

## EXHIBIT A

### GENERAL BANKING SERVICES

CONTRACT NO. \_\_\_\_\_

This Contract, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between Wells Fargo Bank, N.A., hereinafter called "Bank", and the City of Portland, a municipal corporation of the State of Oregon, by and through its duly authorized representatives, hereinafter called "City". This Contract may refer to the City and Bank individually as a "Party" or jointly as the "Parties."

#### WITNESSETH:

The Parties hereto mutually covenant and agree to and with each other as follows:

1. **SCOPE OF WORK:** Bank shall provide General Banking Services for the City for depository accounts and services, disbursement services, branch services, online account access and reporting, and other banking services to including but not limited to those services identified in Attachment 1. All services shall be performed in accordance with Attachment 1 to this Contract. Additionally, the Bank agrees to have a full service branch office located in close proximity to the Portland Building (1120 SW Fifth Avenue, Portland, OR 97204), branch offices throughout City for routine deposits by City Bureaus and a central pick-up point or cash vault within City that can accommodate the security, deposit volume and change order demands associated with City's accounts.

All services shall be performed in accordance with Attachment 1 to this Contract. The Bank shall assure that the City receives the standard of care, skill and diligence that would ordinarily be used by similar professionals in this community in similar circumstances.

In the event there is a perceived or actual conflict between the terms and conditions of one portion of this Contract with another portion of this Contract, the conflict will be resolved by designating which portion of the contract documents takes precedence over the other for purposes of interpretation, except where a clear statement of precedence other than that set forth in this section is included in the document. In this Contract the order of precedence shall be:

- A. The Amendment to City of Portland Contract for General Banking Services
- B. This City of Portland Contract for General Banking Services *including Attachment 1, Technical Requirements and Clarification to Standard Contract Provisions*
- C. Exhibit 1, City RFP (including any addenda issued)
- D. Exhibit 2, Wells Fargo Bank, N.A. Proposal *[including Sections A-F and Appendix Tabs A-G as may be updated from time to time]*

2. **EFFECTIVE DATE AND DURATION:** The initial term of this Contract shall begin on April 1, 2013 and shall expire on March 31, 2017 unless terminated sooner as provided herein. The Parties may agree, by mutual consent, to extend this Contract for an additional one year period. Fees and terms for the additional one (1) year period will be subject to renegotiation at the end of the initial contract period. At least one hundred-twenty (120) days prior to the expiration of the initial term, or extension, the Parties shall commence discussions if they desire to extend the Contract. The Bank shall provide a written extension proposal within fifteen (15) calendar days following the City's request for such a proposal. However, nothing binds or requires either Party to extend this Contract. The total term of this Contract shall not exceed five (5) years.

3. **CONSIDERATION:** The Bank agrees that all proposed fees for services as stated within Attachment 2 shall be guaranteed for the initial four-year period. The City agrees to pay Bank for all incurred banking service fees and related miscellaneous fees as indicated by the "per item" fees attached hereto as Exhibit 2, Section E, Costing and Costing Table. Pricing for services not contemplated by the Attachment 1 shall be subject to negotiation. Total contractual cost will be based upon the transactional volume, therefore it is anticipated that this Contract shall not exceed five hundred fifty thousand dollars (\$550,000.00) for provision of and completion of the services for the four year period. Interim payments shall be made to the Bank according to the costing schedule identified in Exhibit 2, Section E, Costing and Costing Table.

**4. INVOICING:** The City of Portland is a tax-exempt governmental agency. Prices shall not include federal, state, local, or other taxes designated now or hereafter, unless the City is responsible therefore. The Bank agrees to be compensated with compensating balances and annual invoicing, or a combination thereof, as determined by City. For purposes of compensating balance, overdraft and negative collected balance calculations, Bank must agree to treat City's accounts with the Bank on a daily consolidated basis and, so long as City's accounts on a daily consolidated basis maintain a positive ledger balance, no charges may be assessed for individual accounts being in a negative ledger position.

The Bank shall timely submit client analysis statements and billings electronically. Any paper invoices shall be sent to:

City of Portland  
Public Finance and Treasury Division  
1120 SW Fifth Avenue, Room 1250  
Attn: City Treasurer  
Portland, OR 97204

Bank is at all times solely responsible for billing accuracy and timeliness; Bank shall provide monthly invoices or account analysis statements of fees for the services to the City and the City may elect to pay such invoiced amounts. Invoices will not be processed for payment until receipt of a properly completed invoice and until all invoice items are received and satisfactory performance of Bank has been attained. Invoice payment terms which reflect any offered prompt payment discounts shall start on the date of the invoice. Notwithstanding the foregoing, those fees which exceed the earnings allowance applicable to City's compensating balances will be settled annually on City fiscal year-end basis (June 30) between City and Bank. All unpaid fees shall be due and payable within 30 days of the expiration or termination of the Contract.

**5. INVOICE PAYMENT:** Billing details may be agreed upon between the Parties. It is the City's policy to pay its vendor invoices via electronic funds transfers through the automated clearing house (ACH) network. To initiate payment of invoices, vendors shall execute the City's standard ACH Vendor Payment Authorization Agreement which is available on the City's website at:

<http://www.portlandonline.com/omf/index.cfm?c=26606&a=409834>.

Upon verification of the data provided, the Payment Authorization Agreement will authorize the City to deposit payment for services rendered or goods provided directly into vendor accounts with financial institutions. All payments shall be in United States currency.

Revised invoices or billing adjustments shall apply only to services that can be verified by the City. Requests for such adjustments shall be submitted in writing to the City within six (6) months of acceptance of the services, shall reference the original invoice in which the error was made, and contain the level of detail defined in billing detail above. The City shall pay undisputed portions of disputed or incorrect invoices where the City can easily identify the undisputed portion. Failure by the City to pay any portion of or the entire invoiced amount based on Bank billing errors, services that fail to comply with this Contract, or disputed charges shall not constitute default under this Contract. Payment of an amount less than the total amount due on all unpaid invoices shall be any particular amount or item, which is subject to any claim of error or dispute between the Parties, without prior written City approval.

**6. INSURANCE – PROOF OF COVERAGE:** Contractor shall obtain and maintain in full force at Contractor expense, throughout the duration of the Contract, the required insurance identified below. The City reserves the right to require additional insurance coverage as required by statutory or legal changes to the maximum liability that may be imposed on Oregon cities during the term of the Contract. The insurance requirements are as follows.

Commercial General Liability Insurance – Public Liability and Property Damage

The Bank shall provide and maintain public liability and property damage insurance in the minimum amount of \$1,000,000 per occurrence that protects the Bank and the City and its officers, agents and employees from any and all claims, demands, actions and suits for damage to property or personal injury arising from the Bank's work under this Contract

The insurance shall be without prejudice to coverage otherwise existing, and shall name as additional insureds the City and its officers, agents and employees. Notwithstanding the naming of additional insureds, the insurance shall protect each additional insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured.

The coverage shall apply as to claims between insureds on the policy. The insurance shall provide that the insurance shall not terminate or be canceled without thirty (30) days written notice first being given to the City Auditor. If the insurance is canceled or terminated prior to completion of the Contract, the Bank shall provide a new policy with the same terms. The Bank agrees to maintain continuous, uninterrupted coverage for the duration of the Contract.

Automobile Liability

Automobile liability insurance with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage, and an umbrella or excess liability coverage of \$2,000,000.. The insurance shall include coverage for any damages or injuries arising out of the use of automobiles or other motor vehicles by the Bank. The insurance shall include coverage for any damages or injuries arising out of the use of automobiles or other motor vehicles by the Bank.

Workers' Compensation

Prior to the performance of any work under a Contract awarded by the City, the Bank shall comply with the workers' compensation law, ORS Chapter 656, as it may be amended, and if workers' compensation insurance is required by ORS Chapter 656, the Bank shall maintain coverage for all subject workers as defined by ORS Chapter 656 and shall maintain a current, valid certificate of workers' compensation insurance on file with the City Auditor for the entire period during which work is performed under the Contract.

**Technology Errors and Omissions.** Liability insurance covering acts, errors or omissions arising out of the performance or failure to perform professional services related to the Services under this Contract will be maintained. The coverage shall be placed with an insurer with an AM Best Rating of A- or better and shall include the following coverage parts:

Technology Products & Services E&O -Information Security & Privacy Liability for Service Provided to Others.

Such insurance shall cover any and all errors, omissions or negligent acts in the delivery of Products, Services and Licensed Programs under this Contract. Such errors and omissions insurance shall include coverage for claims and losses with respect to network risks (such as data breaches, unauthorized access/use, ID theft, invasion of privacy, damage/loss/theft of data, degradation, downtime, etc.) and intellectual property infringement, such as copyrights, trademarks, service marks and trade dress.

Such insurance shall include limits of coverage of the local currency equivalent of not less than USD \$ 1,000,000.00 (one Million U.S. dollars) and shall remain in effect for not less than three (3) years following the date of termination of this Contract. Evidence of coverage must be sent to the City for three years following termination of this Contract.

The coverage shall name the City as an additional insured and shall indemnify the City for loss for any errors or omissions on the part of the Bank, its agents, officers, employees, subcontractors or any other authorized person, regardless of any negligence or lack thereof.

The Insurance Policy shall also be endorsed as follows: The City of Portland, Oregon is named as an additional insured but only as respects the vicarious liability of such person or entity for the Wrongful Act of the Insured otherwise covered by this Insurance.

**Additional Insured.** The liability insurance coverages, except Workers' Compensation, if included, required for performance of the Contract shall include the City of Portland and its divisions, officers and employees as Additional Insureds but only with respect to the Contractor's activities to be performed under this Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance

**Notice of Cancellation or Change.** There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written notice from the Contractor or its insurer(s) to the City Auditor. Any failure to comply with the reporting provisions of this clause shall constitute a material breach of Contract and shall be grounds for immediate termination of this Contract.

**Certificate of Insurance.** As evidence of the required insurance coverage, Bank shall furnish acceptable proof of insurance through acceptable certificates of insurance and additional insured endorsement form(s) to the City with the return of the signed Contract. The certificates shall specify all of the parties who are endorsed on the policy as Additional Insureds (or Loss Payees). Insurance coverages required under this Contract shall be obtained from insurance companies acceptable to the City of Portland. The Contractor shall pay for all deductibles and premium. The City reserves the right to require, at any time, complete, certified copies of required insurance policies, including endorsements evidencing the coverage the required.

Notwithstanding the naming of additional insured, said policy will protect each insured in the same manner as though a separate policy has been issued to each; but nothing herein will operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts.

**7. INDEPENDENT STATUS:** The Bank is engaged as an independent contractor and shall be responsible for any federal, state, and local taxes and fees applicable to payments hereunder. The Bank, its subcontractors, and their employees are not employees of the City and are not eligible for any benefits through the City including, without limitation, federal social security, health benefits, workers' compensation, unemployment compensation, and retirement benefits.

8. **NO THIRD PARTY BENEFICIARIES:** Bank and City are the only Parties to this Contract and are the only Parties entitled to enforce its terms. Nothing in this Contract gives, assigns or provides any benefit or right, whether directly, indirectly, or otherwise, to third persons.

9. **SUCCESSORS IN INTEREST:** The provisions of this Contract shall be binding upon and shall inure to the benefit of the Parties hereto, and their respective successors and approved assigns.

10. **SURVIVAL:** The terms, conditions, representations, and all warranties contained in this Contract shall survive the termination or expiration of this Contract.

11. **COMPLIANCE WITH APPLICABLE LAW:** In connection with its activities under this Contract, Bank shall comply with all applicable federal, state and local laws and regulations; additionally, the Bank shall be in compliance with all regulatory requirements, including capital ratios, as required by all its regulatory oversight agencies. All statutory, charter and ordinance provisions applicable to public contracts in the City of Portland and the State of Oregon shall be followed with respect to this Contract. The following additional conditions apply to this solicitation and any resultant Contract: Appendix A as attached hereto.

The Bank must be in compliance with the laws regarding conducting business in the City of Portland before an award may be made and shall be responsible for the following:

**Certification as an EEO Affirmative Action Employer:** The Bank is certified as an Equal Employment Opportunity Employer as prescribed by Chapter 3.100 of the Code of the City of Portland through September 6, 2013. The certification will be maintained throughout the duration of the Contract.

**Non-Discrimination in Employee Benefits (Equal Benefits):** The Bank has complied by providing the Equal Benefits Compliance Worksheet/Declaration Form indicating: Option C.

**Business License:** The Bank license tax account # 337714 is in compliance with the City of Portland Business License requirements as prescribed by Chapter 7.02 of the Code of the City of Portland and will be maintained throughout the duration of this Contract.

12. **GOVERNING LAW / VENUE:** The provisions of this Contract shall be construed in accordance with the provisions of the laws of the State of Oregon without reference to its conflict of laws provisions. Any action or suits involving any question arising under this Contract shall be brought in the appropriate court in Multnomah County, Oregon. By executing this Contract the Bank agrees to in personam jurisdiction of the Oregon courts.

13. **NONDISCRIMINATION:** Bank agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Bank also shall comply with the Americans With Disabilities Act of 1990 (Pub L. No. 101-336) including Title II of that Act, ORS Chapter 659.425, and all regulations and administrative rules established pursuant to those laws.

14. **INDEMNITY:** Bank shall hold harmless, defend, and indemnify the City of Portland, its officers, employees, and agents, from all claims, demands, suits, actions, losses, damages, liabilities, costs and expenses of whatsoever nature, including all attorney's fees and costs, resulting from or arising out of the activities of Bank or its officers, employees, subcontractors, or agents including intentional acts, or of its subcontractors, agents or employees under this Contract. Bank is not responsible for any damages caused by the actions of the City, its officers, employees and agents.

15. **ASSIGNMENT OF ANTI-TRUST RIGHTS:** By entering into a contract, the Bank, for consideration paid to the Bank under the Contract, does irrevocably assign to the City of Portland any claim for relief or cause of action which the Bank now has or which may accrue to the Bank in the future, including, at the City's option, the right to control any such litigation on such claim for relief or cause of action, by reason of violation of 15 USC SS 1-15 or ORS 646.725 or ORS 646.730, in connection with any services provided to the Bank by any person, which services are used, in whole or in part, for the purpose of carrying out the Bank's obligation under this Contract.

In the event the Bank hires subcontractors to perform any of the Bank's duties under the Contract, the Bank shall require the subcontractor to irrevocably assign to the City of Portland, as a third party beneficiary any right, title or interest that has accrued or may accrue to the subcontractor by reasons of any violation of 15 USC SS 1-15, ORS 646.725 or ORS 646.730, including, at the City's option, the rights to control of any litigation arising thereunder, in connection with any services provided to the subcontractor by any person, in whole or in part, for the purpose of carrying out the subcontractor's obligations as agreed to by the Bank in pursuance of the completion of the Contract.



In connection with this assignment, it is an express obligation of the Bank that it will take no action which will in any way diminish the value of the rights conveyed or assigned hereunder to the City of Portland. It is an express obligation of the Bank to advise the City Auditor or the Office of the City Attorney of Portland, Oregon:

- A. In advance, of its intention to commence any action on its own behalf regarding such claims for relief or causes of action;
- B. Immediately, upon becoming aware of the fact that an action has been commenced on its own behalf by some other person or persons, of the pendency of such action; and
- C. The date on which it notified the obligor(s) of any such claims for relief or causes of action of the fact of its assignment to the City of Portland.

Furthermore, it is understood or agreed that in the event that any payment under such claim is made to the Bank, it shall promptly pay over to the City of Portland its proportionate share thereof, if any, assigned to the state hereunder.

**16. SEVERABILITY:** In the event that a court, government agency, or regulatory agency with proper jurisdiction determines that this Contract, or any provision of this Contract, is unlawful, this Contract, or that provision of the Contract to the extent it is unlawful, shall terminate. If a provision of this Contract is terminated but the Parties can legally, commercially, and practicably continue without the terminated provision, the remainder of this Contract shall continue in effect.

**17. FUNDING:** In the event the City, during the adoption of the City's annual budget, reduces, changes, eliminates, or otherwise modifies the funding for any of the projects identified herein, the Bank agrees to abide by any such decision including revision or termination of services.

**18. ASSIGNMENT AND SUBCONTRACTING:** This Contract or any interest therein shall not be assigned or subcontracted to any other person or entity without the prior written consent of the City of Portland. In the event of transfer without prior written consent, the purported transfer is void and the Bank remains liable for performance of the Contract. Notwithstanding City approval of a subcontractor, the Bank shall remain obligated for full performance hereunder, and the City shall incur no obligation other than its obligations to the Bank hereunder. The Bank agrees that if subcontractors are employed in the performance of this Contract, the Bank and its subcontractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.

**19. LIENS:** Bank shall not permit any claim to be filed or prosecuted against the City or any lien against the property purchased in connection with this Contract and agrees to assume responsibility should such lien or claim be filed.

**20. SUSTAINABLE PROCUREMENT:** Pursuant to the City's Sustainable City Principles, which direct City Bureaus to pursue long-term social equity, environmental quality, and economic vitality through innovative and traditional mechanisms, the Bank is encouraged to incorporate these Principles into their scope of work with the City wherever possible. Therefore in accordance with the Principles and the City's Sustainable Procurement Policy, it is the policy of the City of Portland to encourage the use of products or services that help to minimize the human health and environmental impacts of City operations. "Environmentally preferable" means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service.

Packaging should be minimized to the maximum extent possible without compromising product quality. The City encourages packaging that is reusable, recyclable in local recycling programs, is made from recycled materials, and/or is collected by the vendor for reuse/recycling.

**21. FORCE MAJEURE:** Neither City nor Bank shall be held responsible for performance if its performance is prevented by unforeseeable acts or events beyond the Party's reasonable control including, but not limited to: acts of God; fire, flood, earthquakes or other catastrophes; strikes or other labor unrest; power failures, electrical power surges or current fluctuations; nuclear or other civil or military emergencies; or acts of legislative, judicial, executive, or administrative authorities; or any other circumstances that are not within its reasonable control.

**22. AMENDMENTS:** All changes to this Contract, including changes to the scope of work and Contract amount, must be made by written amendment and approved by the Chief Procurement Officer to be valid. The City's Chief Procurement Officer is authorized to execute amendments to this Contract without the City's further approval, provided such amendments are in writing, signed by both Parties, and approved by the City Attorney's Office. Bank understands that City employees have no actual or apparent authority to enter into amendments, except as may be specifically granted by the City Council to the Chief Procurement Officer, or to waive the approval of the City Attorney's office.

**23. NON-WAIVER:** No waiver, consent, modification, or change of terms of this Contract shall bind either Party unless in writing and signed by both Parties. Such waiver, consent, modification, or change if made, shall be effective only in specific instances and for the specific purposes given. The failure of the City to enforce any provision of this Contract shall not constitute a waiver of that or any other provision.

**24. COORDINATION WITH OTHER CONTRACTORS AND OTHER SERVICES:** The Bank shall cooperate fully with other contractors and City employees providing systems or support to the City during installation, operation, or maintenance of the services. This includes planning for and integration of the services provided under this Contract with those provided by others. Further, Bank shall make every reasonable effort to cooperate with City to minimize and/or prevent any degradation of the other computer and telecommunications systems, equipment, or services of the City by the installation, operation, or maintenance of the services. Bank's failure to cooperate with the City and other contractors may be grounds for termination as provided herein.

**25. ACCESS TO RECORDS:** The Bank shall maintain professional accounting standards and on a current basis, and the City and its duly authorized representatives shall have access to the books, documents, papers, and records of the Bank which are directly pertinent to this Contract for the purpose of making audit, examination, excerpts, and transcripts for a period of three (3) years after final payment. Copies of applicable records shall be made available upon request.

**26. AUDITS:** The City, either directly or through a designated representative, may conduct financial and performance audits of the billings and services specified in this Contract at any time in the course of the Contract and during the three (3) year period established by ACCESS TO RECORDS. Audits shall be conducted in accordance with generally accepted auditing standards.

The Bank will submit quarterly and annual audited financial statements and annual audited financial statements for any holding companies (if applicable), as soon as publicly available. Electronic access to all these documents via web URL is sufficient.

If an audit discloses that payments to the Bank were in excess of the amount to which the Bank was entitled, then the Bank shall repay the amount of the excess to the City. Under no circumstances will the payment of previous invoices constitute an acceptance of the charges associated with those invoices. If any audit shows performance of services is not efficient in accordance with Government Auditing Standards, or that the program is not effective in accordance with Government Auditing Standards, the City may pursue remedies as provided under EARLY TERMINATION OF CONTRACT and REMEDIES. In addition, the Bank agrees to abide by the standards of the Office of the Comptroller set forth in May, 2002 Office of Justice Programs (OJP) Financial Guide, including without limitation in accordance with Office of Management and Budget (OMB) Circulars A87, A-102, A-122, A-128, A-133. All financial records, supporting documents, statistical records and all other records pertinent to this Contract shall be retained by the Bank for a minimum of five (5) years for purposes of State of Oregon or the OJP Financial Guide from the Office of the Controller and apprise itself of all rules and regulations set forth.

**27. EMPLOYEES NOT TO BENEFIT:** No City employee or elected official of the City shall be admitted to any share or part of this Contract or to any benefit that may arise there from; but, this provision shall not be construed to extend to this Contract if made with a corporation for its general benefit.

**28. CITY FURNISHED PROPERTY:** No materials, labor or facilities will be furnished by the City unless otherwise provided for within this Contract.

**29. ADDITIONAL SERVICES** The City reserves the right to procure additional services beyond those stated in the RFP documents at the same prices submitted by the Bank. Prices for any additional services will be negotiated. . Such additional services are not guaranteed and will be made at the City's sole discretion based upon the requirements of City bureaus.

**30. RIGHT TO CHANGE:** The City reserves the right to order changes to the services outlined herein. The City and the Bank shall determine a fair and equitable cost and, if required, additional time to implement such changes. All such changes shall be ordered in writing and agreed to by the Parties.

**31. NOTICE:** Except as otherwise stated in this Contract, any notice or demand to be given under this Contract shall be delivered in person or deposited in United States Certified Mail, Return Receipt Requested. Any notices or other communications shall be addressed as follows:

**BANK:**

Wells Fargo Bank, N.A.  
1300 SW Fifth Avenue, 5<sup>th</sup> Floor  
Portland, OR 97201

Attn: Mr. Mark Hudspeth, Sr. Vice President

**CITY:**

City of Portland  
Public Finance and Treasury Division  
1120 SW Fifth Avenue, Room 1250  
Portland, OR 97204

Attn: Ms. Jennifer Cooperman, City Treasurer

With copy to:

The City of Portland  
Chief Procurement Officer  
1120 SW 5<sup>th</sup> Avenue, Room 750  
Portland, OR 97204

If either Party changes its address or if a Party's representative changes, the other Party shall be advised of such a change in writing, in accordance with this section. Unless otherwise designated by Bank in writing, the above noted Bank designee shall be its lead point-of-contact to the City. Bank shall notify the City of other designated employees who will service this Contract.

