



# Treasury Management Service Terms and Conditions



**UMPQUA BANK**

Member FDIC

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## Introduction

Thank you for choosing Umpqua Bank for your treasury management business needs. We appreciate the opportunity to serve you. If you have any questions regarding the treasury management Services we offer or about these Terms and Conditions, please contact your treasury management Services representative or your local store of account.

Capitalized terms used in these Treasury Management Services Terms and Conditions (“Terms and Conditions”) that are not otherwise defined herein shall have the meanings provided in the Glossary hereof. **Collectively, any and all documentation provided to you in connection with the use of Umpqua’s treasury management Services, including these Terms and Conditions, constitute the TMS Agreement (“TMS Agreement” or “Agreement”).**

“Umpqua Bank,” “Umpqua,” “we,” “us” and “our,” refer to: (a) in the case of Umpqua’s obligations, the specific Umpqua entities involved in delivering the subject Service (i.e., only those specific entities shall have such obligations), or (b) in the case of rights or protections, all Umpqua entities, which means Umpqua and all entities controlled by, in control of, or under common control with Umpqua (i.e., all Umpqua entities shall have such rights and protections).

“Customer,” “you” and “your,” refer to each person who receives treasury management Services from any Umpqua entity.

This document contains the terms and conditions under which we provide you treasury management Services. Unless otherwise indicated, references to “accounts” are references to your relevant accounts at Umpqua. References to “Service” or “Services” are references to the treasury management Service or Services covered by the relevant section hereof. Please read this document carefully and keep it for your records.

If requested to sign and return a Treasury Management Services Agreement (“TMSA”), you agree to the General Provisions section of these Terms and Conditions (which contains terms and conditions applicable to all Services). If you would like an additional Service, it will be covered by the TMSA and these Terms and Conditions once we have approved your use of the Service. When you add a new Service, Umpqua will provide you with “Service Confirmation” and any associated User Documentation. You may begin using the Service when we have received all required and properly executed forms, and you have received and successfully completed any approval, testing or training requirements.

In the absence of an executed TMSA, you agree to be bound by these Terms and Conditions and any applicable Applications, User Documentation, statement of fees and any other documentation necessary to provide access to the Services.

In addition to the TMSA and these Terms and Conditions, the Services shall also be subject to the following: (i) the agreements governing your relevant accounts, including agreements governing non-TMS Agreement services relating to those accounts, the Application regarding such accounts and regarding such non-TMS Agreement services, the subject account disclosures and statements of fees, relevant user or operating manuals or other documentation, relevant software agreements, relevant policies and procedures promulgated by Umpqua, and all schedules, exhibits, and addenda to any of the foregoing, all as amended from time to time, (all of which will be referred to collectively as the “Account Agreements”), (ii) the Uniform Commercial Code, (iii) clearing house or payment network operating rules, including the NACHA Rules, and (iv) laws and regulations, including regulations promulgated by the Federal Reserve Board, OFAC, and FinCEN.

Whenever you use any of the Services covered by these Terms and Conditions, you agree to be bound by the Terms and Conditions, as amended from time to time, and to follow all applicable procedures provided in the applicable User Documentation.

## General Provisions

### *Terms and Conditions applicable to all Treasury Management Services*

#### **Proprietary Information**

Customer acknowledges that all computer programs and systems used in providing Services, and all information relating thereto, constitute proprietary property of Umpqua and/or Umpqua's licensors that is of commercial value. Customer shall not acquire any interest or rights therein as a result of its use of Services and shall keep all such information strictly confidential.

#### **Representations & Warranties**

Customer and Umpqua each represent and warrant to the other, as of the date the TMS Agreement is entered into and at the time any Service is used or performed hereunder, that such representing and warranting party: (a) is validly existing and in good standing under the laws of the jurisdiction of its organization; (b) has all requisite authority to enter into and perform the TMS Agreement, and that the TMS Agreement is enforceable according to its terms; and (c) any consent or authorization of any governmental or regulatory authority or third party required to be obtained has been obtained by it in connection with the TMS Agreement and the Service.

#### **Financial Review**

Umpqua's willingness to provide Services to Customer is dependent on Customer's financial condition. Customer's financial condition is subject to review by Umpqua from time to time, and such reviews must be satisfactory to Umpqua in its sole discretion and opinion. Customer shall, upon request, provide to Umpqua any such information as Umpqua may require to perform any such review. Customer's failure to meet such standards or provide such information or assistance when requested shall constitute a breach of the TMS Agreement and shall permit Umpqua to cease providing the Service immediately.

#### **Fees**

Unless otherwise agreed by Umpqua in writing, Customer shall pay Umpqua the fees, charges and assessments for the Service as provided in the most current fee schedule. The price for each Service shall be deemed accepted by Customer upon provision of Services to Customer. In addition, Customer shall pay Umpqua the amount of any sales, excise, or similar taxes levied on fees charged under the TMS Agreement, and any assessments charged to Umpqua directly as a result of providing Service. Additionally, Customer agrees to pay Umpqua any fees or charges provided for in any Account Agreement between Umpqua and Customer. The fees for Services may be adjusted to reflect increases in any applicable third-party fees, assessment or charges. All such adjustments shall be Customer's responsibility to pay and shall become effective upon the date any such change is implemented by the applicable third party. Umpqua may change the amount or type of Service charges from time to time without advance notice to Customer. Fees for Service used by Customer may be charged in full to Customer's master billing account or may be offset through account analysis by applying earnings credit to Customer's Service charges to determine a single monthly net Service charge. Customer authorizes Umpqua to debit Customer's master billing account with Umpqua for any and all fees, expenses or other charges owed by Customer to Umpqua under the TMS Agreement.

#### **Accounts**

Unless otherwise determined by Umpqua, at Umpqua's sole discretion, to be eligible to use some Services Customer must maintain an active, analyzed business checking account in good standing with Umpqua, as well as such other accounts as are specified in the sections hereof relating to specific Services hereunder.

#### **Security Interest**

Customer grants Umpqua a contractual possessory security interest in Customer's accounts maintained with Umpqua and the funds held therein to secure payment of all of Customer's obligations under the TMS Agreement. In connection with that grant, you acknowledge that we may set off against any accounts you own in whole or in part with us for any obligation you owe us at any time and for any reason allowed by the laws governing your account. These obligations include both secured and unsecured debts and debts you owe individually or with another user. We may consider this TMS Agreement as your consent to Umpqua Bank's asserting its security interest or exercising its right of setoff should the laws governing your account require consent. The rights described in this subsection are in addition to and apart from any other rights, including any rights granted under any security interest that you may have granted to us. The grant of this security interest shall survive termination of these Services.

#### **Authorized Users**

Customer agrees that Authorized Users shall be authorized to act on behalf of Customer in all actions taken under the TMS Agreement, including selecting Services for the benefit of Customer, appointing agents to act on behalf of

Customer, signing any documents relating to the applicable Services (e.g., giving Customer's instructions regarding such Services), including wire transfers, ACH transfers and other electronic or paper transfers from or to any account Customer maintains with Umpqua and/or any account at another institution as specified by such Authorized User. The Authorized Users may appoint agents who may act on Customer's behalf regarding a particular Service in accordance with the relevant documents or system settings establishing the Authorized Users' responsibilities. Customer may revoke the authority of or change the Authorized Users at any time upon prior written notice or execution of system settings and/or execution of additional documentation as may be required by Umpqua. Such change or revocation shall not be binding upon Umpqua until Umpqua has received the required written notice or system setting change and has had a reasonable opportunity to act thereon. In any event, Umpqua may act on instructions that it believes in good faith were provided by an Authorized User, and agent of such Authorized User or anyone purporting to be an Authorized User.

### **Security Procedures**

Umpqua shall from time to time establish one or more security procedures to be used by Umpqua and Customer in connection with certain Services. Customer agrees to be bound by any payment order, transaction or Service change order that is acted upon by Umpqua in accordance with such security procedures. Customer understands that the security procedures are not for the purpose of detecting errors in the transmission or content of information controlled by Customer. If Customer selects certain security procedures to use in connection with a Service and those security procedures provide less protection against unauthorized transactions or activity than other security procedures offered by Umpqua in connection with such Service: (i) the security procedures selected by Customer shall be deemed commercially reasonable to the same extent as the security procedures offered by Umpqua that provide greater protection; and (ii) Customer shall indemnify and hold Umpqua harmless from and against all Losses and Liabilities relating directly or indirectly to Customer's use of such security procedures. Umpqua reserves the right to issue new security procedures and/or to cancel or change any security procedures from time to time.

#### **1. Access**

Customer shall be solely responsible for designating individuals or servers identified by IP (internet protocol) addresses which are authorized to access Services and shall be liable for all transactions initiated through the Services, including overdrafts. Access to the Services will be controlled through the use of names, identification numbers and/or passwords for Authorized Users ("Credentials"). For transactions sent or received via Secure File Transfer Protocol (Secure FTP) transmission, Umpqua will list the IP address of Customer's transmitting server as authorized and will provide Authorized User Credentials. All information disseminated and transactions initiated with the appropriate Credentials shall be presumed to have been disseminated and/or initiated by Authorized Users. Customer is solely responsible for maintaining its own security and agrees to use the utmost care in selecting any individual given access to use one or more of Services or access to any information concerning one or more of Services. Customer is solely responsible for the security of customer's authorized servers for sending and receiving transactions related to Services. Customer is solely responsible for removing previously Authorized Users that it desires not to have access to Services. Customer shall be solely responsible for any future dated transactions initiated by an Authorized User, even when Customer removes access of that Authorized User before the occurrence of a stored future dated transaction. Customer is responsible for maintaining the security and confidentiality of all Credentials and other security devices issued to or by Customer (collectively, "Customer's Internal Security Devices"). Customer shall not permit unauthorized individuals to use Customer's Internal Security Devices to access any Services. Customer is responsible for the actions of any individuals using Customer's Internal Security Devices to access any Service. Customer shall immediately notify Umpqua by telephone and confirm such verbal notification in writing to Umpqua in 24 hours if the security of Customer's Internal Security Devices has been compromised. Customer shall indemnify and hold Umpqua harmless against all losses, liabilities, damages, claims, demands, obligations, actions, suits, judgments, penalties, costs or expenses, including, but not limited to, attorneys' fees, (collectively, "Losses and Liabilities") relating, directly or indirectly, to Customer's failure to maintain the security and confidentiality of Customer's Internal Security Devices, Credentials or the use of any Services by Customer or any person who obtains access to Services using Customer's Internal Security Devices.

#### **2. Confidentiality**

Customer and Umpqua represent, warrant and mutually agree that all confidential information concerning the other party or parties that comes into its possession in connection with any services including security procedures or any security codes, keys, online Credentials, identification numbers, digital certificates/signatures or template numbers ("Codes"), will be maintained in strictest confidence and shall not be used or divulged to any third party except in the proper performance of the TMS Agreement or as required by applicable law or regulation. Customer is solely responsible for establishing and maintaining procedures to assure the confidentiality of its own security procedures, security devices and Codes and assumes all risk of disclosure or use of any security device by any party whatsoever, whether such

disclosure or use is due to Customer's negligent or deliberate acts or otherwise. If Customer or its agents have reason to believe that any security procedures or Codes have or may become known by unauthorized persons (whether or not employed by Customer), Customer shall immediately notify Umpqua by telephone and confirm such verbal notification in writing to Umpqua within 24 hours. Umpqua will replace the security procedures and Codes in accordance with Umpqua's security procedures. Customer shall be solely responsible for payment instructions and other communications initiated before Umpqua received Customer's notice and had a reasonable time to act on such notice. Umpqua reserves the right to change any or all of the security procedures or Codes by giving verbal or written notice to Customer.

### **3. Verbal and/or Written Instructions**

For some Services, Umpqua may choose to honor Customer's request to give Umpqua verbal or written instructions regarding Services. Customer agrees that Umpqua may in good faith rely on such verbal or written instructions that purport to come from an Authorized User without independent verification by Umpqua.

### **4. System Requirements**

Customer shall at all times use an internet web browser that supports the level of encryption used by Umpqua as part of its security procedures. Umpqua reserves the right to supplement or change its security procedures from time to time upon reasonable notice to Customer, which Customer acknowledges may be less than a day's notice. Umpqua reserves the right to reject any transaction or Service request that is not made in accordance with its security procedures.

### **5. Risks of Using the Internet**

Customer understands and agrees that, while Umpqua and Umpqua's Providers have established certain security procedures, such as firewalls and data encryption designed to prevent unauthorized access to Customer's accounts or transactions, there can be no assurance that inquiries or transaction activity will be completely secure. Customer acknowledges and agrees to maintain adequate security measures for its systems so as to prevent unauthorized access. Customer also understands and agrees that access to the Service will not be free from delays, malfunctions, or other inconveniences generally associated with this electronic medium. Customer agrees that Umpqua is not responsible for any such unauthorized access, delays or malfunctions, or the acts of third parties.

### **6. Customer Administrator**

Customer shall designate one or more Customer Administrators. Umpqua is authorized to direct all passwords, codes, program updates and System changes to the Customer Administrator. Umpqua is authorized to receive instructions from the Customer Administrator regarding requested changes to Services. The Customer Administrator shall be responsible for setting up online Services and for establishing internal security procedures related to such online Services, including accepting delivery of software, system-wide configuration of Umpqua accounts, establishing authority levels, establishing authorization requirements, and distributing online Credentials, Umpqua administered security devices, and other internal security devices related to the online Services. Customer's designation of the Customer Administrator may be amended or revoked from time to time upon written notice to Umpqua. Umpqua shall have a reasonable time to act on any such notice.

### **Online Services - Restricted Transactions**

Restricted transactions are prohibited from being processed through any account or relationship or Service hereunder. The Federal Reserve Board's Regulation GG defines "restricted transaction" as meaning any of the following transactions or transmittals involving any credit, funds, instrument, or proceeds that the law prohibits any person engaged in the business of betting or wagering (which does not include the activities of a financial transaction provider, or any interactive computer Service or telecommunications Service) from knowingly accepting, in connection with the participation of another person in unlawful internet gambling:

- Credit, or the proceeds of credit, extended to or on behalf of such other person (including credit extended through the use of a credit card);
- An electronic fund transfer, or funds transmitted by or through a money transmitting business, or the proceeds of an electronic fund transfer or money transmitting Service, from or on behalf of such other person; or
- Any Check or Item that is drawn by or on behalf of such other person and is drawn on or payable at or through any financial institution.

## Equipment & Software

Customer is responsible for obtaining (from Umpqua, in some instances), installing and maintaining the computers, communications equipment, software, web browsers, internet access, merchant terminals, and communications Services necessary to access and use Services in accordance with the TMS Agreement, all at Customer's sole expense. Umpqua is not responsible for any errors or failures from any malfunction of your computer or software. Umpqua makes no warranty to Customer regarding your computer or software, including any warranty of merchantability or fitness for a particular purpose.

Customer agrees to install upgrades and other system enhancements within a reasonable time of being requested to do so by Umpqua.

With respect to any software provided to Customer by Umpqua or by Umpqua's licensors ("Umpqua Software"), Customer shall comply with all applicable software license agreements, whether or not Customer has executed such agreements. Such license agreements shall be embedded in the software, separately documented, and/or as provided herein, and Customer shall be bound by all of the foregoing.

Customer has no rights or ownership in any Umpqua Software provided by or through Umpqua and shall not transfer, copy, alter, modify, reverse engineer, reproduce, or convey in any manner, in whole or in part, any such Umpqua Software. Customer shall return all Umpqua Software and user manuals and other documentation associated with any Umpqua Software upon request. Umpqua makes no representations or warranties regarding any equipment or software provided by Umpqua or by Umpqua's licensors. Umpqua is not responsible for any computer viruses that Customer may encounter. Umpqua is not responsible for any computer virus related problems that may be associated with the use of the Online Banking Service or any other Service.

UMPQUA AND UMPQUA'S LICENSORS SHALL HAVE NO LIABILITY OF ANY NATURE TO CUSTOMER, OR TO ANY THIRD PARTY, FOR ANY DAMAGES, LOSSES, LIABILITIES OR CLAIMS, WHETHER IN CONTRACT, TORT, INFRINGEMENT, OR OTHERWISE, WHICH CUSTOMER OR ANY THIRD PARTY MAY INCUR IN CONNECTION WITH CUSTOMER'S USE OF ANY SOFTWARE, OR COMPUTERS OR OTHER EQUIPMENT, WHETHER OR NOT SUPPLIED BY UMPQUA OR UMPQUA'S LICENSORS, INCLUDING, WITHOUT LIMITATION, ANY ARISING FROM ERRORS IN THE SOFTWARE OR COMPUTERS OR OTHER EQUIPMENT.

## License

Subject to agreements Umpqua may have with its licensors, whenever Umpqua provides Customer with any Umpqua Software, Umpqua grants Customer a non-exclusive, non-transferable license, non-sub-licensable license to: use the Umpqua Software in object code form only in connection with the applicable Services, solely for Customer's business operations, in accordance with the TMS Agreement and solely on equipment that complies with any equipment related specifications provided by Umpqua; copy and use the related documentation solely to support Customer's authorized use of the Umpqua Software; and copy any Umpqua Software actually delivered to Customer solely for archival or backup purposes.

Customer shall not export, re-export or otherwise transfer, directly or indirectly, any Umpqua Software and/or equipment, or any portion thereof, to any location inside or outside the United States without first notifying Umpqua and receiving written Umpqua authorization, as well as complying with all applicable laws and regulations (including those regarding import, export, marketing, distribution or use of software or equipment).

Customer will, at its expense, promptly execute and deliver such further documents and take any and all other actions reasonably requested by Umpqua from time to time, for the purpose of fully effectuating the intent and purposes of the license granted, and to protect the interests of Umpqua, its licensors, and their respective successors and assignees.

Customer acknowledges that violation of its commitments regarding any Umpqua Software may cause irreparable injury to Umpqua and/or its licensors, and agrees that Umpqua shall be entitled to obtain temporary, preliminary, and permanent injunctive relief in a court of competent jurisdiction, without the necessity of proving actual damages or posting a bond, to prevent such violation.

Customer acknowledges and agrees that its license to Umpqua Software and its documentation will terminate upon the earlier to occur of: (i) termination of the applicable Service, or (ii) termination of Umpqua's license to such software and documentation.

Customer shall not remove or alter any copyright, trademark, or other intellectual property or proprietary right notices, legends, symbols or labels appearing on or in the Umpqua Software, its documentation or any packaging thereof, and shall include on any copy of the software or its documentation any copyright, trademark, or other intellectual property or proprietary right notices contained on the original.

Customer will: (a) cooperate with Umpqua and its licensors to protect the Umpqua Software, including in connection with any lawsuits or disputes involving the Umpqua Software; (b) promptly notify Umpqua and provide Umpqua with

relevant background and other facts upon becoming aware of any actual or potential claim made by a third party regarding infringement, misappropriation, imitation, illegal use or misuse, or reasonable likelihood thereof, of the Umpqua Software; and (c) in the event of any actual or potential infringement, misappropriation, imitation, illegal use or misuse, or reasonable likelihood thereof of the Umpqua Software by others: (i) grant to Umpqua and its licensors the sole right to determine the course of action regarding such infringement and to bring or defend any proceeding with respect thereto, and to settle, and collect any settlement amount or judgment for any such proceeding, and (ii) agree that Umpqua and its licensors shall be solely entitled to any proceeds of any such proceeding, including any settlement proceeds, insurance proceeds, arbitration award, judgment, or other consideration in any form.

Customer hereby assigns to Umpqua and/or its licensors, as directed by Umpqua, any rights, including any patent, copyright, trademarks, service marks and trade secrets, which Customer may now have or which it may acquire at any time in the future in or to the Umpqua Software or the intellectual property rights to such software, and any other computer code using any of such software.

Customer will not at any time, either directly or indirectly, put to issue the scope, validity or ownership of Umpqua's or its licensors' intellectual property rights in the Umpqua Software and its documentation; do any act which could reasonably be expected to impair the scope, validity or ownership of such intellectual property rights, or assert any ownership rights to the Umpqua Software or its documentation. Customer acknowledges and agrees that these Terms and Conditions do not grant or convey to Customer: an interest in or to the Umpqua Software or its documentation, but only a limited right of use, revocable in accordance with the terms hereof; or any right, title, interest or license in or to any copyright, patent, trade name, trademark or Service mark of Umpqua or its licensors.

Customer will establish reasonable precautions and use commercially reasonable efforts, no less rigorous than those Customer uses to protect its own confidential information, to protect and maintain the confidentiality and security of the Umpqua Software and its documentation. Without limiting the generality of the foregoing, Customer will use reasonable measures to protect the Umpqua Software and its documentation from unauthorized copying, dissemination, disclosure or other unauthorized use.

Customer will not, and will not permit any third party to, copy or use the Umpqua Software or its documentation except as expressly authorized by these Terms and Conditions, sublicense, rent, distribute, transfer, publish, disclose, display or otherwise make available the Umpqua Software to others; use the Umpqua Software or its documentation for third-party training, commercial time-sharing or Service bureau use; or alter, change, modify or otherwise create derivative works of the Umpqua Software or its documentation.

Customer will not, and will not permit any third party to, reverse engineer, disassemble or decompile any Umpqua Software, except to the extent expressly permitted by applicable law. If Customer intends or begins to take any such action based on any applicable law, Customer shall notify Umpqua and Umpqua shall have the right to immediately terminate Services and/or the license to the Umpqua Software or its documentation.

Customer will maintain a complete and accurate list of all locations where Customer has loaded and maintains the Umpqua Software and its documentation and make such lists available to Umpqua upon Umpqua's request. Customer understands such documentation also includes any User Documentation, training materials, or other similar materials provided to Customer, whether electronically or on media, in connection with any Service that is accessed using the Umpqua Software.

Customer acknowledges and agrees that all right, title and interest in and to the Umpqua Software and its documentation, together with any modifications, enhancements and derivative works, and all intellectual property rights such as copyrights, patents, trademarks, service marks, and trade secrets, pertaining to the Umpqua Software and its documentation, are and shall remain owned exclusively throughout the universe by Umpqua and its licensors, represent or contain valuable rights of Umpqua and its licensors, and are protected under United States patent, copyright, trademark and trade secret laws of general applicability. These Terms and Conditions do not create in Customer any rights to, and do not constitute an assignment of any rights of Umpqua or its licensors in and to, any copyrights, trademarks, service marks, trade secrets, patents, or other intellectual property rights of Umpqua or such licensors. Other than the license provided in these Terms and Conditions, no other license or interest in the Umpqua Software or its documentation, express or implied, is granted under these Terms and Conditions.

Customer will install the Umpqua Software in accordance with the related documentation provided by Umpqua, and will install and implement any changes and upgrades to the Umpqua Software as Umpqua may require, within 90 days of receipt of such change or upgrade, or within such shorter time frame as Umpqua may reasonably require if such change or upgrade is necessary to comply with statutory or regulatory changes or developments, or to protect the integrity and security of Services.

For any materials, including documents, images, and files, that are provided by Customer to Umpqua in connection with Customer's use of the Services and that are subject to or include Customer's copyrights, trademarks, or service marks, Customer hereby grants to Umpqua and/or its licensors, as directed by Umpqua, a non-sublicensable, non-transferrable license to use, copy, transmit, and display such materials to the extent necessary to provide Customer



with the Services described in this Agreement. Umpqua will not modify such copyrights, trademarks, or service marks without Customer's prior written consent. The license granted herein will terminate upon termination of this Agreement.

### **Spyware, Firewall, & Antivirus Protection**

Customer shall secure all of its computers that are to be used in connection with Services hereunder, or which are connected on any network with any such computers. Such protection must include, without limitation, utilizing a computer firewall and running anti-virus and anti-spyware software. Customer may use any commercially available, industry recognized firewall, and any commercially available, industry recognized antivirus and anti-spyware software that detect and disinfect viruses and neutralize spyware automatically, without the need for Customer to prompt the scanning of files. Customer shall update its antivirus and anti-spyware software on a regular basis and in no event less often than once every month.

