

## CLIENT SERVICES AGREEMENT

HR&P, Inc., an HR&P Company (herein after referred to as "HR&P") has four primary service areas: (1) Payroll Administration; (2) Benefits Administration, (3) ACA Administration and (4) Human Resources Management. Subject to the terms of this Client Services Agreement ("Agreement"), **City of Richwood, FEIN:74-1710549** ("Client") engages HR&P to provide (1) Payroll Administration; (2) Benefits Administration, (3) ACA Administration and (4) Human Resources Management as described in this Agreement.

### EFFECTIVE DATE AND TERM

This Agreement shall commence on the first day of the initial pay period of Client's first payroll with HR&P ("Effective Date") and shall remain in force and effect for an initial term of three (3) year ("Initial Term"). Following the Initial Term, this Agreement shall automatically renew for additional three (3) year periods.

During the first sixty (60) days following the first payroll check date, Client may terminate services for any reason. If Client terminates during the first 60 days, Client shall pay for all services provided by HR&P and no termination fee will be assessed.

Either Client or HR&P may terminate services under this Agreement at any time by giving ninety (90) days prior written notice to the other Party to this Agreement. On termination of this Agreement for any reason other than an uncured default by HR&P, Client shall pay an early termination fee equal to the number of pay periods remaining in the current contract term, multiplied by the average number of Client employees per pay period calculated over the life of this Agreement multiplied by the Administration Fee listed in Schedule A. All termination fees, early termination fees, and any other amounts due as a result of termination shall be invoiced and due in full on the payroll invoice immediately following delivery of notice of termination, regardless of whether services continue during the notice period. The parties agree that the early termination fee represents a reasonable estimate of damages incurred by HR&P as a result of early termination and is not intended as a penalty. In the event that services under this Agreement are terminated by either party for any reason prior to the end of a calendar quarter or year end, Client shall be solely responsible for paying and filing any and all local, state or federal payroll related tax and unemployment payments and forms.

### CLIENT'S BUSINESS OPERATIONS

Client shall be solely responsible for managing its own business. HR&P shall have no duty or right to direct, control, supervise or manage Client's business operations. Client is solely responsible for the quality, adequacy, safety and security of its business operations and locations, and the goods or services provided by Client. Client shall have the sole right to direct and control the work of Client's employees. Client shall be solely responsible to take such steps determined by Client to be adequate or desirable to screen or evaluate its employees, and to safeguard all Client assets, intellectual property or other valuable property or information to which the employees may have access.

Client is solely responsible for maintaining adequate insurance coverage for its business operations, including commercial general liability and statutory workers' compensation. On request of HR&P, Client shall provide HR&P with certificates of insurance evidencing general liability, owned/non-owned auto and workers' compensation insurance coverage.

### EMPLOYEE RELATIONS

Client shall be the sole employer of the employees. HR&P shall not have any of the rights or obligations of an employer, and shall have no right to direct or control the work of Client's employees. Client remains solely responsible for all decisions and actions taken with respect to the employees. HR&P is not a co-employer or joint employer of the employees.

Client shall provide its employees a workplace free of unlawful discrimination, harassment, retaliation and workplace violence. Client shall pay for all legal fees and other costs incurred by HR&P related to investigating and defending any threatened or actual claims relate to the above workplace issues. Client shall be solely responsible for all acts, comments and directives committed, stated or issued by its employees.

Client warrants that all reports or information furnished to HR&P concerning the hours worked or compensation owed to each employee shall be complete, accurate and truthful. Client shall be solely responsible for all costs and liabilities incurred as a result of any unreported or uncompensated hours of Client's employees.

### HR&P RESPONSIBILITIES

HR&P shall provide the following services to the Client and its employees in an administrative capacity:

- 1) Calculate and prepare payroll, relying on periodic information provided by Client.
- 2) Calculate, withhold and deposit payroll taxes (but limited to funds provided by Client)
- 3) Prepare and file applicable payroll tax reports
- 4) Prepare and submit new hire reports
- 5) Provide Client with periodic payroll related reports
- 6) Assist Client with respect to employee benefit plans sponsored by Client
- 7) Provide Client with limited practical assistance on day-to-day human resources issues
- 8) All other services which have been contractually agreed to by HR&P in writing

HR&P may offer additional services at an extra cost such as background checks, driver's license reports, or drug testing. Such services will be performed only if specifically agreed by Client and HR&P and if Client pays the agreed fees.