**32. EARLY TERMINATION OF CONTRACT:** The City and the Bank, by mutual written agreement, may terminate the Contract at any time. The City on sixty (60) days written notice to the Bank may terminate this Contract for any reason deemed appropriate in its sole discretion. Either the City or the Bank may terminate this Contract in the event of a material breach of the Contract by the other. Prior to such termination, however, the Party seeking the termination shall give to the other Party written notice of the breach and the Party's intent to terminate. If the Party has not entirely cured the breach within thirty (30) days of the notice, then the Party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination.

**33. SUSPENSION OF THE WORK:** The City may at any time give notice in writing, by electronic mail, or by facsimile to the Bank to suspend this Contract. The notice of suspension shall specify the date of suspension and the estimated duration of the suspension. In no event shall the Bank be entitled to any lost or prospective profits or any incidental or consequential damages because of suspension.

**34. PAYMENT ON EARLY TERMINATION:** In the event of termination under EARLY TERMINATION OF CONTRACT hereof, the City shall pay the Bank for services in accordance with the Contract prior to the termination date and delivered to City provided that such services conform to Contract specifications and are of use to the City. In the event of termination under EARLY TERMINATION OF CONTRACT hereof, by the City due to a breach by the Bank, then the City shall pay the Bank for services performed in accordance with the Contract prior to the termination date subject to set off of excess costs, as provided for in Remedies. In the event of early termination all of the Bank's work product shall become and remain property of the City. Under no circumstances shall the City be subject to early termination penalties for recurring charges for services that the City cancels during the term of this Contract.

**35. REMEDIES:** In the event of termination under EARLY TERMINATION OF CONTRACT by the City due to a breach by the Bank, then the City may procure services outstanding from another contractor and the Bank shall be liable for additional re-procurement costs incurred by the City. The City also shall be entitled to any other equitable and legal remedies that are available. Except as expressly contained in this Contract, the remedies for a breach of this Contract shall not be exclusive, or construed as a limitation on any other equitable and legal remedies that are available or may become available.

**36. PERMITS AND LICENSES:** The Bank shall be required to have or obtain, at their expense, any and all permits and licenses required by the City and/or County, state and Federal pertaining to the materials and services to be provided. The Bank has all required licenses, bonding, facilities, equipment and trained personnel necessary to perform all services as required and is in compliance with all regulatory requirements, including capital ratios, as required by all its regulatory oversight agencies.

**37. INTELLECTUAL PROPERTY:** The City requires the following regarding copyrighting and patent pending on work products pertaining to this Contract:

- a. Copyright: All work products of the Contractor which result from this Contract are the exclusive property of the City. If this Contract results in a copyright, the City of Portland reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for governmental purposes, the work or the copyright to any work developed under this Contract and any rights of copyright to which the Contractor or its sub-vendor, purchases ownership with grant support.

b. **Patent:** If this Contract results in the production of patentable items, patent rights, processes, or inventions, the Contractor or any of its sub-vendors shall immediately notify the City. The City will provide the Contractor with further instruction on whether protection on the item will be sought and how the rights in the item will be allocated and administered in order to protect the public interest, in accordance with federal guidelines.

**38. SPECIFICATIONS:** This Contract authorizes the Bank to provide and the City to procure those services, and establishes the terms and conditions for the City to obtain said services from the Bank. Services to be provided under this Contract are described in the Attachments hereto. The Bank shall provide to the City those services described in the attachments in accordance with the prices shown herein. Payment shall be made only in accordance with the payment schedule identified herein.

**39. WARRANTY:** The Bank represents and warrants that (i) Bank shall perform all Services set forth herein in a good and workmanlike manner, in conformance with the specifications and requirements of the Contract, and in accordance with the highest applicable professional and/or industry standards; (ii) Bank warrants that each of Bank's employees assigned to perform Services has the proper skill, training, and background to be able to perform Services in a competent, timely, and professional manner and that all Services shall be so performed; and (iii) Bank shall, at all times during the term of the Contract, maintain and keep current all licenses and certifications required to perform the work set forth in the Contract.

**40. PROPRIETARY AND CONFIDENTIAL INFORMATION:** The Oregon Public Records Law, ORS 192.410 et seq. strictly governs the City's treatment of requests for public records pertinent to this Contract. All information submitted by Bank shall be public record and subject to disclosure pursuant to the Oregon Public Records Act (ORS 192.410 et seq.), except such portions for which Bank requests exemption from disclosure consistent with federal or Oregon law. Any portion that the Bank claims constitutes a "trade secret" or is "confidential" must meet the requirements of ORS 192.501, 192.502, 646.461 or other state or federal law. Documents with Copyright must be clearly marked.

Bank agrees to hold in confidence any and all information of the City's it receives while performing any of the contemplated function of the Contract and shall not disclose any such information to third parties.

**41. NEWS RELEASES AND PUBLIC ANNOUNCEMENTS:** The Bank shall not use in its external advertising, marketing programs, or other promotional efforts, any data, pictures or other representatives of the City, except with prior specific written authorization from the City.

Bank shall not issue any news release or public announcement pertaining to this Contract or the project without prior written approval of the City, which may be withheld in the City's sole discretion. A minimum of three (3) business days notice is required for a response to a request for such approval. If approval is not issued within the three (3) business day period, the request shall be deemed denied.

**42. ENTIRE CONTRACT:** This Contract and its Attachments represent the entire Contract between the Parties. This Contract is a final, complete exclusive statement of the terms thereof, and supersedes and terminates any prior Contract, understanding, or representation between the Parties with respect thereto, whether written or oral.

This Contract may be signed in two (2) or more counterparts, each of which shall be deemed an original, and which, when taken together, shall constitute one and the same agreement. It is understood and agreed by the Parties hereto that:

- Any reference in this Contract to the scope of work or specifications is intended as a convenience to the Parties in administration of the Contract. Therefore, in the absence of an express statement to the contrary herein, any restatement or partial restatement in this Contract of any provision of the scope of work or specifications is not intended, nor shall be construed to change, alter, modify, amend, or delete the requirements of the scope of work or specifications.
- All statutory, charter and ordinance provisions applicable to public contracts in the City of Portland and State of Oregon shall be followed with respect to this Contract.
- The Bank certifies that no officer, agent or employee of the City who has a pecuniary interest in this Contract has participated in preparation of RFP #114739 or resulting Contract that the proposal was made in good faith without fraud, collusion, or connection of any kind with any other Offeror of the same proposals, and that the Offeror is competing solely in its own behalf without connection with, or obligation to any undisclosed person or firm.

- The City and Bank may conduct this transaction, including any Contract amendments, by electronic means, including the use of electronic signatures.

IN WITNESS WHEREOF, Bank and City have caused this Contract to be executed by their duly authorized representative(s), all on the day and year first above written.

**WELLS FARGO BANK, N.A.**

by \_\_\_\_\_

\_\_\_\_\_  
Name, Title and Date

Approved as to form:

\_\_\_\_\_  
City Attorney

Address: 1300 SW 5<sup>th</sup> Avenue, 5<sup>th</sup> Floor  
Portland, OR 97201

Telephone No: 503-886-4914

email Address: Mark.Hudspeth@wellsfargo.com

**CITY OF PORTLAND**

by \_\_\_\_\_  
Chief Procurement Officer Date

INITIALS: bg

DATE: 03/04/2013

# ATTACHMENT 1

## TECHNICAL REQUIREMENTS

**1. MINIMUM REQUIREMENTS:** Firms submitting proposals must as of the date of their proposal and for the term of any contract(s) agree with and satisfy the Minimum Requirements as identified herein, and must execute Exhibit B, CERTIFICATION OF COMPLIANCE WITH MINIMUM REQUIREMENTS OF THE RFP.

**A. ALL SERVICES:** To be considered for selection for ANY or ALL services described in this RFP, firms submitting proposals must as of the date of their proposal and for the term of any contract(s):

- 1) Agree that proposed fees for services stated in the Proposal be guaranteed for the initial four-year period. Fees and terms for the additional one (1) year period (if mutually agreed to extend) will be subject to renegotiation at the end of the first four years. Fee changes are to be submitted for consideration 120 days before the end of each contract term.
- 2) Agree that Proposals shall constitute irrevocable offers to sell to City the services described in the attached specifications for a period of 120 days or until a contract has been approved by Portland City Council, whichever is earliest.
- 3) Be in legal compliance with all applicable laws, rules, regulations and ordinances of the City, State of Oregon, and the United States.
- 4) Have all required licenses, bonding, facilities, equipment and trained personnel necessary to perform all services as required.
- 5) Agree to submit quarterly and annual audited financial statements for the bank or firm, and annual audited financial statements for any holding companies (if applicable), as soon as publicly available.
- 6) Identify at least one dedicated service representative and one back-up service representative in the local area or Pacific time zone as the City's principal contacts, able to respond to issues affecting the City's account within 24 hours. Individuals must have sufficient technical expertise, authority and command the resources necessary to resolve complex issues, including matters involving online portals and data availability.

**B. BANKING SERVICES:** To be considered for selection for General Banking Services, firms submitting proposals must as of the date of their proposal and for the term of any contract(s):

- 1) Be capable of providing all general banking services outlined in this RFP.
- 2) Be a member of the Federal Reserve System and have access to all its services, including the Fed Wire System.
- 3) Be insured by the FDIC.
- 4) Be a federally or State of Oregon chartered financial institution and member of the Oregon Automated Clearing House Association.
- 5) Be a qualified depository for public funds as prescribed by ORS 295 and as identified by the Oregon State Treasurer.
- 6) Provide for the collateralization of all funds deposited to all bank accounts within the scope of this RFP and be capable of meeting all collateralization requirements, including pledging collateral increases, prescribed by ORS 295 (as in effect on or after April 1, 2013).
- 7) Notify City in writing upon any requirement by the Oregon State Treasurer to increase its required level of collateral to 110%.
- 8) Be able to transfer funds to and from the Local Government Investment Pool managed by the Oregon State Treasurer.

- 9) Have a full service branch office located in close proximity to the Portland Building (1120 SW Fifth Avenue, Portland, OR 97204), branch offices throughout City for routine deposits by City Bureaus and a central pick-up point or cash vault within City that can accommodate the security, deposit volume and change order demands associated with City's accounts.
- 10) Be in compliance with all regulatory requirements, including capital ratios, as required by all its regulatory oversight agencies.
- 11) Be in compliance and in good standing with the Community Reinvestment Act.
- 12) Have at least ten (10) years' experience providing general banking services to major public sector clients similar in size to City.
- 13) Agree to be compensated with compensating balances and quarterly invoicing, or a combination thereof, as determined by City. For purposes of compensating balance, overdraft and negative collected balance calculations, bank must agree to treat City's accounts with the bank on a daily consolidated basis and, so long as City's accounts on a daily consolidated basis maintain a positive ledger balance, no charges may be assessed for individual accounts being in a negative ledger position.
- 14) Not open or maintain any bank accounts for any entity representing itself as an agency or entity of City or using City's tax ID numbers without the express written permission of the City Treasurer.
- 15) Enforce maximum dollar limits placed by the City Treasurer on checks drawn on any account created by this RFP and must have the technology to enforce such limits.
- 16) Cash for any City employee, without a fee, checks drawn on any positive pay account created by this RFP at any branch. Reasonable identification, including a City of Portland employee identification card (with photo), may be required of the presenter.
- 17) Provide an online system of placing stop payments with confirmation.
- 18) Be able to transmit direct deposits through the ACH system from files provided by City (through bank's portal and files created through SAP) with next day settlement, notify City of failed deposits or pre-notes, and return funds immediately upon notice of failure.
- 19) Be able to receive and process CCD, CCD+, PPD+ and CTX ACH debits and credits originated outside the City, ACH batches created through City-designed websites used by customers to pay bills (including recurring ACH), and ACH batches created through the bank's online portal.
- 20) Have a system to filter unauthorized ACH debits to all City accounts.
- 21) Be able to consolidate online bill payments and create and make available through secure means a file from payments made through consumer service providers (e.g., CheckFree, Metavante) and routed to the MasterCard RPPS or Visa ePay systems. Bank must provide a file format that meets Water Bureau requirements.
- 22) Automatically return as stale dated any check that has a past issue date of six months or greater on any account created by this RFP.
- 23) Provide for a returned check processing system that re-deposits returned checks once, sends actual physical returned items to City, charges the account that was deposited, and sends an advice of charge with an itemized listing for each account to City.
- 24) Be able to accept electronic desktop deposits.
- 25) Be able to accept and process a deposit file containing electronic check images (configured to the bank's specifications) created by City's own equipment and securely transferred where eligible checks are converted to ACH debits.
- 26) Have online capability for City to initiate both repetitive and non-repetitive wire transfers with confirmed

status within 15 minutes of secondary authorization.

- 27) Have a positive-pay checking account system with payee validation and online exception reporting, and be able to accept positive-pay check data online and from files created (to bank specifications) through SAP.
- 28) Provide online capability to view paid checks from positive-pay checking accounts.
- 29) Provide a daily EDI report (with addenda) of ACH transactions in CCD, CCD+, PPD+ and CTX.
- 30) Have controlled disbursement check clearing capabilities with online reporting of the checks-paid amount in the early morning (Pacific Time) of the day the account is debited.
- 31) Provide online daily account statements of prior day activity in both printable format and BAI format (for manual downloading and posting to SAP) that provide detailed transactions and a summary of each account's daily ledger balance, available balance, and the total ledger balance for all accounts.
- 32) Have a procedure for ordering supplies, e.g., pre-printed encoded deposit slips, checks, coin rolls, currency traps, deposit bags, etc.

**2. WORK PERFORMED BY THE CITY:** Bureau staff shall make available sufficient hours of staff personnel as is required to meet with the Bank and provide such information as required. The Office of Management and Finance, Treasury has assigned a project manager who will oversee the work and provide support as needed.

The City Treasurer will provide the Bank with the necessary documentation detailing the authority of City agents who are authorized to act on behalf of the City under this Contract, including the authority of the City Treasurer and designees to open and close accounts, and provide banking instructions to Bank on behalf of the City as related to City accounts.

The City shall be responsible for implementing and maintaining usual, customary and appropriate internal accounting procedures and controls, internal controls and other appropriate procedures and controls for the City. These controls will include information technology, proprietary information, and trade secret safeguards if appropriate to City work.

The City Treasurer will be the authorizing agent to execute documents such as the above in order to establish and maintain bank accounts and banking related services throughout the duration of the Contract.

**3. TIME IS OF THE ESSENCE:** Bank shall make every reasonable effort to meet established delivery dates and other deadlines. Circumstances that may delay the delivery of services from established delivery dates and other deadlines, including excusable delays and force majeure events, shall be reported to the City immediately upon discovery. The City and Bank shall mutually agree upon any schedule or pricing change due to excusable delays or force majeure events in writing. In the event Bank does not meet the established delivery dates or other deadlines and Bank has failed to cure such breach within fifteen (15) days of written notice by the City, the City may obtain the undelivered non-performed service from another source, and no recurring charges, one-time charges, or termination charges or other penalties shall be due the Bank. In addition, the City will be entitled to reasonable compensation as stated under REMEDIES.

**4. ESCALATION/DE-ESCALATION:** Initial Contract prices shall be as established herein and will remain firm for the first four years of the Contract. The City may consider pricing revisions proposed by Bank after the fourth year of the Contract; however, the Bank shall propose such revised pricing at least one hundred-twenty (120) days prior to the desired effective date for consideration by the City. Any proposed price increases must be fully documented and justified by Bank. Acceptance of Bank's proposed price revisions shall be at the City's sole discretion.

Bank shall submit any proposed pricing revisions in writing to the City Treasurer for consideration at least one hundred-twenty (120) days before the proposed effective date. All proposed price adjustments shall be calculated consistent with the methodology used to calculate the prices set forth in the Bank's original proposal, the Bank shall certify this in its request for price adjustments. Price adjustments shall become effective thirty (30) days from the date of last signature on the Contract amendment document or as otherwise stated therein. Price adjustments will only become effective by fully executed amendments.



## CLARIFICATIONS TO STANDARD CONTRACT PROVISIONS

<p><b>6. Insurance-Proof of coverage</b></p> <p><b>Commercial general liability insurance</b></p>	<p><b>Please amend as follows:</b></p> <p>The Contractor shall provide and maintain public liability and property damage insurance in the minimum amount of \$1,000,000 per occurrence that protects the Contractor and the City and its officers, agents and employees from any and all claims, demands, actions and suits for damage to property or personal injury arising from the Contractor's work under this Contract.</p> <p>COP response: not accepted by the City</p> <p>We recommend striking reference to "any and all" because it is such a broad term and all insurance policies contain limitations and exclusions of coverage.</p> <p>COP response: not accepted by the City</p> <p>The General Liability coverage is designed to protect the Contractor. The protection to the City and its officers, agents and employees is granted through the Additional Insured endorsement.</p> <p><i>The coverage shall apply as to claims between insureds on the policy. Contractor agrees to notify City Auditor within 30 days of receipt of any notice of cancellation from its insurer that results in a material change in coverage terms and limits resulting in non-compliance with the insurance requirements stated herein.</i></p> <p>COP response: not accepted by City</p>
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## 6. Insurance-Proof of coverage

### Technology and omissions

This section refers to Errors & Omissions and Cyber coverage. Our Errors & Omissions coverage extends to technology-related errors & omissions. We have a separate insuring agreement to address Cyber Liability requirement.

#### Please amend as follows:

The coverage shall be placed with an insurer or reinsurers with an AM Best Rating of A- ....

COP response: Accepted by City.

Such insurance shall cover any and all errors, omissions, or negligent acts in the delivery of Products, Services, and Licensed Programs under this Contract.

COP response: Accepted by City.

The coverage shall name the City as an additional insured and shall indemnify the City for loss for any errors or omissions on the part of the Contractor, its agents, officers, employees, subcontractors or any other authorized person, regardless of any negligence or lack thereof.

The Insurance Policy shall also be endorsed as follows: The City of Portland, Oregon is named as an additional insured but only as respects the vicarious liability of such person or entity for the wrongful Act of the Insured otherwise covered by this Insurance.

City of Portland response: Please delete the above and note: the following updated language is proposed by the City and has been included with the contractual document for your reference. ]

**Additional Insured.** The liability insurance coverages, except Workers' Compensation, if included, required for performance of the Contract shall include the City of Portland and its divisions, officers and employees as Additional Insureds but only with respect to the Contractor's activities to be performed under this Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance

**Notice of Cancellation or Change.** There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written notice from the Contractor or its insurer(s) to the City Auditor. Any failure to comply with the reporting provisions of this clause shall constitute a material breach of Contract and shall be grounds for immediate termination of this Contract.

**Certificate of Insurance:** As evidence of the required insurance coverage, Bank shall furnish acceptable proof of insurance through acceptable certificates of insurance and additional insured endorsement form(s) to the City with the return of the signed Contract. The certificates shall specify all of the parties who are endorsed on the policy as Additional Insureds (or Loss Payees). Insurance coverages required under this Contract shall be obtained from insurance companies acceptable to the City of Portland. The Contractor shall pay for all deductibles and premium. The City reserves the right to require, at any time, complete, certified copies of required insurance policies, including endorsements evidencing the coverage the required.

<p><b>6. Insurance-proof of coverage</b></p> <p><b>Certificate of insurance</b></p>	<p><b>Please amend as follows:</b></p> <p>As evidence of the required insurance coverage, Contractor shall furnish acceptable <i>standard ACORD</i> insurance certificates to the City with the return of the signed Contract. The certificates shall specify the City of Portland as additional insured on the <i>General Liability Policy</i> and shall include a 30-day notice of cancellation clause.</p> <p><u>COP response: Please see added language above.</u></p>
<p><b>14. Indemnity</b></p>	<p>We understand the importance of this language and, upon award of business, will discuss and negotiate an appropriate indemnity for claims and losses directly resulting from the negligence or willful misconduct of Wells Fargo, its officers, directors, employees, agents, subcontractors, and assigns in connection with providing the services contemplated under the RFP. Wells Fargo believes that each party should be responsible to the other party for claims and losses directly resulting from the negligent or intentional acts and omissions of their respective officers, directors, employees, agents and assigns taking into consideration the principles of comparative fault. Further, Wells Fargo believes that neither party should be responsible for any indirect, special, consequential or punitive damages.</p> <p>Below is our preferred language .</p> <p>During the term of the contract, Wells Fargo will indemnify, defend and hold harmless the City and its officers, directors, employees, agents and assigns (the "Indemnified Parties") from and against all claims, losses, demands, liability, judgments, awards, interest, attorney's fees and costs (collectively, "Losses") arising out of, resulting from or relating to the performance of the services provided hereunder which are, in each case, directly caused in whole or in part by the negligent or intentional acts or omissions of Wells Fargo or any of its officers, directors, employees, agents, subcontractors or assigns, except to the extent such Losses are caused by the negligence or intentional misconduct of any Indemnified Party. In no event will Wells Fargo be liable for any indirect, special, consequential or punitive damages, whether or not the likelihood of such damages was known to Wells Fargo, and regardless of the form of the claim or action or the legal theory on which it is based.</p> <p><u>COPresponse: The above cannot be accepted .</u></p>

<b>25. Access to records</b>	<p><b>Please amend as follows:</b></p> <p><i>...relative to this contract for seven (7) years from the date of creation.</i></p> <p>We can only maintain records in accordance with our document retention policy, which provides, for example that we maintain transactional records on a rolling 7 year basis( 7 years from the date of creation). We cannot adhere to a policy of document retention for 3 years from the date of final payment. If contract term is 5 years, and we are required to maintain for 3 years after that, we would have to keep records for 8 years, 13 years maximum which we cannot do.</p> <p><u>COPresponse: acceptable to the City.</u></p>
<b>32. Early Termination</b>	<p><b>Please amend as follows:</b></p> <p><i>The City or the Contractor, on thirty (30) days written notice to the other party, may terminate this Contract for any reason deemed appropriate in its sole discretion.</i></p> <p><u>COP response: The above change is not acceptable to the City, however, please note change to sixty days notice.</u></p>
<b>37. Intellectual Property</b>	<p>Wells Fargo will provide customary data and reports associated with the requested services. However, Wells Fargo is a service provider, and is not delivering “work product”. Wells Fargo will retain all ownership and related rights in its intellectual property (including, but not limited to, systems, software and hardware, regardless of location or date of development), used or developed in connection with the requested services, now and hereafter.</p> <p>The City shall own that portion of the copyright in all reports, studies, and other tangible materials delivered hereunder that contain information specifically related to the City that are first created by Wells Fargo and delivered to the City under this Agreement.</p> <p><u>COP response: Both of the above paragraphs are acceptable to the City.</u></p>

<b>42. Entire Contract</b>	<p>The contract should reference Wells Fargo's standard deposit and treasury management documentation, as well as any other agreements or documents related to the services requested in the RFP.</p> <p>City of Portland response: The clarification as provided includes the following documents: Wells Fargo proposal, including Sections A-F and Appendix Tabs A-G as may be updated from time to time.</p>
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**EXHIBIT 1**  
**CITY RFP (INCLUDING ANY ADDENDA ISSUED)**

## EXHIBIT 1

Date: October 18, 2012



City of Portland, Oregon

RFP No. 114739

**REQUEST FOR PROPOSALS  
for  
GENERAL BANKING SERVICES  
AND  
MERCHANT BANKCARD SERVICES**

**PROPOSALS DUE: November 29, 2012 by 2:00 p.m.**

**Submit one (1) complete original, one (1) unbound Redacted for Public Disclosure Copy, and six (6) complete copies of the Proposal to:**

B. J. Gibson, CPPO  
Procurement Services  
1120 SW Fifth Avenue, Room 750  
Portland, Oregon 97204  
[barbara.gibson@portlandoregon.gov](mailto:barbara.gibson@portlandoregon.gov)

**Refer questions to:**

B. J. Gibson, CPPO  
Procurement Manager  
Procurement Services  
Phone: (503) 823-7665  
Fax: (503) 279-3990  
Email: [barbara.gibson@portlandoregon.gov](mailto:barbara.gibson@portlandoregon.gov)

PROPOSAL NO. 114739

## PROPOSAL TERMS AND CONDITIONS

**CERTIFICATION AS AN EEO AFFIRMATIVE ACTION EMPLOYER** - All respondents must be certified as Equal Employment Opportunity Affirmative Action Employers as prescribed by Chapter 3.100 of the Code of the City of Portland. The required documentation must be filed with the Procurement Services, City of Portland, prior to contract execution.