### **Service Unavailability**

Access to Services may be unavailable without notice at certain times for reasons including the following:

- **Scheduled Maintenance:** there may be periods when Services and/or related systems are undergoing maintenance or upgrades. These typically occur after business hours.
- **Unscheduled Maintenance:** Services and/or related systems may be unavailable when unforeseen maintenance is necessary.
- **System events,** such as earthquakes, fires, floods, technical failures, telecommunications and internet service provider disruptions, or electrical outages, may interrupt Service availability.

Although Umpqua will undertake reasonable efforts to promote the availability of Service, Umpqua will not be liable in any way for any unavailability or for any damage that may result from such unavailability.

### **Solicitation of Online Credentials**

Umpqua is not now conducting, nor do we ever conduct, any email, phone, SMS text, or internet-based requests for Customers to supply their online Credentials for any accounts. Customer shall never reveal Credentials online to any individual, including to Umpqua employees.

### **Accounts at Other Banks**

Customer authorizes any other institutions at which Customer maintains accounts which Customer has designated as being involved in Services to be provided hereunder to release all of such account information to Umpqua.

### **Telephone Recording**

Customer consents on behalf of itself and its agents that Umpqua may monitor and record telephone conversations in which Umpqua is a party at any time without further notice to the other parties to such conversations. The decision to record any such conversation shall be solely at Umpqua's sole discretion, and Umpqua shall have no liability for monitoring or recording or for failing to do so.

### **Transactions on Non-Business Days/Cutoff Times**

Transactions, deposits, payment orders, entries or other requests by Customer received by Umpqua on a non-Business Day or after cutoff deadlines established by Umpqua, in its sole discretion, may be treated by Umpqua as received on the next Business Day. Umpqua may change any cutoff time or other deadline at any time. Umpqua will make a reasonable effort to notify Customer of any changes in advance.

### **Customer-initiated Transactions and Instructions**

Umpqua will honor Customer's transactions and instructions (including adjustments, amendments and cancellations) only when Customer has complied with the TMS Agreement. Umpqua will be under no obligation to honor, either in whole or in part, any transaction or instruction that:

- Exceeds Customer's collected or available funds, on deposit with Umpqua, available through overdraft protection (available through Online Banking only), or otherwise;
- Umpqua has reason to believe may not be authorized by Customer;
- Involves funds subject to a hold, dispute or legal process preventing their withdrawal;
- Violates any law, regulation or payment network rule, or

- Umpqua has reasonable cause not to honor, for the protection of either Umpqua or Customer, or on any other good faith grounds.

Umpqua shall have no responsibility for transmitting Entries that would result in Umpqua: (a) exceeding its limitation on intra-day net funds position established by the Federal Reserve System; or (b) otherwise violating any provision of any present or future risk control program of the Federal Reserve System or any law or regulation of any other governmental or regulatory authority. Umpqua may elect, at its sole discretion, but shall not be obligated, to verify the authenticity or content of any instruction, transmission, or requested transaction by placing a call or electronic communication to any Authorized User or to any other person designated by Customer for such purpose, or by any other means in Umpqua's sole discretion. Umpqua may deny access to any Services or deny the processing of any instruction, transmission, or requested transaction without prior notice if Umpqua is unable to confirm to its satisfaction any such authenticity or content or if Umpqua believes such denial is appropriate for security reasons or on other good faith grounds, all in Umpqua's sole discretion and without any liability to Umpqua in relation to such denial.

### **Customer Records**

The TMS Agreement and the performance of Services by Umpqua shall not relieve Customer of any obligation imposed by law or contract regarding the maintenance of records or from employing adequate audit, accounting and review practices as are customarily followed by similar businesses. Customer shall make reasonable efforts to retain and provide to Umpqua, upon request, all information necessary to remake or reconstruct any deposit, transmission, file or entry for thirty (30) days following receipt by Umpqua of the deposit, file, entry, transmission or other order affecting an account.

### **Review Period**

Customer agrees to regularly and promptly review and verify all statements, reports, Check payment records, wire transfer instructions, confirmations, adjustments, charges, and other transactions. Customer shall, within a reasonable time, which in no event shall be greater than thirty (30) calendar days following the day Umpqua first mails or otherwise makes data available to Customer ("Review Period"), notify Umpqua of any error or discrepancy between Customer's records and any information Umpqua provides to Customer about its accounts or transactions (e.g., in a statement, confirmation, or electronic report) or any transaction or transfer Customer believes was not authorized. If Customer fails to notify Umpqua of such unauthorized transaction within the Review Period, Customer agrees that the failure to report any such errors or unauthorized transactions shall relieve Umpqua of any liability for the unreported erroneous or unauthorized transaction. In accordance with NACHA Rules, Customer must report an unauthorized ACH debit entry to Customer's account by the established deadline on the Business Day following the settlement date of the unauthorized entry. Otherwise, Customer's sole recourse is to the originator of the transaction.

### **Training**

Customer will be responsible for training its Authorized Users in the use of the applicable Services, and for supervising and auditing such use.

### **Indemnity of Umpqua by Customer**

Customer shall indemnify and hold Umpqua harmless against all Losses and Liabilities relating, directly or indirectly, to (a) the wrongful acts or omissions of Customer (b) breach by Customer of any provision, representation or warranty of the TMS Agreement, Account Agreement, or other agreement between Customer and Umpqua, (c) the negligence or willful misconduct (whether by act or omission) of Customer, (d) any misuse of any Services by Customer, (e) any modifications made by Customer to any Umpqua-supplied hardware or software, (f) Customer's failure to comply with applicable laws and regulations, or (g) any act or omission of Umpqua that is in accordance with the TMS Agreement or instructions from Customer. With respect to the foregoing, and with respect to all other indemnification and hold harmless provisions of the TMS Agreement, of any Account Agreement, and of any other agreements between Customer and Umpqua: (a) the indemnification and hold harmless provided to Umpqua shall be deemed to also provide such indemnification and hold harmless protections to Umpqua's subsidiaries, affiliates, licensors, subcontractors, and vendors (i.e. providers of services to Umpqua), and the directors, officers, employees, owners, legal representatives, and agents of Umpqua, of Umpqua's subsidiaries and affiliates, and of Umpqua's licensors, subcontractors, and vendors.

### **Limitation of Umpqua's Liability**

Umpqua's liability to Customer for any Losses and Liabilities suffered by Customer arising from or in connection with any Service, or otherwise arising under or in connection with this Agreement, shall be limited to willful misconduct or gross negligence by Umpqua and to the lesser of:

- Customer's actual loss;

- The total amounts paid by Customer to Umpqua for fees and charges for the Service resulting in the liability in the three (3) month period preceding the date the claim accrued; or
- Such lesser amount as may be set forth in these Terms and Conditions or any Service User Documentation.

UMPQUA MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND OF MERCHANTABILITY, EITHER TO CUSTOMER OR TO ANY OTHER PARTY WITH RESPECT TO THE SERVICES PROVIDED BY UMPQUA OR WITH RESPECT TO SOFTWARE PRODUCTS PROVIDED, OR MADE AVAILABLE TO THE CUSTOMER FOR ITS USE IN CONNECTION WITH THIS AGREEMENT AND ANY SERVICE.

Subject to the foregoing, Umpqua's liability relating to any Service shall be limited exclusively to actual proven damages arising directly from Umpqua's own gross negligence or willful misconduct. IN NO EVENT WILL UMPQUA OR ANY PROVIDER BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR SIMILAR LOSSES OR DAMAGES, WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, WHETHER THE LIKELIHOOD OF SUCH LOSSES OR DAMAGES WAS KNOWN TO UMPQUA OR ANY PROVIDER, AND REGARDLESS OF THE FORM OF THE CLAIM OR ACTION (INCLUDING ANY CLAIM OR ACTION ALLEGING GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FAILURE TO EXERCISE REASONABLE CARE OR FAILURE TO ACT IN GOOD FAITH). In addition:

- Umpqua's maximum liability for loss of interest shall be calculated using a rate equal to the average Federal Funds rate at the Federal Reserve Bank of New York ("Federal Funds Rate") for the period involved.
- Notwithstanding the foregoing, Umpqua shall not be liable for any Losses and Liabilities caused, directly or indirectly, in whole or in part, (i) by the action or inaction of Customer, or of any agent or employee of Customer, whether or not such action or inaction constitutes negligence or a breach of this Agreement. (ii) by any inaccuracy or incompleteness in the input of any instruction or other communication by Customer; (iii) by any modification, change or cancellation (or attempted modification, change or cancellation) by Customer of an Instruction, or (iv) Any failure by Customer to obtain a confirmation of an order or instruction.
- Umpqua shall not be liable for any Losses and Liabilities or delay caused by accident, strike, fire, flood, war, riot, act of terrorism, equipment breakdown, electrical or mechanical failure, acts of nature, legal constraint, interruption of transmission or communication facilities, pandemic event (which includes the fear of contracting an illness), emergency conditions or other act of God, or any other cause which is attributable to a third party and is reasonably unavoidable or beyond Umpqua's reasonable control.
- Umpqua's Third-Party Service Providers are expressly recognized as third-party beneficiaries.

Customer agrees that the fees charged for the performance of the Services shall be deemed to have been established in contemplation of these limitations of liability. Customer acknowledges that the reconstruction of events causing Customer to sustain damages becomes difficult and may be inaccurate more than one (1) year following the occurrence of such events. Therefore, Customer agrees that any claim, action, suit or proceeding against Umpqua for damages resulting in any respect from its acts or omissions in the performance of the Services must be brought within one (1) year from the date of Umpqua's alleged act or omission and Customer shall have no right to bring any such claim thereafter. However, if Oregon law does not allow time-barring of claims despite statute of limitations, then all claims, actions, suits or proceedings against Umpqua shall be brought within the shortest period of time which Oregon's laws allow for agreements limiting periods of time for the filing of suits. Customer agrees to immediately notify Umpqua of any claim by Customer, or any claim that is made to Customer by a third party that any act or omission by Umpqua in connection with any Service that has caused Customer or such third party to sustain any damages.

Subject to the requirements of Section 624 of the Fair Credit Reporting Act, Customer authorizes Umpqua to share information with Umpqua's affiliates about Customer's accounts or Services for regulatory compliance, credit decision-making and administrative purposes and to facilitate the marketing of other Umpqua products or Services.

Customer acknowledges that Umpqua's agreement to provide Services based on the applicable fees shall be deemed to have been made in reliance upon all the terms of the TMS Agreement, including in particular the foregoing limitation of liability.

### **Warranty Disclaimer**

The TMS Agreement is a Service agreement. OTHER THAN ANY EXPRESS REPRESENTATIONS AND WARRANTIES THAT MAY BE MADE IN WRITING BY UMPQUA NOW OR IN THE FUTURE, UMPQUA DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO CUSTOMER OR TO ANY OTHER PERSON OR ENTITY, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, FREEDOM FROM ERROR,

TIMELINESS, OR NON-INTERRUPTION OF SERVICE, OR ANY IMPLIED WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, USAGE OF TRADE, OR OTHERWISE REGARDING ANY SERVICES OR ANY GOODS PROVIDED INCIDENTAL TO THE SERVICES.

### **Imputation**

Customer shall be responsible, for all purposes, for the acts and omissions of: (a) all of Customer's employees and agents, and (b) any other persons who gain access to Services through the use of: (i) information received from Customer or from any of Customer's employees, subcontractors, or agents, (ii) any telecommunication or computer systems of Customer or of any of Customer's employees, subcontractors, or agents, (iii) any Credentials issued to Customer or its Authorized Users, or (iv) any Customer's Internal Security Devices. All of the acts and omissions described in the foregoing shall be imputed to Customer.

### **Dispute Resolution**

All disputes, claims and controversies between the parties, whether individual, joint or class in nature, arising from this Agreement or otherwise, including without limitation contract and tort disputes, shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. Nothing herein shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation and enforcement of this arbitration provision. Any arbitration hearing shall be held in Portland, Oregon, as selected by Umpqua in its sole discretion.

UMPQUA AND CUSTOMER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO OR CONNECTED WITH THIS AGREEMENT OR THE SERVICES OFFERED OR PROVIDED HEREUNDER.

### **Governing Law and Jurisdiction.**

This Agreement and its interpretation and enforcement shall be governed by the laws of the State of Oregon (to the extent not preempted by federal law), and the copyright, patent, and trademark laws of the United States. Customer and Umpqua hereby consent and submit to the exclusive jurisdiction of any Oregon district federal court or any Oregon state court with respect to any litigation or arbitration arising out of or relating to this Agreement or its terms. This Agreement shall be deemed approved and made in the State of Oregon. Any judgment or order given by the courts located in the State of Oregon may be entered and docketed in any court where the Customer or Umpqua may be found for the purposes of enforcement of any such judgment.

### **Attorney's Fees**

In the event of a dispute arising out of or relating to this Agreement, or in the event that arbitration, suit, or action is instituted to enforce or interpret the terms of this Agreement, the prevailing party in such arbitration, suit, or action, or on any appeal of such arbitration, suit, or action, shall be entitled to an award of his costs, disbursements, arbitration fees and reasonable attorney fees (including the fees of Umpqua's in-house attorneys calculated at hourly rates charged by attorneys in private practice with comparable skill and experience), as set by the arbitrator, trial court, or appellate court in which the matter is heard or decided, including reasonable attorney fees and the anticipated cost of collection of any judgment.

### **Adverse Claims**

If Umpqua receives an adverse claim against any account, and Umpqua believes in its sole discretion that Umpqua will not be protected if the claim is ignored, Umpqua may place a hold on the account and Umpqua shall have no liability regarding such hold (including for dishonored transactions due to the hold or for Customer's inability to use the account), and Customer shall reimburse Umpqua all costs, including attorney fees, incurred due to such adverse claim.

### **Relationship Between Parties**

The TMS Agreement will not be construed as creating an agency, partnership, joint venture, or any other form of association or fiduciary relationship between the parties. Except as expressly agreed by the parties in writing, neither party will have any right or authority, express or implied, to assume or create any obligation of any kind, or to make any representation or warranty, on behalf of the other party or to bind the other party in any respect whatsoever.

**Third Party Service Providers****1. Third Party Networks**

Some Services are provided by Umpqua through access to a third-party network. Such Services are dependent upon the availability of the third-party network on conditions acceptable to Umpqua. Umpqua reserves the right to discontinue Services or provide Services through an alternative third-party network and shall have no liability if the original or any replacement network becomes unavailable. Umpqua does not warrant and shall not be responsible for Services received by Customer from or through any third-party network.

**2. Third Party Vendors**

Some Services and/or computer equipment and software are provided to Customer by a third-party vendor selected by Customer who is unaffiliated with Umpqua. In those cases, the third-party vendor is acting as Customer's agent rather than Umpqua's agent, and Customer agrees to be bound by and responsible for such third party's acts and omissions to the same effect as if Customer had engaged in such acts and omissions. Umpqua does not warrant and shall not be responsible for Services provided by unaffiliated third-party vendors. Customer authorizes Umpqua to disclose to any third-party vendor information concerning Customer to the extent required to deliver the requested Service.

**Force Majeure**

No party shall be liable for any default or delay in the performance of its obligations or otherwise under the TMS Agreement if and to the extent such default or delay is caused, directly or indirectly, by: (i) fire, flood, elements of nature, public health emergencies, or acts of God; (ii) any outbreak or escalation of hostilities, war, riot, terrorist act, or civil disorders in any country; (iii) any act or omission of the other party or any government authority; or (iv) failures or fluctuations in telecommunications or other equipment. In any such event, the non-performing party shall be excused from any further performance and observance of the obligations so affected only for as long as such circumstances prevail and such party continues to use commercially reasonable efforts to recommence performance or observance as soon as practicable. Notwithstanding the foregoing, nothing shall affect your payment obligations for Services we provide to you before such default or delay in the performance of our obligations under the TMS Agreement.

**Notices**

All written notices to Umpqua shall be delivered or mailed to the address designated by Umpqua. Notices sent to Customer shall be sent to Customer's current lead account address or other known address if deemed more appropriate by Umpqua in its sole discretion under the circumstances. Notices may be delivered to Customers electronically or by phone in Umpqua's sole discretion.

**Severability**

If any provision of the TMS Agreement is held to be invalid, illegal or unenforceable, such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability, without rendering invalid, illegal or unenforceable the remainder of any such provision or the rest of the TMS Agreement, and such provision shall be deemed modified so as to make it valid, legal and enforceable in the manner as best advances the spirit of the TMS Agreement.

**Waiver**

Except as otherwise provided in the TMS Agreement, no part of the TMS Agreement or any breach thereof may be waived unless through a writing signed by the party against whom such waiver is to be enforced.

**Assignment**

Umpqua may at any time assign or delegate any or all its rights or obligations under the TMS Agreement to any other person or entity. Customer may not assign or delegate any or all its rights or obligations under the TMS Agreement to any other person or entity without Umpqua's written consent.

**Amendments**

Except as otherwise provided in the TMS Agreement, the TMS Agreement may not be amended except by a writing signed by the party against whom such amendment is to be enforced. Except as otherwise provided to the contrary elsewhere in the TMS Agreement, the TMS Agreement may be amended by Umpqua from time to time upon thirty (30) days' notice to Customer and any such amendment shall be effective on the effective date specified in the notice to Customer. Notices may be delivered to Customers electronically in Umpqua's sole discretion.

**Survival**

All indemnities, limitations of liability, and remedy exclusions provided in the TMS Agreement shall survive the expiration or termination of the TMS Agreement.

**Compliance with Laws**

Customer will comply with all applicable laws, rules, regulations and payment network rules in its use of the Service.

**Construction**

The captions contained in the TMS Agreement are for the convenience of the parties and shall not be construed or interpreted to limit or otherwise define the scope of the TMS Agreement. The word “including” shall mean “including, but not limited to.” The rule of construing ambiguities against the drafter shall not apply.

**Counterparts**

Any agreement or other document regarding any Services hereunder may be executed in one or more counterparts (by handwritten signature or electronically), each of which shall be deemed to be an original, such all of which shall constitute one and the same instrument.

**Termination**

Unless otherwise expressly stated in the Service-specific section of these Terms and Conditions, Services may be terminated by either party upon 30 days' prior written notice to the other party. Umpqua may also immediately terminate or suspend any or all Service without notice to Customer and without any liability to Umpqua if any of the following occurs: (a) Customer becomes insolvent or files, or has filed against it, any bankruptcy or other insolvency, reorganization, liquidation, receivership, dissolution, or like proceeding; (b) a material adverse change occurs in Customer's business or financial condition or Customer fails or is otherwise unable to pay its debts as they become due; (c) Customer breaches any applicable law, regulation, or rule, or Umpqua has reason to believe that Customer has engaged in fraudulent or illegal activity; (d) Customer fails to pay Umpqua for any amounts due under the TMS Agreement or any other agreement, including a failure to settle with Umpqua for any transaction Customer initiated or requested as part of a Service; (e) Customer fails to maintain balances in accounts, or access to other funds through overdraft protection, sufficient to cover overdrafts; (f) Customer breaches any warranty, representation, or covenant of the TMS Agreement or any other agreement or arrangement with Umpqua, or Customer is in default of any agreement between Customer and Bank or its subsidiaries or affiliates; (g) Umpqua determines, in Umpqua's sole discretion, that Customer has abused its privileges under the TMS Agreement; (h) Customer fails to provide financial information reasonably requested by Umpqua; (i) Umpqua determines it is impractical or illegal to provide any Service; or (j) Umpqua, in good faith, is unable to satisfy itself that any Service has been properly authorized by Customer. Umpqua shall also have the additional termination rights provided throughout the TMS Agreement. Whenever Umpqua has a right to terminate any Service (whether under the TMS Agreement or otherwise), Umpqua may terminate that and any or all other Services in its sole discretion without any liability to Umpqua. Notwithstanding any termination, the TMS Agreement and all other applicable agreements shall apply to all transactions which were initiated before termination.

## Terms and Conditions

*Applicable to specific Treasury Management Services*

### Account Reconciliation Services

Umpqua's full, partial and deposit reconciliation Services (the "Account Reconciliation Services") are available through Business Online Banking to help manage the credit and debit activity in your account(s). Detailed information regarding such Account Reconciliation Services is available in the applicable User Documentation.

Your use of Account Reconciliation Services does not affect any of your obligations, which are described in the applicable Account Agreement, to discover and report with respect to your account(s) any: (i) unauthorized signatures, alterations or endorsements on checks and (ii) unauthorized requests and other discrepancies. Your use of these Account Reconciliation Services or our receipt of information associated with these Account Reconciliation Services does not modify any existing Umpqua obligations with respect to your account(s) or the payment of checks.

### Account Reporting - Electronic Data Interchange Services

The Electronic Data Interchange (EDI) Service provides periodic customer data in relevant electronic data interchange format. Data may be delivered via Business Online Banking, secure email or via Secure FTP transmission. Umpqua does not guarantee any specific delivery time or date.

## Automated Clearing House (ACH)

### 1. General Terms and Compliance

Customer may initiate credit or debit Automated Clearing House transactions for payments (Credit Entries) and/or collections (Debit Entries) on Business Days to Customer's accounts or the accounts of others ("Receivers"). Customer authorizes Umpqua to originate Entries on its behalf to Receivers' accounts. Umpqua will act as an ODFI regarding such Entries. Umpqua may process Entries directly, through an ACH Operator, or through another mechanism selected by Umpqua. Customer shall not initiate any Entry in violation of NACHA Rules or any applicable law or regulation, including regulations promulgated by OFAC and FinCEN. A copy of the Corporate Edition of the NACHA Rules can be purchased from NACHA at [www.NACHA.org](http://www.NACHA.org). Customer agrees to obtain a copy, to understand and be familiar with the NACHA Rules, and to be responsible for keeping up to date with changes in the NACHA Rules.

Customer agrees that information or advice received by Customer from Umpqua as to the NACHA Rules (including Part III A, B or C) or the operation of the NACHA Rules is not legal advice and is not a substitute for Customer's obligation independently to understand and comply with the NACHA Rules. If any provision of this TMS Agreement is inconsistent with the NACHA Rules, Customer shall comply with any applicable NACHA Rule(s) to the extent of the inconsistency and shall immediately notify Umpqua of that fact.

### 2. Entry Origination / Processing Dates / Deadlines

Customer's Entries must be initiated in the manner and format specified by Umpqua. Umpqua will establish a cutoff time for the receipt of Entries from Customer. Umpqua may establish different deadlines for Entries depending on the method of delivery employed by Customer and all such deadlines are subject to change by Umpqua. Umpqua must receive Customer's Entries before the applicable deadline or else they will not be processed until the next Business Day. Entries with Settlement Dates of more than thirty (30) calendar days from receipt will not be processed unless agreed to by Umpqua in writing.

Customer may not originate Entries using Standard Entry Class Codes other than CCD, CTX and PPD without prior written notice to and approval by Bank. Bank may require an application in form and content acceptable to Bank, and execution by Customer of such supplemental schedules, agreements and other documents as Bank may require, as a condition precedent to Customer's use of other Standard Entry Class Codes. By way of example, the foregoing restrictions and requirements may apply to Customer's use of Represented Check Entry (RCK), Automated Enrollment Entry (ENR), Accounts Receivable Entry (ARC), Back Office Conversion Entry (BOC), Customer Initiated Entry (CIE), Point-of-Purchase (POP), Internet-Initiated Web (WEB), International ACH Transactions (IAT), or Telephone-Initiated Entry (TEL) Standard Class Codes. If Customer is originating same day Entries, Customer will not submit Entries with the same Effective Entry Date, to any single transit routing and account number exceeding \$1,000,000.00. If Entries exceed \$1,000,000.00 to any single transit routing and account number, the Entries will be converted to next available Business Day settlement.

