

REHMANN PAYROLL AND HR SERVICE AGREEMENT

This Payroll and HR Service Agreement (the “**Agreement**”) is made on August 24, 2018, 2018 (the “**Effective Date**”), by and between Rehmann Robson LLC (“**Rehmann**”), a Michigan limited liability company with its principal place of business at 5800 Gratiot Rd., Suite 201, Saginaw, MI 48638 and City of Charlotte (“**Customer**”), with its principal place of business 111 East Lawrence Ave., Charlotte, MI 48813

WHEREAS, Rehmann provides certain payroll, tax, and human resource services; and

WHEREAS, Customer wishes to obtain the services and Rehmann wishes to so provide the services on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth herein, the parties hereby agree as follows:

1. SERVICES

1.1 Service Offerings. Rehmann shall provide to Customer the services set forth in Schedule A, attached hereto and incorporated herein (collectively, the “**Services**”), during the Term (defined in Section 9.1) subject to the terms and conditions of this Agreement. Rehmann, in its sole discretion, shall have the right from time to time after the Initial Term to add or delete products and offerings by giving ninety (90) days prior written notice to Customer. Rehmann agrees that any deletions or modifications to the products and offerings will not have a materially adverse impact on the Services. Additional details about each Service are set forth below:

(a) Payroll Services. Rehmann shall provide Customer with the payroll Services set forth in Schedule A (the “**Payroll Services**”).

(b) Tax Services. Rehmann shall provide Customer with the tax Services set forth in Schedule A (the “**Tax Services**”). If Rehmann provides any Tax Services to Customer, Customer hereby grants Rehmann authority to execute IRS Reporting Agent Authorization Form 8655 on its behalf and designates Rehmann as the IRS Reporting Agent for Customer. Rehmann shall assume responsibility for payment of Customer’s FUTA and SUI liabilities incurred in the calendar quarter of the first check date. Rehmann’s responsibility is contingent upon Rehmann successfully collecting funds required for payment of Customer’s FUTA and SUI liabilities from Customer.

(c) Platform. Rehmann shall make available to Customer the components and offerings of the Kronos SaaS web-based subscription service set forth in Schedule A (the “**Platform**”) to facilitate the provision of the Payroll and Tax Services. Rehmann has contracted with Kronos SaaS, Inc. (“**Developer**”) for the provision of the Platform. The Platform shall include any bug fixes, updates and improvements to the Platform (“**Updates**”), training for Customer’s use of the Platform (“**Training**”), installation services, maintenance and support (“**Maintenance and Support**”), equipment (“**Equipment**”), and user manuals or other documentation (“**Documentation**”), as more fully detailed in Schedule A. Rehmann grants to Customer a limited, non-exclusive, non-transferable, non-sublicensable license to use the Platform during the Term, subject to the restrictions set forth in the Agreement, Schedule A, and any and all Documentation provided in connection therewith. Rehmann and Developer shall have the right to modify the Platform, including adding or subtracting features or functionality, at any time without notice to Customer during the term of this Agreement.

2. CUSTOMER RESPONSIBILITIES

2.1 Customer Data. Customer acknowledges that in connection with the Services, Rehmann (and Developer, as applicable) may have access to or process data and content related to

Customer, its projects, customers, employees or agents, including system-specific data and personal, proprietary information and content that Customer shares with Rehmann in connection with the Services or posts or otherwise inputs into the Platform, including but not limited to information, data (such as payroll data, vacation time, and hours worked), designs, know-how, logos, text, multimedia images (e.g. graphics, audio and video files), or compilations (collectively, “**Customer Data**”) and Customer hereby authorizes Rehmann (and Developer, as applicable) to access or process such Customer Data so as required to provide the Services to Customer and for Rehmann’s and Developer’s use of Statistical Data as set forth in Section 4.3.

2.2 Verification of Data. Customer agrees that by submitting any Customer Data to Rehmann through the Platform or otherwise, Customer: (i) has reviewed and approved all such Customer Data, (ii) represents and warrants to Rehmann that the Customer Data is accurate and that no Customer Data will lead Rehmann to violate the sanctions program of the Office of Foreign Assets Control of the U.S. Treasury or any other applicable laws or regulations, (iii) waives and releases any claim against Rehmann arising out of any errors in such Customer Data, and (iv) understands and acknowledges that Rehmann may rely upon the Customer Data provided and that Rehmann will not be responsible for errors that result from Rehmann’s reliance on the Customer Data.

2.3 Payroll Service Responsibilities. A minimum of fourteen (14) business days before the initial payroll processing date, Customer shall submit federal, state or local powers of attorney required by Rehmann, all local, state, or federal tax identification numbers for payroll taxes to be processed through Rehmann, Customer account information, and any additional information requested by Rehmann. Subsequent to the initial payroll processing, Customer agrees to submit to Rehmann any renewals, amendments or replacements of the aforementioned documents. Rehmann will not commence any of the Payroll Services until Rehmann receives all documents necessary to begin performing Payroll Services and notifies Customer of the date Rehmann will commence each of the Payroll Services (“**Payroll Service Effective Date**”). Until the Payroll Service Effective Date, Customer will continue to provide for itself any payroll processing and related services, and except as specifically set forth herein, Rehmann assumes no responsibility for any payroll processing prior to the Payroll Service Effective Date. Customer shall submit to Rehmann all information necessary to calculate and pay employee payroll and print checks on Customer’s account (if applicable). It is Customer’s responsibility to timely submit complete and accurate information to Rehmann in connection with the Payroll Services. Rehmann, at its option, may decide not to process Customer’s payroll if there are any unresolved problems with any information requested by Rehmann or submitted by Customer.

