

## Thank you for choosing Sage!

This agreement describes your rights and the conditions upon which you may use the Sage 50 accounting software. You should review the entire agreement and any linked terms because all of the terms are important and together create this agreement that applies to you.

**By accepting this agreement or using the software, you agree to all of these terms and consent to the transmission of certain information during activation and during your use of the software pursuant to the Sage Privacy Policy described in Section 9a. If you are accepting this agreement on behalf of someone else (including a legal entity), you must have the authority to bind them to this agreement. If you do not accept and comply with these terms, you may not use the software.**

**PLEASE READ THE BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER IN SECTION 13. IT AFFECTS HOW DISPUTES ARE RESOLVED.**

### 1. Overview.

- a. **Applicability.** This agreement applies to the Sage 50 accounting software, the media on which you received the software (if any), any fonts, icons, images or sound files included with the software, and also any updates, upgrades, supplements or services for the software, unless other terms come with them.
- b. **Additional terms.** Depending on your purchase of Sage 50 and your device's capabilities, how they are configured, and how you use them, additional Sage and third party terms may apply to your use of certain features, services and applications. Some features of the software provide an access point to or rely on online services, and the use of those services is sometimes governed by separate terms and privacy policies. You can view these terms and policies by looking at the service terms of use and you should read them. The software may include third party programs that Sage, not the third party, licenses to you under this agreement. Notices, if any, for the third party program are included for your information only.

### 2. Installation and Use Rights.

- a. **License.** The software is licensed, not sold. Under this agreement, we grant you the right to install and run the software on your devices for use by your users, but only if you comply with this agreement. The number of devices you may install the software on and the number of users that are permitted to use the software are determined by the version of the software you acquired (see Section 2b) and the number of users you've paid for (see Section 2c).

In this agreement, "device" means a hardware system (whether physical or virtual) with an internal storage device capable of running the software. A hardware partition or blade is considered to be a device. "User" means a person that is listed in the software's maintenance screen. You may replace a user without purchasing additional licenses but you may not share a license.

- b. **Versions.** Sage offers different versions of the software. You can use certain versions on a subscription basis, a perpetual license basis, or both. Subscribing to the software gives you access to the most updated version you've chosen for as long as you pay the software's recurring fees; if you don't, then the software and that data you input to the software will revert to "read-only" mode. Purchasing a perpetual license of the software gives you indefinite access to the version you've purchased and the data you input to the software, but software updates require additional fees. Certain of the software's features and functionality are only available by subscribing. Below is a general description of each version. The specific features and functionality of each version are described in more detail in the software's documentation. You can find the documentation by visiting [Sage 50 features](#) or selecting "About" and then "Help" within the software.

- (i) **Full retail version (subscription and perpetual licenses).** If the software version you acquired is a full retail version, you may use it only for your internal business purposes.
- (ii) **Not for resale/demo (perpetual license only).** If you have a valid partner agreement with Sage, you may use the software only for demonstration, marketing, promotional, end user support, training or development purposes and only as permitted by your partner agreement.
- (iii) **SAN members (subscription only).** If you are a member of the Sage Accountants Network and you have an accountant edition of the software, you may only use the accountant edition of the software as permitted by this agreement and your agreement to be part of the Sage Accountants Network. You may not install the accountant edition of the software on any third party device. However, you may use a third party's license to the software to access that third party's files as required by that relationship.
- (iv) **Educators and instructors (perpetual license only).** If you meet our education qualifications (included on the software's packaging or online at [www.sage.com/en-us/about-us/education-instructor/](http://www.sage.com/en-us/about-us/education-instructor/)), you may use the education version of the software for your personal educational purposes.
- (v) **Student (perpetual license only).** If you meet our student qualifications (included on the software's packaging or online at [www.sage.com/en-us/about-us/education-instructor/](http://www.sage.com/en-us/about-us/education-instructor/)), you may use the student version of the software for your personal educational purposes. Any data you enter in the student version cannot be converted to a full retail version. Any "company" created in the student version and its data will only be accessible for 14 months after that company was created.

**c. Permitted users and add-ons.**

- (i) **Single user.** If you paid for a single user, the software may only be installed on one device and used by one user. You may order an additional license of the software for back-up purposes or remote use on another device. If you order an additional license, you may not access the software from more than one device at the same time.
- (ii) **Multi-user.** If you paid for more than one user, the software may be installed on the number of devices equal to the number of users you've paid for or a local area network or server, but the number of devices permitted to access the software must equal the number of users you've paid for. No matter how you install the software, it may only be used by the number of users you've paid for and no user may access the software from more than one device at the same time.
- (iii) **Add-ons.**
  - **Remote Data Access.** If you pay for Remote Data Access (formerly known as "Sage Drive" and described in Section 5a), you may install the software on an additional device to share your data.
  - **System Administrative Account.** You may use a system administrative account without paying any additional fees unless you want to install this account on a separate device.
  - **Sage 50 Intelligence Reporting.** You may conduct a trial of the Sage 50 Intelligence Reporting functions within the software. Each license of Sage 50 Intelligence Reporting is tied to a specific user and a specific device and requires paying additional fees after the trial period expires.

**d. Activation.** You must register and activate your license within the first 10 uses or the software will be disabled.

