

STANDARD AGREEMENT —
STD. 2 (REV. 5-91)

APPROVED BY THE
ATTORNEY GENERAL

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| Contract Number TCMA-200201 | Amendment Number |
| TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER | |

THIS AGREEMENT, made and entered into this 19th day of August, 2002, in the State of California, by and between State of California, through its duly elected or appointed, qualified and acting

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| TITLE OF OFFICER ACTING FOR STATE Business Services Manager | AGENCY Judicial Council of California Administrative Office of the Courts 455 Golden Gate Ave. San Francisco, CA 94102 | , hereafter called the State or Client, and |
| CONTRACTOR'S NAME ADP, Inc. | | , hereafter called the Contractor. |

WITNESSETH: That the Contractor (also referred to herein at times as "ADP") for and in consideration of the covenants, conditions, agreements, and stipulations of the State hereinafter expressed, does hereby agree to furnish to the State services and materials as follows:

Incorporated into this Master Agreement for outsourced payroll services herewith, and attached hereto, are the following Contract Documents: (1) Exhibit A-1, ADP's Standard Terms and Conditions of Service, (2) Exhibit A-2, State's Standard Provisions; (3) Exhibit B, Special Provisions; (4) Exhibit C, Description of Types of Work, (5) Exhibit D, Work Order Process (including Attachment D-1, Sample Work Order and Attachment D-2, Acceptance and Signoff Form); and (6) Exhibit E, Contractor's Price List. In the event of a conflict between the Contract Documents, the following descending order of precedence shall govern: Exhibit A-1, Exhibit A-2, Exhibit B, Exhibit E, Exhibit D and Exhibit C. Any Amendments, starting with the most recent, shall take precedence over the existing Contract Documents.

The purpose of this Agreement is to set forth the terms and conditions and ordering process for the Contractor's provisioning of outsourced payroll and payroll-related services to the Courts. This Agreement does not of itself encumber funds and the State is not obligated to encumber funds as a result of entering into this Agreement.

Pursuant and subject to the terms of this Master Agreement, the Contractor will provide outsourced payroll and payroll-related services to the Courts pursuant to authorized Work Orders. The Work, schedule, prices and total Work Order Amount will be authorized through Work Orders, pursuant to this Master Agreement, that are bilaterally executed between the Contractor and the Courts. It is agreed that this Master Agreement only applies to payroll services processed on Contractor's "AutoPay" platform out of its Northern California Processing Center. Courts already processing with Contractor's payroll services prior to the date of this Master Agreement may apply to be covered by this Master Agreement by the submission of a Work Order.

This Agreement shall commence August 19, 2002 and remain in effect until August 18, 2003. Any individual Work Order authorized will establish a specific term for that Work Order. If an existing Work Order remains in effect beyond the expiration of the Master Agreement, the terms and conditions of this Master Agreement shall continue to remain in effect for that Work Order until it expires or upon expenditure of the Work Order Amount, whichever comes first. In no event shall Contractor be required to provide any services under any Work Order or for the benefit of any particular Court upon full expenditure of the Work Order Amount applicable to such Work Order or Court. Except as expressly provided in the Agreement, no liability shall attach to the State solely by reason of entering into this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto, upon the date first above written.

| STATE OF CALIFORNIA | | CONTRACTOR | |
|---|---|--|-------------------------------------|
| AGENCY Judicial Council of California | CONTRACTOR (if other than an individual, state whether a corporation, partnership, etc.) ADP, Inc. (a corporation) | | |
| BY (AUTHORIZED SIGNATURE) | BY (AUTHORIZED SIGNATURE) | | |
| PRINTED NAME OF PERSON SIGNING Grant Walker | PRINTED NAME AND TITLE OF PERSON SIGNING General Manager | | |
| TITLE Business Services Manager | ADDRESS 3300 Olcott St. Santa Clara, CA | | |
| AMOUNT ENCUMBERED BY THIS DOCUMENT \$0.00 | PROGRAM/CATEGORY (CODE AND TITLE) | FUND TITLE Department of General Services Use Only | |
| PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT \$0.00 | (OPTIONAL USE) Funding information will be included in individual work orders if any. | | |
| TOTAL AMOUNT ENCUMBERED TO DATE \$0.00 | ITEM | CHAPTER | STATUTE |
| | FISCAL YEAR | | |
| | OBJECT OF EXPENDITURE (CODE AND TITLE) | | |
| I hereby certify upon my own personal knowledge that budgeted funds are available for the period of the expenditure stated above. | | T.B.A. NO. | B.R. NO. |
| SIGNATURE OF ACCOUNTING OFFICER | | DATE 9/28/03 | |
| <input type="checkbox"/> CONTRACTOR | <input type="checkbox"/> STATE AGENCY | <input type="checkbox"/> DEPT. OF GEN. SER. | <input type="checkbox"/> CONTROLLER |

EXHIBIT A-1
ADP'S STANDARD TERMS & CONDITIONS OF SERVICE

MAJOR ACCOUNTS AGREEMENT

Subject to the following terms and conditions, ADP, Inc. ("ADP") shall provide each applicable Court (each, a "Client") with such payroll, tax filing and other data processing services as Client may request from time to time (the "Services") pursuant to the procedures set forth in the Master Agreement to which this Exhibit A-1 is attached. Certain Services such as Official Bank Checks, FSDD/ADPCheck (ADP pays Client's employees from ADP's own bank account) and Tax Filing, are available only for as long as clients meet ADP's eligibility requirements and require execution of additional forms (e.g. Power of Attorney, Authorization to Debit, bank OBC agreement). FSDD Services shall be provided to Client in accordance with the operating rules of the National Automated Clearing House Association. Capitalized terms used but not defined herein shall have the meanings provided in the Master Agreement to which this Exhibit A-1 is attached. The term "agreement" as used in this exhibit shall be deemed to include the Master Agreement and the applicable Work Orders, provided that this exhibit shall control in the event of any conflict between it and such other items.

I. THE SERVICES

- A. Performance Standard. ADP will perform the Services in a professional manner, using personnel having a level of skill in the area commensurate with the requirements of the Services to be performed. If ADP employees are located on Client's property, ADP will advise such employees to observe the reasonable security and safety policies of Client as such are communicated to ADP sufficiently in advance from time to time.
- B. Use of Services. Client will use the Services in accordance with the instructions and reasonable policies established by ADP from time to time and communicated to Client. Client will use the Services only for the internal business purposes of the Client. Client will not provide, directly or indirectly, any of the Services or any portion thereof to any party other than the Client.
- C. Impound Services. If Client is receiving any of the Services that require ADP to impound funds from Client's Account to pay Client's third-party payment obligations (e.g., Tax Filing Services, WGPS, FSDD Services and/or ADPCheck Services) ("Impound Services"), Client shall have sufficient, collected funds in Client's Account within the deadline established by ADP to satisfy such third-party payment obligations in their entirety. ADP may commingle Client's impounded funds with other clients', ADP's or ADP-administered funds of a similar type. ALL AMOUNTS EARNED ON SUCH FUNDS WHILE HELD BY ADP WILL BE FOR THE SOLE ACCOUNT OF ADP.
- D. Accuracy of Client Information, Review of Data. All Services provided hereunder will be based upon information provided to ADP by Client (including proof of federal, state

and local tax identification numbers) and Client is responsible for the accuracy of all such information. ADP has no obligation to verify the accuracy of such data and will not be liable for any adverse consequences resulting from errors or omissions contained in such data. Upon receipt from ADP, whether electronically or otherwise, Client will promptly review all disbursement records and other reports prepared by ADP for validity and accuracy according to Client's records. Client will immediately notify ADP of any error or omission discovered by Client or any discrepancy between the information provided by ADP and Client's records and will not distribute any paycheck or rely on any record, report or document containing any such error, omission or discrepancy until such error, omission or discrepancy, as the case may be, has been corrected.

- E. Client Responsible for Compliance with Laws. The Services are designed to assist Client in complying with applicable laws and governmental regulations. Nevertheless, Client (and not ADP) will be responsible (i) for compliance by Client with all laws and governmental regulations affecting its business and (ii) for any use Client may make of the Services to assist it in complying with such laws and governmental regulations. Client will not rely solely on its use of the Services in complying with any laws and governmental regulations. No state or federal agency monitors or assumes any responsibility for the financial solvency of third-party tax filers.
- F. Century Date-Change. The ADP Products will be year 2000 ready, that is, the ADP Products will be no more likely to produce logical or arithmetic inconsistencies, will be no more likely to experience any abnormal or unanticipated shutdowns or other interruptions, and will be no more likely to produce any invalid or incorrect results or experience other degradations in performance or functionality, when dealing with dates beyond December 31, 1999 than they are when dealing with dates before December 31, 1999. Notwithstanding the foregoing, ADP makes no statements as to the interoperability of the ADP Products with any third parties' systems.
- G. FSDD/ADPCheck. With respect to FSDD Services, prior to the first credit to the account of any employee or other individual (a "Payee"), Client shall obtain a signed authorization from such Payee (a "Payee Authorization"), which shall be in a form approved by ADP and shall authorize the initiation of credits to such Payee's account and debits of such account to recover funds credited to such account in error. Client shall retain a copy of each Payee Authorization during the period such Payee Authorization is in effect and for two years thereafter and shall furnish such copy to ADP upon request. Client agrees not to distribute any ADPChecks to Payees prior to 4:00 p.m. local time on the banking day immediately before payday. Client also agrees to cooperate with ADP to recover funds erroneously included in any ADPCheck issued to any Payee or credited to any Payee's account in error. If Client desires to stop payment on any ADPCheck, Client shall provide ADP with a written stop payment request in the form provided by ADP. ADP shall then place a stop payment order with ADP's bank within twenty-four (24) hours of ADP's receipt of such stop payment request. Client shall not request ADP to stop payment on any ADPCheck which represents funds to which the applicable payee is rightfully entitled. Client represents and warrants to ADP and to the bank originating debit/credit instructions on ADP's behalf

(the "Originating Bank"), if applicable, that: (a) each credit and debit (reversing or correcting a prior payroll credit) to the account of a Payee is timely and has been authorized pursuant to a Payee Authorization signed by such Payee and held by Client; (b) at the time any credit is made to the account of any such Payee, Client has no actual knowledge of the revocation or termination of such Payee's Payee Authorization; (c) each debit to the account of a Payee (reversing or correcting a prior payroll credit) is for a sum which is due and owing to Client and Client has notified the Payee of such debit prior to its initiation; (d) the amount indicated by Client as being owed to each Payee is in fact due and owing to such Payee; and (e) Client's electronic credit payments comply with United States laws and all other applicable laws.

