



THIRD PARTY ACH SERVICE AGREEMENT AND AUTHORIZATION

This Third Party ACH Service Agreement and Authorization (the "Agreement") is between ProPay Professional Payroll Systems, LLC ("ProPay") and _____ ("Client"). This Agreement is effective as of the date it is accepted and/or origination of services rendered by ProPay. This Agreement shall continue until termination of services.

By signing below (including an electronic signature in the case of an Internet user), Client agrees to the provisions of this Agreement and, with respect to ACH transactions initiated by ProPay to satisfy Client's third party payment obligations. Client agrees to comply with Exhibit A attached hereto and incorporated by reference in this document, and to one of the debit methods listed below for the collection for all services provided to Client by ProPay including, but not limited to collection of the following: (1) payroll obligations related to ProPay's Tax Processing Services, (2) payroll tax obligations related to ProPay's Payroll Processing Services, (3) applicable deferrals of compensation, participant loan repayment and employer matching or other contributions under any Plan and/or (4) amounts for the applicable fees for ProPay's Services. Client authorizes ProPay to initiate debits for all ProPay services and service fees out of Client's account specified below (the "Client Account") and the bank specified below ("Bank").

Bank is authorized to charge the Client Account in accordance with the ACH provisions of this Agreement.

BANK Transit/ABA #	BANK Account (Client) #
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BANK Name

BANK Address

For payments from Client's bank account (including ACH debit entries), ProPay may initiate debit and/or credit entries to Client's checking account or other account indicated above. Client acknowledges that the origination of ACH transactions to or from Client's account(s) must comply with the provisions of U.S. law.

1. Authorization. Client hereby authorizes ProPay to obtain payment of amounts for the Services, ProPay's fees for its Services, and other account charges by debiting Client's checking account or other account referenced above. The amounts of such payments shall be the amounts set forth on statements provided to or made available to Client by ProPay (unless Client and ProPay otherwise agree). Client expressly authorizes ProPay to originate and process ACH transactions (and other such payment methods as ProPay may require) one or more banking days prior to Client's check date. It is the Client's responsibility to make sure funds are available and/or transferred to the account specified above, to process ACH transactions for third-party payments, to transmit applicable personally identifying information of employees to designated third-party service providers, to remit payments as required by or directed by court orders or garnishments. ProPay will assist Client in calculating the amount of the garnishment, but Client is solely responsible for the correct calculation of the amount to garnish from its employee's wages.

This authorization will remain in effect so long as Client is a ProPay client and this Agreement has not been terminated. This authorization will continue to apply and remain in effect notwithstanding changes or amendments to the rules, regulations, or ACH procedures or processes adopted by the National Automated Clearing House Association (NACHA), the Federal Reserve, or any other public or private entity. Client acknowledges and agrees



that, in connection with the Client's agreement for services, ProPay is not rendering legal, tax, accounting or investment advice.

2. **Billing.** ProPay may debit Client's checking or other account after ProPay issues an invoice to Client, or as otherwise agreed upon, and at such other times as Client may deem appropriate in connection with ProPay's performance of the Services. ProPay may obtain payments based on its invoice. ProPay's only responsibility is to correct an error after Client notifies ProPay of an error in the Client's invoicing.

3. **Important Tax Information.** Per Internal Revenue Service ("IRS") Revenue Procedure 2012-32, all payroll service providers are required to provide the following statement to their clients informing them of their responsibilities: Please be aware that you are responsible for the timely filing of employment tax returns and timely payment of employment taxes for your employees, even if you have authorized a third party to file the returns and make the payments. Therefore, the IRS recommends that you enroll in the U.S. Department's Electronic Federal Tax Payment System ("EFTPS") to monitor your account and ensure that timely tax payments are being made on your behalf. You may enroll in EFTPS online at www.EFTPS.gov or call (800) 555-4477 for an enrollment form. State tax authorities generally offer similar means to verify tax payments. Contact the appropriate state offices directly for details.