2.4 Tax Service Responsibilities. Customer shall submit to Rehmann all information necessary to track Customer-defined employee benefits, pay payroll taxes to applicable taxing agencies in compliance with the laws and regulations of such taxing agencies, and produce payroll tax returns and W-2 statements (“**Payroll Tax Information**”). Payroll Tax Information must be reconciled by the Customer with Customer’s payroll tax returns for the current calendar year and Customer’s wage and payroll tax information for the current quarter. Thereafter, Customer shall timely and accurately (i) update all Payroll Tax Information as necessary to reflect changes and (ii) respond with additional information requested from time to time by Rehmann. It is Customer’s responsibility to timely submit complete and accurate information to Rehmann in connection with the Tax Services. Any penalty or interest incurred due to inaccurate or untimely information provided by Customer will be the sole responsibility of Customer. Customer further agrees to hold Rehmann harmless from such liability. Rehmann, at its option, may decide not to file Customer’s payroll tax returns, or pay Customer’s payroll taxes if there are any unresolved problems with any information requested by Rehmann or submitted by Customer.

(a) Prior Actions. Customer shall: (i) deposit immediately any FICA, Federal, State and Local withholding liabilities incurred to date (before commencing the payroll processing with the Rehmann); (ii) submit any payroll returns to tax agencies (state, federal, and/or local) that are now due or will be due prior to the Service Effective Date; (iii) cancel any prior payroll service or leasing

agency and inform them how to handle the taxes according to this documentation (described above); and (iv) request a refund of withheld but un-deposited FUTA (federal unemployment) and SUI (state unemployment) for the current quarter; notify Rehmann immediately of any deposited current quarter FUTA and/or SUI.

(b) EIN. Customer shall timely provide Rehmann with accurate employer identification numbers (“EIN”) for all taxing authorities (federal, state and/or local) for payroll taxes to be processed through Rehmann (“**Payroll Taxes**”). Rehmann will commence collection of funds for the payment of Payroll Taxes as of the first check date but is not responsible for remittance of Payroll Taxes or associated Payroll Tax returns until a reasonable time after accurate EIN information is received. Customer is subject to additional Fees for payrolls processed without accurate EIN information and is subject to termination for cause if accurate EIN information is not received within thirty (30) days of request by Rehmann. Rehmann is not responsible for any penalties, interest, late payment and/or other damages resulting from Customer’s failure to timely provide accurate EIN information.

2.5 ACH Origination.

(a) Payroll Information Processing. Customer will provide Rehmann with all necessary Customer Data pertaining to paying Customer’s employees (“**Payroll Information**”) no later than 3:00 pm. Eastern Standard Time, three (3) business days prior to payroll check dates. Customer is responsible for any delayed remittance of wages, taxes, and additional processing Fees incurred because of its failure to provide payroll timely. On or before Customer’s payroll direct deposit, payroll tax deposit, check date or other applicable due date, Customer shall approve, release, cancel, amend and submit Payroll Information (“**Payment Order**”) to Rehmann thereby authorizing Rehmann to create and transmit ACH credit or debit entries (each, an “**Entry**”) necessary to process the Payment Order. Rehmann may reject any Payroll Information or Payment Order which does not comply with the requirements of this Agreement or NACHA or with respect to which Customer’s account does not contain sufficient available funds to pay for the Entry. Rehmann will have no liability to Customer by reason of the rejection of any Payroll Information or Payment Order.

(b) Timing. Rehmann will process the Payment Order and Entries in accordance with its then-current processing schedule, provided (i) the Payment Order is approved by Customer and received by Rehmann no later than Customer’s applicable cut-off time on a business day and (ii) the ACH operator is open for business on that day. If Rehmann receives an approved Payment Order after Customer’s cut-off time, Rehmann will not be responsible for failure to process the Payment Order on that day. If any of the requirements of clause (i) or (ii) of this subsection are not met, Rehmann will use reasonable efforts to process the Payment Order and transmit the Entries to the ACH operator with the next regularly scheduled file created by Rehmann which is on a business day on which the ACH operator is open for business.

(c) Changes. Customer will have no right to cancel, amend or reverse an Entry or Payment Order received by Rehmann after it has been approved by Customer’s authorized agent and submitted to Rehmann. Rehmann shall have no liability if the cancellation, amendment or reversal is not affected. Customer will reimburse Rehmann for any expenses, losses or damages Rehmann may incur in effecting or attempting to honor Customer’s request.

2.6 Platform Responsibilities.

(a) Use. Customer shall (i) use the Service only for Customer’s internal business purposes; (ii) be responsible for its Users’ compliance with the terms and conditions of this Agreement and ensure that Users not take any action that would be in violation of this Agreement; (iii) comply with the minimum security requirements for using the Service as reasonably determined by Rehmann from time to time; and (d) take all reasonable steps to prevent any unauthorized access to or use of the Service and promptly notify Rehmann of any such unauthorized access or use of which it becomes

aware. “**Users**” means individuals authorized by Customer to use the Platform who have been supplied user identifications and passwords by Customer (or by Rehmann at Customer’s request), including Customer’s employees, consultants, clients and third-party collaborators.