### 3. Content

In submitting any Entry, Customer shall be responsible for providing all information required by Umpqua. Customer bears sole responsibility to verify that the information in Entries is authentic, accurate and conforms to NACHA Rules. Services hereunder are only designed to respond to information provided by Customer. Accordingly, any error (including any inaccuracy or incompleteness) or non-compliance in any information provided by Customer may result in payment or collection other than as intended by Customer. Umpqua shall bear no responsibility for detecting or reporting any error or non-compliance in any Entry or in any information otherwise supplied by Customer, and Umpqua shall not be liable to Customer or any third party for any such error or non-compliance.

### 4. Transmittal of Entries by Customer

Customer shall deliver to Umpqua via Online Banking unless otherwise approved by Umpqua, in a format specified by Umpqua, an electronic transmission containing the names of all Receivers and their associated RDFIs, RDFI routing numbers, Receiver RDFI account numbers, and amounts to be credited to or debited from each account.

The total dollar amount of Customer's Entries, individually or collectively, shall not exceed the applicable limits as Umpqua may establish from time to time. Such limits may vary depending on various factors, including: (a) whether the Entries are credit or debit Entries; (b) the Standard Entry Class Code (as defined by the NACHA Rules) for the Entries; and (c) whether Customer's account is required to be pre-funded.

Limits may be established for daily amounts and across other time lines. Limits may be amended, reduced, modified or otherwise changed at any time, with or without cause or prior notice to Customer. Limits, and



any changes to them, will be communicated by Umpqua to Customer via a communication, which may be electronic or paper.

#### **5. Processing, Transmittal and Settlement by Umpqua**

Provided Customer complies with the TMS Agreement, including the transmittal requirements of Section 4 above, Umpqua shall: (i) process Entries received from Customer that comply with NACHA Rules, (ii) transmit such Entries as an ODFI to the ACH Operator, (iii) settle such Entries as provided in NACHA Rules, and (iv) credit or debit the Receiver's account in the amount of such Entry on the Effective Entry Date. Umpqua shall transmit such Entries to the ACH Operator on or before one Business Day before the Effective Entry Date shown in such Entries, provided that the Effective Entry Date is at least one day after such Business Day, and the ACH Operator is accepting Entries on such Business Day. Entries shall be deemed received by Umpqua when the transmission is made in accordance with the TMS Agreement. Umpqua will not be liable for any acts or omissions of any third parties involved in the processing of Entries, including the ACH Operator.

#### **6. Settlement**

Customer shall pay Umpqua the amount of each Credit Entry transmitted by Umpqua. Customer shall reimburse Umpqua the amount of each Debit Entry that has been returned by an RDFI. Payment of Credit Entries initiated to Customer's account shall be made as of the Settlement Date. Customer authorizes Umpqua to debit the accounts at the opening of business on the applicable Settlement Date in the amount of each Entry. Umpqua may, without prior notice or demand, obtain payment of any amount due and payable to it under the TMS Agreement by debiting the accounts, and shall credit the accounts for any amount received by Umpqua by reason of the return of an Entry transmitted by Umpqua for which Umpqua has previously received payment from Customer. Customer shall at all times maintain a balance of available funds in the accounts sufficient to cover Customer's obligations under the TMS Agreement. If there are insufficient available funds in the accounts to cover Customer's obligations under the TMS Agreement, Umpqua may: (a) debit any account that Customer has at Umpqua; or (b) set off against any amount it owes to Customer. Customer acknowledges that, under NACHA Rules, payment of an Entry by an RDFI to the Receiver is provisional until receipt by the RDFI of final settlement for such Entry. If such final settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Customer shall not be deemed to have paid the Receiver the amount of the Entry.

#### **7. Settlement Account**

Unless otherwise permitted by Umpqua in writing, at Umpqua's sole discretion, Customer must maintain an account at Umpqua for ACH settlement.

#### **8. Customer Representations and Warranties**

As to each Entry, Customer represents and warrants that: (i) Customer has obtained all authorizations and consents from the Receiver to make the Entry on the Effective Entry Date; (ii) the Entry is valid and has been completed in accordance with all requirements of the TMS Agreement, including in compliance with NACHA Rules; (iii) Customer has sufficient available, collected, non-contingent funds in the account to accommodate the Entry; (iv) the Entry is not initiated for any personal, family or household purposes; (v) if the Entry is a Debit Entry, no third party has a defense, right of offset, or counterclaim against such Entry; and (vi) Customer shall allow the ODFI to audit its compliance with the NACHA Rules and the terms of this Agreement.

#### **9. Authorized Entries**

If an Entry received by Umpqua purports to have been transmitted or authorized by Customer, it will be deemed effective as Customer's Entry and Customer shall be obligated to pay Umpqua the amount of such Entry as provided herein even though the Entry was not authorized by Customer, provided Umpqua had no actual knowledge that the Entry was unauthorized by Customer. If Umpqua has actual knowledge that an Entry is unauthorized by Customer, but Umpqua has insufficient time to cancel such Entry, the Entry shall be deemed effective as Customer's Entry and Customer shall be obligated to pay Umpqua the amount of such Entry as provided herein. If an Entry received by Umpqua was transmitted or authorized by Customer, Customer shall be obligated to pay the amount of the Entry as provided herein, whether or not that Entry was erroneous in any respect.

#### **10. ACH Redeposit Service**

If requested by Customer, Umpqua may, but shall not be obligated to, reinitiate a Debit Entry returned for insufficient or uncollected Funds. Umpqua shall also have the right to reinitiate such an Entry absent such a Customer request.

**11. International ACH Transactions (“IATs”)**

Umpqua will facilitate IAT Credit or Debit Entries to Receivers located in foreign countries approved and facilitated by the ACH Operator. Customer acknowledges that the completion of Credit or Debit Entries to or through a foreign country may or may not occur and the results of such Entries may be different from those experienced through the domestic system and Customer accepts those risks. Customer specifically bears the risk for any fluctuation in foreign exchange rates and any fees that may be imposed in or by the foreign country. Customer also bears the risk of returned Entries for a period of twelve (12) months from the Settlement Date. Customer also agrees that IAT entries may not be dishonored, reversed, or settled upon a specific date, and that the return of non-settled Entries from foreign countries are subject to the laws and regulations within that country and NACHA Rules. Customer represents and warrants that any IAT Entry that Customer originates complies with the laws and payment system rules of the receiving country.

Umpqua is not responsible for the transmission or settlement of Entries on foreign holidays or other days in which foreign countries may not process Entries. IAT Credit or Debit Entries are not eligible for same day ACH processing. Customer is responsible for complying with OFAC regulations regarding payments to and from individuals and entities.

**12. Health Savings Accounts**

If Customer is using the Services regarding employer contributions to Health Savings Accounts, Customer acknowledges that the use by the Customer of Entries containing certain identifying codes in discretionary data fields for purposes of identifying employer contributions to Health Savings Accounts will be acknowledged only when Umpqua: (a) has agreed to acknowledge such codes in writing; (b) has accepted the proposed codes in writing; and (c) is the Receiving Depository Financial Institution of the Entry at issue. Such codes shall have significance only to Umpqua and to the Customer, and shall have no significance when Umpqua is not the RDFI.

**13. Pre-notification**

To the extent required by NACHA Rules, Customer shall send pre-notification that it intends to initiate an Entry to a particular account in accordance with the procedures provided by NACHA Rules and by Umpqua. The pre-notification can be returned or result in a Notification of Change. If the pre-notification is returned, Customer shall research the problem and make any necessary corrections before transmitting another Entry. If the pre-notification results in a Notification of Change, Customer shall make the required change before initiating another Entry as outlined in NACHA Rules.

**14. Prefunding ACH Entries**

We generally debit your account on the Settlement Date for Credit Entries (including Debit Reversals), unless you are prefunding your Entries. “Prefunding” means that you are required to pay for all credit Entries before the settlement date as we may specify. We may, at our discretion, without prior notice to you, require Prefunding before we process your credit Entries. We are not obligated to process any credit Entries, even if we have done so in the past, without having first been paid by you, but, if we do, the amount is immediately due and payable without notice or demand.

Upon initiation of prefunded Entries, Umpqua is authorized to charge Customer’s account(s) in the total amount of such Entries. Funds received by Umpqua for this purpose shall be held in an account owned and controlled by Umpqua until the relevant Settlement Date. Customer acknowledges and agrees that such funds are held solely for the benefit of Umpqua and that Customer will not be entitled to earn any interest thereon.

**15. Rejected, Returned, and Unauthorized Entries**

Receiver authorizations shall authorize Umpqua to transmit corrective entries to Receiver’s accounts to correct a prior Entry and shall authorize Customer to release to Umpqua all information concerning its Receivers that is required by Umpqua to recover such Entries. Customer shall immediately cease initiating Entries upon receiving actual or constructive notice of the termination or revocation of a Receiver’s authorization. Customer will retain each authorization received by Customer for such period of time as may be required by NACHA Rules or applicable law or regulation and shall provide Umpqua with copies of such authorizations upon request. Umpqua may reject any Entry that is not initiated in accordance with the TMS Agreement. If an Entry is rejected, or returned by an ACH Operator, for any reason whatsoever, it shall be Customer’s responsibility to remake the Entry. Umpqua is authorized to debit or credit the account for Entries that are returned to Umpqua. Customer shall not be entitled to interest on the amount of any returned Entry debited from the account. A Receiver may, in some cases, have the right to have an unauthorized or erroneous Debit Entry credited to its account. Umpqua may deduct the amount owing to the Receiver from Customer’s account upon Umpqua’s receipt of proper notice of such crediting from the

Receiver. Umpqua may charge back against Customer any Debit Entry that is returned or reversed. Except for rejected Entries that are resubmitted to Umpqua in compliance with the TMS Agreement, Umpqua shall have no obligation to retransmit a rejected or returned Entry.

#### **16. Cancellation, Amendment or Reversals by Customer**

Customer shall have no right to cancel or amend any Entry after it is received by Umpqua. However, if Umpqua elects to act on a request by Customer to cancel or amend an Entry before transmitting it to the ACH Operator or, in the case of an On-Us Entry, before crediting a Receiver's account, Umpqua shall have no liability if such cancellation or amendment is not effected. Customer acknowledges that Umpqua will act upon or respond to any requested or attempted Entry reversals in accordance with NACHA Rules.

#### **17. Inconsistency of Name and Account Number**

If an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by Umpqua to the RDFI might be made by the RDFI (or by Umpqua in the case of an On-Us Entry) on the basis of the account number even if it identifies a person or entity different from the named Receiver, and Customer's obligation to pay the amount of the Entry to Umpqua shall not be excused in such circumstances. Customer shall indemnify and hold Umpqua harmless against all Losses and Liabilities relating, directly or indirectly, to the processing by an RDFI of an Entry in which the Receiver is described inconsistently by name and account number. Umpqua may rely on all information and Entries provided by Customer as-is and has no obligation to check or verify any such information or Entries.

#### **18. Third-Party Service Provider.**

If Customer is a Third-Party Service Provider under the NACHA Rules, then Customer must annually conduct, or have conducted, an audit of its compliance with the NACHA Rules and this ACH Schedule. Such audit must be performed under the direction of the audit committee, audit manager, senior level officer, or independent (external) examiner or auditor of Customer and is subject to the NACHA Rules and this Agreement.

#### **19. Third-Party Sender.**

If Customer is or acts as a Third Party Sender ("TPS") under NACHA Rules, then in addition to the requirements of Section 18 (Third-Party Service Provider) above:

- Customer must: (i) be approved as a TPS by Umpqua prior to submitting any ACH transactions as a TPS; (ii) provide Umpqua with any information reasonably deemed necessary by Umpqua to identify each Originator or Nested Third-Party Sender, as defined below, within two (2) Business Days of receipt of Umpqua's request; (iii) obtain agreement by each Originator that the Originator assumes the responsibilities of an Originator under NACHA Rules, and (iv) provide all information requested by Umpqua or required by NACHA Rules and cooperate with Umpqua in registering Customer or any Nested Third-Party Sender as a TPS with NACHA.
- Customer agrees that it is bound by the NACHA Rules in acting as an Originator or a TPS. If Customer fails to perform its obligations as an Originator or TPS under NACHA Rules, Customer will indemnify Umpqua from and against any and all Indemnified Losses that result directly or indirectly from the Originator's failure to perform its obligations. Umpqua may terminate these Terms and Conditions or Customer's use of the ACH Services at any time for breach of the NACHA Rules or to maintain or facilitate Umpqua's compliance with the NACHA Rules. Nothing in this section limits Customer's indemnification or other obligations under these Terms and Conditions.
- Before permitting an Originator to originate any Entry directly or indirectly through Umpqua, Customer will enter into an agreement with the Originator that satisfies each of the requirements of NACHA Rule 2.2.2.1 (ODFI Must Enter Origination Agreement with Originator).
- If Customer, as a TPS, performs any of the obligations of an ODFI under the NACHA Rules, Customer will comply with the requirements for ODFIs under NACHA Rules and warrants that it is legally able to do so. Such ODFI requirements include, but not limited to, monitoring the origination and return activity of its Originators or its Nested Third-Party Senders across multiple Settlement Dates, enforcing restrictions on the types of Entries that may be originated through its Originators, and enforcing, with respect to its Originators and its downstream Nested Third-Party Senders, the exposure limit set by Customer or Umpqua as set forth in NACHA Rule 2.2.3 (ODFI Risk Management).
- Customer will ensure that each Originator that utilizes Customer as a TPS authorizes Umpqua to transmit Entries and to make payments to Umpqua as the ODFI for any credit Entries originated and for any such Entries returned by the RDFI to the extent that Umpqua does not receive payment from Customer. Customer will not originate any Entries that violate the laws of the United States. Customer

as a TPS will be jointly and severally liable with each of its Nested Third-Party Senders and Originators for the retention and delivery to Umpqua or to an RDFI, as required by NACHA Rules, of any records, documents or data regarding records of authorization of Entries, copies of items and copies of any eligible source documents.

- Customer makes to Umpqua each of the warranties set forth in NACHA Rules 2.4.1 (General ODFI Warranties), 2.15.2 (Warranty of and Indemnification by Third-Party Senders), 2.15.3 (Performance and Warranty of ODFI Obligations by Third Party Senders), and 5.2 (Warranties of Gateway). Such warranties are made by Client with each submission of Entries to Umpqua.
- Umpqua may at any time audit Customer, any Nested Third Party Sender, and your or their Originators' compliance with the Origination Agreement and the NACHA Rules

## 20. Nested Third Party Senders

If Customer originates transactions on behalf of Nested Third-Party Senders, then in addition to the requirements of Section 19 (Third-Party Sender) above:

- You must disclose to Umpqua any Nested Third-Party Sender prior to transmitting any Entries for such Nested Third-Party Sender to Umpqua. A "Nested Third-Party Sender" is a Third-Party Sender that has an agreement with another TPS to act on behalf of an Originator and does not have a direct agreement with the ODFI.
- Customer will enter into an agreement with each Nested Third-Party Sender that contains the same terms with respect to the Nested Third-Party Sender as those imposed on Customer as a TPS under these ACH Terms and Conditions as if Customer were the ODFI, including Sections 18 and 19 above. Customer is responsible for the Nested Third-Party Sender's compliance with such agreement and NACHA Rules. If the Nested Third-Party Sender originates transactions on behalf of a further Nested Third-Party Sender, the Nested Third-Party Sender will enter into an Origination Agreement that meets the requirements of Subsection 2.2.2.2 (ODFI Must Enter Origination Agreement with Third-Party Sender) with the immediately adjacent, downstream Nested Third-Party Sender. If Customer allows further-Nested Third-Party Senders, Customer is responsible for each such Nested Third-Party Sender and its Originators to the same extent as if each such Nested Third-Party Sender had a direct agreement with Customer.

## 21. Indemnification

Customer shall indemnify and hold Umpqua harmless against any NACHA or ACH Operator fines or fees and all Losses and Liabilities relating, directly or indirectly, to (i) any breach of by Customer or by Customer's agents of the TMS Agreement (whether a breach of representation, warranty, or covenant), (ii) any Entry or instruction transmitting by Customer or using Customer's Credentials or Internal Security Devices, or (iii) Customer's or Customer's agent's negligence or willful misconduct.

## 22. Termination

We may terminate or suspend this Agreement or Customer's use of the Automated Clearing House Services for breach of the NACHA Rules or applicable law, regulations or guidance in a manner that permits Bank to comply with the NACHA Rules, applicable law, regulations or guidance.

## Cash Vault Services

Cash Vault Services are offered by Umpqua for Customers who require processing of cash and non-cash banking transactions at a cash vault.

### 1. Independent Contractor

Customer chooses its own transportation agent, from a list of Umpqua Bank approved armored car providers, and Customer agrees that such agent is an independent contractor and not an agent, employee or other representative of Bank. Neither Bank nor its employees or agents shall supervise, direct or control Customer's agent's performance under this Agreement. Umpqua Bank does not arrange for armored transportation for its customers nor is Umpqua Bank liable for the actions and/or inactions of any armored car providers.

### 2. Packaging of Shipments

Customer agrees to enclose a deposit slip that bears the Customer's name and account number for each deposit. Customer must retain a copy of the Items deposited or retain sufficient information on the deposit so as to be able to promptly reconstruct any lost, stolen or damaged deposits. Customer agrees that only deposits for the credit of Customer will be transported under this Agreement. Customer agrees to package the shipment in accordance with instructions received from Bank, including the use of any special deposit bags or deposit slips.

### 3. Effect of Delivery to Courier

A shipment by Customer to Bank via Customer's agent shall be deemed received by Bank at the time of agent's delivery of such shipment to Bank's authorized processing facility. A shipment by Bank to Customer shall be deemed received by Customer at the time of Bank's delivery of such shipment to Customer's agent.

### 4. Deposits

Umpqua or Umpqua's agent will count the currency, coin deposits and other valuables received. Umpqua or its agent's count shall be deemed correct and final. Umpqua will notify Customer by appropriate means of any deposit for which Umpqua's count varies from Customer's count. Customer will designate and maintain an account at Umpqua for the receipt of deposits of checks, cash and/or coin, in accordance with the TMS Agreement, the Account Agreement, and any other applicable agreement between Customer and Umpqua.

### 5. Currency and Coin Orders

Umpqua may provide Customer with United States currency and coin in designated denominations from time to time as requested by Customer. Orders for currency and coin may be placed no later than the cut-off time established by Umpqua for delivery on the next available Business Day. All cash orders will be charged to the account designated by Customer, and if no account is designated by Customer, then any Customer account in Umpqua's sole discretion.

Only Umpqua approved armored cars may pick up cash orders directly from a cash vault operated by Umpqua. Umpqua may deliver any cash order to any individual that Umpqua reasonably believes to be Customer's agent or designee. Umpqua may specify a daily cash order limit, and Customer agrees that it will not initiate cash orders in excess of the designated limit. In no event shall Customer initiate a cash order in excess of the immediately available funds in the designated account.

### 6. Duty to Cooperate

In the event of delay, loss, damage, destruction or reconstruction of any shipment, Customer shall fully assist and cooperate with Bank and its agents in all ways related to recovery of any loss or damage and, to the extent reasonable, shall invoke all legal rights and use diligent efforts to reconstruct the documents. Upon payment of any loss hereunder, Bank or its insurance agent shall become entitled by subrogation to all rights and remedies, if any, of the parties with respect to such loss or damage.

### 7. Location

Customer and Bank shall designate the location address(es) to be used in connection with this Service.

### 8. Store Drop Services

Umpqua offers its Store Drop Service in connection with Umpqua's Cash Vault Services.

This service is offered upon approval by Bank and provides an alternative for cash vault Customers to deliver and receive their deposits/orders at an Umpqua Bank store instead of the Customer's place of business.

## 9. Customer Type Exclusions

The following customer types are not permitted to enroll in or use Cash Vault Services:

- Adult entertainment businesses
- Dating or escort businesses
- Bearer share corporations
- Correspondent bank accounts (foreign and domestic)
- Credit repair or facilitators of credit repair services
- Debt consolidation or assistance businesses
- Student loan assistance companies
- Politically exposed persons, as defined by FinCEN
- Consulates
- Embassies
- Foreign shell banks
- Foreign exchange houses including, without limitation, casas de cambio
- Fourth-party transactions
- Gun trusts
- High-risk third-party payment processors
- Virtual currency exchangers, administrators or miners
- Internet gambling businesses
- Payday lenders
- Tier 1 and Tier 2 marijuana related businesses
- Money services businesses where being an MSB is the primary line of business, as defined by FinCEN (except with written prior approval)
- Shell or nominee companies

Customer acknowledges and agrees (i) that it is not currently engaged in any of the above precluded activities while using Cash Vault Services, and (ii) that it will not engage in any of these activities while using Cash Vault Services without first notifying Umpqua in writing. Upon such notification, Umpqua may in its sole discretion cease providing the Cash Vault Services. Customer may not resell Cash Vault Services to its own customers.

## ***InstaVault*<sup>®</sup> Service**

Umpqua offers its *InstaVault*<sup>®</sup> Service in connection with Umpqua's Cash Vault Services, which enables the Customer to utilize a smart safe to manage currency deposits at its sites. The deposit activity is transmitted to Bank for further credit to the customers designated account.

### **1. Provisional Expedited Credit Deposit**

For certain units of safes provided by vendors, in each case, acceptable to Umpqua (collectively, the "Equipment"), Umpqua will provide provisional expedited credit to Customer for the cash properly deposited into the Equipment's currency acceptors and may charge Customer a fee for such expedited credit. Following Umpqua's receipt of a transmission report from Equipment stating the amount of currency inserted into the Equipment's currency acceptors (each, a "Safe Report"), Umpqua will provide provisional expedited credit to an account maintained by Umpqua and designated by Customer in total amount set forth in such Safe Report. Credits will only be applied on Umpqua's Business Days in accordance with the Setup Form. For purposes of clarification, currency and other Items inserted using the manual envelope drop of the Equipment will not receive provisional expedited credit and will be processed and credited in accordance with the standard cash vault deposit processing procedures.

### **2. Independent Contractor**

As conditions to Umpqua's provision of its *InstaVault*<sup>®</sup> Service, Customer (i) will have a valid and binding agreement with a vendor, acceptable to Umpqua, for the provision of the Equipment (such agreement, a "Vendor Agreement"), (ii) agrees that such Equipment must be suitable and compatible, in Umpqua's sole discretion, for the *InstaVault*<sup>®</sup> Service, and (iii) will use the Equipment in accordance with the terms and provisions in the Vendor Agreement and as instructed by Umpqua as necessary from time to time for use of the Equipment in connection with the *InstaVault*<sup>®</sup> Service. Customer acknowledges that Umpqua is not providing the Equipment and has no obligation or liability whatsoever with respect to the Equipment or any Service related thereto other than the *InstaVault*<sup>®</sup> Service.

### **3. Deposit Verification**

If the aggregate amount of the Items processed and verified for a Safe Report is less than that reported for such Safe Report, Umpqua may debit the applicable Customer account without notice to Customer. If such Customer account has insufficient funds to cover the debit, Umpqua may debit any of Customer's other accounts with Umpqua for the difference, and Customer agrees to promptly reimburse Umpqua for the difference (or any portion thereof) upon demand by Umpqua, without setoff or counterclaim. If the aggregate amount of the Items processed and verified for a Safe Report is more than that reported on such Safe Report, Umpqua will credit the applicable account for the difference without notice to Customer. In addition, if Customer's Vendor Agreement provides any guarantees or other protection for the contents of the Equipment, including but not limited to cash deposited through the currency acceptors, Umpqua reserves the right to require Customer to file a claim with such vendor before making any claim against Umpqua.

## Commercial Card Batch Payment Application

### 1. Background

Umpqua offers a commercial card batch payment application to enable Commercial Card customers the ability to originate payments to multiple commercial cards in a batch using a single offset payment method via one of the following three methods:

- a. ACH Credit file - ACH payments will be set up to come from their Umpqua Analyzed Deposit Account unless the customer is originating the ACH payments from another bank
- b. Non-EDI file
- c. EDI file

### 2. Important to Know

The Commercial Card Batch Payment (CCBP) application only supports payments to Commercial Card accounts and current business day settlement dates.