**e. 60-Day Refund Policy.** If you are a first time customer or if this is the initial term of your subscription, you may only receive a full refund if you cancel your license or subscription within 60 days of your payment for the software, as shown by our records (if you purchased the software directly from us) or your receipt (if you

purchased the software from someone else). You can submit a refund request online at <https://get.sage.com/subscriptioncancellation>.

### 3. Restrictions.

- a. **Generally.** Sage and its licensors reserve all rights (such as rights under intellectual property laws) not expressly granted in this agreement. For example, this license does not give you any right to and you may not:
- (i) use or virtualize features of the software separately;
  - (ii) use hardware or software to multiplex or pool connections or to otherwise bypass restrictions on the number of devices or users you have paid for;
  - (iii) publish, copy, rent, lease, or lend the software;
  - (iv) transfer the software (except as permitted by this agreement);
  - (v) obscure or remove any copyright or trademark notice from the software;
  - (vi) work around any technical restrictions or limitations in the software; or
  - (vii) reverse engineer, decompile, or disassemble the software, or attempt to do so, except if the laws where your principal place of business is located permit this even when this agreement does not and in that case, you may do only what your law allows.
- b. **Other restrictions.** The Sage 50 Premium Accounting and Sage 50 Quantum Accounting products may only be used within a Microsoft Windows terminal server environment in compliance with the requirements in the software's documentation.

### 4. Support.

- a. **Generally.** Sage only provides customer support where (i) you've purchased a subscription to the software or you've otherwise purchased "Sage Business Care" (described below), (ii) we've entered into a separate agreement to do so, or (iii) we've provided you with a written promotional offering for such support. Sage does not provide any support if you host the software with a third party and have any issues that relate to that hosting arrangement.
- b. **Sage Business Care.** By subscribing to the software, you will receive Sage Business Care for as long as your subscription is current. You can also purchase Sage Business Care without subscribing to the software. Either way, this is how Sage Business Care works:
- (i) Sage Business Care runs for 12-month terms and includes varying levels of access to customer support, access to Sage 50 Intelligence Reporting, and all updates released during that 12-month term. **Sage Business Care automatically renews at the end of each 12-month period.**
  - (ii) You must use the most current version of the software to receive all of the benefits of Sage Business Care.
  - (iii) Our customer support analysts may limit calls or chats to one hour or one incident.
  - (iv) If you cancel Sage Business Care or if we have to cancel it for non-payment, you will lose access to any features that require Sage Business Care (including, but not limited to, payroll features, forms, or functionality, payment solutions, Remote Data Access, integrations with Microsoft 365 or Sage Business Cloud Accounting, customer or technical support, and software updates). If you subscribe to the software and Sage Business Care is cancelled, then the software will also revert to "read-only" mode.

## 5. Add-On Products and Services.

- a. Remote Data Access.** If you have the appropriate Sage Business Care plan, then you may also subscribe to Remote Data Access (formerly known as “Sage Drive”). This add-on product permits you to access and share access to your data over the internet during your Sage Business Care term. Remote Data Access can only be accessed by users on devices with the software installed on it. With this functionality, you may install the software on one additional device over the number of installations you’ve purchased. If your Sage Business Care is cancelled, you will no longer have access to your data via Remote Data Access.
- (i) You should always maintain back-up copies of your data in this add-on product because we may delete your data if Sage Business Care is cancelled or if you no longer subscribe to Remote Data Access.
  - (ii) We may change the amount of data that you can share, store or otherwise make available via Remote Data Access. We will give you reasonable advance notice of any changes.
- b. Others.** This software may also be used with other add-on products and services, including, but not limited to: payroll services, standalone direct deposit services (like those provided by iSolved HCM Services, LLC), bank feeds services offered by Sage or third parties, services offered by Paya, Inc., Sage 50 Intelligence Reporting, Sage Data Cloud Connector, Sage Business Cloud Accounting integration, Microsoft 365 integration, Automatic Cloud Backup, Online Bank Reconciliation, and TAL Pro for Sage 50. Each of these may require a credit card, a valid email address, approval by a third party, internet access, a subscription license to the software, a current Sage Business Care plan, a subscription to Sage Business Cloud Accounting, a subscription to Microsoft 365 Business Premium, additional fees, or a combination of the foregoing, and may also require your acceptance of a separate agreement to use them. You must use a currently supported version of the software in order have access to any add-on products and services.
- (i) **Sage is not responsible in any way for add-on products and services offered by third parties. Your use of these add-on products and services is subject to the terms and conditions required by these third parties. We do not endorse, make any warranty, or make any other promise about any third party add-on products and services, regardless of whether they are described as “authorized”, “certified”, “recommended” or the like. We have no obligation to make available or provide support for any third party add-on products and services and cannot guarantee the initial or continuing ability of the software to work with any third party add-on products and services.**
  - (ii) All matters relating to credit transactions, such as chargebacks of credit card charges, are the responsibility of the institution that handles your account.
  - (iii) If Sage Business Care is cancelled, you may lose access to add-on products and services.