(b) Restrictions. Customer shall not use the Platform or any component thereof except as expressly authorized in this Agreement and by applicable law. Customer shall not, and shall not instruct any person, directly or indirectly, to: (a) decompile, disassemble or reverse engineer the Platform; (b) exceed the number of Users as may be authorized in Schedule A; (c) permit use of the Platform (including timesharing or networking use) by any third party; (d) remove any Equipment from the place of original installation without Rehmann’s prior written consent or sell or encumber the Equipment; (e) use, or allow the use of, the Platform or any Customer Data in contravention of any federal, state, local, foreign or other applicable law, or rules or regulations of regulatory or administrative organizations; (f) introduce into the Platform any virus or other code or routine intended to disrupt or damage the Platform, or alter, damage, delete, retrieve, or record information about the Platform or its users; (g) excessively overload the systems used to provide the Platform; (h) perform any security integrity review, penetration test, load test, denial of Platform simulation or vulnerability scan (including without limitation the use any tool designed to automatically emulate the actions of a human user in connection with such testing) without Rehmann’s and Developer’s prior written consent; (i) otherwise act in a fraudulent, malicious or negligent manner when using the Platform; or (j) remove or obscure any copyright, patent, trademark, trade secret, restricted or limited rights, export restriction or similar notice affixed to any Documentation, the Platform or any Equipment. Rehmann reserves the right to immediately terminate this Agreement, without any further obligation to Customer and without any obligation to refund any Fees previously paid if Customer breaches this Section.

(c) Issues. Customer shall notify Rehmann of any failure, error or malfunction of any feature, functionality or component of the Platform (“**Issue**”), along with any associated error message that may appear, promptly after Customer becomes aware of them.

(d) Security. Customer shall utilize multi factor authentication as determined by Developer when accessing the Platform for Users who are granted administrative access to the Platform to perform any administrative Platforms.

(e) Upgrades. In connection with such Updates, Customer may be required to implement upgrades or modifications to Customer’s networks and other systems. Rehmann shall use commercially reasonable efforts to provide Customer with advance notice of all upcoming Updates which require modifications to Customer’s systems and shall work with Customer to coordinate the release schedule and installation of such Updates. Customer shall implement all required modifications to Customer’s systems in accordance with the timing and conditions specified by Rehmann or Developer, at Customer’s sole expense.

(f) Access. Customer shall be responsible for securing, paying for, and maintaining connectivity to the Platform (including any and all related hardware, software, third party Platforms and related equipment and components). Where commercially reasonable, Customer shall provide Rehmann 30 days advance written notice of any change, modification, or reconfiguration of components or elements of Customer’s computer and network environment which may, in any manner, affect Customer’s access to the Platform. Customer shall provide Rehmann (or Developer, as applicable), with access to Customer’s data and telecommunications networks as required for Rehmann or Developer to provide the Platform, including any Maintenance and Support. In the case of Services to which customer may subscribe including, but not limited to, any managed service offering, Customer shall provide access to Customer's networks via technology such as VPN to allow remote access to those components of the Service installed locally at the Customer Sites, as determined by Rehmann or Developer, as applicable, in its reasonable discretion.

2.7 Feedback. At such times during and following the Term of the Agreement as Rehmann may reasonably request (or on Customer's own initiative), Customer shall provide Rehmann with information, feedback, suggestions and comments regarding the Services ("**Feedback**").

2.8 Single Point of Contact. Customer shall designate a single point of contact who shall be responsible for coordinating all interactions between Customer and Rehmann and a single point of contact who shall be responsible for all technical issues regarding the Platform and its interaction with Customer's systems, such as network access issues, Updates, and the like.

2.9 Onsite Support. If Rehmann provides any Services on-site at a Customer location, Customer agrees (a) Customer shall make the onsite facilities necessary to perform the Services available to Rehmann during normal business hours; (b) Customer shall provide Rehmann personnel storage, working space, electricity, a telephone line and any other assistance reasonably requested by Rehmann; (c) Customer shall provide Rehmann with sufficient space and sufficient resources to conduct the Services; and (d) the premises where the Services are to be performed are in a safe condition and that Rehmann's personnel shall not be subject to undue risk or danger while on the premises.

3. FEES AND PAYMENT

3.1 Fees. Customer shall pay Rehmann the fees set forth in Schedule B (the "**Fees**"). All Fees are nonrefundable, except as provided in Section 9.4. Rehmann, in its sole discretion, shall have the right from time to time after the Initial Term to change the Fees by giving ninety (90) days prior written notice to Customer. Increases to the Fees will be made no more frequently than once per calendar year.

3.2 Authorization. Customer authorizes Rehmann to process Electronic Funds Transfer transactions ("EFT") for such amounts as are necessary to pay (i) direct deposits and payroll taxes that are specifically identified on the payroll preview summary; (ii) any Fees associated with the Services; (iii) any debit, correcting or reversing Entry initiated pursuant to this Agreement which is later returned to Rehmann; and (iv) any other amount that is due and owing under this Agreement or in connection with the Services (collectively, "Amounts Due"). Amounts withdrawn will be held by Rehmann in one or more account(s) ("Payroll Tax Account") until such time as those payments are due, and no interest will be paid to the Customer on these amounts. For all EFT's required by this Agreement, Customer (i) will execute all documentation needed by Rehmann to originate EFT's and to verify availability of funds in Customer's bank account and (ii) agrees that the funds representing the Amounts Due will be on deposit in Customer's bank account in collectible form and in sufficient amount on the day Rehmann's EFT is to be presented ("Funding Deadline"). All EFT's are performed in compliance with the National Automated Clearing House Association operating rules ("NACHA"). Rehmann will debit Customer's account for all Amounts Due to Rehmann with the first payroll processing for FUTA and SUI liabilities incurred in the current quarter before the first check date with the Rehmann. The debit amount will be calculated based on the current quarter wage detail provided by the Customer during implementation.