Customer file submission cutoff time is currently 4:00 pm Pacific and are created in the following formats:

- Text file
- EDI 820 file - and receive acknowledgements in EDI 997/824 messaging format
- ACH file - Credit approval is required

When the Commercial Card Batch Payment application is used to make payments to Credit Card via any of the above methods, the terms, conditions, and agreements governing such other services, products and payment facilities remain in full force and effect.



## Consolidated Payments

The Consolidated Payments service provides you the ability to streamline and automate your payment processes by using software to transmit to us a single file of payment instructions for multiple payment types. The payment types offered by us through the Consolidated Payments services may include, at our discretion, ACH, wire transfer, printed Check, and Commercial Card.

### 1. Bank Software, Account

The Consolidated Payments service requires the use of Umpqua Software. The terms and conditions governing Umpqua Software apply to your use of the Consolidated Payments service. You acknowledge that you are required to maintain an Account to use the Consolidated Payments services. We may modify the Umpqua Software and the services provided through Consolidated Payments at our discretion.

### 2. Customer Accounting and Software Systems

The Consolidated Payments service works in conjunction with third-party accounting systems or software determined compatible by us in our sole discretion. Not all third-party accounting systems or software will be compatible with the Consolidated Payments service. You understand that while we determine the third-party accounting systems and software compatible with the Consolidated Payments service, we are not responsible for those systems or software or computer hardware you choose. We will not be liable or responsible to you for any errors or loss or unauthorized access to your accounts attributable to the third-party accounting system or software or computer hardware.

### 3. Transmission of Payment Files

Authorized Users shall transmit Entries to Bank in computer readable form in compliance with the formatting and other requirements specified by us. Entries must be transmitted to us no later than the time and the number of days prior to the date specified by us. Payment file instructions received by Bank shall be deemed to be received from you for processing. We shall not be liable for honoring or acting upon the received payment instructions, and you expressly agree to indemnify us and to hold us harmless for any claim or loss arising out of honoring or acting upon any instructions received, including but not limited to instructions that are received with inaccurate or missing information. You are responsible for the accuracy of the data transmitted to us. You understand when using Consolidated Payments service to initiate payment orders, you must identify the account number that will receive the funds, each beneficiary of the order and each beneficiary's bank. We, any intermediary bank and the beneficiary bank may process a payment order solely based on the account number even if that number does not correspond to the named beneficiary or the beneficiary's bank. You are responsible to maintain good and sufficient collected funds in or available credit on each account from which you instruct us to transfer money and we are not obligated to process a payment order or other instruction if you do not have sufficient collected funds on deposit in or available credit on the account at the time the payment order or instruction is received.

### 4. Payment Types

You agree that your requests to initiate payments utilizing the Consolidated Payments services shall be governed by:

- this Consolidated Payments section of the Terms and Conditions;
- the sections of the Terms and Conditions governing the applicable payment mechanism;
- all other agreements and documentation provided to you relating to the use of the applicable payment mechanism; and
- all applicable laws, rules and regulations governing the applicable payment mechanism

When the Consolidated Payments service is used to access the Bank's other services, products, or payment facilities (for example, wire transfer, check printing, ACH, Positive Pay, information reporting, or credit Card when available), the terms, conditions, and agreements governing such other services, products, and payment facilities remain in full force and effect, except as expressly modified or amended by this Consolidated Payments section.

### 5. Rejection of Entries

We will use commercially reasonable efforts to advise you if a submitted Consolidated Payments Entry is rejected. We will have no liability to you for rejection of a payment entry that failed to meet the processing guidelines or other provisions in the applicable payment type section of these Terms and Conditions in the TM Agreement.

**6. Cancellation or Amendment**

You have no right to amend, modify, cancel, or stop payment on a Consolidated Payments services transaction after you have initiated or submitted such transaction for execution through the Consolidated Payments services. In the event we permit you to amend, modify, cancel, or stop payment on an Consolidated Payments services transaction, you must act within applicable deadlines and security procedures established by us for such purposes and otherwise afford us a reasonable opportunity to respond to instructions to amend, modify, cancel, or stop payment on such Consolidated Payments services transaction; provided, that in no event shall we have any liability to you or any counterparty to your Consolidated Payments services transaction if we shall fail to execute or timely execute any instruction to amend, modify, cancel, or stop payment on such Consolidated Payments transaction. You agree to indemnify us, defend all claims, and hold us harmless from any loss, damages, or expenses, including but not limited to attorneys' fees incurred by us as a result of our acceptance of the amendment, modification, cancellation or stop payment.

**7. Error Detection**

We have no obligation to discover, and shall not be liable to you for, errors made by you, including without limitation errors made:

- in identifying the Payee, an intermediary or RDFI;
- in the amount of an Entry;
- in Settlement Dates; or
- in Payment Instructions.

If you make an error or issue a duplicate Entry or file, you shall indemnify us, defend all claims and hold us harmless from any loss, damages, or expenses, including but not limited to attorneys' fees incurred by us as a result of the error or issuance of duplicate entries or files.

## Controlled Disbursement Services

### 1. Background

Umpqua offers controlled disbursement Services to enable Customer to automate disbursements and fund only the amount needed for that day's disbursements. Checks drawn on the Controlled Disbursement Account are presented for payment through the Federal Reserve System early each day. Umpqua receives a transmission of the Check information through the Federal Reserve System and then extracts the necessary data to provide Customer with notification of the disbursement amount for the day. Customer will use the Disbursement Account (defined below) solely to issue Checks (or payable-through drafts) and electronic debits in accordance with this section of the Agreement. Checks may not be issued from the Disbursement Account for payroll purposes and no Checks issued from the Disbursement Account may be cashed at any Umpqua location.

### 2. Disbursement Account

If requested by Customer and agreed to by Umpqua, Customer will open and maintain a demand deposit account ("Disbursement Account") at a financial institution specified by Umpqua ("Disbursing Bank"), which may be Umpqua or another financial institution, and a primary funding account ("Funding Account") at Umpqua. The Disbursing Bank may be a financial institution that is unaffiliated with Umpqua, a subsidiary or affiliate of Umpqua or Umpqua itself. Umpqua reserves the right to require Customer to use Umpqua's Positive Pay Service in conjunction with the use of a Disbursement Account. You acknowledge that your failure to use Umpqua Bank's Positive Pay service could substantially increase the likelihood of undetected fraudulent activity on your Account and that it is reasonable for us to require you to use Positive Pay upon request. You agree that if you fail to implement Positive Pay following our request, you will be precluded from asserting any claim against us for paying an unauthorized, altered, counterfeit or other fraudulent Item that Positive Pay is designed to detect or deter, and we will not be required to re-credit your Account or otherwise be liable to you for paying such Item. The Funding Account and the Disbursement Account shall be governed by the TMS Agreement regardless of whether or not the Disbursing Bank is affiliated with Umpqua. Customer hereby authorizes and directs Umpqua to act on its behalf and as its agent, as Umpqua in its sole discretion deems advisable, in performing any of the controlled disbursement Services and related Services. If the Disbursing Bank is not an Umpqua subsidiary or affiliate, Customer expressly authorizes Umpqua to obtain access, from time to time, to all records of the Disbursement Account from the Disbursing Bank. Customer hereby authorizes Umpqua to disclose to Disbursing Bank such information concerning Customer as Umpqua may deem appropriate. The Funding Account and the Disbursement Account (if at Umpqua or an Umpqua subsidiary or affiliate) shall also be governed by the Account Agreements. Any inconsistency between the TMS Agreement and the Account Agreements shall be governed by the TMS Agreement, but only regarding the subject treasury management Services.

### 3. Report of Incoming Debits

Disbursing Bank shall, on each Business Day, inform Umpqua of the total aggregate amount ("Total Clearings") of all debits, including Checks, Image Exchange Items, and Image Replacement Documents (Items), net of adjustments and other charges, which are charged to the Controlled Disbursement Account. Umpqua will make reasonable efforts to make this information available to Customer each Business Day. If, for any reason, Disbursing Bank does not provide Umpqua with such information, the Total Clearings for such day shall be estimated by Customer. For purposes of controlled disbursement Services, "Business Day" shall mean any day that is a Business Day for both Umpqua and Disbursing Bank.

### 4. Funding Procedures

Customer agrees to maintain sufficient collected balances in the Funding Account to fund the Total Clearings. Umpqua is hereby authorized to debit the Funding Account in an amount equal to the actual or estimated Total Clearings and to transfer funds in such amount to Disbursing Bank for credit to the Disbursement Account. Umpqua reserves the right to convert the Disbursement Account into a standard prepaid checking account at any time with or without notice to Customer. On the Business Day preceding any day on which Disbursing Bank will be open to conduct its regular banking business but Umpqua will be closed, Umpqua is hereby authorized to debit the Funding Account in an amount equal to an estimate of the following day's Total Clearings and to transfer funds in that amount to Disbursing Bank for credit to the Disbursement Account. Any discrepancies between the amount of Items electronically reported and the amount of Items actually presented will be reconciled not later than the following Business Day.

### 5. Daily Dollar Limit

A daily dollar limit ("Dollar Limit") may be established from time to time by Umpqua regarding the Disbursement Account in Umpqua's sole discretion. Disbursing Bank shall have no obligation to pay Items in

excess of the Dollar Limit. Umpqua may, in Umpqua's sole discretion, at any time, either verbally or in writing, notify Customer of any change made by Umpqua in the Dollar Limit. Establishment of the Dollar Limit should not be interpreted as any commitment by Umpqua to provide any credit or loans, nor as a commitment to debit the Funding Account when doing so would create a negative balance therein.

#### **6. Unavailable Funds**

At its sole discretion, Umpqua may advance funds to cover all or part of the Daily Clearings. In addition to any fees, Customer agrees to pay to Umpqua any amount so advanced on demand plus interest at a per annum rate equal to the normal lending rate paid by Customer on its loans from Umpqua, or Umpqua's Prime Rate plus three percent (3%). Prime Rate as defined herein is the rate that Umpqua defines as its Prime Rate from time to time, and is not necessarily the lowest rate extended by Umpqua to any particular Customer or class of Customers. Umpqua is also authorized to transfer funds from any account Customer maintains at Umpqua to fund the Total Clearings. Nothing in this section shall limit Umpqua's right to return any Item unpaid if there are insufficient available funds to reimburse Umpqua for the Item.

#### **7. Special Circumstances**

Customer acknowledges that Umpqua may at times be unable to provide a report of the total amount of its Total Clearings early enough for Customer to make a complete and acceptable funding of the accounts. Customer nevertheless agrees to fund the Funding Account completely by using an estimate of the Total Clearings.

#### **8. Action Affecting Accounts**

If Umpqua or Disbursing Bank receives any process, summons, order, injunction, execution, levy, lien, garnishment, or adverse claim notice (either by a governmental authority or third party) ("Process"), which Umpqua or Disbursing Bank reasonably believes will adversely affect the Funding Account and the Disbursing Account, Umpqua may, at its option and without liability, refuse to honor orders to pay or withdraw sums from any Disbursement Account and may either hold the Funding Account balance herein until such Process is disposed of to the satisfaction of Umpqua or pay the balance over to the source of the Process in accordance with applicable law.

#### **9. Return of Items Unpaid**

Umpqua reserves the right, in Umpqua's sole discretion, to instruct Disbursing Bank to return unpaid any or all Items presented for payment against the Disbursement Account in the event that:

- There are insufficient collected and available balances on deposit in the Funding Account by the established deadline to fund the Total Clearings;
- Debits cannot be posted because the Disbursement Account or Funding Account is frozen, blocked, closed or because of any other condition; or
- Any communications failure or other condition prevents Umpqua from monitoring Customer's Dollar Limit and/or the Items presented for payment at Disbursing Bank.

#### **10. Stop Payment Orders**

Customer may issue stop payment orders on Items drawn on the Disbursement account in accordance with the terms of Umpqua's and Disbursing Bank's rules and regulations.

## Foreign Exchange Online Services

### 1. Services

Bank may provide online foreign exchange services to Customer through a private internet site owned and operated by Bank (“UB FX Portal”). If requested by Customer and agreed to by Bank, Bank will provide UB FX Portal Services in accordance with the Agreement.

### 2. Access

Although the UB FX Portal may be generally accessible, certain functions, such as executing trades through the Foreign Exchange Online Services, are available only during normal business hours as established by Bank, which may vary by day or location. Once Bank has granted Customer access to the UB FX Portal, each user designated by Customer in the implementation document will be provided with credentials to access the services. Notwithstanding anything to the contrary herein, Bank does not confirm that the person authorizing any UB FX Portal transaction is an Authorized Signer or is otherwise authorized to conduct any UB FX Portal transaction on behalf of Customer.

### 3. Trades

By clicking one or more buttons in UB FX Portal, Customer informs Bank that Customer wishes to purchase or sell a stated amount of currency against a second currency on a designated date (“Trade Date”) either unconditionally or at a displayed exchange rate, if one may be obtained (“Trade”). Any transaction that results following the submission of a Trade shall be Customer’s legally binding obligation. Trades submitted to Bank via UB FX Portal shall be effective only upon acceptance by Bank. Bank will establish from time to time specific times of day after which Trades will not be processed on a “same-day” or “next-day” basis. Trades submitted after Bank’s deadline will be considered received on the next Business Day. Deadlines will differ depending on the Trade currency and other factors. Customer is solely responsible for the accuracy and completeness of any settlement instructions delivered to Bank through UB FX Portal, and such settlement instructions are subject to the concurrence of Bank. Bank shall make reasonable efforts to provide information and status of the terms of any Trade on the UB FX Portal site, or by other means established by Bank. Failure by Bank to confirm a Trade for any reason, including without limitation computer malfunction, shall not excuse Customer’s obligations related to any Trade. Bank’s internal records with respect to each Trade shall be conclusive evidence of the terms of each Trade. The terms of each Trade shall be incorporated into and become part of this Agreement.

If Customer initiates a Trade to purchase foreign currency, Customer agrees to provide settlement instructions on Trade Date to ensure timely delivery of the foreign currency to foreign Bank and pay any applicable fees or charges that may be incurred on the other end. Should Customer instruct Bank to settle a Trade by debiting a US dollar account, Customer agrees to maintain sufficient available funds in the account to settle on the Trade Date, unless Customer has established a contingent credit facility designated for Trade settlement that allows Bank to debit on Settlement Date. Should funds be insufficient to settle the trade on the Trade Date, Bank reserves the right in its sole discretion to debit any of Customer’s accounts with the Bank in the amount of Trade, subject to applicable account fees and charges, or to cancel the Trade due to failure by Customer to make settlement.

If Customer initiates a Trade to sell foreign currency, Customer agrees to make payment by delivering foreign currency to Umpqua Bank on the Settlement Date of the Trade in accordance with the settlement instructions provided by Umpqua Bank. Should Customer fail to provide foreign currency by settlement date, Customer agrees to pay any applicable fees, charges or costs associated with delaying settlement or unwinding the Trade.

Customer acknowledges and agrees that Customer shall have no right to cancel or reverse a Trade once submitted. Bank will, however, make reasonable efforts in its sole and complete discretion to cancel or amend the terms of a Trade upon Customer’s request. Should a Trade be successfully canceled or amended, or in the event a Trade is canceled due to failure by Customer to make settlement on the Trade Date or failure by Customer to provide Bank with complete settlement instructions prior to the Settlement Date of a Trade, Customer agree to reimburse Bank for any breakage costs and other expenses incurred by Bank to cancel or amend the Trade, including any fees imposed for this extraordinary service. Bank reserves the right to adjust the exchange rate on any Trade requiring a new Trade Date to reflect any costs associated with carrying that Trade to a new Trade Date.

**4. Funds Transfers**

Customer authorizes Bank to execute and charge the designated Customer account(s) for wire transfer payment orders delivered to Bank via UB FX Portal. Customer agrees that all such wire transfer payment orders will be governed by the relevant sections of the Terms and Conditions and the Agreement.

**5. Representations and Warranties**

Customer represents and warrants to Bank as of the date of this Agreement and as of the date of each Trade that: (i) Customer is authorized to enter into any Trade, (ii) the persons entering into the Trade on Customer's behalf have been duly authorized to do so, (iii) the Trade is binding and enforceable against Customer in accordance with its terms, (iv) no Termination Event has occurred or is continuing, and (v) Customer is acting as principal with respect to each Trade.

**6. Termination**

In addition to the Termination Events defined in the General Provisions of this Agreement, it shall also constitute a Termination Event if Customer disaffirms, disclaims, or repudiates any Trade.

If a Termination Event has occurred, Bank shall have the right to terminate the UB FX Portal services and, upon notice to Customer, close out all outstanding Trades on a date specified by Bank (the "Close-Out Date"). In such event, Bank shall liquidate such Trades by calculating in good faith the gain or loss of all Trades as follows: (i) unwind and determine the mark-to-market US dollar value of each Trade, which shall be based off of the foreign currency notional amount(s), plus interest at the overnight Federal Funds Rate if Trades mature beyond spot value or at spot from the Close-Out Date if Trades have gone passed maturity, and (ii) convert the Trades into US Dollars at the prevailing rate of exchange, which may result in a loss for the Customer. The preceding amounts shall be aggregated so that all such amounts are netted into a single liquidated amount payable to or by Bank. Customer shall pay on demand any amounts owing to Bank pursuant to this section and Bank's calculations shall be conclusively binding against Customer, absent manifest error.

**7. Superseding Agreement and Required Reporting**

In the event that the Bank and Customer have entered, or hereafter enter, into either: (i) a foreign exchange master agreement (which by its terms purports to encompass foreign exchange transactions like forward agreements or currency options) or (ii) a standardized master agreement published by the International Swaps and Derivatives Association, Inc. ("ISDA") (in either case, (i) or (ii), a "Master Agreement"), then the terms of these UB FX Portal services terms and conditions shall be superseded by the terms of such Master Agreement, and transactions hereunder shall be subject to the terms of such Master Agreement. Notwithstanding anything in these UB FX Portal Services terms and conditions or any other agreement in effect between the parties, Bank shall be entitled to report information with respect to these UB FX Portal services terms and conditions, and each UB FX Portal transaction as may be required by law or regulation or requested by any governmental authority, subpoena, or investigation. In the event that Customer desires to conduct certain transactions relating to the purchase and sale of foreign currency through the execution of foreign exchange forward contracts, Customer shall enter into a Foreign Exchange Services Agreement with the Bank, and in the event of conflict between these UB FX Portal services terms and conditions and such Foreign Exchange Services Agreement, the terms of the Foreign Exchange Services Agreement shall prevail.

## Fraud Prevention Services

### Automated Clearing House (ACH) Blocks

With the ACH Blocks Service, Customer will provide us with authorization criteria for ACH Entries Customer desires to receive for debit or credit to Customer's account. We will automatically return any Entry which does not meet Customer's authorization criteria. If ACH Blocks is terminated for any reason, we will no longer be obligated to monitor Entries against your authorization criteria.

#### 1. ACH Blocks

Until such time as Customer has requested, in writing, that Umpqua remove a block on any ACH transaction, any person or entity identified by the Customer will not be permitted access to Customer's account for purposes of ACH transactions, whether debit or credit. Umpqua shall have no liability or other obligation to Customer regarding any refusal to honor or refusal to otherwise permit ACH transactions originated by any such persons. Customer understands and agrees that, as between Customer and Umpqua, it is Customer's sole responsibility to notify Umpqua, in writing, of any changes to the ACH transactions Customer has requested Umpqua to block and to not post, as either debits or credits, as the case maybe, to Customer's account.

Customer shall indemnify and hold Umpqua harmless against all Losses and Liabilities relating, directly or indirectly, to, Customer's use of the ACH Block Service, including any relating to delay in posting of credits to or debits from Customer's account, any losses, late fees, collection charges, holds on accounts, or loss of good will, or harm to Customer's reputation, with its suppliers, vendors, business partners, or other persons or entities.

### Positive Pay Services

Positive pay Services ("Positive Pay") are offered by Umpqua as a way to manage the risk of loss from fraudulent Item issuance or payment. Our Positive Pay Services allow you to identify Exception Items, as having the meaning of Section 3 herein, by reviewing Exception Items and to instruct us whether to pay or return those Items. In addition, you may establish Automated Clearing House (ACH) transaction rules to monitor ACH Items.

On each Business Day, we will provide you a report of Items presented to us for payment on the prior Business Day which have been identified as Exception Items based on information you have provided to us. Exception Items are determined by comparing Items presented to us (either by other depository institutions or, where applicable, for cashing at one of our branches) with lists of Items issued or cancelled by you which you transmit electronically to us each Business Day by the time specified in the applicable user documentation. Alternatively, you may choose an option under which we report all Items presented for payment, in which case we will treat all such Items as Exception Items.

On the same day we report Exception Items to you, you must notify us, by the deadline specified in the applicable user documentation, which Items you want us to pay or which to dishonor and return. If you fail to notify us by the deadline, we will handle the Exception Items in accordance with the prescribed default procedure established by you. Where required, you will indicate which Items you want us to return, having been deemed by you to be fraudulent. Our deadlines, default procedures and procedures for acknowledging pay and return requests are described in the applicable User Documentation.

#### 1. Format Specifications

Customer shall comply with Umpqua's format and data transmission standards for Positive Pay Services. Customer agrees to issue Items in accordance with Umpqua's specifications and will change Item format when requested to do so by Umpqua. Umpqua shall not be responsible for correcting or resolving processing problems caused by substandard quality magnetic encoding. When requested, Customer shall supply Umpqua with sample Items for quality testing.

#### 2. Information

Customer will provide Umpqua with a file of all outstanding Items before activation of the Positive Pay Services. On each day that an Item is written against an account, Customer shall supply Umpqua with all required Item information before the deadline established by Umpqua, which deadline may be changed by Umpqua from time to time, including the account number, the issue date, the Item number, and the face

amount of the Item. All information provided to Umpqua by Customer hereunder shall be provided electronically in accordance with the TMS Agreement and any other applicable agreement between Customer and Umpqua, including any Online Banking agreement. Customer shall be responsible for the accuracy and completeness of all information provided to Umpqua. In reliance on the information provided by Customer, Umpqua shall create a master issue file for each designated account (“Issued Item File”). Excluding valid stop payment orders and issue records voided at Customer’s request, all Items that match by serial number and amount to Umpqua’s Issued Item File will be deemed properly payable and Umpqua is authorized to pay such Items.

### **3. Exception Items**

Each Business Day, Umpqua shall make reasonable efforts to report to Customer any Item that does not match the Issued Items for that day’s presentment. Unless otherwise agreed to in writing by Umpqua, Umpqua is authorized to return or reject any Item in its sole discretion, with or without cause, including any Item that Umpqua determines to be in ineligible for the Service (each, an “Exception Item”), including, without limitation, images of paper Items drawn on banks located outside of the United States, images that are illegible, images of Items previously converted to Substitute Checks (image replacement document), and images with unreadable MICR information, unless Customer instructs Umpqua to pay an Exception Item before the established deadline. Umpqua may rely on any instructions received from Customer that Umpqua reasonably believes to be genuine. Umpqua shall have no responsibility for any liability, loss or damage resulting from any payment in accordance with the TMS Agreement of any Exception Item that is altered or unsigned or which bears the forged or unauthorized signature of Customer, return of any Excepted Item to the depository Umpqua in accordance with the TMS Agreement, or Customer’s failure to meet the deadlines for the Positive Pay Services. Customer may be required to place a stop payment order on any Exception Item, which shall be subject to Umpqua’s customary stop payment fee. Umpqua’s failure to report a discrepancy will not discharge Customer’s obligation regarding any Item, and shall not obligate Umpqua to return any Item if it is otherwise properly payable.