2. FEES; TAXES; PAYMENTS

- A. Fees. Client shall pay ADP for the Services indicated on each Work Order at the rates set forth on Exhibit E to the Master Agreement at the rates set forth thereon for the first twelve months after the date as of which the Master Agreement is entered into (assuming no changes in requirements, specifications, volumes or quantities) (the "Initial Period"). If any Court requests Services for which a price is not listed on Exhibit E, then the price for such services shall be as set forth on the Sales Order/Pricing Proposal applicable to such Court. ADP may increase prices at any time after the Initial Period upon at least 30 days prior written notice to Client if such change is part of a general price change by ADP to its clients for affected items. These prices do not include the charges referred to in Section 1 (A) or monthly communication charges or communication installation charges, which will be paid by Client.
- B. Due Date. Client will pay all undisputed invoice amounts (or the undisputed portions of invoice amounts) in full within 30 (thirty) days of receipt of invoice. If Client fails to pay any amount due hereunder, whether by acceleration or otherwise, Client, on written demand, shall pay interest at the rate of 1.5% per month (or the maximum allowed by law if less) on such past due amount from the due date thereof until the payment date. Client shall reimburse ADP for any expenses incurred, including interest and reasonable attorney fees, in collecting amounts due ADP hereunder.
- C. Taxes. There shall be added to all payments hereunder amounts equal to any applicable taxes levied or based on this Agreement, exclusive of taxes based on ADP's net income.

3. DISCLAIMER OF WARRANTIES.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ADP EXPRESSLY DISCLAIMS ANY WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, NON-INTERRUPTION OF USE, AND FREEDOM FROM PROGRAM ERRORS WITH RESPECT TO THE SERVICES, THE ADP PRODUCTS, ANY CUSTOM PROGRAMS CREATED BY ADP OR ANY THIRD-PARTY SOFTWARE DELIVERED BY ADP.

4. INTELLECTUAL PROPERTY

- A. Ownership of Proprietary Rights. All computer programs (other than pre-packaged third-party software), tutorials and related documentation made available, directly or indirectly, by ADP to Client as part of the Services (the "ADP Products") are the exclusive property of ADP or the third parties from whom ADP has secured the rights to such ADP Product. All rights, title and interest in or to any copyright, trademark, service mark, trade secret, and other proprietary right relating to the ADP Products and the related logos, product names, etc. are reserved. The use of any software included in, or supplied by ADP for use with, the ADP Products shall be governed by the license agreement (whether written, shrinkwrapped or on-line) delivered with such software.
- B. ADP Infringement Indemnity. ADP will defend Client in any suit or cause of action alleging that the ADP Products, as provided by ADP and used in accordance with the terms of this Agreement, infringe upon any United States copyright, trade secret, or other proprietary right of a third party. ADP will pay damages assessed, including reasonable attorneys' fees, against Client in any such suit or cause of action, provided that, (i) ADP is promptly notified in writing of such suit or cause of action, (ii) ADP controls any negotiations or defense and Client assists ADP as reasonably required by ADP, and (iii) Client takes all reasonable steps to mitigate any potential damages that may result. The foregoing infringement indemnity will not apply and ADP will not be liable for any damages assessed in any suit or cause of action resulting from a Client Infringement Event (as defined below). If any ADP Product is held or believed to infringe on any third-party's intellectual property rights, ADP may, in its sole discretion, (a) modify the ADP Product to be non-infringing, (b) obtain for Client a license to continue using such ADP Product, or (c) if neither (a) nor (b) are practical, terminate this Agreement as to the infringing ADP Product and return to Client any unearned fees paid by Client to ADP in advance. This Section 4B states ADP's entire liability and Client's exclusive remedies for infringement of intellectual property rights of any kind.
- C. Client Infringement Indemnity. Client will defend ADP against, and pay damages assessed in, any suit or cause of action alleging that the ADP Products infringe upon any United States copyright, trade secret, or other proprietary right of a third party, to the extent that any such suit or cause of action results from a Client Infringement Event.

"Client Infringement Event" means (i) any alteration, change, modification and/or enhancement of the ADP Products made by Client or any third party on behalf of Client without ADP's express permission; (ii) Client's use of the ADP Products in combination with any hardware, software or other materials not expressly authorized by ADP; (iii) Client's use of other than the most current release of the ADP Products that results in a claim or action for infringement that could have been avoided by use of the current release, (iv) use of the ADP Products after Client has been notified that the ADP Products infringe upon the intellectual property rights of a third party, or (v) use by Client of unmodified ADP Products after Client has been informed of modifications that would avoid claims of infringement.

5. GENERAL PROVISIONS.

- A. Protection of Client Files. ADP will take reasonable precautions to prevent the loss of or alteration to Client's data files in ADP's possession, but ADP does not undertake to guarantee against any such loss or alteration. Accordingly, Client will, to the extent it deems necessary, keep copies of all source documents of the information delivered to ADP or inputted by Client or on behalf of Client into the ADP system and will maintain a procedure external to the ADP system for the reconstruction of lost or altered data files. If requested by Client, ADP will deliver to Client (in a standard ADP format and at ADP's then standard rates) copies of Client's data files then in ADP's possession. A copy of ADP's current record retention policy relating to the Services is available upon request. ADP will maintain a record retention policy and may from time to time, in its sole discretion, modify or amend such policy. However, ADP is not, and will not be, Client's official record keeper.
- B. Nondisclosure. All Confidential Information disclosed hereunder will remain the exclusive and confidential property of the disclosing party. The receiving party will not disclose the Confidential Information of the disclosing party and will use at least the same degree of care, discretion and diligence in protecting the Confidential Information of the disclosing party as it uses with respect to its own confidential information. The receiving party will limit access to Confidential Information to its employees with a need to know such Confidential Information and will instruct such employees to keep such information confidential. Notwithstanding the foregoing, the receiving party may disclose Confidential Information (i) to the extent necessary to comply with any law, rule, regulation or ruling applicable to it, (ii) as appropriate to respond to any summons or subpoena or in connection with any litigation and (iii) to the extent necessary to enforce its rights under this Agreement. Upon the request of the disclosing party, the receiving party will return or destroy all Confidential Information of the disclosing party that is in its possession. For purposes of this Section, "Confidential Information" shall mean: all information of a confidential or proprietary nature provided by the disclosing party to the receiving party for use in connection with the Services, but does not include (i) information that is already known by the receiving party, (ii) information that becomes generally available to the public other than as a result of disclosure by the receiving party in violation of this Agreement, and (iii) information that becomes known to the receiving party from a source other than the disclosing party on a non-confidential basis. Confidential Information of ADP also includes all ADP trade secrets, processes, proprietary data, information or documentation related thereto, or any pricing or product information furnished to Client by ADP

6. LIMITATION OF LIABILITY

This Section 6 sets forth the full extent of ADP's liability for damages resulting from this Agreement or the Services render or to be rendered hereunder, regardless of the form in which such liability or claim for damages may be asserted, and sets forth the full extent of

Client's remedies. Each of ADP and Client acknowledges that the fees for the Services to be provided hereunder reflect the allocation of risk set forth in this Section 6.

- A. Client Responsibility. Client will be responsible for (i) the consequences of any instructions Client may give to ADP, (ii) Client's failure to use the Services in the manner prescribed by ADP, and (iii) Client's failure to supply accurate input information.
- B. Errors and Omissions. ADP's sole liability to Client or any third party for claims of any type or character arising from errors or omissions in the Services that are caused by ADP shall be to correct the affected Client report, data or tax agency's filings, as the case may be. Upon the request of Client, ADP will correct any error or omission made by ADP in connection with the Services at no additional charge to Client.
- C. Mitigation of Damages. Both parties shall use reasonable efforts to mitigate any potential damages or other adverse consequences arising from or related to the Services.
- D. Limit on Monetary Damages. Notwithstanding anything to the contrary contained in this agreement (other than and subject to Section 4B above and Section 6E below), ADP's liability under this Agreement for damages (monetary or otherwise) under any circumstances for claims of any type or character made by Client or any third party arising from or related to the Services will be limited in each instance to the lesser of (i) the amount of actual damages incurred by Client or, (ii) ADP's charges for the affected Services; provided however, that ADP's aggregate liability hereunder in any calendar year will not exceed the average charge for one payroll processing paid by Client to ADP for the payroll services during such calendar year. ADP will issue Client a credit(s) equal to the applicable amount and any such credit(s) will be applied against subsequent payroll processings. The foregoing limitation shall not apply to actual damages incurred by Client as a direct result of the criminal or fraudulent acts of ADP or any of its employees.
- E. Tax Penalties and Interest Assessments. If as a result of an error or omission made by ADP in performing the Tax Filing Services hereunder, an applicable taxing authority imposes a penalty on or assesses interest against Client, ADP will (i) pay all penalties resulting from ADP's error or omission and (ii) pay any interest charges imposed on Client for the failure to pay funds to the extent and for the period that such funds were held by ADP. In any such case, Client will be responsible for all additional taxes and any other interest charges.
- F. OBC/ADPChecks/FSDD. Neither ADP nor the Originating Bank shall be liable for any damages to Client arising from any decision to refrain from or delay originating debit/credit entries or issuing ADPChecks in connection with Client's payroll (i) after reasonable efforts to verify such debit/credit entries by the required security procedure have failed, (ii) due to Client's creditworthiness or (iii) because ADP has not received timely funds from Client as required by Section 1(C). Client agrees that ADP will not be liable for any damages to Client arising from any bank decision to

withhold the release of a Client payroll which is processed on Official Bank Checks. Regardless of any such delay in the release of Official Bank Checks, Client will still be obligated to pay ADP for applicable payroll processing charges. With respect to FSDD Services, ADP and the Originating Bank have implemented a security procedure to verify the authenticity of debit/credit instructions transmitted to the Originating Bank, and not for detecting errors in such instructions. Such security procedure includes (i) a unique file identification number and transmission password, (ii) encryption, and (iii) automated verification of total dollars and number of items in the file. Client agrees that this procedure constitutes a commercially reasonable method of providing security against unauthorized instructions. Client shall be bound by any debit/credit instruction issued in respect of Client and received and verified by the Originating Bank in accordance with such security procedure, and neither ADP nor the Originating Bank shall be liable for any loss sustained from any instructions which are not authentic if such security procedures have been followed in good faith.

