

DIRECT DEPOSIT SERVICE AGREEMENT

This Agreement made and entered into this ____ day of _____, 2____ by and between Gulf Management Systems, Inc., (hereinafter **GMS**) of 2753 State Road 580, Suite 212 Clearwater, FL 33761 and _____ (hereinafter **Customer**), at _____.

In consideration of the mutual promises and covenants contained herein and the payment terms on attached Transaction Fees Schedule, the parties agree as follows:

- 1. Agency.** Customer appoints **GMS** as its agent for the transfer of monies, including payroll and related payments, from the Customer to those persons designated as payees (the "Payees"). Customer authorizes **GMS** to process book entries to and from the bank account listed below (the "Authorized Account") for the purpose of making such transfers, any related corrections and adjustments and collection of fees and charges and to process book entries to and from the Payees designated bank accounts for the purpose of making such transfers and any related corrections and adjustments, all as further set forth herein and in the **GMS** Operating Procedures provided to the Customer in connection with this Agreement.
- 2. Payment.** **GMS** agrees that on those dates designated in accordance with the **GMS** Operating Procedures, during the term of this Agreement, **GMS** will submit to various networks, including but not limited to the Automated Clearing House and the Federal Reserve System, data in the form required for the electronic crediting of those payments to the Payees' designated bank accounts and the debiting of those payments from the Authorized Account.
- 3. Authorization.** Customer will obtain directly and from each participating Payee and deliver to **GMS** necessary information in proper form authorizing automatic book entries to and from a) the Authorized Account and b) each Payee's bank account(s), including related corrections and adjustments. All Payee authorizations shall comply with NACHA rules and procedures and shall release **GMS** from all liability to Payee in accordance with the terms of this Agreement.
- 4. Payment Data.** The Customer shall provided **GMS** with all data necessary for the desired electronic funds transfers ("Payment Data") in the form and at the time prescribed in the **GMS** Operating Procedures and shall make periodic checks to assure that the Payment Data is current and accurate at all times. **GMS** assumes no responsibility or liability for delays in service caused by Payment Data or changes which are not received within the time frames or in the format prescribed in the **GMS** Operating Procedures. Customer warrants to **GMS** that all Payment Data delivered to **GMS** by Customer a) will be in the form prescribed in the **GMS** Operating Procedures, b) will contain true and accurate information, c) will be fully authorized by Customer and Payees, and d) will be timely under the terms and provisions of this Agreement. **GMS** has no responsibility to review such data in any manner, including accuracy, consistency and conformity to prior Payment Data.
- 5. Fees.** Customer will pay Transaction Processing Fees, Administrative Fees, Implementation Fees, applicable Federal Reserve and ACH fees in effect, postage and shipping charges incurred by **GMS** and any applicable taxes, all as set forth in the **GMS** Operating Procedures. The applicable fees and charges may be changed by **GMS** at any time and from time to time upon thirty (30) days prior written or electronic notice to Customer. **GMS** will automatically deduct from Authorized Account, all fees and other charges owed to **GMS** by the Customer.
- 6. Settlement.** In settlement for each book entry returned unpaid or requiring adjustment, Customer authorizes **GMS** to debit or credit Authorized Account on the day the return is received by **GMS** or thereafter, and Customer warrants that it shall maintain at all times a sufficient balance in the Authorized Account to cover debit entries. Customer will pay to **GMS** the amount of any returned book entry which for any reason, in part or in whole, cannot be entered in Authorized Account. **GMS** may require client to maintain a reserve account balance with **GMS** to cover returns. Customer gives **GMS** its express permission to make electronic book entries to or from the Authorized Account for any returns or chargebacks, any reserve account deficiencies and any fees due to **GMS**.
- 7. Warranties and Limitations of Liability.** **GMS** makes no warranties, express or implied, including without limitation any warranty of fitness for any particular purpose. Because of the difficulty of fixing actual damages, the parties agree that **GMS**' liability hereunder, if any, shall be limited to liquidated damages in the amount of the total Transaction Processing Fees, Administrative Fees and Implementation Fees charged for the one calendar month immediately preceding the month in which the event occurred which gave rise to the damages, regardless of the cause or origin of such loss or damage and whether it results directly or indirectly from performance or non-performance of **GMS**' obligations under this Agreement. In no event will **GMS** be responsible for a) any incidental or consequential losses resulting from the performance or non-performance of any of **GMS**' duties, or b) for any loss or damage to customer, direct or consequential, arising out of or in any way related to acts or omissions of third parties including, but not limited to, various courier services, the Federal Reserve Bank, The Automated Clearing House, the banks with which Customer deals, or the employees or agents of such banks, or any financial institution which receives or originates entries or makes electronic transfers.
- 8. Compliance with Law and Indemnification.** Customer shall be solely responsible for compliance with all laws and regulations, whether federal, state, local, or Automated Clearing House rules, applicable to automatic and electronic transfers of funds, including those governing correct authorizations by Payees, disclosures and notices required in connection with electronic funds transfers and all necessary waivers and releases. **GMS** makes no representation or warranty that any form provided by **GMS** is sufficient or otherwise in compliance with applicable federal, state, or local legal requirements or rules. **GMS** shall have no liability to Customer for failure of any such forms to comply with such requirements or rules.

