

PAYLOCITY CORPORATION SERVICES TERM AGREEMENT

WHEATON PARK DISTRICT, ("CLIENT") is requesting Paylocity Corporation ("Paylocity") to provide CLIENT with payroll and related services as set forth in this services agreement ("Agreement"). This Agreement encompasses the following General Terms and Conditions as well as the specific Terms and Conditions for any software or services ("Services") utilized by CLIENT, whether included in the initial quote or subsequent, and all of which are to be governed by the terms and conditions of this Agreement.

TERMS AND CONDITIONS

FEES, TERM AND PAYMENTS

1. The term of this Agreement shall commence upon the date of CLIENT's first payroll ("Effective Date") and end two (2) years thereafter (the "Initial Term"). The fees included in the Paylocity Quote for Service will be effective during the Initial Term. After the Initial Term, fees are subject to change upon 60 days' prior written notice to CLIENT for general price increases; provided that fees will not increase for two years from the date of execution of this Agreement and the maximum annual increase thereafter shall not exceed 3%. Notwithstanding any other provision of this Agreement to the contrary, upon CLIENT's receipt of written notice of a price increase, CLIENT may, at its option, either (i) approve such price increase; or (ii) terminate this Agreement by providing Paylocity with written notice of its intent to terminate within ten (10) business days after receipt of written notice of said price increase. CLIENT agrees to allow Paylocity to debit from its account(s) on due date any and all fees due to Paylocity under this Agreement and in the same manner that payroll and tax funds are collected. CLIENT has 180 days from invoice date to dispute invoice amounts.
2. After the end of the Initial Term, this Agreement will renew automatically for one (1) year periods ("Renewal Term") unless either party gives written notice of their intent to terminate within ninety (90) days before the end of the Initial Term or current Renewal Term in effect.
3. CLIENT will be assessed a monthly non-activity fee at the prevailing rate if no payrolls are run during any given processing month.

CONFIDENTIALITY AND PROTECTION OF CLIENT DATA

1. Paylocity agrees to keep confidential any information provided by the CLIENT to the same degree it would with respect to its own confidential information and will use said information solely for the purposes of payroll and related services processing. Paylocity will not disclose this information to anyone without the permission of the CLIENT, or unless required to do so pursuant to legal process.
2. Paylocity will maintain adequate security over CLIENT information using commercially reasonable safeguards over the hardware, software, personnel and processes used to support the delivery of payroll and related services to the CLIENT and in compliance with federal, state and local laws governing employee and payee data including California SB1386 and Massachusetts 201 CMR 17.00.
3. CLIENT will maintain adequate security over the hardware, personnel and processes used to access Paylocity's software and services, including usernames and passwords used to access Paylocity's software.
4. Service delivery by Paylocity involves transmissions of data and information over the Internet at a website hosted by Paylocity. Accordingly, CLIENT acknowledges that neither the security of transmissions over the Internet nor of the CLIENT'S hardware used to access the Internet can be guaranteed by Paylocity.
5. Paylocity will maintain commercially reasonable storage facilities and procedures (periodic back-up and on-and off-site storage) to protect the alteration and loss of CLIENT'S data.
6. Without limiting the confidentiality, data protection and intellectual property rights terms set forth in this Agreement, Paylocity has a perpetual right to use aggregated, anonymized, and statistical data ("Aggregated Data") derived from the operation of the Services and Software provided to CLIENT, and nothing herein shall be construed as prohibiting Paylocity from utilizing the Aggregated Data in the provision of its Services or for operating purposes.

RESPONSIBILITIES

1. Paylocity will use due care in processing CLIENT's work, and shall be responsible for correcting errors which are caused by Paylocity equipment, processors, or employees in the course of their work.
2. Paylocity shall be responsible for the payment of any penalties and/or interest due resulting from errors or omissions committed by Paylocity while filing taxes on said CLIENT'S behalf.
3. Paylocity will provide customer support from 7AM to 7PM CST daily, excluding weekends and Federal holidays.
4. Paylocity will make available to CLIENT all improvements, enhancements and modifications to its services, methods, and software as they are made generally available by Paylocity to its other CLIENTS.
5. CLIENT is solely responsible for the content and accuracy of all data input and then subsequently processed by Paylocity. CLIENT will submit to Paylocity its payroll and other data in a form, at a time and by the method specified by Paylocity. Because the accuracy of the payroll and other information is limited to the CLIENT's data, Paylocity is not responsible for CLIENT errors, wage and hour violations, employment discrimination, garnishment calculations or other employment policies which may violate the law. It is the CLIENT's responsibility to review the processed payroll and other information and to promptly identify any errors. If the data submitted to Paylocity is incorrect, incomplete, or not in proper form, then CLIENT agrees to pay Paylocity's additional charges then in effect for the corrections to said data.