- G. No Consequential Damages. NEITHER ADP, THE ORIGINATING BANK NOR CLIENT WILL BE RESPONSIBLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING LOST PROFITS) THAT THE OTHER PARTY MAY INCUR OR EXPERIENCE IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES, HOWEVER CAUSED AND UNDER WHATEVER THEORY OF LIABILITY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7. TERM AND TERMINATION; DEFAULT BY CLIENT; REMEDIES UPON DEFAULT

- A. Services. During the first 90 days of service with respect to Services covered by this Agreement (other than Impound Services), Client may terminate this Agreement at any time; thereafter, either ADP or Client may terminate this Agreement upon 150 days prior written notice to the other. With respect to the Impound Services, either ADP or Client may terminate this Agreement upon at least 30 days prior written notice.
- B. Impound Services Notwithstanding anything contained herein, any of the Impound Services may be immediately terminated by ADP without prior notice if (i) any of the events in Section 7(C) occur with respect to Client, (ii) any unauthorized credits or debits are initiated in Client's name, (iii) the Originating Bank notifies ADP that it is no longer willing to originate debits and credits for any reason, (iv) the Authorization to Debit is terminated, (v) Client terminates or is terminated from the Tax Filing Services, or (vi) ADP reasonably determines that Client no longer meets ADP's eligibility requirements for such Services. ADP agrees that in the event of a financial default by a Court with respect to the funding to ADP of any third party payment obligations (i.e. tax filing funds or employee wages, but not ADP's fees for the Services), ADP shall initially suspend the Services (as opposed to outright termination thereof) and notify Client of the default. ADP shall be permitted to terminate the Services (and the applicable Work Order) if such default is not cured within two business days thereafter; provided that if a Court commits two such

financial defaults then upon any such default thereafter, ADP shall be permitted to terminate the Services (and the applicable Work Order) immediately (without any such "suspended" service period) and without formal notice. With respect to financial defaults by a Court in respect of ADP fees, ADP shall provide notice of default and a one-week opportunity for Court to cure same before it will be permitted to terminate Services (or the applicable Work Order), but this sentence shall not apply to any Court after the second such financial default.

- C. Client Defaults. Notwithstanding anything contained herein (other than the last 3 sentences of section 7.B), if Client (i) defaults in the payment of any sum of money hereunder, (ii) fails to provide sufficient, collected funds to ADP within the deadline established by ADP to satisfy Client's third-party obligations which results in a loss or financial risk to ADP, (iii) defaults in the performance of any of its other obligations hereunder, (iv) commits an act of bankruptcy or becomes the subject of any Bankruptcy Act proceeding or becomes insolvent, or if any substantial part of Client's property becomes subject to any levy/seizure, assignment, application or sale for or by any creditor or governmental agency, or (v) has any material adverse change (in ADP's sole opinion) in its financial condition, then, in any such event, ADP may, upon written notice thereof, (a) terminate this Agreement and/or any of the Services, (b) declare all amounts due and to become due immediately due and payable and/or (c) require Client to deposit an amount equal to its average per processing charges or to prepay for future processing.
- D. Post-Termination. If any of the Services are or may be terminated by ADP pursuant to Sections 7(B) or 7(C), ADP shall be entitled to allocate any funds remitted or otherwise made available by Client to ADP in such priorities as ADP (in its sole discretion) may determine appropriate (including reimbursing ADP for payments made by ADP hereunder on Client's behalf to a third party) and if any such Services are terminated, Client will immediately: (i) become solely responsible for all of its third-party payment obligations covered by such Services then or thereafter due (including, for Tax Filing Services, all related penalties and interest); (ii) reimburse ADP for all payments made by ADP hereunder on Client's behalf to any third party; and (iii) pay any and all fees and charges invoiced by ADP to Client relating to the Services. If ADP elects not to terminate any or all of the Services as permitted hereunder, ADP may require Client to pay its outstanding and all future third-party payment amounts covered by the Services and/or ADP's fees and charges for the Services to ADP by bank or certified check or by wire transfer as a condition to receiving further Services.
- E. Remedies Cumulative. The remedies contained in this Section 7 are cumulative and in addition to all other rights and remedies available to ADP hereunder, by operation of law or otherwise.

8. FUNDING INDEMNIFICATION

- A. Funding. Client shall indemnify and hold harmless ADP from and against any loss, liability, claim, damage or exposure (each a "Loss") arising from or in connection with

any action, proceeding or claim made or brought against ADP by any bank with whom Client maintains a payroll account or funds for any ADP error, omission or failure incident or pursuant to ADP providing the Services to Client that would have been corrected by ADP except Client refuses or is unable to fund or reimburse such bank.

- B. Debits. Client shall be liable for debits initiated by ADP hereunder. Client unconditionally promises to pay to ADP the amount of any unfunded payroll file (including any debit which is returned to ADP because of insufficient or uncollected funds or for any other reason), upon demand and interest thereon at the rate set forth in Section 2(B). Also, if any debit to a Payee's account reversing or correcting a previously submitted credit(s) is returned for any reason, Client unconditionally promises to pay the amount of such debit upon demand and interest thereon at the rate set forth in Section 2(B). Client shall be liable for, and shall indemnify ADP against, any loss, liability, claim, damage or exposure arising from or in connection with any fraudulent or criminal acts of Client's employees.

9. GENERAL

- A. Assignment. This Agreement shall not be assigned by Client without the prior written consent of ADP, and any attempt to assign any rights, duties or obligations which arise under this Agreement without such consent will be void.
- B. Inducement. Client has not been induced to enter into this Agreement by any representation or warranty not set forth in this Agreement. This Agreement contains the entire agreement of the parties with respect to its subject matter and supersedes all existing agreements and all other oral, written or other communications between them concerning its subject matter. This Agreement shall not be modified except by a writing signed by ADP and Client.
- C. No Third Party Beneficiaries. Nothing in this Agreement creates, or will be deemed to create, third party beneficiaries of or under this Agreement. CLIENT AGREES THAT OTHER THAN ADP'S OBLIGATIONS TO CLIENT HEREUNDER, ADP HAS NO OBLIGATION TO ANY THIRD PARTY (INCLUDING, WITHOUT LIMITATION, CLIENT'S EMPLOYEES AND/OR ANY TAXING AUTHORITIES) BY VIRTUE OF THIS AGREEMENT.
- D. Force Majeure. Any party hereto will be excused from performance under this Agreement for any period of time that the party is prevented from performing its obligations hereunder as a result of an act of God, war, earthquake, civil disobedience, court order, labor dispute, or other cause beyond the party's reasonable control. Such non-performance will not constitute grounds for default.
- E. Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the State of New Jersey, without regard to conflict of laws principles.

EXHIBIT A-2
STATE'S STANDARD PROVISIONS

1. The Contractor shall indemnify, defend, and save harmless the State and the Courts and their officers, agents, and employees from any and all claims and losses accruing or resulting to any and all other contractors, Subcontractors, suppliers, and laborers, and any other person, firm, or corporation furnishing or supplying Work, Materials, Data, or services in connection with the performance of this Agreement or any individual Work Order, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Contractor or its agents or employees in the performance of this Agreement or any individual Work Order.
2. The Contractor and the agents and employees of the Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State of California.
3. The State may terminate this Agreement if Contractor fails to perform the material provisions of this Agreement at the time and in the manner provided. If the Agreement is terminated, the State may proceed with the Work in any manner it deems proper.
4. Without the written consent of the State, the Contractor shall not assign this Agreement in whole or in part.
5. Alteration or variation of the terms of this Agreement shall not be valid unless made in writing and signed by the parties, and an oral understanding or agreement that is not incorporated shall not be binding on any of the parties.
6. The consideration to be paid to the Contractor under this Agreement shall be compensation for all the Contractor's expenses incurred in the performance of this Agreement, including travel and per diem, unless otherwise expressly provided.

END OF EXHIBIT

EXHIBIT B
SPECIAL PROVISIONS

1. Definitions

Terms defined below and elsewhere throughout the Contract Documents shall apply to the Agreement as defined.

- A. **"Account Representative"** refers to the Contractor's lead person for this Master Agreement. The Account Representative will be the principal contact person between the Contractor and the State. If the Contractor elects to designate another individual to a Court's contract, this individual shall be identified in the Court's applicable Work Order.
- B. **"Administrative Director"** refers to that individual, or authorized designee, empowered by the State to make final and binding executive decisions on behalf of the State.
- C. **"Amendment"** means a written document issued by the State and signed by the Contractor which alters the Master Agreement's terms and conditions. A Work Order may also be amended if signed by the Court and the Contractor and identifies the following: (1) a change in the Work; (2) a change in Work Order Amount; and/or (3) a change in time allotted for performance.
- D. **"Confidential Information"** means trade secrets, financial, statistical, personnel, technical, and other Data and information relating to the business of the State or the Courts, their personnel or constituents. Confidential Information does not include (i) information that is already known by the receiving party, free of obligation of confidentiality to the disclosing party; (ii) information that becomes generally available to the public, other than as a result of disclosure by the receiving party in breach of this Agreement; (iii) information that is independently developed by the receiving party without reference to the Confidential Information; and (iv) information that the receiving party rightfully obtains from a Third Party free of the obligation of confidentiality to the disclosing party.
- E. The **"Contract"** or **"Contract Documents"** constitute the entire integrated agreement between the parties. The Master Agreement, as executed by the State and the Contractor, and any Work Order, as executed by the Contractor and the Courts are Contract Documents. The terms **"Contract"** or **"Contract Documents"** may be used interchangeably with the term **"Agreement."**
- F. **"Contract Work"** or **"Work"** or **"Work to be Performed"** may be used interchangeably to refer to any or all of the service, labor, Materials, Data, and other items necessary for the execution and completion of the individual Work Order(s) to the satisfaction of the Courts. Work may also includes Tasks, Deliverables, and/or Submittals required by the individual Work Order(s).

- G. The “Contractor” means the individual, association, partnership, firm, company, consultant, corporation, affiliates, or combination thereof, including joint ventures, contracting with the State via the Master Agreement to provide Work for the Courts, as specified with any of the authorized Work Orders. The Contractor is one of the parties to this Agreement.
- H. “Courts” or “Trial Courts” means the fifty-eight (58) Superior Courts in the California state trial court system as a group or any of them individually.
- I. “Court’s Representative” shall be the person at the individual Court who shall be the principal contact person for the Contractor for the day-to-day Work activity associated with the Work Order. The Courts are not authorized to make changes to the Master Agreement.
- J. “Data” means all types of raw data, articles, papers, charts, records, reports, studies, research, memoranda, computation sheets, questionnaires, surveys, and other documentation.
- K. “Day” means calendar day, unless otherwise specified.
- L. “Deliverable(s)” or “Submittal(s)” means one or more items, if specified in a Work Order, that the Contractor shall complete and deliver or submit to the Court for acceptance.
- M. “Force Majeure” means a delay which impacts the timely performance of Work which neither the Contractor, the State nor the Courts are liable for because such delay or failure to perform was not reasonably foreseeable and beyond the control of the party. Acts of Force Majeure include, but are not limited to:
- i. Acts of God or the public enemy;
 - ii. Acts or omissions of any government entity;
 - iii. Fire or other casualty for which a party is not responsible;
 - iv. Quarantine or epidemic;
 - v. Strike or defensive lockout; and,
 - vi. Unusually severe weather conditions.
- N. “Master Agreement” means the component of this Agreement, as executed by the State and the Contractor, that sets forth the terms and conditions under which any Work Orders signed by the Contractor and the Courts shall comply.
- O. “Material” means all types of tangible personal property, including but not limited to goods, supplies, equipment, commodities, and information and telecommunication technology.

