

PEO REFERRAL AGREEMENT

THIS AGREEMENT by and between _____, a/an PEO, Professional Employer Organization, (hereinafter "**PEO**"), whose principal business address is _____ and PEO Depot, Inc., Employers-Partner, Inc. and / or iOutsource, Inc. (hereinafter referred to herein as "**Producer**"), whose business address is PO Box 16104, Clearwater, FL 33766-6104 is made effective this ____ day of _____, 20____, (the "effective date") even though this Agreement may have been signed before or after such date. Both parties shall collectively be referred to as the "**Parties**".

WITNESSETH:

WHEREAS, the Parties to this Agreement possess complementary technical information, knowledge, experience and other unique capabilities in the areas of human resources, workers' compensation, benefits, payroll, insurance products and other ancillary products and services which enable them collectively to provide a comprehensive and cost effective range of employee benefits and human resource support services for their clients.

WHEREAS, Producer and the PEO desire to increase PEO's business based on a collaborative effort which effectively combines the Parties' resources to expand the current offering of products and services to Producers existing and prospective client base.

NOW THEREFORE, in consideration of these promises, the mutual terms and conditions set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Term.** The parties agree that the term of this Agreement shall be for a one year period and shall automatically renew for additional periods of one (1) year each.
2. **Relations of the Parties.**
 - A. Producer is in the business of referring business seeking PEO services to PEO. Producer is also in the business of recruiting Brokers to refer business seeking PEO services to Producer. It shall be understood and agreed between the parties hereto that in the performance of all responsibilities and obligations hereunder, the Producer, and Producers Broker(s) working through Producer, shall be working as independent contractors of PEO and not in the capacity of an employee, agent, partner or joint venture of PEO. Producer shall be responsible for paying Producers Broker(s).
 - B. PEO is in the business of providing PEO services to business.
 - C. PEO desires Producer and Producers Broker(s) to refer business to PEO.

3. Duties: Powers and Responsibilities.

A. Rights and Obligations of Producer

1. The Producer shall, on a non-exclusive basis, refer such business as Producer believes may be interested in procuring services from PEO.
2. Producer represents and warrants to PEO that it is ready and willing to perform those duties attendant to this Agreement and that entry into this Agreement with PEO does not constitute a breach of any agreement with any other person, firm or corporation, nor does any prior agreement between Producer and any other entity contain any restriction or impediment to the ability of Producer to perform those duties set forth in this Agreement.

B. Rights and Obligations of Outsourcing Company

1. PEO shall agree to provide all necessary material detailing PEO's services and related product information.
2. PEO shall provide PEO services and related products to clients which Producer refers. PEO in its sole discretion shall have the right to choose which clients to do business with.
3. PEO shall remit to Producer on a minimum of a monthly basis reports and compensation based on the percentage of gross payroll markup for each referral brought to PEO through the efforts, direct or indirect of the Producer.
4. PEO acknowledges that by entering into this Agreement it will become a valuable part of Producers' operation and will: 1) become privy to trade secrets of Producer; and 2) become privy to valuable confidential business information relating to Producer; and 3) develop substantial and important relationships with existing and prospective customers/clients and Brokers of Producer. PEO also acknowledges that Producer has and/or will develop, through recruiting Broker(s) efforts, a substantial amount of goodwill pertaining to Producers' business and trade name in the geographic areas that Broker(s) will be developing and/or servicing pursuant to this Agreement. PEO acknowledges and agrees that Producer has a legitimate business interest in the items listed above in this paragraph and that Producer has a right to protect the same. In consideration of the aforementioned items, this Agreement and the benefits accorded to PEO under this Agreement, PEO covenants and agrees that it shall not, either during the term of this Agreement or for a period of thirty six (36) consecutive months following any termination of this Agreement, either directly or indirectly, solicit any clients, customers, Broker(s) or employees of Producer, in connection with or for the benefit of any competitive business.
5. PEO shall at no time before or after the termination of this Agreement use or divulge or make known to anyone without the express written consent of Producer any marketing plans, pricing structure, expansion plans, business plans, systems, programs or methods, customer or client lists, consulting firms, employee lists, computer programs, configurations, systems or procedures, formula, inventions,

