



Frontier

Payroll Management

PAYROLL PROCESSING AGREEMENT

Between Frontier Payroll Management and Client

Date: _____

Client Name: _____

The following terms and conditions apply to and are incorporated as a material portion of the agreement between the Client identified above and Frontier Payroll Management.

TERM OF AGREEMENT

1. This agreement shall be effective for a period of one year from the date of execution and shall be automatically renewed for additional one year periods unless either party notifies the other in writing, prior to termination, of a desire not to renew.
2. Either party may cancel this agreement after thirty (30) days from ratification, and upon thirty (30) days written notice to the other party. Such cancellation will not affect the requirement of Client to pay Frontier Payroll Management and sums due and owing under the agreement, including setup fees, as of the effective date of cancellation.

FRONTIER PAYROLL MANAGEMENT & ACCOUNTING RESPONSIBILITIES

Frontier Payroll Management shall keep confidential any information provided by the Client in relation to its assets, liabilities, business or affairs and not to disclose this information to anyone without permission of the Client, or unless required to do so by legal process.

Frontier Payroll Management shall be responsible for correcting errors which are caused by Frontier Payroll Management's equipment, processors, programmers or employees in the course of their work. Frontier Payroll Management will not be responsible for failure to provide services or correct any conditions beyond its control, including but not limited to any acts or omission by Client or any third party. Frontier Payroll Management's liability for any errors or omissions on its part shall be limited to the total charge for the service provided by Frontier Payroll Management.

If Frontier Payroll Management prepares tax reports for Client, Frontier Payroll Management will serve as limited agent for Client only for purposes of any required

agency for deposits and filing with the Internal Revenue Service, and/or any state reporting agency. Frontier Payroll Management is not otherwise an agent of Client, nor is Frontier Payroll Management in partnership or otherwise affiliated with Client's business.

If Frontier Payroll Management makes an error or omission that results in an assessment by any taxing authority against the Client that includes interest or penalties, then Frontier Payroll Management will be responsible for the interest and/or penalties. It shall remain the Client's responsibility to pay any tax due. This is the sole liability of Frontier Payroll Management as it pertains to total payments and is Client's sole remedy pertaining to tax payments. Client agrees to allow Frontier Payroll Management to participate in defending against any claim for penalties or interest and to subrogate any defense or claim to Frontier Payroll Management.

Except as specifically stated in this agreement, there are no warranties, express or implied.

CLIENT RESPONSIBILITIES

1. Client will submit to Frontier Payroll Management its payroll data in a form and at a time specified by Frontier Payroll Management. Because the accuracy of the payroll is limited by the Client's data, Frontier Payroll Management is not responsible for Client error and it is therefore the Client's responsibility to review the processed payroll information and promptly identify errors. If an error is caused by Frontier Payroll Management, then Frontier Payroll Management will assume the cost of correction and delivery (via the same method used for Client's payroll). If the data submitted by Client for processing is incorrect, incomplete or not in proper form, then Client agrees to pay Frontier Payroll Management additional cost to process payroll correction and delivery of this data.
2. Fees are subject to change upon written notice to Client. If Client has agreed to ACH Billing on the reverse hereof Client agrees to allow Frontier Payroll Management to debit Client's account(s) any and all fees due to Frontier Payroll Management under this agreement.
3. Client agrees to indemnify and hold Frontier Payroll Management harmless from all loss, damages and expenses (including reasonable attorney fees) in connection with any claim which may arise out of or as a result of this Agreement or the duties assumed by Frontier Payroll Management under this agreement, with the exception of claims for tax penalties or interest resulting from errors or omissions by Frontier Payroll Management.
4. The responsibility to maintain appropriate tax identification numbers and to obtain and maintain any necessary tax and employee forms and information from its employees remains the responsibility of Client.

Company Authorization Agreement
(for ACH transactions)

Company authorizes Frontier Payroll Management (Frontier) to create and transmit ACH files to Frontier for the purpose of moving money through the Automated Clearing House (ACH) pursuant to the terms of this Agreement and the rules of the National Automated Clearing House. This is for the purpose of providing direct deposit of payroll for Company's employees (Transactee's), direct bill collection, tax impounding or any other reason Company may desire to move money electronically through ACH.

I. Automated Transfers

Additional Terms and Conditions

Company warrants to Frontier that the amount of any credits for which payment instructions are given to Frontier and processed, the offsetting debit will be honored by Company's bank upon presentment.