## 6. Limited Warranty.

- a. 90-day warranty.** Sage warrants that properly licensed software will perform substantially as described in any Sage materials that accompany the software. This limited warranty only applies to the software and not to any third party add-on products and services. This limited warranty does not cover problems that you cause, or that arise when you fail to follow instructions, or that are caused by events beyond Sage’s reasonable control. The limited warranty starts when your first user acquires a copy of the software and lasts for 90 days. Any supplements, updates, or replacement software that you may receive from Sage during that 90-day period are also covered, but only for the remainder of that period or for 30 days, whichever is longer. Transferring the software will not extend the limited warranty.
- b. Exclusive Remedies.** If Sage breaches its limited warranty, it will, at its election, either: (i) repair or replace the software at no charge, or (ii) accept return of the software for a refund of the amount paid, if any. **These are your only remedies for breach of this limited warranty.**

- c. **Disclaimer.** Sage gives no other express warranties, guarantees, or conditions. **Sage disclaims all implied warranties and conditions, including those of merchantability, fitness for a particular purpose, and non-infringement. If your local law does not allow the disclaimer of implied warranties, then any implied warranties, guarantees, or conditions last only during the term of the limited warranty and are limited as much as your local law allows. If your local law requires a longer limited warranty term, despite this agreement, then that longer term will apply, but you can recover only the remedies this agreement allows.**

## 7. Indemnification.

- a. **Infringement.** If a third party brings a claim against you alleging the software infringes their intellectual property rights, we will defend you in that claim at our expense, subject to you giving us prompt written notice of the claim and sole control of the defense and settlement of the claim. If there is an adverse final judgment or settlement of that claim, we will pay it for you. We may at any time, at our expense, obtain the right for you to continue to use the software or modify the software so that it is non-infringing. If neither of those options are feasible, then you may terminate this agreement by notifying us and we will refund you any prepaid fees (if any) covering the period after you were no longer able to use the software.
- b. **Exclusive Remedy.** Sage's obligations under this section are your exclusive remedy for any third party claim described in this section.
- c. **Exceptions.** We will have no responsibility for any claim where the software was modified by anyone other than us or where you used the software in combination with any hardware, operating system, or other software not authorized in our software's documentation.

## 8. Limitation of Liability.

- a. **Except for any repair, replacement, or refund Sage may provide, you may not recover under Sage's limited warranty, under any other part of this agreement, or under any theory, any damages or other remedy, including lost profits or direct, consequential, special, indirect, or incidental damages.** The damage exclusions and remedy limitations in this agreement apply even if repair, replacement or a refund does not fully compensate you for any losses, if Sage knew or should have known about the possibility of the damages, or if the remedy fails of its essential purpose. Some states and countries do not allow the exclusion or limitation of incidental, consequential, or other damages, so those limitations or exclusions may not apply to you.
- b. **If your local law allows you to recover damages from Sage even though this agreement does not, you cannot recover more than you paid for the software (or up to \$50 USD if you acquired the software for no charge).**

## 9. Your Data.

- a. **Privacy.** Your privacy is important to us. Some of the software features send or receive information when using those features. Some of these features can be switched off in the user interface, or you can choose not to use them. By accepting this agreement and using the software you agree that Sage may collect, use, and disclose the information as described in the Sage Privacy Notice available at <https://www.sage.com/company/privacy-notice-and-cookies> and as may be described in the user interface associated with the software features. (For example, even though you may opt out of the Product Enhancement Program described below, the software monitors, records and reports to Sage information about the installation and use of the software, including but not limited to information about your devices and the frequency, type and manner of use to which the software is put. You cannot opt out of these features and they cannot be turned off.)
- b. **Product Enhancement Program.** If you are a new customer or an upgrading customer who has not previously opted out of participating in our Product Enhancement Program ("PEP"), then you may automatically be enrolled in PEP during installation of the software or applicable upgrade. With PEP, Sage collects information on your hardware and how you use the software and its in-product help and services. This information helps us

identify trends and usage patterns to improve the quality of the products and services we offer. Sage will not collect any of your information (including any personally identifiable information) through PEP. Your participation in PEP is voluntarily and you may opt-out at any time by going to the “Services” menu within the application. If you have previously opted out of PEP, then you will continue to be opted out when you install any updates. You may opt-in at any time by going to the “Services” menu within the application.

- c. **EU Data.** If the European Union’s General Data Protection Regulation 2016/679 (the “GDPR”) governs Sage’s processing or controlling of personal data, then the Data Processing Addendum posted at <https://www.sage.com/en-us/legal/eula/> (or such other URL as we notify you of) applies. We may update that addendum from time to time. If there is any conflict between that addendum and this agreement, that addendum will control.

## 10. Technical Data Collection; Automatic Updates.

- a. **Data Collection by Actian Corporation (formerly Pervasive Software, Inc.).** The software uses a database that is provided by Actian Corporation (“Actian”), and not Sage. To ensure that only valid versions of the software are activated, Actian collects technical information from your systems, including but not limited to information about your hardware, network and operating system to uniquely associate your device with a valid version of the software. Actian also collects technical information from your systems during uninstalls, software updates and license management activities. Actian does not collect any personal information from or about you.
- b. **Automatic Updates.** The software uses automatic update technology to provide important updates like bug fixes, patches, enhanced functions, missing plug-ins, and new versions. While you can disable this technology, we recommend that you keep it enabled. When enabled, this technology will automatically download or install (or prompt you to download or install) an available update.

**11. Term and Termination.** The term of this agreement begins on the date you accept it or install the software, whichever occurs first, and continues until it is terminated or you accept a new agreement.