discoveries, improvements, secrets, processes, technical or other information of Producer or any accounts, customer or clients lists, employee lists, Broker(s) lists, transactions or business affairs of Producer. All ideas, marketing systems, computer programs, configurations, systems or procedures, programs or methods, formulae, inventions, discoveries, improvements, secrets or processes whether or not patentable or copyrightable, relating to the business Producer shall be the exclusive property of Producer. At the conclusion of this Agreement PEO shall forthwith surrender to Producer all letters, brochures, agreements, customer lists, employee lists, consulting firms list and documents of every character relating to the business affairs and properties of Producer then in PEO's possession and shall not without Producer's prior written consent, retain or disclose any copies thereof.

6. PEO shall be a provider, for Producer, of PEO services and related products in any state where PEO is currently licensed and/or operating or obtains licensure and/or begins operations during the term of this Agreement, with respect to any existing or new referrals of Producer during the term of this Agreement and any renewal thereof.
7. PEO shall represent and warrant to Producer that it is ready and willing to perform those duties attendant to this Agreement and that entry into this Agreement with Producer does not constitute a breach of any agreement with any other person, firm or corporation, nor does any prior agreement between PEO and any other entity contain any restriction or impediment to the ability of PEO to perform those duties set forth in this Agreement.

4. Processing of Business.

A. In undertaking to refer a prospective client to PEO, Producer shall:

1. Undertake to obtain from the prospective client such information respecting the needs of the prospective client as to what the prospective client is looking for in PEO services.
2. Submit the prospective client's information through the Producers Exclusive Matchmaking System to predetermine the PEO according to underwriting guidelines provided by PEO to Producer.
3. Forward the prospective client's detailed needs information to the predetermined PEO.

B. In undertaking to accept a referred prospective client from Producer, PEO shall:

1. Process each referral, referred by the Producer, in a timely fashion and report at the last known business address of Producer the decision of PEO whether or not it determined to offer a service agreement to the prospective client referred by Producer within three (3) days of receiving the referral from Producer.
2. Keep Producer informed of any and all communications with prospective client(s) on a daily basis.
3. Include Producers compensation markup in all agreements.

5. Covenants of PEO.

A. During the term of this Agreement, PEO shall:

1. Refer to Producer an inquiry for a service or product made by a client or prospective client procured by Producer where such service or product is within the usual and customary business undertaken by Producer at the time such inquiry is made.
2. Refer to Producer any inquiry for a service or product made by a referral that was referred to PEO by a client, prospective client, Broker(s) or because of the efforts of Producer, whether directly or indirectly.
3. From time to time and at the sole discretion of PEO, provide seminar and training materials to Producer.
4. Not refer a client or a prospective client to any other organization or competitor of Producer for any service or product without the prior written approval of the Producer.

6. Compensation.

- A. PEO shall remit to Producer, subject to all other terms and conditions of this Agreement, monies based upon the separate schedule of "*Remittance of Monies*" signed by an authorized representative of PEO, which Schedule is attached hereto and by this reference made a part hereof; and Producer shall accept such remittance of monies as compensation. The monies remitted to Producer hereunder from PEO shall be due on any subsequent service agreement between PEO, or an affiliate of PEO, and the client referred by Producer or Producers Broker(s). Remittance of monies shall be paid monthly, in arrears, on or before the 10th of the month as more fully detailed according to the attached Schedule of Commissions.
- B. Any service agreement that is renewed with a client, or any service agreement entered into between PEO, or an affiliate of PEO, and the client shall nevertheless be deemed made as of the original contract date.
- C. PEO shall not sell, assign, convey or otherwise transfer (hereinafter "dispose" or "disposition") any service agreement upon which the remittance of monies or residual compensation to Producer is based without Producer's prior written consent, provided that Producer shall always be bound to give its consent to a disposition where the contract for disposition (i) includes a requirement that the purchaser or assignee pay Producer the remittance of monies (or residual compensation) on such business, and (ii) includes a requirement that the purchaser or assignee require a like provision in its contract of disposition should it later determine to dispose of a service agreement referred by or under Producer.

