



New Client Agreement

In addition to the general terms and conditions listed on the back on this form, client hereby agrees to the following bank authorization.

NetPay Services, Inc. is authorized by the undersigned client ("Client") to authorized the debit method (and corrections to previous debits) originated by check or electronic funds transfer for purposes of collecting from client's bank of financial institution (identifies as "Routing & Transit Number"), from the Client's Account (identified as "Account Number") for its services and charges.

The Financial Institution is authorized by client to comply with this agreement and debit the account in accordance with the debit method as if initiated by client. This authorization shall remain in effect until revoked by the undersign in writing and receiving by Financial Institution so as to allow a reasonable amount of time for all involved parties to act on it.

1. Bank Name, City, & State: _____

Routing & Transit Number: _____ Account Number: _____

Direct Deposit Payroll Taxes 3rd Party Payments Service Fees NetChecks Other _____

1. Bank Name, City, & State: _____

Routing & Transit Number: _____ Account Number: _____

Direct Deposit Payroll Taxes 3rd Party Payments Service Fees NetChecks Other _____

ATTACHED VOIDED CHECK(S) HERE

IN ADDITION TO THE ITEMS NOTED ABOVE, THE CLIENT HEREBY ACCEPTS THE GENERAL TEMS AND CONDITIONS, AS DETAILED ON THE BACK OF THIS FORM, BY SIGNING BELOW.

NETPAY SERVICES, INC.:

CLIENT:

(Authorized Signature) (Date)

(Authorized Signature) (Date)

(Printed or Typed Name) (Date)

(Printed or Typed Name) (Date)

(Legal Company Name) (Federal ID Number)

General Terms and Conditions

1. NetPay Services, Inc. ("NetPay Services") shall provide the undersigned client ("Client") with payroll service to consist of, at a minimum, NetPay Services receiving pay data input or information supplied by Client, calculating payroll and related data, and producing paychecks and reports. Additionally, NetPay Services may provide one or more of the following services to Client, at NetPay Services' discretion, through electronic funds transfer ("EFT") transactions in compliance with National Automated Clearing House Regulations: NPS Tax, Direct Deposit, NetChecks, and third party payments.

2. If Client participates in NetPay Services' Tax service, then NetPay Services hereby agrees to collect payroll tax liabilities from the Client (as authorized by Client's signed Power of Attorney) one day before check date and to receive and hold the funds in an account separate from NetPay Services' general account. NetPay Services will deposit payroll taxes and prepare and file payroll tax returns, as required by the applicable taxing agencies, during the term of this Agreement.

3. If Client participates in NetPay Services' Direct Deposit service, then Client authorizes NetPay Services to collect, one day before Client's check date, necessary amounts via EFT transactions in order to disperse funds into the Client's employee accounts. Client will be responsible for providing NetPay Services with accurate payroll information in a timely manner so as to allow NetPay Services to initiate direct deposit payroll transactions to a designated bank, the Federal Reserve Bank, or any financial institution processor necessary for direct deposit transmissions to occur during the term of this Agreement.

4. If Client participates in NetPay Services' NetChecks service, then Client authorizes NetPay Services to collect, one day before check date, necessary amounts via EFT transactions in order to disperse funds in the form of payroll checks payable to Client's employees designated to receive such items. Client agrees to not provide employees the checks until after 4:00 PM the day before check date.

5. NetPay Services will hold all data processed and maintained for Client confidential. These data shall be disclosed only to Client, to others when authorized by NetPay Services (such as to third parties to complete appropriate services), or as required by law.

6. NetPay Services will process the information provided by Client with due care unless prevented from doing so by causes beyond NetPay Services' reasonable control. This includes, but is not limited to, the negligence of a third party employed to provide services in connection with NetPay Services' obligations, and/or instances in which Client furnishes information to NetPay Services after the agreed upon due date for such information. NetPay Services shall not be responsible for errors in information or processed data provided to NetPay Services.