### a. Your Termination Rights.

- (i) **Subscription Terminations.** If you subscribe to the software, you may terminate this entire agreement at any time by notifying us at the following link – <https://get.sage.com/SubscriptionCancellation>. Unless you notify us that you do not wish to terminate, your termination will be effective on the 30th day following your completion of the termination request. The software will then revert to “read-only” mode and you will lose access to any features that require Sage Business Care.
- (ii) **Other Terminations.** If you do not subscribe to the software, you may terminate this entire agreement at any time by notifying us in writing at: Sage Software, Inc., 1715 N. Brown Road, Building B, Lawrenceville, Georgia 30043, Attn: Sage 50, Termination Request. You will not receive a refund for your purchase of the software.

**b. Our Termination Rights.** If you breach your obligations under this Agreement (including by not paying any fees when due), then this Agreement will automatically terminate.

### c. Version-Specific Rights.

- (i) **Not for resale/demo.** Your right to use a not for resale/demo version of the software terminates when you no longer have a valid partner agreement with Sage.
- (ii) **SAN members.** If you are a member of the Sage Accountants Network and you have an accountant edition of the software, your right to use the accountant edition terminates when you no longer are a member of the Sage Accountants Network and you will have “read-only” access to your data.

(iii) **Educators and instructors.** Your right to use the educational version of the software terminates when you no longer meet our education qualifications.

(iv) **Student.** A student's right to use the student version of the software terminates 14 months from the initial installation date.

**d. Effect of Termination.** Once terminated, all licenses and other rights granted to you will immediately terminate.

## 12. Compliance.

**a. Sanctions.** At all times during the term of this agreement and your use of the software, you confirm that: (i) you will conduct your business in compliance with all sanctions laws, regulations and regimes imposed by relevant authorities, including but not limited to the Office of Foreign Assets Control (OFAC), the United Nations, the United Kingdom and the European Union; (ii) you are not named on any "denied persons list" (or equivalent targeted sanctions list) in violation of any such sanctions restrictions, laws, regulations or regimes, nor are you owned or controlled by a politically exposed person; and (iii) you have and will maintain appropriate procedures and controls in place to ensure and be able to demonstrate your compliance with this Section 12a. You may not permit your users to use or access the software in violation of any U.S. export or sanctions law or regulation or in any Restricted Territories (defined below). Such access and/or use is not permitted by us and shall constitute a material breach of this agreement, and where we are aware of or suspect you (or any of your users) to be accessing, using, permitting or otherwise facilitating such access and/or use in any Restricted Territory in breach of such laws or regulations, we may immediately suspend your use of the software to the extent that we consider necessary without prior notice, and we shall promptly notify you of such suspension and investigate any potential breach. You will promptly notify us if you have violated, or if a third party alleges that you have violated, this Section 12a. If we have grounds to suspect that you are accessing and/or using the software in violation of this Section 12a, you shall provide us with your full cooperation and assistance in respect of your access and/or use of the software and in respect of your compliance with this Section 12a. You shall indemnify us and our affiliates against any claims, costs, damages, losses, liabilities and expenses (including attorneys' fees and costs) as a result of your (or your users) breach of this Section 12a. As used in this Section 12a, "Restricted Territories" means (i) Cuba, Iran, North Korea, Syria and the territory of Crimea / Sevastopol, and (ii) any other country or territory that is subject to sanctions by the United Kingdom, the European Union, or the U.S.

**b. Anti-Bribery & Anti-Corruption Laws.** In using the software, you must comply with all applicable laws and regulations, including anti-bribery, anti-corruption and tax evasion laws and regulations.

**c. Audit.** We may audit your use of the software at any time to ensure your compliance with this agreement. If an audit shows that you have underpaid fees, then you will pay Sage an amount due based on Sage's price list in effect at the time of the audit.

**13. Binding Arbitration and Class Action Waiver.** We hope we never have a dispute, but if we do, you and Sage agree to try for 60 days to resolve it informally. If we can't, you and Sage agree to **binding individual arbitration before the American Arbitration Association ("AAA") under the Federal Arbitration Act ("FAA"), and not to sue in court in front of a judge or jury.** Instead, a neutral arbitrator will decide and the arbitrator's decision will be final except for a limited right of appeal under the FAA. **Both you and Sage agree to bring any dispute in arbitration on an individual basis only. Class action lawsuits, class-wide arbitrations, private attorney-general actions, and any other proceeding where someone acts in a representative capacity aren't allowed. Nor is combining individual proceedings without the consent of all parties.** "We," "our," and "us" includes Sage and its affiliates.

**a. Disputes covered—everything except IP.** The term "dispute" is as broad as it can be. It includes any claim or controversy between you and Sage concerning the software, its price, or this agreement, under any legal theory, including contract, warranty, tort, statute, or regulation, **except disputes relating to the enforcement or validity of your, your licensors', our, or our licensors' intellectual property rights.**