7. **Residual Compensation.**

- A. Compensation, after termination of this Agreement for whatever reason, shall be vested ("residual compensation") and remitted to Producer by PEO according to the following without the Producer having to perform any further service for PEO or client.
- B. Residual compensation payments shall accrue and be paid monthly, in arrears, on or before the 10th of the month based upon the schedule of remittance of monies. Residual compensation payments shall be due Producer so long as PEO, or an affiliate of PEO, provides services to the client whether or not under the same contract as originally referred by Producer.

8. **Set Offs.** Each party hereto waives the common law right of setoff, and neither may set off from money due the other a claimed indebtedness unless permission is first given by the party owed the money. The sum unpaid under a claimed right of setoff when done so without permission from the party owed the money shall collect interest at the maximum lawful rate until paid.

9. **Statements of Account.** On no less than a monthly basis while this Agreement is in force, as well as during any period in which residual commissions are paid Producer, PEO shall provide the Producer, free of charge, a "statement of account" showing commissions earned by the Producer for the prior month and all adjustments to the account of Producer. Such statement shall contain at least the following information: Name of client, date of contract, all charges billed the client by PEO for the current accounting period, all monies received from client by PEO that are related to that accounting period, and Producer's earned commission based upon the Schedule of Commissions. All copies of clients invoices upon request.

10. **Customer Relations.** It is understood and agreed that all clients are equally the customer of Producer; therefore, neither Producer nor PEO may claim such business entity with whom a service contract has been made as its exclusive client or customer. During and after the term of this Agreement, Producer is entitled to sell such contracts, products and services to a client as Producer desires, even if the result is to replace or cancel the service agreement or related contract procured by Producer for PEO.

11. **Termination of Agreement.** It is understood and agreed that either party may terminate this Agreement by giving the other written notice of his, her or its desire to do so. Said written notice shall be effective on the date so indicated, which may include immediate termination. Unless termination is for cause, Producer shall have the right, within the following fifteen days, to submit applications then in process from a prospective client, and Producer shall be paid the regular commission if a service contract is made upon the application submitted by Producer.

12. Disputes and Litigation.

- A. Should either PEO or Producer believe the other has committed a material breach of this Agreement, prior to declaring a default and seeking any remedy allowed thereby, the non-breaching party shall first give the alleged breaching party written notice of the default and the action (or inaction as the case may be) that the non-breaching party believes necessary to cure the default. The breaching party shall thereafter have fifteen (15) days after date of receiving the notice to cure the default (assuming a default has in fact occurred), or if such default may not be cured due to its nature, to then tender the other such sum of money as shall be necessary to make the injured party whole. In the event of timely cure or payment, then no further action may be taken against the breaching party by the non-breaching.
 - B. Each party shall agree to personal jurisdiction in any action brought in any court, Federal or State, within the County of Pinellas, State of Florida having subject matter jurisdiction over the matters arising under this Agreement or any other Agreement. Any suit, action or proceeding arising out of or relating to this Agreement or any other Agreement shall only be instituted in the County of Pinellas, State of Florida. Each party shall waive any objection which it may have now or hereafter to the laying of the venue of such action or proceeding and irrevocably submits to the jurisdiction of any such court in any such suit, action or proceeding.
 - C. In any suit or action to enforce the terms of this Agreement and any other Agreement, the non-prevailing party shall agree to pay the prevailing party all costs and attorneys fees incurred in collection of same before trial, through all trials, proceedings and appeals, and including collections activity after judgment is rendered.
13. **Waiver.** Forbearance or neglect on the part of either Producer or PEO to promptly insist upon compliance with the terms and provisions of this Agreement and rules and regulations of PEO shall not be construed as nor constitute a waiver thereof.
14. **Non-Assignability.** Neither this Agreement, nor any of the rights, benefits or payments to Producer which accrue hereunder, shall be subject to conveyance, assignment, or pledge by the Producer or the PEO without the prior written permission of the other.
15. **Security Interest.** PEO shall pledge each account as collateral to secure all payments due producer hereunder. PEO shall execute a U.C.C. 1 and a security agreement to effectuate same.
16. **Definitions.** For purposes of this Agreement, the following terms shall have the following meanings:
- A. *Service Agreement* shall mean any written agreement under which services are provided to client by Outsourcing Company.
 - B. *Client* shall mean any person who has a service agreement with PEO. A *prospective client* means any person who has completed a request for proposal for outsourcing services with PEO.
 - C. *Person* shall mean an individual, natural person, corporation, Limited Liability Company, professional association, partnership, joint-venture or any other business entity recognized by law.