- P. “**Notice**” means a written document initiated by the authorized representative of a party to this Agreement and given by:
- i. Depositing in the U. S. Mail or commercial express carrier, prepaid, to the address of the appropriate authorized representative of the other party, which shall be effective upon the date deposited or upon receipt; or
 - ii. Hand-delivery to the other party’s authorized representative, which shall be effective on the date of service.
- Q. “**Platinum Service**” refers to the service the Contractor will provide, including; assigned/dedicated Client Account Managers in team structure with support at all levels; highly skilled and tenured associates with wide depth of ADP and payroll knowledge; providing project management for key payroll implementations and strategies (For Example: Section 125, Deferred Compensation Setup and Changes); on-site field support at client requests to provide training needs, product analysis; annual year-end planning for timing and coordination of key tasks and events; and user group forums with other ADP platinum accounts for discussions around best practices, industry challenges and opportunities.
- R. “**Project**” refers to any activity relative to any Work Order issued pursuant to this Agreement including activity of the Contractor, the Court, the State and their Representatives in connection with the Contract Work.
- S. The “**State**” refers to the Judicial Council of California’s Administrative Office of the Courts(“AOC”). The State is one of the parties to this Agreement.
- T. “**State Standard Agreement**” means the standard form used by the State to amend this Agreement. Several originally signed, fully executed versions of the Master Agreement, together with the documents attached specified as attached or incorporated shall each represent the Agreement as an individual “**Contract Counterpart**.”
- U. “**State’s Representatives**” shall mean those individuals and/or function set forth in the Contract Document or any Notice associated with this Contract. All communications with the State shall be through such representatives.
- V. “**Subcontractor**” shall mean an individual, firm, partnership, or corporation having a contract, purchase order, or agreement with the Contractor, or with any Subcontractor of any tier for the performance of any part of the Agreement. When the State refers to Subcontractor(s) in this document, for purposes of this Agreement and unless otherwise expressly stated, the term Subcontractor includes, at every level and/or tier, all subcontractors, subconsultants, suppliers, and materialmen.
- W. “**Task(s)**” means one or more functions, if specified in a Work Order, to be performed by the Contractor for the Court.

- X. “**Third Party**” refers to any individual, association, partnership, firm, company, corporation, consultant, Subcontractor, or combination thereof, including joint ventures, which is not a party to either (1) the Master Agreement or (2) any authorized Work Orders.
- Y. “**Work Order**” refers to a component of the Agreement, substantially in the form of Attachment D-1, Sample Work Order, that is used by the Courts to order Work from the Contractor pursuant to this Master Agreement. A Work Order cannot change the terms and conditions of this Master Agreement. A Work Order is authorized when it has been signed by the Court and the Contractor.
- Z. “**Work Order Amount**” refers to the amount of funds that is encumbered via an authorized Work Order. The amount the Court may pay the Contractor for Work provided pursuant to each Work Order, if any, shall not exceed the Work Order Amount stated therein. The State shall not be liable for any payments authorized via Work Orders issued between the Contractor and the Courts.

2. Termination Other Than for Cause

- A. In addition to termination for cause under Exhibit A-1 as well as Exhibit A-2, Standard Provisions paragraph 3, the State may terminate this Master Agreement at any time upon providing the Contractor written Notice at least ten (10) Days before the effective date of termination. Upon receipt of the termination Notice, the Contractor shall promptly discontinue all Work affected unless the Notice specifies otherwise.
- B. The Court(s) may terminate their individual Work Orders, issued pursuant to this Master Agreement, at any time upon providing the Contractor written Notice at least ten (10) Days before the effective date of termination. Upon receipt of the termination Notice, the Contractor shall promptly discontinue all Work affected unless the Notice specifies otherwise.
- C. If a Court terminates all or a portion of their Work Order, the Court shall pay the Contractor for the fair value of work performed and services rendered before the termination.

3. Agreement Administration/Communication

A. State’s Project Manager

The Project Manager for this Master Agreement is named below. All requests and communications about this Master Agreement shall be made through the Project Manager. Any Notice from the Contractor to the State shall be in writing to:

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Hazel Ann Reimche, Project Manager
Judicial Council of California
Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, CA 94102-3660

B. Court's Representative

- i. Under this Agreement, the Court's Representative shall act for the Court on all Work Performed through Work Orders and will be the principal contact person between the Contractor for the day-to-day Work activity associated with the Work Order. The Court's Representative cannot make any changes to the Master Agreement.
- ii. The Court's Representative will notify the State's Project Manager as to the start, expiration and /or termination dates of any Work Orders executed with the Contractor.
- iii. The Court's Representative shall be responsible for the sign-off acceptance of all the Work required and submitted by Work Orders issued pursuant to this Agreement as further defined herein.

C. Contractor's Account Representative:

- i. The Account Representative for this Master Agreement is named below. The Account Representative will be the principal contact person between the Contractor and the State and through whom all Work Orders must be presented.
- ii. The Court's Representative will submit a courtesy copy of all executed Work Orders to the State's Project Manager.
- iii. The Administrative Office of the Courts will notify all Court's Representatives for individual Courts with valid Work Orders if the Master Agreement has been amended or terminated.
- iv. Notice to the Contractor shall be directed in writing to its Account Representative:

Stephanie Heimburger
5355 Orangethorpe
La Palma, CA 90623
Fax: (562)404-5187
E-mail: Stephanie_Heimburger@adp.com

4. Service to the Courts

The Contractor agrees to provide its applicable services to the Courts that place orders pursuant to Work Orders issued pursuant to this Agreement and hereby acknowledges that the State is not responsible for payment for such services rendered unto the Courts. The Contractor agrees that it shall have no recourse against the State for any act or omission of the Court arising from the Contractor's furnishing goods or services pursuant to this Agreement, any such recourse to be solely had against the applicable Court. State acknowledges and agrees that in the event of any non-payment of monies by a Court to Contractor (other than non-payments consisting of the withholding of payment of an amount that is the subject of a good faith dispute by the Court and for which it provides prompt written notice to Contractor) or other uncured material breach by a Court of this Agreement or a Work Order, Contractor shall be permitted to suspend the provisions of any and all services to such Court, and if such default continues, to terminate such services as permitted under Exhibit A-1 or the applicable Work Order.

5. Subcontracting

The Contractor reserves the right to subcontract all or a portion of work to be provided on behalf of the court. The Contractor retains responsibility for delivery of services for all agreed upon Work Orders and/or Change Orders. No party to this Agreement shall in any way contract on behalf of or in the name of another party to this Agreement.

6. Acceptance of the Work; Changes to Work Orders

- A. The Court's Representative shall be responsible for the sign-off acceptance or delivery of a rejection within 10 working days of Work completion of all the non-recurring Work required by Work Orders and submitted pursuant to this Agreement (including any modifications or changes to such Work Orders pursuant to the Change Process described below). Prior to approval of the Work and prior to approval for payment, the Court's Representative will apply the acceptance criteria set forth in subparagraph B of this provision, as appropriate, to determine the acceptability of the Work provided by the Contractor. Unsatisfactory ratings will be resolved as set forth in this provision.
- B. Acceptance Criteria for Work ("Criteria") provided by the Contractor to Work Orders issued pursuant to this Agreement and in accordance with specific statements of work (including any modifications or changes to such Work Orders pursuant to the Change Process described below):
- i. Timeliness: The Work was delivered on time;
 - ii. Completeness: The Work contained the Data, Materials, and features required in the Contract; and
 - iii. Technical accuracy: The Work is accurate as measured against commonly accepted standard (for instance, a statistical formula, an industry standard, or de facto marketplace standard).

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- C. The Contractor shall provide the Work to the Court, in accordance with direction from the Court's Representative. The Court shall accept the Work, provided the Contractor has delivered the Work in accordance with the Criteria. The Court's Representative shall use the Attachment D-2, Acceptance and Signoff Form, to this Agreement, to notify the Contractor of the Work's acceptability.
- D. If the Court rejects the Work provided, the Court's Representative shall submit to the Contractor a written rejection using Attachment D-2, the Acceptance and Signoff Form, describing in detail the failure of the Work as measured against the Criteria. If the Court rejects the Work, then the Contractor shall have a reasonable period of time (taking into account the nature of the work involved) from receipt of the Notice of rejection to correct the stated failure(s) to conform to the Criteria.
- E. If the Court's Representative requests further change, such shall be handled pursuant to the Change Process set forth in Section 6 G below.
- F. If agreement cannot be reached between the Court's Representative and the Contractor on the Work's acceptability, a principal of the Contractor and an executive of the Court, or Court's designee, shall meet to discuss the problem. If agreement cannot be reached, in the reasonable judgment of an executive of the Court and/or the Contractor fails to cure such deficiencies that are perceived in the Work to the reasonable satisfaction of an executive of the Court in the reasonable time agreed upon by the parties (taking into account the nature of the work involved), the Court may reject the Work and will notify the Contractor in writing of such action and the reason(s) for so doing. Upon rejection of the Work, the Court may terminate the Work Order pursuant to the terms of the Agreement (and notify the State's Project Manager) in accordance with the provisions set forth herein; provided that Court shall pay Contractor for all services rendered and Work performed thereunder unless such was rendered or performed in less than a commercially reasonable manner.
- G.
 - i. Any changes to the scope of work as documented in a Work Order must be submitted to the Contractor and the Court's project managers in the form of a written change order (a "Change Order"). Once received by Contractor and Court project managers these two persons will have 48 hours to agree on the appropriate course of action, effect on the project and changes to the staffing, schedule, and fees. Change Order documents will require a statement directing agreed project changes and dated authorization signatures of both Contractor and Court.
 - ii. If within 48 hours the project managers are unable to agree on the Change Order and its impact, any issues will be escalated to the next highest level of Contractor and Court management.

iii. Agreement and authorization at this level must occur within 48 hours of notification, failure to reach agreement will require escalation to the next higher levels until an accord is reached and authorized.

iv. Contractor and AOC will jointly develop a Change Order document that will be the official record of all approved changes to Work Orders.

