

**End User
Terms of Service Agreement**

1. Services

ZenOperative (“ZO”, “we”, or “us”) agrees to provide all necessary bookkeeping services using Quickbooks (“QB”) and electronically file bookkeeping documents for you as outlined within the scope of this agreement and in accordance with generally accepted bookkeeping principles. Our bookkeeping scope of services includes the recording of financial transactions including, but not limited to sales, purchases, income, receipts and payments.

2. Client Obligations

You (“you” or the “Client”) agree to provide the necessary documents and information to allow ZO to properly and accurately process bookkeeping documents in a timely fashion and provide other such assistance as deemed reasonably necessary. You acknowledge that the manner in which you organize and submit your bookkeeping documents for processing will have a direct impact on the bookkeeping fees and ZO is not responsible for inaccurate or unreadable documents submitted for processing by you.

3. Integrity in Billing

You will be billed for the bookkeeping services ZO performs as outlined in this document down to the second at the lowest applicable Level. The hourly rates and descriptions of the bookkeeping functions performed at each Level are outlined in Section 6 of this document. If documents or information submitted by you is not clear it may be bumped up to the next Level to be completed or returned to you in the form of a request for further clarification.

One of the security features of our billing system is that it does not allow us to create non billable time. Nor does it allow us to create billable time if work is not being performed for your company in your file. Because of these security features all the time spent on your bookkeeping functions are accurate and billable down to the second for the actual bookkeeping work completed.

All documents or tickets submitted to the system are first sent to Level 1 to be tagged and routed to the appropriate bookkeeping level for processing. Please review our **Top 10 Tips For Saving Money With Paperless Bookkeeping** email for ways that you can ensure that you are sending in information in a manner and format that allows us to complete your bookkeeping tasks in the most efficient and cost effective manner possible.

4. Set Up

The Set Up covers the over 340 individual tasks associated with setting up a new company on the Platform and includes but is not limited to the following:

- Creation or conversion of your QB file
- Assistance in setting up your Bill.com account
- Assistance in setting up your Evernote account
- Tech set up which includes assistance in properly setting up your scanner and smart phone to submit documents

- Creation of the specific bookkeeping procedures for your company
- New client orientation either onsite, in our office or online

You will be billed for the actual time it takes to set up your company to meet your bookkeeping needs but you will not be billed a fixed set up fee.

5. Scanners and Smart Phones

Clients who choose to submit documents to the platform via a scanner must have a scanner with the following requirements: scan to email, 2-sided scanning, single or multiple page scanning. Clients may wish to purchase of the recommended Fujitsu Scan Snap scanner if needed. We will assist you in setting up your scanner and/or Smart Phone as part of the set up activities.

6. Hourly Billing Rates and Descriptions:

Level 1:

Tagging Paperless Documents and Work-Flow Routing **\$25.00 Per Hour**

Level 2:

Receipts, Simple Data Entry and Accounts Payable **\$35.00 Per Hour**

Level 3:

Accounts Receivable, Backwork Data Entry,
and Simple Job Costing **\$50.00 Per Hour**

Level 4:

Payroll Data Entry, Sales Tax Calculations, Simple Journal Entries, Reconciliations,
Advanced Job Costing **\$65.00 Per Hour**

Level 5:

Quality Control Review, Custom Reporting, Government Correspondence, Advanced
Journal Entries **\$75.00 Per Hour**

7. Payment Terms

Each Monday at 12:01 a.m. our system automatically generates an **Advice of Debit** for the bookkeeping services performed for you for the prior seven days. In order to reduce the costs for our clients, the only form of payment we currently accept is ACH payment via Bill.com.

We Auto-ACH draft your bank account via Bill.com for the full amount of your Advice of Debit on Thursday for the invoice generated on Monday unless you have set a billing draft cap, see item #9.

ZO reserves the right to suspend service for non-payment of fees and charge \$35 per rejected ACH draft.

8. Advice of Debit

Below is a sample of the detail associated with the Advice of Debit you will receive each Monday. The quantity field equates to the time of service performed at each Level. The Description field describes the general bookkeeping tasks completed at each level but does not necessarily specify the detail of work completed on your file that week. Greater detail on each bookkeeping transaction is available by reviewing the documents in the given time range in your Evernote or upon request by contacting info@zenoperative.com.

Item	Description	Qty	Price	Amount
L1	Tagging Paperless Documents and Work-Flow Routing	1	\$25.00	\$25.00
L2	Simple Data Entry and Accounts Payable	0.07	\$25.00	\$1.75
L3	Accounts Receivable, Back Work Data Entry, and Simple Job Costing	1.64	\$35.00	\$57.40
L4	Payroll Data Entry, Sales Tax Calculations, Simple Journal Entries, Reconciliations, Advanced Job Costing	0.27	\$65.00	\$17.55
L5	Quality Control Review, Custom Reporting, Government Correspondence, Advanced Journal Entries	0.58	\$75.00	\$43.50
	Total Weekly Invoice			\$145.20

9. Billing Draft Cap

In an effort to accommodate our client's budget, we offer the option of setting a weekly 'cap' for your bookkeeping billing. Should the weekly fees exceed the set cap, the amount of the ACH draft will not exceed the capped amount. The capped amount will continue to be collected each week until the client is caught up on any past amounts. Should the client's outstanding balance exceed twice the weekly cap amount for more than 3 consecutive weeks or if the outstanding balance remains above the cap amount regularly during a six week period, we will approach the client about changing their cap to be more in line with the weekly fees. If the cap amount is not increased, the account may be placed on temporary hold to limit the amount of accrued fees which will delay the turn around time of new documents.

