

Direct Deposit Services Agreement (Last Updated: October 2018)



This Direct Deposit Services Agreement (the "Agreement") is a legal agreement between you or the company that you are authorized to represent ("Customer") and PAI Services, LLC doing business as Sage Payroll Solutions ("PAI"), an affiliate of Sage Software, Inc. ("SSI"). Customer has already purchased a license to use Sage 100 or Sage 300 from SSI (the "Sage Software") and has now requested that PAI process direct deposits pursuant to this Agreement as an ancillary service for such software. To use the direct deposit services described in this Agreement, Customer understands that it must at all times use the most current version of the Sage Software.

This Agreement may be used as an application for credit and authorizes PAI to (a) investigate Customer's or its principals' credit, including vendor references, bank account status and history; (b) conduct any additional investigations such as 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 Customer provides to PAI.

IMPORTANT NOTICE! USE OF THE SERVICES IS SUBJECT TO ALL OF THE TERMS AND CONDITIONS IN THIS AGREEMENT. PLEASE READ THIS AGREEMENT CAREFULLY BEFORE USING THE SERVICES.

IF YOU ARE ACCEPTING THIS AGREEMENT ON BEHALF OF A COMPANY OR OTHER LEGAL ENTITY, YOU REPRESENT THAT YOU HAVE THE AUTHORITY TO BIND SUCH COMPANY OR ENTITY TO THIS AGREEMENT. IF YOU DO NOT HAVE SUCH AUTHORITY YOU MUST NOT ACCEPT THIS AGREEMENT OR OTHERWISE ACCESS OR USE THE SERVICES.

CUSTOMER WILL INDICATE ITS ACCEPTANCE OF THIS AGREEMENT BY DOING ONE OR MORE OF THE FOLLOWING OR ALLOWING OR AUTHORIZING A THIRD PARTY TO DO ONE OR MORE OF THE FOLLOWING FOR IT: (1) CLICKING "I AGREE" OR A SIMILAR AFFIRMATION WHICH APPEARS DURING ACTIVATION OF THE SERVICES, (2) ACCESSING OR USING THE SERVICES, OR (3) SIGNING A COPY OF THIS AGREEMENT. IF YOU DO NOT AGREE TO BE LEGALLY BOUND BY THIS AGREEMENT IN ITS ENTIRETY AND WITHOUT MODIFICATION OR ADDITION, THEN YOU MUST NOT ACCESS OR USE THE SERVICES IN ANY WAY.

1. DIRECT DEPOSIT SERVICES

1.1. Generally. The direct deposit services that PAI provides under this Agreement consist of PAI, through an "Originating Bank", initiating debits to a Customer-designated bank account and making credits to Customer's employees' bank accounts based on the payroll information provided by Customer (the "Services"). Customer shall provide PAI with an "Authorization to Debit Form" that identifies Customer's financial institution and account number ("Customer's Account") together with a voided check from such account. In order for PAI to set up and perform the Services, Customer must complete and execute all reasonably required documentation and otherwise comply with this Agreement.

1.2. Authorization to Debit.

1.2.1. Customer authorizes and directs PAI to debit Customer's Account up to five (5) business days (unless otherwise agreed to by the parties in writing) before each of Customer's "Payroll Check Dates" (the date on which the Customer designates that the direct deposits are to be remitted to its employees) in such amounts as Customer instructs PAI 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 Payroll Check Date. Customer also authorizes and directs its financial institution (which shall be a participating financial institution in the ACH network) to charge Customer's 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 Agreement and Customer's agreement with its financial institution, and until PAI and Customer's financial institution have had a reasonable opportunity to act upon such termination.

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- 1.2.2. If Customer designates a different financial institution or a different account number at the existing financial institution to serve as Customer's Account, then Customer shall promptly notify PAI of such change in writing and furnish a new Authorization to Debit Form to PAI together with a voided check from such new account. PAI must receive the new Authorization to Debit Form at least ten (10) days before the effective date of any such change.
- 1.2.3. Prior to the initiation of the first credit to any Payee, Customer 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 Customer's Account is returned for any reason. Customer will request that PAI credit or debit Payees' accounts for net changes to payrolls that are reprocessed for any reason. Customer 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 PAI upon request.