6. Paylocity liability for any errors or omissions on its part shall be limited to actual damages incurred but under no circumstances, other than defined in part 2 of this section or for criminal or fraudulent acts or gross negligence by Paylocity or any of its employees or for indemnification obligations relating to Intellectual Property, shall exceed two times (2x) the charge for such service during the calendar year. PAYLOCITY CORPORATION SHALL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OR OTHER SIMILAR DAMAGES (INCLUDING LOST PROFITS) even if Paylocity has been advised of the possibility of such damages. Nothing in this Agreement creates or will be understood to create third party beneficiaries. CLIENT agrees that Paylocity has no obligations to third parties, including CLIENT'S employees and any third party agencies.
7. Except as specifically stated in the Agreement the Services are provided "AS IS" and there are no warranties, expressed or implied, including but not limited to any implied warranties of merchantability or fitness for a particular purpose.
8. Paylocity and CLIENT agree to abide by all applicable state, local and national laws in connection with the services. CLIENT agrees that they will not post to any application material that would be considered libelous, unlawful, inappropriate, offensive or disrespectful to others. CLIENT agrees that they are responsible for material posted by CLIENT'S employees.
9. CLIENT will not also reverse engineer, disassemble, decompile or otherwise attempt to derive source code, trade secrets, or programming methods from the applications.
10. The provision of Services to CLIENT may be require use of or integration with third party software and/or services. To the extent CLIENT requires utilization of any third party software or services, CLIENT agrees to hold harmless and release Paylocity from any liability from CLIENT's use or Paylocity's integration with third-parties. CLIENT authorizes Paylocity to share any CLIENT data, including CLIENT's confidential information, as may be needed by third-parties to for the provision of Services. Paylocity is also not liable for any disclosure of CLIENT Confidential Information by any such third-party, whether intentional or not.
11. Paylocity represents and warrants that the Services will be provided in compliance in all material respects with all applicable national, state and local laws; provided, however, that Paylocity's warranties do not absolve CLIENT from its obligations and responsibilities to remain current on all applicable laws and policies pertaining to its business.
12. Each party agrees to indemnify and hold harmless the other party from all loss, damages and expenses (including reasonable attorney fees) in connection with any claim which may arise out of or as a result of a breach of this Agreement or the duties assumed by such party under this Agreement, subject to the limitations of Responsibilities, Item 6, above.

FUNDING

1. In regard to electronic funds transfers, CLIENT shall comply with and be subject to the Operating Rules of the National Automating Clearing House (NACHA) governing these methods of payment, as such rules shall, from time to time, be in effect among banks that participate in NACHA. CLIENT also acknowledges that, in order to put into effect the Services which include ACH transactions, CLIENT will be the Originator of the ACH transactions and will follow and be bound by the rules for ACH Originators as adopted from time to time by the NACHA. CLIENT agrees that it has assumed the responsibilities of an Originator under the ACH Rules and acknowledges that entries may not be initiated in violation of the laws of the United States. CLIENT agrees to indemnify and hold each Participating Bank and NACHA harmless from any claim incident to the operation of this plan arising from an act or omission of CLIENT.
2. For payrolls processed with total liabilities of less than \$1 million, Paylocity will debit CLIENTS bank account for all ACH transactions one day prior to check date and, as a result, requires all amounts to be available for withdrawal from CLIENT'S account at that time. In the event the total amount of funds are not available one banking day prior to check date, a \$100.00 USD fee is to be charged to CLIENT. CLIENT will then have until 2:00 p.m. Central Time on the date of notification to wire transfer these funds to Paylocity's bank account.
3. For payrolls processed with total liabilities of more than \$1 million, Paylocity will require a wire transfer of funds one day prior to check date.
4. CLIENT'S designated bank account(s) will have sufficient funds to pay CLIENT'S third party obligations (employee payments, taxes, agency or other obligations) within the deadlines established by Paylocity in order to satisfy CLIENT'S third party obligations in their entirety. If CLIENT fails to pay the taxes, direct deposits, employee payments or other charges, including fees, then CLIENT agrees to pay Paylocity for all costs of collection, including reasonable attorney fees, which may be associated with collection of the amounts due. Paylocity also may terminate this Agreement and withhold any work in progress as per the terms under Termination of Services and Buy-Out Fee. This is in addition to any other rights Paylocity may have under this contract or under law. To secure the CLIENT's payment of all charges due under this Agreement, CLIENT grants Paylocity the right to set off with any funds retained by Paylocity for purposes of remitting payments or making payments to CLIENT employees, taxing authorities or other third party agencies. Paylocity also reserves the right to reverse employee transactions and/or tax payments for which funds have not been received from CLIENT; provided, however, Paylocity will provide CLIENT with notice of any such shortfall or non-payment, followed by 24 hours to cure any related issues before exercising its right to set off funds or reverse payments.