6a. **Additional Duties and Responsibilities of each Court**

- A. Data and Policies. Courts will make available in timely manner at no charge to Contractor all data and policies necessary for the successful functioning of the systems Contractor is installing. "Data" is all employee information necessary to process payroll and shall include, without limitation, information on wages, pay and tax history, name, address, benefit and deduction types, director deposit accounts, interfaces to Court and 3rd party systems (e.g. Flexible Spending Account and Benefit Administrators). "Policies" include all information about Court pay, deduction, benefit, time keeping and other employee programs. Policy information may include, but is not limited to: bargaining unit contracts, written and electronic documentation, test data, examples and sample output. The Courts are responsible for the accuracy and completeness of all data and policies provided to Contractor for the performance of the Work Orders.
- B. Personnel. Courts will provide a Project Manager, who, unless there are exigent circumstances, will remain the same throughout the project, and will coordinate all activities for Court project team members. Courts' Project Managers will manage the Courts' resources in order to meet specified project deliverables, deadlines and objectives. Courts will assure that all project team members will be knowledgeable in their business processes and readily accessible and available for participation in the project. The Court Project Team has been given authority to make key business decisions. Executive level decisions will be made in a timely manner so as not to adversely impact the agreed-upon delivery schedule of any Work Orders.
- C. Delay Caused by Courts. Any delays due to unavailability of Court personnel, delays in making key business decisions and/or unavailability of necessary information that result in delays to deliverables defined in executed Work Order and related Change Orders will not be deemed to be a breach of the Agreement by Contractor.
- D. Work Space and Equipment. Court shall provide, at no charge to Contractor, work space, services and equipment (such as copiers, fax machines, internet access) as Contractor reasonably requires to perform the Services

7. Accounting System Requirement

The Contractor shall maintain an adequate system of accounting and internal controls that meets Generally Accepted Accounting Principles ("GAAP").

8. Retention of Records

The Contractor shall maintain all financial Data, supporting documents, and all other records relating to performance and billing under this Agreement for a period in accordance with State and Federal law, a minimum retention period being no less than seven (7) years. The retention period starts from the date of the submission of the final payment request. The Contractor is also obligated to protect Data adequately against fire or other damage.

9. Audit

The Contractor shall permit the authorized representative of the State, the Court, or their designee, or both, at any reasonable time on reasonable advance notice (but not to exceed twice in any calendar year without Contractor's consent) to inspect or audit copies of all Data relating to performance and billing under this Agreement. The Contractor further agrees to maintain such Data for a period of seven (7) years after final payment under this Agreement.

10. Changes and Amendments

- A. Changes or Amendments to any component of the Master Agreement can be made only with prior written approval from the Project Manager. Requests for changes or Amendments must be submitted in writing and must be accompanied by a narrative description of the proposed change and the reasons for the change. After the Project Manager reviews the request, a written decision shall be provided to the Contractor. Amendments to the Master Agreement (including attachments thereto) shall be in writing and executed by both parties.
- B. Changes or Amendments to any component of the Work Order can be made only with prior written approval from the Court's Representative and Contractor, as provided in the Change Process provision of Section 6.G. Additional funds may not be encumbered under a Work Order due to an act of Force Majeure, although the performance period of the Work Order may be amended due to an act of Force Majeure.

11. Insurance Requirements

- A. The Contractor shall maintain in full force during the full term of the Agreement, insurance in the following amounts and coverage:
 - i. Workers' Compensation, with limits not less than the statutory requirement for the state of residency.
 - ii. Employers' Liability, with limits not less than \$1,000,000.00 for each accident.
 - iii. Comprehensive General Liability Insurance with limits not less than \$1,000,000.00 for each occurrence, combined single limit bodily injury and property damage.

- A. Comprehensive Automobile Liability Insurance with limits not less than \$1,000,000.00 for each occurrence, combined single limit bodily injury and property damage, including owned and non-owned and hired automobile coverage, as applicable.
- B. Upon request of the State, Contractor shall provide the State certificates of insurance satisfactory to the State evidencing all required coverages before the Contractor begins any work under this Agreement.
- C. Approval of the insurance by the State shall not relieve or decrease the Contractor's liability under this Agreement.

12. Conflict of Interest

- A. The Contractor and employees of the Contractor shall also avoid actions resulting in or creating the appearance of (1) use of an official position with the government for private gain; (2) preferential treatment to any particular person associated with this Agreement or the Work of this Agreement; (3) loss of independence or impartiality; (4) a decision made outside official channels; or (5) adverse effects on the confidence of the public in the integrity of the government or this Agreement.

13. Confidentiality

In the performance of the Work or services under this Agreement or contemplation of this Agreement, the Contractor may gain access to Confidential Information or other private information of the State, the Courts, their personnel or constituents that, if disclosed to Third Parties, may be damaging to the State, the Courts, their personnel or constituents. All Confidential Information or private information disclosed to the Contractor shall be held in confidence and used only in performance of this Agreement.

14. Services Warranty

The Contractor warrants and represents that each of its employees, independent contractors or agents assigned to perform any services or provide any technical assistance in planning, development, training, consulting or related services under the terms of this Agreement shall have the skills, training, and background reasonably commensurate with his or her level of performance or responsibility, so as to be able to perform in a competent and professional manner. The Contractor further warrants that the services provided hereunder will conform to the requirements of this Agreement in all material respects.

15. Permits and Licenses

The Contractor shall observe and comply with all federal, state, city, and county laws, rules, and regulations affecting services under this Agreement. The Contractor shall procure and keep in full force and effect during the term of this Agreement all permits and licenses necessary to accomplish the Work contemplated in this Agreement.

16. Ownership of Results and Records

Any interest of the Contractor in studies, reports, memoranda, computation sheets, questionnaires or surveys, Data in any form, or other documents and/or recordings prepared by the Contractor in connection with Work to be Performed under any individual Work Order shall become the property of the Court. Upon the Court's written request, the Contractor shall provide the Court with all these materials within thirty (30) calendar days provided that Contractor may nonetheless retain copies thereof if required by applicable law or if reasonably necessary by Contractor for the performance of its obligations.

17. National Labor Relations Board

By executing this Agreement, the Contractor certifies under penalty of perjury under the laws of the State of California that no more than one (1) final, unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two (2) year period because of the Contractor's failure to comply with an order of the National Labor Relations Board.

18. Drug-Free Workplace

The Contractor certifies that it will provide a drug-free workplace as required by California Government Code sections 8355 through 8357.

19. Nondiscrimination Clause

- A. During the performance of this Agreement, the Contractor and its Subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, age (over 40), sex, or sexual orientation. The Contractor shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.
- B. The Contractor shall comply with the provisions of the Fair Employment and Housing Act, California Government Code section 12990 *et seq.*, and the applicable regulations promulgated under California Code of Regulations, title 2, section 7285 *et seq.* The applicable regulations of the Fair Employment and Housing Commission implementing California Government Code section 12990, set forth in chapter 5 of division 4 of title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part of it as if set forth in full.
- C. The Contractor and any of its Subcontractors shall give written Notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

D. The Contractor shall include the nondiscrimination and compliance provisions of this clause in any and all subcontracts issued to perform Work under the Agreement.

20. Americans with Disabilities Act

By signing this Agreement, Contractor assures the State that it complies with the Americans with Disabilities Act ("ADA") of 1990 (42 U.S.C. § 012101 *et seq.*), which prohibits discrimination on the basis of disability, as well as with all applicable regulations and guidelines issued pursuant to the ADA.

21. California Law

This Agreement shall be subject to and construed in accordance with the laws of the State of California.

22. Dispute Resolution

The parties agree that all disputes arising out of or relating to this Agreement shall be first submitted to non-binding mediation. If said non-binding mediation is unsuccessful, the parties agree to submit all disputes to binding arbitration to be held in accordance with the Commercial Rules of Arbitration of the American Arbitration Association, as such rules shall be in effect on the date of delivery of demand for arbitration. Such arbitration shall be held in San Francisco, California, or the county in which the Court resides. The arbitration of such issues, the determination of the amount of any damages of either party (subject to any liability limitations contained in this Master Agreement and its attachments), or the decision of the arbitrator, or a majority of the arbitrators, shall be final and binding on both parties. All fees associated with the arbitration shall be borne equally by the parties directly involved, and each party shall bear its own attorney fees and costs.

23. Severability

If any term or provision of this Agreement is found to be illegal or unenforceable, this Agreement shall remain in full force and effect and that term or provision shall be deemed stricken.

24. Waiver

The omission by either party at any time to enforce any default or right, or to require performance of any of this Agreement's terms, covenants, or provisions by the other party at the time designated, shall not be a waiver of the default or right, nor shall it affect the right of the party to enforce those provisions later.

25. Signature Authority

The parties signing this Master Agreement and any Work Orders issued pursuant to this Master Agreement certify that they have proper authorization to do so.

26. Survival

The termination or expiration of the Agreement shall not relieve a party of any obligation or liability accrued hereunder prior to or subsequent to such termination or expiration, nor affect or impair the rights of either party arising under the Agreement prior to or subsequent to such termination or expiration, except as expressly provided herein.

27. Entire Agreement

This Master Agreement, consisting of all documents as defined (and/or incorporated) herein, constitutes the entire agreement between the parties with respect to the subject matter hereof and shall supersede all previous proposals, both oral and written, negotiations, representations, commitments, writing and all other communications between the parties. No waiver, alteration, modification of, or addition to the terms and conditions contained herein shall be binding unless expressly agreed in writing by a duly authorized officer of the State.

END OF EXHIBIT

EXHIBIT C
DESCRIPTION OF TYPES OF WORK

ADP will provide Courts that use ADP's services with its Platinum Service so long as the cumulative annual processing revenue from all Courts processing with ADP under this Agreement exceeds \$65,000. In addition, the following is a list, including but not limited to, the general categories or types of services provided by ADP that will be performed by ADP if included in a mutually agreed, authorized Work Order. It is provided herein as information only as the specific Work and services and the specifics and details surrounding ADP's capabilities related thereto will be set forth in individual Work Orders:

1. **General Payroll Outsourced Services to the Courts**
 - A. Basic payroll processing services for the Courts.
 - B. Printing and delivering paychecks to each Court location.
 - C. Interfaces payroll data to individual Court financial systems (e.g., SAP, PeopleSoft, Oracle) if required.
 - D. Functionality to download payroll data into a spreadsheet and/or an external database (e.g., MS Excel, MS Access).
 - E. Reporting of state and federal payroll taxes in accordance with ADP's standard services.
 - F. Complete functional training to payroll system users.
 - G. New hire reporting to the State of California.
 - H. Provide, or interface to, an electronic timekeeping and attendance solution if required.
 - I. Provide certain types of unemployment related services.
 - J. The option to access and process payroll through a software based program or through an Internet based application using a standard Web browser with maximum Internet security if required.
 - K. The ability to provide an integrated, vendor-supplied Human Resources Information System (HRIS), or the option to interface to a Third Party HRIS if required.