3.3 Insufficient Funds. If Customer does not have sufficient funds in Customer's account to pay Amounts Due under this Agreement at the time required, or if Customer refuses to pay, Rehmann may (i) debit the Payroll Tax Account or any account at Customer's financial institution or any affiliate owned in whole or in part by Customer to pay Amounts Due, (ii) refuse to pay any unremitted payroll taxes, in which case the payroll tax liability will become the sole responsibility of Customer, (iii) refuse to perform further Services, (iv) immediately terminate this Agreement without notice and declare all Amounts Due immediately due and payable, (v) assess insufficient funds Fees, (vi) apply any balances it is holding for Customer, including, but not limited to, unremitted payroll taxes, to Amounts Due owed to Rehmann or its affiliates, and/or (vii) initiate an EFT to Customer's bank account for any past due Amounts Due. Customer acknowledges that Customer is responsible for any delay in remittance of wages, garnishments, or taxes if Rehmann is unable to confirm receipt of funds prior to the Funding Deadline.

3.4 Overpayments. Customer agrees to promptly reimburse Rehmann for all advances or overpayments made by Rehmann and to pay interest on the advances and/or all past due Amounts Due at a rate of 1.5% per month (18% per annum) or the maximum allowable by applicable law, until paid. Customer is responsible for the costs of collection of Amounts Due including, but not limited to, attorneys' fees and costs. Rehmann may, in its sole discretion, commence an action within the State of Michigan for any monies due and owing from Customer to Rehmann. In the event Rehmann remits an overpayment of payroll taxes, Rehmann may, at its sole discretion, advance funds to Customer. In the event Rehmann advances overpayment funds to Customer, Customer agrees that it will reimburse Rehmann for the overpayment within the sooner of five (5) days of (i) receiving the overpayment amount from the taxing authority; (ii) being notified that the overpayment amount will be applied to an outstanding tax liability of Customer; or (iii) the Agreement is terminated by either party.

3.5 Additional Costs and Expenses. Rehmann shall invoice Customer, and Customer shall reimburse Rehmann, for all additional costs and expenses arising pursuant to this Agreement, including reasonable travel expenses incurred by Rehmann in performing any Services on-site (such as transportation, lodging, meals, and other incidental expenses), provided that Customer has first authorized such expenses, which authorization shall not be unreasonably withheld. Rehmann shall invoice Customer for any such expenses on a monthly basis. Each invoice shall be due and payable within thirty (30) days of invoice date. All payments shall be in U.S. Dollars. If Customer fails to pay any invoiced Fees or other charges due by their applicable due date, at Rehmann's discretion, such charges may accrue late charges at the rate of 1.5% per month (18% per annum) of the outstanding balance per month or the maximum rate permitted by law, whichever is less, from the date such payment was due until the date paid. All amounts paid shall first be applied against any late charges due, with the balance applied against the outstanding Fees and charges. If any undisputed Fees or charges are overdue more than thirty (30) days, Rehmann shall have the right upon written notice to Customer, without limiting its other rights and remedies, to suspend the Services until such amounts are paid in full.

3.6 Audits. During the Term, Customer shall maintain accurate and complete records with respect to its use of the Services, including the Users entitled to access the Platform. Rehmann shall have the right, on reasonable notice to Customer, to perform an audit of such records in order to confirm Customer's compliance with the terms of this Agreement. Any such audit shall be conducted during normal business hours and in a manner designed to not unreasonably interfere with Customer's ordinary business operations.

4. OWNERSHIP OF INTELLECTUAL PROPERTY RIGHTS

4.1 Ownership by Rehmann. As between Rehmann and Customer, Rehmann owns and shall retain all right, title, and interest, including all intellectual property rights, in and to, or otherwise has the right to license to Customer the Services, all Feedback, all Statistical Data, and all data relating to the Service's and Additional Services' performance, and all intellectual property, work product, content, ideas, know-how, concepts, methods and techniques created or employed by Rehmann in the delivery of the Services, whether pre-existing or developed in the course of providing the Services (collectively, the "**Rehmann IP**"). In the event any right, title or interest arises or vests at any time in Customer to any Rehmann IP, Customer hereby assigns to Rehmann all such right, title and interest. Customer shall execute, and cause its employees and other representatives to execute, all necessary documents to give legal effect to such assignment or otherwise secure Rehmann's ownership of the Rehmann IP.

4.2 Ownership of Customer Data. Customer owns and shall retain all right, title and interest, including all intellectual property rights, in and to the Customer Data. Customer represents and warrants that it has the right to publish and disclose the Customer Data, and that the Customer Data will not (a) infringe or violate any third-party right, including (but not limited to) intellectual property, privacy, or publicity rights; (b) be abusive, profane, or offensive to a reasonable person; or (v) be hateful or threatening. Customer represents and warrants that it has made all disclosures and obtained all

rights and permissions required to use and transfer the Customer Data within and outside the country where such Customer Data originates.

4.3 Statistical Data. Notwithstanding Section 4.2, Rehmann or Developer may aggregate the Customer Data (“**Statistical Data**”) and use such Statistical Data for any lawful purposes, including to evaluate the improve the Service, so long as the Statistical Data is disclosed only in the aggregate and is not disclosed in a manner so that it would be attributable specifically to Customer or in a manner that would provide the ability to identify individuals.

4.4 Reservation of Rights. Other than the explicit rights granted herein, nothing in this Agreement shall be construed or interpreted as granting to Customer any rights or licenses, including any rights of ownership or any other proprietary rights in or to the Rehmann IP or any portion thereof, including any intellectual property rights therein.

