

ANNEX O

Time and Labor Management Services

SECTION 1 TIME AND LABOR MANAGEMENT SERVICES.

1.1 Time and Labor Management Services. ADP will provide the Application Programs and/or hardware (e.g. timeclocks) (the "**Hardware**") and collectively with the Application Programs, the "**Equipment**") and the installation and training, listed in Annex Z (collectively with the Equipment, the "**TLM Services**"). Certain terms in this Annex O apply only to Hardware provided on a subscription basis, and certain terms apply only if Client purchases Hardware. If Hardware is initially provided on a subscription basis and the Client subsequently purchases and pays for the Hardware, the terms which apply to purchased Hardware shall apply to the Hardware purchased by Client.

1.2 Grant of License. Client's use of, and all the rights and obligations of the parties with respect to, the Application Programs delivered to Client in connection with the TLM Services will be governed by the license agreement (whether written, shrink-wrapped or on-line) delivered to Client with such Application Programs; provided, however, that in the event that no license agreement is delivered to Client with such Application Programs, ADP hereby grants to Client a personal, non-exclusive, non-transferable right and license to use solely for the internal business usage of the Client Group the Application Programs delivered to Client in connection with the TLM Services. Client will not have any interest in such Application Programs, except for the license granted to it under this Agreement. Without limitation of the foregoing, Client will not copy, recompile, disassemble, reverse engineer, or make or distribute any other form of or any derivative work from the Application Programs. Client's use of any pre-packaged third-party software will be governed by the terms and conditions of the applicable third-party license agreement(s) delivered to Client with such pre-packaged third-party software.

1.3 Installation. Client shall be responsible for (i) providing and maintaining a suitable installation environment as specified in the manufacturer's product literature and in accordance with ADP's then current environmental specifications and other written instructions, (ii) following manufacturer's instructions with respect to the Hardware, and (iii) providing and installing all power, wiring and cabling required for installation of the Equipment. The Business Day following the day on which (a) ADP, or its designee, determines that the Equipment has been placed in good working order in accordance with ADP's standard installation procedures, or (b) the Equipment is delivered and the Client fails to provide the required installation environment, is the "**Warranty Commencement Date**".

1.4 Risk of Loss. No loss, theft or damage after delivery of the Equipment to the Client site shall relieve Client from any obligations under this Agreement, and Client shall be liable for any such loss, damage or destruction (regardless of cause).

1.5 Alterations; Inspection. This Section 1.5 shall not apply to Hardware which is purchased and fully paid for by Client. Client shall not make any alterations or attach any device not provided by ADP to the Equipment whatsoever, nor shall Client remove the Equipment from the place of original installation without ADP's prior consent. ADP shall have the right to enter Client's premises upon prior written request, which shall not be unreasonably withheld, to inspect the Equipment during Client's normal business hours.

1.6 Title to Hardware. This Section 1.6 shall not apply to Hardware which is purchased and fully paid for by Client. Title to the Hardware shall remain in ADP. The Hardware is, and at all times shall remain, a separate item of personal property, notwithstanding its attachment to other equipment or real property. Client shall furnish any waivers or consents reasonably requested by ADP to give full effect to the intent of the preceding sentence.

1.7 Documentation. ADP will deliver to Client one copy of any documentation applicable to the Application Programs, all or a part of which may be in the form of computer media. Client will copy the documentation only for its internal business use to satisfy its reasonable internal needs, *provided* that any such copies include all proprietary, copyright and other similar notices.

1.8 Client Content. "**Client Content**" shall mean (i) all payroll, human resource and similar information provided by Client or its agents or employees, including transactional information, (ii) Client's trademarks, trade names, service marks, logos and designs and (iii) any other information or materials provided by Client, regardless of form (e.g., images, graphics, text, etc.), to be included in the Equipment, whether included therein by ADP on behalf of Client as part of its setup services or directly by Client or any of its employees or agents. The following provisions shall apply with respect to Client Content:

1.8.1 Client shall be solely responsible for updating and maintaining the completeness and accuracy of all Client Content.

1.8.2 Client is responsible for obtaining all required rights and licenses to use and display all Client Content in connection with the Equipment. Client hereby grants to ADP a non-exclusive, non-transferable license to use, edit, modify, adapt, translate, exhibit, publish, reproduce, copy (including back up copies) and display the Client Content as reasonably necessary to provide Equipment or perform the TLM Services covered under this Annex O.

1.8.3 Client and its employees shall not include or provide to ADP for inclusion in the Equipment any Client Content which is obscene, offensive, inappropriate, threatening, malicious, which violates any applicable law or regulation or any contract, privacy or other third party right or which otherwise exposes ADP to civil or criminal liability. ADP reserves the right to exclude or immediately remove from any Equipment any Client Content which it determines in its sole discretion violates the previous sentence, provided that ADP has no obligation to review or monitor the Client Content.