Client understands that ProPay reserves the right to terminate this Agreement without notice. **Client may revoke this authorization upon signing the termination letter that ProPay provides Client.**

ACH & CHECKS

Client understands that funds representing the total of:

- (i) Client's wage payment obligations for the applicable payroll (if Client receives ProPay's Processing Services);
- (ii) Client's payroll tax obligations for the applicable payroll (if Client receives ProPay's Tax Processing Services);
- (iii) applicable deferrals of compensation, participant loan repayments and employer matching or other contributions ("Plan Deposits") under any Plan (if Client receives ProPay's 401(k) Services);
- (iv) Client's obligations under any garnishment or other court order, and for any liens, time clock fees, or other charges for the applicable payroll; and
- (v) ProPay's fees for such Services

must be on deposit in the applicable Client Account no later than 8:00 a.m. CST one banking day prior to the pay date for the applicable payroll. In the case of ProPay Service Fees, ProPay will initiate a transfer of such funds as indicated in the ProPay's invoice.

NOTICE

Client acknowledges that if sufficient funds are not available by the date required pursuant to the foregoing provisions of this Agreement, (1) Client will immediately become solely responsible for all tax deposits and filings, all employee wages, all wage garnishments, and all rebated penalties and interest due then and thereafter, (2) any and all of ProPay's Services may, at ProPay's option, be immediately terminated, (3) neither Bank nor ProPay will have any further obligation to Client or any third party with respect to any such Services and (4) ProPay may take such action as it deems appropriate to collect ProPay's Services Fees.

Client shall not initiate any ACH transactions utilizing ProPay's services that constitute International ACH transactions ("IATs") without first (i) notifying ProPay of such transactions in writing and (ii) complying with the requirements applicable to IAT transactions. ProPay shall not be liable for any delay or failure in processing any ACH transaction due to Client's failure to notify ProPay of Client's IAT transactions or Client's failure to comply with applicable IAT requirements.



Client authorizes ProPay to initiate Entries on behalf of Client to its Receivers' accounts and Client agrees to be financially responsible to the Originating Depository Financial Institution ("Bank") for all Entries initiated by ProPay on Client's behalf;

MISCELLANEOUS PROVISIONS

1. In consideration of Bank's compliance with this authorization, Client agrees that Bank's treatment of any charge, and Bank's rights with respect thereto, shall be the same as if the charge were initiated personally by Client, and that if any charge is dishonored, whether with or without cause, Bank shall be under no liability whatsoever. In addition, Client authorizes ProPay to credit the Client Account when necessary, at ProPay's sole discretion, for any refund or credit amount due to Client.
2. In the event of any conflict between the terms and conditions of this Agreement and the ProPay terms and conditions accepted by Client in a separate writing, this Agreement shall control. Client acknowledges and agrees that, notwithstanding anything to the contrary, Client's right to refund under any State law shall first be subject to any offset for funds due to ProPay with respect to any previous transactions completed on Client's behalf by ProPay, and subject to the terms and conditions of this Agreement and any other agreement between Client and ProPay.
3. Client stipulates and agrees that ProPay is not an agent of or fiduciary to Client and that no trust relationship is created or intended by this Agreement. No trust relationship shall exist or be created when ProPay obtains or holds funds from Client pursuant to this authorization. Client expressly acknowledges that ProPay shall have no duties to Client or any third parties except as specifically set forth and defined in this Agreement.
4. Client's authorizations set forth herein shall remain in effect unless and until terminated in writing by an authorized representative of Client.
5. ProPay may modify the terms of this Agreement by written notice to Client of such change and the effective date thereof. Client shall be deemed to have accepted and agreed to such changes unless Client elects to terminate the Agreement by written notice to ProPay prior to the effective date of the change.

DATED: _____

CLIENT: _____

(Must be an authorized signatory on the accounts listed above)

Please note that this is NOT a contract. This is an agreement between ProPay Professional Payroll Systems, LLC and the Client to express originator and third party sender obligations.



EXHIBIT A

The provisions set forth in this Exhibit A shall be incorporated by reference into the CLIENT ACCOUNT AGREEMENT AND ACH AUTHORIZATION (the "Agreement"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement or the NACHA Operating Rules & Guidelines, as the same may be amended from time to time (the "NACHA Rules"), as applicable.

