



PAYROLL SPECIALTIES, INC

ACH AUTHORIZATION

COMPANY: _____ CLIENT # _____

ADDRESS: _____ CONTACT: _____

CITY: _____ DATE: _____

STATE: _____ ZIP: _____ W/E: _____

PHONE: _____ PAYDAY: _____

ACKNOWLEDGEMENT: As a PAYROLL SPECIALTIES INC. (PSI) client participating in the Direct Deposit Service, I understand that my payroll reporting time cannot be any later than 10:00 A.M., two banking days before my check date. Reporting Payroll after this time will affect the availability of my employees' payroll funds on the check date.

REPORTING DAY/TIME: _____

TERMS OF AGREEMENT: Initiation of the Direct Deposit Services is contingent upon approval of the Client's credit. When approved, PSI's performance of its service under this agreement shall begin upon the initiation date and shall continue until terminated upon 30 day written notice by either party or until terminated as otherwise provided for by this Agreement.

SERVICE TO BE PERFORMED: In addition to the services PSI provides to the Client as a Payroll Service client, Client hereby employs PSI to process Direct Deposit payroll in compliance with Automated Clearing House regulations. Two days prior to the Client's payroll check date, PSI is authorized to draw from the Client's bank accounts as specified by the client, such amounts as are necessary to pay its employees. Such amounts are to be held in an account established by PSI until the check date when funds availability are due to the employee(s).

CLIENT'S RESPONSIBILITY: The Client agrees to accept the following obligations and responsibilities: **1.** To execute all necessary documentation so the PSI may withdraw funds from the Client's bank account to process Direct Deposit payroll. **2.** To execute any other documents which may be required for PSI to perform its responsibilities under the terms of this agreement. **3.** To have available in Client's bank account sufficient funds for PSI to make the withdrawals provided for under the terms of this agreement.

CLIENT'S DEFAULT, if the Client:

1. Fails to pay PSI any fee due under this agreement or any other Agreement.
2. Fails to perform any other obligation agreed to under this Agreement or any other Agreement offered by PSI. Furthermore, Client acknowledges that the Direct Deposit Service may or may not be terminated with or without cause at any time at the discretion of PSI.
3. Files or has had filed against it a petition of bankruptcy or becomes insolvent.
4. If at any time Client is bound by law to surrender property to debtors, PSI reserves the right to remedy any outstanding debt by immediate electronic debt or confiscation of any withheld tax or trust funds, the immediate dissolve of outstanding balances due to Client as well as the above aforementioned, with interest accumulated due the 15th of the month at prime ratio as established by the Wall Street Journal plus 2% on the first day of the month of default, compounded daily not to exceed a rate of 10% annually on any outstanding balance.

In the event that PSI's authorized withdrawal from Client's account is returned due to insufficient funds or for any other reason, Client agrees to reimburse PSI for all charges, losses or expenses incurred by PSI plus **\$25.00 per returned item**. In addition, the Client acknowledges that the Direct Deposit Services may be terminated upon this occurrence.

If PSI or the Client terminates this Agreement, PSI's obligations under this Agreement shall cease. PSI's sole responsibility to the Client shall be to return to the Client any payroll then held by PSI after the deduction of all fees due to PSI. The Client hereby agrees to hold harmless and indemnify PSI for any damages, including reasonable attorney's fees, which PSI incurs as a result of the Client's default under this agreement.

LIMITATION OF LIABILITY: PSI shall only be liable for its own negligence and not the negligence of any other person or entity which provides services as a result of PSI performance of its obligation under this Agreement.

PSI SHALL UNDER NO CIRCUMSTANCES BE RESPONSIBLE OR LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHICH THE CLIENT MAY INCUR AS A RESULT OF PSI'S FAILURE TO PERFORM ANY TERM OR CONDITION OF THIS AGREEMENT. EVEN IF PSI HAS BEEN ADVISED ON THE POSSIBILITY OF SUCH DAMAGES.

PAYMENT: PSI's fees for performing the service are in addition to the value of the funds held in PSI's account pending payment to the appropriate employee(s). PSI may change the amount charged for this service upon (30) days prior written notice to the Client. Client shall pay all invoices within (30) days of receipt thereof. The Client agrees to pay PSI for all collection costs, including reasonable attorney's fees, which PSI incurs as a result of the Client's default.

MISCELLANEOUS PROVISIONS: This Agreement shall be governed by the laws of the State of Oregon. The County of Jackson in the State of Oregon is hereby designated as the place of trial of any action or proceeding arising out of or in connection with this Agreement.

This Agreement contains the entire understanding of the parties and may be modified only by a subsequent writing signed by both parties. The Client acknowledges that there have been no other representations or warranties made by PSI to the Client which are not set forth in this Agreement. If any provision of this Agreement or any portion thereof be held invalid, illegal or unenforceable the validity, legality or enforceability of the remainder of the Agreement shall not in any way be affected.

ASSIGNABILITY: This Agreement may not be assigned by the Client without prior written consent of PSI. Any assignment made without such consent will be null and void.

REFUND/ADJUSTMENTS: Any refund/adjustments will not be processed until verification is available that "good" funds are in the Client's account.

SIGNATURE OF DIRECT DEPOSIT - AUTHORIZATION OFFICER

AUTHORIZED SIGNATURE

TITLE

DATE