

**PLANPAYROLL™**  
**PAYROLL MANAGER SERVICES AGREEMENT (3/2007)**

This Payroll Manager Services Agreement is a legal agreement between you and Plan Administrators, Inc. ("PAI.") In this Agreement, the "Service" refers to PLANPAYROLL™, PAI's proprietary online payroll and tax filing service, "You" and "Payroll Manager" refer to the legal entity, accountant or other professional who is using PLANPAYROLL™, and "Payroll Clients" refers to clients whose PLANPAYROLL™ accounts you can log on to as a Payroll Manager. By clicking the "I Agree" button below, you are agreeing to the terms and conditions of this Agreement.

1. **PRODUCT FEATURES.** PLANPAYROLL™ may only be used for its intended purpose of calculating payroll and its associated liabilities for your Payroll Clients, and for making related payroll and tax payments or tax filings.. The services provided are more fully described in the attached Appendix A—PLANPAYROLL™ Product Features And Servicing Guidelines. By accepting this Agreement, You also accept the Payroll Client Services Agreement attached to this Agreement as Appendix B. You agree that You will enter into a PLANPAYROLL™ Payroll Client Services Agreement with each Payroll Client for which You enable client log-in. You agree that You will perform your rights and obligations under the Payroll Client Services Agreement so as to effectuate, to the extent possible, PAI's rights and obligations under this Agreement with respect to your Payroll Clients. No agreement between You and any of your Payroll Clients can modify PAI's rights and obligations to You or your Payroll Clients under the PLANPAYROLL™ Payroll Client Services Agreement.

2. **PRODUCT PRICING, FEES AND FEE COLLECTION.** Pricing for the Service will be in accordance with the pricing models set forth in Appendix C – PLANPAYROLL™ Product Pricing Models. The fees stated are exclusive of any federal, state, municipal or other governmental taxes, duties, licenses, fees, excises or tariffs now or hereafter imposed on You or your Payroll Clients. In addition, PAI charges fees for additional services it performs that may be requested by Payroll Clients as contained in the Payroll Client Services Agreement. PAI's pricing models or the terms of this Agreement may be changed by PAI from time to time. PAI will post the revised fees and/or Agreement on our Website. You will have the sole discretion to determine which Retail Pricing Model You use for your Payroll Clients. You will receive the difference between the Wholesale Product Price and the applicable Retail Price for each Payroll Client. Monthly Fees will be collected from Payroll Clients by PAI at the end of each month and your portion of such fees will be remitted to You within thirty (30) days following the end of each month. In the event any Product Fees, additional service fees or any other fees relating to the Service payable by a Payroll Client are not collected by PAI, You will not be entitled to receive any fees in connection with any uncollectible Product Fees. In addition, in the event of non-payment by You or any of your Payroll Clients, PAI may terminate this Agreement, discontinue the Service to You and any or all of your Payroll Clients and avail ourselves of any other available remedy.

3. **PRODUCT TRAINING AND SUPPORT SERVICES.** As part of the Service, PAI will provide support services to You including: (i) PLANPAYROLL™ product training; (ii) PLANPAYROLL™ sales and marketing materials; (iii) Payroll Client conversion training and post-sales support; (iv) PLANPAYROLL™ proposal generation; (v) Payroll Client tracking, and Payroll Client and Payroll Employee data export capability via the Payroll Manager Tracker Web Site; and (vi) other training and support services as determined by PAI in its sole discretion. Product training and support services provided by PAI to You will be performed by means of telephone, email and other electronic means and shall not include the travel of PAI employees to your premises. In addition to the training and support services described above, You may, at your own expense, attend PLANPAYROLL™ training held at PAI's corporate offices and PAI sponsored user group conferences.

4. **PRODUCT BRANDING AND ADVERTISING.** PAI will provide You with AccountingWEB.com branded user interfaces, proposals, printed materials and other materials related to PLANPAYROLL™. You will have the exclusive right to control the procurement, sale and placement of all advertising, publicity releases, correspondence, sales presentations, promotional materials, or marketing materials, delivered via any means of communications (conceived now or in the future) ("Publicity") related to PLANPAYROLL™ that You determine in your sole discretion is needed to sell, market and distribute PLANPAYROLL™ to your prospective Payroll Clients. You will be responsible for billing and collection for all such Publicity You procure. Further, You will not make any claims regarding PAI or PLANPAYROLL™ that are inconsistent with the terms of this Agreement, the information contained in the PLANPAYROLL™ Proposal, the Payroll Client Services Agreement or any of the information contained on PAI's Websites. In any Publicity You obtain in which PAI or PLANPAYROLL™ are explicitly or implicitly mentioned or referred to a phrase indicating by the product name that such items are proprietary products of PAI and that the product name is the registered trade mark of PAI.

5. **INTELLECTUAL PROPERTY.** PLANPAYROLL™, and any and all, software, documentation, information, data or other materials provided by PAI, its Affiliates or third party agents to You under the Agreement, including but not limited to, PLANPAYROLL™ product training materials, PLANPAYROLL™ product proposal materials, PLANPAYROLL™ conversion materials, the "Powered by PAI" logo, the PLANPAYROLL™ Trademark; the following internet tools: Employee Web Site, Employer Web Site, Payroll Manager Tracker Web Site, and the Look and Feel of