HR&P will rely solely on the information provided by Client and shall not be required to investigate or verify Client's information.

### CLIENT RESPONSIBILITIES

Client warrants that all information supplied to HR&P concerning each employee is, and shall remain accurate.

Client is solely responsible for providing its employees a workplace free of recognized hazards and for complying with any applicable OSHA regulations and other safety laws. Client is solely responsible for the safe storage, handling, use and disposal of hazardous chemicals, products or substances. Client is solely responsible for compliance with all federal, state and local governmental and regulatory agencies including but not limited to, Equal Employment Opportunity Commission, Department of Labor, Texas Workforce Commission, etc. Client shall pay all legal fees

and other costs incurred by HR&P as a result of investigating and defending any proposed or actual claims related to all governmental and regulatory agencies.

Notwithstanding any other provision of this Agreement, Client is solely responsible for:

1. the direction and control of its employees to conduct Client's business operations, discharge required fiduciary duties, and comply with any licensure, regulatory, or statutory requirement;
2. any goods and services produced by Client and any damages or claim as a result of such goods and services; and
3. the acts, errors, and omissions of its employees.

Client is solely responsible for providing all necessary tools, uniforms, equipment, training and personal protective equipment for its employees. Client shall provide all necessary supervision to its employees.

Client is solely responsible for providing and maintaining a workplace free from any types of illegal drugs, alcohol and weapons. Client shall determine the compensation amounts and types for all employees and determine FLSA employee classification or exemption. Client shall determine which employees shall be paid on a salary or hourly basis, whether or not to pay overtime pay to any employees.

Client is solely responsible for maintaining general liability and other business related insurance. HR&P does not provide insurance coverage to its clients.

Client is solely responsible for selecting, evaluating, maintaining and paying for all applicable Workers' Compensation, general liability or other insurance. In the event the Client elects not to maintain workers' compensation insurance, Client shall be solely responsible for all costs associated with any workplace injury or illness. HR&P shall have no liability regarding workplace injuries or illnesses. **Without regard to the fault or negligence of any party or parties, Client shall indemnify and defend HR&P against any claims that may be brought by employees against HR&P arising out of or in any way connected with employee injuries or illnesses of any kind.**

If Client intends to assign any of its employees to work in a new state, Client shall notify HR&P in writing as soon as possible. Client is responsible for any tax and licensing registrations for additional states.

**Client Online Account.** In the event Client and/or Client's employees access any HR&P services online or through any mobile or other electronic devices ("Online Account"), Client is solely responsible for (i) designating who is authorized to have access to the Online Account; (ii) safeguarding all passwords, usernames, logins or other security features used to access the Online Account ("Online Account Access"); (iii) use of on Online Account under any usernames, logins or passwords; (iv) ensuring that use of the Online Account complies fully with the provisions of this Agreement; and (v) any unauthorized access, or use, of the Online Account caused by Authorized Users' actions or inactions, including, without limitation, its failure to safeguard Online Account or Online Account Access. Client agrees to immediately notify HR&P of any actual or suspect unauthorized use of Online Account, and acknowledges that Client is solely responsible for damages resulting from Client's failure to timely notify HR&P. HR&P reserves the right to limit, suspend, or terminate Client's and/or Authorized User(s)' access to Online Account should HR&P have reason to believe that the security or confidentiality of Online Account or Online Account Access has been compromised. Client is solely responsible for implementation of an Information Security Program appropriate to safeguard the Online Account or Online Account Access and which is consistent with all applicable federal, state and/or local statutes or regulations; safeguarding Online Account and Online Account Access for any third-party services integrated into the Services; maintenance and routine review of computing and electronic system usage records (i.e., log files); and the security of its own data, data storage, computing devices(s), other electronic systems, and network connectivity. Client acknowledges and agrees that HR&P is not liable to Client, Client's employees or any other third-party for any consequences, losses or damages resulting from unauthorized access or use of the Online Account as set forth in this section.

