

Payroll Services Agreement Charles Carroll Associates LLC / Paycycle

This Payroll Service Agreement is a legal agreement between you and Charles Carroll Associates LLC / Paycycle. In this Agreement, the "Service" refers to the Charles Carroll Associates LLC / Paycycle Payroll Service, "you" refers to the employer company who is using the Service. This Agreement includes related content on Charles Carroll Associates LLC / Paycycle's Web site, such as the introductory and signup pages, which are incorporated by this reference. Charles Carroll Associates LLC / Paycycle may decline to initiate the Service for you or any of your employee in our sole discretion.

Permitted Uses and Restrictions on Use

The Service 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 electronically (if you elect electronic payment or filing options for yourself). The Service also may be used for preparing and filing federal Form 1099-MISC for payments to contractors. Notwithstanding anything in this Agreement, Charles Carroll Associates LLC / Paycycle has no responsibility or liability for damages or claims relating to any use of the Service other than as described above. The Service does not include calculation of deductions or taxes other than those that apply only to payroll, nor does it include backup withholding on payments to contractors, nor does it include calculation or reporting of penalties or interest on delinquent tax payments.

You agree that your Charles Carroll Associates LLC / Paycycle email address and password have the same effect as your written signature authorizing payments, filings and other actions on Charles Carroll Associates LLC / Paycycle's Web site. If you give your password to another person, you will be deemed to have authorized that other person to use your Charles Carroll Associates LLC / Paycycle account for any and all purposes. With respect to any Charles Carroll Associates LLC / Paycycle account that you set up for your own business, you represent and warrant to Charles Carroll Associates LLC / Paycycle that you are authorized to use the Service on behalf of the business identified in your Charles Carroll Associates LLC / Paycycle account (including authorization to pay Charles Carroll Associates LLC / Paycycle's fees and to make electronic payments or filings on behalf of the business, if applicable) and to make on behalf of that business the representations and commitments required of the business by this Agreement and the Web site. The Service does not include obtaining your access to the Internet for connecting to the Service. You acknowledge that the operation and availability of the communications systems used for accessing and interacting with the Service (e.g., the public telephone computer networks and the Internet) or to transmit information to the taxing authorities can be unpredictable and may, from time to time, interfere with or prevent access to the Service or its operation. Charles Carroll Associates LLC / Paycycle is not in any way responsible for any such interference with or prevention of your use of or access to the Service. When the Internet is not available, you must contact Charles Carroll Associates LLC / Paycycle customer support by telephone or by other means for instructions on how to calculate paychecks and make tax payments and filings.

Fees

Charles Carroll Associates LLC / Paycycle will charge its periodic fees for the level of service you select either to your credit card or other payment method you designate. Charles Carroll Associates LLC / Paycycle will also charge you as designated, for any sales, use or other taxes applicable to the Service. Charles Carroll Associates LLC / Paycycle charges additional fees for exceptions processing, setup and other special services, as posted on our Web site. Charles Carroll Associates LLC / Paycycle may change the schedule of fees or the terms of this Agreement from time to time. Charles Carroll Associates LLC / Paycycle will post the revised fees and/or Agreement on our Web site. Charles Carroll Associates LLC / Paycycle will notify you or your clients, as appropriate, of any change in 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 cancel the Service for one or more accounts as provided below prior to the time when it takes effect. Continuing to use the Service constitutes agreement to all changes.

If Charles Carroll Associates LLC / Paycycle cannot collect its fees due to credit limits on your credit card or any other reason, or if you sign up for electronic payment options and Charles Carroll Associates LLC / Paycycle cannot collect amounts due because of insufficient funds in your account or any other reason, you must pay the amount due immediately upon demand, plus Charles Carroll Associates LLC / Paycycle's exceptions processing fees, plus any bank fees or charges for return items, plus interest at the lesser of 18% annually or the maximum allowed by law, plus attorney's fees and other costs of collection as allowed by law. In addition, we may terminate this Agreement, discontinue the Service to you (either entirely, or only with respect to electronic payment options, in our sole discretion) and avail ourselves of any other available remedy. We may make appropriate reports to credit reporting agencies, financial institutions, tax agencies and law enforcement authorities, and cooperate with them in any resulting investigation or prosecution.

Customer Support

Charles Carroll Associates LLC / Paycycle provides customer support to help you set up your payroll correctly and run your payroll successfully. Charles Carroll Associates LLC / Paycycle offers support by telephone and e-mail. Free telephone support is limited to two hours per year. Additional telephone support is available for an additional charge. Unlimited support is also available to all SuccessFour program clients of Charles Carroll Associates LLC under that programs terms. Charles Carroll Associates LLC / Paycycle always provides free support in cases in which the Service does not perform correctly.