such internet tools; the following domain names: [www.pai.com](http://www.pai.com), [www.planpayroll.com](http://www.planpayroll.com) and any and all domain names and URLs registered to PAi and all modifications, enhancements and upgrades thereto, and replacements thereof, and all business methods or business processes so provided and all customizations (collectively, "PAi Property"), shall at all times during and after the term of the Agreement remain the exclusive property of PAi. You shall not remove from, alter or add to any tradename, label, logo, decal, trademark, patent number or serial number affixed by PAi to any of PAi's products. You shall not directly or indirectly obtain or attempt to obtain at any time any right, title or interest by registration or otherwise in or to the tradenames, trademarks, symbols or designations owned or used by PAi. You shall not use or adopt any trademarks that might be confusingly similar to PAi's Trademarks. You shall not use the PLANPAYROLL™ registered name as part of your legal company name. Whenever You are permitted to employ any trademark or servicemark of PAi in any form of printed material, You shall place an asterisk immediately after and slightly above the first use of the trademark referring to a footnote reading "trademark of PAi." You shall notify PAi of any use of PAi's trademark or tradename which comes to your attention that may infringe upon PAi's rights and shall cooperate at PAi's expense in any prosecution of such infringement. By signing this Agreement You acknowledge that You will not use PAi's Trademarks in a manner that disparages PAi, as the case may be, or its products or services, or portrays PAi, as the case may be, or its products or services in a false, competitively adverse or poor light. You further acknowledge and agree that You will avoid knowingly taking any action that diminishes the value of such marks.

6. **ACH ORIGINATION.** PAi has established a payroll processing arrangement with a third party Processor to provide services for the provision of electronic direct deposit services and the initiation of electronic signals for paperless entries for certain payroll services through an Automated Clearing House ("ACH"). The Service will enable You and your Payroll Clients by using the Internet to enter the payroll information and to approve and submit it to PAi for creation, formatting and transmission of Entries in accordance with the Rules (as defined below.) You agree for yourself and, if applicable, your Payroll Clients that payroll transactions will be governed by the ACH Rules as in effect from time to time and that You will not initiate Entries on behalf of yourself or your Payroll Clients that violate the law of the United States. You can learn more about ACH at [www.nacha.org](http://www.nacha.org). You warrant to PAi on behalf of yourself and your Payroll Clients everything that PAi must warrant as an ACH Originator, and You accept any liability You or PAi may incur which is caused by your payroll transactions or those You initiate for your Payroll Clients.

7. **CHANGES TO THE SERVICE; TERMINATION.** PAi reserves the right to change the terms, conditions, and fees for the Service at any time. PAi will notify You or your Payroll Clients, as appropriate, of any material change, including fees, at least 30 days in advance of the effective date. If a fee increase or change to this Agreement is not acceptable to You or your Payroll Clients, You may terminate one or more of your Payroll Client accounts as provided below prior to the time when the fee increase or change takes effect. Continuing to use the Service for yourself or your Payroll Clients constitutes agreement to all changes. This Agreement may be terminated by You or PAi for any reason or no reason by giving notice in accordance with the information then on PAi's website, effective immediately. Reasons why PAi may terminate this Agreement may include, without limitation: (1) You are in violation of a material provision of the Agreement; (2) any information You give us is false, misleading or incomplete; or (3) Non-payment by You or any of your Payroll Clients of any fees relating to the Service; and (4) You engage in conduct which, in PAi's judgment, interferes with the operation or use of the Service. The termination of this Agreement shall not affect your liability to pay any sums due and owing under the Agreement as of the effective date of the cancellation, and will not affect You or your Payroll Client's rights with respect to transactions which occurred before termination.

8. **VERIFICATION OF DATA.** You agree that by submitting payroll information for yourself or any of your Payroll Clients (including the first payroll): (a) You have approved all information provided; (b) You have waived and released any claim against PAi arising out of any errors in the information which You or your Payroll Clients have not corrected or requested PAi to correct, and (c) any subsequent request for corrections will be considered special handling and additional fees may be charged. Final audit responsibility rests on You. You must correct incorrect or missing payroll information You submit for yourself or your Payroll Clients, either by entering the corrected information on the PLANPAYROLL™ website, or by notifying PLANPAYROLL™ Customer Service at least 48 hours prior to the payroll run date. You will be solely responsible for verifying the accuracy of any data You provide or directly input via any PAi Web Site or any other electronic method.

9. **SECURITY PROCEDURES.** PAi will provide You and each of your Payroll Clients and Authorized Persons they each designate access to the PLANPAYROLL™ Web Sites, a confidential User Identification Number ("User ID") and password. You acknowledge that PAi uses the security procedures described above for the purpose of verifying the authentic ID of an instruction approving and releasing, canceling or amending the information used in providing the Service. You further acknowledge that instructions will not be accepted by the Service unless the security procedures set forth above are followed.

You shall, and shall cause your employees and Payroll Clients to take reasonable steps to maintain the confidentiality of the security procedures and the User IDs and passwords and related instructions provided in connection with the Service. If You believe or suspect that any such information or instructions have been known or accessed by

unauthorized persons, You will immediately notify PLANPAYROLL™ Customer Service in a manner affording PLANPAYROLL™ Customer Service a reasonable opportunity to act on the information. You shall be bound by any information received for You, your employees or any of your Payroll Clients, whether or not authorized, issued in its name and accepted by PAi in compliance with the designated security procedure.

10. **CONFIDENTIALITY.** PAi, its employees and agents will hold in confidence all data furnished by You and your Payroll Clients or produced under this Agreement. PAi will not be held liable if such data is released through other sources, or if PAi releases the data because of a reasonable belief that You or your Payroll Clients have consented to such disclosure. To assure that your inquiries and those of your Payroll Clients are handled promptly, courteously and accurately, PAi's Customer Service supervisory or management personnel may monitor and/or record telephone conversations and electronic communications between You and PAi. By signing this Agreement, You are initiating a business transaction and are thereby authorizing consumer reports about You and your Company's payment history for the purpose of: (1) verifying your identity; (2) determining if You and your business meet the criteria for establishing accounts; (3) periodically determining if You and your business continues to meet the criteria for accounts; and (4) any other lawful purpose.