5. CONFIDENTIALITY

5.1 Confidential Information. “**Confidential Information**” means any information or data that is disclosed by or on behalf of a party (the “**Disclosing Party**”) to the other party (the “**Receiving Party**”) (whether disclosed in writing, orally, by electronic delivery, by inspection of tangible objects, on office or site visits, or otherwise) designated as confidential or proprietary or which reasonably ought to be considered as confidential from its nature or from the circumstances surrounding its disclosure, including, without limitation, (a) any and all non-public financial information, customer lists, and other data, customer lists and employee data concerning the disclosing party or any of its affiliates; (b) pending patents or trade secret information; or (c) techniques, methodologies, procedures, management tools, manuals, sketches, drawings, design details and specifications, data models, concepts, ideas, inventions, know-how, processes, report formats or templates, apparatus, equipment, algorithms, software programs, software source documents and formula. “Confidential Information” also includes, without limitation, information of a similar nature received by disclosing party from third parties and that disclosing party is obligated to treat as confidential, and information in combination with publicly known information where the nature of the combination is not publicly known. Without limitation of the foregoing, all information relating to the Rehmann IP, including the Services, and the terms and conditions of this Agreement shall be deemed Rehmann’s Confidential Information and all Customer Data shall be deemed Customer’s Confidential Information. Notwithstanding the foregoing, Confidential Information does not include information that: (a) is generally known to the public when first disclosed by or on behalf of the Disclosing Party or thereafter becomes generally known to the public through no act or fault of the Receiving Party; (b) the Receiving Party already had obtained or obtains, without breaching any duty to the Disclosing Party, from a third party that was not under an obligation of nondisclosure; or (c) was or is independently developed by the Receiving Party without use or reference to any information obtained from the Disclosing or any party acting on behalf of the Disclosing Party, as demonstrated by the Disclosing Party’s written records.

5.2 Obligations. The Receiving Party shall not: (a) reproduce the Disclosing Party’s Confidential Information; (b) use the Disclosing Party’s Confidential Information for any purpose other than to perform its obligations under and in accordance with this Agreement; or (c) disclose the Disclosing Party’s Confidential Information to any party other than an employee or independent contractor of the Receiving Party having a need to know such Confidential Information and who is under a binding obligation of confidentiality and limitation of use and disclosure consistent with the terms hereof. Neither party, nor any party affiliated with such party, shall remove any copyright or proprietary marking from the other party’s Confidential Information.

5.3 Required Disclosure. Notwithstanding anything in this Agreement to the contrary, the Receiving Party may disclose the Disclosing Party’s Confidential Information if required by law or court, or by a lawful subpoena issued by any state or Federal court, arbitral, or other governmental order or process, provided the Receiving Party: (a) gives the Disclosing Party immediate written notice as soon as it learns of such requirements in order to permit the Disclosing Party to seek a protective order

or other appropriate relief; (b) assists the Disclosing Party in connection with such efforts; and (c) discloses only the Confidential Information required to be disclosed. The Receiving Party shall continue to treat any Confidential Information disclosed pursuant to this Section as Confidential Information for all other purposes.

5.4 Right to Equitable Relief. Each party acknowledges and agrees that in the event of any breach of this Section 5 (either actual or threatened), remedies at law shall be inadequate. Each party agrees that in such event, the Disclosing Party shall have the right to seek specific performance or injunctive relief, or both, in addition to any and all other remedies and rights at law or in equity, and such rights and remedies shall be cumulative.

6. WARRANTIES AND DISCLAIMERS

6.1 Limited Warranty. Rehmann represents and warrants that (a) all Services shall be performed in a good and workmanlike fashion; (b) the Platform, under normal operation as specified in the published documentation for the Platform and when used as authorized herein, will perform substantially in accordance with the Documentation during the Term; and (c) Rehmann is bonded and insured to perform Payroll Services.

6.2 Remedy. Rehmann's sole obligation and Customer's exclusive remedy for any breach of the above warranties is limited to Rehmann or its authorized agent correcting the breach or non-conforming Services at no additional charge. In the event Rehmann is unable to correct the breach or non-confirming Service within a reasonable time as determined by Rehmann in its sole discretion, Rehmann may terminate this Agreement in accordance with Section 9.2. Rehmann's obligations hereunder for breach of warranty are conditioned upon Customer notifying Rehmann of such breach in writing and providing Rehmann with sufficient evidence of such non-conformity to enable Rehmann to reproduce and/or verify the same. CUSTOMER ACKNOWLEDGES THAT SOFTWARE ERRORS OR OTHER ERRORS MAY OCCUR, AND THAT IN ORDER FOR REHMANN TO MEET ITS OBLIGATIONS UNDER THIS AGREEMENT, AND MINIMIZE THE POSSIBILITY OF PENALTIES, INTEREST AND OTHER DAMAGES, IT IS ESSENTIAL FOR CUSTOMER TO (I) ESCALATE TROUBLE TICKETS IN A TIMELY AND/OR PROFESSIONAL MANNER, AND (II) TAKE ANY AND ALL ACTIONS TO REASONABLY MITIGATE DAMAGES BY CUSTOMER.

6.3 Disclaimer of Warranties. CUSTOMER ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH SECTION THE SERVICES, THE REHMANN IP, AND ALL COMPONENTS OF ALL OF THE FOREGOING ARE PROVIDED "AS IS". REHMANN DISCLAIMS ANY AND ALL WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO (A) ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, PERFORMANCE, SUITABILITY, OR NON-INFRINGEMENT; (B) RELATING TO THE PERFORMANCE OF THE SERVICES; (C) WITH RESPECT TO ANY RESULTS TO BE OBTAINED FROM THE SERVICES; (D) THAT USE OF THE PLATFORM SHALL BE UNINTERRUPTED OR ERROR FREE; OR (E) WITH RESPECT TO THE ACCURACY, QUALITY, RELIABILITY, SUITABILITY, OR EFFECTIVENESS OF ANY DATA, RESULTS, CONTENT OR OTHER INFORMATION OBTAINED OR GENERATED BY CUSTOMER THROUGH ITS USE OF THE PLATFORM.

