proceeding to enforce the provisions of this Agreement, the prevailing party shall be entitled to an award of its costs and reasonable attorney's fees incurred at all levels of proceedings.

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

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

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

M. SAMPLE PEO will notify all leased employees of this Agreement at inception and termination or expiration of Agreement. Client shall also immediately upon termination or expiration of this Agreement notify all employees of the termination or expiration of this Agreement and inform them that they are no longer covered by SAMPLE PEO' workers' compensation policy.

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

O. Any and all inventions, discoveries, improvements, copyrightable works and creations (hereafter referred to as "Intellectual Property") which Client has previously, solely or jointly, conceived or made or may conceive or make during the period of this Agreement, whether or not accomplished through the use of leased employees, 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 SAMPLE PEO shall have no responsibility with regard to same.

P. Any responsibility and/or liability with regard to any employment contract between Client and any employee leased to Client's work-site shall be the exclusive responsibility and/or liability of Client and SAMPLE PEO shall not be a party to any such agreement. SAMPLE PEO will have no responsibility nor liability in connection with or arising out of any such employment contract except to prepare checks and to pay any such employee who is a party to such a contract, in conformity with information provided by Client. With respect to any employment contract between Client and any employee leased to Client's work-site, Client shall be acting solely on its own volition and responsibility with regard to all aspects of any such contract, including but not limited to its negotiation, compliance, implementation, renewal, enforcement, and termination.

Q. Complaints, allegations or incidents of any tortious misconduct or workplace safety violations, regardless of the source, must be reported by Client to SAMPLE PEO immediately upon becoming known to Client.

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

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

T. In recognition of the effort that is necessary to provide the services described in this Agreement, SAMPLE PEO and Client agree to cooperate with each other. This duty to cooperate shall encompass the obligation of the other party to timely supply documents, witnesses and such other evidence as is necessary for a party to properly fulfill its obligations under this Agreement. In addition, Client shall permit SAMPLE PEO and/or its workers' compensation carrier access during normal working hours, upon reasonable notice to Client, to any Client Work Location at which, or from which, work-site employees perform work. Such access shall include the ability of SAMPLE PEO and/or its workers' compensation carrier to examine books and records of Client deemed appropriate by SAMPLE PEO or its workers' compensation carrier in order to determine compliance with this Agreement.

U. Client understands that pursuant to Florida law, it may not enter into an employee leasing relationship with SAMPLE PEO if Client owes a current or prior employee leasing company any money pursuant to any service agreement which existed between that current or prior employee leasing company and Client, or if Client owes a current or prior insurer any premium for workers' compensation insurance. Client has met any and all prior premium and fee obligations with regard to workers' compensation premiums and employee leasing payments.

V. Upon any request by SAMPLE PEO or its assigns, Client shall allow an on-site physical examination of such books, records, documents and other information sources deemed appropriate by SAMPLE PEO and/or its assigns to aid SAMPLE PEO and its assigns in the determination of proper workers' compensation classifications of leased employees and to aid in the determination of payroll amounts paid to such leased employees to the extent set forth in Section 440.381, Florida Statutes, and the rules promulgated thereunder. Such examination shall be strictly for the purposes of determining proper workers' compensation classifications of leased employees and to aid in the determination of payroll amounts paid to such leased employees. Client shall remain obligated to SAMPLE PEO for any delinquency and/or unpaid premium amount found in the audit. This provision shall survive the expiration or termination of this Agreement.

W. 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 SAMPLE PEO on the basis that SAMPLE PEO drafted it. This Agreement shall be viewed as if prepared jointly by SAMPLE PEO and Client.

SAMPLE PEO, INC.

By: _____
(Signature)

(Date)

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true. In addition, the foregoing Agreement is agreed to.

CLIENT

By: _____
(Signature)

(Date)

(Print Name)

(Street Address)

(City, State, Zip)

(Federal Identification Number)

PERSONAL GUARANTY

This Agreement is entered into this _____ day of _____, 2002, by and between Sample PEO Outsourcing, Inc., its successors and assigns (hereafter referred to as "SAMPLE PEO") and the undersigned (hereafter referred to as "Guarantor") whose home address is listed below.