Customer will indemnify and hold harmless GMS and GMS' processing financial institution from any and all claims, lawsuits, demands, costs or other expenses, including, but not limited to, attorney fees, resulting from any or in any way related to a) Customer's breach of warranty contained herein or arising by operation of law, b) any act or omission of Customer or Customer's employees or agents, including fraudulent or incorrect transmission of data, or unauthorized or inappropriate access to GMS' data files c) Customer's failure to comply with any applicable law, regulation, or rule, or d) any retrieval of or failure to retrieve funds incorrectly deposited to a Payee, except to the extent caused by GMS' negligence; provided, however, that this indemnification shall not apply to any loss caused to GMS by failure of the forms provided by GMS to comply with the law, if such forms have been properly used by Customer in accordance with GMS' directions.

9. **Delays and Excuse From Performance.** GMS shall not be liable for any delay or other failure of performance caused by factors beyond the reasonable control of GMS, such as, but not limited to, strikes, insurrection, war, fire, lack of energy, acts of God, mechanical or electrical breakdown, governmental acts or regulations, computer malfunction or acts of third parties.
10. **Term and Termination.** The term of this Agreement shall be for three years from the date of the last signing party below. Said three year term shall be automatically extended for consecutive three year terms unless either party provides written notice to the other party of termination, sixty (60) days prior to the expiration of any given three year term. Upon termination, all rights and obligations hereunder shall cease except Customer's obligation to a) pay the applicable fees and provided indemnification for any services performed by GMS prior to the effective date of termination, and b) to pay for any items returned subsequent to the effective date of termination.
11. **Disclaimer of Third Party Rights.** The rights and obligations created by this Agreement apply solely to the parties hereto, except with respect to the indemnification provisions applicable to GMS' processing financial institution. Neither GMS nor Customer intends that any other third party, including Payees, shall a) benefit from the performance of the duties described herein, or b) acquire any cause of action or other claim against GMS for non-performance of those duties.
12. **Entire Agreement.** The Agreement and the GMS Operating Procedures constitute the entire agreement between the parties relating to the specific subject matter hereof. No modification of this Agreement shall be binding on GMS unless such modification is in writing and signed by an authorized representative of GMS.
13. **Notices.** Any notice required or allowed to be given under this Agreement shall be addressed to the other party at the address set forth on the back page or to such address as either party may instruct the other party in writing.
14. **Applicable Laws.** This Agreement shall be construed in accordance with the laws of the State of Florida.
15. **Assignability.** This Agreement is not assignable by either party without first receiving the prior written consent of the other party.

Name and Title (Must be Authorized to Sign Checks and Authorize Disbursements).

Date

Company

GMS assigned ID:

Signature

Federal Tax I.D. Number

Gulf Management Systems, Inc.

Date

Authorized Account Information:

Bank Name

Routing and Transit Number

Account Number

PLEASE INCLUDE A VOIDED OR CANCELED CHECK