11. **LIMITED WARRANTY.** PAi warrants to You the accuracy of payroll tax calculations, tax filing and payments prepared using the Service, subject to the following terms and conditions. As your and your Payroll Clients' sole and exclusive remedy and PAi's sole and exclusive liability for breach of the foregoing warranty, PAi will pay the government penalties incurred due to late payments. This warranty does not apply to any assessments, penalties or interest resulting from, among other things, your or your Payroll Clients' use of the Service to process payroll data for which it is not appropriate, your failure to enter on the PLANPAYROLL™ Website timely and accurate compensation information for your employees or those of your Payroll Clients, your or your Payroll Clients failure to make and record payroll tax payments and filings in the manner and on the schedule You or your Payroll Clients indicate on the PLANPAYROLL™ website, use of the Service to prepare paystubs, tax payments, or tax filings based in whole or in part of payroll or tax payment information that You or your Payroll Clients calculated or input incorrectly, or your failure to file an amended return or make an additional payment to avoid or reduce your penalty or interest after You or your Payroll Clients should do so. If You believe You, or if applicable, your Payroll Clients are entitled to payment under this warranty, You must notify PLANPAYROLL™ Customer Service as soon as You learn of the mistake, and in no event later than 30 days after the assessment is made. By claiming payment, You authorize PAi to review any data files that may be in PAi's possession or control in order to evaluate your or your Payroll Clients' claim. You remain responsible for paying any additional tax liability You or your Payroll Clients may owe and providing assistance and additional information as reasonably requested by PAi

**Except as expressly provided above, the Service is provided "as-is" and, to the maximum extent permitted by applicable law, PAi makes no other warranty or representation to You or any third party, including, without limitation, any implied warranties of merchantability, accuracy, completeness or fitness for a particular purpose. PAi does not warrant that the PLANPAYROLL™ Website is completely secure or is free from bugs, interruptions, errors, or other program limitations. PAi does not warrant that the PLANPAYROLL™ Website, or the server that makes it available, is free of viruses or other harmful components. You assume the entire cost of all necessary servicing, repair, or correction of problems caused by viruses or other harmful components.**

12. **LIMITATION OF LIABILITY.** **Except to the extent of the limited warranty described above, the entire liability of PAi and its directors, officers, employees, agents and third party providers for any reason shall be limited to the aggregate amount of payroll service fees paid by You or, if applicable, your Payroll Client making a claim during the six (6) month period immediately preceding the date on which the claim accrued. In no event will PAi and its directors, officers, employees, agents and third party providers have liability for any consequential, special punitive or indirect loss or damages regardless of whether such damages are based on contract, tort (including negligence), strict liability, or any other theory or form of action even if such person has been advised of the possibility of such damages and even if a remedy set forth in this Agreement is found to have failed of its essential purpose. PAi and its directors, officers, employees, agents and third party providers are not liable for any loss, erasure or corruption of or unauthorized access to any data or other information transmitted or stored via the Service.**

13. **GENERAL PROVISIONS.**

**Force Majeure.** Neither party shall be liable to the other party for any delay, failure in performance, loss or damage due to fire, explosions, power blackouts, earthquakes, floods, the elements, strikes, embargo, labor disputes, acts of civil or military authority, war, terrorism, acts of God, restrictions of law, regulations, orders or other acts of regulatory or governmental agencies, interruptions or failure of telecommunications, digital transmission links, Internet failures and delays, terrorism or other causes not similar to the forgoing: provided that such cause was not within the reasonable control of the party affected.

**Entire Agreement.** This Agreement, including the Product Features And Servicing Guidelines, PLANPAYROLL™ Payroll Client Services Agreement, PLANPAYROLL™ Product Pricing Models and related content on PAi's Web Sites, such as the introductory and sign-up pages constitute the entire Agreement between You and PAi regarding the Service.

**Duty to Mitigate.** Each party shall have the duty to mitigate damages for which the other party is responsible.

**Severability.** If any term, provision or part of this Agreement is to any extent held invalid, void or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be impaired or affected, thereby, and each term, provision and part shall continue in full force and effect, and shall be valid and enforceable to the fullest extent permitted by law.

**Electronic Signatures.** An electronic signature will be valid for purposes of this Agreement. An electronic signature may include, but is not limited to, your use of a key pad, mouse or other device to select an item, button, icon or similar act or action while using any electronic service that PAi offers; or in accessing or making any transactions regarding any agreement acknowledgement, consent, terms, disclosure or conditions constitutes signature, acceptance and agreement as if actually signed by in writing. You agree that no certification authority or third party verification is necessary to validate the electronic signature; and the lack of such certification or third party verification will not in any way affect the enforceability of your signature.

**Governing Law: Arbitration** This Agreement shall be governed and construed in accordance with the laws of the State of Wisconsin without giving effect to the principles of conflicts of law thereof. All claims controversies and disputes of any nature between You and your Payroll Manager will be resolved solely by means of arbitration conducted in Green Bay, Wisconsin under the auspices of the American Arbitration Association unless the parties to such claim or dispute specifically agree otherwise in writing. Any award or decision rendered by any arbitrator relative to any such claim or dispute shall be final and binding. Judgment may be entered upon such award or decision in accordance with applicable law in any court of competent jurisdiction. All demands for arbitration shall be made in writing within a reasonable time after any claim or dispute arises and in no event shall any demand be made after the date when institution of legal proceedings based on such claim or dispute would be barred by the applicable statute of limitations. Unless this Agreement is terminated by either party, both parties shall continue to carry out their obligations under this Agreement during the pendency of arbitration proceedings.

**Corporate Authority.** Each individual executing this Agreement on behalf of any corporation which is a party to this Agreement represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of said corporation, and that this Agreement is binding upon said corporation in accordance with its terms.