In consideration of the promises of the parties contained in this Agreement, the parties agree as follows:

WHEREAS, Guarantor acknowledges that Guarantor is a direct beneficiary of the Service Agreement entered into between SAMPLE _____ PEO _____ and _____ ("Client") on _____, 2002, and understands that SAMPLE PEO would be unwilling to enter into or continue the Service Agreement without this Personal Guaranty being signed, and whereas Guarantor is desirous of ensuring the fulfillment of all obligations of Client, accordingly:

a. Guarantor agrees that in the event Client has not fully complied with all requirements of the Service Agreement, including but not limited to the failure to timely make all payments due SAMPLE PEO pursuant to the Service Agreement, Guarantor agrees that Guarantor will upon demand by SAMPLE PEO, pay to SAMPLE PEO all such payments not made by Client and in all other respects will guarantee fulfillment of the obligations of Client as set forth in the Service Agreement. This Guaranty shall be applicable to all obligations of Client to SAMPLE PEO, and includes but is not limited to all obligations of Client which become due to SAMPLE PEO by Client.

b. This Guaranty is an absolute and unconditional guarantee of payment and of performance. It shall be enforceable against Guarantor without the necessity of any suit or proceedings on SAMPLE PEO' part of any kind or nature whatsoever against Client, its successors and assigns, and without the necessity of any notice of nonpayment, nonperformance or nonobservance or any notice of acceptance of this Guaranty or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives; and Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of the Guarantor hereunder shall in no manner be terminated, affected, diminished or impaired by reason of the assertion or the failure to assert by SAMPLE PEO against Client, or against Client's successors and assigns, of any of the rights or remedies reserved to SAMPLE PEO pursuant to the provisions of said Service Agreement with Client, or by relief to Client from any of Client's obligations under the Service Agreement, or otherwise by: (a) the release or discharge of Client in any creditors' proceedings, receivership, bankruptcy or other proceedings; (b) the impairment, limitation or modification of the liability of Client or any bankruptcy, or of any remedy for the enforcement of Client's said liability under the Service Agreement, resulting from the operation of any present or future provision of the National Bankruptcy Act or any other statute, or from the decision of any court; or (c) the rejection or disaffirmance of the Service Agreement in any proceedings. This Guaranty shall survive the termination or expiration of any Service Agreement between SAMPLE PEO and Client.

c. All debts and liabilities, present and future, of Client to the Guarantor are hereby subordinated and postponed to the liabilities of Client to SAMPLE PEO, and all moneys received by the Guarantor or its representatives, successors or assigns thereon, shall be received as trustees for SAMPLE PEO and shall be paid over to SAMPLE PEO; and the Guarantor further agrees, upon any liquidation or distributions of Client's assets, to assign to SAMPLE PEO upon SAMPLE PEO' request, all claims on account of all such debts and liabilities to the end that SAMPLE PEO shall receive all dividends and payments in full of all liabilities of Client to SAMPLE PEO; and this Guarantee shall constitute such assignment in the event the Guarantor shall fail to execute and deliver such other or further assignment of such claims as SAMPLE PEO may request.

d. Guarantor agrees to pay reasonable attorney's fees and all other costs and expenses that may be incurred by SAMPLE PEO in the enforcement of this Guarantee or in the collection of any debts or liabilities from Client or Guarantor.

e. This Guarantee may be assigned by SAMPLE PEO, along with any one or several or all of the indebtedness and principal obligations that it guarantees. When so assigned, the Guarantor shall be bound as above to the assignees without in any manner affecting Guarantor's liabilities hereunder or any part of any of Guarantor's obligations retained by SAMPLE PEO.

f. This Guarantee shall inure to the benefit of and bind the heirs, administrators, executors, successors and assigns of SAMPLE PEO and Guarantor, and shall be construed as the joint and several obligation of each of the undersigned Guarantors if there is more than one.

AGREED TO:

By: _____
Witness Signature

Guarantor (Print or Type)

Witness Signature

Guarantor's Home address (Print or Type)

Guarantor's Home address (Print or Type)

Guarantor Signature

Date

Guarantor (Print or Type)

Guarantor's Home address (Print or Type)

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By: _____
Witness Signature

Witness Signature

By: _____
Witness Signature

Witness Signature

By: _____
Witness Signature

Witness Signature