#### **SERVICE FEE**

In exchange for the services provided by HR&P under the terms of this Agreement, Client shall pay to HR&P the fees set forth in Schedule "A" (Client Service Fees) attached hereto. The parties acknowledge that these fees are determined using the data submitted by Client. If the information provided by Client is determined by HR&P to be inaccurate, Client shall immediately provide HR&P with updated information and shall immediately pay or reimburse HR&P for any costs or fees related to such corrected or updated information.

Client billing shall be composed of:

- 1) The Client's total gross payroll processed by HR&P for each pay period;
- 2) All additional benefits, taxes, insurances and other related payroll costs;
- 3) The service fee(s) specified in Schedule "A"; and,
- 4) Any additional requested services including, but not limited to, background checks, drug screens, online training, time & attendance, annual online benefits enrollment setup, complex custom reporting, etc.

During the Initial Term, HR&P will not increase its Administration Fee. Following the Initial Term, HR&P may increase its Administration Fee by giving thirty (30) days advance notice to Client. Client's submission of payroll following notice of the increased Administration Fee shall constitute acceptance of the increased rate.

Client is responsible for all wages, compensation, taxes, benefits related to Client's employees. HR&P shall only be obligated to prepare and deliver payroll checks, deposit payroll taxes and pay all benefits invoices, including but not limited to, health, dental, vision, retirement, life and supplemental, to the extent that Client has paid, with verified funds, all applicable outstanding HR&P invoices. HR&P shall have no obligation to extend any credit to Client or to fund any payroll or other expenses for Client.

#### **PAYROLL & TAX ADMINISTRATION**

Client authorizes HR&P to: (a) calculate and prepare payroll checks and direct deposit payments to Client's employees, in reliance on the information provided by Client, Client's representatives or Client's employees; (b) prepare and file on Client's behalf state and federal payroll tax reports and returns; and (c) calculate and deposit payroll tax deposits and related payments on a timely basis. Funding of payroll, taxes and benefit costs is contingent on Client furnishing HR&P with adequate funds in advance of the agreed pay dates.

Client is responsible for submitting accurate and complete information concerning payroll by the agreed payroll cutoff deadline and for delivering payment in full to HR&P in advance of the agreed pay date. Client understands and agrees that failure to submit all payroll information on time

will result in a delay in the processing of Client's payroll. HR&P shall have no duty or obligation to advance funds to Client or to pay the employees or related taxes with HR&P funds.

During the term of this Agreement, HR&P shall be the exclusive provider of payroll processing services for Client and its employees. Client shall not process payroll for any employees through any other payroll provider, internal system, or third party while this Agreement is in effect. Client's processing of payroll through another payroll provider for any employee, including partial payrolls or parallel processing, shall constitute a material breach of this Agreement and shall result in immediate termination of this Agreement by HR&P, without any further notice or cure period. Upon such termination, all amounts due under this Agreement, including early termination fees, outstanding invoices, taxes, benefit costs, and administrative fees, shall become immediately due and payable.

Client is solely responsible to register their business and setup tax accounts with all relevant taxing agencies and to provide all requested Tax Filing Information to HR&P. "Tax Filing Information" is defined as all tax filing information that is requested by HR&P and is necessary to make payroll tax deposits and file payroll tax returns in accordance with the requirements of a taxing jurisdiction. This information includes, but is not limited to, tax identification numbers, powers of attorney and third-party administration access rights that may be required by a taxing jurisdiction to make payroll tax deposits and file payroll tax returns. HR&P will commence filing payroll tax returns and remitting payroll tax deposits once the requested Tax Filing Information has been provided. If HR&P processes payroll for Client in a taxing jurisdiction for which it has not received the requested Tax Filing Information, HR&P will hold the taxes on Client's behalf and will deposit the funds and file the tax returns when the required information has been received. HR&P is not responsible for any tax penalties or interest assessed due to Client's failure to register their business, obtain tax accounts or provide Tax Filing Information to HR&P.