7. INDEMNIFICATION

7.1 By Rehmann. Rehmann shall indemnify and hold harmless Customer (and its officers, directors, employees, shareholders and agents) against all liability, loss, damage, claims, actions, and expenses (including attorneys' fees) (collectively, "Losses") based upon or arising out of: (a) property damage, including loss or destruction of data, or personal injury, including death, directly caused by or sustained in connection with Rehmann's negligence or willful misconduct; or (b) any material breach of any warranty or representation made by Rehmann; provided, however, that Rehmann shall not be

required to indemnify Customer to the extent that such Losses are caused by Customer's negligence or breach of this Agreement.

7.2 By Customer. Customer shall indemnify, defend and hold harmless Rehmann (and its officers, directors, employees, shareholders and agents) from and against any Losses arising from or relating to (a) property damage, including loss or destruction of data, or personal injury, including death, directly caused by or sustained in connection with Customer's negligence or willful misconduct; (b) any material breach of any warranty or representation made by Customer or Customer's or its User's use of the Services; or (c) any Customer Data made available to Rehmann; provided, however, that Customer shall not be required to indemnify Customer to the extent that such Losses are caused by Customer's negligence or breach of this Agreement.

7.3 Defense. A party having a right to indemnification under this Agreement ("**Indemnified Party**") may, at its election, require the party having an obligation to indemnify under this Agreement ("**Indemnifying Party**"), to defend any claim, suit or proceeding that is subject to indemnification under Section 7.1 or 7.2 *provided that* the Indemnified Party provides the Indemnifying Party with (a) prompt written notice of such claim or action; (b) sole control and authority over the defense or settlement of such claim or action; (c) proper and full information and reasonable assistance to defend and/or settle any such claim or action, and (d) the Indemnifying Party may not settle any such claim in any manner that binds the Indemnified Party without the Indemnified Party's prior written consent. Notwithstanding the foregoing, the Indemnified Party may, at its own expense, participate in the defense and settlement of any such claim that is subject to indemnification.

7.4 Platform Infringement. In the event that a claim that the Platform infringe or are likely to infringe on the rights of a third party, or Rehmann reasonably believes that Customer's use of the Platform is likely to be infringing, Rehmann, at its option and expense, may either (a) secure for Customer the rights necessary to continue to use the applicable Service; (b) modify such Service so that it becomes non-infringing, (c) replace the potentially infringing portion of such Platform with a functionally equivalent non-infringing product or service; or (d) if Rehmann determines that none of the foregoing options are reasonably practicable, immediately terminate this Agreement. The foregoing states Rehmann's entire liability and obligation and Customer's sole and exclusive remedy with respect to any claims of infringement or misappropriation of any intellectual property rights of any other party.

7.5 Exception. Notwithstanding the provisions of Section 7, Rehmann shall have no obligation to indemnify Customer with respect to any Losses to the extent resulting from the use of the Services in a manner not expressly permitted by this Agreement.

8. LIMITATION OF LIABILITY

8.1 Waiver of Certain Damages. EXCEPT AS SPECIFICALLY PROVIDED WITHIN THIS AGREEMENT, NEITHER REHMANN NOR ITS SUPPLIERS SHALL BE LIABLE FOR ANY INJURIES CAUSED BY THE USE OF THE SERVICES OR BY ANY ERRORS, DELAYS, INTERRUPTIONS IN TRANSMISSION, OR FAILURES OF THE SERVICES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE RESPONSIBLE FOR INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHETHER IN CONTRACT, IN TORT (INCLUDING BREACH OF WARRANTY, NEGLIGENCE AND STRICT LIABILITY IN TORT) OR OTHERWISE RESULTING FROM ITS PERFORMANCE OR ANY FAILURE TO PERFORM UNDER THIS AGREEMENT (INCLUDING LOSS OF DATA, LOSS OF GOODWILL, OR LOSS OF ANTICIPATED PROFITS OR BENEFITS) EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EACH PARTY ACKNOWLEDGES THAT DESPITE SECURITY MEASURES TAKEN, ALL INFORMATION TRANSMITTED, RECEIVED OR ACCESSIBLE THROUGH THE INTERNET MAY BE SUBJECT TO UNAUTHORIZED INTERCEPTION, DIVERSION, CORRUPTION, LOSS, ACCESS AND

DISCLOSURE. AS SUCH, EXCEPT WITH RESPECT TO LIABILITY ARISING FROM A PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR FAILURE TO IMPLEMENT REASONABLE SECURITY MEASURES AND PROTECTIONS, EACH PARTY DISCLAIMS LIABILITY RELATED TO A BREACH OF SECURITY OR DISCLOSURE, RESULTING FROM ANY EXTERNALLY INTRODUCED HARMFUL PROGRAM (INCLUDING VIRUSES, TROJAN HORSES, AND WORMS), CONTENT, OR THIRD PARTY UNAUTHORIZED ACCESS OF THE SERVICES.

8.2 Limitation of Cumulative Liability. REHMANN'S AND ITS SUPPLIERS' TOTAL CUMULATIVE LIABILITY, WHETHER IN CONTRACT, TORT OR OTHERWISE, IN CONNECTION WITH THIS AGREEMENT SHALL BE LIMITED TO DIRECT DAMAGES PROVEN BY CUSTOMER, SUCH DIRECT DAMAGES NOT TO EXCEED AN AMOUNT EQUAL TO THE TOTAL FEES PAID BY CUSTOMER FOR THE SERVICE AND ANY ADDITIONAL SERVICES GIVING RISE TO THE CLAIM IN THE TWELVE MONTH PERIOD IMMEDIATELY PRECEDING THE DATE IN WHICH THE CLAIM ARISES.