- b. Mail a Notice of Dispute first.** If you have a dispute and our customer service representatives can't resolve it, send a letter notifying us of a dispute by U.S. Mail to Sage Software, Inc., Attn: Legal Department, 271 17<sup>th</sup> Street NW, Suite 1100, Atlanta, GA 30363. Tell us your name, address, how to contact you, what the problem is, and what you want. We'll do the same if we have a dispute with you. After 60 days, you or Sage may start an arbitration if the dispute is unresolved.
  - c. Small claims court option.** Instead of mailing us a dispute notice, and if you meet the requirements of a small claims court located within the United States, you may sue us in small claims court in (i) your county of residence (or if a business, your principal place of business) in the United States or (ii) our principal place of business in Fulton County, Georgia, USA. We hope you'll mail us your dispute notice and give us 60 days to try to work it out, but you don't have to before going to small claims court.
  - d. Arbitration procedure.** The AAA will conduct any arbitration under its Commercial Arbitration Rules. For more information, see [www.adr.org](http://www.adr.org) or call 1-800-778-7879. To start an arbitration, submit the forms required by the AAA and mail a copy to Sage. All hearings will be telephonic unless the arbitrator finds good cause to hold an in-person hearing instead. If you are located in the United States, you may choose where any in-person hearing will take place: either in the county of your principal place of business or in Fulton County, Georgia, which is our principal place of business. If you are not located in the United States, the hearing will take place in Fulton County, Georgia, USA. The arbitrator may award the same damages to you individually as a court could. The arbitrator may award declaratory or injunctive relief only to you individually to satisfy your individual claim.
  - e. Arbitration fees and payments.** If you start an arbitration we won't seek any fees and expenses from you, unless the arbitrator finds the arbitration frivolous or brought for an improper purpose. If we start an arbitration, we will pay all filing and arbitrator's fees and expenses. For any arbitration that we start, we won't seek our attorneys' fees or expenses from you.
  - f. Must file within one year.** Both of us must file in small claims court or arbitration any claim or dispute (except intellectual property disputes – see Section 7) within one year from when it first could be filed. Otherwise, it's permanently barred.
  - g. Severability.** If the class action waiver is found to be illegal or unenforceable as to all or some parts of a dispute, those parts won't be arbitrated but will proceed in court, with the rest proceeding in arbitration. If any other provision of this Section 13 is found to be illegal or unenforceable, that provision will be severed but the rest of Section 13 still applies.
  - h. Conflict with AAA rules.** This agreement governs if it conflicts with the AAA's Commercial Arbitration Rules or Consumer Arbitration Rules.
- 14. Sage & Third Party Marks.** Sage, the Sage logo, Sage 50 Intelligence Reporting, and TAL are registered trademarks or trademarks of Sage Software, Inc. or its affiliates. Microsoft, Microsoft SQL Server, Windows, and the Windows logo are trademarks or registered trademarks of Microsoft Corporation. For an up-to-date list of copyright and trademark statements, refer either to the copyright page of the software's user guide or the Help – About menu within the software. Other product names mentioned may be service marks, trademarks, or registered trademarks of their respective owners.
- 15. Governing Law.** The laws of the state of Georgia govern this agreement, including all claims and disputes concerning the software, its price, or this agreement, including breach of contract claims, unfair competition laws, implied warranty laws, for unjust enrichment, and in tort, regardless of conflict of law principles.
- 16. Entire Agreement.** This agreement (together with the printed paper license terms or other terms accompanying any software supplements, upgrades, updates, and services that we provide and that you use), and the terms contained in web links listed in this agreement, are the entire agreement for the software and any such supplements, updates, upgrades and services (unless we provide other terms with such supplements, updates, upgrades or services). You

can review this agreement after your software is running by going to <https://www.sage.com/en-us/legal/eula/> or selecting “About” and then “Help” within the software. You can also review the terms at any of the links in this agreement after your software is running by typing the URLs into a browser address bar, and you agree to do so. You agree that you will read the terms before using the software or services, including any linked terms. You understand that by using the software and services, you ratify this agreement and the linked terms.

**Addendum for Direct Deposit Services  
Provided by iSolved HCM Services, LLC**

The terms set forth in this addendum govern your use of the direct deposit services provided by iSolved HCM Services, LLC (“iSolved”). If you use iSolved’s direct deposit services with Sage 50 to help you process your payroll, then all of the terms set forth in this addendum apply to you. iSolved used to be an affiliate of Sage Software, Inc. and had a doing-business-as name of “Sage Payroll Solutions”. On February 21, 2019, we sold this business and iSolved is now a separate company. More information about this acquisition can be found [here](#).

To use the direct deposit services, you must always use the most current version of Sage 50.

This addendum may be used as an application for credit and authorizes iSolved to (a) investigate you or your principals’ credit, including vendor references, bank account status and history; (b) conduct any additional investigations, like a fraud check and identification and verification assessments (which may include U.S. Patriot Act or other federal law requirements); and (c) initiate debit/credit entries to the checking/savings account at the financial institution you provide to iSolved.

**1. Direct Deposit Services.**

a. **Generally.** The direct deposit services that iSolved provides under this addendum consist of iSolved, through an “Originating Bank”, initiating debits to a bank account that you designate and making credits to your employees’ bank accounts based on the payroll information you provide (the “Services”). You shall provide iSolved with an “Authorization to Debit Form” that identifies your financial institution (which must be a participating financial institution in the ACH network) and account number (“Account”) together with a voided check from that Account. For iSolved to set up and perform the Services, you must complete and execute all documentation that iSolved reasonably requires and otherwise comply with this addendum.