1.9 Third Parties. Notwithstanding the provisions of Section 9.6 of Annex A, with respect to the Equipment, ADP's suppliers, vendors and referral partners may enforce the same disclaimers and limitations against Client as ADP may under Sections 4 and 7 of Annex A.

SECTION 2 LIMITED WARRANTY.

ADP warrants to Client that the Hardware shall be free from defects in material and workmanship on the Warranty Commencement Date and for ninety days thereafter. ADP warrants that the Application Programs will perform in

accordance with the applicable documentation for the comparable (as to version and type) Application Programs. These warranties shall not apply in the following circumstances: (i) accident, neglect or misuse; (ii) alterations other than in accordance with ADP's standard installation procedures and (iii) failure to provide and maintain a suitable installation environment including but not limited to, failure to provide adequate electrical power, air conditioning or humidity control.

SECTION 3 EQUIPMENT MAINTENANCE.

3.1 General. If the Hardware is provided on a subscription basis, and not purchased by Client, maintenance services ("Maintenance") for the Hardware will be furnished by ADP, or its designee, pursuant, and subject to the following terms and conditions for the fees specified in Annex Z. If Client purchases the Hardware, Maintenance is optional and may be obtained at an additional cost and a separate annual Maintenance fee applies. A Client under the purchase option may terminate its receipt of Maintenance by providing written notice to ADP no less than 30 days prior to the end of the then current annual Maintenance period. ADP is not required to rebate to Client any maintenance fees relating to a current or prior coverage period. (NOTE: If a Client selects the purchase option but elects not to receive or terminates Maintenance hereunder, any Maintenance provided by ADP at Client's request will be subject to ADP's then current charges for Maintenance which will likely be significantly greater than the annual fee under the Maintenance plan.) Maintenance is not available on Equipment located outside the United States, Canada or Puerto Rico. Maintenance shall apply to the Hardware only and shall not apply to the maintenance of inking rollers, ribbons, light bulbs, fuses or other accessories, attachments, machines or other devices not provided by ADP. Maintenance shall commence (i) as to the Application Programs, immediately; (ii) as to Hardware, upon expiration of the warranty in Section 2. ADP shall provide help desk support, which includes technical assistance which may be by telephone, fax service, remote modem support (if accepted by Client) and/or courier. Client shall bear all delivery/shipping costs and all risk of loss during shipment/delivery of Hardware relating to Maintenance. Client shall pay all travel expenses incurred by ADP or its designee for any Maintenance performed at the Client's site.

3.2 Maintenance Hours. Maintenance shall be provided, during ADP's regular maintenance hours for the applicable Equipment (the "Regular Maintenance Hours"), which are specified in Annex Z. ADP shall respond in a prompt, commercially reasonable manner during Regular Maintenance Hours for the applicable Equipment, but reserves the right to grant priority among clients.

3.3 Hardware Maintenance. ADP shall make, or cause a designee to make, all necessary adjustments and repairs to keep the Hardware in good operating condition. All remedial Maintenance shall be provided during Regular Maintenance Hours for the applicable Hardware after notification that the Hardware is inoperative and a determination has been made by ADP, or its designee, that the problem is a result of defective materials or workmanship. Any parts found to be defective (except those specifically excluded hereunder) shall be replaced or repaired, at ADP's or its designee's option without additional charge for parts or labor, provided that the Hardware has been properly installed and maintained by ADP or its designee, and provided further that the Hardware has been used in accordance with the ADP manual and manufacturer's instructions and has not been subject to abuse or tampering. Such repairs and replacements may be made only by ADP or its designee, and will be made only after ADP or its designee is notified of a problem, receives delivery from Client of the Hardware (which delivery shall not violate the provisions of Section 1.5 above) at issue and

determines that it results from defective materials or workmanship. Notwithstanding the foregoing, ADP may deliver a temporary replacement item for Client's use while such determination is being made with respect to the Hardware in question.

3.4 Application Programs Maintenance. ADP shall make, or cause a designee to make, corrections of errors or deficiencies in the Application Programs so that the Application Programs conform in all material respects to the functional specifications for the Application Programs published from time to time by ADP. ADP will make improvements, enhancements, modifications and/or updates (collectively, "Updates") to the Application Programs available to Client (i.e. in addition to the license and Maintenance fees) if and as they are made available generally by ADP at ADP's standard rates on a time and materials basis. If Client fails to install, or does not engage ADP on a time and materials basis to install any version Update within three years after the availability of the same from ADP; ADP shall have no further obligation to provide Client with Updates to the Application Programs nor to provide ongoing Maintenance for the Application Programs. Updates which are service packs shall be made available (or for clients receiving Hosting Services installed) by ADP, at no additional charge.