9. TERM AND TERMINATION

9.1 Term. This term of this Agreement shall commence on the Effective Date and shall remain in effect for a period of 12 months (the "**Initial Term**"). After the Initial Term, the Agreement shall automatically renew for additional twelve (12) month periods unless a party provides notice of its intent not to renew sixty (60) days prior to expiration (collectively, the "**Term**").

9.2 Termination for Cause. If at any time during the Term, either party materially defaults in its performance of or breaches any of the terms and conditions of this Agreement and such breach is not cured within thirty (30) days after the breaching party receives notice of such breach from the non-breaching party, the other party shall have the right to terminate this Agreement effective immediately upon written notice to the breaching party.

9.3 Termination by Rehmann. Rehmann shall have the right to terminate this Agreement immediately upon notice (i) if Developer revokes Rehmann's license to the Platform; or (ii) as set forth in Section 2.6(b) and 7.4. Termination by client see: Addendum C.

9.4 Effect of Termination. Upon the expiration or termination of this Agreement for a n y reason,

(a) Customer shall immediately cease all use of the Platform, and all licenses granted thereunder shall terminate.

(b) Except with respect to termination by Customer for Rehmann's breach, Customer shall be responsible for any outstanding amounts then due;

(c) In the event of termination by Customer for Rehmann's breach or pursuant to Section 10, Rehmann shall refund to Customer any pre-paid Fees covering the remainder of the Term;

(d) Each party shall return to the other party or, pursuant to the other party's written instructions, destroy, all materials in its possession or control containing Confidential Information of the other party; and

(e) The following provisions shall survive: 3.3, 4-8, 9.4 and 11.

10. FORCE MAJEURE

Neither party shall be liable to the other for any failure to perform or any delay in performance under this Agreement if such failure or delay arises from any act beyond the party's control, such as

natural disasters or other acts of God, wars, fires, riots, strikes, lockouts, labor disputes, accidents, malicious damage caused by a third party to technology deployed or used by Rehmann, or the breakdown, failure or malfunction of any telecommunications, computer or other electrical, mechanical or technological service or system (“**Force Majeure Event**”). A party shall give prompt written notice to the other party of any Force Majeure Event and shall work diligently to resolve such event. In the event a Force Majeure Event continues for more than sixty (60) days, either party shall have the right to terminate this Agreement for convenience. Notwithstanding the foregoing, Customer’s payment obligations may only be delayed and not excused in their entirety.

11. MISCELLANEOUS PROVISIONS

11.1 Governing Law. This Agreement shall be construed in accordance with Michigan law, without reference to its conflict of law principles.

11.2 Relationship of the Parties. The parties are independent contractors and nothing in this Agreement shall be construed as establishing a joint venture, partnership, employment or agency relationship between the parties.

11.3 Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable, all remaining provisions shall remain in full force and effect. With respect to its subject matter, this Agreement (together with its exhibits and schedules, all of which are incorporated herein by reference) represents the parties’ entire agreement and supersedes all prior agreements, understandings and representations, written or oral, between the parties.

11.4 Assignment. Customer may not assign, transfer or sublicense this Agreement or any rights or obligations under this Agreement without the prior written consent of Rehmann. Any attempt by Customer to assign this Agreement or any rights or duties hereunder contrary to the foregoing provision is void. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Additionally, this Agreement inures to the benefit of Developer and any other licensors of software and other applications, and Developer and such licensors may directly enforce the terms of the Agreement in order to protect their interests in the Service.

11.5 Amendments. This Agreement may not be amended except by a writing signed by the duly authorized representatives of both parties.

11.6 No Waiver. The failure of a party to require performance of any provision of this Agreement shall in no manner affect its right to enforce the provision, and no delay or failure by either party to exercise any right or remedy shall operate as a waiver thereof.

11.7 Counterparts. This Agreement may be executed in one or more counterparts and by facsimile or other electronic transmission (including via email in “portable document format”), each of which shall be deemed an original, but all of which shall constitute the same instrument.

11.8 Electronic Acceptance. Use of the Platform includes the ability to enter into agreements and/or to make transactions electronically. CUSTOMER ACKNOWLEDGES THAT WHEN IT INDICATES ACCEPTANCE OF AN AGREEMENT AND/OR TRANSACTION ELECTRONICALLY, THAT ACCEPTANCE WILL CONSTITUTE ITS LEGAL AGREEMENT AND INTENT TO BE BOUND BY AND TO PAY FOR SUCH AGREEMENTS AND TRANSACTIONS. THIS ACKNOWLEDGEMENT THAT CUSTOMER INTENDS TO BE BOUND BY SUCH ELECTRONIC ACCEPTANCE APPLIES TO ALL AGREEMENTS AND TRANSACTIONS CUSTOMER ENTERS INTO THROUGH THE PLATFORM, SUCH AS ORDERS, CONTRACTS, STATEMENTS OF WORK, AND NOTICES OF CANCELLATION.

11.9 Notices. Any notice, request or communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to be given when actually received if delivered

personally, or by facsimile or electronic mail, two (2) business days after the date deposited with the U.S. postal service if sent by certified or registered mail, or one (1) business day after the date delivered to a reputable next-day courier service.

11.10 Conflict. To the extent of any conflict or inconsistency between this Agreement and any exhibit, schedule, or any other document related to the parties' obligations hereunder, the terms of this body of this Agreement shall govern unless otherwise expressly agreed by the parties in writing. Notwithstanding any language to the contrary therein, no terms or conditions stated in a Customer purchase order or in any other Customer order documentation shall be incorporated into or form any part of this Agreement, and all such terms or conditions shall be null and void.