**Capacity.** Nothing in this Agreement shall be construed so as to create an employer-employee, agency, partnership, franchise, dealership, or joint venture relationship between You and PAi. You may, at your own expense employ such assistance as You deem necessary to perform the service required by this Agreement. You are solely responsible for any costs associated with employing such individuals. By executing this Agreement, You acknowledge and agree that Your members, agents, or employees are not employees of PAi nor are they eligible to receive employment benefits from PAi.

Appendix A—PLANPAYROLL™ Product Features And Servicing Guidelines

Appendix B—PLANPAYROLL™ Payroll Client Services Agreement

Appendix C – PLANPAYROLL™ Product Pricing Models

## Appendix B

### Product Features and Servicing Guidelines

Specifications. The following services/capabilities are made available for PLANPAYROLL™.

<b>PLANPAYROLL™</b>	<b>Functional Overview</b>
Description	Full service online payroll processing using PAi's proprietary payroll software.
Standard Functionality:	<ul style="list-style-type: none"> <li>• Payroll Client Set-up</li> <li>• Online Payroll Data Collection, Processing and Reporting</li> <li>• Check Signing and Inserting</li> <li>• Check &amp; Direct Deposit Advice Printing with Employer Summary</li> <li>• Federal, State &amp; Local Tax Payment &amp; Filing</li> <li>• New Hire Reporting</li> <li>• Standard Reports</li> <li>• Retirement Plan Reporting and File Generation</li> <li>• Printing and Delivery of W-2s and W-3s</li> <li>• Access to Account Service Tools including the Employer Web Site, Employee Web Site, Call Center, Voice mail box, E-Mail box and the Payroll Manager Tracker Web Site.</li> <li>• Product Training and Support Services</li> <li>• Standard conversion kit</li> </ul>
Standard Modifications:	<ul style="list-style-type: none"> <li>• AccountingWEB.com co-branding of all primary payroll service site pages to which your Payroll Client and employees will have access, "Powered by PAi" logo and PAi copyright.</li> <li>• AccountingWEB.com co-branding of PLANPAYROLL™ proposal and marketing materials.</li> <li>• Payroll Manager Tracker Web Site for viewing Payroll Client and employee payroll information.</li> </ul>
Custom Modifications:	None
Payroll Manager Responsibilities:	<ul style="list-style-type: none"> <li>• Sales, Marketing and Distribution.</li> <li>• Attending monthly sales update calls.</li> <li>• Providing to PAi a monthly activity report.</li> <li>• Performing optional data entry of your Payroll Client's payroll information on an ongoing basis.</li> <li>• Client relationship building.</li> <li>• Attending product and sales training as determined by PAi.</li> </ul>

<b>Tracking and Client Monitoring Capability</b>	<b>Functional Overview</b>
Description	PAi will provide You and your designated employees with access to your Payroll Client and employee account information.
Standard Functionality:	<ul style="list-style-type: none"> <li>• Payroll data entry</li> <li>• Payroll Client contact information</li> </ul>
Standard Modifications:	None
Custom Modifications	None
Payroll Manager Responsibilities:	None

<b>Call Center</b>	<b>Functional Overview</b>
Description	The Call Center provides your Payroll Clients and employees with access to payroll information via PAi Customer Service Representatives (CSRs). Available 8:00am to 5:00pm Monday through Friday, Central Time except for major holidays.

Standard Functionality PLANPAYROLL™:	
Payroll Client:	General payroll related support and information.
Payroll Client Employees:	General payroll related support and information.
Standard Modifications	PAi specific 800 Number. Standard PAi Voice mail box. CSR Standard Greeting: "Welcome to the PAi Call Center."
Custom Modifications	None

<b>Help Center E-Mail</b>	<b>Functional Overview</b>
Description	The PAi Help Center email address will allow your Payroll Clients and their employees to receive general payroll assistance via email. E-mail will have a PAi origination and reply address.
Standard Functionality:	Designated email address for your Payroll Client and employee questions.
Standard Modifications:	None

<b>Payroll Implementation/ Conversion</b>	<b>Functional Overview</b>
Description	Payroll implementation and conversion services for your Payroll Clients
Standard Functionality:	Standard Conversion Kit
Standard Modifications:	None
Payroll Manager Responsibilities:	<ul style="list-style-type: none"> <li>• Responsible for overseeing the payroll conversion and first payroll processing to determine accuracy of account establishment.</li> <li>• Responsible for PLANPAYROLL™ customer's completion of all necessary paperwork to establish service including the execution of the PLANPAYROLL™ Payroll Client Services Agreement.</li> <li>• Performing optional payroll data entry using the PAi website on behalf of your Payroll Clients.</li> </ul>

## Appendix B

# PLANPAYROLL™ PAYROLL CLIENT SERVICES AGREEMENT

This PLANPAYROLL™ Payroll Client Services Agreement is a legal agreement between "Payroll Manager" and "Payroll Client" regarding use of PLANPAYROLL™. In this Agreement, "PLANPAYROLL™" or the "Service" refers to the payroll processing and payroll tax service, "You" or "Payroll Client" refers to the employer whose payroll is processed using PLANPAYROLL™, and "Payroll Manager" refers to the legal entity, person or persons who makes PLANPAYROLL™ available to You. This Agreement includes related content on the PLANPAYROLL™ website, such as the login page, which is incorporated by this reference. The Payroll Manager may decline to initiate PLANPAYROLL™ for You in the Payroll Manager's sole discretion.