3.5 Maintenance Exclusions. Maintenance does not include (i) providing supplies or equipment; (ii) refinishing of the Hardware; (iii) maintenance of accessories, attachments, machines or other devices not covered by ADP; (iv) making configuration specification changes (not applicable to the Application Program TimeSaver® 3.X); (v) performing service connected with the relocation, installation or reinstallation of Hardware; (vi) adding or removing accessories, attachments and other devices; (vii) operation of the Application Programs in the normal course of business; (viii) consulting, programming, installation or training services that are not associated with Application Program errors or deficiencies; (ix) programming or analytical assistance relating to enhancement of existing programs or the creation of new programs; (x) programming or analytical assistance relating to restoring programs and/or computer accessible data files rendered inoperative due to any cause outside of ADP's reasonable control; and (xi) supporting any Application Programs not listed in Annex Z. Any maintenance resulting from other than the normal operation of the Equipment, including Client's faulty installation or misuse of the Equipment or Client's failure to provide the necessary facilities or specified operating supplies or to meet ADP's or manufacturer's site specifications shall be invoiced to Client as an additional charge plus any travel expenses incurred.

3.6 Client Responsibilities. Client's responsibilities under this Agreement include: (i) providing a suitable environment for the Equipment, as specified in the manufacturer's product literature and as specified by ADP; (ii) contacting ADP's help desk by phone to initiate all Maintenance; (iii) explaining the problem or condition requiring Maintenance to ADP's help desk personnel and providing copies of data on printed materials and/or other media that may assist ADP in providing Maintenance; (iv) providing necessary connectivity to access the Hardware, when requested by ADP; (v) providing full, free, safe and complete access to the Equipment during Regular Maintenance Hours for the applicable Equipment so that ADP or its designee may provide Maintenance; (vi) backing up, removing, protecting and restoring, as applicable, programs, data and removable storage media contained in failing Hardware presented for Maintenance; (vii) removing all features, parts, options, alterations and attachments which are not subject to this Agreement before presenting failing Hardware for service; (viii) removing and controlling any files from Hardware before ADP begins service and replacing or reloading files in Hardware following service and (ix) informing ADP of changes in related hardware and software and their configuration.

3.7 Conditions of Maintenance. This Agreement is contingent upon proper use of the Equipment and does not cover Equipment which has been modified without ADP's approval, or which has been subjected to unusual physical or electrical stress, or in which the original identification marks have been removed or altered, or which has been removed from the place of original installation without ADP's prior consent. Additionally, any repairs, replacements or Maintenance required as the result of any of the following are not included in Maintenance and Client shall be charged at ADP's then current rates, plus any travel expenses incurred: damage, defects or malfunctions resulting from misuse, accident, neglect, tampering or causes other than normal and intended use (including modifications or replacements of any ADP components or any boards supplied with the Hardware); failure of the Client to provide and maintain a suitable installation environment; or malfunctions resulting from use of software, hardware, badges, supplies or other products with the Equipment which are not approved by ADP or the attachment or addition of any device to the Hardware without ADP's prior consent. ADP shall not be responsible to Client for loss of use of the Equipment or for any other liabilities arising from alterations, additions, adjustments or repairs which have been made to the Equipment by other than authorized representatives of ADP. If, in the opinion of ADP, any such alterations, additions, adjustments or repairs adversely affect ADP's ability to render Maintenance to the Equipment, ADP reserves the right to immediately terminate this Annex. Any Maintenance performed by ADP outside the scope of this Annex when the cause is determined to be unrelated to Equipment shall be provided at ADP's then prevailing time and material rates and terms plus any travel expenses incurred.

SECTION 4 FURTHER LIMITATION OF LIABILITY.

The provisions of this Section 4 supplement the provisions of Section 7 of Annex A hereto. ADP's sole obligation in case of any breach of its warranty set forth in Section 2 shall be to repair or replace, at ADP's option, any defective items.

SECTION 5 HOSTING SERVICES.

Section 5 applies only if Hosting Services (as hereinafter defined) are specified in Annex Z.

5.1 Access to System. The System means the Application Programs as run on the Hosted Environment. The Hosted Environment means the hardware, system software, hosting support software, network connectivity, and facility used by ADP to support Client's use of the Application Programs. Client, and its authorized employees, may access the System as provided herein in order to input information relating to its employees' time and attendance and related information. Client acknowledges that ADP does not review the accuracy or completeness of any submissions to the System made by Client or Client's employees. Client agrees that it is Client's sole responsibility to submit information relating to the use of the Application Programs and any associated ADP services and to verify the accuracy and completeness of any information submitted by Client or its employees. Client acknowledges that by submitting communications through the System, no confidential, fiduciary, and contractually implied or other relationship is created between ADP and Client other than pursuant to this Agreement. In order to access and use the System, Client and its authorized users will be required to provide a current username and password. Client will instruct its authorized Users that in the event that they have reason to believe that an unauthorized third party has access to Client's account, they should immediately notify ADP.