**SUSTAINABLE PROCUREMENT:** The City has a history of striving to be more sustainable in its operations and planning. Starting with the City's Sustainable City Principles (1994) the City has established a variety of policies to guide its work on sustainability, including: the Sustainable Procurement Policy, Green Building Policy, Local Action Plan on Global Warming, and the Stormwater Management Manual (to view these and related City policies, go to the Portland Policy Documents Website: <http://www.portlandonline.com/auditor/index.cfm?c=26818>).

As applicable to City procurement, these policies guide the City to buy products and services that reduce the City's negative environmental and social impacts. While specific goals vary, the City's sustainability objectives tend to focus on: reducing energy use; reducing air, water, and land pollution; building and maintaining high-performance green buildings; reducing the use of materials toxic to the environment and human health; utilizing resources efficiently, including the use of renewable, reusable and recycled materials; utilizing minority-owned, small, and/or local businesses; preserving or enhancing biodiversity; and maintaining fiscal health in the short and long term. As such, the City seeks to do business with firms that will actively contribute to the City's sustainability objectives.

**BUSINESS LICENSE AND REGISTRATION** - Successful Proposers shall obtain a current City of Portland Business License, and shall be in compliance with regulations regarding conducting business in the State of Oregon prior to execution of this contract and commencement of the work.

**ADDENDUMS** - If, in the opinion of the Chief Procurement Officer, additional information or interpretation is needed by the bidders, an addendum will be issued. Any addendum or addenda issued by the Chief Procurement Officer, that may include changes, corrections, additions, interpretations, clarifications, or information, and issued seventy-two (72) hours or more before the scheduled closing time for filing bids, Saturday, Sunday, and legal holidays not included, shall be binding upon the bidder. City shall supply copies of such addenda to all respondents who have obtained copies and are on the plan holder list of the RFP documents for the purpose of responding thereon, but failure of the respondent to receive or obtain such addenda shall not excuse the respondent from compliance therewith if awarded the contract.

**COST OF RESPONDING** This Request for Proposal does not commit the City to pay any costs incurred by any respondent in the submission of a response, or in making necessary studies or designs for the preparation thereof, or for procuring or contracting for the items to be furnished under the RFP.

**LATE PROPOSALS** Proposal responses received after the scheduled closing time for filing will be returned to the respondent unopened. Due to heightened security measures in the Portland Building, respondents should allow extra time when delivering bids to the Procurement Services. It is the responsibility of the proposer to ensure their proposal is submitted in the proper form and in accordance with the time, date, and location specified in the RFP.

**CANCELLATION** The City of Portland reserves the right to modify, revise, or cancel this RFP. Receipt and evaluation of proposals or the completion of interviews does not obligate the City to award a contract.

**REJECTION OF PROPOSALS** The City reserves the right to reject any or all responses to the Request for Proposal if found in the City's best interest to do so.

**GOVERNING LAW** - The provisions of any contract shall be construed in accordance with the provisions of the laws of the State of Oregon without reference to its conflict of law provisions. Any action or suits involving any question arising under this contract must be brought in the appropriate court in Multnomah County Oregon. All statutory, charter and ordinance provisions that are applicable to public contracts in the City of Portland and the State of Oregon shall be followed with respect to this contract. In connection with its activities under this Contract, Contractor shall comply with all applicable federal, state and local laws and

regulations including the City's Equal Benefits Ordinance and its administrative rules, all of which are incorporated by this reference. These requirements may be found on the City of Portland's Procurement Services website:

<http://www.portlandonline.com/omf/index.cfm?c=27353&>.

Failure to comply with the Ordinance permits the City to impose sanctions or require remedial actions as stated in Section 13.1 of the rules. All statutory, charter and ordinance provisions applicable to public contracts in the City of Portland and the State of Oregon shall be followed with respect to this Contract. The following additional conditions apply to this solicitation and any resultant purchase order or contract: Appendix A as attached hereto.

**AMERICANS WITH DISABILITIES ACT COMPLIANCE** - Respondents agree that if awarded a contract, the successful Contractor will comply with all applicable provisions of the Americans with Disabilities Act of 1990, 42 USC Section 12101 et seq. If any respondent requires special assistance or auxiliary aids during the proposal, evaluation or award process, please notify the Procurement Services, (503) 823-6855, or TDD (503) 823-6868, at least two (2) business days prior to the required assistance.

**SPECIAL CONDITIONS** - Where special conditions are written in the Request for Proposal, these special conditions shall take precedence over any conditions listed under these Proposal Terms and Conditions.

**PUBLIC RECORDS:** Any information provided to the City pursuant to this RFP shall be public record and subject to public disclosure pursuant to Oregon public records laws ORS 192.410 to 192.505 and 5.33.470.

The general requirement for public disclosure is subject to a number of exemptions. When preparing a proposal submission, a proposer must plainly mark each page containing information deemed by the proposer to remain exempt from public disclosure after proposals have been evaluated (e.g., pages containing trade secret, economic development information, etc.). A summary of the redactions shall be placed with the redacted version of the proposal response.

The fact that a proposer marks and segregates certain information as exempt from disclosure does not mean that the information is necessarily exempt. Any portion of a proposal that the proposer claims as exempt from disclosure must meet the requirements of ORS 192.501(2) and ORS 192.502(4). The City will make an independent determination regarding exemptions applicable to information that has been properly marked and redacted. Information that has not been properly marked and redacted may be disclosed in response to a public records request. When exempt information is mixed with nonexempt information, the nonexempt information must be disclosed.

Unless expressly provided otherwise in this RFP or in a separate communication, the City does not agree to withhold from public disclosure any information submitted in confidence by a proposer unless the information is otherwise exempt under Oregon law.

If the City refuses to release the records, the proposer agrees to provide information sufficient to sustain its position to the District Attorney of Multnomah County, who currently considers such appeals. If the District Attorney orders that the records be disclosed, the City will notify the proposer in order for the proposer to take all appropriate legal action. The proposer further agrees to hold harmless, defend, and indemnify the city for all costs, expenses, and attorney fees that may be imposed on the City as a result of appealing any decision regarding the proposer's records.

**ORAL INSTRUCTIONS** - Oral instructions or information concerning the RFP documents or the project given out by officers, employees, or agents of the City to prospective bidders shall not bind the City. Any changes or revisions to the specifications shall be binding only if issued in writing by the City by addendum. The City reserves the right to officially amend or cancel an RFP after issuance.

**TAXES** - Taxes, whether State or Federal, shall not be included in the offered prices. A tax exemption certificate will be provided by the City upon request.



## PROPOSAL NO. 114739

# PART I PROPOSAL REQUIREMENTS

## SECTION A GENERAL INFORMATION

1. **BACKGROUND:** The City of Portland, Oregon (City) with an estimated population of 585,845 as of July 1, 2011, is the county seat of Multnomah County and is the largest city in Oregon and the second largest city in the Pacific Northwest. The City is one of the largest public employers in the Portland metropolitan area, with an estimated employment of 8,950 as of May 2012 and net assets of \$2,492,825,873 as of June 30, 2011. The City's Public Finance & Treasury Division (Treasury), the central office through which all banking, cash management, investment and debt management services are provided to City bureaus, seeks to procure its general banking and merchant bankcard services.

2. **SCOPE OF WORK:** The City is seeking proposals for General Banking Services and for Merchant Bankcard Services from qualified banks and merchant bankcard processors, with demonstrated experience in providing general banking services and/or merchant bankcard services to the public sector. City intends to select one or more firms to provide these services and will negotiate a separate contract for each of these services.

The City is accepting separate proposals for each of the following services:

**General Banking Services** – depository accounts and services, disbursement services, branch services, online account access and reporting, and other banking services.

**Merchant Bankcard Services** – electronic payment card processing, online account access and reporting, and other merchant bankcard services.

Each Contract term shall be from April 1, 2013 through March 31, 2017. The term of each Contract may be extended for an additional one (1) year period upon mutual agreement between the City and the Contractor. Contractor hereby agrees to provide sixty (60) days written notice to the Chief Procurement Officer prior to expiration date of this Contract that Contractor desires that the Contract period be extended. Total Contract period, including extensions, shall not exceed five (5) years.

Firms submitting proposals for either or both of these services must meet all applicable technical and legal qualifications and requirements contained herein.

The successful contractor(s) will be expected to enter into a Banking Services Contract and/or Merchant Bankcard Services Contract with the City (reference Exhibit A).

3. **PROPOSAL INVITATION:** This document constitutes an invitation for sealed competitive proposals under Portland City Code Chapter 5.33. This RFP is for the City of Portland, Office of Management and Finance, Public Finance & Treasury Division as directed by Procurement Services as identified herein, in accordance with the requirements and provisions herein.

## SECTION B WORK REQUIREMENTS

By submitting a proposal, the respondent agrees to provide all services specified within this Section B pursuant to all requirements and specifications as contained therein.

1. **MINIMUM REQUIREMENTS:** Firms submitting proposals must as of the date of their proposal and for the term of any contract(s) agree with and satisfy the Minimum Requirements as identified herein, and must execute Exhibit B, CERTIFICATION OF COMPLIANCE WITH MINIMUM REQUIREMENTS OF RFP.

A. **ALL SERVICES:** To be considered for selection for ANY or ALL services described in this RFP, firms submitting proposals must as of the date of their proposal and for the term of any contract(s):

- 1) Agree that proposed fees for services stated in the Proposal be guaranteed for the initial four-year period. Fees and terms for the additional one (1) year period (if mutually agreed to extend) will be subject to renegotiation at the end of the first four years. Fee changes are to be submitted for consideration 120 days before the end of each contract term.

## PROPOSAL NO. 114739

- 2) Agree that Proposals shall constitute irrevocable offers to sell to City the services described in the attached specifications for a period of 120 days or until a contract has been approved by Portland City Council, whichever is earliest.
- 3) Be in legal compliance with all applicable laws, rules, regulations and ordinances of the City, State of Oregon, and the United States.
- 4) Have all required licenses, bonding, facilities, equipment and trained personnel necessary to perform all services as required.
- 5) Agree to submit quarterly and annual audited financial statements for the bank or firm, and annual audited financial statements for any holding companies (if applicable), as soon as publicly available.
- 6) Identify at least one dedicated service representative and one back-up service representative in the local area or Pacific time zone as the City's principal contacts, able to respond to issues affecting the City's account within 24 hours. Individuals must have sufficient technical expertise, authority and command the resources necessary to resolve complex issues, including matters involving online portals and data availability.

**B. BANKING SERVICES: To be considered for selection for General Banking Services, firms submitting proposals must as of the date of their proposal and for the term of any contract(s):**

- 1) Be capable of providing all general banking services outlined in this RFP.
- 2) Be a member of the Federal Reserve System and have access to all its services, including the Fed Wire System.
- 3) Be insured by the FDIC.
- 4) Be a federally or State of Oregon chartered financial institution and member of the Oregon Automated Clearing House Association.
- 5) Be a qualified depository for public funds as prescribed by ORS 295 and as identified by the Oregon State Treasurer.
- 6) Provide for the collateralization of all funds deposited to all bank accounts within the scope of this RFP and be capable of meeting all collateralization requirements, including pledging collateral increases, prescribed by ORS 295 (as in effect on or after April 1, 2013).
- 7) Notify City in writing upon any requirement by the Oregon State Treasurer to increase its required level of collateral to 110%.
- 8) Be able to transfer funds to and from the Local Government Investment Pool managed by the Oregon State Treasurer.
- 9) Have a full service branch office located in close proximity to the Portland Building (1120 SW Fifth Avenue, Portland, OR 97204), branch offices throughout City for routine deposits by City Bureaus and a central pick-up point or cash vault within City that can accommodate the security, deposit volume and change order demands associated with City's accounts.
- 10) Be in compliance with all regulatory requirements, including capital ratios, as required by all its regulatory oversight agencies.
- 11) Be in compliance and in good standing with the Community Reinvestment Act.
- 12) Have at least ten (10) years' experience providing general banking services to major public sector clients similar in size to City.
- 13) Agree to be compensated with compensating balances and quarterly invoicing, or a combination thereof, as determined by City. For purposes of compensating balance, overdraft and negative collected balance calculations, bank must agree to treat City's accounts with the bank on a daily consolidated basis and, so long as City's accounts on a daily consolidated basis maintain a positive ledger balance, no charges may

## PROPOSAL NO. 114739

be assessed for individual accounts being in a negative ledger position.

- 14) Not open or maintain any bank accounts for any entity representing itself as an agency or entity of City or using City's tax ID numbers without the express written permission of the City Treasurer.
- 15) Enforce maximum dollar limits placed by the City Treasurer on checks drawn on any account created by this RFP and must have the technology to enforce such limits.
- 16) Cash for any City employee, without a fee, checks drawn on any positive pay account created by this RFP at any branch. Reasonable identification, including a City of Portland employee identification card (with photo), may be required of the presenter.
- 17) Provide an online system of placing stop payments with confirmation.
- 18) Be able to transmit direct deposits through the ACH system from files provided by City (through bank's portal and files created through SAP) with next day settlement, notify City of failed deposits or pre-notes, and return funds immediately upon notice of failure.
- 19) Be able to receive and process CCD, CCD+, PPD+ and CTX ACH debits and credits originated outside the City, ACH batches created through City-designed websites used by customers to pay bills (including recurring ACH), and ACH batches created through the bank's online portal.
- 20) Have a system to filter unauthorized ACH debits to all City accounts.
- 21) Be able to consolidate online bill payments and create and make available through secure means a file from payments made through consumer service providers (e.g., CheckFree, Metavante) and routed to the MasterCard RPPS or Visa ePay systems. Bank must provide a file format that meets Water Bureau requirements.
- 22) Automatically return as stale dated any check that has a past issue date of six months or greater on any account created by this RFP.
- 23) Provide for a returned check processing system that re-deposits returned checks once, sends actual physical returned items to City, charges the account that was deposited, and sends an advice of charge with an itemized listing for each account to City.
- 24) Be able to accept electronic desktop deposits.
- 25) Be able to accept and process a deposit file containing electronic check images (configured to the bank's specifications) created by City's own equipment and securely transferred where eligible checks are converted to ACH debits.
- 26) Have online capability for City to initiate both repetitive and non-repetitive wire transfers with confirmed status within 15 minutes of secondary authorization.
- 27) Have a positive-pay checking account system with payee validation and online exception reporting, and be able to accept positive-pay check data online and from files created (to bank specifications) through SAP.
- 28) Provide online capability to view paid checks from positive-pay checking accounts.
- 29) Provide a daily EDI report (with addenda) of ACH transactions in CCD, CCD+, PPD+ and CTX.
- 30) Have controlled disbursement check clearing capabilities with online reporting of the checks-paid amount in the early morning (Pacific Time) of the day the account is debited.
- 31) Provide online daily account statements of prior day activity in both printable format and BAI format (for manual downloading and posting to SAP) that provide detailed transactions and a summary of each account's daily ledger balance, available balance, and the total ledger balance for all accounts.
- 32) Have a procedure for ordering supplies, e.g., pre-printed encoded deposit slips, checks, coin rolls,

## PROPOSAL NO. 114739

currency traps, deposit bags, etc.

**C. MERCHANT BANKCARD SERVICES:** To be considered for selection for Merchant Bankcard Services, firms submitting proposals must as of the date of their proposal and for the term of any contract(s):

- 1) Have at least ten (10) years' experience processing merchant bankcard payment records transmitted for processing and settlement from major credit/debit card processing networks.
- 2) Be PCI-DSS compliant.
- 3) Be able to accept payment from bankcards directly from City applications and/or third party vendors on behalf of City as detailed in Exhibit D.
- 4) Provide no later than one-day settlement for all proceeds deposited into City bank accounts once payments are sent (batched) by City applications. Settlement dollars must at all times reside in City bank accounts.
- 5) Provide daily gross settlement and monthly debiting of fees for each merchant account.
- 6) Be capable of submitting a separate monthly invoice for bankcard fees for each merchant account for City to process and pay through Accounts Payable.
- 7) Provide online monthly account statements reflecting all activity and fees.
- 8) Provide online access for City to monitor detailed daily and monthly merchant bankcard sales and fees (at batch, merchant account, bureau and corporate levels) and research chargebacks.
- 9) Provide an online reporting tool with a security hierarchy limiting reporting to individual merchant accounts or groups of merchant accounts.

**2. WORK PERFORMED BY THE CITY:** City shall make available sufficient hours of staff personnel as is required to meet with the contractor and provide such information as required. City has assigned a project manager who will oversee the work and provide support as needed.

**3. DELIVERABLES AND SCHEDULE:** Deliverables shall be considered those tangible resulting work products which are to be delivered to City such as reports, draft documents, data, interim findings, drawings, schematics, training, meeting presentations, final drawings and reports. Deliverables and schedule for this project shall include:

Deliverables and schedule for this project shall include:

Deliverable	Schedule
Initial meeting with City personnel	January 2, 2013 or once contract(s) have been approved by Portland City Council, whichever is earliest
Transition plan, training plan and implementation schedule	January 22, 2013
Weekly project updates with City personnel	January 2 – April 15, 2013
Implementation go-live	April 1, 2013
Summary report of implementation	April 15, 2013

All deliverables and resulting work products from this contract will become the property of the City of Portland.

**4. PLACE OF PERFORMANCE:** For the most part, contract performance will take place at the contractor's facility. On occasion, there might be meetings which will be held in City offices unless both parties agree that meeting in a third party location is more acceptable.

**5. PERIOD OF PERFORMANCE:** Each contract term shall be from April 1, 2013 through March 31, 2017. The term of each Contract may be extended for an additional one (1) year period upon mutual agreement between the City and the Contractor. Contractor hereby agrees to provide sixty (60) days written notice to the Chief Procurement officer prior to expiration date of this Contract that Contractor desires that the Contract period be extended. Total Contract period, including extensions, shall not exceed five (5) years.

## PROPOSAL NO. 114739

6. **INSURANCE – PROOF OF COVERAGE:** Work shall not commence until all insurance requirements have been met and certificates thereof have been filed with the Chief Procurement Officer or the Auditor. All insurance requirements shall be as indicated within the attached sample Contract.

7. **PUBLIC SAFETY:** Public safety may require limiting access to public work sites, public facilities, and public offices, sometimes without little advance notice. The contractor shall anticipate delays in such places and include the cost of delay in the costs in its proposal. The contractor's employees and agents shall carry sufficient identification to show by whom they are employed and display it upon request to security personnel. City project managers have discretion to require the contractor's employees and agents to be escorted to and from any public office, facility or work site if national or local security appears to require it.

<b>SECTION C      ATTACHMENTS</b>
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1. **Exhibit A - SAMPLE SERVICES CONTRACT (with Attachments 1, 2 and Appendix A):** The sample services contract, shown as Exhibit A, is the City's standard contract for these services and will be used as a result of this selection process. Any deviations from this contract shall be clearly identified in the proposal.

2. **Exhibit B – CERTIFICATION OF COMPLIANCE WITH MINIMUM REQUIREMENTS OF RFP**

3. **Exhibit C – DESCRIPTION OF CITY'S CURRENT BANKING SERVICES**

4. **Exhibit D – DESCRIPTION OF CITY'S CURRENT MERCHANT BANKCARD SERVICES**

5. **Exhibit E – REFERENCE INFORMATION**

PROPOSAL NO. 114739

## PART II PROPOSAL DEVELOPMENT

### SECTION A PROPOSAL PREPARATION

1. **PRE-PROPOSAL MEETING:** There will be no pre-proposal meeting or site visit scheduled for this project, therefore, proposal submission will not be contingent upon attendance at a pre-proposal meeting.
2. **INVESTIGATION:** Respondent shall make all investigations necessary to inform itself regarding the work or services to be furnished.
3. **QUESTIONS OR CLARIFICATIONS:** It shall be the respondent's responsibility to ask questions, request changes or clarifications, or otherwise advise the City of Portland, Procurement Services if any language, specifications or requirements of this RFP appear to be ambiguous, contradictory, or appear to inadvertently restrict or limit the requirements stated in the RFP to a single source.

Every attempt shall be made to ensure that the proposer receives an adequate and prompt response. However, in order to maintain a fair and equitable RFP process, all respondents will be advised, via the issuance of an addendum to the RFP, of any relevant or pertinent information related to the procurement. Questions and requests for clarification regarding this RFP must be directed in writing, via email or fax, to the person listed below at least ten (10) calendar days prior to the proposal due date. Therefore, respondents are advised that any questions received less than ten (10) calendar days prior to the RFP opening date may not be answered.