OWNERSHIP

1. Paylocity owns or licenses all rights, title and interest in and to its processes, methods, applications and contents, including the software and documentation, Paylocity's trademarks, and all intellectual property rights in the foregoing (excluding portions of the Service provided by third parties). Software and services are made available only for CLIENT'S internal business purposes and are not transferable; furthermore, any right of use ceases when Paylocity no longer performs its Services for CLIENT.
2. Paylocity agrees to indemnify and hold CLIENT harmless in the event that any third party claims that the software or services provided by Paylocity infringe such party's intellectual property (including patents, copyright, trademarks, or trade secrets). CLIENT will provide Paylocity prompt notice of such claim and will cooperate with Paylocity in the defense of such claims.

INSURANCE

During the Term of this Agreement, Paylocity will maintain policies of insurance for the following types of coverage and minimum limits identified in Exhibit A attached hereto.

For the avoidance of doubt, the limitation on the amount of damages which CLIENT may recover as set forth in Responsibilities, Item 6, above, represents the maximum amount available to CLIENT. Insurance coverage in excess of the limitation of liability set forth in Responsibilities, Section 6, is not to be construed as available to CLIENT other than with regard to those damages for which there is no limitation set forth herein.

TERMINATION OF SERVICES AND BUY-OUT FEE

1. Either Paylocity or CLIENT may suspend performance and/or terminate this Agreement immediately upon written notice at any time if:
a) the other party is in material breach of any material warranty, term, condition or covenant of this Agreement and fails to cure that breach within sixty (60) days, unless such breach is due to CLIENT's failure to pay undisputed fees due hereunder then time to cure such breach shall be five (5) business days, after written notice thereof, or b) the other party seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or if any such proceeding is instituted against the other (and not dismissed within ninety (90) days after commencement of one of the foregoing events).
2. In addition to the rights under item 1 above, Paylocity may also suspend performance and/or terminate this Agreement immediately if CLIENT a) is unable to complete the implementation services and commence Services, b) wrongfully uses or accesses Paylocity's products, systems or services in the performance of its obligations under this Agreement c) fails to remit timely payroll or tax funds as required by this Agreement and in any event more when more than twenty-four (24) hours have elapsed from notice given by Paylocity, d) no longer meets Paylocity's credit/financial eligibility requirements for such Services as determined from time to time by Paylocity, or e) has any material adverse change in its financial condition that Paylocity becomes aware of in the performance of the Services.
3. In the event CLIENT terminates the contract prior to the end of the Initial Term or the then current Renewal Term or Paylocity terminates the Agreement under item 2. above, CLIENT shall be subject to a buy out of the contract for the remaining months of the then current term ("Buy-Out Fee"). The Buy-Out Fee shall be equal to fifty (50) percent times the number of months remaining in the then current term times the monthly estimated average billings for the prior twelve months or as determined by Paylocity prior to the termination month. If monthly fees for Services have not been payable at the time of termination, the amount above shall be equal to the estimated monthly fees that would have been payable under the Agreement. In the case of a partial termination, Paylocity may adjust the fees for the remaining Services accordingly. Client shall also be required to pay the Buy-Out Fee in the event of any reduction in Client's volume or usage of Services by more than fifty (50) percent of the estimated monthly fees that would have been payable under the Agreement.
4. If any of the products or Services provided by Paylocity are terminated by CLIENT pursuant to items 1 (except where Paylocity is the breaching party), 2, or 3, Paylocity may allocate any funds remitted or otherwise made available by Client in such priorities as Paylocity (in its sole discretion) may determine appropriate to include reimbursement for payments made by Paylocity hereunder on Client's behalf to a third party. Client will also immediately a) become solely responsible for all of its third-party payment obligations covered by such Paylocity Products or Services then or thereafter due (including, for Tax Filing Services, all related penalties and interest), b) reimburse Paylocity for all payments made by hereunder on Client's behalf to any third party, and c) pay any and all fees and charges incurred relating to Paylocity Products or Services rendered prior to the termination date. Client agrees that Paylocity shall be entitled to collect any fees and charges incurred by CLIENT prior to the termination date via ach direct debit including the Buy-Out Fee.
5. At any time subsequent to termination of contract and up to one year after the termination date, CLIENT data can be accessed for an annual fee of \$3 per active employee, payable prior to the start of the access term.