### **4. Teller Positive Pay**

At available locations, Positive Pay Service accounts will interface with Umpqua’s teller system, unless otherwise agreed in writing by Umpqua. Umpqua will compare Items presented for cash at a branch of Umpqua with Customer’s Issued Item File. Umpqua may refuse to cash any Exception Item and such refusal will not be deemed to be a wrongful dishonor. In the event of dishonor, Umpqua will refer the presenter to Customer. Customer acknowledges that under some circumstances the issuance information submitted by Customer may not be reflected in Customer’s Issued Item File until the next Business Day. Customer shall follow Umpqua’s procedures if Customer needs to manually add an Item to the Issued Item File. Umpqua will make reasonable efforts to assist Customer, but Customer acknowledges that Umpqua may be unable to process such requests on a “same day” basis. If Customer requests Umpqua not to activate or temporarily deactivate this teller positive pay Service, Customer shall assume all risk of loss for any Umpqua teller-cashed Item that would have been identified as an Exception Item before such non-activation or deactivation.

### **5. Payee Positive Pay**

If Customer selects this option, Customer’s Item stock will be subject to testing to ensure it meets Umpqua’s requirements for payee name readability. Customer shall identify to Umpqua all accounts subject to Payee Positive Pay. In addition to the issued Item information provided by Customer for the Positive Pay Service as described in Section 2 above, Customer shall supply Umpqua with the payee name for each Item issued by Customer. Customer shall be responsible for the accuracy and completeness of the payee information provided to Umpqua. In reliance on the payee information provided by Customer, each Business Day, Umpqua shall make reasonable efforts to report to Customer any payee names that do not match the Issued Item File for that day’s presentment.

Customer acknowledges that Umpqua will not be able to validate payee information for electronically converted Items presented to Umpqua for payment. Umpqua may, in its sole discretion, impose variable parameters for which the payee information will not be reviewed or for certain Items processed through the back office. If such parameters are imposed, Umpqua agrees to assume the risk of loss for an Item that would have been identified and reported to Customer as an Exception Item solely on the basis of the payee information.

### **6. Reverse Positive Pay**

*Paid File.* Customer shall identify to Umpqua all Accounts subject to Reverse Positive Pay. Prior to the designated time, Umpqua will provide to Customer a listing of Items presented for payment against an identified account. Information in the reporting will include, without limitation, the Account number, check



number, and the amount of the presented Item (the “Paid File”). By electing Reverse Positive Pay, Customer assumes all fraudulent and other risks associated with teller-cashed Items.

*Payment Instructions.* Customer shall compare the information provided by Umpqua with the Customer’s check issuance records. Customer shall notify Umpqua prior to the deadline established by Umpqua of Customer’s decision on any reported Items that should be returned. Umpqua may rely on any instructions received from Customer that it reasonably believes to be genuine. Umpqua is authorized to pay any Item listed on the Paid File unless the Customer instructs Umpqua to return the Item prior to the established deadline. Umpqua shall have no responsibility for any liability, loss or damage resulting from (i) payment made in accordance with these Terms and Conditions of any Item that is altered or unsigned or which bears the forged or unauthorized signature of Customer or (ii) return of any Item to the depository Umpqua in accordance with these Terms and Conditions, or (iii) Customer’s failure to meet the established deadlines for the Reverse Positive Pay Service. Umpqua reserves the right to require Customer to place a stop payment order on any Item to be returned. Any such orders shall be subject to Umpqua’s customary stop payment fee. Umpqua will make reasonable efforts to provide the Paid File to Customer and honor Customer’s instructions. Umpqua’s failure to provide the Paid File will not discharge Customer’s obligation with regard to any Item that was otherwise properly payable at the time of presentment.

## **7. ACH Positive Pay**

ACH Positive Pay allows Customers to view ACH exceptions and make decisions to pay or return them. Customer shall identify to Umpqua all Accounts subject to ACH Positive Pay. ACH transactions are compared against conditions, called payment rules (“Payment Rules”), which determine whether they will be charged to the designated account or blocked. If a transaction matches the condition criteria set by Customer, it will be processed and charged to the Customer’s designated account and presented to Customer to make a decision whether to pay or return them.

Information in the reporting of blocked transactions will include, without limitation, the Account number, the name of the originating company, the amount, and the effective date of the transaction. Customer can create new Payment Rules based on exceptions you decide to pay, which will prevent future exceptions from being generated for the same originating companies. If no decision is made by Customer to pay or return Exception Items by the deadline established by Umpqua, the blocked Items will be returned or paid based on the default selected by the Customer.

## Integrated Payments

The Integrated Payments service provides you the ability to streamline and automate your accounts payable processes by using software to transmit to us a single file of payment instructions for multiple payment types. The payment types offered by us through the Integrated Payments services may include, at our discretion, Account Transfer, ACH, wire transfer, printed Check, and Commercial Card. The specific banking transactions available through Integrated Payments are more fully described in the Integrated Payments User Agreement which shall be amended from time to time in accordance with the TMSA.

### 1. Bank Software, Account

The Integrated Payments service requires the use of Umpqua Software. You must acknowledge and agree to, and comply with, the Integrated Payments authorized user license agreement to enroll, and use the required Umpqua Software. The terms and conditions governing Umpqua Software apply to your use of the Integrated Payments service. If the Integrated Payments service is terminated, your right to use the Umpqua Software also terminates and you agree to destroy, delete or return to us any related documentation upon our request or upon termination of the Integrated Payments service. You acknowledge that you are required to maintain an Account to use the Integrated Payments services. We may modify the Umpqua Software and the services provided through Integrated Payments at our discretion.

### 2. Customer Accounting and Software Systems

The Integrated Payments service works in conjunction with third-party accounting systems or software determined compatible by us in our sole discretion. Not all third-party- accounting systems or software will be compatible with the Integrated Payments service. You understand that while we determine the third-party accounting systems and software compatible with the Integrated Payments service, we are not responsible for those systems or software or computer hardware you choose. We will not be liable or responsible to you for any errors or loss or unauthorized access to your accounts attributable to the third-party accounting system or software or computer hardware. The Set Up and Monthly Customer Maintenance fees for Integrated Payments is determined based on the third-party accounting system or software used by the Customer.

### 3. Transmission of Payment Files

Authorized Users shall transmit Entries to Bank in computer readable form in compliance with the formatting and other requirements specified by us. Entries must be transmitted to us no later than the time and the number of days prior to the date specified by us. Payment file instructions received by Bank shall be deemed to be received from you for processing. We shall not be liable for honoring or acting upon the received payment instructions, and you expressly agree to indemnify us and to hold us harmless for any claim or loss arising out of honoring or acting upon any instructions received, including but not limited to instructions that are received with inaccurate or missing information. You are responsible for the accuracy of the data transmitted to us. You understand when using Integrated Payments service to initiate payment orders, you must identify the account number that will receive the funds, each beneficiary of the order and each beneficiary's bank. We, any intermediary bank and the beneficiary bank may process a payment order solely based on the account number even if that number does not correspond to the named beneficiary or the beneficiary's bank. You are responsible to maintain good and sufficient collected funds in or available credit on each account from which you instruct us to transfer money and we are not obligated to process a payment order or other instruction if you do not have sufficient collected funds on deposit in or available credit on the account at the time the payment order or instruction is received.

### 4. Payment Types

You agree that your requests to initiate payments utilizing the Integrated Payments services shall be governed by:

- this Integrated Payments section of the Terms and Conditions;
- the sections of the Terms and Conditions governing the applicable payment mechanism;
- all other agreements and documentation provided to you relating to the use of the applicable payment mechanism; and
- all applicable laws, rules and regulations governing the applicable payment mechanism

When the Integrated Payments service is used to access the Bank's other services, products, or payment facilities (for example, wire transfer, check printing, ACH, Positive Pay, information reporting, or credit Card when available), the terms, conditions, and agreements governing such other services, products, and

payment facilities remain in full force and effect, except as expressly modified or amended by this Integrated Payments section.

#### **5. Rejection of Entries**

We will use commercially reasonable efforts to advise you if a submitted Integrated Payments Entry is rejected. We will have no liability to you for rejection of a payment entry that failed to meet the processing guidelines or other provisions in the applicable payment type section of these Terms and Conditions, in the TM Agreement, or in the Integrated Payments end user license agreement, and we shall not be liable to pay interest to you.

#### **6. Cancellation or Amendment**

You have no right to amend, modify, cancel, or stop payment on an Integrated Payments services transaction after you have initiated or submitted such transaction for execution through the Integrated Payments services. In the event we permit you to amend, modify, cancel, or stop payment on an Integrated Payments services transaction, you must act within applicable deadlines and security procedures established by us for such purposes and otherwise afford us a reasonable opportunity to respond to instructions to amend, modify, cancel, or stop payment on such Integrated Payments services transaction; provided, that in no event shall we have any liability to you or any counterparty to your Integrated Payments services transaction if we shall fail to execute or timely execute any instruction to amend, modify, cancel, or stop payment on such Integrated Payments transaction. You agree to indemnify us, defend all claims, and hold us harmless from any loss, damages, or expenses, including but not limited to attorneys' fees incurred by us as a result of our acceptance of the amendment, modification, cancellation or stop payment.

#### **7. Error Detection**

We have no obligation to discover, and shall not be liable to you for, errors made by you, including without limitation errors made:

- in identifying the Payee, an intermediary or RDFI;
- in the amount of an Entry;
- in Settlement Dates; or
- in Payment Instructions.

If you make an error or issue a duplicate Entry or file, you shall indemnify us, defend all claims and hold us harmless from any loss, damages, or expenses, including but not limited to attorneys' fees incurred by us as a result of the error or issuance of duplicate entries or files.

## Integrated Receivables Services

The Integrated Receivables Service creates and transmits to you electronic files (each, a “Posting File”) containing the details of matches between credits to your Accounts made by your payers through ACH, wire transfer, card, or check (each, a “Payment”) to your eligible Umpqua Bank deposit accounts enrolled in the Service (each, an “Account”) and the open accounts receivables details you have provided to us in electronic files (each, an “Open Receivables File.”).

### 1. Business Online Banking enrollment is required to access Integrated Receivables Service

If approved by Umpqua, Customer may access Integrated Receivables Service within Business Online Banking. Customer agrees to the terms of Business Online Banking and the Integrated Receivables Admin Guide, as well as to those of such other User Documentation as may be provided or made available to Customer.

### 2. Automatic matching. We apply programmatic rules and logic, configured with your input, to match Payment to information you send to us relating to Payments and your accounts receivables details to identify sets of matching Payments and accounts receivable in the steps described in this section.

- a. **Re-association.** We analyze data elements pertinent to electronic Payments credited to your Accounts to associate and match such Payments with their respective remittance information (information from your payer describing the accounts receivable record for which a payment is being made, such as one or more invoice numbers) that you separately provide to us in electronic files (each, a “Remittance File”). Each such match is a “Re-associated Payment.”
- b. **Invoice matching.** We automatically match Payments and remittance details with accounts receivable records you separately report to us in your Open Receivables File. Each such match is a “Validated Payment.”
  - i. **Checks.** For check Payments credited to your Accounts that we receive through a Lockbox we maintain for you, we extract remittance information from Remittance Materials (as defined in the Lockbox Service Description) and use it to the extent reasonable to create Validated Payments.
  - ii. **Addenda Records.** For electronic Payments that include remittance information embedded within the electronic payment instruction for such Payments (“Addenda Records”), we use such Addenda Records to the extent reasonable to create Validated Payments.
  - iii. **Re-associated Payments.** We use the remittance information associated with Payments in the Re-association step described in 2.a above to the extent reasonable to create Validated Payments.

### 3. Manual matching. Each credit to your Accounts for which we are not able to create a Re-associated Payment or a Validated Payment through the Service is an “Exception.” You may view Exceptions within Integrated Receivables-Business Online Banking in accordance with its applicable terms and conditions.

- a. **Review.** In Integrated Receivables-Business Online Banking, we will display details of any Exceptions and the accounts and records described in your Remittance Files and Open Receivables Files that, as of the time of viewing, have not been included as components of Matched Payments in any Posting File we have previously made available to you.
- b. **Matching.** Using Integrated Receivables-Business Online Banking, you may create additional Validated Payments by manually matching the Exceptions with open accounts receivables details displayed in Integrated Receivables-Business Online Banking.

### 4. Posting Files. Using Integrated Receivables-Business Online Banking, there are options to configure the Service to automatically generate and transmit Posting Files. Each Posting File is an electronic document setting out certain pre-determined data elements pertaining to each Validated Payment (including manually Validated Payments) that, as of the time of generation, has not been included in any previous Posting File we created for you. We will transmit each Posting File in accordance with your configuration preferences and the transmission protocol established by Bank.

### 5. Payment dates. For purposes of the Service, the date of each Payment is the Business Day on which we receive the Payment.

### 6. Files transmitted to us. You will transmit your Remittance File and Open Receivables File to us in accordance with the pre-determined file format and transmission specifications set by Bank. You are

responsible for ensuring that, with respect to each account and record in each file, you include information we can reasonably use to identify its matching credit(s) to your Account(s).

7. **Liability to you.** We perform the automatic matching activity described in Section 2, on a commercially reasonable basis, in accordance with logic you provide to us. We have no liability for any damages arising from or relating to any defects in, or failure to test, such logic as provided.
8. **Liability to payers.** We have no liability to you or your payers for any inaccuracies in the Service relating to Matched Payments or Unmatched Payments, including, without limitation, inaccurate matches between Payments and remittance information or accounts receivables details.
9. **Eligible Accounts.** You may enroll your Umpqua demand deposit accounts that are capable of receiving credits by ACH, wire transfer, or check.
10. **Survivability.** Sections 7 and 8 survive termination of the Service.

### *Client Billing (ePayment)*

The Client Billing Service allows you to make electronic bills available to your customers and clients (generally, your “payers”) through a private internet site owned and operated by Bank (“ePayment Portal”). Your payers can make payments on such electronic bills to you through the ePayment Portal using the payment methods (see section 1) offered in connection with the Service. We credit such payments to your Account, and we provide reporting options relating to your bills and the received through the ePayment Portal.

The specific features for the Service you elect to receive will be confirmed when you enroll in the Service or in a separate statement of work (“SOW”).

1. **Payment Methods.** The payment methods you may make available to your payers on the ePayment Portal are detailed in our User Guide for the Service and include debit card, credit card, and ACH transfer. When the Integrated Receivable ePayment service is used to access the Bank’s other services, products, or payment facilities (e.g., ACH Payments or Merchant Card services), the terms, conditions, and agreements governing such other services, products, and payment facilities remain in full force and effect, except as expressly modified or amended by this Integrated Receivables section.
  - a. If you will accept debit and credit card payments, the Service includes the terms in the Merchant Processing description.
  - b. For ACH payments, the Service includes the terms in the ACH and Related Services description. In the event of a conflict, this Service Description will control over the ACH and Related Services description.
  - c. We may in our sole discretion change the payment methods available through the ePayment Portal at any time.
2. **Information reporting.** We make information and reporting about your bills and payments made to you through the ePayment Portal on the administrative section on the ePayment Portal or automated transmission file.
3. **Verification.** We will not verify the accuracy of your bills or the amounts your payers submit through the ePayments Portal.
4. **Your privacy policy.** You will maintain current versions of your privacy policy and terms of use at publicly accessible URL(s), and you will provide us with such URL(s) for us to include and use in the ePayment Portal.
5. **Representations and warranties.** You represent and warrant to us that:
  - a. You will issue each bill only for products or services you actually provided to the client or customer identified on such bill and will retain each bill for a minimum of one year from the date of the bill;
  - b. The billed amount will be the actual amount you charged the client or customer for such products or services;
  - c. You are the sole owner of each URL you provide to us pursuant to section 4 and each Customer Mark; and
  - d. You have received a copy of Consumer Financial Protection Bureau’s Regulation E and will comply with it at all times.
6. **Survival.** Section 6 will survive termination of the Service.

## Lockbox Services

### *Lockbox Service Requirements*

Umpqua may agree to provide Lockbox Services to assist customers in expediting receipt of checks and other payment instruments (“Remittances”). If so, Customer will have its customers or clients forward Remittances to a special post office box designated by Umpqua (“Lockbox”). Prior to initiation of any Lockbox Service, Customer must establish and maintain a demand deposit account with Umpqua. Some Lockbox Services are common to all Lockbox customers and some are optional.

Customer authorizes Umpqua to use Providers (which, for purposes of the Lockbox Services may include other banks, financial institutions and third parties, and their subcontractors) to provide any one or more of the Lockbox Services to Customer. Customer authorizes Umpqua to act (such as opening accounts and providing instructions) as Customer’s agent and on its behalf with Providers as necessary or appropriate to do so. Wherever under this Agreement Customer authorizes Umpqua to take action or inaction, such authorization shall also serve as authorization for a Provider to take such action or inaction. Umpqua may establish a separate account for Customer at a Provider and process as Customer’s agent through the separate account. Umpqua’s responsibility for Providers and liability for action or inaction by a Provider is limited as set forth in the Terms and Conditions. The liability of Umpqua and of Providers is limited as set forth in the Terms and Conditions.

#### **1. Relation to Deposit Account**

Except as modified by these Lockbox Service Requirements, Remittances processed through the Lockbox remain subject to the terms and conditions of the Deposit Agreement.

#### **2. Business Online Banking enrollment is required to access Lockbox Image Service**

If approved by Umpqua, Customer may access images of Remittances received at the Lockbox through the Lockbox image service within Business Online Banking.

Customer agrees to the terms of Business Online Banking and the Lockbox Image User Guide, as well as to those of such other User Documentation as may be provided or made available to Customer.

#### **3. Confidentiality**

Umpqua will use due care to protect the integrity and confidentiality of the Database, information and documents related to Customer and its payors that come into Umpqua’s possession as a result of providing Lockbox Services. Customer agrees that Umpqua will have exercised due care if Umpqua implements normal procedures for safeguarding the confidentiality of customer information and (where practicable) obtains similar undertakings from Providers.

Umpqua does not divulge or communicate to any third party not involved in the provision of Lockbox Services any information concerning such Database, information and documents except in furtherance of providing the Lockbox Services, as required or authorized under applicable law, if directed by an Authorized Person or as otherwise set forth in Umpqua’s privacy policies.

Except with prior notice to and approval by Umpqua, Customer shall ensure that protected health information is not provided to Umpqua and that the provision of Lockbox Services does not result in Umpqua being deemed a “business associate” or otherwise subject to the Health Insurance Portability and Accountability Act (HIPAA). At Customer’s sole expense, Customer shall provide to Umpqua such assistance as Umpqua may request should Umpqua’s provision of the Lockbox Service subject Umpqua to any compliance obligations under HIPAA or otherwise under medical privacy law, rule or regulation.

#### **4. Processing Remittances and Remittance Materials**

Customer authorizes Umpqua to endorse Remittances in Customer’s name. Customer authorizes Umpqua to open any envelopes received at the Lockbox and determine whether they contain any Remittances, Remittance statements, invoices, correspondence, checks, cash, papers, documents or other Items. If cash is sent to the Lockbox with any materials sent to the Lockbox (“Remittance Materials”), the cash will be removed from the envelope containing the Remittance Materials and a credit advice for the amount of the cash will be placed in such envelope with the remainder of the envelope’s contents. Customer authorizes Umpqua to rent the Lockbox at the appropriate postal facility, to have custody of the keys or combinations and unrestricted and exclusive access to such box, and to collect the mail therein to be processed by Umpqua as agreed by the parties. All of Umpqua’s out-of-pocket costs, such as post office box rental, postage, exchange and non-par check charges shall be charged to Customer.

Umpqua shall process Remittances in accordance with following procedures:

- At enrollment, each Lockbox is assigned a cutoff time, at Umpqua’s discretion or that of a Provider, that dictates when on a Business Day the last USPS mail is opened, when all Remittances are encoded and deposited, and when images and transmission files are available.
- In processing Remittances and Remittance Materials, Umpqua will follow the processing procedures set forth in the Lockbox setup documentation.

If any payee on the list of acceptable payees delivered to Umpqua is a legal entity other than Customer, Customer represents and warrants to Umpqua and its Providers that Customer has the proper authorization from such payee (a) to have such check endorsed for deposit, and deposited, into the applicable account; and (b) for Umpqua and any Provider(s) to perform Lockbox Services under this Agreement for such acceptable payee. Customer agrees to indemnify Umpqua and its Providers, along with their officers, employees, agents, representatives and subcontractors (individually and collectively, the “Indemnified Parties”) against, and hold the Indemnified Parties harmless from, any Losses and Liabilities incurred by any of the Indemnified Parties as a result of, or in connection with, Umpqua’s or any Provider’s failure to have such authorization. The indemnification set forth in this Section shall be in addition to, and not in lieu of, indemnification and other rights of Umpqua under the Terms and Conditions.

#### **5. Proprietary Rights**

Umpqua or its Provider possesses all proprietary rights to written materials, including without limitation, all computer programs provided in relation to the Lockbox Services, any processing system, tapes, listings, and other documentation originated and prepared by Umpqua or its Providers (“Confidential Information”). Customer will notify Umpqua if Customer knows or suspects that there is any unauthorized disclosure, possession or use or knowledge of any Confidential Programs or Information. Customer shall not disclose, copy, transfer, sublicense, or otherwise make available to any person or entity, or duplicate, sell, or use the Confidential Information in any manner not authorized under this Service Description (“Unauthorized Use”) without the prior written consent of Umpqua. Customer will cooperate with Umpqua to recover possession of and to prevent further Unauthorized Use of Confidential Information if there is Unauthorized Use.

#### **6. Collections**

Unless otherwise agreed, while Customer receives Lockbox Services, all collected funds held in the account shall be deemed to be Customer’s funds for all purposes, including adjustment, attachment, set-off, security interests, execution, garnishment and other forms of legal process. The crediting and collection of Items will be handled under the same agreement as applied to other commercial deposits. Remittance Materials shall be provided to Customer as agreed to by Umpqua.

#### **7. No Reconciliation**

Except as otherwise specifically provided, Umpqua will not reconcile the checks, cash or other Remittances in the envelopes to invoices, to Remittance statements, or to any other documents or papers in the envelopes or elsewhere.

#### **8. Statements; Notice of Discrepancy**

Customer agrees to notify Umpqua: (a) no later than ten (10) calendar days after Customer receives an advice of deposit if there is any error in such advice, and (b) no later than fifteen (15) calendar days after Customer receives a bank statement on the applicable account if such statement contains an error or fails to show a deposit that should have been made during the time period covered by such statement. If Customer fails so to provide such notice, then Customer shall be precluded from asserting such error or failure, and the advice or statement shall be deemed to be accurate as to any claims by Customer (but shall not preclude later adjustment by Umpqua).

## Online Banking

### ***Business Online Banking***

Umpqua's Online Banking includes information reporting services delivered through Business Online Banking that make account, transaction and related information available to help you control and manage your accounts. This may include information generated from other Services you use. You may have information reported directly to you, or reported at your direction to another financial institution or other entity. Business Online Banking also supports transaction processing and payment and collection services, including: funds transfers, ACH, Wire and Positive Pay Services. Detailed information regarding Online Banking services is available in the applicable User Documentation.

#### **1. Customer Administrator**

Customer shall designate one or more Customer Administrators. Umpqua is authorized to direct all communication regarding passwords, codes, program updates and System changes to the Customer Administrator. Umpqua is authorized to receive instructions from the Customer Administrator regarding requested changes to Services. The Customer Administrator shall be responsible for setting up Online Banking Services and for establishing internal security procedures related to such Services, including accepting delivery of software, system-wide configuration of Umpqua accounts, establishing authority levels, establishing authorization requirements, and distributing online Credentials, Umpqua administered security devices, and other internal security devices related to the online Services. Customer's designation of the Customer Administrator may be amended or revoked from time to time upon written notice to Umpqua. Umpqua shall have a reasonable time to act on any such notice.

#### **2. Solicitation of Online Credentials**

Umpqua is not now conducting, nor do we ever conduct, any email, phone, SMS text, or internet-based requests for Customers to supply their online Credentials for any accounts. Customer shall never reveal online Credentials to any individual, including to Umpqua employees.