B.J. Gibson, CPPO Procurement Manager  
Procurement Services  
1120 SW Fifth Avenue, Room 750  
Portland, Oregon 97204  
barbara.gibson@portlandoregon.gov

Phone: (503) 823-7665  
Fax: (503) 279-3990

If, in the opinion of the Chief Procurement Officer, additional information or interpretation is needed by the respondents, an addendum will be issued. Any addendum or addenda issued by the Chief Procurement Officer, that may include changes, corrections, additions, interpretations, clarifications, or information, and issued seventy-two (72) hours or more before the scheduled closing time for submitting the proposal, Saturday, Sunday, and legal holidays not included, shall be binding upon the respondent. City shall supply copies of such addenda to all respondents who have obtained copies and are on the plan holder list of the RFP documents for the purpose of responding thereon, but failure of the respondent to receive or obtain such addenda shall not excuse the respondent from compliance therewith if awarded the contract.

4. **CONTRACT REVIEW:** The Services Contract as attached hereto contains the terms and conditions that will govern this Contract between the City of Portland and the successful proposer. The City of Portland is not inclined to negotiate any portion of this contract, however, if a proposer believes any of the terms and conditions contained in the City's contract are unnecessarily restrictive, limit competition, or would like to request that specific terms and conditions contained in the contract document be considered for negotiation, they shall submit a written request for negotiation to the City at least seven (7) working days prior to the proposal due date as indicated above.

The request shall identify the specific provision the proposer would like to negotiate, an explanation of why the proposer believes the provision should be a negotiable provision, and the suggested revised language. Requests that are not submitted in this format may not be considered. **Requests that state the entire contract be negotiated will not be considered.** If the City decides that a contract term can be changed, or is willing to consider negotiation of a term, an addendum will be issued. If no addendum is issued, the City will not consider negotiation of its standard contract terms.

**THIS WILL BE THE OFFEROR'S ONLY OPPORTUNITY TO TAKE EXCEPTION TO ANY OF THE TERMS AND CONDITIONS CONTAINED WITHIN THE CONTRACT AND TO REQUEST THE NEGOTIATION OF PROVISIONS CONTAINED IN THE CONTRACT. ANY PROPOSAL WHICH TAKES EXCEPTION TO TERMS AND CONDITIONS OF THE SAMPLE CONTRACT THAT HAVE NOT BEEN IDENTIFIED BY ADDENDUM AS SUBJECT TO NEGOTIATION OR WHICH MAKES THE PROPOSAL CONTINGENT UPON ACCEPTANCE OR NEGOTIATION OF OTHER TERMS AND CONDITIONS SHALL BE DEEMED NON-RESPONSIVE AND THE PROPOSAL SHALL BE REJECTED.**

5. **ORAL INSTRUCTIONS:** Oral instructions or information concerning the RFP documents or the project given out by officers, employees, or agents of the City to prospective respondents shall not bind the City. Any changes or revisions to the specifications shall only be binding if issued in writing by the City by addendum. The City reserves the right to officially amend or cancel an RFP after issuance.

## PROPOSAL NO. 114739

6. **COST OF RESPONDING:** This RFP does not commit the City to pay any costs incurred by any respondent in the submission of a response, or in making necessary studies or designs for the preparation thereof, or for procuring or contracting for the items to be furnished under the RFP.
7. **PERMITS AND LICENSES:** The successful respondent shall include in their proposal the cost to obtain or maintain all permits, certifications and licenses that may be required to perform the contract.
8. **CHANGES TO THIS RFP:** The City reserves the right to modify, revise or cancel this RFP. Receipt and evaluation of proposals or the completion of interviews do not obligate the City to award a contract.

<b>SECTION B</b>	<b>PROPOSAL SUBMISSION</b>
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1. **PROPOSALS DUE:** By submitting a proposal, the respondent agrees to provide all services specified within the RFP, at the times and prices indicated, pursuant to all requirements and specifications as contained therein.

Sealed proposals must be received in this office no later than the date shown on the cover of this solicitation. The outside of the envelope shall plainly identify the subject of the proposal, the RFP number and the name and address of the proposer. Responses received after time or date listed herein shall not be considered. Proposals received after the scheduled closing time for filing will be returned to the proposer unopened.

2. **PROPOSAL:** Proposers who intend to submit proposals for both General Banking Services and Merchant Bankcard Services must submit two separate proposals in separate envelopes for each service type, one for General Banking and the other for Merchant Bankcard Services. Each submittal must be in its own sealed envelope, contain the original proposal and complete number of copies referenced on the cover of this RFP. The outside of the envelope and the Cover Letter must be identified with either "General Banking Services" or "Merchant Bankcard Services."

All proposals for General Banking Services must not exceed 50 pages. Appendices, First Tier Subconsultant Disclosure Form, section dividers, title page, and table of contents do not count in the overall page count of the proposal. Proposers who submit more than the pages indicated may not have the additional pages of the proposal read or considered.

All proposals for Merchant Bankcard Services must not exceed 40 pages. Appendices, First Tier Subconsultant Disclosure Form, section dividers, title page, and table of contents do not count in the overall page count of the proposal. Proposers who submit more than the pages indicated may not have the additional pages of the proposal read or considered.

For purposes of review and in the interest of the City's Sustainable Paper Use Policy and sustainable business practices in general, the City requests the use of submittal materials (i.e. paper, envelopes) that contain post-consumer recycled content and are readily recyclable. Submittals shall not include 3-ring binders or any plastic binding, folder, or indexing material. Reusable binding posts, clips, or rings and recycled content paper envelopes or folders are examples of acceptable bindings. Submittals shall be printed on both sides of a single sheet of paper wherever applicable; if sheets are printed on both sides, it is considered to be two pages. Color is acceptable, but content should not be lost by black-and-white printing or copying.

All submittals will be evaluated on the completeness and quality of the content. Only those firms providing complete information as required will be considered for evaluation. The ability to follow these instructions demonstrates attention to detail.

3. **PROPOSAL SUBMISSION:** Security and confidentiality of the transmitted data: For purposes of this proposal submission, the proposer shall submit: one (1) complete original, six (6) hard copies and one (1) complete Redacted for Public Disclosure Copy. If Proposer has no redactions, provide a written statement to that effect. The entire proposal shall be received at the place, and on or before the time and date, specified on the first page of the proposal document.

4. **REDACTION FOR PUBLIC RECORDS:** Any portion of a proposal that the proposer claims as exempt from disclosure must meet the requirements of ORS 192.501(2) and ORS 192.502(4). When preparing its proposal submission, the proposer shall provide one (1) Redacted for Public Disclosure Copy of their proposal with their submission. The Redacted for Public Disclosure Copy shall be a complete copy of the submitted proposal, in which all information that the Proposer deems to be exempt from public disclosure has been redacted. For the purpose of the Redacted for Public Disclosure Copy, "redaction" means "the careful editing of a document to remove confidential references; a revised or educated document thereby obscuring the exempt information but otherwise leaving the formatted document fully intact." Proposers shall include a summary page(s) at the beginning of their Redacted for Public Disclosure Copy detailing the location of all redacted information. When exempt information is mixed with nonexempt information on the same page, the exempt information must be redacted in such a way as to allow the disclosure of the non-exempt information. Should the

## PROPOSAL NO. 114739

proposer determine that no redaction is required, that statement may be included within the text of the cover letter. If a proposer fails to submit a Redacted for Public Disclosure Copy of their proposal as required, the City may release the proposer's original proposal without redaction.

Please refer to the PROPOSAL TERMS AND CONDITIONS for more information about confidential information within public records.

**5. CONFLICT OF INTEREST:** A respondent submitting a proposal thereby certifies that no officer, agent or employee of the City has a pecuniary interest in this RFP or has participated in the contract negotiations on the part of the City. Further the respondent certifies that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other respondent on this particular request for proposal, and that the respondent is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.

**6. PROPOSAL ORGANIZATION:** The respondents must provide all information as requested in this RFP. Responses must follow the format outlined in this RFP. Additional materials in other formats or pages beyond the stated page limit(s) may not be considered. The City may reject as non-responsive at its sole discretion any proposal or any part thereof, which is incomplete, inadequate in its response, or departs in any substantive way from the required format. Proposal responses shall be organized in the following manner:

**A. COVER LETTER [all proposers]:** By submitting a response, the proposer is accepting the General Instructions and Conditions of this RFP AND is certifying compliance with all Minimum Requirements as stated in Section I.B of this RFP. A signed copy of Exhibit B, CERTIFICATION OF COMPLIANCE WITH MINIMUM REQUIREMENTS OF RFP, must be attached to the cover letter.

The Subject Line of the cover letter must identify the services for which you are submitting your proposal, either "General Banking Services", or "Merchant Bankcard Services". The Cover Letter must state the name of the person(s) authorized to represent the proposer in any negotiations, the name(s) of the person(s) authorized to sign any contract that may result, the contact person's name, mailing or street addresses, phone and fax numbers and email addresses. A legal representative of the successful firm, authorized to bind the firm in contractual matters, must sign the Cover Letter and the Proposal response.

**B. PROJECT TEAM [all proposers]:** Proposer must demonstrate it has the resources and experience to staff appropriately for City's account. Please address the following:

- 1) How long has your organization been providing services to public sector municipal clients?
- 2) As of June 30, 2012:
  - a) How many clients (total) does your firm service in the public sector marketplace?
  - b) How many total employees does your firm have to service the public sector marketplace exclusively?
  - c) How many individuals does your firm employ within the State of Oregon?
  - d) How many public sector clients do you have with total revenues:
    - Over \$1 billion?
    - \$750 million – \$1 billion?
    - \$500 – 750 million?
- 3) In the last five years, how many public sector clients have you won (i.e., clients transferring primary account relationships from a previous firm to your firm), and lost (i.e., clients you elected to rebid but did not successfully retain) with total revenues:
  - Over \$1 billion?
  - \$750 million – \$1 billion?
  - \$500 – 750 million?
  - Oregon public sector/municipal clients?
- 4) Provide in Exhibit E, REFERENCE INFORMATION, contact information for:
  - a) Three (3) current public sector customers, and
  - b) One (1) prior public sector customer you elected to rebid but did not successfully retain, and
  - c) Two (2) public sector customers that converted from another financial institution to yours within the last three (3) years.



## PROPOSAL NO. 114739

- 5) How do you propose to staff the City's account? Will City be able to participate in selecting staff for the City's account? NOTE: Proposer shall indicate one primary point of contact for the resulting contract.
- 6) Names and resumes of key members who will work on City's account, and:
  - o Their roles and responsibilities on City's account;
  - o Their current assignments and location;
  - o Their relevant experience on similar or related public sector accounts;
  - o Their unique qualifications;
  - o The percentage of their time that will be devoted to the City's account;
  - o Whether they will be employees of your firm.
- 7) If staff for the City's account is not located in Portland or the Pacific Time zone, please address whether your firm has any staff in Portland or in the Pacific Time zone.
- 8) If your RFP response requires the City to transition to your firm, please provide separate answers to the above questions specifically for your dedicated transition team.

C. **PROJECT APPROACH [respond only to those sections pertinent to the services your firm is proposing to provide]:** Proposer must demonstrate it has a well-developed approach to providing the services being requested. Proposer should provide a clear and concise response to each of the following questions and should clarify in its response any major issues based upon existing information.

1) **BANKING SERVICES**

**On-Line Account Access and Reporting**

- a) What are the minimum requirements for City employees to access the bank's Internet portal(s) (browser version, processor speed, memory, etc.)?
- b) What Internet security protocols do you have in place? Is there a second or higher level of authentication when funds are affected? (Yes/No)
- c) How are Internet-passwords assigned and changed?
- d) Can the City self-administer its use of the Internet portal(s)? (Yes/No) If yes, what are the control options (e.g., dual, forced dual)? Can the City set varying security level access to different accounts?
- e) Does your bank have the ability to recognize and accept digital certificates? (Yes/No) If yes, please describe.
- f) Have there been instances where your Internet portal(s) were not functioning? (Yes/No) If yes, please describe frequencies and duration.
- g) What is your bank's contingency plan for providing services in the event that the Internet portal(s) are not functioning properly (from intermittent outage to major disaster)? Please address prior day reporting, controlled disbursement reporting, positive pay exception reporting and decisions, sending fed wires out and reporting fed wires in, initiating ACH transactions, and creating ARP registers.
- h) How many system outages or down times has your system experienced in the past year? How quickly were services restored? Which customers may we contact to verify their experiences?
- i) What is the latest time that the previous day's summary and detail information is available in the morning online? Is it available in both BAI and a printable format? For how many days is it maintained online?
- j) In regard to the bank's Internet services for initiating wires:
  - Can the City send template, freeform and book transfers over the Internet? (Yes/No)
  - Are two individuals required, one for initiation and one for approval? (Yes/No)
  - How far in advance can wires be set up?
  - How quickly are you able to confirm both incoming and outgoing wires?
  - What are the deadlines for correcting errors and how are they handled?
- k) What are the timing requirements for initiation of ACH transactions (both file transmissions and

## PROPOSAL NO. 114739

Internet based)? When do transfers occur during the day? What are the procedures and deadlines for corrections or cancellations?

- l) What is the latest time the bank's EDI report of current day ACH credit/debit postings to the City's accounts is available? In what formats is the report available (e.g., fax, Internet)?
- m) In regard to your bank's positive pay service:
  - Which check fields are matched?
  - What is the latest time that current day exceptions are reported?
  - Can images of exception items be viewed over the Internet? (Yes/No) If yes, at what time are images available?
  - What time is the decision deadline?
  - Are a certain number of exception items free to the City to compensate for bank encoding errors? (Yes/No) If yes, how many?
- n) When placing a stop payment on-line:
  - What fields are entered?
  - Is the check immediately confirmed as outstanding?
  - Is the stop payment immediately assigned a confirmation number?
  - How long are stop payments in effect?
- o) In regard to your bank's controlled disbursement service:
  - If you have multiple control points, what site are you recommending for the City and why?
  - What detail is reported (holdovers, presentments, adjustments, etc.)?
  - Does your controlled disbursement report distinguish between ACH payments and checks cleared?
  - What is the latest notification time?
  - How many times have you missed the notification time within the past 90 days and what is the average length of time by which you missed the notification?
- p) The bank must provide bank account and client analysis statements monthly:
  - Are statements available over the Internet? (Yes/No) If yes, is that an extra cost option? Can they be downloaded into Excel? (Yes/No) If yes, is that an extra cost option?
  - How soon are statements available after month-end?
- q) In regard to images of paid checks:
  - How soon can they be viewed after being paid?
  - How long is the online image available (including checks that are imaged on CD or returned with the monthly statement)? Is that an extra cost option?
  - Can the image be downloaded and saved?
- r) Do you plan on any upgrades to your online banking system(s) or software in the next 12 months? (Yes/No) If yes, please describe.
- s) Please provide a sample of the following as part of your response to the Project Approach for Banking Services:
  - A detailed monthly bank account statement
  - Internet prior day account summary and detail transaction posting showing ledger balance, collected balance, float balance, etc.
  - Account analysis statement and user guide

## PROPOSAL NO. 114739

**Depository Services**

- a) What is the latest time of day deposits may be made for same-day credit?
- b) Can cash vault deposits be dropped off at a satellite location (e.g., a bank branch) and transferred to the cash vault internally by the bank? (Yes/No) If yes, describe the options.
- c) Describe the bank's procedure for requesting change/currency orders (both cash vault and tellers).
- d) In regards to the processing of returned items (both physical and electronic), what is the time elapsed between:
  - First and second presentment
  - Second presentment and sending advice of charge with return items
- e) Describe the process and timing for deposit corrections or other credits or charges to our accounts. When these entries are made, is notification provided to the City? How soon should it be received?
- f) Describe the bank's problem resolution process for missing deposits, deposit amount differences, and account adjustments.
- g) Describe the procedure for ordering supplies (e.g. pre-printed encoded deposit slips, coin rolls, currency straps, deposit bags, etc.). Indicate the turnaround time between ordering and receiving these supplies.
- h) Can the bank provide on-line access to images of deposited items? (Yes/No) If yes, how soon are the images available and how long will they be maintained and available to the City?
- i) Do you offer any benefit programs for City employees (free checking with direct deposit, etc)?

**Disbursement Services**

What is the turn-around time for providing CDs or online images of paid checks? What is the procedure in the event you cannot provide a readable CD or photocopy in a timely manner?

**Earnings Credits**

The City intends to pay all fees associated with banking services through compensating balances and quarterly invoicing, or a combination thereof. For purposes of compensating balance, overdraft and negative collected balance calculations, bank must agree to treat City's accounts with the bank on a daily consolidated basis and, so long as City's accounts on a daily consolidated basis maintain a positive ledger balance, no charges may be assessed for individual accounts being in a negative ledger position.

- a) Describe how the bank calculates collected balances. Describe the methodology that would be used to give credit to the City for bank balances.
- b) In addition to the Federal Funds target rate, please provide the City with at least one additional earnings credit rate allowance option from which to choose. (e.g., 91-day Treasury Bills, 3-month LIBOR).
- c) What is the bank's policy regarding overdrafts and negative balances? What is the interest rate charged on negative balances?
- d) Over what period of time (e.g., monthly, annually) will account profitability be reviewed? Is this negotiable? If profitability is reviewed annually and additional profitability exists, are you willing to carry excess earnings forward to the next year? (Yes/No)

**Training**

- a) Will you provide City employees with on-site product training sessions? Will this be one-time or on an on-going basis? (Yes/No) If yes, please list the titles of training topics that may be provided; no description is necessary.
- b) Do you offer online product education and training programs to City employees? (Yes/No) If yes, please list the classes/courses currently available; no description is necessary.

## PROPOSAL NO. 114739

**Conversion Plan**

All proposers must acknowledge and accept that the City reserves the right to establish and adjust the banking services conversion plans or schedules as deemed appropriate by and in the best interest of the City.

- a) Provide an outline of your transition plan for the City assuming conversion begins April 1, 2013. Please address:
  - Necessary actions
  - Responsible parties
  - Target completion dates
  - Number of meetings with Treasury staff
  - Number of meetings with affected bureau staff
- b) Provide a template or brief explanation as to how to effectively manage the opening of new accounts and closing of existing accounts.
- c) Describe setup fees, training fees or other conversion/implementation fees the City will be charged by converting to your bank.
- d) Are you willing to commit to reimbursing the City's costs associated with transitioning the City's account? (Yes/No) If yes, please indicate the monthly reimbursement credit you would be willing to provide the City during the initial four-year contract period.

**Other**

- a) Describe services, enhancements and/or technologies City should consider to improve operational efficiencies and/or cost profile of its banking services.
- b) Describe your firm's approach to keeping your product line competitive.

**2) MERCHANT BANKCARD SERVICES****On-Line Account Access and Reporting**

- a) What are the minimum requirements for City employees to access the bank's Internet portal(s) (browser version, processor speed, memory, etc.)?
- b) What Internet security protocols do you have in place?
- c) How are Internet-passwords assigned and changed?
- d) Can the City self-administer its use of the Internet portal(s)? (Yes/No) If yes, what are the control options (e.g., dual, forced dual)?
- e) Have there been instances where your Internet portal(s) were not functioning? (Yes/No) If yes, please describe frequencies and duration.
- f) The Proposer must provide merchant account statements monthly:
  - Are statements available over the Internet? (Yes/No) If yes, is that an extra cost option? Can they be downloaded into Excel? (Yes/No)
  - How soon are statements available after month end?
  - Are monthly statements available with a summary of sales by card type and detailed fees for each merchant account?
- g) Will the portal support drill-down to individual transactions to enable research into chargebacks?
- h) Do you plan on any upgrades to your on-line system(s) or software in the next 12 months? (Yes/No) If yes, please describe.
- i) Please provide a sample of a detailed monthly merchant bankcard account statement as part of your response to the Project Approach, Merchant Services.

## PROPOSAL NO. 114739

**Merchant Bankcard Services**

- a) As a processor, what credit/debit processing networks will your organization utilize in providing processing and settlement? Are different networks used for different types of bankcard processing applications? If so, please explain.
- b) If a bureau transmits data and there is a transmission failure, who is responsible for notification of the failure, how will it be discovered and when will it be communicated?
- c) What backup procedures are available in event of a network failure? How will we be notified of network failure? How many down times has your system experienced in the past year? How quickly were services restored? Which customers may we contact to verify their experiences?
- d) Discuss your operational procedures for settling payment and credit/debit records, identifying what time(s) batches sent to your organization for processing and settlement will be forwarded through the settlement network(s) for final settlement; the actual time after batch submission when money will be transferred or deposited into the City's accounts and; any cutoff times that must be met to insure settlement by the times listed.
- e) Provide a copy of any terms and conditions for credit/debit card processing, chargebacks and security procedures that bureaus will be required to follow as part of your response to Project Approach, Merchant Bankcard Services.
- f) Does your organization have a help desk or 1-800 line support available for use by bureau personnel? Please describe the level of help available through the facility, the hours of operation/availability, and any costs associated with this service.
- g) Does your organization have a department or person dedicated to the issue of PCI compliance? Will your organization work with the City and offer guidance to the bureaus in establishing and maintaining PCI compliance and determining whether 3rd party service providers are validated and registered with PCI-DSS? In the event that data is compromised or exposed, will your organization help guide the City through the forensic investigation and remedial actions required?
- h) Does your organization have the ability to process credit cards using smart phones (either able to read NFC chips in credit cards, attach to a credit card swipe, or key the credit card information into the phone through an app)? Can you process directly or does this require a 3rd party to integrate?
- i) Do you offer any benefit programs for City employees?

**Training**

- a) Will you provide City employees with on-site product training sessions on an on-going basis? (Yes/No) If yes, please list the titles of training topics that may be provided. No description is necessary.
- b) Do you offer video or web-based product education and training programs available to City employees? (Yes/No) If yes, please list the classes/courses currently available. No description is necessary.

**Conversion Plan**

All proposers must acknowledge and accept that the City reserves the right to establish and adjust the merchant services conversion plans or schedules as deemed appropriate by and in the best interest of the City.

- a) Provide an outline of your transition plan for the City assuming conversion begins April 1, 2013. Please address the following:

## PROPOSAL NO. 114739

- Necessary actions
  - Responsible parties
  - Target completion dates
  - Number of meetings with Treasury staff
  - Number of meetings with affected bureau staff
- b) Provide a template or brief explanation as to how to effectively manage the opening of new merchant accounts and closing of existing accounts.
- c) Describe setup fees, training fees or other conversion/implementation fees the City will be charged by converting to your firm.
- d) Are you willing to commit to reimbursing the City costs associated with transitioning the City's account? (Yes/No) If yes, please indicate the monthly reimbursement credit you would be willing to provide the City during the initial four-year contract period.

Other
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Describe services, enhancements and/or technologies City should consider to improve operational efficiencies and/or cost profile of its merchant bankcard services.

