



TERMS & CONDITIONS DIRECT DEPOSIT SERVICE AGREEMENT

1. Agency. Customer appoints DIGIT PAYROLL CORPORATION (DPC) as its agent for the transfer of monies, including payroll and related payments, from the Customer to those persons designated as payees (the Payees). Customer authorizes DPC to process book entries to and from the bank accounts listed below (the Authorized Accounts) for the purpose of making such transfers, any related corrections and adjustments and collection of fees and charges and to process book entries to and from the Payees designated bank accounts for the purpose of making such transfers and any related corrections and adjustments, all as further set forth herein.
2. Payment. DPC agrees that on the designated dates during the term of this Agreement, DPC will submit to various networks, including but not limited to the Automated Clearing House and the Federal Reserve System, data in the form required for the electronic crediting of those payments to the Payees' designated bank accounts and the debiting of those payments from the Authorized Accounts.
3. Authorization. Customer will obtain directly and from each participating Payee and deliver to DPC necessary information in proper form authorizing automatic book entries to and from (i) the Authorized Accounts and (ii) each Payee's bank account(s), including related corrections or adjustments. All Payee authorizations shall comply with National Automated Clearing House Association rules and procedures and shall release DPC from all liability to Payee in accordance with the terms of this Agreement.
4. Payment Data. DPC must receive all Payment Data no later than three (3) business days prior to scheduled pay date. If Payment Data is received after this time, customer understands that there is a risk that payments to Payees may be delayed. The Customer shall provide DPC with all data necessary for the desired electronic funds transfers (Payment Data) in the form and at the time prescribed by DPC and shall make periodic checks to assure that the Payment Data is current and accurate at all times. DPC will debit Customer's Authorized Account at least two business days prior to pay date and will credit Payee's accounts on scheduled pay date. DPC assumes no responsibility or liability for delays in service caused by Payment Data or changes which are not received within the time frames or in the format necessary to properly carry out its' responsibilities. Customer warrants to DPC that all Payment Data delivered to DPC by Customer (a) will contain true and accurate information, (b) will be fully authorized by Customer and Payees, and (c) will be timely under the terms and provisions of this Agreement. DPC has no responsibility to review such data in any manner, including accuracy, consistency and conformity to prior Payment Data.
5. Settlement. In settlement for each book entry returned unpaid or requiring adjustment, Customer authorizes DPC to debit or credit Authorized Accounts on the day the return is received by DPC or thereafter, and Customer warrants that it shall maintain at all times a sufficient balance in the Authorized Accounts to cover debit entries. Customer will pay to DPC the amount of any returned book entry, which for any reason, in part or in whole, cannot be entered in Authorized Accounts. DPC may require Customer to maintain a reserve account balance with DPC to cover returns. Customer gives DPC its express permission to make electronic book entries to or from the Authorized Accounts for any returns and chargebacks, any reserve account deficiencies and any fees due DPC.
6. Warranties and Limitations of Liability. DPC MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE. Because of the difficulty of fixing actual damages, the parties agree that DPC's liability hereunder, if any, shall be limited to liquidated damages in the amount of the total Payroll Processing Fees charged for the payroll run prior to the event which gave rise to the damages, regardless of the cause or origin of such loss or damage and whether it results directly or indirectly from performance or non-performance of DPC's obligations under this Agreement. IN NO EVENT WILL DPC BE RESPONSIBLE FOR (A) ANY INCIDENTAL OR CONSEQUENTIAL LOSSES RESULTING FROM THE PERFORMANCE OR NON-PERFORMANCE OF ANY OF DPC'S DUTIES, OR (B) FOR ANY LOSS OR DAMAGE TO CUSTOMER, DIRECT OR CONSEQUENTIAL, ARISING OUT OF OR IN ANY WAY RELATED TO ACTS OR OMISSIONS OF THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, VARIOUS COURIER SERVICES, THE FEDERAL RESERVE BANK, THE AUTOMATED CLEARING HOUSE, THE BANKS WITH WHICH CUSTOMER DEALS OR THE EMPLOYEES OR AGENTS OF SUCH BANKS, OR ANY FINANCIAL INSTITUTION WHICH RECEIVES OR ORIGINATES ENTRIES OR MAKES ELECTRONIC TRANSFERS.
7. Compliance with Law and Indemnification. Customer shall be solely responsible for compliance with all laws and regulations, whether federal, state, local, or automated clearing house rules, applicable to automatic and electronic transfers of funds, including those governing correct authorizations by Payees, disclosures and notices required in connection with electronic funds transfers and all necessary waivers and releases. DPC makes no representation or warranty that any form provided by DPC is sufficient or otherwise in compliance with applicable federal, state, or local legal requirements or rules. DPC shall have no liability to Customer for failure of any such forms to comply with such requirements or rules. Customer will indemnify and hold harmless DPC and DPC's processing financial institution from any and all claims, lawsuits, demands, damages, costs or other expenses, including, but not limited to, attorney fees, resulting from or in any way related to (a) Customer's breach of any warranty contained herein or arising by operation of law, (b) any act or omission of Customer or Customer's employees or agents, including fraudulent or incorrect transmission of data, or unauthorized or inappropriate access to DPC's data files (c) Customer's failure to comply with any applicable law, regulation or rule; or (d) any retrieval of or failure to retrieve funds incorrectly deposited to a Payee, except to the extent caused by DPC's negligence; provided, however, that this indemnification shall not apply to any loss