**b. Authorization to Debit.**

- (i) You authorize and direct iSolved to debit your Account up to five (5) business days (unless otherwise agreed to in writing) before each of the dates you designate that direct deposits are to be remitted to your employees (the “Payroll Check Dates”) in such amounts as you instruct iSolved are necessary to pay those individuals who have elected to receive their wages by direct deposit (“Payees”). The credits to each Payee’s account shall be on the applicable Payroll Check Date. You also authorize and direct your financial institution to charge your Account in the amount of each debit and to honor and pay the debit in accordance with its terms. The foregoing authorizations shall be standing authorizations and shall remain in full force and effect until terminated in accordance with this addendum and your agreement with your financial institution, and until iSolved and your financial institution have had a reasonable opportunity to act upon such termination.
- (ii) If you designate a different financial institution or a different account number at the existing financial institution to serve as your Account, then you shall promptly notify iSolved of such change in writing and furnish a new Authorization to Debit Form to iSolved together with a voided check from such new account. iSolved must receive the new Authorization to Debit Form at least ten (10) days before the effective date of any such change.
- (iii) Prior to the initiation of the first credit to any Payee, you shall obtain a written authorization signed by such Payee (the “Payee Authorization”) in a form that complies with National Automated Clearing House Association (“NACHA”) rules. This form shall authorize the initiation from time to time of credits to such Payees’ accounts as well as authorize the debiting of such accounts in order to recover any funds

erroneously credited to such accounts or if a debit entry to your Account is returned for any reason. You will request that iSolved credit or debit Payees' accounts for net changes to payrolls that are reprocessed for any reason. You shall retain the original signed Payee Authorization, or duplicates of the original, regardless of the manner in which stored (electronic, photocopied, etc.), during the period such Payee Authorization is in effect and for a period of two years after the termination or revocation of such Payee Authorization, and shall furnish such original or copy to iSolved upon request.

- c. Available Funds.** You must always have in your Account good, collected funds in an amount sufficient to cover the debits initiated by iSolved no later than the beginning of the day that iSolved will debit your Account. If sufficient funds are not available, then iSolved may require a wire transfer for the amounts due. You will be debited by electronic entry unless: (i) any single payment to cover your direct deposit credits equals or exceeds \$100,000.00 or your credit limit designated by iSolved, whichever is less, or (ii) any initial electronic debit request is returned by your financial institution for any reason, in which case you may, at iSolved's option, be required to fund such payroll file by wire transfer or other method. If iSolved requires payment via wire transfer or other method, you shall provide iSolved with all information necessary to confirm receipt of the payment, including, but not limited to, financial institution information and confirmation numbers. iSolved may, in its sole discretion, require a security deposit. You hereby waive any right to interest that may accrue on said security deposit or any funds held by iSolved. If iSolved is unable to confirm receipt of the funds by wire transfer or other method prior to the funding deadline, remittance of wages may be delayed.
- d. Timely Provision of Information.** You acknowledge and agree that reporting direct deposit information after the time associated with your Payroll Processing Schedule (as defined below) may result in late receipt of direct deposits on or after the Payroll Check Date.
- e. Investment Earnings.** Any investment earnings (including interest earned) on funds held by iSolved between the date of withdrawal from your Account and the date such funds are paid to the Payees shall be for iSolved's benefit and not for your or any Payee's benefit.
- f. NACHA / OFAC Compliance.** All electronic transactions made hereunder shall comply with the NACHA rules and this addendum. No entry made hereunder may knowingly or intentionally violate federal, state or local laws, including, without limitation, regulations of the Office of Foreign Assets Control ("OFAC"). You shall ensure that no transactions made hereunder constitute "prohibited transactions" under OFAC regulations.

## 2. Set Up and Credit Terms.

- a. iSolved's Review Process.** Notwithstanding anything in this addendum to the contrary, iSolved has no obligation to provide any Services to you unless and until iSolved approves your use. You shall provide iSolved with any and all information and documentation (financial or otherwise) that iSolved reasonably requires to conduct its review. iSolved's review process will begin upon its receipt of such information and documentation. You certify that the information it has provided or will provide to iSolved is true, accurate and complete.
- b. Credit Approval.** You understand that the Services require (and part of iSolved's review process includes) credit approval. You authorize iSolved to make whatever inquiries it deems necessary of others, including but not limited to, requesting your and your principals' consumer reports, bank credit information, business credit reports or other credit reference review. The credit approval process will be dictated by your average net payroll. The credit process may require up to five (5) business days. iSolved will advise you of your processing schedule after credit approval ("Payroll Processing Schedule"). iSolved reserves the right not to provide the Services based on negative information received from consumer reports in compliance with the applicable provisions of the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq. and its corresponding regulations. You authorize iSolved to utilize credit reports (including those of your principals) from time to time in connection with the extension or continuation of the Services. After credit approval, if you do not process payroll for six (6) months or more, or in iSolved's reasonable judgement, you become a risk, iSolved may deactivate the Services

and you acknowledge and agree that you must re-apply for credit and obtain credit approval from iSolved if you desire to re-start the Services.

- c. **Recovery of Funds.** You will cooperate with iSolved to recover funds paid to any employee or any other nonemployee account in error, or in the event a debit entry to your Account is returned for any reason.