#### **3. Information Reporting and Transaction Services**

Information reporting and transaction Services may be provided by Umpqua to Customer as part of the Services (references to "Service" or "Services" in this section are references to the Online Banking Services provided hereunder), or other systems as may be introduced ("System"). The System may be used by Customer to automate many of the Services offered by Umpqua and also may provide access to other Umpqua systems that initiate transactions. Customer agrees that such use of the System shall be governed by this section and all other sections of this Agreement applicable to the Services accessed through the System. Customer agrees to also be bound by any license agreements associated with their use of the System.

##### **– Information Reporting**

Umpqua is authorized to store, process, transmit and make available through Umpqua's agencies and systems and through third party data processing Providers information regarding accounts designated by Customer. Umpqua or Providers will transmit to Customer information regarding its accounts at Umpqua and/or other financial data through the System on a periodic basis. Balance and related information for Customer's non-Umpqua accounts may be made available by other financial institutions or Providers that input information into Umpqua's System. Umpqua will use reasonable care in submitting data into the System, but assumes no responsibility for the accuracy or timeliness of the account information and other financial data supplied by other financial institutions or Providers. Umpqua will make every reasonable effort to deliver information by the mutually agreed upon time, but does not guarantee a specific delivery time. Accordingly, Umpqua's responsibility to Customer with respect to the delivery of information shall be to deliver such work as close to the agreed time as may be reasonably practicable.

##### **– Manuals, Documentation, and Training Materials**

Umpqua will provide Customer with documentation in paper or electronic format that will set forth the applicable System's policies and procedures with which Customer agrees to comply. Umpqua may, without prior notification, amend any such documentation. Umpqua owns or has obtained all proprietary rights to the documents and Customer agrees not to duplicate, distribute or otherwise copy Umpqua's documents without Umpqua's prior written consent. Any document will at all times remain the property of Umpqua and Umpqua reserves the right to request Customer to return all printed copies of such manual within thirty (30) days of termination of the Services.

##### **– Customer Responsibilities**



Customer will purchase (from Umpqua, in some cases) and provide all equipment and software necessary to use the applicable System in accordance with this agreement. Umpqua shall have no responsibility and makes no warranties for such equipment or software. Customer agrees to use the System solely to conduct its business with Umpqua and agrees to limit access to those Agents who require access to the System. Customer agrees that in addition to other limitations to Umpqua's liability elsewhere in this agreement, Umpqua shall not be liable for any loss or damage arising directly or indirectly from the following:

- Any inaccuracy or incompleteness in the input of an order or instruction from Customer;
- Any failure by Customer to obtain a confirmation of an order or instruction; or
- Any cancellation or attempted cancellation by Customer of an order or instruction.

#### **4. Accuracy and Timeliness of Information**

Umpqua will use reasonable efforts to provide the information requested through Business Online Banking Services promptly, but shall not be liable for temporary failure to provide timely information. In such event, Customer shall be responsible for carrying out its banking business through alternative delivery channels. Umpqua shall not be liable for any inaccurate or incomplete information with respect to transactions which have not been completely processed or posted to the System prior to being made available pursuant to the Services. Business Online Banking is not the system of record, and any transaction information provided through Business Online Banking is provided solely for Customer's convenience. Customer shall have no recourse to Umpqua as to use of such transaction information.

#### **5. Electronic Mail**

Umpqua requests that Customer not send Umpqua or ask for sensitive information via any general or public email system. Within the Services is a "secure email" Service that may be used to transmit electronically sensitive information from Customer to Umpqua. Customer agrees that Umpqua may take a reasonable period of time to act on any message. If Customer needs to contact Umpqua on an urgent matter, to report the loss of online credentials, or an unauthorized transaction from one of your accounts or for any other urgent need, please contact Umpqua Customer Service immediately per the instructions provided in the User Documentation.

#### **6. Electronic Transmissions and Instructions**

Customer may elect to send or receive instructions or reports from Umpqua related to the Services via electronic means, including, without limitation, facsimile transmission, voice mail, unsecured email, or other electronic or telephonic methods ("Electronic Transmission"). Customer acknowledges that such Electronic Transmissions are an inherently insecure communication method due to the possibility of error, delay and observation or receipt by unauthorized personnel. Umpqua may rely in good faith on Customer's instructions regarding how and to what number or email address Electronic Transmissions should be sent and may rely on any Electronic Transmission that it reasonably believes to have been initiated by Customer. Should Customer elect to send or receive Electronic Transmissions to or from Umpqua, Customer assumes all risks, and Umpqua shall not be liable for any loss that results from the non-receipt, disclosure or alteration of any such Electronic Transmission.

#### **7. Disclaimers**

UMPQUA PROVIDES ALL ONLINE BANKING SERVICES ON AN "AS IS," "AS AVAILABLE" BASIS AND MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE ONLINE BANKING SERVICES OR THE CONTENT OR SECURITY OF ANY WEBSITE. UMPQUA DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING THE FOREGOING, UMPQUA DOES NOT WARRANT

THAT THE OPERATION OF ANY WEBSITE WILL BE UNINTERRUPTED OR ERROR FREE. CUSTOMER IS RESPONSIBLE FOR TAKING APPROPRIATE PRECAUTIONS AGAINST DAMAGE TO ITS OPERATIONS WHICH COULD BE CAUSED BY INTERRUPTIONS OR MALFUNCTIONS OF ANY WEBSITE AND ASSUMES THE RISK OF SUCH OCCURRENCES.

#### **8. ACH Services**

Umpqua has a program wherein it initiates credit and debit entries pursuant to the NACHA Rules (the "ACH Services"). In order to be eligible to utilize ACH Services, see Automated Clearing House (ACH) section of this Agreement for complete customer responsibilities.

## 9. Account Reconciliation

Umpqua has full, partial and deposit reconciliation Services (the “Account Reconciliation Services”) available to help manage the credit and debit activity in your account(s). See the Account Reconciliation Services section of this agreement for further details.

## 10. Wire Transfers

### – Procedures

Funds will be transferred in accordance with mutually-agreed upon security procedures. Such procedures are solely for the purpose of verifying the origination (but not errors in transmission or content) of wire transfer orders. Customer agrees that any such procedures are commercially reasonable. If a wire transfer order received by Umpqua purports to have been transmitted or authorized by Customer and Umpqua has acted in compliance with such procedures, then such wire transfer order shall be deemed effective, and Customer shall be obligated with respect thereto.

### – Priority

Umpqua in its sole discretion may execute wire transfers in any order convenient to Umpqua. Umpqua shall not be liable for failure to execute any wire transfer order for which Customer has not provided Umpqua with complete information or which would violate this Agreement, or any other agreement between Customer and Umpqua. Customer shall submit wire transfer orders to Umpqua prior to the daily cut-off time established by Umpqua from time to time. Any wire transfer order received by Umpqua after its daily cut-off time may be processed on the next Business Day.

Customer assumes responsibility for verifying availability of funds at the time of wire transfer orders.

### – Multiple Transfers

If more than one wire transfer is made at or about the same time and the available funds in the applicable account do not cover all of such wire transfer orders, Umpqua at its option may execute as many of such wire transfer orders as possible within the dollar limits of such available funds, in any order convenient to Umpqua.

## 11. Stop Payments

Customer may maintain certain deposit accounts with Umpqua on which it draws paper-based payment orders (“Checks”). From time to time, Customer may request, as a part of the Services, Umpqua to stop payment of a Check (“Online Stop”). Customer will initiate stop payment in accordance with the specifications established by Umpqua. Customer acknowledges and understands that the stop payment procedure outlined herein does not apply to payments made pursuant to the Business Online Banking Business Bill Payment Service.

### – Stop Payment Orders

A stop payment placed by Customer using the Services shall be considered to be “in writing” for all legal purposes. Customer will not receive written confirmation of an order placed using this Service. Unless the time frame is otherwise modified by Umpqua from time to time, which Umpqua reserves the right to do, a stop payment order shall remain effective for twelve (12) months unless Customer removes the order before it expires.

### – Customer Responsibilities

Customer is responsible to ensure that only those persons authorized by Customer to use this Service shall have access to the system and that those persons use it only in the manner authorized. Umpqua shall incur no liability for any damages caused by such unauthorized use. Customer is also responsible for ensuring that all orders contain accurate information, including, without limitation, the accurate name to which the Check is made payable, the Check number, the account number and the exact amount of the Check. Customer shall be liable to Umpqua for any damages or claims arising out of Umpqua’s refusal to pay a Check on which Customer has placed a stop, or paying any Check on which: (a) Customer has released the order; (b) the order has expired; (c) the order has been improperly or inaccurately entered in the Online Stops system; or (d) the order has not been entered in a timely manner. Customer is solely responsible for determining whether a Check has been paid prior to initiating a stop payment order. Customer acknowledges that placing a stop payment order on a Check may not relieve Customer’s obligations on the Check or the underlying obligation.

### – Umpqua’s Responsibilities

Umpqua will exercise good faith and ordinary care in implementing Customer's instructions under the stop payment system. Should Umpqua inadvertently pay a Check, or permit a transaction over a valid stop payment order, Customer is required to prove that a direct loss has been suffered and, if so, the amount of such loss. If Umpqua determines that it is legally obligated to credit the account, and in fact does so, Umpqua shall have all of Customer's rights and remedies against the payee or the beneficiary of the transaction and Customer agrees to cooperate and assist Umpqua in its effort to collect the amount of the Check or transaction.

## **12. Inactivity**

Customer is responsible for complying with all the terms of this Agreement and with the terms of the agreement governing the Umpqua accounts which you access using Online Banking Services. Umpqua can terminate Online Banking privileges under this Agreement without notice if Customer does not pay any required fee when due, comply with this Agreement or the agreements governing the deposit accounts or the deposit account is not maintained in good standing. If Customer is not paying a monthly Service charge for Service, after 120 consecutive days of inactivity or any other time period of inactivity as deemed appropriate by Umpqua from time to time, this Service may be automatically terminated without further notice. If this Service has been terminated, Customer will need to register again, if this Service is desired.

## **Business Online Statements**

Customer's acceptance and use of this optional Service indicates Customer agrees to receive initial and periodic account disclosure information in electronic format, including but not limited to: periodic Account statements, terms and conditions, deposit Account disclosures, notices other disclosures regarding Customer's Account, in accordance with the terms of the TMS Agreement.

In addition, legal notices that normally accompany Customer's mailed statement may, at Umpqua's sole discretion, be presented in electronic format and not in paper format unless Customer requests a paper version. In those instances where Customer requests a paper version of a statement, the paper version will be mailed upon request at the current fee for a duplicate statement. Paper versions of disclosures and legal notices will be mailed upon request at no cost.

Each of Customer's accounts at Umpqua, which are accessed by these Services, continues to be governed by the applicable Account Agreement as it may be amended from time to time.

### **1. System and Hardware Requirements**

In addition to the system requirements specified in the Terms and Conditions, Customer's system must be equipped with a supported version of Adobe Acrobat Reader. Online statements are delivered in Portable Document Format (PDF files).

Customer agrees they will have access to a computer or mobile device with an internet connection at Customer's cost that will support Customer's ability to view statements and electronic notices online and to receive email alerts. If a change in hardware or software is needed to access or retain information being provided to Customer in electronic form, we will alert Customer via email of any revised hardware or software requirements for such access or retention. Customer will have the right to withdraw consent and un-enroll from the Business Online Statements Service at that time with no cost to Customer.

### **2. Eligibility**

Customer must be enrolled in select Online Banking Services to receive this Service. Ask your Umpqua representative for availability. Any online checking, savings or money market account is eligible for online statements.

### **3. Frequency**

Customer's statement will be available at the same frequency as the previously mailed statement. Statements will be generally available at all times, day or night, seven days a week, except from time to time for scheduled maintenance or unscheduled Service impacting events.

### **4. Content**

Customer's online statement will look like the paper statements Customer would otherwise receive by mail, and will include front and back images of Customer's paid Checks.

### **5. Notification**

Notice of new statement availability is provided by System alerts within Online Banking. To receive notice, Customer must sign on to Online Banking to access messages. Customer acknowledges that the Online Banking alert notice will constitute delivery of the periodic statement and disclosures, whether or not Customer views the notice or views or prints the online statement.

### **6. Email Address**

In order to ensure we are able to provide important notices and other information from time to time, Customer must update the Service with any change in email address. If we receive multiple notices that an email sent to Customer's address of record is undeliverable, we may at our sole discretion elect to un-enroll Customer from the Business Online Statements Service.

### **7. History**

Customer will have access to view their current statement as well as statement history for up to 18 months.

### **8. Fees**

Business Online Statements Service with Check images is provided free of charge to applicable Online Banking Customers. Fees for paper versions of statements and notices may apply.

**9. Line of Credit**

If Customer receives a combined checking and line of credit statement online, Customer will also receive a line of credit statement by mail. This ensures Customer has the appropriate MICR encoded coupon with which to make a payment on the line of credit.

**10. Legal Notices**

In addition to Customer's monthly statement, notices that would normally be included in the envelope with Customer's paper statement such as privacy policy, rules and regulations, fee schedules and dispute resolution notices will be provided electronically through Customer's Online Banking Service. However, other notices such as overdraft and non-sufficient funds notifications or responses to claims of electronic funds transfer (EFT) errors will continue to be sent via regular mail.

**11. Closed Accounts**

If Customer closes an account, the account will be accessible through the Business Online Statements Service for a designated period of time as determined by Bank. The final account statement will be produced via paper and mailed to Customer at the address of record.

Customer may request a copy of a current or previous statement be mailed to Customer at the applicable fee.

## **Business Bill Pay**

The following terms and conditions apply to the Business Bill Pay Service (the “Service”) ONLY. The Business Bill Pay Service is made available through Business Online Banking and must be associated with an Umpqua deposit account (the “Payment Account”).

### **1. Payment Scheduling**

Transactions begin processing four (4) Business Days prior to your Scheduled Payment Date. Therefore, the System will not permit you to select a Scheduled Payment Date less than four (4) Business Days from the current date. When scheduling payments, you must select a Scheduled Payment Date that is no later than the actual Due Date reflected on your Payee’s statement or bill, unless the Due Date falls on a non-Business Day. If the actual Due Date falls on a non-Business Day, you must select a Scheduled Payment Date that is at least one (1) Business Day before the actual Due Date. Scheduled Payment Dates should be prior to any late date or grace period.

### **2. Service Guarantee**

Due to circumstances beyond the control of the Service, particularly delays in handling and posting payments by Payees or financial institutions, some transactions may take longer to be credited to your account with the Payee. The Service will bear responsibility for any late payment related fees up to a maximum of \$50.00 for a payment that posts after its Due Date only if the payment was scheduled in accordance with the guidelines described under “Payment Scheduling” above and in accordance with these Terms and Conditions and the Agreement.

### **3. Payment Authorization and Payment Remittance**

By providing the Service with names and account information of Payees to whom you wish to direct payments, you authorize the Service to follow the payment instructions that it receives (the “Payment Instructions”) through the Service. In order to process payments more efficiently and effectively, the Service may edit or alter payment data or data formats in accordance with Payee directives.

When the Service receives a Payment Instruction, you authorize the Service to debit your Payment Account and remit funds on your behalf so that the funds arrive as close as reasonably possible to the Scheduled Payment Date designated by you. You also authorize the Service to credit your Payment Account for payments returned to the Service by the United States Postal Service or Payee, or payments remitted to you on behalf of another authorized user of the Service.

The Service will use reasonable efforts to make all your payments properly. However, the Service shall incur no liability and any Service Guarantee shall be void if the Service is unable to complete any payments initiated by you because of the existence of any one or more of the following circumstances:

- If, through no fault of the Service, your Payment Account does not contain sufficient funds to complete the transaction or the transaction would exceed the credit limit of your overdraft account;
- The applicable payment processing center is not working properly and you know or have been advised by the Service about the malfunction before you execute the transaction;
- You have not provided the Service with the correct Payment Account information, or the correct name, address, phone number, or account information for the Payee; and/or,
- Circumstances beyond control of the Service (such as, but not limited to, fire, flood, or interference from an outside force) prevent the proper execution of the transaction and the Service has taken reasonable precautions to avoid those circumstances.

Provided none of the foregoing exceptions are applicable, if the Service causes an incorrect amount of funds to be removed from your Payment Account or causes funds from your Payment Account to be directed to a Payee which does not comply with your Payment Instructions, the Service shall be responsible for returning the improperly transferred funds to your Payment Account, and for directing to the proper Payee any previously misdirected transactions, and, if applicable, for any late payment related charges up to a maximum of \$50.00.

### **4. Payment Methods**

The Service reserves the right to select the method in which to remit funds on your behalf to your Payee. These payment methods may include, but may not be limited to, an electronic payment, or an electronic to check payment.

## 5. Expedited Payments

Expedited Payment Service allows you to request an expedited payment to a participating Payee on the same business day or next business day (each, an “Expedited Payment”), within the parameters of the Expedited Payment Service and other parameters established by the participating Payees. Depending on the Payee, payments may be processed as either an Electronic Expedited Payment or a Courier Expedited Payment. Expedited Payment requests must be submitted by our deadline. A convenience fee will be charged to your Payment Account for each Expedited Payment you request, regardless of whether it was properly submitted. This fee will display before final submission of the transaction request. An Expedited Payment request may not be edited or canceled after it is submitted. Expedited Payment requests are processed and delivered only on Business Days. We will attempt to execute properly-submitted Expedited Payment requests, but you acknowledge that we may not accept any particular such request for any or for no reason, with or without notice, or may not process it for any reason or for no reason, with or without notice, and we will have no liability whatsoever for any non-acceptance or non-execution of any Expedited Payment request under any circumstances. Your sole remedy shall be reimbursement of any convenience fee charged.

For an Electronic Expedited Payment to post on the same day, you must submit accurate and complete information for the payment, the payment must be submitted on a Business Day, and you must submit the payment prior to the earlier of our deadline or the Payee’s designated daily cutoff time. Electronic Expedited Payment requests submitted by you on a non-Business Day or submitted by you after the earlier of our deadline or the applicable Payee’s daily cutoff time will be processed as if submitted on the next Business Day. The deliver-by-date will be displayed to you before the request submission is finalized. The Electronic Expedited Payment Service is **NOT** a “pay anyone” service where you can make payments to any Payee; this Expedited Payment Service allows you to make Electronic Expedited Payments only to those Payees that participate in the Expedited Payment Service and the Electronic Expedited Payments are also subject to the rules of each Payee as to how they define, process, and/or post an expedited payment.

Courier Expedited Payments allows you to submit requests for checks to be delivered by courier to Payees the next Business Day. Courier Expedited Payment requests must be submitted by our cutoff time on a Business Day. If submitted after such cutoff time or on a day other than a Business Day, they will be processed as if submitted the next Business Day. Courier Expedited Payments may be sent only to a valid street address in the continental United States (the contiguous 48 states and the District of Columbia). Courier Expedited Payments cannot be delivered to the following locations: 1) APO or FPO addresses; 2) Post office (P.O.) boxes; 3) Addresses considered undeliverable using United States Postal Service standards; 4) Hawaii, Alaska, or any other territory outside the continental United States. The deliver-by-date will be displayed to you before the payment request submission is finalized. Courier Expedited Payments submitted with inaccurate or incomplete payment instructions may be rejected or may not be delivered on time. For on-time delivery it is your responsibility to submit accurate and complete information for the payment prior to our deadline and on a Business Day.

You will not be able to schedule an Expedited Payment for an amount greater than the limits we set for the Expedited Payment Service. Additionally, the Expedited Payment Service may limit the total amount of payments that you may make per day. An error message may display and prevent any transactions from executing that exceed these limits. From time to time, we may modify these limits.

If a properly-submitted Expedited Payment request is not completed by the deliver-by-date or in the correct amount, you will be eligible for a refund of the convenience fee. However, late fees charged, including any fees or charges assessed on your total outstanding balance, by a Payee (“Penalties”) are not the responsibility of Umpqua under any circumstances.

In no event will Umpqua be liable for any special, indirect, incidental, consequential, or punitive damages of any nature whatsoever (e.g., lost profits) with respect to any breach of this Agreement or error by Umpqua or otherwise, even if such damages are foreseeable, including but not limited to any situation where a payment does not arrive in time, arrives in the wrong amount, or for any other reason whatsoever, nor will Umpqua be liable regarding any representations, warranties, or covenants not expressly set forth in this Agreement.

Additionally, and without impairing the generality of other limitations of liability in these Terms and Conditions and the Agreement, Umpqua is not liable for any fees, Penalties or losses in providing the Expedited Payment Service:

- If a payment is scheduled for an incorrect amount or if accurate information was not provided
- If the Payee does not participate in the Expedited Payment Service



















and back of Check and accurately represents all of the information on the front and back of Check as of the time Customer converted Check to an Digitized Item; the Digitized Item contains all endorsements applied by parties that previously handled Check in any form for forward collection or return; and all encoding, transfer and presentment warranties otherwise made under applicable laws, regulations and the account Agreement, including all applicable warranties under Regulation CC and under the Uniform Commercial Code shall apply as if Check were an "Item" thereunder.

- 22.** The Services may be utilized 24 hours a day, seven days a week, except when Umpqua's system is unavailable due to needed maintenance or system outages. Deposit information received on or after Umpqua's Service cutoff hour (which Umpqua may change from time to time) or on a Saturday, Sunday, or Bank holiday, may be deemed received by Umpqua as of the next Business Day. Please refer to the Additional Information disclosure for more information. Umpqua is not responsible for the unavailability of the Services or any damages that may result from its unavailability. If the Service is not available for any reason, Customer may deposit its Checks directly at any Umpqua branch.
- 23.** If Umpqua confirms its receipt of Customer deposit information on a Business Day before the cutoff hour as noted in the Additional Information disclosure, Umpqua will consider that day to be the day of deposit. Umpqua will make funds from Customer Check deposits available to Customer in the timeframes, amounts, and otherwise as specified in the Account Agreement. If a Payor Financial Institution, drawee of a Check or another third party makes a claim against Umpqua or seeks a re-credit regarding any Check processed through the Service; Umpqua may provisionally freeze or hold aside a like amount in Customer account pending Umpqua's investigation and resolution of the claim. Umpqua may also charge Customer account for any Check that is returned, whether or not the return is timely or proper.
- 24.** Umpqua will not be liable to Customer for any of the following: any damages, costs or other consequences caused by or related to Umpqua's actions that are based on information or instructions that Customer provides to Umpqua; any unauthorized actions initiated or caused by Customer or its employees or agents; the failure of third persons or vendors to perform satisfactorily, other than persons to whom Umpqua has delegated the performance of specific obligations provided in these Terms and Conditions; any refusal of a Payor Financial Institution to pay an Digitized Item or Substitute Check for any reason (other than the breach of contract, gross negligence or willful misconduct of Umpqua), including that Check, Digitized Item or Substitute Check was allegedly unauthorized, was a counterfeit, had been altered, or had a forged signature; any lack of access to the internet or inability to transmit or receive data; failures or errors on the part of internet service providers, telecommunications providers or any other party's own internal systems, actions by third parties, such as the introduction of a virus, that delay, alter or corrupt the transmission of an Digitized Item to Umpqua; or any of the matters described in Section 8 above.
- 25.** Umpqua's liability for errors or omissions regarding the data transmitted or printed by Umpqua will be limited to correcting the errors or omissions. Correction will be limited to reprinting and/or re-presenting Substitute Checks or Digitized Items to the Payor Financial Institution.



## Special Depository Services

Umpqua's Special Depository Service is provided to its customers located outside Umpqua's normal Service area in order to provide a convenient local depository bank. The Special Depository Service is provided through Wells Fargo Bank and is used exclusively for transferring all deposited funds into Umpqua deposit accounts. These funds are transferred to the applicable Umpqua deposit account one Business Day after the deposit has been made.