1.3. Available Funds. Customer shall always have in Customer's Account good, collected funds in an amount sufficient to cover the debits initiated by PAI no later than the beginning of the day that PAI will debit Customer's Account. If sufficient funds are not available, then PAI may require a wire transfer for the amounts due. Customer will be debited by electronic entry unless: (i) any single payment to cover Customer's direct deposit credits equals or exceeds \$100,000.00 or Customer's credit limit designated by PAI, whichever is less, or (ii) any initial electronic debit request is returned by Customer's financial institution for any reason, in which case Customer may, at PAI's option, be required to fund such payroll file by wire transfer or other method. If PAI requires payment via wire transfer or other method, Customer shall provide PAI with all information necessary to confirm receipt of the payment, including, but not limited to, financial institution information and confirmation numbers. PAI may, in its sole discretion, require a security deposit from Customer. Customer hereby waives any right to interest that may accrue on said security deposit or any funds held by PAI. If PAI 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.

1.4. Timely Provision of Information. Customer acknowledges and agrees that reporting direct deposit information after the time associated with its Payroll Processing Schedule (as defined below) may result in late receipt of direct deposits on or after the Payroll Check Date.

1.5. Investment Earnings. Any investment earnings (including interest earned) on funds held by PAI between the date of withdrawal from Customer's Account and the date such funds are paid to the Payees shall be for PAI's benefit and not for Customer's or any Payee's benefit.

1.6. NACHA / OFAC Compliance. All electronic transactions made hereunder shall comply with the NACHA rules and this Agreement. 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"). Customer shall ensure that no transactions made hereunder constitute "prohibited transactions" under OFAC regulations.

2. SET UP AND CREDIT TERMS

2.1. PAI's Review Process. Notwithstanding anything in this Agreement to the contrary, PAI has no obligation to provide any Services unless and until PAI approves such Services for Customer. Customer shall provide PAI with any and all information and documentation (financial or otherwise) that PAI reasonably requires to conduct its review. PAI's review process will begin upon its receipt of such information and documentation. Customer certifies that the information it has provided or will provide to PAI is true, accurate and complete.

2.2. Credit Approval. Customer understands that the Services require (and part of PAI's review process includes) credit approval. Customer authorizes PAI to make whatever inquiries it deems necessary of others, including but not limited to, requesting Customer's and its principals' consumer reports, bank credit information, business credit reports or other credit reference review. The credit approval process will be dictated by Customer's average net

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payroll. The credit process may require up to five (5) business days. PAI will advise Customer of its processing schedule after credit approval ("Payroll Processing Schedule"). PAI 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. Customer authorizes PAI to utilize credit reports (including those of Customer's principals) from time to time in connection with the extension or continuation of the Services. After credit approval, if Customer does not process payroll for six (6) months or more, or in PAI's reasonable judgment, Customer has become a risk, PAI may deactivate the Services and Customer acknowledges and agrees that it must re-apply for credit and obtain credit approval from PAI if it desires to re-commence the Services.

2.3. Recovery of Funds. Customer will cooperate with PAI to recover funds paid to any employee or any other nonemployee account in error, or in the event a debit entry to the Customer's Account is returned for any reason.

3. ROLES & RESPONSIBILITIES

3.1. PAI as Processor Only. PAI's role is that of a processor of direct deposit information supplied by Customer. PAI is not an agent of Customer, and specifically disclaims any fiduciary relationship with Customer. The Services do not include any tax, financial, employment or legal advice. Customer should seek such advice from an attorney, certified public accountant or other finance or tax professional, as appropriate.