caused to DPC by failure of the forms provided by DPC to comply with law, if such forms have been properly used by Customer in accordance with DPC's directions.

8. Financial transactions initiated in order to perform DPC's responsibilities in regard to this agreement are processed through the National Automated Clearing House Association (NACHA) Network. Client is an Originator of banking transactions and DPC is a Third Party Sender of banking transactions. DPC utilizes an Originating Depository Financial Institution (ODFI) to process all ACH transactions. Client (Originator) agrees to be bound by the rules and obligations of the NACHA Operating Rules and agrees to be audited by either DPC or DPC's ODFI in regard to ACH activities generated as a result of this agreement.
9. Delays and Excuse From Performance. DPC shall not be liable for any delay or other failure of performance caused by factors beyond the reasonable control of DPC, such as, but not limited to, strikes, insurrection, war, fire, lack of energy, acts of God, acts of terrorism, mechanical or electrical breakdown, governmental acts or regulations, computer malfunction or acts of third parties.
10. Term and Termination. The term of this Agreement shall be for one year, renewable automatically for each succeeding year thereafter, unless terminated as follows. Either party may terminate this Agreement at any time on fifteen days prior written notice to the other party. Upon termination, all rights and obligations hereunder shall cease except Customer's obligation (a) to pay the applicable fees and provide indemnification for any services performed by DPC prior to the effective date of termination, and (b) to pay for any items returned subsequent to the effective date of termination. Upon termination, Customer should inform its bank not to honor book entry activity from DPC (except for those obligations referred to in the preceding sentence).
11. Disclaimer of Third Party Rights. The rights and obligations created by this Agreement apply solely to the parties hereto, except with respect to the indemnity provisions applicable to DPC's processing financial institution. Neither DPC nor Customer intends that any other third party, including Payees, shall (i) benefit from the performance of the duties described herein, or (ii) acquire any cause of action or other claim against DPC for non-performance of those duties.
12. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the specific subject matter hereof. No modification of this Agreement shall be binding on DPC unless such modification is in writing and signed by an authorized representative of DPC.
13. Notices. Any notice required or allowed to be given under this Agreement shall be addressed to the other party at the address set forth on the last page or to such other address as either party may instruct the other party in writing.
14. Applicable Laws. This Agreement shall be construed in accordance with the laws of the State of New Jersey.
15. Assignability. This Agreement is not assignable by either party without first receiving the prior written consent of the other party.

I (We) acknowledge that I am (we are) authorized to sign checks and authorize disbursements on the Authorized Accounts page included in this document.

Customer understands and agrees that DPC is authorized to make debits and credits to and from the account on the Authorized Accounts referred to below.

Agreed To (Client):

Accepted By (Digit Payroll Corp):

Signature

Digit Payroll Corporation

Date

Company Name

Officer Name and Title