Direct Deposit Option

You may elect direct deposit of employees' or contractors' paychecks. To use this option, you must complete all required forms or input all required payroll information on our Web site before the cutoff time specified for the payroll date you choose. Subject to appropriate verification, we will debit the account you designate for amounts payable to the employees or contractors no later than the cutoff time. After that, no interest will accrue to the account holder. Typically, we will send payroll transactions through the Automated Clearing House (the "ACH") Network. You agree that payroll transactions will be governed by the ACH rules as in effect from time to

time and that you will not initiate entries that violate the laws of the United States. You can learn more about the ACH at www.nacha.org. (NACHA - The Electronic Payments Association, develops operating rules and business practices for the ACH Network and for other areas of electronic payments.) You warrant to Charles Carroll Associates LLC / Paycycle on behalf of yourself everything that Charles Carroll Associates LLC / Paycycle must warrant as an ACH Originator, and you accept any liability you or Charles Carroll Associates LLC / Paycycle may incur which is caused by your payroll transactions, including transactions that you initiate.

Limited Warranty

Charles Carroll Associates LLC / Paycycle warrants to you the accuracy of payroll tax calculations on each paystub and tax filing prepared using the Service, subject to the following terms and conditions. As your sole and exclusive remedy and Charles Carroll Associates LLC / Paycycle's sole and exclusive liability for breach of the foregoing warranty, Charles Carroll Associates LLC / Paycycle will pay all government penalties and interest assessed against you due solely to calculation errors made by the Service. 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 (as described on the "Who Should Use" page), your failure to make and record payroll tax payments and filings in the manner and on the schedule recommended by Charles Carroll Associates LLC / Paycycle, your failure to enter on Charles Carroll Associates LLC / Paycycle's Web site timely and accurate compensation information for your business employees, your (or your clients') use of the Service to prepare paystubs, tax payments, or tax filings based in whole or in part on payroll or tax payment information that you calculated or input incorrectly, or your (or your clients') failure to file an amended return or make an additional payment to avoid or reduce your (or their) penalty or interest after you (or they) have received notice from the government or Charles Carroll Associates LLC / Paycycle that you (or they) should do so. Charles Carroll Associates LLC / Paycycle will endeavor to post on its Web site notices of corrections and updates to the Service or to notify you according to the contact information that you provide on the Web site, which you agree to update promptly with all changes.

In general, Charles Carroll Associates LLC / Paycycle calculates payroll taxes based on the assumption that wages paid to employees (but not payments made to contractors) are subject to all payroll taxes applicable to the indicated geographical area. For example, Charles Carroll Associates LLC / Paycycle assumes that each employer is subject to federal unemployment tax, although employers who did not pay wages of at least \$1,500 in at least one calendar quarter this year or last year may be exempt. Charles Carroll Associates LLC / Paycycle guides you to make tax payments in full when due, although some tax agencies do not assess penalties for small payment shortfalls that are made up by the end of a reporting period. In some cases, you can customize the Service for situations such as those described above. In other cases, you may have to make adjustments outside the Service in order to take advantage of certain payroll tax exemptions. Charles Carroll Associates LLC / Paycycle does not warrant that the Service will minimize payroll taxes automatically.

If you believe you are entitled to payment under this warranty, you must notify Charles Carroll Associates LLC / Paycycle customer support as directed on the Web site as soon as you learn of the mistake (and in no event later than 30 days after the assessment is made). You must include a copy of the government notice and your

email address and password. By claiming payment, you authorize Charles Carroll Associates LLC / Paycycle to obtain and review any data files that may be in Charles Carroll Associates LLC / Paycycle's possession or control in order to evaluate your claim. You remain responsible for paying any additional tax liability you or they may owe and providing assistance and additional information as reasonably requested by Charles Carroll Associates LLC / Paycycle. This warranty is for your benefit only and is not transferable, and will be null and void if you breach any terms or conditions of this Agreement.

Except as expressly provided above, the Service is provided "as-is" and, to the maximum extent permitted by applicable law, Charles Carroll Associates LLC / Paycycle and its licensors, distributors, advertisers, dealers or suppliers disclaim all other warranties, express or implied regarding the Service and its related materials, including their fitness for a particular purpose, their quality, their merchantability, or their non-infringement. Charles Carroll Associates LLC / Paycycle does not warrant that the Service is completely secure or is free from bugs, interruptions, errors, or other program limitations. Charles Carroll Associates LLC / Paycycle does not warrant that its Web site, or the server that makes it available, is free of viruses or other harmful components. You -- not Charles Carroll Associates LLC / Paycycle -- assume the entire cost of all necessary servicing, repair, or correction of problems caused by viruses or other harmful components. Some states do not allow the exclusion of implied warranties, so the above exclusions may not apply to you. In that event, any implied warranties are limited in duration to 60 days from the date of purchase of the Service. However, some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you. This warranty gives you specific legal rights, and you may have other rights that vary from state to state.