2. **Specific Payroll Functions to Be Provided to Each Court**
 - A. Multiple user-defined earnings codes (pay types).
 - B. The ability to locally print a manual check or a special payroll check.
 - C. The ability to modify certain information appearing on employee paycheck stubs.
 - D. The ability to pay an employee at more than a single rate.
 - E. An indicator for terminated employees to prevent issuance of additional checks after termination.
 - F. The ability to pay employees on a variety of pay schedules (e.g. weekly, bi-weekly and monthly).

- G. The ability to calculate and pay miscellaneous deductions such as benefits and retirement.
- H. The functionality to produce standard and ad hoc payroll reports.
- I. The ability to supply comprehensive, up-to-date payroll user documentation, both functional and technical.
- J. The option to preview and change a payroll prior to final processing.
- K. Group term life and excess life calculation.
- L. The ability to process pre-tax and post-tax deductions.
- M. The ability to handle retroactive payments.
- N. The ability to track, for payroll purposes, leave taken under the Family & Medical Leave Act (FMLA) and the California Family Rights Act (CFRA).
- O. The ability to track, process, and calculate various accrual and non-accrual leave types—e.g., Holiday Time, Overtime, CTO (Compensating/Compensatory Time Off), PTO (Paid/Personal Time Off), and Bank Time.
- P. Make mass changes to earnings and deductions amounts and rates by bargaining unit or by other user-defined criteria.
- Q. Direct deposit capabilities to multiple accounts.
- R. The ability to track and report employee garnishments and the history of garnishments.
- S. The ability to administer flex-spending accounts.
- T. The ability to manually adjust taxable earnings for W-2 processing.
- U. The ability to process deferred compensation.
- V. The ability to process retirement deductions (PERS).
- W. The ability to process reimbursements, both taxable and non-taxable.
- X. The ability to process moving allowance when required.
- Y. The ability to process car allowance when required.
- Z. System ability to accept both on-line (i.e., web-based) and batch (i.e., PC-based) input.]
- AA. The ability to split employee earnings between multiple cost accounts or centers.
- BB. The ability to track multiple anniversary dates (for leave accrual).
- CC. The ability to produce year-end payroll reports, including W2's in accordance with ADP's standard services.

3. **Additional Payroll Services to be Provided to Individual Courts**

- A. Conduct an on-site study with the Court's staff and the State (e.g., AOC's HR, IT, and Finance), if applicable, to identify needs with respect to *organizational and functional processes and system/hardware requirements* (for each Court location, as required).
- B. Assist in achieving a smooth transition from the existing payroll system to the new system
- C. Provide reasonable levels of security for data input and for processing and accessing payroll information for management and staff.
- D. Maintain stable customer support to promote ongoing Contractor familiarity with the Court's unique payroll requirements.

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- E. Complete, to the reasonable satisfaction of the Court, a parallel or off-line payroll run prior to a "live" payroll.
- F. Notwithstanding anything to the contrary contained herein, some of the services may be requested by individual Courts that are outside Contractor's standard scope of services. In such cases, fees will be based on the scope of work requested and ADP's then current pricing standards.

END OF EXHIBIT

EXHIBIT D

WORK ORDER PROCESS

1. General Process

- A. Specific work under this Contract will be performed on an as-needed basis consisting of individually negotiated Work Orders. Each Work Order will provide a specific scope, pricing and schedule of Work. There is no guarantee that all Work set forth in Exhibit C will be utilized. The Contractor should also be prepared to include other Work, where needed, to support projects after scopes are further defined (pursuant to a Change Order).
- B. The Contractor will be expected to respond to short notice requests for technical assistance to resolve urgent work order requests. The Contractor should be capable of performing urgent work order requirements while working on several work orders simultaneously.

2. Work Order Limitations

There will be no specific limitation on the quantity, minimum and/or maximum value of individual Work Orders.

3. Related Contracts

The State may or will enter into more than one (1) Master Agreement for similar outsourced payroll processing Work.

4. Contract Value

Neither the State nor any Court guarantee that the Contractor will receive a specific volume of Work, a specific total Work Order Amount, or a specific Work Order value. At any time during the funding year, all Work Orders may be subject to change if there is a change in the funding levels or project priorities pursuant to the Change Process in Section 6.G. of Exhibit B; provided that in no event will fees go unpaid for work already performed or services already provided while a Work Order or Change Order remained in effect.

5. Work Order Process:

- A. For each individual work order, the Court's Representative will issue a written "Work Order Request" to the Contractor's Account Representative. The Work request will describe the nature and extent of the project, its scope, preliminary schedule, and rough order of magnitude.

- B. The Contractor will prepare a proposal that includes an applicable scope of Work, schedule, and budget, as well as identify key staff assignments and potential subconsultants.
- C. The Contractor and Court's Representative will define a detailed scope of Work, Project schedule, prices and other details.
- D. Final approval of the Work Order will be in the form of an executed Work Order.
- E. The Court is responsible for promptly notifying the Court's Representative if there is a need to revise the approved scope of Work, schedule, or price. All changes are subject to the prior approval of the Court's Representative.

6. Work Order Pricing

- A. The Work Order shall include the appropriate unit price from Exhibit E, Contractor's Pricing List, from the Master Agreement and any other prices applicable to the Work Order.
- B. The prices set forth in Exhibit E are the maximum allowable prices for the associated Work, but the Court and the Contractor are not precluded from incorporating agreed upon lower prices in a specific Work Order. In no event will the Court pay for prices higher than those in Exhibit E.
- C. Once the Work Order, prices and schedule are agreed upon, the Court's Representative will provide multiple originals of the Work Order to the Contractor for signature. The Contractor will indicate acceptance of the Work Order with its signature on each of the Work Order forms and return the originals to the Court's Representative within two (2) business days. The Court's Representative will also send a courtesy copy of the signed Work Order to the State's Project Manager, as set forth herein.
- D. The Contractor agrees that any estimated number of hours indicated in this Work Order is a sufficient number of hours to accomplish the Work requested therein. In no event will the Court pay more than the Work Order Amount set forth in the authorized Work Order (unless increased pursuant to the Change Process in Section 6.G. of Exhibit B).
- E. Any commencement of performance prior to the Contractor's receipt of the authorized Work Order shall be done so at the Contractor's own risk.
- F. All Work Orders are subject to the terms and conditions of the Master Agreement. In the event of a conflict between a Work Order and the Master Agreement, the Master Agreement shall prevail.

7. Payment

- A. Upon completion and acceptance of the non-recurring Work or every payroll for the recurring Work, the Contractor shall submit an invoice for Work completed to the Court. After receipt of the invoice, the Court will either approve the invoice for payment or give the Contractor specific written reasons why part or all of the payment is being withheld and what remedial actions the Contractor must take to receive the withheld amount. Invoices shall be in Contractor's standard format. ADP will use commercially reasonable efforts to supply any supporting information not included on such invoice if periodically requested by the State or a particular Court.
- B. [Intentionally Omitted.]
- C. The Contractor shall submit one (1) original copy of each invoice to the Court's Representative.
- D. The Contractor shall bill the Court and the Court shall pay the Contractor pursuant to this Work Order and the terms and conditions and rates set forth in the Master Agreement.
- E. The Courts are exempt from federal excise taxes and no payment will be made for any taxes levied on the Contractor's or any Subcontractor's employees' wages. The Court will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Work Order.

8. Consent and Agreement

- A. The Court, upon execution of this Work Order, certifies that the Court has received and has reviewed the terms and conditions of the Master Agreement and must abide by them.
- B. This Work Order shall become effective upon execution by the Court and the Contractor. Unless sooner terminated as provided in the Master Agreement, this Work Order shall remain in effect for the term the Court has indicated herein in this Work Order.
- C. The Court, upon execution of this form, certifies that the Court understands that the Contractor and the State may, from time to time and without the Court's consent, amend the terms and conditions of the Master Agreement thereby affecting the terms of the Work the Court receives from the Contractor.
- D. If the State terminates the Master Agreement, in whole or in part, prior to the expiration of this Work Order, the Court may, with respect to Work terminated by the State, (i) continue to receive the Work under the terms of the Master Agreement

for the remainder of the term for this Work Order, or (ii) terminate this Work Order or the component of the Work that has been terminated by the State.

END OF EXHIBIT

Attachment D-1
Sample Work Order Form

A. General Work Order Information

1. Contractor Name: _____
2. Contractor's Account Representative: _____ Phone#: _____
3. Master Agreement Contract Number: TCMA-200201
4. Work Order Number: _____
5. Court Name: _____
6. Court's Representative: _____
7. Work Order Start Date: _____
8. Work Order End Date: _____
9. Work Order (not to exceed) Amount: _____

C. Description of Non- Recurring Work Requested

D. Cost Section for Non- Recurring Costs:

| Work | Rate | Not to exceed amount | Completion Date |
|---------------|------|----------------------|-----------------|
| <i>No. 1</i> | | | |
| <i>No. 2</i> | | | |
| <i>No. 3</i> | | | |
| <i>No. 4</i> | | | |
| <i>No. 5</i> | | | |
| TOTALS | | | |

TOTAL NON-RECURRING COSTS FOR THIS WORK ORDER: _____

E. Project Schedule for Non-Recurring Costs

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- A. Start Date: _____
- B. Completion Date: _____
- C. Date Changes: The parties may agree to change the dates set forth above. Such changes will require a written modification to this Work Order, signed by both parties.
- D. Complete Project Schedule and Milestones: Notwithstanding the foregoing, the Contractor will, within ten (10) business days of receipt of the authorized Work Order, provide a Project Schedule to the Court's Representative. The Project Schedule shall include milestones for the specific Work set forth in the Work Order.
- E. Court's acceptance of Contractor's Project Schedule does not (1) imply that the Court approves or adopts the Contractor's plan, means, methods, techniques, or procedures required to perform the Work, nor (2) relieve the Contractor from the sole responsibility for the accuracy of a Project Schedule, compliance with all the Work Order requirements, or its responsibility to meet all required Work Order completion dates. Failure by the Court to indicate items on the Project Schedule that do not conform with the Work Order requirements shall not alter or waive the Work requirements or relieve the Contractor from complying with all Work Order requirements. The Contractor shall schedule the Work so that the Work is completed on time. In the event the Contractor is unable to meet the milestones established in the Project Schedule, the Court may pursue any right it has under the law or the Master Agreement, including but not limited to default termination.
- F. Recurring Costs Selected from Exhibit E

Notes:

The total amount of recurring costs checked on attached Exhibit E is
\$_____.