**D. ORGANIZATION [all proposers]: Provide a detailed description of your firm's overall organizational and management structure** including integration of all activities required by the scope of work, including but not limited to the following:

- 1) Legal name of the responding firm, street and mailing addresses, telephone number, fax number, and company Internet address.
- 2) Location of all branches and cash vault(s) within City boundaries and any plans for branch closures. Identify the address and hours of the nearest full service branch to the Portland Building (1120 SW 5th Avenue; **banking services only**)
- 3) Ownership structure of firm, including parent company and all subsidiaries and affiliated businesses.
- 4) As part of your response to this section, provide in paper form, one copy of your firm's most recently available quarterly and annual audited financial statements for your firm and annual audited financial statements for any holding companies (if applicable). Also provide an Internet link where your financial information can regularly be accessed.
- 5) Identify your firm's and parent company's financial regulators, net capital position and regulatory capital ratios as of June 30, 2011.
- 6) Provide your firm's and parent company's most current short- and long-term credit ratings.
- 7) Provide your firm's most current Community Reinvestment Act (CRA) rating.
- 8) Provide information pertaining to your firm's current financial condition in the context of current economic conditions, including discussion of any financial challenges that may impact firm's ability to provide the services detailed in this RFP. If challenges exist, what is firm's strategy to address them?
- 9) Describe organizational challenges that may impact your firm's ability to provide the services detailed in this RFP. If firm has completed or proposed a merger with or acquisition of another firm within the past 12 months, include a discussion of the combined entity's surviving systems and impact of any system transitions on delivering the services detailed in this RFP.
- 10) Will any of the services requested in this RFP be provided by subcontractors? (Yes/No) If yes, identify the services, the subcontractor(s), and address how you will ensure the City receives the standard of care, skill and diligence that would ordinarily be used by similar professionals in this community in similar circumstances. Identify how the security of City information shared with subcontractors will be ensured.

## PROPOSAL NO. 114739

- 11) Has your organization ever been petitioned into bankruptcy or insolvency? (Yes/No) If yes, please explain.
- 12) Describe any litigation or regulatory actions against your firm, in the past five years or pending, resulting from current or past involvement providing banking and/or merchant bankcard services to municipal clients.
- 13) Has your firm or any local service representatives or subcontractors been cited or reprimanded by any regulatory agency within the past five years? (Yes/No) If yes, please describe.

**E. COSTING [respond only to those sections pertinent to the services your firm is proposing to provide]:** The proposal shall include the contractor's true cost to perform the work irrespective of the City's anticipated cost. Proposed fees for services stated in the Proposal must be guaranteed for the initial four-year period. Fees and terms for the additional one (1) year period (if mutually agreed to extend) will be subject to renegotiation at the end of the first four years. Fee changes are to be submitted for consideration 120 days before the end of each contract term. **Utilize form as found in Attachment 2, COSTING TABLE.**

- 1) **BANKING SERVICES:** Please refer to Exhibit C for a description of the City's general banking services.
  - a) **Monthly Deposit Insurance Assessment.** The City maintains 25 demand accounts with a total monthly average balance of \$6,667,140. In addition, one bank account (the General Account) maintains a negative monthly average balance of (\$852,800). Based on this information, what is your total monthly deposit insurance assessment fee? Provide details of your fee structure.
  - b) **Costing Table.** State your fee for each of the services detailed in Attachment 2, COSTING TABLE. Note that the monthly volumes indicated are historical estimates and not guarantees of minimum or maximum future activity. . Ensure all fees associated with general banking services described in this RFP are included. Any fee not fully documented in your proposal will not be allowed during the course of the contract.
- 2) **MERCHANT BANKCARD SERVICES:** Please refer to Exhibit D for a description of the City's merchant bankcard services.
 

*The City recognizes that pricing for credit card processing includes Visa/MasterCard interchange and assessments. Contractor agrees to pass through Visa/MasterCard interchange and assessments directly for each merchant account and, in the event of increases or decreases to Visa/MasterCard interchange and/or assessments at any transaction qualification level, the new rate(s) will be passed through directly.*

  - a) **Processing Fee.** Based on the merchant bankcard activity described in Exhibit D, what is your processing fee expressed as a percentage rate, an item charge, or a combination of the two?
  - b) **Costing Table.** State your fee for each of the services detailed in Attachment 2, COSTING TABLE. Ensure all fees associated with merchant bankcard processing described in this RFP are included. Any fee not fully documented in your proposal will not be allowed during the course of the contract.
- 3) **If you are submitting Proposals for both General Banking and Merchant Bankcard, discuss whether your Proposals include discounts for providing all requested services.**

**F. DIVERSITY IN EMPLOYMENT AND CONTRACTING REQUIREMENTS [all proposers]:** The City values diversity in its workforce and in the workforce of those who contract with the City and has a significant interest in extending contracting opportunities to Minority, Women, and Emerging Small Businesses (M/W/ESB) at both a prime and subcontracting level. The City is committed to ensuring that such firms receive opportunities and equal consideration to be awarded City contracts.

**All proposers responding to this solicitation shall address the following factors in their proposal:**

- 1) Indicate if your firm is currently certified through the State of Oregon as a Minority-owned, Women-owned or Emerging Small Business (M/W/ESB). If not, what percentage of the project will be subcontracted out to M/W/ESBs?
- 2) Identify your current diversity of workforce and describe your firm's commitments to providing equal employment opportunities:

## PROPOSAL NO. 114739

- Describe how your firm has historically provided opportunities for minorities and women to receive training and work within your firm.
  - If your firm currently has under-representation of minorities or women within your current workforce, describe how, over time, you propose to remedy this underutilization.
  - Discuss any project-specific opportunities for technical training and/or employment of under-represented groups you would commit to.
- 3) Provide a narrative description of your firm's experience in promoting participation on the part of M/W/ESB enterprises as partners, consultants or suppliers on previous projects.
- 4) List those certified M/W/ESBs with which your firm has had a contractual relationship during the last twelve (12) months.
- 5) If your firm has a supplier diversity program, describe: How long it has been in existence? What were the driving factors for establishing the program? How do you evaluate the credentials of your M/W/ESB suppliers? What results has it had to increase your company's M/W/ESB participation?
- 6) Discuss any innovative or particularly successful measures your firm has undertaken to work with M/W/ESBs on other projects.
- 7) Describe your diversity solution where you, as the prime contractor, sub-contract services in a partnering relationship with certified M/W/ESB firms:
- How do the M/W/ESBs that you partner with benefit from the relationship with your firm?
  - Describe what you consider your first-tier diversity solution in which you utilize a certified M/W/ESB firm as the prime contractor and your company works as an alliance partner.
  - Describe how your firm could increase the utilization of certified M/W/ESB firms in service of this City contract if you are the winning proposer?
- 8) Describe your outreach plan to M/W/ESBs for this project. If your firm is not utilizing existing relationships as described above or is able to undertake *additional* outreach to improve opportunities for M/W/ESBs, describe your outreach program or plan for obtaining maximum utilization of M/W/ESB firms on this project. Proposers not drawing on existing relationships with M/W/ESBs should describe what outreach efforts will be pursued in order to make contracting opportunities available to M/W/ESBs.
- 9) M/W/ESB compliance and reporting: If your company will be utilizing M/W/ESBs on this project, please list those firms and detail their role within the present solicitation. The City will enforce all EEO/Diversity and M/W/ESB commitments submitted by the successful proposer. Proposers shall identify the following:
- The name of ALL subcontractors on the project.
  - The names of all M/W/ESB firms. If firms have more than one certification (ESB and MBE) note that on the form.
  - The proposed scope or category of work for each subcontract.
  - If the proposer will not be using any subcontractors, the proposer will indicate "NONE" with the proposal.
- 10) Specific to the Portland metropolitan area:
- Describe your firm's workforce demographics and the measurable steps taken to ensure a diverse workforce.
  - Describe your firm's employee compensation structure, including policies regarding living wages, healthcare coverage, employee leaves, dependent care, etc.
  - Describe your firm's commitment to corporate citizenship and community service, including participation in charitable programs, scholarships, etc.
  - Describe your firm's incentives to employees for community service and the rate(s) of employee participation.
  - Describe the measurable steps your firm has taken to foster economic development, including small business lending programs, and their utilization rates.
  - Describe the measurable steps your firm has taken to support homeownership, including foreclosure prevention programs, and their utilization rates.
  - Describe your firm's programs targeted to the non-banked and under-banked populations, including financial literacy programs, and their utilization rates.



## PROPOSAL NO. 114739

**7. WITHDRAWAL, MODIFICATION OR ALTERATION OF PROPOSAL:** Prior to the RFP opening, changes may be made provided the change is initialed by the respondent or authorized agent. Also, a proposal may be withdrawn upon written request of the respondent prior to the scheduled closing time for accepting proposals. Negligence on the part of the respondent in preparing their proposal confers no right to withdraw their response after the scheduled closing time for filing proposals.

As a result of any of these actions, if the intent of the respondent is not clearly identifiable, the interpretation most advantageous to the City will prevail.

**8. LATE PROPOSALS:** Proposals received after the scheduled closing time for filing will be returned to the respondent unopened. Due to heightened security measures in the Portland Building, respondents should allow extra time when delivering bids to the Procurement Services. It is the responsibility of the proposer to ensure their proposal is submitted in the proper form and in accordance with the time, date, and location specified in the RFP.

**9. CANCELLATION:** The City of Portland reserves the right to modify, revise or cancel this RFP. Receipt and evaluation of proposals or the completion of interviews do not obligate the City to award a contract.

PROPOSAL NO. 114739

## PART III PROPOSAL EVALUATION

### SECTION A PROPOSAL REVIEW AND SELECTION

1. **EVALUATION CRITERIA:** Each proposal shall be evaluated on the following evaluation criteria, weighting, and maximum points, as follows:

Criteria	Maximum Score
A. Cover Letter	Ø
B. Project Team	15
C. Project Approach	20
D. Organization	10
E. Costing	35
F. Diversity in Employment and Contracting Requirements	20
<b>TOTAL</b>	<b>100</b>

2. **PROPOSAL REVIEW:** A selection review Committee will be appointed to evaluate the proposals received. For the purpose of scoring proposals, each of the Committee members will evaluate each proposal based upon the criteria listed above. The Committee may seek the assistance of outside expertise, including, but not limited to, technical advisors. Separate proposals must be submitted for each service being requested. For contracts over \$500,000, the Committee's recommendation will be submitted to the Portland City Council for approval. The City has the right to reject any or all proposals for good cause, in the public interest.

The proposal evaluation process consists of a series of Evaluation Levels that will lead to the identification of a finalist. Each proposal response, whether for General Banking Services or for Merchant Bankcard Services, will be evaluated in accordance with the following evaluation plan:

**Evaluation Level #1 – Preliminary Review:** This step will assess whether Proposers meet the mandatory and responsiveness requirements outlined in this RFP including the Minimum Requirements as stated in Part I, Section B(1). The proposer's signed copy of Exhibit B, CERTIFICATION OF COMPLIANCE WITH MINIMUM REQUIREMENTS OF RFP, will also be evaluated as part of this review. Failure to meet the mandatory and responsiveness requirements within Level #1 shall disqualify a Proposer from moving to Level #2.

Evaluation Level #1 Evaluation Criteria		
Criteria	Maximum Evaluation Level #1 Score	Point Distribution by Subsection
Cover Letter	0	P/F
Exhibit B	0	P/F

**Evaluation Level #2 – Written Scoring:** Responses meeting the mandatory and responsiveness requirements in Evaluation Level #1 will be further evaluated as part of Evaluation Level #2. One hundred possible points are available at Level #2. The Committee will require a minimum of twenty (20) working days to evaluate and rank the proposals. This step consists of a detailed review of the responses as follows:

Evaluation Level #2 Evaluation Criteria		
Criteria	Maximum Evaluation Level #2 Score	Point Distribution by Subsection
B. PROJECT TEAM	15	
C. PROJECT APPROACH	20	

## PROPOSAL NO. 114739

D. ORGANIZATION	10	
E. COSTING	35	
F. DIVERSITY IN EMPLOYMENT & CONTRACTING REQUIREMENTS	20	
M/W/ESB		15
Portland-specific metrics		5
<b>Total:</b>	<b>100</b>	

For Evaluation Level #2, the sum of all points earned by a Proposer from all proposal evaluators will be the Total score for Level #2.

The Evaluation Committee may focus on only a limited number of proposals by developing a "short list" based on the scores from the written proposals or may proceed directly to contract negotiation and award. The number of proposals on the "short list" depends on whether the Committee believes such proposals have a reasonable chance of leading to the award of a contract. If the Evaluation Committee develops a "short list", the scores from Evaluation Level #2 will be held until completion of the Evaluation #3 scoring to become part of the Total Overall Score.

**Evaluation Level #3 – Oral Scoring:** If oral interviews are determined to be necessary, this next step will consist of oral presentations and further clarification of the Proposer's response. Proposers invited to participate in Evaluation Level #3 will be given additional information regarding the City's desired content a reasonable time before the scheduled Evaluation Level #3 presentations are held. The scoring of the oral interviews will be as follows:

Evaluation Level #3 Evaluation Criteria	
Criteria	Maximum Evaluation Level #3 Score
Content of Oral Presentation	100
<b>Total:</b>	<b>100</b>

Following completion of the Evaluation Level #3 scoring, each Proposer's Evaluation Level #3 score will be added to their Evaluation Level #2 score to determine their Total Overall Score. The highest scoring Proposal, based on their Total Overall Score, may be identified as the Finalist.

The selection of the Finalist shall be based on negotiated costs and conformance to the City's terms and conditions. Negotiations will follow with the Finalist, and if successful, the contractor and City will enter into a service contract for the work. If the contract with the Finalist cannot be reached within a time period deemed reasonable to the City, the City may elevate any of the respondents that passed Level #1.

The City's choice of how to proceed, its decision to begin or terminate negotiations, its determination of a reasonable time, its decision to open negotiations with a lower scoring Proposer, and any decision that a solicitation should be cancelled are all within the City's sole discretion.

Proposers who are eliminated at any stage of the evaluation process will be notified of their elimination. At that time, Proposers who wish to protest their elimination shall file a protest within seven (7) calendar days of the notice. Following final selection, if any, the City will issue a Notice of Intent to Award a contract to the Successful Proposer.

**3. CLARIFYING PROPOSAL DURING EVALUATION PERIOD:** During the evaluation process, the City has the right to require any clarification or change it needs in order to understand the respondent's view and approach to the project and scope of the work. Any changes to the proposal will be made before executing the contract and will become part of the final contractor contract.

**4. PROPOSALS ARE PUBLIC RECORDS:** All information submitted by proposers shall be public record and subject to disclosure pursuant to the Oregon Public Records Act (ORS 192.410 et seq.), except such portions of the proposals for which proposer requests exception from disclosure consistent with Oregon Law. Any portion of a proposal that the proposer claims constitutes a "trade secret" or is "confidential" must meet the requirements of ORS 192.501(2) and ORS 192.502(4).

If a request to inspect the proposal is made, the City will notify the proposer of the request. If the City refuses to release the records, the proposer agrees to provide information sufficient to sustain its position to the District Attorney of Multnomah

## PROPOSAL NO. 114739

County, who currently considers such appeals. If the District Attorney orders that the records be disclosed, the City will notify the proposer in order for the proposer to take all appropriate legal action. The proposer further agrees to hold harmless, defend and indemnify the City for all costs, expenses and attorney fees that may be imposed on the City as a result of appealing any decision regarding the proposer's records.

**5. LOCAL CONTRACTING:** The City prefers services that have been manufactured or produced by a local business if price, fitness, availability and quality are otherwise equal; desires to employ local businesses in the purchase, lease, or sale of any personal property, public improvements or services; and wants the residents of the State of Oregon and SW Washington to benefit from optimizing local businesses and services, and the local employment opportunities they generate.

**6. AWARD REVIEW AND PROTEST PROCEDURE REVIEW:** ORS 279B.060(5)(a) provides: "Notwithstanding ORS 192.410 to 192.505, proposals may be opened in a manner to avoid disclosure of contents to competing proposers during, when applicable, the process of negotiation, but the contracting agency shall record and make available the identity of all Proposers as part of the contracting agency's public records from and after the opening of the proposals. Notwithstanding ORS 192.410 to 192.505, proposals are not required to be open for public inspection until after the notice of intent to award a contract is issued."

**REVIEW:** Following the Notice of Intent to Award, the public may view proposal documents, but the City is entitled to withhold from disclosure any materials defined as exempt or conditionally exempt from disclosure pursuant to the Oregon Public Records Act. Proposers shall designate information they consider exempt or conditionally exempt from disclosure by stamping the word "Confidential" on such documents or by otherwise indicating the documents are considered to be confidential. Materials so designated and meeting the requirements for exempt or conditionally exempt information will not be disclosed unless the Multnomah County District Attorney determines that disclosure is required after appeal. The City reserves the right to disclose materials inappropriately marked as exempt or conditionally exempt and to withhold from disclosure materials that meet standard but which were inadvertently not marked as confidential.

Proposers not awarded the contract may seek additional clarification or debriefing, request time to review the selection procedures or discuss the scoring methods utilized by the Evaluation Committee, subject to the City's authority to withhold documents, as stated above.

**PROTESTS:** Proposers are permitted to challenge the City's decision to exclude the Proposer from the next step in the evaluation process and/or to award a contract. Depending on the nature of the protest, Proposers may wish to review Portland City Code (PCC) 5.33.720, 5.33.730, and 5.33.740 regarding protest procedures, all of which may be found online at the City Auditor's website.

Procurement Services shall post a Notice of Intent to Award to the successful Proposer. The Notice of Intent to Award shall be posted on the Bureau's Internet Web Page.

A Proposer who is adversely affected or aggrieved by the award of contract or evaluation decision shall have seven (7) days after the issuance of the "Notice" to file a protest. The contents to be included in the protest are found in PCC 5.33.740. A protest is not valid if the Proposer would not be eligible to be awarded a contract if its protest were upheld. The Chief Procurement Officer will review any protest and issue a written decision. Whether there are further appeal processes depends on the discretion of the Chief Procurement Officer.

Protests must be timely and must include all legal and factual information regarding the protest, and a statement of the form of relief requested. Protests received later than specified or from other than the Proposer who would receive the contract if the protest was successful will not be considered. The exercise of judgment used by the evaluators in scoring the written proposals and interviews, including the use of outside expertise, is not grounds for protest.

<b>SECTION B</b>	<b>CONTRACT AWARD</b>
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**1. CONTRACTOR SELECTION:** The City will award a contract(s) to the contractor(s) whose proposal is considered and evaluated as being the most advantageous to the City. The contractor selection process will be carried out under Portland City Code, Chapter 5.33.

**2. CONTRACT DEVELOPMENT:** The RFP and all responses provided by the contractor may become a part of the final contract. The form of contract shall be the City's Contract for Services.

**3. NOTICE OF INTENT TO AWARD:** A notice of intent to award posted on the Procurement Services website does not constitute an authorization for shipment of equipment or supplies or a directive to proceed with services. Before

## PROPOSAL NO. 114739

providing any equipment, suppliers and/or services, the contractor must receive a properly authorized purchase order or contract.

**4. ASSIGNMENT OF ANTI-TRUST RIGHTS:** By entering into a contract, the Contractor, for consideration paid to the contractor under the contract, does irrevocably assign to the City of Portland any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future, including, at the City's option, the right to control any such litigation on such claim for relief or cause of action, by reason of violation of the right to control any such litigation on such claim for relief or cause of action, by reason of violation of 15 USC SS 1-15 or ORS 646.725 or ORS 646.730, in connection with any services provided to the Contractor by any person, which services are used, in whole or in part, for the purpose of carrying out the Contractor's obligation under this Contract.

In the event the Contractor hires subcontractors to perform any of the Contractor's duties under the contract, the Contractor shall require the subcontractor to irrevocably assign to the City of Portland, as a third party beneficiary any right, title or interest that has accrued or may accrue to the subcontractor by reasons of any violation of 15 USC SS 1-15, ORS 646.725 or ORS 646.730, including, at the City's option, the rights to control of any litigation arising thereunder, in connection with any services provided to the subcontractor by any person, in whole or in part, for the purpose of carrying out the subcontractor's obligations as agreed to by the Contractor in pursuance of the completion of the Contract.

In connection with this assignment, it is an express obligation of the Contractor that it will take no action, which will in any way diminish the value of the rights conveyed or assigned hereunder to the City of Portland. It is an express obligation of the Contractor to advise the City Auditor or the Office of the City Attorney of Portland, Oregon:

- a. In advance, of its intention to commence any action on its own behalf regarding such claims for relief or causes of action;
- b. Immediately, upon becoming aware of the fact that an action has been commenced on its own behalf by some other person or persons, of the pendency of such action; and
- c. The date on which it notified the obligor(s) of any such claims for relief or causes of action of the fact of its assignment to the City of Portland.

Furthermore, it is understood or agreed that in the event that any payment under such claim is made to the Contractor, it shall promptly pay over to the city of Portland its proportionate share thereof, if any, assigned to the State hereunder.

**5. FAILURE TO EXECUTE CONTRACT:** Failure on the part of the respondent to whom a contract is awarded to execute the Contract and deliver the Contract and required documents with the required bonding and insurance certificates within twenty (20) calendar days shall be just cause for cancellation of the award and withdrawal of the Contract. Award may then be made to the next scored proposer, or the work may be re-advertised, or otherwise as the City may decide.

PROPOSAL NO. 114739

PROPOSAL NO. 114739

**EXHIBIT A**  
**GENERAL BANKING / MERCHANT**  
**BANKCARD SERVICES CONTRACT**

[NOTE: THE CITY WILL EXECUTE TWO SEPARATE CONTRACTS;  
ONE FOR EACH OF THE SERVICES REQUIRED]

CONTRACT NO. \_\_\_\_\_

This Contract, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between XXXXX a XXXXX (state) XXXXX Corporation, hereinafter called Contractor, and the City of Portland, a municipal corporation of the State of Oregon, by and through its duly authorized representatives, hereinafter called City. This Contract may refer to the City and Contractor individually as a "Party" or jointly as the "Parties."

**WITNESSETH:**

The Parties hereto mutually covenant and agree to and with each other as follows:

**1. SCOPE OF WORK:** Contractor shall provide General Banking Services and/or Merchant Bankcard Services for the City of Portland as follows:

[Identify one]

- **General Banking Services** – depository accounts and services, disbursement services, branch services, online account access and reporting, and other banking services.
- **Merchant Bankcard Services** – electronic payment card processing, online account access and reporting, and other merchant bankcard services.

All services shall be performed in accordance with Attachment 1 to this Contract. The Contractor shall assure that the City receives the standard of care, skill and diligence that would ordinarily be used by similar professionals in this community in similar circumstances

**2. EFFECTIVE DATE AND DURATION:** The initial term of this Contract shall begin on April 1, 2013 and shall expire on March 31, 2017 unless terminated sooner as provided herein. The Parties may agree, by mutual consent, to extend this Contract for an additional one year period. At least thirty (30) days prior to the expiration of the initial term, or extension, the Parties shall commence discussions if they desire to extend the Contract. The Contractor shall provide a written extension proposal within fifteen (15) calendar days following the City's request for such a proposal. However, nothing binds or requires either Party to extend this Contract. The total term of this Contract shall not exceed five (5) years.