In the event Client terminates services with HR&P for any reason prior to the end of a calendar quarter, Client acknowledges and agrees to prepare and file all outstanding state and federal payroll tax reports and returns, and calculate and deposit any payroll taxes and related payments at the required dates.

#### **HEALTHCARE REFORM (ACA ADMINISTRATION) – If "Service Area" is not excluded in paragraph 1 of this Agreement**

HR&P shall provide compliance assistance with the Patient Protection and Affordable Care Act (ACA). HR&P ACA compliance assistance begins on the Effective Date of this Agreement. With respect to ACA tracking and reporting, HR&P's compliance assistance covers the calendar year based on the Effective Date and shall continue until this Agreement is terminated. Client is responsible for providing complete and accurate information requested by HR&P to complete ACA tracking or reporting. HR&P ACA compliance assistance is dependent upon and can only be provided to the extent that Client provides accurate and complete information for all relevant periods. HR&P ACA compliance assistance does not cover ACA tracking and reporting for periods prior to the calendar year of the Effective Date. Client acknowledges that it has an independent duty to comply with ACA regulations and the Client remains solely responsible for any penalties, fees or costs arising from ACA enforcement actions, unless penalty, fee or cost arises out of a clerical or administrative error after receipt of accurate data.

#### **REFUND POLICY**

HR&P, upon Client's written request within thirty (30) days of termination of this Agreement, shall refund any Client funds in the possession of HR&P less any amounts due to HR&P, including but not limited to termination fees, unpaid invoice balances, benefit costs, agency or benefit chargebacks. Client is solely responsible for any tax deposits, penalties, interest, or any other tax, payroll, benefit or other costs which are due after or which accrue after the date of termination of services with HR&P. Client agrees to forever waive its right to any refund if Client fails to submit a written request to HR&P within thirty (30) days of termination of the Agreement.

#### **TAX PENALTIES**

If HR&P fails to or inaccurately calculates and deposits payroll taxes based on correct information provided by Client, HR&P will reimburse Client or taxing authority, at HR&P's sole discretion, for any penalties or interest assessed by the appropriate taxing authority. Client remains solely responsible for payment of the correct tax amounts. HR&P has no obligation to reimburse Client for any penalties or interest if Client or Client's employees furnished incorrect information to HR&P. Client shall pay any tax penalties or interest related to or arising out of: (a) inaccurate or incomplete information provided to HR&P, whether such information was provided by Client, Client's representatives or Client's employees; (b) Client's failure for any reason to make sufficient funds available to cover all paychecks and payroll tax deposits or the failure of Client's bank to honor any check, draft, wire transfer or ACH transaction for any reason; or (c) Client's failure to provide timely information to HR&P. Client and HR&P shall reasonably cooperate in the resolution of any claims, audits, disputes or inquiries by a taxing authority.

#### **OTHER TAXES**

Client is solely responsible for calculating, reporting, depositing and paying all non-payroll taxes of any kind, including but not limited to, ad valorem taxes, franchise taxes, sales and use taxes and income taxes, applicable to Client's business.

Client shall pay, or reimburse HR&P, for any sales or use taxes applicable to HR&P's services under this Agreement.

#### **PAYMENT**

Invoices are due and payable upon receipt and are generally issued from one to three days prior to Client payroll date. Client shall pay each invoice by wire transfer or reverse wire transfer. Client shall sign any authorization documents required by Client's or HR&P's bank.

All invoices not paid by Client by the invoice date are past due and constitute a default under this Agreement. Past due amounts shall be assessed a late fee of \$150.00 and bear interest at the rate of eighteen percent (18%) per annum until paid. In the event that any payment offered by Client is dishonored for any reason, Client shall reimburse HR&P for all bank service charges and administrative fees incurred by HR&P; and, HR&P may reinstate a reverse wire to obtain payment from Client. HR&P shall have the unconditional right to immediately suspend or terminate any and all services until full payment is received from Client. In the event of any payment default by Client, HR&P may terminate this Agreement.