- D. *Residual commissions* shall mean commission payments due Producer after termination of this Agreement.
- E. *Affiliate of PEO* shall mean any business entity which is owned, whether in whole or in part, or whether directly or indirectly, by any person who also has, or has had, an ownership interest in PEO.
- F. *Producer* shall mean and be interpreted to include the following sister corporations of PEO Depot, Inc., Employers-Partner, Inc. and iOutsource, Inc. This Agreement is equally between the sister corporations of Employers-Partner, Inc. and iOutsource, Inc. and the signature made on behalf of PEO Depot, Inc. below is also given on behalf of iOutsource Group, Inc. and Employers-Partner, Inc.
- G. *Personal Guarantee* shall mean a promise made by an entrepreneur which obligates him/her to personally repay all debts his/her corporation defaults on.
17. **Amendment.** Neither Producer nor PEO shall be bound by any promise, agreement, understanding or representation heretofore or hereafter made unless the same is made by an instrument in writing, signed by an authorized representative of each which expresses by its terms an intention to modify this Agreement.
18. **Governing Law.** This Agreement is to be construed under and governed by the laws of the State of Florida. Any amendment to the laws after effective date of this Agreement that would invalidate any portion of this Agreement shall to that extent amend this Agreement to make it conform to Florida's laws.
19. **Gender Reference.** In this Agreement, whenever the context so requires, the neuter gender includes the feminine and/or masculine, the feminine the masculine and vice versa, and the singular includes the plural. If Producer is a corporation or other fictitious business entity, reference to s\he, him, her or the like shall have reference to the fictitious business entity.
20. **Partial Invalidity.** If any section, paragraph, part or provision of this Agreement is held or rendered null, void or unenforceable, the remainder of the Agreement shall not be affected, but shall be as fully enforceable as though, to the extent practical, the null, void or unenforceable section, paragraph, part or provision was never made a part hereof.
21. **Survival.** It is understood and agreed that the provisions contained in Articles four (4), five (5), eight (8), nine (9), eleven (11), and thirteen (13) shall survive the termination of this Agreement to the extent such construction is practical.
22. **Paragraph Headings.** Paragraph headings are for the convenience of the parties only and shall not be deemed to modify or limit the substance of any Article.
23. **Liquidated Damages.** This Agreement and the exhibits attached hereto contain the entire agreement of the parties with respect to the subject matter of this Agreement, and supersede all prior negotiations, agreements and understandings with respect thereto. This Agreement may only be amended by a written document duly executed by all parties.

Should PEO accept a request for proposal from a prospective client that was referred by or through Producer, PEO shall process such application(s) and other forms in a timely fashion to determine whether the prospective client meets the underwriting requirements of PEO (which determination shall be at the sole and arbitrary discretion of PEO). To the extent the prospect enters into a service agreement with PEO at any time, such person(s) shall be known as a client.

PEO:

Producer: PEO Depot, Inc., iOutsource Group, Inc., and/or
Employers-Partner, Inc.