### 3. Roles & Responsibilities.

- a. **iSolved as Processor Only.** iSolved's role is that of a processor of direct deposit information that you supply. iSolved is not your agent, and specifically disclaims any fiduciary relationship with you. The Services do not include any tax, financial, employment or legal advice. You should seek such advice from an attorney, certified public accountant or other finance or tax professional.
- b. **Customer's Responsibilities.**
  - (i) The accuracy and the integrity of the Services is limited by the nature and timeliness of the information you provide. You are solely responsible for (x) the timely provision of complete and accurate information as is necessary for iSolved to provide the Services; (y) promptly reviewing all communications and records furnished to you by iSolved, including but not limited to, details relating to credits and/or debits, billing and other account information; and (z) the consequences of any instructions you give to iSolved. You shall notify iSolved of any discrepancies between the information contained in the communications or records furnished to you by iSolved and your own records within three (3) business days of receipt. Errors resulting from inaccurate information you supplied or your failure to review all communications and records furnished to you by iSolved, and report to iSolved any errors within the three (3) day period, shall be your sole liability and you agree to indemnify and hold iSolved harmless from any such errors. If the data you submit is incorrect, incomplete or not in proper form, whether due to you or iSolved, then you shall pay iSolved its standard rate then in effect for any additional work performed to correct such data.
  - (ii) Notwithstanding anything in this addendum to the contrary, compliance with applicable federal, state or other local laws is your sole responsibility. Without limiting the foregoing, you are solely responsible for complying with any legal obligation to maintain records regarding your business or employees.
- c. **Customer's Representations.** You represent and warrant to iSolved that: (i) each credit to the account of a Payee and each debit reversing one or more previous such credits will be requested timely and has been authorized pursuant to a Payee Authorization signed by such Payee and held by you; (ii) at the time any credit is made to the account of any such Payee, you have no actual knowledge of the revocation or termination of such Payee's Authorization; (iii) each debit to the account of a Payee (reversing a prior credit) will be for a sum which is due and owing; (iv) your payment by means of electronic credits complies with all laws applicable to you and Payee with respect to such payments; and (v) you will have good, collected funds available in your Account for the purpose of honoring every debit made by iSolved in connection with the Services.

### 4. Term and Termination.

- a. **Commencement.** If iSolved approves your use of the Services, the Services will commence on the date advised by iSolved and the term of this addendum shall continue in effect unless and until terminated as provided herein.
- b. **Termination Events.** Notwithstanding anything in this addendum to the contrary, this addendum may be immediately terminated at iSolved's option and without prior notice, and iSolved will have no further obligation to provide any Services to you, if any one of the following occurs (a "Termination Event"): (i) any debit to your Account for funding is dishonored or otherwise returned to iSolved or the Originating Bank for any reason, or you default in the payment of any sum of money owed to iSolved; (ii) any representation you make is incorrect in any material respect; (iii) you default under this addendum; (iv) your funds are, at any time, insufficient to

cover the net payroll and/or related taxes for your Payees, (v) (a) you cease operations, (b) a receiver, custodian, trustee or liquidator becomes responsible in any manner for you or any of your assets, (c) you are unable to pay your debts as they become due, (d) you make any assignment for the benefit of creditors, (e) you become a bankrupt party under the United States bankruptcy code or either involuntarily or voluntarily becomes the subject of any other law relating to bankruptcy, insolvency, reorganization, dissolution, liquidation, winding-up, or composition or adjustment of debts; (vi) the Originating Bank notifies iSolved that it is no longer willing to originate debits and credits for you for any reason whatsoever (including without limitation, the return of a debit entry or insufficient or uncollected funds); (vii) the Payee Authorization is terminated (unless replaced by another Payee Authorization); or (viii) iSolved's agreement with the Originating Bank is terminated.

- c. **Termination for Convenience.** Subject to the last sentence of Section 1(b)(i) above, either party may terminate this addendum without cause with written notice to the other party.
- d. **Effect of Termination.** The following sections will survive termination of this addendum: this Section 4d (Effect of Termination), Section 6 (Limitation of Liability), Section 7 (Indemnification), Section 9 (Miscellaneous), and any other provision when reasonably read as intended to survive termination.

## 5. Disclaimer of Warranties.

- a. **Provision.** iSolved shall use due care in providing the Services. However, iSolved shall have no responsibility for correcting errors which are due to your negligence or incompleteness or inaccuracy of information provided by you or your employees or agents.
- b. **No Warranties.** EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THE SERVICES ARE PROVIDED ON AN "AS IS" BASIS AND ISOLVED DISCLAIMS TO THE FULLEST EXTENT PERMITTED BY LAW ALL OTHER REPRESENTATIONS, WARRANTIES AND GUARANTEES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING THOSE (I) OF MERCHANTABILITY OR SATISFACTORY QUALITY, (II) OF FITNESS FOR A PARTICULAR PURPOSE, (III) OF NON-INFRINGEMENT AND (IV) ARISING FROM CUSTOM, TRADE USAGE, COURSE OF PRIOR DEALING OR COURSE OF PERFORMANCE.

## 6. Limitation of Liability.

- a. **Generally.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ISOLVED SHALL NOT HAVE ANY LIABILITY FOR ANY INDIRECT, SPECIAL, EXEMPLARY, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES. SUBJECT TO SECTION 6B, ISOLVED'S AGGREGATE LIABILITY FOR DIRECT DAMAGES SHALL NOT EXCEED THE VALUE OF THE FEES FOR THE SERVICES PAID OR PAYABLE IN THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM, OR, IF SUCH CLAIM ARISES DURING THE FIRST 12-MONTH PERIOD OF THIS AGREEMENT, DURING SUCH PERIOD.
- b. **Exception.** iSolved's sole liability under this addendum for the fraudulent or dishonest acts or omissions of iSolved's officers, employees or agents shall be limited to restoring any lost or misdirected funds (if any) to you or the applicable Payee (as reasonably determined by you) caused solely and directly by such fraudulent or dishonest acts or omissions.
- c. **Clarifications.** iSolved shall have no liability for any failure to provide the Services due to causes or conditions beyond its control. You recognize that Internet service provider interruptions that prevent you from entering and/or transmitting direct deposit information are beyond iSolved's control and agree that iSolved shall not be liable for any resulting damages or losses resulting from such interruptions. iSolved also shall not be liable for any fraudulent or dishonest acts or omissions of your officers, employees or agents, whether involving your use of the Services or otherwise.