GENERAL TERMS

1. This Agreement shall be construed according to the laws of the State of Illinois and constitutes the entire Agreement between the parties. No oral or other representations, warranties or agreements have been made in writing and signed by both parties. If any portion of this Agreement is determined to be invalid, illegal or unenforceable, the remainder of the Agreement shall nonetheless remain in full force and effect.
2. This Agreement may not be assigned or transferred by either party to any affiliate, subsidiary or third parties, other than successors, without the written consent of the other party; furthermore, such consent shall not unreasonably be withheld.
3. Paylocity and CLIENT will not be responsible for failure to provide Services or correct any condition beyond its reasonable control, including but not limited to any acts or omissions by any third party.
4. CLIENT understands that this Agreement may be considered as an application for credit and hereby authorizes Paylocity to review credit of CLIENT including reports from credit bureaus, references, bank account status and other available financial information.
5. If CLIENT adds a Service following execution of this Agreement, CLIENT agrees to be bound by these Terms and Conditions as well as the separate Terms and Conditions of that Service.
6. No action arising under or in connection with this Agreement may be brought by CLIENT or Paylocity more than two (2) years after either Party becomes or should reasonably have become aware of the occurrence of events giving rise to the cause of action.
7. CLIENT is responsible for the payment of all taxes including those assessed for prior periods relating to the provision of Paylocity's products and services where applicable, except to the extent a valid tax exemption certificate or other valid tax exemption document is provided to Paylocity and allowable by taxing authorities.

TERMS APPLICABLE FOR SPECIFIED SOFTWARE OR SERVICES

The following terms apply to the specific Services selected by CLIENT as part of the initial Quote for Service or Letters of Intent for Services added at any time subsequent to CLIENT's first payroll.

1. Direct Deposit ("WebPay"/Payroll services). CLIENT authorizes Paylocity to pay employees designated by CLIENT via Direct Deposit electronic funds transfer, amounts due and payable to them by CLIENT. CLIENT must retain and provide upon request copies of each employee authorization form for two (2) years after they expire.
2. Bank Checks ("WebPay"/Payroll services). CLIENT authorizes Paylocity to pay employees designated by CLIENT via bank check drawn on a bank account maintained by Paylocity solely for this purpose. Uncashed bank checks outstanding for more than six months will be voided and the cash will be returned to the CLIENT. CLIENT acknowledges that they are responsible for unclaimed property filings and any other escheatment duties within the respective state(s) or jurisdiction(s) CLIENT conducts business.
3. Payroll Tax Filing ("WebPay"/Payroll services). CLIENT authorizes Paylocity to perform payroll tax services that include the responsibility for tax deposits and timely filings of Federal, State and Local employment tax returns. Paylocity will serve as a "limited agent" for CLIENT in respect to tax filing, only for purposes of any required agency for deposits and filings with the Internal Revenue Service and/or any state reporting agency. Paylocity is not otherwise an agent of CLIENT, nor is Paylocity in partnership or otherwise affiliated with CLIENT'S business. CLIENT also grants Paylocity limited power of attorney to sign all obligatory and necessary forms to appropriate government channels and banks. CLIENT agrees to execute a "Reporting Agent Authorization" and "FEIN and State Info" in conjunction with using this service and agrees to provide timely information to Paylocity regarding changes in deposit frequencies and state unemployment rates in order for Paylocity to assume liability for any penalties and/or interest.
4. Time and Labor services ("WebTime", "PETE"). CLIENT authorizes Paylocity to make available the services and software for time tracking and reporting. Monthly billing will commence after training has been completed. Client will be billed for the first month in full. To the extent that CLIENT has procured timekeeping equipment during the course of the relationship with Paylocity, CLIENT agrees to return all equipment to Paylocity promptly upon termination of services or Agreement. Any damaged, unreturned or unusable equipment will be the responsibility of the CLIENT.
5. Benefits Administration services ("Enterprise Benefits", "WebBenefits"). CLIENT authorizes Paylocity to make available the services and software for CLIENT to administer employee benefits. Monthly billing will commence the earliest month upon which 1) five or more CLIENT users have logged into the system 2) the date the system is made active for CLIENT employees or 3) the first of the month after ninety days from site creation.
6. Applicant Tracking services ("WebATS", "Enterprise Recruiting", Talent Management). CLIENT authorizes Paylocity to make available the services and software for recruitment management. A user account is defined as a named licensed seat and is required to access this service. User accounts are not transferrable and are not allowed to be shared among users or provided to any third party or individual.
7. Affordable Care Act compliance services (HR Services, "ACA Enhanced", "ACA Essentials"). CLIENT authorizes Paylocity to file forms 1095c and 1094c based on data entered by CLIENT including employee classifications, status and any other relevant data. Paylocity will serve as a "limited agent" for CLIENT in respect to information return filing with the Internal Revenue Service. Paylocity is not otherwise an agent of CLIENT, nor is Paylocity in partnership or otherwise affiliated with CLIENT'S business. CLIENT also grants Paylocity limited power of attorney to sign all obligatory and necessary forms to appropriate government channels. CLIENT agrees to execute a "Reporting Agent Authorization" in conjunction with using this service, the same Form 8655 used for Tax Filing clients is sufficient for ACA Reporting. CLIENT agrees to provide timely information to Paylocity regarding any changes in legal name or FEIN.