3.2. Customer's Responsibilities.

3.2.1. The accuracy and the integrity of the Services is limited by the nature and timeliness of the information Customer provides. Customer is solely responsible for (i) the timely provision of complete and accurate information as is necessary for PAI to provide the Services; (ii) promptly reviewing all communications and records furnished to it by PAI, including but not limited to, details relating to credits and/or debits, billing and Customer account information; and (iii) the consequences of any instructions it gives to PAI. Customer shall notify PAI of any discrepancies between the information contained in the communications or records furnished to it by PAI and Customer's own records within three (3) business days of receipt. Errors resulting from inaccurate information supplied by Customer or Customer's failure to review all communications and records furnished to it by PAI, and report to PAI any errors within the three (3) day period, shall be Customer's sole liability and Customer agrees to indemnify and hold PAI harmless from any such errors. If the data submitted by Customer is incorrect, incomplete or not in proper form, whether due to Customer or PAI, then Customer shall pay PAI its standard rate then in effect for any additional work performed to correct such data.

3.2.2. Notwithstanding anything in this Agreement to the contrary, compliance with applicable federal, state or other local laws is Customer's sole responsibility. Without limiting the foregoing, Customer is solely responsible for complying with any legal obligation to maintain records regarding its business or employees.

3.3. Customer's Representations. Customer represents and warrants to PAI 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 Customer; (ii) at the time any credit is made to the account of any such Payee, Customer has 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) Customer's payment by means of electronic credits complies with all laws applicable to Customer and Payee with respect to such payments; and (v) Customer will have good, collected funds available in Customer's Account for the purpose of honoring every debit made by PAI in connection with the Services.

4. TERM AND TERMINATION

4.1. Commencement. If PAI approves Customer's use of the Services, the Services will commence on the date advised by PAI and the term of this Agreement shall continue in effect unless and until terminated as provided herein.

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4.2. Termination Events. Notwithstanding anything in this Agreement to the contrary, this Agreement may be immediately terminated at PAI's option and without prior notice, and PAI will have no further obligation to Customer to provide any Services, if any one of the following occurs (a "Termination Event"): (i) any debit to Customer's Account for funding is dishonored or otherwise returned to PAI or the Originating Bank for any reason or Customer has defaulted in the payment of any sum of money owed to PAI; (ii) any representation made by Customer is incorrect in any material respect; (iii) Customer defaults under this Agreement; (iv) Customer's funds are, at any time, insufficient to cover the net payroll and/or related taxes for its Payees, (v) (a) Customer ceases operations, (b) a receiver, custodian, trustee or liquidator becomes responsible in any manner for Customer or any of its assets, (c) Customer is unable to pay its debts as the debts become due, (d) Customer makes any assignment for the benefit of its creditors, (e) Customer becomes 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 PAI that it is no longer willing to originate debits and credits for Customer 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) PAI's agreement with the Originating Bank is terminated.

4.3. Termination for Convenience. Subject to the last sentence of Section 1.2.1 above, either party may terminate this Agreement without cause with written notice to the other party.

4.4. Effect of Termination. The following sections will survive termination of this Agreement: this Section 4.4 (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

5.1. Provision. PAI shall use due care in providing the Services. However, PAI shall have no responsibility for correcting errors which are due to the Customer's negligence or incompleteness or inaccuracy of information provided by Customer or its employees or agents.

5.2. No Warranties. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THE SERVICES ARE PROVIDED ON AN "AS IS" BASIS AND PAI 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

6.1. Generally. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PAI SHALL NOT HAVE ANY LIABILITY FOR ANY INDIRECT, SPECIAL, EXEMPLARY, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES. SUBJECT TO SECTION 6.2, PAI'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.

6.2. Exception. PAI's sole liability under this Agreement for the fraudulent or dishonest acts or omissions of PAI's officers, employees or agents shall be limited to restoring to Customer or the applicable Payee (as reasonably determined by Customer) any lost or misdirected funds (if any) caused solely and directly by such fraudulent or dishonest acts or omissions.