1. **SERVICES** PLANPAYROLL™ may only be used for its intended purpose of calculating payroll and its associated liabilities for your business, and for making related payroll and tax payments or tax filings. You shall, at your own cost and expense, obtain, install and, at all times during your utilization of PLANPAYROLL™, maintain in good working order all software, hardware and other equipment necessary for it to perform in accordance with this Agreement. In the event of any failure of such software, hardware or other equipment, You agree to re-submit or otherwise provide via the PLANPAYROLL™ Website or to your Payroll Manager all data which You would otherwise have provided that is necessary for PLANPAYROLL™ services to be provided consistent with this Agreement. The PLANPAYROLL™ Employer Website will be accessible to You and any users You specifically authorize via the Hyperlink seven (7) days a week twenty-four (24) hours a day except for regularly scheduled maintenance. A message will be displayed on the Employer Website if, due to unforeseen events, the Employer Website is inaccessible. The PLANPAYROLL™ Employee Website will be accessible to your employees via the Hyperlink seven (7) days a week twenty-four (24) hours a day except for regularly scheduled maintenance. A message will be displayed on the Employer Website if, due to unforeseen events, the Employee Website is inaccessible.

2. **TAX SERVICES; PAYROLL CLIENT RESPONSIBILITIES** In order for your W-2 statements and payroll tax reporting to be accurate, wage and payroll information submitted to PLANPAYROLL™ by You or your Payroll Manager via the PLANPAYROLL™ web sites during the installation and conversion process must be reconciled with your payroll tax returns for the current calendar year and your wage and payroll tax information for the current quarter. In addition, You will be responsible for ensuring that all prior federal and state tax liabilities and tax withholdings are paid in full prior to the initiation of the Service. You agree to obtain (if necessary) and maintain appropriate tax identification numbers for your own tax reporting, and to obtain and maintain any necessary forms and information from your employees, and to submit this information upon request. It is your responsibility to submit accurate information to your Payroll Manager as requested in providing the service. Your Payroll Manager will rely on the accuracy of such information in performing all services, and is not responsible for detecting errors, omissions, fraud, or illegal acts in the preparation of such information. Any penalty or interest incurred due to the submission of inaccurate information by You will be solely your responsibility, and You agree to hold your Payroll Manager harmless from any and all such liability. Your Payroll Manager, at its option, may decide not to file your payroll tax returns or pay your payroll taxes if there are any unresolved problems with any information requested by your Payroll Manager, or submitted by You. If through no fault of your own, late or incorrect tax payments are filed, any claim against your Payroll Manager shall be limited to the amount of penalties incurred due to late payments, or in the case of incorrect payments, to the difference between the incorrect and correct payments.

3. **SERVICE INITIATION REQUIREMENTS** The Service Initiation Requirements and your responsibilities are outlined in the PLANPAYROLL™ Conversion Kit and are incorporated by this reference. A minimum of fifteen (15) business days before the initial payroll processing date, You shall submit the completed and executed documents required for providing the Service, including, but not limited to, IRS Form 8655 Reporting Agent Authorization, PLANPAYROLL™ ACH Authorization Form, any federal, state or local powers of attorney required to perform the Service, and any additional information requested by your Payroll Manager. Subsequent to the initial payroll processing, You will complete and execute any renewals, amendments or replacements of the aforementioned documents which are deemed necessary by your Payroll Manager. You will be notified via telephone, facsimile or electronic communication when all data necessary to begin the Service has been received and the installation and conversion process has been completed. You shall then, prior to submitting the first payroll, review the payroll information for completeness and accuracy. Payroll information shall mean all information provided to Payroll Manager directly or via the PLANPAYROLL™ Website, based on initial information provided by You, in the Payroll Conversion Kit and/or which is posted for your review on the specified portion of the PLANPAYROLL™ Website including, but not limited to, that which is used to calculate and pay employee payroll, pay payroll taxes to applicable taxing agencies in compliance with the laws and regulations of such taxing agencies, and produce payroll tax returns and W-2 statements. You must correct incorrect or missing Payroll information, either on the PLANPAYROLL™ Website, or by notifying your Payroll Manager at least 48 hours prior to the payroll run date.

4. **ACCOUNT DEBITING** On or prior to your payroll direct deposit and/or payroll tax deposit date or other applicable settlement or due date, You authorize your Payroll Manager to initiate debit entries to your business account (the "Company Account") at the depository financial institution ("Depository"), the Routing Number of which is identified on the PLANPAYROLL™ ACH Authorization Form, and to debit your Company Account in such amounts as are necessary to (a) fund your payroll obligations, (b) pay any fees or charges associated with the Service, including, without limitation, finance charges, (c) pay your payroll taxes, (d) pay any debit, correcting or reversing entry initiated pursuant to this Agreement which is later returned, and (e) pay any other amount that becomes owed under this Agreement. This authorization is to remain in full force and effect until your Payroll Manager has received written notice from You of your termination in such time and such manner as to afford your Payroll Manager a reasonable opportunity to act upon it. You will maintain in your Company Account as of the applicable settlement date and time, immediately available funds sufficient to cover all credit entries You originate through the Service. Your obligation to pay for each credit entry matures at the time the credit entry is transmitted to the Automated Clearing House ("ACH") or gateway operator and is

unaffected by termination of the Service. You acknowledge that the origination of ACH transactions to its account must comply with the provisions of U.S. law. Amounts withdrawn for payroll taxes may be held by your Payroll Manager's financial institution (the "Payroll Tax Account") until such time as those payments are due to the appropriate taxing agencies, and no interest will be paid to You on these amounts. If You do not have sufficient funds in your Company's Account to pay disbursements, fees, payroll taxes or any other amounts due under this Agreement at the time required, or if You refuse to pay, You will be notified via telephone, facsimile or electronic communication immediately, and the Service will be terminated. Should the Service be recommenced after the resolution of your account, your Payroll Manager reserves the right to require a retainer.