**3. CONSIDERATION:** The City agrees to pay Contractor for General Banking Services a sum not to exceed \$200,000.00/year for provision of and completion of the work. Interim payments shall be made to the Contractor according to the costing schedule identified in Attachment 2.

OR

**3. CONSIDERATION:** The City agrees to pay Contractor for Merchant Bankcard Services a sum not to exceed \$2,500,000.00/year for provision of and completion of the work. Interim payments shall be made to the Contractor according to the costing scheduled identified in Attachment 2.

**4. INVOICING:** The City of Portland is a tax-exempt governmental agency. Prices shall not include federal, state, local, or other taxes designated now or hereafter, unless the City is responsible therefore. The Contractor shall submit billings in a timely fashion. Invoices shall be sent to:

City of Portland  
Public Finance and Treasury Division  
1120 SW Fifth Avenue, Room 1250  
Attn: City Treasurer  
Portland, OR 97204

## PROPOSAL NO. 114739

Contractor is at all times solely responsible for billing accuracy and timeliness; Contractor shall provide invoices for the services to the City in electronic or paper form. Invoices will not be processed for payment until receipt of a properly completed invoice and until all invoice items are received and satisfactory performance of Contractor has been attained. Invoice payment terms including any offered prompt payment discounts shall start on the date of the invoice.

**5. INVOICE PAYMENT:** Billing details may be agreed upon between the Parties. Invoicing for services shall at all times be in arrears. Invoices for payment shall be provided to the City within ninety (90) days of successful delivery of the billed services.

It is the City's policy to pay its vendor invoices via electronic funds transfers through the automated clearing house (ACH) network. To initiate payment of invoices, vendors shall execute the City's standard ACH Vendor Payment Authorization Agreement which is available on the City's website at: <http://www.portlandonline.com/omf/index.cfm?c=26606&a=409834>. Upon verification of the data provided, the Payment Authorization Agreement will authorize the City to deposit payment for services rendered or goods provided directly into vendor accounts with financial institutions. All payments shall be in United States currency.

**6. INSURANCE – PROOF OF COVERAGE:** The insurance requirements are as follows.

Commercial General Liability Insurance – Public Liability and Property Damage

The Contractor shall provide and maintain public liability and property damage insurance in the minimum amount of \$1,000,000 per occurrence that protects the Contractor and the City and its officers, agents and employees from any and all claims, demands, actions and suits for damage to property or personal injury arising from the Contractor's work under this Contract

The insurance shall be without prejudice to coverage otherwise existing, and shall name as additional insureds the City and its officers, agents and employees. Notwithstanding the naming of additional insureds, the insurance shall protect each additional insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured.

The coverage shall apply as to claims between insureds on the policy. The insurance shall provide that the insurance shall not terminate or be canceled without thirty (30) days written notice first being given to the City Auditor. If the insurance is canceled or terminated prior to completion of the Contract, the Contractor shall provide a new policy with the same terms. The Contractor agrees to maintain continuous, uninterrupted coverage for the duration of the Contract.

Automobile Liability

Automobile liability insurance with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. The insurance shall include coverage for any damages or injuries arising out of the use of automobiles or other motor vehicles by the Contractor. The insurance shall include coverage for any damages or injuries arising out of the use of automobiles or other motor vehicles by the Contractor.

Workers' Compensation

Prior to the performance of any work under a Contract awarded by the City, the Contractor shall comply with the workers' compensation law, ORS Chapter 656, as it may be amended, and if workers' compensation insurance is required by ORS Chapter 656, the Contractor shall maintain coverage for all subject workers as defined by ORS Chapter 656 and shall maintain a current, valid certificate of workers' compensation insurance on file with the City Auditor for the entire period during which work is performed under the Contract.

Technology Errors and Omissions

Liability insurance covering acts, errors or omissions arising out of the performance or failure to perform professional services related to the Services under this Contract will be maintained. The coverage shall be placed with an insurer with an AM Best Rating of A- or better and shall include the following coverage parts:

Technology Products & Services E&O -Information Security & Privacy Liability for Service Provided to Others.

Such insurance shall cover any and all errors, omissions or negligent acts in the delivery of Products, Services and Licensed Programs under this Contract. Such errors and omissions insurance shall include coverage for claims and losses with respect to network risks (such as data breaches, unauthorized access/use, ID theft, invasion of privacy, damage/loss/theft of data, degradation, downtime, etc.) and intellectual property infringement, such as copyrights, trademarks, service marks and trade dress.

Such insurance shall include limits of coverage of the local currency equivalent of not less than USD \$ 1,000,000.00 (one Million U.S. dollars) and shall remain in effect for not less than three (3) years following the date of termination of this Contract. Evidence of coverage must be sent to the City for three years following termination of this Contract.

The coverage shall name the City as an additional insured and shall indemnify the City for loss for any errors or omissions on the part of the Contractor, its agents, officers, employees, subcontractors or any other authorized person, regardless of any negligence or lack thereof.



## PROPOSAL NO. 114739

The Insurance Policy shall also be endorsed as follows: The City of Portland, Oregon is named as an additional insured but only as respects the vicarious liability of such person or entity for the Wrongful Act of the Insured otherwise covered by this Insurance.

Certificate of Insurance

As evidence of the required insurance coverage, Contractor shall furnish acceptable insurance certificates to the City with the return of the signed Contract. The certificates shall specify the City of Portland as additional insured and shall include a 30-day notice of cancellation clause.

Notwithstanding the naming of additional insured, said policy will protect each insured in the same manner as though a separate policy has been issued to each; but nothing herein will operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts.

**7. INDEPENDENT CONTRACTOR STATUS:** The Contractor is engaged as an independent contractor and shall be responsible for any federal, state, and local taxes and fees applicable to payments hereunder. The Contractor, its subcontractors, and their employees are not employees of the City and are not eligible for any benefits through the City including, without limitation, federal social security, health benefits, workers' compensation, unemployment compensation, and retirement benefits.

**8. NO THIRD PARTY BENEFICIARIES:** Contractor and City are the only Parties to this Contract and are the only Parties entitled to enforce its terms. Nothing in this Contract gives, assigns or provides any benefit or right, whether directly, indirectly, or otherwise, to third persons.

**9. SUCCESSORS IN INTEREST:** The provisions of this Contract shall be binding upon and shall inure to the benefit of the Parties hereto, and their respective successors and approved assigns.

**10. SURVIVAL:** The terms, conditions, representations, and all warranties contained in this Contract shall survive the termination or expiration of this Contract.

**11. COMPLIANCE WITH APPLICABLE LAW:** In connection with its activities under this Contract, Contractor shall comply with all applicable federal, state and local laws and regulations. All statutory, charter and ordinance provisions applicable to public contracts in the City of Portland and the State of Oregon shall be followed with respect to this Contract. The following additional conditions apply to this solicitation and any resultant Contract: Appendix A as attached hereto.

The Contractor must be in compliance with the laws regarding conducting business in the City of Portland before an award may be made and shall be responsible for the following:

**Certification as an EEO Affirmative Action Employer:** The Contractor is certified as an Equal Employment Opportunity Employer as prescribed by Chapter 3.100 of the Code of the City of Portland through XXXXX. The certification will be maintained throughout the duration of the Contract.

**Non-Discrimination in Employee Benefits (Equal Benefits):** The Contractor has complied by providing the Equal Benefits Compliance Worksheet/Declaration Form indicating: XXXXX, Option XXXXX.

**Business License:** The Contractor license # XXXXX is in compliance with the City of Portland Business License requirements as prescribed by Chapter 7.02 of the Code of the City of Portland and will be maintained throughout the duration of this Contract.

**12. GOVERNING LAW / VENUE:** The provisions of this Contract shall be construed in accordance with the provisions of the laws of the State of Oregon without reference to its conflict of laws provisions. Any action or suits involving any question arising under this Contract shall be brought in the appropriate court in Multnomah County, Oregon. By executing this Contract the Contractor agrees to in personam jurisdiction of the Oregon courts.

**13. NONDISCRIMINATION:** Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor also shall comply with the Americans With Disabilities Act of 1990 (Pub L. No. 101-336) including Title II of that Act, ORS Chapter 659.425, and all regulations and administrative rules established pursuant to those laws.

**14. INDEMNITY:** Contractor shall hold harmless, defend, and indemnify the City of Portland, its officers, employees, and agents, from all claims, demands, suits, actions, losses, damages, liabilities, costs and expenses of whatsoever nature, including all attorney's fees and costs, resulting from or arising out of the activities of Contractor or its officers, employees, subcontractors, or agents including intentional acts, or of its subcontractors, agents or employees under this Contract. Contractor is not responsible for any damages caused by the actions of the City, its officers, employees and agents.

## PROPOSAL NO. 114739

**15. ASSIGNMENT OF ANTI-TRUST RIGHTS:** By entering into a contract, the Contractor, for consideration paid to the Contractor under the Contract, does irrevocably assign to the City of Portland any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future, including, at the City's option, the right to control any such litigation on such claim for relief or cause of action, by reason of violation of 15 USC SS 1-15 or ORS 646.725 or ORS 646.730, in connection with any services provided to the Contractor by any person, which services are used, in whole or in part, for the purpose of carrying out the Contractor's obligation under this Contract.

In the event the Contractor hires subcontractors to perform any of the Contractor's duties under the Contract, the Contractor shall require the subcontractor to irrevocably assign to the City of Portland, as a third party beneficiary any right, title or interest that has accrued or may accrue to the subcontractor by reasons of any violation of 15 USC SS 1-15, ORS 646.725 or ORS 646.730, including, at the City's option, the rights to control of any litigation arising thereunder, in connection with any services provided to the subcontractor by any person, in whole or in part, for the purpose of carrying out the subcontractor's obligations as agreed to by the Contractor in pursuance of the completion of the Contract.

In connection with this assignment, it is an express obligation of the Contractor that it will take no action which will in any way diminish the value of the rights conveyed or assigned hereunder to the City of Portland. It is an express obligation of the Contractor to advise the City Auditor or the Office of the City Attorney of Portland, Oregon:

- A. In advance, of its intention to commence any action on its own behalf regarding such claims for relief or causes of action;
- B. Immediately, upon becoming aware of the fact that an action has been commenced on its own behalf by some other person or persons, of the pendency of such action; and
- C. The date on which it notified the obligor(s) of any such claims for relief or causes of action of the fact of its assignment to the City of Portland.

Furthermore, it is understood or agreed that in the event that any payment under such claim is made to the Contractor, it shall promptly pay over to the City of Portland its proportionate share thereof, if any, assigned to the state hereunder.

**16. SEVERABILITY:** In the event that a court, government agency, or regulatory agency with proper jurisdiction determines that this Contract, or any provision of this Contract, is unlawful, this Contract, or that provision of the Contract to the extent it is unlawful, shall terminate. If a provision of this Contract is terminated but the Parties can legally, commercially, and practicably continue without the terminated provision, the remainder of this Contract shall continue in effect.

**17. FUNDING:** In the event the City, during the adoption of the City's annual budget, reduces, changes, eliminates, or otherwise modifies the funding for any of the projects identified herein, the Contractor agrees to abide by any such decision including revision or termination of services.

**18. ASSIGNMENT AND SUBCONTRACTING:** This Contract or any interest therein shall not be assigned or subcontracted to any other person or entity without the prior written consent of the City of Portland. In the event of transfer without prior written consent, the purported transfer is void and the Contractor remains liable for performance of the Contract. Notwithstanding City approval of a subcontractor, the Contractor shall remain obligated for full performance hereunder, and the City shall incur no obligation other than its obligations to the Contractor hereunder. The Contractor agrees that if subcontractors are employed in the performance of this Contract, the Contractor and its subcontractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.

**19. LIENS:** Contractor shall not permit any claim to be filed or prosecuted against the City or any lien against the property purchased in connection with this Contract and agrees to assume responsibility should such lien or claim be filed.

**20. SUSTAINABLE PROCUREMENT:** Pursuant to the City's Sustainable City Principles, which direct City Bureaus to pursue long-term social equity, environmental quality, and economic vitality through innovative and traditional mechanisms, the Contractor is encouraged to incorporate these Principles into their scope of work with the City wherever possible. Therefore in accordance with the Principles and the City's Sustainable Procurement Policy, it is the policy of the City of Portland to encourage the use of products or services that help to minimize the human health and environmental impacts of City operations. "Environmentally preferable" means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service.

Packaging should be minimized to the maximum extent possible without compromising product quality. The City encourages packaging that is reusable, recyclable in local recycling programs, is made from recycled materials, and/or is collected by the vendor for reuse/recycling.

**21. FORCE MAJEURE:** Neither City nor Contractor shall be held responsible for performance if its performance is prevented by unforeseeable acts or events beyond the Party's reasonable control including, but not limited to: acts of God; fire, flood,

## PROPOSAL NO. 114739

earthquakes or other catastrophes; strikes or other labor unrest; power failures, electrical power surges or current fluctuations; nuclear or other civil or military emergencies; or acts of legislative, judicial, executive, or administrative authorities; or any other circumstances that are not within its reasonable control.

**22. AMENDMENTS:** All changes to this Contract, including changes to the scope of work and Contract amount, must be made by written amendment and approved by the Chief Procurement Officer to be valid. The City's Chief Procurement Officer is authorized to execute amendments to this Contract without the City's further approval, provided such amendments are in writing, signed by both Parties, and approved by the City Attorney's Office. Contractor understands that City employees have no actual or apparent authority to enter into amendments, except as may be specifically granted by the City Council to the Chief Procurement Officer, or to waive the approval of the City Attorney's office.

**23. NON-WAIVER:** No waiver, consent, modification, or change of terms of this Contract shall bind either Party unless in writing and signed by both Parties. Such waiver, consent, modification, or change if made, shall be effective only in specific instances and for the specific purposes given. The failure of the City to enforce any provision of this Contract shall not constitute a waiver of that or any other provision.

**24. COORDINATION WITH OTHER CONTRACTORS AND OTHER SERVICES:** The Contractor shall cooperate fully with other contractors and City employees providing systems or support to the City during installation, operation, or maintenance of the services. This includes planning for and integration of the services provided under this Contract with those provided by others. Further, Contractor shall make every reasonable effort to cooperate with City to minimize and/or prevent any degradation of the other computer and telecommunications systems, equipment, or services of the City by the installation, operation, or maintenance of the services. Contractor's failure to cooperate with the City and other contractors may be grounds for termination as provided herein.

**25. ACCESS TO RECORDS:** The Contractor shall maintain professional accounting standards and on a current basis, and the City and its duly authorized representatives shall have access to, the books, documents, papers, and records of the Contractor which are directly pertinent to this Contract for the purpose of making audit, examination, excerpts, and transcripts for a period of three (3) years after final payment. Copies of applicable records shall be made available upon request.

**26. AUDITS:** The City, either directly or through a designated representative, may conduct financial and performance audits of the billings and services specified in this Contract at any time in the course of the Contract and during the three (3) year period established by ACCESS TO RECORDS. Audits shall be conducted in accordance with generally accepted auditing standards.

If an audit discloses that payments to the Contractor were in excess of the amount to which the Contractor was entitled, then the Contractor shall repay the amount of the excess to the City. Under no circumstances will the payment of previous invoices constitute an acceptance of the charges associated with those invoices. If any audit shows performance of services is not efficient in accordance with Government Auditing Standards, or that the program is not effective in accordance with Government Auditing Standards, the City may pursue remedies as provided under EARLY TERMINATION OF CONTRACT and REMEDIES. In addition, the Contractor agrees to abide by the standards of the Office of the Comptroller set forth in May, 2002 Office of Justice Programs (OJP) Financial Guide, including without limitation in accordance with Office of Management and Budget (OMB) Circulars A87, A-102, A-122, A-128, A-133. All financial records, supporting documents, statistical records and all other records pertinent to this Contract shall be retained by the Contractor for a minimum of five (5) years for purposes of State of Oregon or the OJP Financial Guide from the Office of the Controller and apprise itself of all rules and regulations set forth.

**27. EMPLOYEES NOT TO BENEFIT:** No City employee or elected official of the City shall be admitted to any share or part of this Contract or to any benefit that may arise there from; but, this provision shall not be construed to extend to this Contract if made with a corporation for its general benefit.

**28. CITY FURNISHED PROPERTY:** No materials, labor or facilities will be furnished by the City unless otherwise provided for within this Contract.

**29. ADDITIONAL SERVICES** The City reserves the right to procure additional services for additional City bureaus beyond those stated in the RFP documents at the same prices submitted by the Contractor. Price increases will be allowed, but shall be in keeping with Attachment A of this Contract. Such additional services are not guaranteed and will be made at the City's sole discretion based upon the requirements of City bureaus.

**30. RIGHT TO CHANGE:** The City reserves the right to order changes to the services outlined herein. The City and the Contractor shall determine a fair and equitable cost and if required, additional time for such changes. All such changes shall be ordered in writing and agreed to by the Parties.

**31. NOTICE:** Except as otherwise stated in this Contract, any notice or demand to be given under this Contract shall be delivered in person or deposited in United States Certified Mail, Return Receipt Requested. Any notices or other communications shall be addressed as follows:

## PROPOSAL NO. 114739

**CONTRACTOR:**XXXXX  
XXXXX  
XXXXX

Attn: XXXXX

**CITY:**City of Portland  
Public Finance and Treasury Division  
1120 SW Fifth Avenue, Room 1250  
Portland, OR 97204

Attn: City Treasurer

If either Party changes its address or if a Party's representative changes, the other Party shall be advised of such a change in writing, in accordance with this section.

**32. EARLY TERMINATION OF CONTRACT:** The City and the Contractor, by mutual written agreement, may terminate the Contract at any time. The City, on thirty (30) days written notice to the Contractor, may terminate this Contract for any reason deemed appropriate in its sole discretion. Either the City or the Contractor may terminate this Contract in the event of a material breach of the Contract by the other. Prior to such termination, however, the Party seeking the termination shall give to the other Party written notice of the breach and the Party's intent to terminate. If the Party has not entirely cured the breach within thirty (30) days of the notice, then the Party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination.

**33. SUSPENSION OF THE WORK:** The City may at any time give notice in writing, by electronic mail, or by facsimile to the Contractor to suspend this Contract. The notice of suspension shall specify the date of suspension and the estimated duration of the suspension. In no event shall the Contractor be entitled to any lost or prospective profits or any incidental or consequential damages because of suspension.

**34. PAYMENT ON EARLY TERMINATION:** In the event of termination under EARLY TERMINATION OF CONTRACT hereof, the City shall pay the Contractor for services in accordance with the Contract prior to the termination date and delivered to City provided that such services conform to Contract specifications and are of use to the City. In the event of termination under EARLY TERMINATION OF CONTRACT hereof, by the City due to a breach by the Contractor, then the City shall pay the Contractor for services performed in accordance with the Contract prior to the termination date subject to set off of excess costs, as provided for in Remedies. In the event of early termination all of the Contractor's work product shall become and remain property of the City. Under no circumstances shall the City be subject to early termination penalties for recurring charges for services that the City cancels during the term of this Contract.

**35. REMEDIES:** In the event of termination under EARLY TERMINATION OF CONTRACT by the City due to a breach by the Contractor, then the City may procure services outstanding from another contractor and the Contractor shall be liable for additional re-procurement costs incurred by the City. The City also shall be entitled to any other equitable and legal remedies that are available. Except as expressly contained in this Contract, the remedies for a breach of this Contract shall not be exclusive, or construed as a limitation on any other equitable and legal remedies that are available or may become available.

**36. PERMITS AND LICENSES:** The Contractor shall be required to have or obtain, at their expense, any and all permits and licenses required by the City and/or County, state and Federal (except FCC radio licenses), pertaining to the materials and services to be provided.

**37. INTELLECTUAL PROPERTY:** The City requires the following regarding copyrighting and patent pending on work products pertaining to this Contract:

a. **Copyright:** All work products of the Contractor which result from this Contract are the exclusive property of the City. If this Contract results in a copyright, the City of Portland reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for governmental purposes, the work or the copyright to any work developed under this Contract and any rights of copyright to which the Contractor or its sub-vendor, purchases ownership with grant support.

b. **Patent:** If this Contract results in the production of patentable items, patent rights, processes, or inventions, the Contractor or any of its sub-vendors shall immediately notify the City. The City will provide the Contractor with further instruction on whether protection on the item will be sought and how the rights in the item will be allocated and administered in order to protect the public interest, in accordance with federal guidelines.

**38. SPECIFICATIONS:** This Contract authorizes the Contractor to provide and the City to procure those services, and establishes the terms and conditions for the City to obtain said services from the Contractor. Services to be provided under this Contract are described in the Attachments hereto. The Contractor shall provide to the City those services described in the attachments in accordance with the prices shown herein. Payment shall be made only in accordance with the payment schedule identified herein.

## PROPOSAL NO. 114739

**39. WARRANTY:** The Contractor represents and warrants that (i) Contractor shall perform all Services set forth herein in a good and workmanlike manner, in conformance with the Specifications and requirements of the Contract, and in accordance with the highest applicable professional and/or industry standards; (ii) Contractor warrants that each of Contractor's employees assigned to perform Services has the proper skill, training, and background to be able to perform Services in a competent, timely, and professional manner and that all Services shall be so performed; and (iii) Contractor shall, at all times during the term of the Contract, maintain and keep current all licenses and certifications required to perform the work set forth in the Contract.

Contractor represents and warrants that it is in compliance with, and for the duration of the Contract shall remain in compliance with, the standards and requirements of ORS 279.835 (4).

**40. PROPRIETARY AND CONFIDENTIAL INFORMATION:** The Oregon Public Records Law, ORS 192.410 et seq. strictly governs the City's treatment of requests for public records pertinent to this Contract. All information submitted by Contractor shall be public record and subject to disclosure pursuant to the Oregon Public Records Act (ORS 192.410 et seq.), except such portions for which Contractor requests exemption from disclosure consistent with federal or Oregon law. Any portion that the Contractor claims constitutes a "trade secret" or is "confidential" must meet the requirements of ORS 192.501, 192.502, 646.461 or other state or federal law. Documents with Copyright must be clearly marked.

Contractor agrees to hold in confidence any and all information of the City's it receives while performing any of the contemplated function of the Contract and shall not disclose any such information to third parties.

**41. NEWS RELEASES AND PUBLIC ANNOUNCEMENTS:** The Contractor shall not use in its external advertising, marketing programs, or other promotional efforts, any data, pictures or other representatives of the City, except with prior specific written authorization from the City.

Contractor shall not issue any news release or public announcement pertaining to this Contract or the project without prior written approval of the City, which may be withheld in the City's sole discretion. A minimum of three (3) business days notice is required for a response to a request for such approval. If approval is not issued within the three (3) business day period, the request shall be deemed denied.