10. Evernote

You will be responsible for creating and managing your own Evernote Account for the document storage for your company. We will assist you in determining whether you will need the free or upgraded version depending on the volume of bookkeeping documents you will be submitting. If the upgraded version is a better fit for your company you will be responsible for paying those fees directly to Evernote.

The reason we have you create your own account for your company is we believe each client has the right to "own" their documents. You will simply need to share your Evernote Account with us so that we can file your bookkeeping documents for you once they've been processed. Should ever decide to stop using our service you will still have access to all your documents through your secure Evernote Account and you can un-share your documents with ZO.

11. Bill.com, QuickBooks and Other Service Provider Fees

ZO has created an agreement with Bill.com in order to provide secure and seamless online bill payment functions for our clients that integrates with Quickbooks. If you choose to use this service you will be billed the Bill.com fee directly from Bill.com.

Bill.com fees are as follows and subject to change without notice:

- \$1.00 per check issued through Bill.com
- \$0.49 per ACH processed through Bill.com
- \$3.00 per additional Bill.com user (one payer included)

If you choose not to use Bill.com for your business operations, your payments to ZO will be processed through a free Bill.com portal without cost to you.

ZO receives a volume discount on QuickBooks Online subscription fees that are passed onto our clients. You will be billed directly by QuickBooks Online and their fees and/or our associated discounts are subject to change without notice.

You will be required to pay for other service provider fees that may be necessary to the operations of your business, including but not limited to: payroll process, POS system, merchant account or website shopping carts. Although use of the information from these systems may be part of the overall bookkeeping process, ZO only bills for the hourly labor to complete your bookkeeping and does not include any associated fees or subscriptions.

12. Transition Period

As we convert your current bookkeeping system onto our platform you should expect a 30 - 45 day Transition Period. Our goal is to provide our clients with the highest level of service in the most cost effective manner. A key element to accomplishing this is the use of standardized bookkeeping procedures. While the majority of the bookkeeping procedures we use apply across all businesses and industries, there are generally subtle differences we need to map out with each individual company. This is primarily driven by any special types of reporting clients would like to see or by the use of integrated or auxillary software.

With this in mind as we are doing your bookkeeping for the first 30 - 45 days we will also be creating and refining your bookkeeping procedures to ensure the most efficient and cost effective turn around time to complete your bookkeeping tasks going forward. Therefore you may receive more communication from us during this Transition Period than you will thereafter. This will allow us to properly put the appropriate procedures in place for your company to ensure we are meeting your goals and providing you with the best information as cost effectively as possible.

13. Backwork

Our first priority is to keep your Quickbooks file current going forward from your on-boarding date onto the platform. If your company requires that we complete backwork to bring your Quickbooks file current you can expect your weekly Advice of Debit to reflect not only the current bookkeeping work we are doing for your company but the additional backwork as well. Typically it takes 30 days to complete backwork for clients. Please keep the additional expense for this work in mind when considering how far back you would like us to do your bookkeeping. Most clients will choose to set their billing cap higher while the backwork is being completed to prevent delays in processing the current work.

14. Changes To This Agreement

We reserve the right to make changes or amendments to this agreement including the rates, how we receive payment and which services are performed at which level at any time. We also reserve the right to utilize other vendors should a better or more cost effective opportunity of equal or greater value in our sole discretion present itself. You will receive written notice of any such material changes to this agreement 30 days prior to their implementation.

15. Term Of This Agreement

Clients may choose to cancel this service agreement to use our services at any time. All fees

are non-refundable. You must notify us in writing via email at info@zenoperative.com that you wish to cancel your agreement. Bookkeeping fees will be billed for the week up until the time we receive written notification to cancel your agreement. For example, should you cancel your services on a Wednesday, you will receive an Advice of Debit on the following Monday for any bookkeeping performed Monday, Tuesday and Wednesday the previous week. Should you choose to stop using our platform for your bookkeeping needs your QB file will be released to you or your designee upon the full payment of all outstanding amounts due.

ZO may choose to terminate this service agreement with two weeks notice to you via email. Should ZO choose to terminate this agreement as outlined above your QB file will be released to you or your designee upon the full payment of all outstanding amounts due.

16. Confidentiality

ZO shall maintain the secrecy of clients confidential Information and shall not use, transfer, copy or disclose your confidential Information except as necessary to carry out the purposes of this agreement or if required by law. Confidential information means financial information, customer and supplier lists, employee information, price lists and other trade secrets and other information treated by you as confidential and not generally known or available, whether in paper, electronic or other format.

17. Limited Warranty

ZO warrants that the services within the scope of this contract will be performed in a commercially reasonable manner consistent with industry standards. EXCEPT AS EXPRESSLY PROVIDED IN THE AGREEMENT, ZO DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE.

18. Relationship

ZO is retained and engaged by client only for the purposes and to the extent set forth in this Agreement. ZO's relation to client shall be that of any independent contractor. Neither ZO nor any of its employees, officers or agents shall be considered as having a partnership, joint venture or employee's status with client.

19. Limits on Liability

ZO shall not be liable for any consequential damages or other loss that represents loss of profit, revenue, anticipated savings, or data, or that is otherwise indirect or consequential, regardless of whether such liability arises under contract, negligence or other theory of liability. Additionally the total agreement liability of ZO to you shall not exceed the total amounts paid by you to ZO under this Agreement.

By acknowledging this document as part of the sign up process, you hereby agree to abide by this end user terms of service and the current terms of service directly posted on the browser based client portal.