5. **PAYROLL SERVICE FEES AND CHARGES** You agree to pay for the Service in accordance with the Fee Schedule provided to you in the PLANPAYROLL™ Proposal and any subsequent Fee Schedule provided to you. You also agree to pay any sales, use and similar taxes arising from this Agreement that federal, state or local government may impose. A One-Time Payroll Set-Up Fee, if applicable, and first Monthly Payroll Service Fees will be deducted from your Company's Account identified on the PLANPAYROLL™ ACH Authorization Form before beginning the Service initiation process. Thereafter, Monthly Payroll Service Fees will be debited from your Company Account on the first business day of each month. Any additional fees shall be debited from your Company Account during the service initiation process or upon request by You of any additional service(s). In the event that You terminate the Service within one (1) year of the effective date of this Agreement, You agree to reimburse your Payroll Manager for the costs incurred in establishing the Service. This amount will be disclosed to You in writing and is set forth as the "One-Time Set-Up Fee" in the Payroll Fee Schedule.

6. **VERIFICATION OF DATA** You agree that by submitting each payroll (including the first payroll): (a) You have approved all Payroll information; (b) You have waived and released any claim against your Payroll Manager arising out of any errors in the payroll information which You have not corrected or have not requested your Payroll Manager to correct, and (c) any subsequent request for corrections will be considered special handling and additional fees may be charged. Final audit responsibility rests with You. You must correct incorrect or missing payroll information, either by entering the corrected information on the PLANPAYROLL™ Website, or by notifying your Payroll Manager or PLANPAYROLL™ Customer Service at least 48 hours prior to the payroll run date. You will be solely responsible for verifying the accuracy of any data You provide or directly input via the PLANPAYROLL™ Website or any other electronic method.

7. **SECURITY PROCEDURES** Your Payroll Manager will provide each user of the Service You authorize to access the PLANPAYROLL™ Website a confidential User Identification Number ("User ID") and password. You acknowledge that the security procedures described above are used for the purpose of verifying the authentic ID of an instruction approving and releasing, canceling or amending the payroll information used to create Entries (each, a "Payment Order") to be originated by on your behalf in providing the Service. You further acknowledge that instructions or Payment Orders will not be accepted by the Service unless the security procedures set forth above are followed. You shall designate via the PLANPAYROLL™ Website the identity of each person authorized to receive information regarding the security procedure (each singly or in the aggregate, an "Authorized Person"). You will be responsible for updating and maintaining the Authorized Person list via the PLANPAYROLL™ Website.

You shall, and shall cause your employees to take reasonable steps to maintain the confidentiality of the security procedures and the User IDs and passwords and related instructions provided in connection with the Service. If You believe or suspect that any such information or instructions have been known or accessed by unauthorized persons, You will immediately notify your Payroll Manager or PLANPAYROLL™ Customer Service in a manner affording your Payroll Manager or PLANPAYROLL™ Customer Service a reasonable opportunity to act on the information. You shall be bound by any Payment Order, whether or not authorized, issued in its name and accepted in compliance with the designated security procedure.

If a Payment Order submitted describes the receiver inconsistently by name and account number (i) payment may be made on the basis of the account number even if it identifies a person different from the named receiver or (ii) the entire Payment Order submitted may be rejected. If a Payment Order submitted describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. If a Payment Order submitted identifies a non-existent or unidentifiable person or account as the receiver or the receiver's account, the entire payroll information may be rejected.

8. **ACH ORIGINATION** Your Payroll Manager has established a payroll processing arrangement with a third party Processor to provide services for the provision of electronic direct deposit services and the initiation of electronic signals for paperless entries for certain payroll services through an Automated Clearing House ("ACH"). The Service will enable You by using the Internet to enter payroll information and to approve and submit it for creation, formatting and transmission of Entries in accordance with the Rules (as defined below.) Your Payroll Manager may reject any Payment Order or Entry submitted by You or your Payroll Manager which does not comply with the requirements in this Agreement or the Rules or with respect to which your Company Account does not contain sufficient available funds to pay for the Entry. If any Payment Order or Entry is rejected, a reasonable effort will be made to notify You promptly by telephone, facsimile or electronic communication, so that You may correct such Payment Order or Entry and resubmit it. A notice of rejection will be effective when given and your Payroll Manager will have no liability to You by reason of the rejection of any Payment Order or Entry, or by virtue of the fact that notice is not given at an earlier time than that provided for in this Agreement or for any loss resulting from your Payroll Manager's failure to provide notice.

You will have no right to cancel or amend any payroll information submitted using the Service after it has been approved by You or any Authorized Person. However, if your request complies with the security procedure, your Payroll Manager may use reasonable efforts to act on it prior to transmitting the Entries to the ACH or gateway operator, but will have no liability if the cancellation or amendment is not effected. You will reimburse your Payroll Manager for any expenses, losses or damages your Payroll Manager may incur in effecting or attempting to effect your request. Except for Entries created from payroll information that have been pre-approved and resubmitted by You in accordance with the requirement of this Agreement, your Payroll Manager will have no obligation to retransmit a returned Entry to the ACH or gateway operator if your Payroll Manager complied with the terms of this Agreement with respect to the original Entry.