Company Name

It's President

President or other authorized officer

Name / Title (print)

Date

Date

Schedule of Remittance of Monies

PEO shall remit monies of producer for clients referred directly or indirectly by producer based on the following schedule, terms and conditions.

Producer is to receive a remittance of monies based on a percent of gross payroll to be determined on a case by case basis. The percentage is provided to PEO prior to PEO entering into a service agreement with the prospective client. It is the sole responsibility of PEO to request a written statement of remittance of monies in a percentage of gross payroll to be paid for each referred case prior to PEO procuring an agreement with prospective client that was referred by Producer.

Remittance of monies are paid on or before the 10th of the month for all payrolls received in the previous month from the clients. PEO agrees to compensate Producer the agreed percentage amount plus ten percent penalty, on all monies owed, per day, after the 10th of the month.

Commissions shall be paid to Producer by PEO or an affiliate of PEO so long as PEO or an affiliate of PEO provides services to the client whether or not under the same contract.

IN WITNESS WHEREOF, the representations made within both the Agreement and this Addendum reflects the entire agreement between PEO and PRODUCER, both parties in writing prior to implementation must agree to any adjustments to the Agreement.

PEO:

Producer: PEO Depot, Inc., iOutsource Group, Inc., and/or
Employers-Partner, Inc.

Company Name

It's President

President or other authorized officer

Name / Title (print)

Date

Date

PERSONAL GUARANTY

This Agreement is entered into this _____ day of _____, 20____, by and between PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc., Florida corporations ("we", "us", or "our") and _____ ("Guarantor") (collectively, "The Parties").

In consideration of the promises of the parties contained in this Agreement, the parties agree as follows: WHEREAS, Guarantor acknowledges that Guarantor is a direct beneficiary of the Outsourcing Consulting Agreement entered into between PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc. and _____, ("Debtor") of even date herewith, and understands that PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc. would be unwilling to enter into or continue the PEO Referral Agreement without this Personal Guaranty being signed, and whereas Guarantor is desirous of ensuring the fulfillment of obligations of Debtor, accordingly:

- A. Guarantor agrees that in the event the Debtor has not fully complied with all requirements of the Agreement, including but not limited to, the failure to timely make all payments due to PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc. – pursuant to the Agreement, Guarantor agrees that Guarantor will upon demand by PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc. pay to PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc. all such payments not made by Debtor, and in all other respects, will guarantee fulfillment of the obligations of Debtor as set forth in the PEO Referral Agreement. This Guaranty will be applicable to all obligations of Debtor to PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc., and includes, but is not limited to, all obligations of Debtor which become due to PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc. by Debtor.
- B. This Guaranty is an absolute and unconditional guarantee of payment and performance. It will be enforceable against Guarantor without the necessity of any suit or proceedings on PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc. part of any kind or nature whatsoever against Debtor, its successors and assigns, and without the necessity of any notice of acceptance of this Guaranty or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives; and Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder will in no manner be terminated, affected, diminished or impaired by reason of the assertion or the failure to assert by PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc. against Debtor, or against Debtor's successors and assigns, of any of the rights or remedies reserved to PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc. pursuant to the provisions of the Agreement with Debtor, or by relief of Debtor for any of the Debtor's obligations under the PEO Referral Agreement, or otherwise by (1) the release or discharge of Debtor in any creditors proceedings, receivership, bankruptcy, or other proceedings; (2) the impairment, limitation, or modification of the Debtor, or of any bankruptcy, or of any present or future provision of the National Bankruptcy Act or any other statute, or from the decision of any court; (3) the modification of the PEO Referral Agreement; or (4) the rejection or disaffirmance of the PEO Referral Agreement in any proceedings. The Guaranty will survive the termination of any Agreement between PEO Depot, Inc., iOutsource Group, Inc. and/or Employers-Partner, Inc. and Debtor.

Guarantor's Signature

Date

Guarantor's Printed Name