MISCELLANEOUS TERMS AND PROVISIONS

1. Independent Contractor. The relationship between Paylocity and the CLIENT is that of an independent contractor. Paylocity shall supply all personnel, equipment, materials, and supplies at its own expense, except as specifically set forth herein. Paylocity shall not be deemed to be, nor shall it represent itself as, employees, partners, or joint venturers of the CLIENT. Paylocity is not entitled to workers' compensation benefits or other employee benefits from the CLIENT and is obligated to directly pay federal and state income tax on money earned under this Agreement.
2. No Third Party Beneficiary. This Agreement is entered into solely for the benefit of the contracting parties, and nothing in this Agreement is intended, either expressly or impliedly, to provide any right or benefit of any kind whatsoever to any person and/or entity who is not a party to this Agreement or to acknowledge, establish or impose any legal duty to any third party. Nothing herein shall be construed as an express and/or implied waiver of any common law and/or statutory immunities, defenses and/or privileges of the CLIENT and/or Paylocity, and/or any of their respective officials, officers and/or employees, including but not limited to the Illinois Local Governmental and Governmental Employees Tort Immunity Act.
3. No Waiver. Waiver of any of the terms of this Agreement shall not be valid unless it is in writing and signed by all Parties. The failure of claimant to enforce the provisions of this Agreement, or require performance by opponent of any of the provisions, shall not be construed as a waiver of such provisions or affect the right of claimant to thereafter enforce the provisions of this Agreement. Waiver of any breach of this Agreement shall not be held to be a waiver of any other or subsequent breach of the Agreement.
4. Entire Agreement. This Agreement contains the entire agreement between the Parties and no statement, promise or inducement made by either Party to the agency of either Party that is not contained in this written Agreement shall be valid or binding.
5. Amendment. No amendment or modification shall be made to this Agreement unless it is in writing and signed by both Parties.
6. Headings. The headings for each paragraph of this Agreement are for convenience and reference purposes only and in no way define, limit or describe the scope or intent of said paragraphs or of this Agreement nor in any way affect this Agreement.

7. Notice. All notices, demands, requests, exercises and other communications required or permitted to be given by either Party under this Agreement shall be in writing and shall be deemed given when such notice has been personally delivered, sent by facsimile, or deposited in the United States mail, with postage thereon prepaid, addressed to the other Party at the following addresses:

If to CLIENT: Executive Director
Wheaton Park District
102 E. Wesley St.
Wheaton, Illinois 60187
Fax: 630-665-5880

If to Paylocity: Paylocity Corporation
Attn: Corporate Controller
3850 N. Wilke Road
Arlington Heights, Illinois 60004
Fax: 847-890-6652

8. Severability. The invalidity of any section, paragraph or subparagraph of this Agreement shall not impair the validity of any other section, paragraph or subparagraph. If any provision of this Agreement is determined to be unenforceable, such provision shall be deemed severable and the Agreement may be enforced with such provision severed or as modified by such court.

9. Conflict of Interest. Paylocity represents and certifies that, to the best of its knowledge, (1) no CLIENT employee or agent is interested in the business of Paylocity or this Agreement; (2) as of the date of this Agreement neither Paylocity nor any person employed or associated with Paylocity has any interest that would conflict in any manner or degree with the performance of the obligations under this Agreement; and (3) neither Paylocity nor any person employed by or associated with Paylocity shall at any time during the term of this Agreement obtain or acquire any interest that would conflict in any manner or degree with the performance of the obligations under this Agreement.