Payroll information and Entries will be processed in accordance with the current PLANPAYROLL™ processing schedule, provided (i) the payroll Information is approved by You is submitted no later than your applicable cut-off time and your Payroll Manager will not be responsible for failure to process the payroll information on that day. If any of the requirements of clause (i) of this Subsection are not met, your Payroll Manager will use reasonable efforts to process the payroll information and transmit the Entries to the ACH with the next regularly scheduled file created by the Service which is on a business day on which the ACH is open for business. Origination, receipt, return, adjustment, correction, cancellation, amendment and transmission of Entries must be in accordance with the Operating Rules of the ACH with respect to credit entries which constitute Payment Orders. At your request, your Payroll Manager will make a reasonable effort to reverse an Entry, but will have no responsibility for the failure of any other person or entity to honor your request. You acknowledge that under the Rules your Payroll Manager makes certain warranties with respect to each Entry. You agree to reimburse your Payroll Manager for any loss incurred, including reasonable attorney's and related fees incurred as a result of your Payroll Manager's breach of warranty caused by You. You further agree to reimburse your Payroll Manager for any fees charged for insufficient funds or other return fees, any interest on any amounts due at such rate as permitted by law and for reasonable attorney's fees, costs and expenses of collection as permitted by law. Banking services are provided in accordance with current regional and federal banking rules and regulations, which may change from time to time. You agree to be bound by such rules and regulations and to make necessary accommodations to comply with said rules.

9. **CONFIDENTIALITY** Your Payroll Manager, its employees and agents will hold in confidence all data furnished by You or produced under this Agreement. Your Payroll Manager will not be held liable if such data is released through other sources, or if your Payroll Manager releases the data because of a reasonable belief that You have consented to such disclosure. To assure that your inquiries are handled promptly, courteously and accurately, PLANPAYROLL™ Customer Service supervisory or management personnel may monitor and/or record telephone conversations and electronic communications between You and PLANPAYROLL™ Customer Service without additional prior notification to You or your employees. You will be responsible for advising your employees that such monitoring may take place. By signing this Agreement, You are initiating a business transaction and are thereby authorizing consumer reports about You and your company's payment history for the purpose of: (1) verifying your identity; (2) determining if You and your company meet the criteria for establishing accounts; (3) periodically determining if You and your company continues to meet the criteria for accounts; and (4) any other lawful purpose.

10. **WARRANTY AND WARRANTY DISCLAIMER** Your Payroll Manager warrants to You the accuracy of payroll tax calculations on each paystub, tax filing and payment prepared using the Service, subject to the following terms and conditions. As your sole and exclusive remedy and your Payroll Manager's sole and exclusive liability for breach of the foregoing warranty, your Payroll Manager will pay the government penalties incurred due to late payments. This warranty does not apply to any assessments, penalties or interest resulting from, among other things, your use of the Service to process payroll data for which it is not appropriate, your failure to enter on the PLANPAYROLL™ Website timely and accurate compensation information for your employees, your failure to make and record payroll tax payments and filings in the manner and on the schedule recommended by your Payroll Manager, use of the Service to prepare paystubs, tax payments, or tax filings based in whole or in part of payroll or tax payment information that You calculated or input incorrectly, or your failure to file an amended return or make an additional payment to avoid or reduce your penalty or interest after You should do so. If You believe You are entitled to payment under this warranty, You must notify PLANPAYROLL™ Customer Service as soon as you learn of the mistake, and in no event later than 30 days after the assessment is made. By claiming payment, You authorize your Payroll Manager to review any data files that may be in your Payroll Manager's possession or control in order to evaluate your claim. You remain responsible for paying any additional tax liability You may owe and providing assistance and additional information as reasonably requested by your Payroll Manager

**Except as expressly provided above, the Service is provided "as-is" and, to the maximum extent permitted by applicable law, your Payroll Manager makes no other warranty or representation to You or any third party, including, without limitation, any implied warranties of merchantability, accuracy, completeness or fitness for a particular purpose. Your Payroll Manager does not warrant that the PLANPAYROLL™ Website is completely secure or is free from bugs, interruptions, errors, or other program limitations. Your Payroll Manager does not warrant that the PLANPAYROLL™ Website, or the server that makes it available, is free of viruses or other harmful components. You, not your Payroll Manager, assume the entire cost of all necessary servicing, repair, or correction of problems caused by viruses or other harmful components.**

11. **LIMITATION OF LIABILITY** Except to the extent of the limited warranty described above, the entire liability of your Payroll Manager and its directors, officers, employees, agents and third party providers for any reason shall be limited to the aggregate amount of payroll service fees paid by You during the six (6) month period immediately preceding the date on which the claim accrued. In no event will your Payroll Manager and its directors, officers, employees, agents and third party providers have liability for any consequential, special, punitive or indirect loss or damages regardless of whether such damages are based on contract, tort (including negligence), strict liability, or any other theory or form of action even if such person has been advised of the possibility of such damages and even if a remedy set forth in this Agreement is found to have failed of its essential purpose. Your Payroll Manager and its directors, officers, employees, agents and third party providers are not liable for any loss, erasure or corruption of or unauthorized access to any data or other information transmitted or stored via the Service.

## 12. **GENERAL PROVISIONS**

**Changes To The Service; Termination** Your Payroll Manager reserves the right to change the terms, conditions, and fees for the Service at any time. You will be notified of any material change, including fees, at least 30 days in advance of the effective date. If a fee increase or change to this Agreement is not acceptable to You, You may terminate the Service as provided below prior to the time when the fee increase or change takes effect. Continuing to use the Service constitutes agreement to all changes. The Service will continue until such time as You or your Payroll Manager gives notice in accordance with the notice procedures then on the PLANPAYROLL™ Website. Reasons for which your Payroll Manager may exercise its option to terminate shall include but not be limited to: You are in violation of a material provision of the Agreement; non-payment when due of any fees, charges, or payroll taxes; failure to follow the Service Initiation Requirements; or if You choose not to accept a change in any term or condition of this

Agreement or You misrepresent any data or information required in connection with providing the Service. The termination of this Agreement shall not affect your liability to pay any sums due and owing under the Agreement as of the effective date of the cancellation, and will not affect your's or your Payroll Manager's rights with respect to transactions which occurred before termination.