- 1.1 Frontier may refuse to follow Company's payment instructions if it reasonably believes that Company's bank balance is insufficient to cover the dollar amount of the payment instructions or for any other reason Frontier deems reasonable.
- 1.2 Frontier, at its option, may refuse to transmit entries to the ACH if it reasonably believes that the Company does not have sufficient funds on deposit with its bank to cover the credit requested or has not yet received a wire transfer for an equal amount of the payroll.
- 1.3 If any amount debited against the Company or Company's Transactee is dishonored or returned for any reason, such as but not limited to non-sufficient funds, account closed, or unable to locate account, or is reversed by Company, Company's Transactee and/or Transactee's Bank, Frontier may;
 - a) Reverse any corresponding credit issued to Frontier, Company, Company's Transactee or any other party without liability to Company or Company's Transactee or any other party.
 - b) Require Company to wire funds to Frontier by no later than 3pm eastern time the day Frontier and/or Company were notified of said return.
 - c) Frontier will re-submit the item and Company will be charged a late fee as provided herewithin and/or later supplemented.
 - d) If further collection attempts are required, all Frontier's collection costs, including but not limited to, attorney's fees, where permitted by law will be charged to Company.
- 1.4 Frontier may reverse any credit if payment of the corresponding debit is not honored or is reversed by Company's bank for any reason, Company will guarantee funds if Frontier fails to collect from Company's Transactee's.
- 1.5 If any amount debited against a Company is dishonored or returned for any reason, Frontier may reverse any credit issued to Company, Company's employees or any other party without liability to Company or Company's employees or any other party.
- 2.0 Company agrees to indemnify and hold Frontier harmless from any and all claims of any persons whatsoever arising out of Frontier's processing activities for customer under the terms of this agreement or otherwise. Such claims may include, but are not limited to, claims for customer's employees or other persons or organizations, including taxing authorities whose credits may have been reversed or banks who may have suffered damage or loss because of insufficient funds of Company. Company understands and agrees that Frontier has no direct financial interest in the debits and credits provided, pursuant to this agreement, and is providing a service to company for a fee. All risk of loss and liability to any person or organization arising out of the services furnished hereunder shall be that of company.
- 2.1 Company shall have no right to cancel or amend any entry after its receipt by Frontier. At Company's request, Frontier shall use reasonable efforts to cancel or amend an entry prior to transmittal to the ACH but shall have no liability if such cancellation is not effected.

- 2.2 Frontier's liability to Company or any other person shall in no event exceed the charges made by Frontier for the effected transaction. In no event shall Frontier be liable for consequential, special or punitive damages or loss of profits.
- 2.3 **Liability:** To the extent that Frontier's ability to provide the Equipment, facilities or personnel is delayed, reduced or interrupted by a force beyond Frontier's control, including but not limited to, acts of God, terrorism, inclement weather, break downs of communications systems, physical damage to Frontier's premises, labor disputes, orders or directives of any government or quasi-governmental authority, Frontier shall not be required to perform its obligations under this Agreement or be liable to Company or Company's Transactee's for any failure to perform.
- 2.4 **Apparent Authority:** Company stipulates that any action Frontier takes hereunder is pursuant to apparent authority of Company, its agents, assigns, officers, directors, employees. In the event that Company's agent, assigns, officers, directors, employees does not have the authority to the debit or the credit process by Frontier, Company hereby holds Frontier harmless from such actions and agrees to indemnify pursuant to this Agreement Frontier for such action. Company stipulates and agrees that Company and not Frontier is liable for such action.
- 2.5 **Limitation of Action:** Company and/or Company's Transactee will have 60 days from the transaction date to notify Frontier, in writing, of any discrepancies, errors or problems with a transaction processed. This will include but not limited to, errors in amounts, erroneous transactions, or other transactions processed. We will explain the results of our investigation within 30 days and will correct any error promptly.

GENERAL TERMS

1. This agreement shall be construed according to the laws of the State of Maryland and constitutes the entire Agreement between the parties. No oral or other representations, warranties and/or agreements have been made unless made in writing and signed by both parties. If any portion of this agreement is determined to be invalid, illegal or unenforceable, the remainder of the Agreement shall nonetheless remain in full force and effect.
2. Dispute Resolution – Frontier Payroll Management and Client mutually contract and agree that any and all claims, disputes or controversies arising out of or in any way relating to this agreement or breach or termination of the same, whether based on the Constitution, statutes, Code(s) or common law of the United States or any State including the arbitrarily of any claim, dispute or controversy, shall be exclusively resolved by the parties via Mediation under the rules of, administered by and conducted by the American Arbitration Association.

Client Company Name: _____

Authorized Signature: _____ Date: _____

Accepted for Frontier Payroll Management: _____ Date: _____