Client agrees that any invoice issued in connection with termination of this Agreement, including early termination fees, shall be due and payable immediately upon receipt and shall not be subject to dispute, offset or delay.

#### **INSURANCE & RETIREMENT PLANS**

Any employee benefit plans, including but not limited to health insurance, retirement, bonus, profit sharing or deferred compensation, offered by Client to its employees, are solely the responsibility of Client. HR&P will not serve or act as plan sponsor, plan administrator or other fiduciary. On request of HR&P, Client shall provide copies of plan documents or certificates of insurance related to any such plan. Neither Client nor HR&P shall represent that HR&P is a sponsor, administrator or other plan fiduciary under the terms of ERISA.

Initials: \_\_\_\_\_ Initials: \_\_\_\_\_

**DEFAULT**

Acts of defaults by Client shall include, but are not limited to:

- 1) Failure of Client to timely pay any invoice, fee or charge in full when due; or
- 2) Failure of direct payment of taxable wages by Client to HR&P for services contemplated by this Agreement; or
- 3) Failure to run a payroll during a period of thirty-five (35) consecutive days; or
- 4) Processing payroll for any employee through another payroll provider; or
- 5) Breach of any provision of this Agreement by Client.

HR&P may terminate this Agreement immediately on giving written notice to Client of Default and providing Client three (3) business days to cure such Default. If Client fails to cure such Default, HR&P shall have the right to immediately terminate this Agreement and any and all outstanding obligations of Client shall become immediately due and payable. On termination of this Agreement all obligations of Client shall remain effective until such time as such obligations have been satisfied by Client.

Acts of defaults by HR&P shall include, but are not limited to:

- 1) Breach of any provision of this Agreement by HR&P;
- 2) Failure of HR&P to comply with regulations of a federal, state, or local governmental body, department, or agency

Client may terminate this Agreement immediately on giving written notice to HR&P of Default and providing HR&P three (3) business days to cure such Default. If HR&P fails to cure such Default, Client shall have the right to immediately terminate this Agreement and any and all outstanding obligations of HR&P shall survive the termination of this Agreement until such time as any obligations cease to exist.

**PROFESSIONAL ADVICE**

HR&P is engaged in providing human resources consulting services. Client understands and agrees that any advice offered by HR&P is not a replacement for legal, tax or accounting advice. Client agrees that it will obtain appropriate professional advice concerning all legal, accounting, tax, insurance and benefits matters. HR&P will not pay for or provide legal representation to Client under any circumstance.

**INDEMNITY**

Client hereby agrees to indemnify, defend and hold HR&P harmless, from and against, any and all liability, expense (including court costs and attorneys' fees) and claims for damage of any nature whatsoever, whether known or unknown and whether direct or indirect, as though expressly set forth and described herein, which HR&P may incur, suffer, become liable for or which may be asserted or claimed against HR&P arising out of, based on or related to, but not limited to Client's business, operations, products, goods, services, premises, workplace safety and security, cybersecurity, employment and management practices, vehicles, machinery or equipment, or the acts, errors or omissions of the Client, Client's representatives and the Client's employees.

Client hereby agrees to indemnify, defend and hold HR&P harmless, from and against, any and all liability, for 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, Patient Protection and Affordable Care Act, the Fair Labor Standards Act, all state or federal 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 concerning discrimination on the basis of 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 or employment related laws. Client shall indemnify, defend and hold HR&P harmless against any claims or demands brought by Client's employees against HR&P on any basis whatsoever.

HR&P hereby agrees to indemnify, defend and hold Client harmless from and against any and all liability, expense (including court costs and attorneys' fees) and claims for damage of any nature whatsoever, whether known or unknown and whether direct or indirect, as though expressly set forth and described herein, which Client may incur, suffer, become liable for or which may be asserted or claimed against Client as a result of HR&P's failure to: properly calculate, prepare, deposit or pay payroll, payroll taxes, withholding, or benefits to the Client's employees; properly apply funds actually received from Client in accordance with Client's instructions. HR&P shall have no obligation to indemnify or defend Client as to claims arising out of the acts, errors or omissions of the Client's employees. This indemnity is expressly conditioned on Client having timely provided HR&P with complete and accurate information, paid all HR&P invoices in full when due, and, maintained all Client insurance required under this Agreement.