10. No Collusion. Paylocity represents and certifies that (1) Paylocity is not barred from contracting with a unit of state or local government as a result of (a) a delinquency in the payment of any tax administered by the Illinois Department of Revenue unless Paylocity is contesting, in accordance with the procedures established by the appropriate revenue act, its liability for the tax or the amount of the tax; or (b) a violation of either Section 33E-3 or Section 33E-4 of Article 33E of the Illinois Criminal Code of 1961, 720 ILCS 5/33E-1 et seq.; (2) only persons, firms, or corporations interested in this Agreement as principals have been those disclosed to the CLIENT prior to the execution of this Agreement; and (3) this Agreement is made by the Paylocity without collusion with any other person, firm, or corporation. If at any time it shall be found that Paylocity has, in procuring this Agreement, colluded with any other person, firm, or corporation, then Paylocity shall be liable to the CLIENT for all loss or damage that the CLIENT may suffer, and this Agreement shall, at CLIENT's option, be null and void.

11. Sexual Harassment Policy. Paylocity certifies that it has a written Sexual Harassment Policy in full compliance with 775 ILCS 5/2-105(A)(4).

12. Non-Discrimination. In all hiring or employment by Paylocity pursuant to this Agreement, there shall be no discrimination against any employee or applicant for employment because of age, race, gender, creed, national origin, marital status, or the presence of any sensory, mental, or physical handicap, unless based upon a bona fide occupational qualification. Paylocity agrees that no person shall be denied, or subjected to discrimination in receipt of the benefit of any services or activities made possible by, or resulting from, this Agreement.

Company Name WHEATON PARK DISTRICT

Authorized Officer's Name Michael Benard Title Executive Director
Print

Authorized Officer's Signature [Signature] Date June 27, 2017

Company Name PAYLOCITY CORPORATION

Authorized Officer's Name Ian Rogers Title Corporate Controller
Print

Authorized Officer's Signature [Signature] Date June 29, 2017

EXHIBIT A

INSURANCE REQUIREMENTS

Paylocity shall purchase and maintain the insurance of the types and amounts set forth below:

A. Commercial General and Umbrella Liability Insurance

Paylocity shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$2,000,000 each occurrence. If such CGL insurance contains a general aggregate limit, it shall apply separately to this project/location.

CGL insurance shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 10 93, or a substitute form providing equivalent coverage, and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

This insurance shall apply as primary insurance with respect to any other insurance or self-insurance afforded to Owner.

B. Business Auto and Umbrella Liability Insurance

Paylocity shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of any auto including owned, hired and non-owned autos.

Business auto insurance shall be written on Insurance Services Office (ISO) form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

C. Workers Compensation Insurance

Paylocity shall maintain workers compensation and employers liability insurance. The commercial umbrella and/or employers liability limits shall not be less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

Paylocity waives all rights against CLIENT and its officers, officials, employees, volunteers and agents for recovery of damages arising out of or incident to the Paylocity's activities.

D. General Insurance Provisions

1. Evidence of Insurance

Paylocity shall furnish CLIENT with a certificate(s) of insurance and applicable policy endorsement(s), executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth above.

Cancellation will be in accordance with the policy terms and conditions.

Failure of CLIENT to demand such certificate, endorsement or other evidence of full compliance with these insurance requirements or failure of CLIENT to identify a deficiency from evidence that is provided shall not be construed as waiver of Paylocity's obligation to maintain such insurance.

CLIENT shall have the right, but not the obligation, of prohibiting Paylocity from commencing the services until such certificates or other evidence that insurance has been placed in complete compliance with these requirements is received and approved by CLIENT.

Failure to maintain the required insurance may result in termination of this Contract at CLIENT's option.

2. Acceptability of Insurers

For insurance companies which obtain a rating from A.M. Best, that rating should be no less than A VII using the most recent edition of the A.M. Best's Key Rating Guide. If the Best's rating is less than A VII or a Best's rating is not obtained, the CLIENT has the right to reject insurance written by an insurer it deems unacceptable.

3. Subcontractors

Paylocity shall cause each subcontractor employed by Paylocity to purchase and maintain insurance of the type specified above. When requested by the CLIENT, Paylocity shall furnish copies of certificates of insurance evidencing coverage for each subcontractor.