6.3. Clarifications. PAI shall have no liability for any failure to provide the Services due to causes or conditions beyond its control. Customer recognizes that Internet service provider interruptions that prevent Customer from entering and/or transmitting direct deposit information are beyond PAI's control and agrees that PAI shall not be liable for any resulting damages or losses resulting from such interruptions. PAI also shall not be liable for any fraudulent or

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dishonest acts or omissions of Customer's officers, employees or agents, whether involving Customer's use of the Services or otherwise.

6.4. 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 Customer had advised PAI of the possibility of such loss. The allocation of risk in this Agreement is reflected in the level of fees payable hereunder.

7. INDEMNIFICATION

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

8. FEES; PAYMENT

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

8.2. 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 PAI under this Agreement. Further, all financial institution fees charged by Customer's financial institution shall be the sole responsibility of Customer. Customer shall pay for any financial institution service charges PAI may incur due to a debit withdrawal request returned to PAI as being dishonored.

8.3. Dishonored Items. Customer shall pay PAI a service fee for any debit withdrawal request that is returned to PAI as being dishonored. The fee shall be charged at the current Non-Sufficient Funds Rates as published on the PAI fee schedule. Notwithstanding Section 8.1, this schedule may be reviewed and adjusted at any time in PAI's sole discretion.

8.4. Failure to Pay. If Customer fails to pay any amount due under this Agreement, whether by acceleration or otherwise, upon demand by PAI, Customer 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.

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

9. MISCELLANEOUS

9.1. Assignment. Customer shall not assign this Agreement without PAI's prior written consent, which will not be unreasonably withheld. Any attempt by Customer to assign any of its rights, duties or obligations that arise under this Agreement without such consent shall be void. PAI may assign this Agreement or any of its rights, duties or obligations that arise under this Agreement.

9.2. Entire Agreement. This Agreement constitutes the entire agreement between Customer and PAI 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. Customer acknowledges that in entering into this Agreement it has 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 Agreement.

9.3. Amendments. PAI reserves the right to amend any of the Services and this Agreement, any of which amendments shall become effective upon fifteen (15) days' written notice from PAI to Customer. Except as otherwise provided herein, this Agreement shall not be modified in any way except in writing, signed by duly authorized officers of PAI and Customer.

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- 9.4. Severability.** If any provision of this Agreement (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 Agreement remaining in full force and effect.
- 9.5. No Waiver.** PAI's failure to insist upon strict performance of any provision of this Agreement shall in no way constitute a waiver of any of PAI's rights, nor shall such failure be considered a waiver by PAI of any other provision or subsequent default by Customer in the performance of or in compliance with this Agreement.
- 9.6. Governing Law; Dispute Resolution.** The validity, construction and application of the Agreement will be governed by the internal laws of the State of Georgia, excluding its conflict of laws provisions. Except as provided in the last sentence of this Section 9.6, any controversy, claim or action arising out of or relating to this Agreement, including the determination of the scope or applicability of this agreement to arbitrate, will be settled by binding arbitration in Atlanta, Georgia 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. PAI may, in its sole discretion, commence an action in any court of competent jurisdiction within the State of Georgia for any monies due and owing from Customer to PAI.
- 9.7. Time for Customer to Bring Claims.** ANY CLAIM OR CAUSE OF ACTION, REGARDLESS OF FORM, THAT CUSTOMER MAY RAISE HEREUNDER MUST BE BROUGHT BY CUSTOMER NO MORE THAN ONE (1) YEAR AFTER IT AROSE, OTHERWISE THE CLAIM OR CAUSE OF ACTION SHALL BE BARRED.
- 9.8. Attorneys' Fees & Costs.** If PAI is required to arbitrate or take any legal action to enforce the terms of this Agreement and is successful in such arbitration or legal action, Customer shall pay all costs, attorneys' fees and interest reasonably incurred by PAI as a result of the necessity of such arbitration or action (including those incurred on appeal).