**42. ENTIRE CONTRACT:** This Contract and its Attachments represent the entire Contract between the Parties. This Contract is a final, complete exclusive statement of the terms thereof, and supersedes and terminates any prior Contract, understanding, or representation between the Parties with respect thereto, whether written or oral.

**ARTICLE IV.** This Contract may be signed in two (2) or more counterparts, each of which shall be deemed an original, and which, when taken together, shall constitute one and the same agreement. It is understood and agreed by the Parties hereto that:

1. Any reference in this Contract to the scope of work or specifications is intended as a convenience to the Parties in administration of the Contract. Therefore, in the absence of an express statement to the contrary herein, any restatement or partial restatement in this Contract of any provision of the scope of work or specifications is not intended, nor shall be construed to change, alter, modify, amend, or delete the requirements of the scope of work or specifications.
2. All statutory, charter and ordinance provisions applicable to public contracts in the City of Portland and State of Oregon shall be followed with respect to this Contract.
3. The Contractor certifies that no officer, agent or employee of the City who has a pecuniary interest in this Agreement has participated in preparation of the proposal or resulting Agreement, that the proposal was made in good faith without fraud, collusion, or connection of any kind with any other Offeror of the same proposals, and that the Offeror is competing solely in its own behalf without connection with, or obligation to any undisclosed person or firm.
4. The City and Contractor may conduct this transaction, including any Contract amendments, by electronic means, including the use of electronic signatures.

IN WITNESS WHEREOF, Contractor and City have caused this Contract to be executed by their duly authorized representative(s), all on the day and year first above written.

XXXXXX

by \_\_\_\_\_

\_\_\_\_\_  
Name, Title and Date

PROPOSAL NO. 114739

Approved as to form:

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City Attorney

Address: XXXXX

XXXXX

Telephone No: XXXXX

Fax No: XXXXX

CITY OF PORTLAND

by

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Chief Procurement Officer

Date

INITIALS: bg

DATE: 7/29/2012

PROPOSAL NO. 114739

## ATTACHMENT 1 TO CONTRACT TECHNICAL REQUIREMENTS

1. **MINIMUM REQUIREMENTS:** Firms submitting proposals must as of the date of their proposal and for the term of any contract(s) agree with and satisfy the Minimum Requirements as identified herein, and must execute Exhibit B, CERTIFICATION OF COMPLIANCE WITH MINIMUM REQUIREMENTS OFRFP.

A. **ALL SERVICES:** To be considered for selection for ANY or ALL services described in this RFP, firms submitting proposals must as of the date of their proposal and for the term of any contract(s):

- 1) Agree that proposed fees for services stated in the Proposal be guaranteed for the initial four-year period. Fees and terms for the additional one (1) year period (if mutually agreed to extend) will be subject to renegotiation at the end of the first four years. Fee changes are to be submitted for consideration 120 days before the end of each contract term.
- 2) Agree that Proposals shall constitute irrevocable offers to sell to City the services described in the attached specifications for a period of 120 days or until a contract has been approved by Portland City Council, whichever is earliest.
- 3) Be in legal compliance with all applicable laws, rules, regulations and ordinances of the City, State of Oregon, and the United States.
- 4) Have all required licenses, bonding, facilities, equipment and trained personnel necessary to perform all services as required.
- 5) Agree to submit quarterly and annual audited financial statements for the bank or firm, and annual audited financial statements for any holding companies (if applicable), as soon as publicly available.
- 6) Identify at least one dedicated service representative and one back-up service representative in the local area or Pacific time zone as the City's principal contacts, able to respond to issues affecting the City's account within 24 hours. Individuals must have sufficient technical expertise, authority and command the resources necessary to resolve complex issues, including matters involving online portals and data availability.

B. **BANKING SERVICES:** To be considered for selection for General Banking Services, firms submitting proposals must as of the date of their proposal and for the term of any contract(s):

- 1) Be capable of providing all general banking services outlined in this RFP.
- 2) Be a member of the Federal Reserve System and have access to all its services, including the Fed Wire System.
- 3) Be insured by the FDIC.
- 4) Be a federally or State of Oregon chartered financial institution and member of the Oregon Automated Clearing House Association.
- 5) Be a qualified depository for public funds as prescribed by ORS 295 and as identified by the Oregon State Treasurer.
- 6) Provide for the collateralization of all funds deposited to all bank accounts within the scope of this RFP and be capable of meeting all collateralization requirements, including pledging collateral increases, prescribed by ORS 295 (as in effect on or after April 1, 2013).
- 7) Notify City in writing upon any requirement by the Oregon State Treasurer to increase its required level of collateral to 110%.
- 8) Be able to transfer funds to and from the Local Government Investment Pool managed by the Oregon State Treasurer.

## PROPOSAL NO. 114739

- 9) Have a full service branch office located in close proximity to the Portland Building (1120 SW Fifth Avenue, Portland, OR 97204), branch offices throughout City for routine deposits by City Bureaus and a central pick-up point or cash vault within City that can accommodate the security, deposit volume and change order demands associated with City's accounts.
- 10) Be in compliance with all regulatory requirements, including capital ratios, as required by all its regulatory oversight agencies.
- 11) Be in compliance and in good standing with the Community Reinvestment Act.
- 12) Have at least ten (10) years' experience providing general banking services to major public sector clients similar in size to City.
- 13) Agree to be compensated with compensating balances and quarterly invoicing, or a combination thereof, as determined by City. For purposes of compensating balance, overdraft and negative collected balance calculations, bank must agree to treat City's accounts with the bank on a daily consolidated basis and, so long as City's accounts on a daily consolidated basis maintain a positive ledger balance, no charges may be assessed for individual accounts being in a negative ledger position.
- 14) Not open or maintain any bank accounts for any entity representing itself as an agency or entity of City or using City's tax ID numbers without the express written permission of the City Treasurer.
- 15) Enforce maximum dollar limits placed by the City Treasurer on checks drawn on any account created by this RFP and must have the technology to enforce such limits.
- 16) Cash for any City employee, without a fee, checks drawn on any positive pay account created by this RFP at any branch. Reasonable identification, including a City of Portland employee identification card (with photo), may be required of the presenter.
- 17) Provide an online system of placing stop payments with confirmation.
- 18) Be able to transmit direct deposits through the ACH system from files provided by City (through bank's portal and files created through SAP) with next day settlement, notify City of failed deposits or pre-notes, and return funds immediately upon notice of failure.
- 19) Be able to receive and process CCD, CCD+, PPD+ and CTX ACH debits and credits originated outside the City, ACH batches created through City-designed websites used by customers to pay bills (including recurring ACH), and ACH batches created through the bank's online portal.
- 20) Have a system to filter unauthorized ACH debits to all City accounts.
- 21) Be able to consolidate online bill payments and create and make available through secure means a file from payments made through consumer service providers (e.g., CheckFree, Metavante) and routed to the MasterCard RPPS or Visa ePay systems. Bank must provide a file format that meets Water Bureau requirements.
- 22) Automatically return as stale dated any check that has a past issue date of six months or greater on any account created by this RFP.
- 23) Provide for a returned check processing system that re-deposits returned checks once, sends actual physical returned items to City, charges the account that was deposited, and sends an advice of charge with an itemized listing for each account to City.
- 24) Be able to accept electronic desktop deposits.
- 25) Be able to accept and process a deposit file containing electronic check images (configured to the bank's specifications) created by City's own equipment and securely transferred where eligible checks are converted to ACH debits.
- 26) Have online capability for City to initiate both repetitive and non-repetitive wire transfers with confirmed status within 15 minutes of secondary authorization.



## PROPOSAL NO. 114739

- 27) Have a positive-pay checking account system with payee validation and online exception reporting, and be able to accept positive-pay check data online and from files created (to bank specifications) through SAP.
- 28) Provide online capability to view paid checks from positive-pay checking accounts.
- 29) Provide a daily EDI report (with addenda) of ACH transactions in CCD, CCD+, PPD+ and CTX.
- 30) Have controlled disbursement check clearing capabilities with online reporting of the checks-paid amount in the early morning (Pacific Time) of the day the account is debited.
- 31) Provide online daily account statements of prior day activity in both printable format and BAI format (for manual downloading and posting to SAP) that provide detailed transactions and a summary of each account's daily ledger balance, available balance, and the total ledger balance for all accounts.
- 32) Have a procedure for ordering supplies, e.g., pre-printed encoded deposit slips, checks, coin rolls, currency traps, deposit bags, etc.

**C. MERCHANT BANKCARD SERVICES: To be considered for selection for Merchant Bankcard Services, firms submitting proposals must as of the date of their proposal and for the term of any contract(s):**

- 1) Have at least ten (10) years' experience processing merchant bankcard payment records transmitted for processing and settlement from major credit/debit card processing networks.
- 2) Be PCI-DSS compliant.
- 3) Be able to accept payment from bankcards directly from City applications and/or third party vendors on behalf of City as detailed in Exhibit D.
- 4) Provide no later than one-day settlement for all proceeds deposited into City bank accounts once payments are sent (batched) by City applications. Settlement dollars must at all times reside in City bank accounts.
- 5) Provide daily gross settlement and monthly debiting of fees for each merchant account.
- 6) Be capable of submitting a separate monthly invoice for bankcard fees for each merchant account for City to process and pay through Accounts Payable.
- 7) Provide online monthly account statements reflecting all activity and fees.
- 8) Provide online access for City to monitor detailed daily and monthly merchant bankcard sales and fees (at batch, merchant account, bureau and corporate levels) and research chargebacks.
- 9) Provide an online reporting tool with a security hierarchy limiting reporting to individual merchant accounts or groups of merchant accounts.

**2. WORK PERFORMED BY THE CITY:** Bureau staff shall make available sufficient hours of staff personnel as is required to meet with the Contractor and provide such information as required. The Office of Management and Finance, Treasury has assigned a project manager who will oversee the work and provide support as needed.

The City shall be responsible for implementing and maintaining usual, customary and appropriate internal accounting procedures and controls, internal controls and other appropriate procedures and controls for the City. These controls will include information technology, proprietary information, and trade secret safeguards if appropriate to City work.

**3. TIME IS OF THE ESSENCE:** Contractor shall make every reasonable effort to meet established delivery dates and other deadlines. Circumstances that may delay the delivery of services from established delivery dates and other deadlines, including excusable delays and force majeure events, shall be reported to the City immediately upon discovery. The City and Contractor shall mutually agree upon any schedule or pricing change due to excusable delays or force majeure events in writing. In the event Contractor does not meet the established delivery dates or other deadlines and Contractor has failed to cure such breach within fifteen (15) days of written notice by the City, the City may obtain the undelivered non-performed service from another source, and no recurring charges, one-time charges, or termination charges or other penalties shall be due the Contractor. In addition, the City will be entitled to reasonable compensation as stated under REMEDIES.

## PROPOSAL NO. 114739

**4. ESCALATION/DE-ESCALATION:** Initial Contract prices shall be as established herein. The City may consider pricing revisions proposed by Contractor after the fourth year of the contract period; however, the Contractor shall propose such revised pricing at least 120 days prior to the desired effective date for consideration by the City. Any proposed price increases must be fully documented and justified by Contractor. Acceptance of Contractor's proposed price revisions shall be at the City's sole discretion.

Contractor shall submit any proposed pricing revisions in writing to the Project Manager for consideration at least 120 days before the proposed effective date. All proposed price adjustments shall be calculated consistent with the methodology used to calculate the prices set forth in the Contractor's original proposal, the Contractor shall certify this in its request for price adjustments. Price adjustments shall become effective thirty (30) days from the date of last signature on the Contract amendment document or as otherwise stated therein. Price adjustments will only become effective by fully executed amendments.

PROPOSAL NO. 114739

## ATTACHMENT 2 TO CONTRACT COSTING TABLE

*[Note: INSERT CONTRACTOR'S FINAL PRICING]*

The following table is provided as part of the COSTING as required in Part II, Section B.6.E for the proposal response. The proposal shall include the contractor's true cost to perform the work irrespective of the City's anticipated cost. Proposed fees for services stated in the Proposal must be guaranteed for the initial four-year period. Fees and terms for the additional one (1) year period (if mutually agreed to extend) will be subject to renegotiation at the end of the first four years. Fee changes are to be submitted for consideration 120 days before the end of each contract term. **Proposers will respond only to those sections pertinent to the services your firm is proposing to provide.**

**1. BANKING SERVICES:** Please refer to Exhibit C for a description of the City's general banking services.

- a) Monthly Deposit Insurance Assessment. The City maintains 25 demand accounts with a total monthly average balance of \$6,667,140. In addition, one bank account (the General Account) maintains a negative monthly average balance of (\$852,800). Based on this information, what is your total monthly deposit insurance assessment fee? Provide details of your fee structure.
- b) Costing Table. State your fee for each of the services detailed below. Note that the monthly volumes indicated are historical estimates and not guarantees of minimum or maximum future activity. Ensure all fees associated general banking services described in this RFP are included. Any fee not fully documented in your proposal will not be allowed during the course of the contract.

	Monthly Volume	Per Item Fee	Total Fee
<b>General Account Services</b>			
Account Maintenance – checks returned with statement	19		
Account Maintenance – non return of checks	4		
Account Maintenance – zero balance	4		
<b>Bank Internet Portal and Reporting</b>			
Previous day – accounts reported	11		
Previous day BAI monthly base	1		
Previous day detail items	10196		
Debits posted (other than checks)	300		
Credits posted (non-electronic deposits and credits)	1690		
Credits posted – electronic	2248		
Monthly subscription per account for EDI report	3		
Detail items in EDI report	905		

## PROPOSAL NO. 114739

Addenda items in EDI report	393
Wire detail report monthly subscription	1
Wire detail report per items accessed	42
Domestic wire out	33
Wire – book transfer	26
Domestic wire in	24
Stop payments	8

Provide any further details regarding fee structure and features for the bank's Internet portal and reports available on the portal.

<b>Branch Deposit and Check Processing Services</b>
---

Unencoded checks – on us	2563
Unencoded checks – local clearing house	7349
Unencoded checks – transit	2576
Unencoded checks – region	4254
Cash deposited & verified by teller	\$217,060

Provide any further details regarding fee structure and features for the bank's branch deposit and check processing services.

<b>Cash Vault Services</b>
----------------------------

Unencoded checks – on us	133
Unencoded checks – local clearing house	374
Unencoded checks – transit	136
Unencoded checks – region	269
Cash deposited	\$522,983
Accounts w/duplicate receipt mailed to Treasury	3
Deposit adjustment	8

Provide any further details regarding fee structure and features for the bank's cash vault services.

## PROPOSAL NO. 114739

**Desktop Deposit**

Checks – on us	75
Checks – not on us	426
Desktop deposits	87

Provide any further details regarding fee structure and features for the bank's desktop deposit services.

**Electronic File Deposits**

Checks – on us	1325
Checks – not on us	6920
Deposit adjustments	2
Checks (on us) same day conversion to ACH	3798
Checks (not on us) one day conversion to ACH	18896

Provide any further details regarding fee structure and features for the bank's electronic file deposit services.

**Return Checks**

Check returned (not electronic)	46
Returned check redeposited (not electronic)	35
Electronic check corrected but returned to City unpaid	1
Electronic check repaired as ACH item	1
Electronic check repaired as substitute check	9
Electronic check re-presented	16
Electronic check returned to City (no correction)	11

Provide any further details regarding fee structure and features for the bank's check return services.

**Coin & Currency**

Coin/Currency furnished by branch	\$4,824
Coin/currency orders at branch	9
Per role charge for rolled coin by branch	246

## PROPOSAL NO. 114739

Provide any further details regarding fee structure and features for the bank's coin and currency services.

<b>Controlled Disbursement (Accounts Payable)</b>
---

Account maintenance monthly	1
Reporting on bank portal monthly subscription	1

Provide any further details regarding fee structure and features for the bank's controlled disbursement services **and** any differences in fees not captured below in Positive Pay.

<b>Positive Pay</b>
---------------------

Checks paid – full reconciliation (incl. AP)	5973
Payee validation per check issued (incl. AP)	5967
ARP monthly base with full reconciliation (incl. AP)	8
Full reconciliation per check issued (incl. AP)	5967
Sort checks in serial order	529
ARP checks returned with statement	598
Checks manually entered on bank portal	130
Exceptions reported by bank	13
Exception image on bank portal	5
Outstanding checks on file over 60 days (incl. AP)	1562
ARP accounts with paper statement (incl. AP)	8

Provide any further details regarding fee structure and features for the bank's positive pay services.

<b>Check Imaging</b>
----------------------

Monthly maintenance for payroll CD	1
Monthly maintenance for controlled disbursement CD (AP)	1
CD with check images (payroll & AP)	2
Payroll items imaged on CD	1578
AP items imaged on CD	3690

Provide any further details regarding fee structure and features for the bank's check imaging service.

## PROPOSAL NO. 114739

**ACH Services**

Monthly base fee for accounts	8
One day items – bank Internet portal	456
Two day items – bank Internet portal	1961
Same day items – direct file	22
One day items – direct file	2032
Two day items – direct file	23699
Batches processed – bank Internet portal	11
Batches processed – direct file	51
Recurring ACH auto pay items - direct file	3096
Received items (not originated by City)	410
Monthly maintenance returns/NOC (per account)	9
Items returned or NOC – bank portal	159
Returned items – bank transmitted advice	160
NOC items – bank transmitted advice	26
Returned items – bank faxed advice	3
Fax fee for ACH reports (per page)	85
Delete ACH item	1
Reverse ACH item	1
Fraud filter monthly base (per account)	25
Fraud filter monthly base reported on portal (per account)	8
Fraud filtered items for review on bank portal	11

Provide any further details regarding fee structure and features for the bank's ACH services.

**Consolidated Internet Bill Payments**

Monthly maintenance fee	1
-------------------------	---

## PROPOSAL NO. 114739

Per item charge 15639

Transmissions 21

Provide any further details regarding fee structure and features for the bank's consolidated Internet bill payment services including the cost of implementation.

**2. MERCHANT BANKCARD SERVICES:** Please refer to Exhibit D for a description of the City's merchant bankcard services.

*The City recognizes that pricing for credit card processing includes Visa/MasterCard interchange and assessments. Contractor agrees to pass through Visa/MasterCard interchange and assessments directly for each merchant account and, in the event of increases or decreases to Visa/MasterCard interchange and/or assessments at any transaction qualification level, the new rate(s) will be passed through directly.*

- a) Processing Fee. Based on the merchant bankcard activity described in Exhibit D, what is your processing fee expressed as a percentage rate, an item charge, or a combination of the two?
- b) Costing Table. State your fee for each of the services detailed below. Ensure all fees associated with merchant bankcard processing described in this RFP are included. Any fee not fully documented in your proposal will not be allowed during the course of the contract.

**General Account Services**

Account Maintenance – specify terms, i.e., per merchant account, etc.; monthly/annual, etc.

Set-up fees for new merchant accounts or services

**Transaction Fees**

Debit card transaction fees

Third party transaction fee (e.g. American Express)

**Visa/MasterCard fees, other than Interchange, including but not limited to:**

Assessment

Sales transaction

Network

Access

Network access authorization

Network access settlement

Acquirer processor credit

Acquirer processor DB/PP

AVS authorization

Chargeback

All other fees not mentioned above



## PROPOSAL NO. 114739

**Reporting fees:**

Monthly merchant ID statements

Processor's Internet portal

**PCI Compliance support fees****PayPal PayFlow Pro monthly charge****All other fees not mentioned above**

3. If you are submitting Proposals for both General Banking and Merchant Bankcard, discuss whether your Proposals include discounts for providing all requested services.

PROPOSAL NO. 114739

## PROPOSAL NO. 114739

## APPENDIX A TO CONTRACT CONTRACTUAL REQUIREMENTS

Contractor shall observe all applicable state and local laws pertaining to public contracts including the City's Equal Benefits Ordinance and its administrative rules, all of which are incorporated by this reference. Failure to comply with the Ordinance permits the City to impose sanctions or require remedial actions as stated in Section 13.1 of the rules, ORS Chapters 279A, 279B and 279C require every public contract to contain certain provisions. Pursuant to those chapters, the following provisions shall be a part of this contract, as applicable.

- Pursuant to ORS 279B.220, on every public contract, the contractor shall make payment promptly, as due, to all persons supplying to the contractor labor or material for the performance of the work provided for in the contract; shall pay all contributions or amounts due the Industrial Accident Fund from the contractor or subcontractor incurred in the performance of the contract; not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished, and; pay to the Department of Revenue all sums withheld from employees under ORS 316.167.
- Pursuant to ORS 279C.505, on public improvement contracts, the contractor shall make payments promptly, as due, to all persons supplying to such contractor labor or material for the prosecution of the work provided for in such contract. The contractor shall pay all contributions or amounts due the Industrial Accident Fund from such contractor or subcontractor incurred in the performance of the contract. The contractor shall not permit any lien or claim to be filed or prosecuted against the state, county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished. The contractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167. Contractor shall demonstrate that an employee drug-testing program is in place.
- Pursuant to ORS 279C.510 (1), in every public contract for demolition the contractor shall salvage or recycle construction and demolition debris, if feasible and cost-effective. Pursuant to ORS 279B.225 and 279C.510 (3) in every public contract and every public improvement contract for lawn and landscape maintenance, the contractor shall compost or mulch yard waste material at an approved site, if feasible and cost-effective.
- Pursuant to ORS 279B.230(1), in every public contract, the contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to the employees of the contractor, of all sums that the contractor agrees to pay for the services and all moneys and sums that the contractor collected or deducted from the wages of employees under any law, contract or agreement for the purpose of providing or paying for the services.
- Pursuant to ORS 279B.230(2), in every public contract, all subject employers working under the contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126.
- Pursuant to ORS 279B.235(1), persons may not be employed for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency or when the public policy absolutely requires it. In such cases, the employee shall be paid a) at least time and half pay for all overtime in excess of 8 hours in any one day or 40 hours in any one week when the work week is five consecutive days, Monday through Friday; or b) for all overtime in excess of 10 hours in any one day or 40 hours in any one week when the work week is four consecutive days, Monday through Friday; and c) for all work performed on Saturday and on any legal holiday specified in ORS 279B.020.
- Pursuant to ORS 279C.515(1), on public improvement contracts, if the contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to the contractor or a subcontractor by any person in connection with the public contract as such claim becomes due, the proper officer or officers representing the state, county, school district, municipality, municipal corporation or subdivision thereof, as the case may be, may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due the contractor by reason of such contract. The payment of a claim in the manner authorized by ORS 279C.515 shall not relieve the contractor or the contractor's surety from obligation with respect to any unpaid claims.
- Pursuant to ORS 279C.515(2), on public improvement contracts, if the contractor or a first-tier subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with the public improvement contract within 30 days after receipt of payment from the contract agency or a contractor, the contractor or first-tier subcontractor shall owe the person the amount due plus interest charges commencing at the end of the 10-day period that payment is due under ORS 279C.580(4) and ending upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest charged to the contractor or first-tier subcontractor on the amount due shall equal three times the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district that includes Oregon on the date that is 30 days after the date when payment was received from the contracting agency or from the contractor, but the rate of interest may not exceed 30 percent. The amount of interest may not be waived.
- Pursuant to ORS 279C.515 (3), in every public improvement contract and every contract related to the public improvement contractor, if the contractor or subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with the public improvement contract, the person may file a complaint with the Construction Contractors Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580.
- Pursuant to ORS 279C.520, no person shall be employed for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency, or where the public policy absolutely requires it, and in such cases, except in cases of contracts for personal services as defined in ORS 279C.100, the employee shall be paid at least time and a half pay for all overtime in excess of eight hours a day or 40 hours in any one week when the work week is five consecutive days, Monday through Friday; or for all overtime in excess of 10 hours a day or 40 hours in any one week when the work week is four consecutive days, Monday through Friday; and for all work performed on Saturday and on any legal holiday specified in ORS 279C.540. The contractor shall give notice to employees who work on a public contract in writing, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work. In the case of contracts for personal services as defined in ORS 279C.100, an employee shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week, except for individuals under these contracts who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. sections 201 to 209 from receiving overtime. Persons employed under contracts for services shall receive at least time and a half pay for work performed on the legal holidays specified in a collective bargaining agreement or in ORS 279C.540 (1) (b)(B) to (G) and for all time worked in excess of 10 hours a day or in excess of 40 hours in a week, whichever is greater. The

## PROPOSAL NO. 114739

contractor shall give notice to employees who work on a contract for services in writing, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.