**d. Application.** The exclusions and limitations above apply to all causes of action, whether arising from breach of contract, tort, breach of statutory duty or otherwise, even if such loss was reasonably foreseeable or if you had advised iSolved of the possibility of such loss. The allocation of risk in this addendum is reflected in the level of fees payable hereunder.

**7. Indemnification.** You shall indemnify and hold iSolved harmless from all losses, damages and expenses (including reasonable attorneys' fees) in any claim that arises out of or results from (i) your furnishing of incomplete or inaccurate information to iSolved; (ii) a Termination Event; or (iii) your breach of any NACHA rules.

**8. Fees; Payment.**

**a. Electronic Debit.** You shall pay the applicable Services fees to iSolved via electronic debit (e.g., automatic billing). iSolved may increase any prices and/or fees at any time upon fifteen (15) days' written notice.

**b. Wire Transfer and Other Fees.** Wire transfer fees will be charged in accordance with reasonable and prevailing fees. All wire transfer fees are in addition to, not in lieu of, any other fees payable to iSolved under this addendum. Further, all financial institution fees charged by your financial institution shall be your sole responsibility. You shall pay for any financial institution service charges iSolved may incur due to a debit withdrawal request returned to iSolved as being dishonored.

**c. Dishonored Items.** You shall pay iSolved a service fee for any debit withdrawal request that is returned to iSolved as being dishonored. The fee shall be charged at the current Non-Sufficient Funds Rates as published on the iSolved fee schedule. Notwithstanding Section 8a, this schedule may be reviewed and adjusted at any time in iSolved's sole discretion.

**d. Failure to Pay.** If you fail to pay any amount due under this addendum, whether by acceleration or otherwise, upon demand by iSolved, you shall pay interest at the rate of 1.5% per month (but not to exceed the maximum allowed by law) on such delinquent amount from the due date thereof until the date of payment.

**e. Refunds.** No refund or adjustment will be processed by iSolved until verification is available that good, collected and final funds from you are on deposit in iSolved's account. If you do not honor a debit from iSolved correcting a previous credit entry, then you will refund to iSolved the amount of such credit entry if iSolved already refunded such amount, or iSolved may offset the amount against other funds in iSolved's possession.

**9. Miscellaneous.**

**a. Assignment.** You shall not assign this addendum without iSolved's prior written consent, which will not be unreasonably withheld. Any attempt by you to assign any of your rights, duties or obligations that arise under this addendum without such consent shall be void. iSolved may assign this addendum or any of its rights, duties or obligations that arise under this addendum.

**b. Entire Agreement.** This addendum constitutes the entire agreement between you and iSolved regarding its subject matter and supersedes all prior or contemporaneous written and oral agreements, negotiations and discussions between the parties regarding the subject matter herein. You acknowledge that in entering into this addendum you have not relied on and will have no rights or remedies in respect of any statement, representation, assurance or warranty other than as expressly set out in this addendum.

**c. Amendments.** iSolved reserves the right to amend any of the Services and this addendum, any of which amendments shall become effective upon fifteen (15) days' written notice. Except as otherwise provided herein, this addendum shall not be modified in any way except in writing, signed by duly authorized representatives of you and iSolved.

- d. Severability.** If any provision of this addendum (or any portion thereof) is held to be invalid, illegal or unenforceable, then to the extent possible such provision shall be construed to reflect the intent of the original provision, with all other provisions in this addendum remaining in full force and effect.
- e. No Waiver.** iSolved's failure to insist upon strict performance of any provision of this addendum shall in no way constitute a waiver of any of iSolved's rights, nor shall such failure be considered a waiver by iSolved of any other provision or subsequent default by you in the performance of or in compliance with this addendum.
- f. Governing Law; Dispute Resolution.** The validity, construction and application of the addendum will be governed by the internal laws of the State of North Carolina, excluding its conflict of laws provisions. Except as provided in the last sentence of this Section 9f, any controversy, claim or action arising out of or relating to this addendum, including the determination of the scope or applicability of this agreement to arbitrate, will be settled by binding arbitration in Charlotte, North Carolina before one arbitrator. The arbitration shall be administered in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Judgment on the award may be entered in any court having jurisdiction. iSolved may, in its sole discretion, commence an action in any court of competent jurisdiction within the State of North Carolina for any monies due and owing from you to iSolved.
- g. Time for Customer to Bring Claims.** ANY CLAIM OR CAUSE OF ACTION, REGARDLESS OF FORM, THAT YOU MAY RAISE HEREUNDER MUST BE BROUGHT BY YOU NO MORE THAN ONE (1) YEAR AFTER IT AROSE, OTHERWISE THE CLAIM OR CAUSE OF ACTION SHALL BE BARRED.
- h. Attorneys' Fees & Costs.** If iSolved is required to arbitrate or take any legal action to enforce the terms of this addendum and is successful in such arbitration or legal action, you shall pay all costs, attorneys' fees and interest reasonably incurred by iSolved as a result of the necessity of such arbitration or action (including those incurred on appeal).