7. Client shall provide accurate payroll information to NetPay Services no later than (2) two banking days prior to each payroll check date for any of the services or Client may incur an additional processing fee. Client further agrees to review all payroll information needed to verify the complete accuracy of all employees' direct deposit and NetChecks transmissions. If an error occurs, Client must notify NetPay Services within (1) one banking day before the effective transmission date, in which case NetPay Services will only be liable for the retransmission of the direct deposit amounts and/or the re-issuance of the NetChecks payroll checks.

8. Client shall promptly review, to verify the accuracy of processing, all records and information delivered to Client by NetPay Services. Client, upon discovering any errors, will notify NetPay Services (1) one banking day before the effective transmission date, in which case NetPay Services will only be liable for the retransmission of the direct deposit amounts. Client shall maintain all source documents, data that has been already processed, and audit records. NetPay Services shall not be required to keep Client's source documents.

9. Client shall pay NetPay Services or its designee a service fee via EFT for the services provided and/or described herein in accordance with the original price quote. However, quoted fees are subject to change upon NetPay Services' discretion and written notification supplied to Client.

10. NetPay Services may debit the account designated by Client in order to make the necessary direct deposits, NetChecks, third party payments, payroll tax deposits and collect any fees due to NetPay Services.

11. If Client's bank refuses to honor an EFT for any reason (including but not limited to a payroll tax draft, a fee draft, a direct deposit transaction, any drafts for a third party payment, or a NetCheck draft) an initial \$50.00 non-sufficient funds ("NSF") fee for each returned transaction will be assessed to Client as NetPay Services' reasonable costs. Under such circumstances, NetPay Services may immediately terminate this Agreement without written notice. Upon termination of this Agreement, for any reason, NetPay Services shall not be responsible or liable for any future services including, but not limited to, making the then due or any future payroll direct deposit transactions, NetChecks transactions, third party payments, payroll tax deposits, or filing of tax returns.

12. NetPay Services shall have no liability for failure to complete any of the said services (such as making payroll tax deposits or filings) arising from causes outside of NetPay Services' reasonable control, if Client has not provided it with accurate and adequate information to complete the service, or, if Client fails to maintain sufficient funds to cover such obligations. In no event shall the liability of NetPay Services exceed the fees paid or payable by Client for the prior (3) three processing periods, nor shall NetPay Services be liable for any incidental, consequential, special or punitive damages, penalties or attorney's fees.

13. This Agreement does not relieve Client of any of its tax reporting or payment liabilities; this includes, but is not limited to, the selection of the appropriate federal and, if applicable, state and local withholding methods in conformity with controlling law and regulations. Client shall immediately provide NetPay Services with copies of any notices or correspondence received from any taxing authority with respect to any tax return(s) or tax deposit(s) made by NetPay Services. Client shall immediately provide NetPay Services with notification of any changes that will effect the impound of funds and/or the depositing of payroll taxes or filing of returns.

14. All programs and services developed by NetPay Services are and remain the sole property of NetPay Services. All manuals, materials, and documentation provided by NetPay Services to Client are the property of NetPay Services. Client shall not reveal them to a third party. Upon termination of this Agreement, Client shall immediately stop using them and shall return them to NetPay Services.

15. Without prior permission, Client shall not use NetPay Services' name or refer to NetPay Services, directly or indirectly, such as in any advertisement or news release, except, however, that this clause will not limit Client's ability to satisfy any required disclosure of their relationship.

16. This Agreement shall have a continuous term until terminated by either party with written notice (1) one week in advance of the next processing date. However, this Agreement may be terminated without written notification if, at its sole discretion, NetPay Services determines an adverse change in the Client's financial condition has occurred, or any federal, state or local legislation, judicial decision, or regulatory action negatively affects NetPay Services under this Agreement. Further, venue for any action to enforce or construe this Agreement shall be proper only in the County of Santa Clara, California.