Limitation of Liability

Except to the extent of the limited warranty described above, the entire liability of Charles Carroll Associates LLC / Paycycle and its licensors, distributors, advertisers, dealers and suppliers for any reason shall be limited to the aggregate amount of service fees paid by you to Charles Carroll Associates LLC / Paycycle during the twelve (12) months immediately preceding the date on which the claim accrued. To the maximum extent permitted by applicable law, Charles Carroll Associates LLC / Paycycle and its licensors, distributors, advertisers, dealers and suppliers are not liable for any indirect, special, incidental, or consequential damages (including damages for loss of business, loss of profits or investment, or the like), whether based on breach of contract, breach of warranty, tort (including negligence), product liability or otherwise, 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. Charles Carroll Associates LLC / Paycycle and its licensors, distributors, advertisers, dealers and suppliers 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. Some states do not allow the limitation and/or exclusion of liability for incidental or consequential damages, so the above limitation or exclusion may not apply to you.

The limitations of damages and liability set forth in this Agreement are fundamental elements of the basis of the bargain between Charles Carroll Associates LLC / Paycycle and you. You acknowledge and agree that Charles Carroll Associates LLC / Paycycle would not be able to provide the Service on an economic basis without such limitations.

Termination

Either you or Charles Carroll Associates LLC / Paycycle may terminate this Agreement for any reason or no reason by giving notice in accordance with the information then on the Web site, effective immediately. Reasons why Charles Carroll Associates LLC / Paycycle may terminate this Agreement include, without limitation: (1) you fail to provide and update credit card information that enables Charles Carroll Associates LLC / Paycycle to collect its fees, (2) any information you give us is false, misleading or incomplete; or (3) you engage in conduct which, in Charles Carroll Associates LLC / Paycycle's judgment, interferes with the operation or use of the Service (e.g., excessive use of the Service which disrupts the use of the Service by other users).

Upon termination, you will pay all outstanding amounts owed to Charles Carroll Associates LLC / Paycycle. Service fees paid to Charles Carroll Associates LLC / Paycycle are not refundable upon termination. The "Limited Warranty," "Limitation of Liability" and "Governing Law; Dispute Resolution" sections of this Agreement survive termination.

Governing Law; Dispute Resolution

This Agreement will be subject to and construed in accordance with the laws of the State of California and jurisdiction shall rest with applicable California courts. The parties agree and hereby irrevocably submit any dispute to binding arbitration under the rules as set up by the American Arbitration Association. The parties agree that any suit, action or proceeding arising out of or related to this Agreement or any of the transactions contemplated by this Agreement to the jurisdiction and venue of the United States District Court for the Southern District of California or the jurisdiction and venue of any court located in Los Angeles, California and waive any and all objections to jurisdiction and venue, unless the parties mediate or arbitrate their dispute as provided below. No action arising under or in connection with this Agreement, regardless of form, may be brought more than one (1) year after the cause of action accrued. The parties hereby agree to opt-out of any application of the Uniform Computer Information Transactions Act (UCITA), or any version thereof, adopted by any state.

Miscellaneous

This Agreement, including related content on Charles Carroll Associates LLC / Paycycle's Web site, such as the introductory and sign-up pages, which are incorporated by this reference, sets forth Charles Carroll Associates LLC / Paycycle's entire liability and your exclusive remedy with respect to the Service, and is a complete statement of the agreement between you and Charles Carroll Associates LLC / Paycycle. Charles Carroll Associates LLC / Paycycle's employees are not authorized to make modifications to this Agreement, or to make any additional representations, commitments or warranties binding on Charles Carroll Associates

LLC / Paycycle, except in a writing signed by an authorized officer of Charles Carroll Associates LLC / Paycycle.

If any term, warranty, condition or provision of this Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, such term, warranty, or provision will be struck from this Agreement, and the balance of the Agreement will remain in full force and effect. Failure by either party to exercise any right to require performance under this Agreement will not be construed as a waiver of any subsequent right to require performance or to claim of breach of contract. Except as otherwise provided herein, the rights and remedies provided for in this Agreement are not exclusive, and both you and Charles Carroll Associates LLC / Paycycle retain all rights and remedies now or hereafter provided by law in addition to those provided for in this Agreement. If any court, mediation or arbitration action is brought by either Charles Carroll Associates LLC / Paycycle or you to enforce any provision of this Agreement, the prevailing party in such action will be entitled to recover both attorneys' fees and costs from the other party. If the parties agree to settle their claims against each other, each party will be responsible for its own attorneys' fees and costs.

Agreed to by:

_____ Date _____
Employer

Print Name

Accepted by

Charles Carroll Associates, LLC