Client and HR&P expressly agree that the indemnification provisions of this Agreement shall not be limited to claims, expenses or liabilities for which one Party is solely liable, but shall also apply to claims, expenses and liabilities for which Client and HR&P are jointly and concurrently liable. These indemnity obligations apply without regard to the fault or negligence of any party or parties. In such event, if either Party advances funds in connection with a claim, expense or liability, which is subject to this section in excess of its pro rata share, said Party, shall be indemnified by the other Party hereto for such excess amounts.

Client agrees that HR&P's duty to indemnify is expressly limited to the extent of HR&P's available insurance coverage in place at the time of the occurrence of the act or event. The indemnities provided herein shall be deemed to be contractual in nature and shall survive the expiration, breach or termination of this agreement.

**AMENDMENTS**

This Agreement and its Schedules may be amended from time to time as agreed by the parties in writing; such amendments shall become effective on the date and time so designated when signed by both HR&P and Client.

**MEDIATION**

Client and HR&P hereby agree to submit any dispute that arises from this contract to mediation. Mediation will take place before an agreed upon mediator within thirty (30) days of receipt of a written complaint by either party. The mediator's fee shall be borne equally by the parties. Either party may seek legal redress to enforce this provision and is entitled to all legal fees incurred in enforcing this provision. Mediation will occur in Harris County, Texas and is confidential and non-binding.

Initials: \_\_\_\_\_ Initials: \_\_\_\_\_

**ARBITRATION**

If mediation is unsuccessful, either party may request binding arbitration pursuant to Chapter 171. General Arbitration, Civil Practice and Remedies Code, commonly referred to as the Texas Arbitration Act. If mediation is unsuccessful, either party may, by written request, invoke binding arbitration. Within thirty (30) days of written request, the parties shall agree upon one arbitrator and each party shall bear the arbitrator's cost equally. If the parties are unable to agree on an arbitrator, either party may seek court intervention for such appointment. The parties may, by written agreement, agree upon more than one arbitrator. Binding arbitration shall occur in Harris County on a schedule established by the agreed upon or court appointed arbitrator. The arbitrator shall/may award arbitration fees and attorneys' fees to the successful party.

**ATTORNEYS' FEES; LIMITED RELIEF**

In the event of any legal dispute, the prevailing party in any enforcement action arising in respect to this Agreement shall be entitled to recover from the other party all costs of such enforcement action including, without limitation, reasonable attorneys' fees, court costs, arbitrator fees, arbitration filing fees, fees and expenses to enforce the award of the arbitrator and related expenses.

In consideration of the limited fees charged by HR&P, Client agrees that the total recovery that may be obtained against HR&P under any legal theory whatsoever shall be strictly limited to an amount equal to the service fee paid to HR&P during the twelve months preceding the date of the event upon which such claim is based. Such limit applies to all recoveries or remedies of any nature or type, and is inclusive of all damages, interest, legal fees, and costs. The parties waive all rights to recover lost profits, consequential damages, exemplary damages, multiple damages or punitive damages.

**ASSIGNMENT**

Without the prior written consent of HR&P, Client shall not assign this Agreement or its rights and duties hereunder or any interest herein. HR&P may unconditionally assign this Agreement to a third party with a 30-day written notice to Client.

**GOVERNING LAW**

This Agreement shall be governed by the laws of the United States and of the State of Texas, without the application of choice of law rules which shall not apply.

**GENERAL**

This Agreement, together with the attached Schedules, constitutes the entire agreement between Client and HR&P. This Agreement supersedes all prior, contemporary or subsequent negotiations, representations, promises or agreements between the parties. Any amendment to this Agreement shall be effective only if set forth on HR&P letterhead, signed by the president of HR&P and signed by an authorized representative of Client. This Agreement may be executed electronically and in counterparts, each of which shall be deemed an original and together shall constitute one instrument.