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G. Description and Cost of Other Work Ordered from the Contractor

Description of Non- Recurring Work Requested

The total amount of these other costs not selected from attached Exhibit E is
\$ _____.

(left blank intentionally)

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IN WITNESS WHEREOF, pursuant to Master Agreement #TCMA-200201 between the State and the Contractor, the parties hereto have caused this Work Order to be executed on the date shown below by their respective duly authorized representatives.

| |
|-------------------------------|
| COURT'S REPRESENTATIVE |
| Print Name: |
| |
| Title: |
| |
| By (Authorized Signature): |
| |
| Date Signed: |
| |

| |
|----------------------------|
| CONTRACTOR |
| Print Name: |
| |
| Title: |
| |
| By (Authorized Signature): |
| |
| Date Signed: |
| |

End of Attachment

ATTACHMENT D-2
Acceptance & Signoff Form

Description of Work provided by Contractor:

Date submitted: _____

Work is:

1) Submitted on time: yes no. If no, please note length of delay and reasons.

2) Complete: yes no. If no, please identify incomplete aspects of the Work.

3) Technically accurate: yes no. If no, please note corrections required.

Please note level of satisfaction:

Poor Fair Good Very Good Excellent

Comments, if any:

Work is accepted.

Work is unacceptable as noted above.

Name: _____

Title: _____

Date: _____

END OF ATTACHMENT

Exhibit E – Contractor’s Pricing List

1. OUTSOURCED PAYROLL SERVICES – PC PAYROLL FOR WINDOWS

| | | | |
|-----------|---|------------------|---------------------|
| I. | PAYROLL PROCESSING FEES PER PAY PERIOD | Bi-Weekly | Semi-Monthly |
| A. | Base Charge | \$87.00 | \$98.75 |
| | + Per Pay Processing and Tax Service | +\$1.55/pay | +\$1.68/pay |

- Includes:**
- Employees Per Pay Processing and Tax Service
 - Laser Printed Earnings Statements & Reports
 - IRX (Information Resource Exchange)
 - Web Based (w/ 800# service) HR & Compliance Tool
 - State Unemployment Insurance (SUI) Management
 - Multiple User-Defined Hours/Earnings/Deductions Types
 - Local Check Printing Capabilities for Manual Checks
 - Ability to Modify Some Information on Pay Stubs
 - Ability to Pay Employees at More than One Pay Rate
 - Functional and Technical User Documentation
 - View and Change Payroll Prior to Final Processing
 - Process Pre and Post-Tax Deductions
 - Process Retroactive Payments
 - Mass changes to Hours/Earnings/Deduction Types
 - Ability to Manually Adjust Earnings
 - Deferred Compensation
 - Retirement Deductions (PERS)
 - Taxable and Non-Taxable Reimbursements
 - Moving Allowance and Car Allowance

B. Additional Features

| | | | |
|-----------|---|---------------------------|--|
| 1. | Total Pay <i>*Includes...</i> <ul style="list-style-type: none"> • <i>Check Signing</i> • <i>Check Stuffing</i> • <i>Full Service Direct Deposit (up to 3 accounts)</i> • <i>Official Bank Check w/ Check Reconciliation</i> • <i>Check Fraud Protection</i> *10.00 fee applies for stop payments/direct deposit reversals | \$18.00 + .32/pay | |
| 2. | Benefit Accruals <i>(Vacation/Sick/PTO etc. Includes ability to track multiple anniversary dates for leave accrual)</i> | \$6.50 per 100 employees | |
| 3. | Labor Distribution <i>(Split employee earnings between multiple cost centers)</i> | \$9.75 per 100 employees | |
| 4. | Standard General Ledger Report/Download <i>(If G/L requires custom programming, G/L specs would be submitted to programmers for custom quote)</i> | \$50.00 | |
| 5. | Super Data Access (Check Detail & Cumulative Data Download) | \$17.00 per 100 employees | |
| 6. | Automatic Group Term Life Calculation | \$2.65 per 100 employees | |

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| | | |
|-----|--|--|
| 7. | Overnight Processing | \$4.75 per 100 employees |
| 8. | Wage Garnishment Processing & Payment Service (WGPS) | \$8.50 base + per lien charge of \$2.50 |
| 9. | Documax (CD-Rom Output) (CD-Rom output of all reporting & history for archival and storage. ADOBE Acrobat format for easy viewing & e-mailing reports.) | \$20.00 |
| 10. | ADP Delivery | \$8.50 |
| 11. | New Hire Reporting | \$2.65 per new hire |

II. PAYROLL PROCESSING FEES PER MONTH

| | | |
|----|---|----------|
| A. | Super Data Access (ReportSmith) (Ad-Hoc Report Writer) | \$170.00 |
| B. | Worker's Compensation Reporting ADP calculates worker's comp wages, by code, by state, and any experience modifier to give you exact W.C. liability) | \$40.00 |
| C. | Network Support/LAN (If applicable) | \$25.00 |

III. YEAR END SERVICES

| | | |
|----|--|---------------------------------|
| A. | W-2 Earnings Statements (Includes Magnetic Tape Filing & W-3 Transmittal) | \$3.60/W-2 (\$50.00 minimum) |
| B. | W-2s on CDROM | \$50.00 +.25/W-2 |

IV ONE-TIME FEES:

| | | |
|----|---|--|
| A. | Implementation Fees (See Section 7, Implementation) | 15% of Annual Outsourced Payroll Fees |
| B. | One-Time License Fees PC Payroll for Windows ReportSmith | \$500.00/workstation \$100.00/workstation |
| C. | Network Installations Fees (If applicable) LAN Installation Citrix Installation | \$1500.00/day \$3000.00/day |
| D. | Training Fees | Included |

Any additional custom needs can be analyzed and quoted during sales process.

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2. OUTSOURCED PAYROLL SERVICES – PAYEXPERT (INTERNET PAYROLL)

I. PAYROLL PROCESSING FEES PER PAY PERIOD Bi-Weekly or Semi-Monthly

**A Per Pay Processing and Tax Service \$3.00/check for 1st 100 checks
Plus \$1.75/check over 100
(\$60.00 minimum)**

Includes: Employees Per Pay Processing and Tax Service
 Laser Printed Earnings Statements & Reports
 IRX (Information Resource Exchange)
 Web Based (w/ 800# service) HR & Compliance Tool
 State Unemployment Insurance (SUI) Management
 Multiple User-Defined Hours/Earnings/Deductions Types
 Local Check Printing Capabilities for Manual Checks
 Ability to Modify Some Information on Pay Stubs
 Ability to Pay Employees at More than One Pay Rate
 Functional and Technical User Documentation
 View and Change Payroll Prior to Final Processing
 Process Pre and Post-Tax Deductions
 Process Retroactive Payments
 Mass changes to Hours/Earnings/Deduction Types
 Ability to Manually Adjust Earnings
 Deferred Compensation
 Retirement Deductions (PERS)
 Taxable and Non-Taxable Reimbursements
 Moving Allowance and Car Allowance

B. Additional Features

- | | |
|---|---------------------------------|
| 1. Total Pay | Included |
| <i>*Includes...</i> | |
| <ul style="list-style-type: none"> • <i>Check Signing</i> • <i>Check Stuffing</i> • <i>Full Service Direct Deposit (up to 3 accounts)</i> • <i>Official Bank Check w/ Check Reconciliation</i> • <i>Check Fraud Protection</i> | |
| *10.00 fee applies for stop payments/direct deposit reversals | |
| 2. Benefit Accruals | \$6.50 per 100 employees |
| <i>(Vacation/Sick/PTO etc. Includes ability to track multiple anniversary dates for leave accrual)</i> | |
| 3. Labor Distribution | \$9.75 per 100 employees |
| <i>(Split employee earnings between multiple cost centers)</i> | |
| 4. Standard General Ledger Report/Download | \$50.00 |
| <i>(If G/L requires custom programming, G/L specs would be submitted to programmers for custom quote)</i> | |
| 5. Automatic Group Term Life Calculation | Included |
| 6. Overnight Processing | Included |

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| | | |
|-----|--|--|
| 7. | Wage Garnishment Processing & Payment Service (WGPS) | \$8.50 base + per lien charge of \$2.50 |
| 8. | Documax (CD-Rom Output) (CD-Rom output of all reporting & history for archival and storage. ADOBE Acrobat format for easy viewing & e-mailing reports.) | \$20.00 |
| 9. | ADP Delivery | Included |
| 10. | New Hire Reporting | Included |

II. PAYROLL PROCESSING FEES PER MONTH

| | | |
|----|---|---------|
| A. | Report Writer (Ad-Hoc Report Writer) | \$50.00 |
| B. | Worker's Compensation Reporting ADP calculates worker's comp wages, by code, by state, and any experience modifier to give you exact W.C. liability) | \$40.00 |

III. YEAR END SERVICES

| | | |
|----|---|---------------------------------|
| A. | W-2 Earnings Statements (Includes Magnetic Tape Filing & W-3 Transmittal) | \$3.60/W-2 (\$50.00 minimum) |
| B. | W-2s on CDROM | \$50.00 +.25/W-2 |

IV ONE-TIME FEES:

| | | |
|----|---|---------------------------------------|
| A. | Implementation Fees (See Section 7, Implementation) | 15% of Annual Outsourced Payroll Fees |
| B. | One-Time License Fees | N/A |
| C. | Network Installations Fees (If applicable) | N/A |
| D. | Training Fees | Included |

Any additional custom needs can be analyzed and quoted during sales process.

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3. OUTSOURCED HUMAN RESOURCE SOLUTIONS FOR PC PAYROLL FOR WINDOWS

I. HR PROFILE

A. ONGOING MONTHLY FEES

| | |
|---------------------------|-------------------|
| Base Charge | \$210.00 |
| + Per Employee Processing | + \$.32/employee |

B. ONE-TIME FEES:

1. **Implementation Fees** (See Section 7, Implementation) \$500,\$1000 or \$2500 depending on service level
2. **Additional Service Days** \$1000/day
3. **One-Time License Fees**
N/C if on same PC as PC Payroll for Windows, otherwise \$500.00/workstation
4. **Training Fees** Included

Any additional custom needs can be analyzed and quoted during sales process.