In consideration of Umpqua establishing a Special Depository Service account ("DP Account") with Wells Fargo Bank ("Depository Bank"), Customer will make deposits at the Depository Bank into a specified DP Account opened on their behalf.

All funds deposited into the DP Account are transferred to Customer's Umpqua account. All checks deposited into the DP Account will be drawn and payable only to Customer.

Credit for funds transferred to the Customer's Umpqua account from the DP Account is given Customer on a provisional credit basis only. Umpqua reserves the right to hold any funds deposited. (Please refer to your Deposit Account agreements for additional information on funds availability.)

Withdrawal of funds by Customer directly from the DP Account is expressly prohibited.

Umpqua and/or Depository Bank may, each at its discretion, redeposit and reclear any Item(s) deposited into the DP Account that has been returned for: (a) non-sufficient funds; (b) refer to maker; or (c) uncollected funds. If Umpqua or Depository Bank is unable to reclear or deposit any such Item, the Item will be charged back against Customer's Umpqua account.

Umpqua reserves the right to revoke the Special Depository Service at any time.

## Sweep Services

### Repurchase Sweep Agreement

Under the terms of the Repurchase Sweep Agreement described herein, Umpqua promises to pay Customer upon termination of the Repurchase sweep agreement or as otherwise provided herein, the repurchase obligation plus interest earned thereon at a rate as provided herein, according to the following:

#### 1. Description of Automatic Investments

Regarding the Customer's demand deposit Transaction Account ("Transaction Account"), Customer and Umpqua shall agree upon an amount ("Target Balance") of collected funds in the Transaction Account ("Collected Balance").

After the close of business each Business Day at a time determined by Umpqua, Umpqua will ascertain the Collected Balance in the Transaction Account. All Collected Balance amounts on any given Business Day in excess of the Target Balance will be automatically transferred into the repurchase obligation during the next Business Day. If the Collected Balance in the Transaction Account on any given Business Day is less than the Target Balance, then funds will be transferred automatically from the repurchase obligation to the Transaction Account during the following Business Day. If the funds from the repurchase obligation are not sufficient to maintain a Collected Balance equal to or greater than the Target Balance in the Transaction Account, then the amount in the repurchase obligation shall be zero until the Collected Balance in the Transaction Account is more than the Target Balance. Customer acknowledges that increases and decreases in the amount of the repurchase obligation may only be affected through the Transaction Account.

Umpqua reserves the right to refuse to effect an automatic transfer in its sole discretion.

#### 2. Interest Rate

The repurchase obligation interest rate shall be established by Umpqua in its sole discretion and may change weekly. Interest is calculated daily based upon a 365 days-per-year basis. Umpqua will pay that rate regardless of any fluctuation in the market price of the underlying security. Further, the rate Umpqua pays is not necessarily related to the yield on the underlying security. The current rate of interest paid is available by contacting Umpqua's Treasury Management Sales department or your Umpqua Banker.

Interest will be paid monthly. Umpqua shall deposit all earned interest to Customer's Transaction Account by the third Business Day of the month following the month in which it was earned.

#### 3. Security Interest

In order to secure performance of the repurchase obligation, Umpqua hereby grants to Customer a security interest in certain Securities to be held by Umpqua as agent for Customer. "Securities" means U.S. Treasury Bills, Notes or Bonds, municipal securities, and/or federal agency securities and/or the government-guaranteed portion of certain government-guaranteed securities or securities issued by Freddie Mac, Fannie Mae or Ginnie Mae.

The repurchase obligation is an obligation of Umpqua. In the event of a material default by Umpqua hereunder, Customer may satisfy the repurchase obligation from the sale of the Securities securing such obligation. Otherwise, the general assets of Umpqua shall be used to satisfy the repurchase obligation rather than proceeds from the sale of the Securities securing the same.

When funds are automatically transferred into the repurchase obligation, the actual market value of the underlying Securities will be greater than the amount of funds transferred at that time. However, Customer may, at any time during the term of this Repurchase Sweep Agreement, become an unsecured creditor of Umpqua to the extent that the market value of the underlying Securities is less than the repurchase obligation balance and accrued interest.

At maturity, termination of this Repurchase Sweep Agreement or upon the closing of the Transaction Account, Umpqua shall pay to Customer the balance in the repurchase obligation plus accrued interest. At the same time, Umpqua will reacquire and Customer shall surrender to Umpqua Customer's interest in the Securities securing the obligation.

Upon execution of this Repurchase Sweep Agreement, Umpqua will provide Customer with background information and the financial condition of Umpqua.

**4. Notices**

Customer acknowledges that:

REPURCHASE OBLIGATION FUNDS ARE NOT INSURED BY THE FDIC OR ANY OTHER GOVERNMENT AGENCY. THIS OBLIGATION IS NOT A SAVINGS ACCOUNT OR A DEPOSIT. REPURCHASE OBLIGATIONS INVOLVE THE SALE AND PURCHASE OF SECURITIES. THEY ARE SUBJECT TO INVESTMENT RISK, INCLUDING WITHOUT LIMITATION POSSIBLE LOSS OF PRINCIPAL. PAST PERFORMANCE OF AN INVESTMENT SHOULD NOT BE CONSIDERED AS A GUARANTEE OF FUTURE RESULTS.

**5. Confirmation and Periodic Statements**

Umpqua will confirm in writing the specific Securities that it will sell to Customer under the Repurchase Sweep Agreement at the end of each Business Day that a transaction occurs. As and to the extent required by law, the confirmation shall describe the purchased securities (including CUSIP number, if any), identify Buyer (Customer) and Seller (Umpqua), and the purchase date, market price, redemption value applicable to the transaction, and any additional terms of the transaction not inconsistent with the Repurchase Sweep Agreement. The confirmation, together with the Repurchase Sweep Agreement, shall constitute conclusive evidence of the terms agreed between Buyer and Seller regarding the transaction to which the confirmation relates, unless a confirmation-specific objection is made promptly after receipt thereof. Regarding any inconsistency between such confirmation and the Repurchase Sweep Agreement, the Repurchase Sweep Agreement shall prevail.

**6. No Assignment**

The Repurchase Sweep Agreement is not negotiable and not assignable by Customer. Umpqua reserves the right to modify the Repurchase Sweep Agreement, or any portion thereof, upon written notice to Customer.

**7. Notice Regarding Swept Funds**

Until completion of the sweep, funds swept out of the Transaction account in payment for Customer's purchase from Umpqua of Securities under the Repurchase Sweep Agreement will be deposits. Upon completion of the sweep, they will no longer be deposits and Customer will have no interest in such funds if Umpqua fails, but rather will be the legal owner of the Securities thus purchased. Until completion of the sweep, funds swept back into the account as a result of Umpqua's repurchase of Securities from Customer, under the Repurchase Sweep Agreement, will not be deposits and Customer will have no interest in such funds if Umpqua fails, but rather will continue to be the legal owner of the Securities. Upon completion of the sweep, the swept funds will be deposits again and Customer will no longer have an interest in the Securities thus repurchased.

## **Cash Manager Investment Sweep Services**

NOTICE: INVESTMENT PRODUCTS, INCLUDING MONEY MARKET MUTUAL FUNDS, ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED BY UMPQUA OR ANY OF ITS AFFILIATES, NOR ARE THEY INSURED BY THE FDIC, OR ANY OTHER GOVERNMENT AGENCY. THE INVESTMENT OPTIONS OFFERED BY UMPQUA UNDER THE COMMERCIAL SWEEP ACCOUNT ARE SUBJECT TO INVESTMENT RISKS, INCLUDING LOSS OF PRINCIPAL OF THE AMOUNT INVESTED.

### **1. General Terms.**

If a Mutual Fund (Cash Manager) Sweep Account has been requested and agreed to by Umpqua, Customer authorizes Umpqua to transfer funds on a manual or automated basis to and from the Customer's demand deposit account at Umpqua ("DDA") and the fund Customer has selected ("Money Market Fund"). Funds will be transferred between the accounts so that: (a) to the extent funds are available in either account, Customer's DDA maintains an average collected balance equal to a pre-established balance ("Target Balance"); and (b) any collected funds in the DDA that exceed the Target Balance ("Excess Funds") are invested by Umpqua as directed by Customer in accordance with this Agreement.

Amounts invested in money market mutual funds, including investment income, will be redeemed and credited back to the DDA as needed so that the collected balance of Customer's DDA equals the Target Balance. Amounts invested in other investment options, including interest or other investment income, will be credited back to the DDA each Business Day upon maturity. Umpqua may limit the amount of Excess Funds that it will invest on behalf of Customer on any particular Business Day. Umpqua may also impose a maximum redemption amount to bring the DDA to the Target Balance on a particular Business Day. If Customer's investment option is not available on a given Business Day, then all Excess Funds will remain in the DDA until the next Business Day.

### **2. Authorizations.**

Umpqua is authorized to accept verbal instructions, including telephone instructions, from Customer representatives for the transfer of funds between Umpqua and Customer and between Customer's accounts. Umpqua may rely on any instructions received from Customer that it reasonably believes to be genuine.

Umpqua is authorized to execute as agent for Customer all certificates of ownership and other instruments required by law or by contract. Umpqua shall not be accountable for errors in judgment but only for gross negligence or willful misconduct. Umpqua shall not be required to comply with any direction of Customer which in Bank's judgment, may subject it to liability or to defend or prosecute any suit or action unless indemnified in a manner and amount satisfactory to it.

Customer may, by written instrument executed by Customer and delivered to Umpqua, terminate the Cash Manager Investment Sweep service and withdraw from the account the principal and accumulated income upon paying all sums due to Umpqua and indemnifying Umpqua to its satisfaction against liabilities incurred in the administration of the account.

Umpqua will act as agent to invest on the order and for the benefit of Customer. The services described herein are provided by Umpqua to Customer solely as bona fide treasury management services. Umpqua does not undertake any fiduciary obligation to Customer with respect to these services. Umpqua's duties to act for Customer hereunder are solely mechanical and administrative in nature.

### **3. Money Market Fund**

Excess Funds will be invested in the Money Market Fund offered for this service. Excess Funds will be swept from the DDA to a pooled deposit account held in Umpqua's name. On the next Business Day, the Excess Funds from the pooled deposit account will be swept to the Money Market Fund to purchase shares. Customer's shares in the Money Market Fund will be held in Umpqua's name in an omnibus investment account, as agent on behalf of all Bank customers invested in the Money Market Fund. Customer grants to Umpqua a consensual possessory security interest in the omnibus investment account and all accounts maintained with Bank to secure payment of all of Customer's obligations under this Service. Customer will accrue dividends beginning on the Business Day the shares are purchased. Dividends accrue daily and are paid monthly on the last Business Day of the month. No dividends will accrue on the Business Day the shares are sold. If, for any reason, Money Market Fund shares are not available on any given Business Day, all Excess Funds will not be swept to the Money Market Fund and no dividends will accrue until shares become available for purchase. Funds in the DDA and in the pooled deposit account held at Umpqua will be treated as deposits and will be insured up to the applicable FDIC insurance limits. The Money Market Fund sweep option is only available to entities having a presence in the United States.

**4. Customer Acknowledgments.**

BY ACCEPTING THIS SERVICE, CUSTOMER HEREBY ACKNOWLEDGES THAT IT HAS RECEIVED A COPY OF THE PROSPECTUS OF THE DESIGNATED FUND. THIS PROSPECTUS FORMS PART OF THE IMPLEMENTATION DOCUMENTS AND WILL CONTROL OVER THE IMPLEMENTATION DOCUMENTS WITH RESPECT TO MONEY MARKET FUND SHARES. CUSTOMER FURTHER ACKNOWLEDGES THAT BANK IS NOT PROVIDING ANY INVESTMENT ADVICE HEREIN TO CUSTOMER AND MAKES NO REPRESENTATION OR WARRANTY AS TO THE SUITABILITY OR SAFETY OF THE INVESTMENTS IN ANY FUND OFFERED UNDER THIS SERVICE.

**5. Money Market Fund Disclosures.**

BANK AFFILIATES SERVE AS INVESTMENT ADVISOR, ADMINISTRATOR, CUSTODIAN, DISTRIBUTOR, TRANSFER AGENT, AND SECURITIES LENDING AGENT AND RECEIVE COMPENSATION FOR SUCH SERVICES AS DISCLOSED IN THE PROSPECTUS FOR THE DESIGNATED FUND.

ALTHOUGH MONEY MARKET MUTUAL FUNDS SEEK TO PRESERVE THE VALUE OF CUSTOMER'S INVESTMENT AT \$1.00 PER SHARE, IT IS POSSIBLE TO LOSE MONEY BY INVESTING IN A MONEY MARKET MUTUAL FUND.

THIS NOTICE IS GIVEN PURSUANT TO APPLICABLE LAW:

IN THE UNLIKELY EVENT OF BANK FAILURE, CUSTOMER WILL MAINTAIN ITS INTEREST IN THE MONEY MARKET FUND SHARES FOLLOWING A COMPLETED MONEY MARKET FUND SWEEP. THE VALUE OF THE SHARES IN THE MONEY MARKET FUND OMNIBUS INVESTMENT ACCOUNT WILL NOT BE DEEMED "DEPOSITS" UNDER RULES PROMULGATED BY THE FDIC AND WILL NOT BE INSURED BY THE FDIC. ON THE DAY OF FAILURE, HOWEVER, THE FDIC MAY DISALLOW THAT DAY'S SWEEP TO OCCUR. IF THE SWEEP IS DISALLOWED, ANY EXCESS FUNDS THAT WOULD HAVE NORMALLY SWEEPED ON THAT BUSINESS DAY WILL REMAIN IN THE DDA AND WILL BE TREATED AS DEPOSITS. THOSE DEPOSITS WILL BE INSURED UP TO THE APPLICABLE FDIC INSURANCE LIMITS.

## Loan Sweep Services

### 1. Line of Credit; Designation of Account

The loan sweep service (“Loan Sweep Service”) is available to certain Customers with a revolving line of credit (the “Credit”) and an analyzed business checking account (the “Checking Account”) at Umpqua. If Customer is granted a Credit by Umpqua, Customer may request the loan sweep service, which authorizes Umpqua to advance available funds on the Credit and transfer those funds for deposit into Customer’s designated Checking Account to pay Checks or other Items or charges presented daily for payment and to maintain the Target Balance (defined below).

### 2. Certain Defined Terms

“Available Funds” means the total of the collected funds in the Checking Account as of the close of business on any Business Day, determined in accordance with the manner in which Umpqua generally provides credit for deposited Checks.

“Credit Agreement” means any loan agreement, promissory note, guaranty or other agreement, instrument or document which evidences, secures or guarantees the Credit.

“Deficiency Amount” means the amount by which the Target Balance exceeds the amount of Available Funds as of the close of business on any Business Day.

“Event of Insolvency” means any of the following: (i) Customer or Guarantor shall die or cease to exist; (ii) any Guarantor shall attempt to revoke its guaranty or other obligation to Bank, or such guaranty or other obligation shall become unenforceable in whole or in part; (iii) any bankruptcy, insolvency or receivership proceeding, or any assignment for the benefit of creditors, shall be commenced under any federal or state law by or against Customer or any Guarantor; (iv) Customer or any Guarantor shall become the subject of any out-of-court settlement with its creditors; or (v) Customer or any Guarantor is unable or admits in writing its inability to pay its debts as they mature.

“Excess Funds” means the amount of Available Funds as of the close of business on any Business Day which exceeds the Target Balance.

“Guarantor” means any guarantor, surety, accommodation party or joint obligor of the obligations of Customer under the Credit.

“Target Balance” means the amount of funds which Customer desires to maintain in the Checking Account and which is agreeable to Umpqua.

### 3. Initiation of Transactions

As of the close of business on each Business Day, Umpqua will determine the amount of Excess Funds, if any, or the Deficiency Amount, if any.

If Umpqua determines that there are Excess Funds, Umpqua will debit the Checking Account and credit the Credit in an amount equal to the lesser of (i) the amount of Excess Funds or (ii) the outstanding principal balance of the Credit plus all interest, fees and charges then outstanding under the Credit (a “Repayment Transaction”); provided, however, that Umpqua will not be required to initiate any Repayment Transaction in an amount less than a minimum sum mutually agreeable to Umpqua and Customer. Customer grants Bank a security interest in, and right of set-off to, the Account for purposes of effecting Repayment Transactions.

If Umpqua determines that there is a Deficiency Amount, Umpqua will charge the Credit in an amount equal to the lesser of (i) the amount by which such available balance is less than the Target Balance or (ii) the amount which is available to be borrowed under the Credit (the lesser of such amounts being referred to as the “Loan Amount”), plus the amount of any fees and charges under the Credit, and credit the Account in an amount equal to the Loan Amount (a “Loan Transaction”); provided, however, that Umpqua will not be required to initiate any Loan Transaction in an amount less than a minimum sum established by Umpqua, and Umpqua will not be required to initiate any Loan Transaction if any default exists under any Credit Agreement or this Agreement or Bank is otherwise excused or prohibited under any Credit Agreement or applicable law from making an advance to Customer. In addition, Bank will not be required to initiate any Loan Transaction, and the Loan Sweep Services hereunder shall immediately and automatically terminate without notice, if: (A) the Credit has matured or been terminated; (B) Customer has cancelled the Credit; (C) an Event of Insolvency has occurred; or (D) Bank has demanded payment under the Credit.

Customer and Umpqua intend that each Repayment Transaction hereunder be (a) in the ordinary course of business or financial affairs of Customer and Umpqua, and (b) made according to ordinary business terms.

**4. Overdrafts**

In the administration of the Loan Sweep Service, no advance of principal will be made against the Credit, for deposit into the Checking Account or otherwise, unless Customer has complied with the TMS Agreement including the requirement that any advance would not cause the loan balance to exceed the permitted amount of the Credit or credit availability based on eligible collateral. Any Item in excess, in part or in whole, of the available credit will be an overdraft under the applicable Account Agreement. Umpqua reserves the right, in its sole discretion, to either pay or not pay the Items creating an overdraft. The Checking Account will then be subject to all charges normally assessed by Umpqua for paying overdraft Items or returning the Checks or other Items. The availability of credit under the Note for advances to the Checking Account is subject at all times to the terms of the Note, the TMS Agreement, and the Account Agreement, and any other agreement between Customer and Umpqua, and may not be available if Customer is in default under any of the foregoing.

**5. Suspension or Cancellation**

If any default exists under any Credit Agreement or this Agreement, or if Customer's risk quality or credit standing becomes unacceptable to Umpqua, the Loan Sweep Service may be suspended or cancelled until such default is cured and Customer's risk quality or credit standing returns to levels acceptable to Umpqua.

**6. Other Transfer Services**

If Umpqua has agreed to provide any other service to Customer pursuant to which Umpqua is authorized to transfer Excess Funds from the Account, (i) this Agreement shall prevail over the terms and conditions of such other service, (ii) Umpqua may initiate a Repayment Transaction or Loan Transaction under this Agreement in lieu of or prior to initiating the transfer of Excess Funds under such other service, and (iii) Umpqua shall not be in default as to such other service solely by reason of not initiating the transfer of Excess Funds under such other service.

**7. NOTICE**

We have established a Target Balance for the Account at Umpqua. When the balance in your Checking Account falls below the Target Balance, funds are swept from your Credit into your Checking Account.

THIS NOTICE IS GIVEN PURSUANT TO APPLICABLE LAW: IN THE UNLIKELY EVENT OF THE BANK FAILURE, THE FDIC WILL ALLOW THE LOAN SWEEP TRANSFER OF EXCESS FUNDS IN CUSTOMER'S CHECKING ACCOUNT, ABOVE A PRE-ESTABLISHED THRESHOLD, OUT OF THE CHECKING ACCOUNT TO PAY DOWN THE LOAN AT BANK ON THE DAY OF FAILURE. THE REMAINING FUNDS IN THE DEPOSIT ACCOUNT WILL BE DEEMED DEPOSITS UNDER FDIC RULES AND WILL BE INSURED UP TO THE APPLICABLE FDIC LIMITS.

## **Zero Balance Transfer Account (ZBA)**

If Zero Balance Transfer Account Service (“ZBA Service”) has been requested and agreed to by Umpqua, Customer authorizes Umpqua at the end of each Business Day to transfer, on a manual or automated basis, all of the funds in the demand deposit accounts of Customer designated by Customer as “Subsidiary Accounts” into the Customer account designated by Customer as its central concentration “Lead” or “Concentration” account. Under the ZBA Service, Umpqua will automatically transfer funds from the Lead account to the relevant Subsidiary Account to pay Checks and other debit Items presented for payment against the Subsidiary Accounts. Conversely, as deposits occur in the Subsidiary Accounts, the ledger balance and collected funds balance in those Subsidiary Accounts will automatically be transferred to the Lead account. In this manner, the Subsidiary Account will be maintained at a zero ledger balance and zero collected funds balance. Umpqua’s provision of the ZBA Service will be governed by this Section, other relevant portions of the Terms and Conditions, the relevant Service Application and the deposit contracts governing Customer’s Lead accounts and Subsidiary Accounts.

### **1. Designated Lead and Subsidiary Accounts**

On the relevant Service Application, Customer will designate a Lead Account and at least one Subsidiary Account to be subject to the ZBA Service. Customer may change the designated Lead and Subsidiary Accounts and may add or delete a Subsidiary Account by providing Umpqua with verbal or written notice conforming to Umpqua’s security procedures. Umpqua will make requested changes within a reasonable time following Umpqua’s receipt of such notice.

### **2. Account Activity; Order of Payment and Rejection of Items**

Customer may draw Checks and other Items on Customer’s ZBA Service Subsidiary Accounts, provided the aggregate amount of such Checks and other Items do not overdraw Customer’s Lead Account. Customer agrees not to issue any Checks or other debit Items on the Lead Account or any Subsidiary Account if the aggregate amount of all such Items would exceed the combined available balance of collected funds on deposit in the Lead Account and/or the applicable Subsidiary Account.

At the end of each Business Day, as part of the Umpqua’s closing process for each of Customer’s Lead and Subsidiary Accounts, Umpqua will make the funds transfers necessary to pay the Checks and debit Items presented for payment from such Accounts. Umpqua will not be required to honor any Checks or other debit Items drawn on any Lead or Subsidiary Account, if there would be insufficient available and collected funds in the Lead Account to pay those debit Items. If Umpqua decides, in Umpqua’s sole discretion, to honor an Item which creates an overdraft, Customer shall be subject to Umpqua’s standard overdraft fees and other terms and conditions of the TMS Agreement and any other agreement with Umpqua regarding negative balances, overdraft protection, if any, and other related subjects. If Umpqua does honor an Item that creates an overdraft on Customer’s Lead Account, Umpqua will not be obligated to continue the practice at a later time, nor will Umpqua be obligated to notify Customer of such discontinuance. Umpqua may decide the order in which Checks or other debit Items are received during any Business Day will be presented and/or paid from the applicable Account and to reject for insufficient funds and such Items that would exceed the available and collected funds balance in the Lead Account. Any Checks or other debit Items that will cause the Lead Account to become overdrawn may be dishonored by Umpqua and such dishonor shall cause Customer to be subject to Umpqua’s standard nonsufficient funds (NSF) fees and other charges for each such dishonored Item.

### **3. Indirect and Unauthorized Access**

Customer acknowledges that access to the Lead Account balances may be gained by any Authorized Representative who has signing authority on a Subsidiary Account, regardless of whether Customer has also granted that person signing authority on the Lead Account. Customer shall indemnify and hold Umpqua harmless against all Losses and Liabilities relating, directly or indirectly, to such access to the Lead Account through a Subsidiary Account or otherwise to any unauthorized use of this Service by Customer, its employees, agents, or any third- party who gains access through any act or omission by Customer, or by its employees or agents.



## Tax Payment Services

Umpqua's Tax Payment Services allow you provide instructions using a touchtone telephone, or by accessing a website, to pay any of your federal or state taxes which are reported or filed as tax forms as more fully described and specified in the applicable User Documents. Based on your Tax Payment instructions, we will prepare and remit your tax deposits.