Nothing contained in this Agreement creates any partnership or joint venture. Neither party shall be the agent for the other party. There are no intended third party beneficiaries of this Agreement. This Agreement may only be enforced by the parties to this Agreement.

In the event that Client believes that it has any cause of action against HR&P, Client shall give written notice to HR&P of such claim or cause of action not later than one hundred (100) days after the date on which the alleged cause of action arose. Client waives any cause of action for which such written notice is not provided to HR&P. Client additionally agrees that any alleged cause of action against HR&P must be legally asserted by filing a written demand for arbitration not later than twenty-five (25) months after the date on which the alleged cause of action arose. Unless a demand for arbitration is filed within such twenty-five (25) month period, Client agrees that all such alleged causes of action are waived and barred by limitations. In the event that either or both of the deadlines contained in this paragraph are found unenforceable under applicable law, Client shall give notice within the shortest time period permitted under law and shall file a demand for arbitration within the shortest period of time permitted under law.

If any provision of this Agreement or any amendment thereof, should be invalid, the remaining provision shall remain in effect and be so construed as to effectuate the intent and purposes of this Agreement and any amendments thereto.

**FORCE MAJEURE.** Neither party shall be liable for delay or failure in performance caused by events beyond its reasonable control, including but not limited to acts of God, natural disasters, government actions, war, terrorism, labor disputes, banking interruptions, pandemics, cyberattacks, or failures of third-party service providers.

All notices, requests and communications provided hereunder shall be in writing and hand delivered or mailed by United States registered, certified, or express mail, return receipt requested, and addressed to the party's principal place of business as set forth in this Agreement adjacent the signature of each party (or to such other address provided in writing by such party).

The waiver by either party hereto of a breach of any term or provision of this Agreement shall not operate or be construed as a waiver of a subsequent breach of the same provision by any party or of a breach of any other term or provision of this Agreement.

**SCHEDULES**

The following Schedules are inclusive to this Agreement and incorporated herein by reference for all purposes:

- 1. Schedule A ("Client Service Fees")

THIS AGREEMENT is duly executed on \_\_\_\_\_.

CLIENT: **City of Richwood**

HR&P

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

ADDRESS:  
1800 Brazosport Blvd N  
Richwood, Tx 77531  
PHONE:

ADDRESS:  
9621 W. Sam Houston Parkway N., Ste 100  
Houston, Texas 77064  
PHONE: 281-880-6525

**SCHEDULE A**

**CLIENT SERVICE FEES**

**Client Name:**

**Fee Schedule:**

- **Administration Fee:**  
\$25.38 per check (biweekly)  
\*Minimum Administration Fee of \$277.00 per payroll. If the total per check fee exceeds the Minimum Administration Fee, only the per check fee will apply.
- **Client Set-up Fee:**  
A Client Set-up Fee of \$2000.00 maximum charge will be due at signing of the Client Service Agreement. If this Agreement is terminated, for any reason, Client shall have no right to any refund of the Client Set-up Fee.
- **New Hire Enrollment Fee**  
A Fee of \$25.00 for each employee added after the initial Client set up. This new hire enrollment fee is due on the first payroll invoice processed, following the employee hire date.
- **Time & Attendance:**  
Web Software: \$3.00 per employee per month. (\$75.00 minimum)  
Setup Charge: \$500.00 (this includes software set-up, custom payroll export and 2-hour training webinar)

*Rates above are calculated based on a biweekly payroll basis. A change in the pay period may cause an adjustment in the rates proportionately.*

*Rates are based on number of employees. If Client employee head count decreases by 25% or more, HR&P shall have the right to increase its service fee or terminate this Agreement with notice.*

*Client will be responsible to pay a nominal fee for paper processing and payroll delivery. Additional fees may be incurred for interim payroll runs outside normal pay periods. Additional fees may apply for filing tax returns with zero dollar amounts. Additional set-up fees may apply if the initial set-up was based on inaccurate or incomplete Client data.*

Initials: \_\_\_\_\_ Initials: \_\_\_\_\_