II. BENEFITS EXPERT (Add On Module to HR Profile)

**A. ONGOING MONTHLY FEES
PRICING INCLUDES HR PROFILE**

**Per Pay Processing Varies Based on Number of Employees
Minimum Monthly Fee Regardless of Number of Employees = \$600.00**

| | |
|--------------------|-------------------|
| 100-249 employees | \$ 6 .00/employee |
| 250-500 employees | \$ 5.50/employee |
| 500-1000 employees | \$ 5.00/employee |

B. ONE-TIME FEES:

1. **Implementation Fees** (See Section 7, Implementation) \$7000 - \$11,000 depending on service level
2. **One-Time License Fees** N/A
3. **Training Fees** Included

Any additional custom needs can be analyzed and quoted during sales process.

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III. HR PERSPECTIVE

A. ONGOING MONTHLY FEES

| | |
|----------------------------------|-------------------|
| Base Charge | \$630.00 |
| + Per Employee Processing | + \$.63/employee |

B. ONE-TIME FEES:

| | |
|---|----------------------|
| 1. Implementation Fees (See Section 7, Implementation) | \$12,500 (+T&E) |
| 2. Additional Service Days | \$1400/day |
| 3. One-Time License Fees HR Perspective | \$595.00/workstation |

\$1000 add'l installation if installed separately from PC Payroll for Windows

| | |
|------------------------------------|---|
| 4. Training Fees | Included for up to 12 person days of training |
| 5. Additional Training Days | \$450/day |

Any additional custom needs can be analyzed and quoted during sales process.

IV. HR PERSPECTIVE EMPLOYEE SELF SERVICE (ESS)

A. ONGOING MONTHLY FEES

| | |
|--------------------------------|-----------------|
| Per Employee Processing | \$3.00/employee |
|--------------------------------|-----------------|

B. ONE-TIME FEES:

| | |
|---|----------|
| 1. Implementation Fees (See Section 7, Implementation) | \$10,000 |
| 2. One-Time License Fees Database charge | \$350.00 |

\$1000 add'l installation if installed separately from PC Payroll for Windows

Any additional custom needs can be analyzed and quoted during sales process.

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4. OUTSOURCED HUMAN RESOURCE SOLUTIONS FOR PAYEXPERT (INTERNET PAYROLL)

I. HR EXPERT

A. ONGOING MONTHLY FEES

Per Employee Processing \$ 1.00/employee

B. ONE-TIME FEES:

- | | |
|---|---------------------------|
| 1. Implementation Fees (See Section 7, Implementation) | Included |
| 2. One-Time License Fees | N/A |
| 3. Training Fees | Included (up to 3 people) |
| 4. Additional Training Fees | \$200.00/person |

Any additional custom needs can be analyzed and quoted during sales process.

II. SELF SERVICE EXPERT

A. ONGOING MONTHLY FEES

Per Employee Processing \$.25/employee

B. ONE-TIME FEES:

- | | |
|---|---------------------------|
| 1. Implementation Fees (See Section 7, Implementation) | Included |
| 2. One-Time License Fees | N/A |
| 3. Training Fees | Included (up to 3 people) |
| 4. Additional Training Fees | \$200.00/person |

Any additional custom needs can be analyzed and quoted during sales process.

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III. BENEFITS EXPERT (Add On Module to HR Expert)

**A. ONGOING MONTHLY FEES
PRICING INCLUDES HR EXPERT**

**Per Pay Processing Varies Based on Number of Employees
Minimum Monthly Fee Regardless of Number of Employees = \$600.00**

| | |
|---------------------------|--------------------------|
| 100-249 employees | \$ 6 .00/employee |
| 250-500 employees | \$ 5.50/employee |
| 500-1000 employees | \$ 5.00/employee |

B. ONE-TIME FEES:

| | |
|---|---|
| 1. Implementation Fees (See Section 7, Implementation) | \$7000 - \$11,000 depending on service level |
| 2. One-Time License Fees | N/A |
| 3. Training Fees | Included |

Any additional custom needs can be analyzed and quoted during sales process.

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5. OUTSOURCED TIME AND ATTENDANCE SOLUTIONS FOR PCPAYROLL FOR WINDOWS OR PAYEXPERT (INTERNET PAYROLL)

I. ETIME SOFTWARE

A. ONGOING MONTHLY FEES

Per Employee Processing \$ 2.15/employee
Minimum Monthly Fee Regardless of Number of Employees = \$215.00

B. ONE-TIME FEES:

1. Implementation Fees \$3000.00/single user
(See Section 7, Implementation) or
\$4000.00/multi-user
2. One-Time License Fees Included
3. Training Fees Included

Any additional custom needs can be analyzed and quoted during sales process.

II. CLOCK OPTIONS

A. ONGOING MONTHLY FEES

BASIC CLOCK(S) \$82.00-\$113.00/clock
FULL CLOCK(S) \$113.00-\$155.00/clock
HANDPUNCH CLOCK(S) \$143.00-\$183.00/clock

B. ONE-TIME FEES:

1. Implementation Fees \$350.00/clock
(See Section 7, Implementation)

Any additional custom needs can be analyzed and quoted during sales process.

III. eTIMESHEET (Software PC based timesheets)

**A. ONGOING MONTHLY FEES
PRICING INCLUDES ETIME SOFTWARE**

Per Employee Processing \$ 2.75/employee
Minimum Monthly Fee Regardless of Number of Employees = \$275.00

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B. ONE-TIME FEES:

| | | |
|--|--------------------------------|-----------|
| 1. Implementation Fees (See Section 7, Implementation) | plus eTime Implementation fees | \$1500.00 |
| 2. One-Time License Fees | | \$500.00 |
| 3. Training Fees | | Included |

Any additional custom needs can be analyzed and quoted during sales process.

IV. Office TIMESHEET (Internet timesheets)

**A. ONGOING MONTHLY FEES
PRICING INCLUDES ETIME SOFTWARE**

Per Employee Processing \$ 2.75/employee
Minimum Monthly Fee Regardless of Number of Employees = \$275.00

B. ONE-TIME FEES:

| | | |
|--|--------------------------------|-----------|
| 1. Implementation Fees (See Section 7, Implementation) | plus eTime Implementation fees | \$3000.00 |
| 2. One-Time License Fees | | \$625.00 |
| 3. Training Fees | | Included |

Any additional custom needs can be analyzed and quoted during sales process.

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6. PRICE DISCOUNTS

6.1 A discount program will be offered to all Courts processing with ADP under this Agreement. The discount schedule is as follows:

Table A:

| Aggregate number of pays (Note 1) | Discount (Note 2) |
|--------------------------------------|----------------------|
| 1000 – 2499 | 2.5% |
| 2500 – 7499 | 5.0% |
| 7500 – 9999 | 10.0% |
| 10000+ | 15.0% |

6.2 The discount will be reviewed by ADP twice per calendar year. The schedule for reviewing the discount is as follows:

Table B:

| Review date | Look-back period | Effective date of discount |
|--------------|----------------------|----------------------------|
| March 01 | September – February | April 01 |
| September 01 | March – August | October 01 |

6.3 When a Court starts processing with ADP, it will receive the discount that is in effect for all other courts already processing with ADP.

Note 1:

The “aggregate number of pays” will be calculated twice per year on the “review date”.

To determine the aggregate number of pays for this Agreement, the following steps will be performed by ADP:

1. Create a list of all Courts that processed at least once during the “Look-Back period”.
2. For each Court that is on the list, calculate the average number of pays per processing during the look-back period. Live payroll processing’s will be included in the calculation; test payroll processing’s will be excluded from the calculation.
3. Add the results of #2 for all courts to determine the aggregate number of pays-per-processing for the entire Agreement during the look-back period.

Note 2:

The discount will be applied as a bottom-line discount. That is, the discount will be applied against all processing fees calculated for every payroll processed for the six months beginning on the “effective date of the discount”.

All Courts that processed during the look-back period will receive the same discount rate.

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Example 1:

On the review date of March 01, 2003, AOC activity for the period of September 2002 through February, 2003 is examined. It is determined that three counts processed during the period. The activity for each court during the period was:

| Court | Pay date / number of pays |
|--|---------------------------|
| Court 1 | January 31: 300 |
| | February 15: 200 |
| | February 28: 300 |
| Average pays-per-processing for Court 1 (300 + 200 + 300)/3 | |
| Court 2 | January 31: 750 |
| | February 15: 725 |
| | February 28: 775 |
| Average pays-per-processing for Court 2 (750 + 725 + 775)/3 | |
| Court 3 | February 15: 210 |
| | February 28: 220 |
| Average pays-per-processing for Court 3 (210 + 220)/2 | |
| Aggregate pays for AOC (267 + 750 + 215) | |

In this example, the aggregate number of pays for the AOC was 1232, qualifying for a 2.5% discount according to Table A.

In accordance with Table B, starting on April 01 and continuing through September 30, Courts 1, 2 and 3 will receive a 2.5 discount on all processing fees.

Example 2:

Court 4 starts processing with ADP on July 01, 2003. Court 4 will automatically receive the same 2.5% discount that is in effect for Courts 1, 2 and 3.

During the review performed on September 01, 2003. Court 4 will be included in the calculation of the aggregate number of pays.

7. IMPLEMENTATION

The ADP commitment to World Class Service includes a thorough, well-planned approach to implementation.

What You Can Expect From Us

ADP recognizes that the value of our solutions goes beyond features and functionality. That's why you can expect us to deliver proven, effective implementation methodologies. We want to make sure your system meets your goals and objectives from the first time you process with us.

What We Need From You

You will need to create an internal project team of key end-users and management decision-makers dedicated to the implementation's success. We will also need you to communicate to us your clearly defined goals. It is highly recommended that your project team conduct periodic reviews to determine that the implementation process is being managed to your satisfaction.

Five Phase Implementation

A specially trained implementation team will work with you to thoroughly analyze your needs, determine your hardware requirements and manage your transition to ADP through a four-phase process:

- **Project Planning** – Following a complete demonstration of the software, we'll examine your project objectives, review the standard work plan and discuss the necessary interfaces. We'll also identify the next steps for implementation, including the conversion strategy and training schedule.
- **Analysis** – We'll analyze your pay, policies, and reporting requirements, complete the system setup, review your security requirements and resolve issues regarding implementation. We'll continue to assess your interface and conversion requirements – exploring integration issues and defining field and date mapping.
- **Review** - Upon completion of the installation and setup, we will help ensure a successful transition by . . .
 - Reviewing security setup, field mapping and interfaces.
 - Identifying additional training needs.
 - Resolving any outstanding issues.
- **Go Live** – We'll take time to validate your set up, e.g. data conversions, interfaces, reports and connection. Once you have complete confidence in the functionality of your new system and in the integrity of your data, you'll go live.
- **Coordinated Transition to Permanent Services** - Upon completion of the installation and setup, we will help ensure a successful transition to your permanent service group. Information regarding the set up of your account will be shared and a formal introduction/turn over scheduled.