Client, as an Originator, makes the following representations, warranties, covenants, certifications, authorizations and acknowledgments:

(i) Client (1) agrees to be bound by and warrants it will comply with the NACHA Rules, as the same may be amended from time to time, (2) warrants it will not submit Entries that violate the laws of the United States, (3) warrants it will to comply with all U.S. laws, rules and regulations, including, as applicable, laws, rules and regulations applicable to IAT Entries (including those of the Office of Foreign Assets Control (OFAC) and the Financial Crimes Enforcement Network), (4) acknowledges and agrees that ProPay shall have the right to audit Client's compliance with the provisions of this Exhibit A, the Agreement and the NACHA Rules, and (5) acknowledges and agrees that ProPay shall have the right to suspend or terminate initiating ACH transactions immediately upon notice to Client in the event Client breaches any of the NACHA Rules;

(ii) Client (1) certifies that it has not been suspended and does not appear on a National Association list of suspended Originators, and (2) warrants that it will not transmit any Entry if it has been suspended or appears on a National Association list of suspended Originators;

(iii) Client acknowledges and agrees that ProPay and Bank (1) may restrict certain types of Entries, (2) shall have the right to reject any Entry or series of Entries, and (3) shall have the right to reverse Erroneous Entries;

(iv) Client represents, warrants and certifies that (1) prior to submission, each Entry has been properly authorized by Client and the Receiver in accordance with the NACHA Rules, including, but not limited to (a) the authorization has not been revoked, (b) the Agreement has not been terminated, (c) Client has no knowledge of the revocation of the Receiver's authorization or termination of the agreement between the Receiver and the RDFI concerning the Entry, and (d) at the time the Entry is processed by a RDFI, the authorization for that Entry has not been terminated, in whole or in part, by operation of law, (2) Client will retain all authorizations for a minimum of two (2) years following termination or revocation of the authorization, and (3) Client will provide a copy of such authorization to ProPay or Bank upon request;

(v) Client and ProPay certifies and warrants that (1) all credit and debit Entries will be accurate and timely, and (2) each Entry will contain all information required by the NACHA Rules for specific Entry types, including, but not limited to, the Receiver's correct account number, dollar amount of the Entry, Client's Name, Client's Entry description;

(vi) Client acknowledges and agrees that (1) Client shall be responsible for promptly detecting and correcting any errors, (2) any Entry sent to ProPay that identifies the Receiver inconsistently by name and account number may be processed by Bank based solely on the account number provided, (3) ProPay is authorized to take such measures as ProPay deems appropriate to carry out the intent of Client in completing any particular Entry, including, but not limited to, ProPay may contact Client or may attempt to retransmit any Return Entry, and (4) subject to any limitations set forth in the applicable client services agreement with ProPay, Client shall indemnify ProPay, its parent, subsidiaries, predecessors, successors, affiliates, directors, officers, fiduciaries, insurers, employees and agents, for any claim, demand, loss, liability or expense (including reasonable attorneys' fees, penalties, fines or interest) resulting from the debiting or crediting of any Entry or a breach of the Agreement (including the provisions of this Exhibit A);



(vii) Client agrees to implement and maintain safeguards using data security, system controls, and/or encryption to protect against (1) any unauthorized access to confidential information being stored, processed or transmitted in connection with Entries, and (2) submission of fraudulent Entries purportedly on Client's behalf; and

(viii) Client represents and warrants, to the extent applicable, that (1) the origination of each IAT Entry shall comply with the laws and payment systems rules of the receiving country, and (2) any submission by Client requiring initiation of an IAT Entry by ProPay shall include the name and physical address of each of Client and the Receiver, the account number of the Receiver and the identity of the Receiver's bank, bank ID number and bank branch code.

(ix) Client acknowledges the requirement that it has an obligation to obtain, retain and provide copies of employee authorizations upon request. Client agrees that ProPay may provide information necessary to identify Client to any Financial Institution involved in the processing of ACH transactions that the client originated.

(x) Client certifies that any entries authorized will be solely on behalf of Client and acknowledges that entries on behalf of other entities, sister companies, vendors or clients not specified as a party to this Agreement are strictly prohibited.