### 1. EFTPS Prerequisite

If Customer is applying for Services for purposes of initiating Credit Entries to make electronic federal tax payments, Customer represents and warrants they have submitted Internal Revenue Service Form 9779, Business Enrollment Form, to the Internal Revenue Service, has requested the credit option, and otherwise has authority to submit Entries to the EFTPS system. Customer warrants that it will meet all special requirements of the EFTPS system; including the generation of pre-notification Entries before the first tax payment is sent.

### 2. Tax Payment Service

Umpqua makes available to qualified customers, touch-tone tax payment Services via one or more third party vendors. Customer authorizes Umpqua to disclose information concerning Customer to those vendors, to the extent necessary for each vendor to provide the Service.

### 3. Deadlines and Settlement

You must comply with deadlines specified in the applicable User Documentation for initiation of Tax Payment instructions. If a Service allows you to send instructions to us after the cutoff time, or on a non-Business Day, we may treat these instructions as if we received the in the next Business Day.

Tax payment Services are pre-funded transactions. Customer is required to maintain a deposit account at Umpqua and to make available in that account collected funds sufficient to cover transactions prior to the initiation of each transaction. If Customer is approved to initiate tax payments and deposits through the Tax Payment System, the receipt of those Services is subject to Customer satisfying the following conditions:

- Customer must be duly enrolled with the respective electronic tax payment program of the Federal, State, or local taxing authority;
- All Entries will be input to the touchtone or online Service by 3 p.m. Pacific Time, a minimum of two Business Days prior to the payment due date;
- Customer must have collected funds available in the deposit account at Umpqua specified in this agreement a minimum of two Business Days prior to the payment due date.

### 4. Security

You agree to use the security procedures, if any, we provide to you when you deliver tax payment instructions and, as provided in the applicable User Documentation, cancellation requests to us. The purpose of the security procedures is to verify the authenticity of Tax Payment instructions or cancellation requests and not to detect errors in the transmission or content of these messages.

Umpqua's vendor will provide to a contact person of Customer, as listed on the Service setup form, with a security code or PIN for the tax payment system. The Contact is responsible for distribution of the PIN to the Customer's authorized employees. Customer shall maintain internal security procedures to ensure the confidentiality of the PINs issued. Umpqua shall be entitled to cancel Customer PINs when in its sole discretion it deems advisable, and/or when requested to do so by Customer.

### 5. Communication Expense and Risk

Transmission of Tax Payment instructions to us by phone will be at your expense, except that we may provide a toll-free number Service. If that Service is disrupted for any reason, you will have the responsibility and risk of using alternative means of communicating Tax Payment instructions to us accurately and in time for us to perform any Tax Payment Service.

## Wire Transfer

### 1. Authorized Account

An “Authorized Account” as used in this Section is a deposit account Customer has with Umpqua that has been designated as a source of payment orders that Customer issues to Umpqua. The account or accounts is/are defined in the applicable Service Application, which is hereby incorporated by reference.

### 2. Communication of Order and Security Procedures

Customer’s security procedures and communication methods for payment orders are denoted in the Service Application, which is hereby incorporated by reference.

### 3. Authorization

Authorized Users may issue payment orders in the name of Customer, subject to any limitations stated in this document or the Service Application to be paid from the Authorized Account.

### 4. Acceptance and Execution of Payment Orders

Umpqua may accept payment orders from Customer for wire transfers of funds from Customer to beneficiaries at Umpqua or at other financial institutions. If Customer maintains a deposit account with Umpqua, Umpqua is authorized and directed to debit such Authorized Account for the amount of the payment order and the amount of the fees associated with such payment order separately.

- Customer may only issue payment orders on Umpqua’s Business Days. Payment orders also must be issued and received by Umpqua before any wire transfer cut-off times established by Umpqua. Umpqua may change its wire transfer cut-off times at any time at its sole discretion.
- Umpqua may execute payment orders in any order convenient to Umpqua. Customer’s cancellation or amendment of payment orders shall be treated as payment orders for purposes of the TMS Agreement. Umpqua shall make reasonable attempts to cancel or amend any wire transfers at Customer’s request, but Customer acknowledges that some wire transfers may not be canceled or amended and Customer shall remain liable to Umpqua regarding such transfers. Furthermore, Customer will indemnify and hold Umpqua harmless from any and all liabilities, costs and expenses Umpqua may incur in its cancellation or amendment efforts.
- Umpqua shall not be obligated to make any wire transfer, and Umpqua may reject a payment for any reason in its sole discretion. Additionally, Umpqua shall have no obligation to execute a transfer request if there are not sufficient available funds in Customer’s Authorized Account.

### 5. Confirmation of Payment Orders

Upon Customer’s request, Umpqua may provide confirmation of delivery of a payment order (“Confirmation”) via any reasonable means, including telephone, regular mail, facsimile, or unencrypted email. Confirmation may include the account information, payment order amount, recipient and other Customer information. Customer consents to receipt of the Confirmation by any of the above described methods and assumes all risk of and agrees to hold Umpqua harmless from any and all damages (whether actual or consequential) caused by interception of the Confirmation by third-parties whether such interception is caused by Umpqua’s gross negligence, misconduct or otherwise.

### 6. Content of Payment Orders

Umpqua, the beneficiary’s bank and any intermediary bank may rely on any account number in the payment order (whether a Umpqua account number or an account number at another institution) and pay the account identified by such number. Payments made to the account identified by the number shall be deemed properly made even if the number and the name in the payment order or assigned to the account are different and even if the number refers to a nonexistent, unidentifiable, or fictitious person. If an intermediary bank is needed to fulfill the payment order and Customer fails to specify an intermediary bank, Customer agrees and acknowledges that Customer’s payment order also constitutes Customer’s instruction to Umpqua to choose an intermediary bank. Customer agrees that Umpqua has no control over fees charged by other financial institutions, and accordingly that Umpqua will have no liability if an intermediary or beneficiary bank imposes fees and charges by reducing the payment order or credit to a beneficiary. When Umpqua selects the intermediary bank, a fee may be deducted by the intermediary bank and a portion of that fee may be shared with Umpqua. We are not liable for the actions of any intermediary, regardless of whether or not we selected the intermediary.

## 7. Payment of Customer's Order

If Umpqua accepts a payment order, Umpqua may receive payment by automatically deducting from any Authorized Account the amount of the payment order plus the amount of any expenses and charges for Umpqua Services in execution of Customer's payment order. Umpqua is entitled to payment on the payment or execution date. Unless Customer's payment order specifies otherwise, the payment or execution date is the wire's transfer date Umpqua receives the payment order. The wire's transfer is completed upon acceptance by the beneficiary's bank. Customer's obligation to pay the payment order is excused if the wire's transfer is not completed, but Customer is still responsible to pay Umpqua any expenses and charges for Umpqua's Services. However, if Customer requested Umpqua to route the wire transfer through an intermediate bank and Umpqua is unable to obtain a refund because the intermediate bank that Customer designated has suspended payments, then Customer is still obligated to pay Umpqua for the payment order. Customer will not be entitled to interest on any refund Customer receives because the beneficiary's bank does not accept the payment order.

## 8. Foreign Currency Conversion

If the payment order is expressed in U.S. Dollars, payment may be made in the currency of the foreign country to which the funds are transferred at the buying rate of the institution effecting payment. If the payment order is expressed in foreign currency, Umpqua shall attempt to exchange U.S. Dollars at the rate specified in the payment order. If payment is not made in a foreign country as requested, any refund shall be made subject to any foreign or domestic law or regulation then applicable after confirmation of the cancellation of the payment order. In no event shall any foreign currency refund amount be in excess of Umpqua's buying rate for the foreign currency at the time of refund. The exchange rates used for processing outbound or return payment orders may be a rate selected by Umpqua or other Umpqua(s) from a range of rates available in prevailing foreign exchange markets for interbank trading or at Umpqua's or the other banks' discretion. Customer acknowledges and agrees that the exchange rates used in processing foreign currency denominated payment orders may vary from the rate Umpqua and the other intermediaries themselves receive, or the government-mandated rate (if any) in effect, and that the rates used by Umpqua or other banks for Customer's payment orders may not be the lowest available to Customer, or to Umpqua or to the other banks.

## 9. Notice of Credit

If Umpqua receives a payment order to credit an account that Customer has with Umpqua, Umpqua is not required to provide the Customer with any notice of the payment order or the credit.

## 10. Provisional Credit

All credits to Customer's account are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code.

## 11. Drawdown Wire Request Service Authorized Debits

If Customer has authorized wire request Services, that authorization will constitute Customer's continuing request for Umpqua to honor Drawdown Wire Transfer Requests initiated by Customer and to charge Customer's Authorized Account for the amount of each Drawdown Wire. Umpqua shall debit Customer's Authorized Account upon receipt of a Fedwire 1031 in the amount of the Drawdown Wire (plus any applicable fees due to Umpqua) and send the Drawdown Wire to the Requesting bank via a Fedwire 1032. Each Drawdown Wire Transfer Request will be processed on the Business Day Umpqua receives the Fedwire 1031 from the Requesting bank, so long as the request is received within a reasonable time to determine whether Customer's Authorized Account has sufficient available collected funds and to obtain access to the Federal Reserve System's computer network before any applicable wire transfer cut-off times established by the Federal Reserve.

### – Drawdown Wire Funding

Umpqua will honor any Drawdown Wire Transfer Request only when Customer has complied with the TMS Agreement. Umpqua will be under no obligation to honor, either in whole or in part, any Drawdown Wire Transfer Request that: (i) exceeds Customer's collected or available funds on deposit with Umpqua; (ii) Umpqua has reason to believe may not be authorized by Customer; (iii) involves funds subject to a hold, dispute or legal process preventing their withdrawal; (iv) violates any law or regulation; (v) Umpqua has reasonable cause not to honor for the protection of Umpqua or Customer. The Requesting Bank will be notified by Fedwire 1033 if any Drawdown Wire Transfer Request is rejected by Umpqua.

– **Information**

Customer recognizes and agrees that any contracts it makes with third parties to initiate Drawdown Wire Transfer Requests are not contracts to which Umpqua is a party or about which Umpqua may have any information and therefore Umpqua is not responsible for the terms of such agreements (including the responsibility for checking limits on the amount of Drawdown Wire Transfer Requests that may be included in the terms of such agreements) or Customer's responsibility thereunder. Umpqua is only responsible for receiving and acting upon the instructions and requests it receives in accordance with the TMS Agreement.

Customer agrees to promptly supply Umpqua with any information Umpqua may reasonably request, including money amounts, accounts affected, dates of transfer, supplemental instructions, and further evidence of the authority of any Authorized User to transfer funds or to perform any other act contemplated under the TMS Agreement, provided, however, that Umpqua has no duty or obligation to request such materials and information.

– **Recordation**

You agree that Umpqua may monitor and record telephone conversations at any time without further notice to the parties to the conversations in accordance with applicable law. The decision to record any conversation shall be in Umpqua's sole discretion, and Umpqua shall have no liability for recording or for failing to record any conversation.

– **Wire Transfer Numbers**

Customer is obligated to pay Umpqua the amount of the Drawdown Wire whether or not the Fedwire 1031 correctly identifies the account or the Requesting Bank as may be supplied by Customer to Umpqua. If any names or account numbers for any Drawdown Wire Transfer Request are inconsistent, the account numbers shall control. With respect to incoming wire transfers that do not indicate an account number recognizable by Umpqua; Umpqua may return the wire transfer to the sending financial institution without incurring any liability. Customer does not have the contractual right to reverse, adjust or revoke any Fedwire 1031 after it is received by Umpqua; however, Umpqua will use reasonable efforts to act on such a request by Customer to reverse, adjust or revoke a Fedwire 1031 before Umpqua has sent the outgoing wire transfer. With respect to an outgoing wire transfer already transmitted by Umpqua, Umpqua shall, at Customer's written request, request the Requesting Bank to return funds previously transmitted. Customer understands and agrees that the Requesting Bank may or may not comply with any such request.

## **12. Routing & Settlement**

Foreign wires denominated in U.S. dollars sent to an account denominated in a foreign currency, may be converted by the Bank, in its sole discretion, or by an intermediary or correspondent bank or the receiving bank, into the applicable currency of the country the payment is being sent to. If the Customer does not wish for Bank to do so, the Customer must provide prior written notice to the Bank. Customer understands the Bank may receive compensation in connection with such conversion. When the conversion occurs, the Bank, intermediary or correspondent bank, or the receiving bank, determines, in their sole discretion, the currency exchange rate. The Bank is not responsible for the exchange rate set by an intermediary or correspondent bank or the receiving bank.

Bank may, at its sole discretion, determine the routing method, settlement systems, settlement currency, intermediary and correspondent banks, and appropriate fee structures associated with any payment received from Customer in order to facilitate payments on behalf of its customers.

Bank, its correspondent banks, and other banks involved in the funds transfer transactions may charge additional fees, or convert currency, in some cases providing compensation to Bank. The Bank may deduct its fees from the Customer's account or from the amount of the transfer.

Customer authorizes Bank to include all information within the payment instructions necessary, in Bank's discretion, to meet legal and regulatory requirements and correspondent or intermediary financial institution requirements.

## Glossary

Unless otherwise noted regarding specific Services, the following terms shall have the following definitions:

<b>Term</b>	<b>Definition / Description</b>
<b>AP</b>	Accounts Payable system or other accounting software
<b>ACH</b>	An Automated Clearing House, which is a secure electronic network for transferring funds between financial institutions, and ACH Entries means Credit Entries or Debit Entries
<b>ACH Operator</b>	The organizations that process transactions between ACH originators and receivers. The Federal Reserve System and Electronic Payments Network are currently the only two national ACH Operators.
<b>Agent</b>	Any director, officer, employee, representative, affiliate, third-party vendor or any other person acting on behalf of the Customer with actual, implied or applied authority of Customer. Umpqua may rely on any grant of authority until it receives written notice of its revocation and is given a reasonable amount of time to act upon such notice.
<b>ANS Specifications</b>	American National Standard Specifications, as designated in Regulation CC, that provide the standards and requirements for Checks and Items, including MICR placement and digitized images of Checks
<b>Application</b>	Any Service-specific applications or account related application as executed by Customer and submitted to Umpqua and, if accepted by Umpqua, becomes part of the TMS Agreement
<b>Authorized Equipment</b>	Equipment that has been approved by Umpqua for use with a Service, including scanners used for Remote Deposit and any other related equipment that captures digitized images of Checks, and includes Umpqua Provided Authorized Equipment
<b>Authorized Signer</b>	Person authorized on account to act on behalf of the Customer
<b>Authorized Users</b>	Each person authorized (through a document or online instruction of a format required by Umpqua for such authorization purpose) to act as the Customer's agent regarding the applicable Service, as well as each person who Umpqua in good faith believes is such an agent
<b>Bank or Umpqua</b>	Umpqua Bank and its successors and assigns
<b>Bill Pay Account</b>	A checking account that is associated with the Bill Pay Service
<b>Billing Account</b>	The checking account from which all Service fees will be automatically debited
<b>Business Day</b>	Each day of which the Umpqua or Umpqua office providing or facilitating the applicable Service is open for business related to that Service and generally excludes Saturdays, Sundays, and holidays
<b>Card (payroll)</b>	A reloadable prepaid card issued through the Bank. There is a limited purpose, prepaid subaccount associated with the Card in which the funds loaded to the Card and Card transactions are tracked. Participating Employee may only access the funds in this prepaid subaccount with their Card in accordance with the Cardholder Agreement ("Cardholder Agreement").
<b>Card Association</b>	Visa, Mastercard Worldwide, American Express, Discover Financial Services, card associations related to or affiliated with the foregoing, and any other association for the processing of Card Services
<b>Card Services</b>	The processing of transaction data (including credit and debit transactions initiated using a card or other access device) through a Card Association's payment system
<b>Card Services Provider</b>	The third party (for example, merchant banks, independent sales organizations and third-party providers, among others) that provides Card Services to you. Umpqua is not the Card Services Provider

<b>Term</b>	<b>Definition / Description</b>
<b>Check</b>	A draft that is payable on demand, drawn on or payable through or at an office of a United States Financial Institution, whether negotiable or not, and payable or endorsed to Customer, and includes Original Checks and Substitute Checks. Such term does not include Noncash Items or Items payable in a medium other than United States money.
<b>Commercial Card</b>	A payment card issued by employers to their employees to use to make purchases on behalf of the company. Card types include Purchase (P-Card), Corporate (C-Card), and Travel & Entertainment (T&E) Cards. A Commercial Card program allows a business to consolidate expenses, streamline purchasing, and track employee spending.
<b>Controlled Disbursement Account (also Disbursement Account)</b>	Customer's account at Umpqua against which Checks designated for controlled disbursement and transmitted electronically will be debited
<b>Credit Entries</b>	ACH transactions that deposit funds to an account and have the meaning provided in the NACHA Rules
<b>Customer Administrator</b>	Customer's designated person who is authorized to appoint Authorized Users for the applicable Services
<b>Database</b>	Data regarding Customer's accounts and transactions, or otherwise relating to Customer, on the computers of Bank or made available to Customer under a Service. Customer's Database would include, for example, account balances, Items paid or deposited to Customer's accounts and other transactions.
<b>Debit Entries</b>	ACH transactions that withdraw funds from an account and have the meaning provided in the NACHA Rules
<b>Digitized Item</b>	A digitized image of, and electronic information derived from, a paper Check, an Image Exchange Item, or any other electronic version of a Check approved by Umpqua for processing through the applicable Service
<b>Drawdown Wire</b>	Those funds being remitted under a Drawdown Wire Transfer Request
<b>Drawdown Wire Transfer Request</b>	A request that has been sent by a Requesting Bank to Umpqua requesting funds be remitted via wire transfer
<b>Due Date</b>	The date reflected on your Payee bill for which the payment is due. It is not the late date or grace period
<b>EFTPS</b>	Electronic Federal Tax Payment Service
<b>Effective Entry Date</b>	The date on which the ODFI expects settlement of an Entry to occur
<b>Entries</b>	The meaning provided in NACHA Rules and shall also mean the data received from Customer hereunder from which Umpqua prepares Entries
<b>ERP</b>	Enterprise Resource Planning is a management tool to integrate a company's various department functions into a single software application
<b>EULA</b>	End User License Agreement
<b>FDIC</b>	Federal Deposit Insurance Corporation
<b>Federal Reserve System</b>	The central banking system of the United States, comprising the Board of Governors of the Federal Reserve System ("Federal Reserve Board") and twelve regional Federal Reserve Banks. The Federal Reserve System, among other services, operates an ACH network and the national check clearing service. Regarding Controlled Disbursement, Umpqua receives the report of incoming debits from the Federal Reserve System.
<b>Fedwire</b>	The funds transfer system owned and operated by the United States Federal Reserve Bank, but excludes the system for making ACH transfers
<b>Fedwire 1031</b>	An incoming Drawdown Wire Transfer Request
<b>Fedwire 1032</b>	The response to an accepted Drawdown Wire Transfer Request
<b>Fedwire 1033</b>	A denied Drawdown Wire Transfer Request

<b>Term</b>	<b>Definition / Description</b>
<b>FinCEN</b>	The U.S. Treasury's Financial Crimes Enforcement Network
<b>Image Exchange Item</b>	A digitized image of a Check cleared and settled directly with a Payor Financial Institution without conversion to a Substitute Check
<b>Image Replacement Document or Substitute Check</b>	A paper reproduction of a Check that satisfies the requirements and definition of "substitute check" provided in Regulation CC
<b>Indirect Customer</b>	A person who seeks to pay you for goods or services provided by you to that person. An Indirect Customer may be a natural person or a legal entity such as a corporation, partnership or limited liability corporation.
<b>Integrated Payments Bill Pay</b>	Refers to the supplier invoice payment process used through our Integrated Payments Solution to transmit payment to your suppliers, per your direction
<b>Invoice Capture</b>	Refers to the supplier invoice capture processing solution offered through Umpqua Bank's Integrated Payments Solution
<b>Invoice-to-Pay</b>	Refers to the supplier invoice capture and automated payment processing solution offered by Umpqua Bank's Integrated Payments.
<b>Item(s)</b>	All debits, including Checks, Image Exchange Items, and Image Replacement Documents, that may be presented to Umpqua for payment or collection
<b>MICR</b>	Magnetic ink character recognition, and it refers to the numbers printed near the bottom of a Check and the record that contains such numbers in a Digitized Item, each in accordance with the appropriate ANS Specifications
<b>NACHA</b>	The National Automated Clearing House Association and its successor
<b>NACHA Rules</b>	The rules and regulations, system manuals, procedures guidelines, requirements, releases, interpretations thereof, and other requirements (whether contractual or otherwise) imposed or adopted by NACHA or any applicable ACH Operator or card association, and any applicable law governing the processing of ACH transactions, as any of the foregoing may be amended from time to time. As to a particular Entry, NACHA Rules shall be those in effect as of the date of such Entry. If NACHA fails or ceases to publish its rules, the NACHA Rules shall mean a substitute set of operating procedures adopted by Umpqua.
<b>Non-cash Item</b>	An Item that would otherwise be a Check, except that: (i) a passbook, certificate or other document is attached; (ii) it is accompanied by special instructions, such as a request for special advice of payment or dishonor; (iii) it consists of more than a single thickness of paper, except a Check that qualifies for handling by automated check processing equipment; or (iv) it has not been preprinted or post- encoded in magnetic ink with the routing number of the Payor Financial Institution.
<b>Notification of Change</b>	Shall have the meaning provided in NACHA Rules
<b>ODFI</b>	Originating Depository Financial Institution
<b>OFAC</b>	The U.S. Treasury's Office of Foreign Assets Control and any successor
<b>On-Us Entry</b>	An Entry received for settlement to an account maintained with Umpqua
<b>Original Check</b>	The first paper Check issued with respect to a particular payment transaction
<b>Payments</b>	Integrated Payments service
<b>Payee</b>	The person or entity to which you wish a bill payment to be directed or is the person or entity from which you receive electronic bills, as the case may be

Term	Definition / Description
<b>Payment Instruction</b>	The information provided by you to the Service for a bill payment to be made to the Payee (such as, but not limited to, Payee name, Payee account number, and Scheduled Payment Date)
<b>Payment Account</b>	The checking account from which bill payments will be debited
<b>Payor Financial Institution</b>	The United States Financial Institution ordered in a Check to make payment to the Payees named on the Check
<b>Providers</b>	Third parties, vendors and their subcontractors that Bank uses to provide the Services to Customer
<b>Regulation CC</b>	12 C.F.R. Part 229, as it may be amended from time to time
<b>RDFI</b>	Receiving Depository Financial Institution
<b>Requesting Bank</b>	A United States Financial Institution that has made a Drawdown Wire Transfer Request
<b>Reversals</b>	Data for reversing ACH Entries
<b>Scheduled Payment Date</b>	The day you want your Payee to receive your bill payment and is also the day your Payment Account will be debited, unless the Scheduled Payment Date falls on a non-Business Day in which case it will be considered to be the previous Business Day
<b>Scheduled Payment</b>	A payment that has been scheduled through the Service but has not begun processing
<b>Settlement Date</b>	The date an exchange of funds with respect to an Entry is reflected on the books of the Federal Reserve Bank and/or a correspondent bank
<b>Software</b>	The portion of a software developed, licensed and/or provided by Umpqua and its licensors for operation of a Service, that Umpqua delivers or provides to Customer hereunder
<b>United States Financial Institution</b>	A (i) person, located in the United States, engaged in the business of banking; (ii) Federal Reserve Bank; (iii) Federal Home Loan Bank; and (iv) to the extent it acts as a payor, the U.S. Treasury, the U.S. Postal Service, or a state or local government
<b>User Documentation</b>	Any written information we provide you, including information in an electronic format, as amended from time to time, which contains detailed instructions regarding the use of a Service, as provided by Bank. User Documentation may vary from one jurisdiction to another. Current User Documentation is available upon your request.