5.2 System Availability, Maintenance, and Downtime.

5.2.1 System Availability and Scheduled Maintenance. The System generally will be available 24 hours a day, 7 days a week; however, ADP performs maintenance during the hours specified in Annex Z (the "Maintenance Windows"). ADP makes no guarantee of System availability or performance during the Maintenance Windows, and System availability or performance may be negatively impacted during the Maintenance Windows. ADP makes no guarantee that maintenance tasks will be completed during the Maintenance Windows however if ADP determines that maintenance tasks extending beyond the Maintenance Windows will impact Client's use of the System, ADP will give Client as much advance notice as possible..

5.2.2 Additional Maintenance. In certain situations, ADP may perform additional maintenance at times other than the Maintenance Windows. When ADP determines that additional maintenance will have a direct impact on the Client's use of the System, ADP will give Client as much advance notice as possible.

5.2.3 Unscheduled Downtime. The System may experience unscheduled downtime. During the hours of 8:00 AM to 8:00 PM Eastern time, Monday through Friday, excluding ADP Holidays (as defined in Annex Z) ("Prime Time"), ADP will notify the Client of unscheduled downtime as soon as practicable, and in any event, within sixty minutes of ADP's identification of such unscheduled downtime (the "Event"). At times other than Prime Time that are outside the Maintenance Windows, ADP will use reasonable efforts to notify the Client of unscheduled downtime as soon as practicable following the Event. If the System experiences unscheduled downtime, ADP will work diligently to correct the problem until it is resolved and the System is made available.

5.3 Hosting Services. The hosting services provided by ADP ("Hosting Services") include:

5.3.1 Providing the Hosted Environment for the System and the operation and required maintenance of such Hosted Environment. Client acknowledges that the Hosted Environment may be used to provide similar services to other clients and that Client acquires no rights therein.

5.3.2 Deploying the Application Programs licensed by the Client at a Uniform Resource Locator to be selected, registered and owned by ADP.

5.3.3 In the event that ADP discovers and/or Client reports to ADP through its support line that the Hosted Environment is experiencing an outage or that the Application Programs are experiencing operational issues, working diligently to resolve such outage or issue as soon as possible, giving priority to outages and significant operational issues.

5.3.4 Making the System available except for the hours specified as the Maintenance Windows in Annex Z, except for scheduled maintenance and any loss or interruption of the System due to causes beyond the control of ADP or which are not reasonably foreseeable by ADP, including, but not limited to, interruption or failure of telecommunication or digital transmission links, or unauthorized intrusions.

5.3.5 Establishing and maintaining a secure environment for the System, which shall include physical security, logical security (including firewalls, encryption and password access control), and intrusion detection.

5.4 ADP Access to System. ADP will make corrections, modifications, and improvements from time to time as deemed appropriate by ADP in connection with the provision of Hosting Services to Client. Client grants to ADP permission to allow ADP's employees and subcontractors properly authorized by ADP to access and make such corrections, modifications, and improvements to the System (which hosts Client's data). Depending upon the situation, Client may or may not be informed of ADP's making such corrections, modifications, and improvements.

SECTION 6 ADDITIONAL TERMINATION PROVISIONS.

The provisions of this Section 6 supplement the provisions of Section 8 of Annex A hereto.

6.1 Termination by ADP. In addition to the termination provisions of Section 8.4 of Annex A, ADP may terminate this Annex O if Client fails to install, removes or disconnects the Equipment from Client's existing computer system.

6.2 Default by Client. Upon the occurrence of any event set forth in Section 8.4 of Annex A, which is not cured as set forth therein, or Section 6.1 hereof, ADP may, at its option, whether or not this Annex is terminated, (i) take immediate possession of the Equipment (other than Hardware that has been purchased and fully paid for by Client), wherever situated, and for such purpose enter upon any premises without liability for so doing, (ii) sell, dispose of, hold, use or lease the Equipment, as ADP in its sole discretion may decide

6.3 Effect of Termination. This Section 6.3 shall not apply to Hardware which is purchased and fully paid for by Client. In addition to the provisions of Section 8.6 of Annex A, immediately upon termination or cancellation of this Annex, for any reason whatsoever, Client shall, at its expense, return any Hardware which is provided on a subscription basis to ADP in accordance with ADP's instructions in as good condition as received by Client, normal wear and tear excepted. If such Hardware is not returned, Client agrees to purchase such Hardware at fair market value.