11.11 Interpretation. The words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation;" and the words "such as", "for example" "e.g." and any derivatives thereof shall mean by way of example and the items that follow these words shall not be deemed an exhaustive list. The descriptive headings and labels of the articles, sections, and subsections of this Agreement are for convenience and reference only and shall not affect this Agreement's construction or interpretation.

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

REHMANN ROBSON LLC

CUSTOMER: City of Charlotte

By: _____

By: _____

Name: Jim Carpp

Name: _____

Title: Director of Outsourcing

Title: City Manager

Date: _____

Date: _____

Address for Notice: Rehmann

555 Briarwood Circle #300

Ann Arbor, MI 49504

Attn: Jennifer Meadows

Address for Notice:

City of Charlotte

111 East Lawrence Ave.

Charlotte, MI 48813

Attention: _____

Schedule A
Scope of Services – City of Charlotte
Full Suite -Bi-Weekly Payroll

Full Suite

- **Set-up new client based on discovery documentation**
 - o Complete the discovery of information from the client that includes any rules and policies that need to be incorporated into the system
 - o Enter employee data into the system
 - o Verify accuracy of data, rules and policies prior to running live
- Provide new client onboarding protocol and assistance
 - o Provide client with implementation schedule and required information
- Provide Time & Labor System (TLM)
 - o Includes hardware options from approved Kronos systems and support.
 - o Includes configuration of client TLM rules
 - o Includes training & support for ongoing TLM service
- Provide time & attendance hardware and support as needed
 - o Offer a range of time and attendance hardware options that includes manual time entry at clock, swipe badge, proximity badge entry and biometrics (one-time purchase applies)
 - o Provide hardware set up assistance to onsite IT staff and training.
- Process Payroll checks, direct deposits
 - o Print and deliver live checks according to client schedule
 - o Process direct deposits according to client schedule
- Build 401(k) report and transmit data to carrier with funds when applicable
 - o Build 401(k) reporting template according to carrier specifications and transmit report in method allowed by carrier
 - o Verify accuracy of data prior to transmitting to carrier
 - o Transfer employee contributions and employer match to provide in compliance with the law
- Build out the PTO / Vacation accrual rules and approval process
 - o Create one or more accrual policies in the system that will automate tracking accrued time, time off requests, supervisor approvals and balances
- Build general ledger report to client specifications
 - o Build GL template based on chart of accounts that allows data to be exported from system and uploaded into GL
- Provide W-2's to employees and provide copies online
 - o Print and mail accurate W-2's according to the IRS requirements
 - o Provide employee access to online W-2's for clients who choose this feature
- Remit all Federal, State and Local taxes

- o Remit taxes accurately and within the time frame required by the taxing authority
- Provide employee self-service portal to client employees
 - o Provide link to Employee Self Service (ESS) portal to client employees
 - o Train client and/or client employees in how to use the ESS portal
- Create custom reports as necessary
 - o Assist clients with custom report development
 - o Train clients on how to generate custom reports in the system
- Provide Human Resource Module (HRM)
 - o Includes discovery of client set-up requirements in regard to HRM
 - o Includes set-up and support of each HRM component client agrees to including online enrollment and performance reviews
 - o Provide ACA tracking and reporting (1095's) for clients who engage us for this service
 - o Provide online enrollment and carrier connections (set-up fees may apply)
 - o Provide performance review module
- Provide system training as needed
 - o Provide a schedule of training during the implementation phase and provide training as needed after go live date
- Provide general assistance daily
 - o Provide clients with high quality customer service team Monday through Friday, 8:00 AM through 5:00 PM EST

Schedule B: City of Charlotte

X Core Services				
		Rate	Additional Information	Frequency
X	Payroll Processing	\$ 18.50	Per Employee per Month	12
X	One Time Set-up Charge	\$3,100		1
X Additional Services - List Pricing				
		Rate	Additional Information	Frequency
	Applicant Tracking	\$ 18.00	Per Posting	Per Month
	Benefit Carrier EDI Feeds	\$ 700.00	Set-up Fee per Carrier	One Time
X	Time & Attendance Hardware (clocks)	TBD		One Time
	COBRA Administration – One Time Set-up	\$ 900.00		One Time
	COBRA Per Insured Per Month (PIEPM)	\$ 0.75	Per Employee	Per Month
	Benefit Admin EDI Feeds – Open Enrollment, Adds, Life Changes	\$ 1.15	Per Covered Employee	Per Month
X	Standard Mandated New Hire Reporting	\$ 3.00	Per New Hire	Per Month
X	Social Security Number Verification	\$ 3.00	Per New Hire	As Needed
X	Garnishment & Friend of the Court Payments	\$ 3.00	Per Occurrence	As Needed
X	Integrated Document Storage	Included	Per 100MB	Per Month
X	Integrated Document Storage	Included	Upload/Download	Per Month
X	W-2's	\$ 60.00	Base Fee	\$5.50 per W2 Annual
X	ACA 1095-C Printed & Mailed	Included		\$5.25 per 1095 Annual
	Labor Law Poster Program – Free updates during the year	\$4.00	Per Poster/Per Month	Per Month
	Background Checks	TBD		
Delivery:				
X	Paperless - Employee Self Service	Free		Per Process
X	Standard Overnight	TBD		Per Process
X	Ground - Delivery Date Not Guaranteed	TBD		Per Process
X	USPS Delivery to Employee Address	\$0.75	Per Mailed Piece	Per Process