**Governing Law; Arbitration** This Agreement shall be governed and construed in accordance with the laws of the State of Wisconsin without giving effect to the principles of conflicts of law thereof. All claims controversies and disputes of any nature between You and your Payroll Manager will be resolved solely by means of arbitration conducted in Green Bay, Wisconsin under the auspices of the American Arbitration Association unless the parties to such claim or dispute specifically agree otherwise in writing. Any award or decision rendered by any arbitrator relative to any such claim or dispute shall be final and binding. Judgment may be entered upon such award or decision in accordance with applicable law in any court of competent jurisdiction. All demands for arbitration shall be made in writing within a reasonable time after any claim or dispute arises and in no event shall any demand be made after the date when institution of legal proceedings based on such claim or dispute would be barred by the applicable statute of limitations. Unless this Agreement is terminated by either party, both parties shall continue to carry out their obligations under this Agreement during the pendency of arbitration proceedings.

**Electronic Signatures** An electronic signature will be valid for purposes of this Agreement. An electronic signature may include, but is not limited to, Your use of a key pad, mouse or other device to select an item, button, icon or similar act or action while using any electronic service that PAi offers; or in accessing or making any transactions regarding any agreement acknowledgement, consent, terms, disclosure or conditions constitutes signature, acceptance and agreement as if actually signed by in writing. You agree that no certification authority or third party verification is necessary to validate the electronic signature; and the lack of such certification or third party verification will not in any way affect the enforceability of your signature.

**Severability** If any term, provision or part of this Agreement is to any extent held invalid, void or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be impaired or affected, thereby, and each term, provision and part shall continue in full force and effect, and shall be valid and enforceable to the fullest extent permitted by law.

**Duty to Mitigate** Each party shall have the duty to mitigate damages for which the other party is responsible.

**Third Party Providers** Your Payroll Manager may, at any time, use agents and/or independent contractors to provide all or any portion of the Service. Your Payroll Manager will be responsible for the acts and omissions of its Contractors in the same manner as if your Payroll Manager had performed the portion of the Service itself and any claims against its Contractors or your Payroll Manager (with respect to the acts or omissions of its Contractors) shall be subject to the limitations of liability set forth in Sections 10 and 11 above to the same extent as if your Payroll Manager had performed the portion of the Service itself. However, your Payroll Manager will not be deemed to be the agent of, nor responsible for the acts or omissions of any persons, including, without limitation, any Federal Reserve Bank, ACH, Internet Service Provider or transmission or communications facility, any receiver or receiving depository financial institution (including, without limitation, the return of an Entry by such receiver or receiving depository financial institution), and no such person shall be deemed your Payroll Manager's agent.

**Force Majeure** Neither party shall be liable to the other party for any delay, failure in performance, loss or damage due to fire, explosions, power blackouts, earthquakes, floods, the elements, strikes, embargo, labor disputes, acts of civil or military authority, war, terrorism, acts of God, restrictions of law, regulations, orders or other acts of regulatory or governmental agencies, interruptions or failure of telecommunications, digital transmission links, Internet failures and delays, terrorism or other causes not similar to the forgoing; provided that such cause was not within the reasonable control of the party affected.

**Entire Agreement** This Agreement and any Appendices attached hereto, the PLANPAYROLL™ Conversion Kit, the PLANPAYROLL™ Fee Schedule, IRS Form 8655, the PLANPAYROLL™ ACH Authorization Form and any related content on the PLANPAYROLL™ Websites, constitute the entire agreement between You and your Payroll Manager regarding the Service.

**Corporate Authority** Each individual executing this Agreement on behalf of any corporation which is a party to this Agreement represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of said corporation, and that this Agreement is binding upon said corporation in accordance with its terms.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by and through their duly authorized representatives.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Authorized Person Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

**Appendix C**

**PLANPAYROLL™ Product Pricing Models**

	<b>Wholesale</b>	<b>Payroll Manager 20% Markup</b>	<b>Payroll Manager 40% Markup</b>	<b>Payroll Manager 60% Markup</b>	<b>Payroll Manager 80% Markup</b>
<b>Monthly Base</b>	\$40.00	\$48.00	\$56.00	\$64.00	\$72.00
<b>Monthly Per Employee</b>					
1-25	\$4.00	\$4.80	\$5.60	\$6.40	\$7.20
26-100	\$3.00	\$3.60	\$4.20	\$4.80	\$5.40
101-250	\$2.50	\$3.00	\$3.50	\$4.00	\$4.50
251+	\$2.00	\$2.40	\$2.80	\$3.20	\$3.60
<b>One-Time Year-to-Date Setup Fee Per Employee</b>					
First of a Quarter	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mid-Quarter	\$20.00	\$24.00	\$28.00	\$32.00	\$36.00
<b>Web Data Entry</b>	Included	Included	Included	Included	Included
<b>Physical Check Per Payroll</b>	\$1.00	\$1.15	\$1.30	\$1.45	\$1.60
<b>Check Delivery Per Location</b>					
Regular Mail	Included	Included	Included	Included	Included
Overnight	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Direct Deposit	Included	Included	Included	Included	Included
W-2s	Included	Included	Included	Included	Included
New Hire Reporting	Included	Included	Included	Included	Included
Federal, State and Local Tax Filing	Included	Included	Included	Included	Included

PAi may charge additional fees for services as requested by your Payroll Client or as may be automatically invoked due to ACH processing needs. PAi will provide your Payroll Client with a fee quote for requested services on a case-by-case basis. PAi will invoice your Payroll Client directly for any additional fees. These additional fees are subject to change at PAi's discretion. Such fees include, but are not limited to the following:

ACH – Notice of Change due to client error, non-sufficient funds, rejection or reissue: \$50.00  
 IRS Problem Resolution.....\$75.00/hour

These services are provided directly by PAi and are not included as part of the monthly fees paid to You.