- Pursuant to ORS 279C.530(1), in every public improvement contract, the contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to the employees of such contractor, of all sums which the contractor agrees to pay for such services and all monies and sums which the contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service. In every public contract, subject to ORS 279C, all employers working under the contract are subject employers that shall comply with ORS 656.017.
- Pursuant to ORS 279C.580(3)(a), the contractor shall include in each public improvement subcontract for property or services entered into by the contractor and a subcontractor, including a material supplier, for the purpose of performing a construction contract, a payment clause that obligates the contractor to pay the subcontractor for satisfactory performance under its subcontract within 10 days out of such amounts as are paid to the contractor by the public contracting agency under such contract, and an interest penalty clause that obligates the contractor to pay to the subcontractor an interest penalty on amounts due in the case of each payment not made in accordance with the payment clause included in the subcontract pursuant to ORS 279C.580 (3), for the period beginning on the day after the required payment date and ending on the date on which payment of the amount due is made, and computed at the rate specified in ORS 279C.515 (2).
- Pursuant to ORS 279C.580(4), the contractor shall include in each of its subcontracts for a public improvement, for the purpose of performance of such contract condition, a provision requiring the subcontractor to include a payment clause and an interest penalty clause conforming to the standards of ORS 279C.580 (B) (4) in each of its subcontracts and to require each of its subcontractors to include such clauses in their subcontracts with each lower-tier subcontractor or supplier.
- Pursuant to ORS 279C.830(1)(a) workers shall be paid not less than the specified minimum hourly rate of wage in accordance with ORS 279C.838 and 279C.840.

July 25, 2008

PROPOSAL NO. 114739

## EXHIBIT B

### CERTIFICATION OF COMPLIANCE WITH MINIMUM REQUIREMENTS OF RFP

I have read, understand and agree to comply with the **MINIMUM REQUIREMENTS** as specified in Section I, B of this RFP. Checking "YES" indicates acceptance of the entire list of requirements; checking "NO" denotes non-acceptance of any or all requirements and must be detailed below. All exceptions **MUST** be documented and explained in the form below. All contract clarifications or exceptions must be documented and explained in the form below. The City, at its sole discretion, must approve these exceptions and determine if the proposal will be included as part of Level #2 evaluation or rejected for non-responsiveness.

YES \_\_\_\_\_ NO \_\_\_\_\_ SIGNATURE \_\_\_\_\_

EXCEPTIONS: Attach additional sheets if necessary. Please use this format.

#### EXCEPTION SUMMARY FORM

MINIMUM REQUIREMENT NUMBER	EXPLANATION OF NON-ACCEPTANCE
EXAMPLE: 1.,A.,1)	[Detailed explanation here.]

## PROPOSAL NO. 114739

PROPOSAL NO. 114739

## EXHIBIT C

### DESCRIPTION OF CITY'S CURRENT BANKING SERVICES

#### A. Bank Accounts

The City currently maintains 25 demand accounts. Note that some accounts are counted in more than one category (e.g. ZBA accounts also have positive pay):

- **General Account** (1). Concentration account used for investments, deposits, disbursements, ACH and federal wire activities. Account is linked to four (4) zero balance accounts.
- **Positive Pay Accounts** (8). Positive pay files are transmitted by either a file generated by SAP or through bank's Internet portal. Check number, date, amount and payee fields are matched. Exceptions and their related check images are available via bank's Internet portal by 7:00 AM Pacific Time daily.
- **Controlled Disbursement** (1). Accounts Payable account has controlled disbursement and perfect presentment with reporting via bank's Internet portal by 7:00 AM Pacific Time daily.
- **Depository Accounts** (6). Accounts (including General Account) managed by Treasury which serve as depository accounts for City bureaus. Several have significant deposits (including night drops) of cash, checks and bankcard settlements. Bureau operations are spread throughout the Portland metropolitan area and require many branch offices.
- **Bureau Accounts** (15). Accounts managed by bureaus and used for various purposes including petty cash and refunds. Accounts have pre-established dollar check limits.
- **ZBA Accounts** (4). Zero balance accounts used for the four largest check-issuing accounts.
- **ACH Filters** (25). All demand accounts have ACH filters preventing ACH debits except where specifically authorized by the City (e.g., tax payments).

#### B. Depository Services

The City's current depository bank has a downtown branch in close proximity to the Portland Building and branch offices throughout the Portland metropolitan area to accommodate bureau deposits. In addition, deposit bags are brought to the bank by armored car (under separate contract with the City) from a variety of locations on schedules established by the bureaus creating the deposits. Deposits include checks, currency and coin. Change orders are delivered to these sites by armored car.

The City converts checks to electronic images in two locations using Panini My Vision X 30 desktop scanners. Desktop deposits are created using the bank's Internet portal and clear through Check 21 processing.

The City's Water Bureau converts checks to an electronic image file (designed to the bank's specifications) using Water Bureau equipment. The file is transferred to the bank using the bank's secured transmission, and the bank converts the eligible checks to ACH debits.

Four accounts receive CCD, CCD+, PPD+, and CTX ACH debits and credits. The City is both the originator and receiver of ACH debits and credits. In addition to receiving ACH deposits from other banks, the City originates ACH deposit batches through two City-designed websites that customers use to pay bills. One website (water bills) includes recurring ACH payments. The City also originates ACH deposit batches through the bank's Internet portal (retiree health premiums). The City receives Fed wires into two accounts.

On behalf of City's Water Bureau, the current bank consolidates Internet bill payments and creates and directly transmits (or makes available through a secure means) a file from payments made through consumer service providers (e.g., CheckFree, Metavante) and routes to the MasterCard RPPS or Visa ePay systems. The file is provided in a format configured by the bank to interface with Water's customer billing system. Funds are posted to a City bank account as ACH credits.

Returned checks not paid (both physical and electronic) are re-deposited immediately to the account. If rejected a second time, they are charged to the deposit account. An advice of charge with an itemized list of returned items and physical checks (or check images where appropriate) are sent to the City.

The current bank has a procedure for ordering supplies, e.g. pre-printed encoded deposit slips, checks, coin rolls, currency straps, deposit bags, etc.

## PROPOSAL NO. 114739

**C. Disbursement Services**

The City's four largest checking accounts (Accounts Payable, Payroll, Portland Development Commission, and Fire and Police Disability and Pension) are zero balance accounts funded by the General Account. In addition, the accounts payable account uses controlled disbursement (early morning notice of settlement amount) and perfect presentment. Besides the four ZBA accounts, there are four additional positive pay accounts. Five demand accounts do not permit check writing (money is transferred to the General Account by Internet generated book transfers). All accounts have pre-established disbursement limits that must be monitored by the bank.

The City provides the bank with daily positive pay check issued/cancelled files for the eight positive pay accounts as either files generated through SAP (AP and payroll), or through the bank's Internet portal (manually entered or uploaded files). The City subscribes to full account reconciliation service (ARP) of positive pay.

Stop payments are placed through the bank's Internet portal and are in effect for six months with an automatic one-year renewal for a total of 18 months. All checks stale-date after six months.

Physical checks are returned monthly to the City for all accounts except Payroll and Accounts Payable where they are received in an imaged format on CD. Check images can be ordered and received through the bank's Internet portal.

The City utilizes direct deposit services for a wide range of disbursements. The City's SAP system creates a biweekly payroll file for over 5,000 employees. Accounts Payable (the controlled disbursement account) today creates a small number of ACH vendor payments through SAP, but this number is anticipated to greatly expand and involve daily ACH transmissions. In addition, the Fire and Police Disability and Retirement Fund makes monthly pension and disability payments using the bank's Internet based ACH service.

Treasury originates Fed wires to a wide variety of domestic beneficiaries on a daily basis from the General Account. Wires are either freeform or by template. In addition, Treasury uses book transfers to move funds from six City accounts to the General Account. Wires are executed via the bank's Internet portal with immediate confirmation status.

**D. Reporting Services (Banking Services)**

Treasury manually downloads account information from the Internet at 7:00 AM Pacific Time daily. A prior day account activity report is received for 11 accounts that list all prior day credit and debit detail including checks paid. Each of the 11 accounts plus a consolidated summary includes the following information:

- Closing ledger balance
- Closing collected balance
- Opening available balance
- One day float
- Two + day float
- MTD average closing ledger balance
- MTD average closing collected balance
- Total credits
- Total debits
- Total number credits
- Total number debits

The prior day account activity report must be in both a printable format and BAI format to be downloaded from the bank's Internet portal and imported into SAP.

The morning download also includes a controlled disbursement summary report for the Accounts Payable zero-balance account showing the amount (check and ACH) to be charged that day.

The bank's Internet portal includes a function that allows Treasury to view items stopped due to the ACH fraud filters placed on all accounts (the default is to block), and to create exceptions for stopped items so they will be paid in the future.

An Internet ARP positive pay exception report is available and printed at 7:00 AM by Treasury. For each of the positive pay checking accounts, the report notes whether there are exceptions and the decision deadline (12:00 PM for all accounts except Accounts Payable which is at 5:30 PM). Exceptions awaiting decision can be paid, returned, or edited and paid (i.e., the serial number and/or amount can be edited). Check images of exception items can be viewed by 7:00 AM except Accounts Payable which is available at 1:00 PM.



## PROPOSAL NO. 114739

An EDI report of ACH credits and debits in all formats (with addenda) posting to three accounts on the current day is available at 7:00 AM through the bank Internet portal.

An intraday wire transfer report is available on the bank's Internet portal to confirm Fed wires (in and out) and display detail.

Monthly bank statements are received for all 25 demand accounts. Paper statements for the 15 bureau accounts are received by mail at bureau locations. Treasury receives paper statements for the remaining 10 accounts. All monthly bank statements (including positive pay full account reconciliation) are available on the bank's Internet portal in PDF format.

The monthly client analysis of detailed charges is available on the bank's Internet portal in HTML, PDF and Excel formats.

PROPOSAL NO. 114739

PROPOSAL NO. 114739

## EXHIBIT D

### DESCRIPTION OF CITY'S CURRENT MERCHANT BANKCARD SERVICES

The City **accepts** bankcard payments for a number of different services. This RFP does not include the use of bankcards for purchases made by the City which is under a separate contract. There are currently 35 merchant bankcard accounts handling bankcard sales (Visa/MasterCard credit and debits). Twenty-three of these merchant bankcard accounts are linked to American Express merchant accounts and assess an authorization fee for routing third party transactions. However, American Express is a separate contract outside this RFP and American Express collects its own bankcard fees. The City does not accept Discover.

Bankcard payments are accepted throughout the City by several bureaus for multiple goods and services. Citywide, the merchant accounts have a monthly combined average of:

Citywide Totals	TICKETS	SALES
MasterCard	124,697	\$1,867,418
Visa	515,687	\$6,514,829
Online debit	63	\$15,414
American Express	26,099	\$80,198
Total	666,546	\$8,477,859
Average ticket		\$12.72

The average monthly volume of Internet transactions included in the above totals is:

Tickets: 19,927                  Sales: \$4,574,601                  Average ticket: \$229.57

Transaction reports are currently received by mail or Internet portal. Chargeback notifications are received by mail.

The City of Portland Bureau of Technology Services (BTS) operates a Payment Gateway that provides bankcard transaction processing for several City bureaus and third party managed parking meters. The Payment Gateway was developed and is maintained by in-house BTS staff who also provide custom front-end applications to meet the needs of City bureaus that utilize the Gateway as detailed below. The Payment Gateway uses Pay Pal PayFlow Pro and the Nashville platform. The City is currently a Level 2 merchant, but foresees growth into a Level 1 merchant within one to two years time. The following is a summary of the various bankcard merchant accounts:

1. **Parking Garages (6).** Six parking garages accept bankcards. Each garage has its own merchant account. Five of the garages employ Amano McGann equipment in various combinations of AMG 4500 Express Park, AMG 7800 Pay Station, and AMG 2070 Pay Station. These five merchant accounts use Tender Retail's Merchant Connect Multi and the Cardnet platform. The sixth garage uses one Hypercom T7Plus 1 (purchased) and the Nashville platform. The six parking garages have a combined monthly average of:

Parking Garages	TICKETS	SALES
MasterCard	10,871	\$69,478
Visa	43,183	\$273,210
American Express	487	\$2,636
Total	54,541	\$345,324
Average ticket		\$6.33

2. **Print Shop (1).** The print shop has one merchant account and uses a Hypercom T7 Plus 1 (leased) and the Nashville platform. The print shop has a monthly average of:

Print Shop	TICKETS	SALES
MasterCard	37	\$1,595
Visa	147	\$6,185
Total	184	\$7,780
Average ticket		\$42.28

## PROPOSAL NO. 114739

3. **Permit Center (4).** The Bureau of Development Services (BDS) accepts credit card payments for various permits and inspections in person and online via a custom application developed by BTS. One merchant account uses three Hypercom FD-100 swipe machines (purchased). The other three merchant accounts use the City's Payment Gateway, one for Web payments and the other two for in-house PC transactions. The permit center has a combined monthly average of:

Permit Center	TICKETS	SALES
MasterCard	497	\$258,368
Visa	1,970	\$1,066,142
Online debit	59	\$15,251
Total	2,526	\$1,339,761
Average ticket		\$530.39

4. **Police (2).** The Portland Police Bureau has two merchant accounts for alarm permits and records sales. One uses DataCap software and the other uses a Hypercom T7 Plus (leased); both use the Nashville platform. The Police Bureau has a combined monthly average of:

Police	TICKETS	SALES
MasterCard	34	\$3,416
Visa	134	\$12,966
Total	168	\$16,382
Average ticket		\$97.51

5. **Parking Meters (4).** The Bureau of Transportation has contracted with a third party, Cale America, Inc., to operate parking meters throughout the City. The meters communicate via a private cellular network to a central gateway which, in turn, uses the City's Payment Gateway for processing. The four merchant accounts have a combined monthly average of:

Parking Meters	TICKETS	SALES
MasterCard	105,082	\$262,291
Visa	436,461	\$1,069,301
American Express	25,237	\$58,862
Total	566,780	\$1,390,454
Average ticket		\$2.45

6. **Fire (2).** The Bureau of Fire and Rescue has one merchant account for permits and one merchant account for inspection. Each uses a Hypercom T7 Plus (one leased and one purchased) and the Nashville platform. The Fire Bureau has a combined monthly average of:

Fire	TICKETS	SALES
MasterCard	22	\$4,575
Visa	125	\$24,420
Total	147	\$28,995
Average ticket		\$197.24

7. **Water Permits (1).** The Water Bureau has one merchant account for sales of permits that uses a virtual terminal developed by BTS. After bankcard information is entered, it is forwarded to the City's Payment Gateway for processing. Water permits averages:

Water Permits	TICKETS	SALES
MasterCard	4	\$9,619
Visa	14	\$41,192
Total	18	\$50,811
Average ticket		\$2,822.83

8. **Water/Sewer Billing (1).** The Water Bureau uses one merchant account for customers to pay water/sewer

## PROPOSAL NO. 114739

bills online. Bills are paid online using the third party utilities program (Cayenta). Payments are then sent to the City's Payment Gateway for processing. Transactions qualify for Visa/MasterCard interchange utility pricing. Water billing averages:

Water/Sewer Billing	TICKETS	SALES
MasterCard	3,339	\$1,038,659
Visa	13,564	\$3,156,028
Total	16,903	\$4,194,687
Average ticket		\$248.16

9. **Leaf Fee (1).** The Bureau of Transportation has one merchant account for payment of fees related to seasonal leaf removal. Bills are paid online using the Water Bureau's website and Water's third party utilities program (Cayenta). Payments are then sent to the City's Payment Gateway for processing. This merchant account is new and there is no data on sales.
10. **Bureau of Planning and Sustainability (1).** The Bureau of Planning and Sustainability has one merchant account for sales relating to several seasonal events. Tickets are sold through a City webpage that links to a third-party vendor (ServiceU Corporation) that uses the TSYS platform. The merchant account averages:

Bureau of Planning and Sustainability	TICKETS	SALES
MasterCard	10	\$300
Visa	39	\$1,361
Total	49	\$1,661
Average ticket		\$33.90

11. **Parks Bureau (6).** The Bureau of Parks & Recreation has six merchant accounts. One merchant account is used for class registration and facilities reservations via telephone, fax, mail or in person. It uses the Class software server with Tender Retail and the TSYS platform. A second merchant account receives online payments through a City webpage using the Class server with Tender Retail and the TSYS platform. Within a year, these two merchant accounts will change to ActiveNet software, with the Pay Pal gateway. Two merchant accounts process parking using the City's Payment Gateway. A fifth merchant account has three Hypercom T4100 terminals (leased) using the Nashville platform, and a sixth merchant account has one Hypercom T7Plus (owned), also using the Nashville platform. The Parks Bureau has a combined average of:

Parks	TICKETS	SALES
MasterCard	4,741	\$210,006
Visa	19,834	\$829,292
American Express	367	\$18,088
Total	24,942	\$1,057,386
Average ticket		\$42.39

12. **Revenue Bureau (2).** The Revenue Bureau maintains a merchant account for citizens to pay business taxes and purchase or renew business licenses online. A second merchant account collects a convenience fee. This is currently the only situation where the City collects a convenience fee. After the bankcard information is entered online, it is forwarded to the City's Payment Gateway. The two merchant accounts have a combined monthly average of:

Revenue Bureau	TICKETS	SALES
MasterCard	44	\$8,267
Visa	142	\$29,926
Total	186	\$38,193
Average ticket		\$205.34

13. **Sidewalk Permits (1).** The Bureau of Transportation uses one merchant account for the payment of sidewalk permits. The merchant account uses a First Data wireless terminal FD 400 Ti (owned) and the Nashville platform. The monthly average is:

## PROPOSAL NO. 114739

Sidewalk Permits	TICKETS	SALES
MasterCard	6	\$386
Visa	22	\$2,601
Online debit	1	\$90
American Express	1	\$189
Total	30	\$3,266
Average ticket		\$108.87

14. **Sunderland Yard (1).** The Bureau of Transportation uses one merchant account for the payment of fees at the Sunderland Yard recycling center. The merchant account uses a First Data wireless terminal FD 400 Ti (owned) and the Nashville platform. The monthly average is:

Sunderland Yard	TICKETS	SALES
MasterCard	1	\$28
Visa	5	\$152
Online debit	3	\$73
Total	9	\$253
Average ticket		\$28.11

15. **Sunday Parkways (1).** The Bureau of Transportation uses one merchant account to collect donations in support of the Sunday Parkways project. Donations are accepted through a City webpage that uses the City's Payment Gateway. The monthly average is:

Sunday Parkways	TICKETS	SALES
MasterCard	9	\$430
Visa	47	\$2,053
American Express	7	\$423
Total	63	\$2,906
Average ticket		\$46.13

16. **Portland Streetcar (1).** The Bureau of Transportation has 72 Strada Pay Stations installed at stations throughout the Streetcar line for the sale of tickets. The Pay Stations communicate via a private cellular network to a central gateway which, in turn, uses the City's Payment Gateway for processing. This merchant account is new and there is no data on sales.

PROPOSAL NO. 114739

## EXHIBIT E

### REFERENCE INFORMATION

Provide the following contact information for all of the categories below:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Institution: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

- a) Three (3) current public sector customers;
- b) One (1) prior public sector customer you elected to rebid but did not successfully retain; and,
- c) Two (2) public sector customers that converted from another financial institution to yours within the last three (3) years.

PROPOSAL NO. 114739





# CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor  
Jack D. Graham, Chief Administrative Officer  
Bryant Enge, Director, Bureau of Internal Business Services

Christine Moody  
Chief Procurement Officer  
Procurement Services  
1120 S.W. Fifth Avenue, Rm. 750  
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(503) 823-5047  
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TTY (503) 823-6868

November 2, 2012

## ADDENDUM NO. ONE (1)

RFP No. 114739

### GENERAL BANKING SERVICES AND MERCHANT BANKCARD SERVICES Proposals Due: November 29, 2012 By: 2:00 pm

This addendum provides changes to the specifications for the above-entitled project to be considered by each respondent. This addendum shall be included within the proposal. Any changes made by this addendum to said specifications offset only the portion of the words or paragraphs specifically mentioned herein, and the balance of the specifications remain in full force. It is the responsibility of all respondents to conform to this addendum.

The attached CLARIFICATION QUESTIONS/ANSWERS are provided for clarification purposes only.

Please direct all questions and concerns to B. J. Gibson, CPPO, at (503) 823-7665.

End of Addendum

Christine Moody  
Chief Procurement Officer

CM:bg

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*To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.*

The following CLARIFICATION QUESTIONS/ANSWERS are provided for clarification purposes only:

1. Is the City currently using PayPal PayFlow Pro for their Merchant Bankcards Services today?  
A: *This information may be referenced in Exhibit D: DESCRIPTION OF CITY'S CURRENT MERCHANT BANKCARD SERVICES.*
2. Is the City replacing PayPal or must the Merchant Bankcard vendor interface with PayPal?  
A: *The Portland Parks & Recreation Bureau requires the PayPal gateway for their new ActiveNet software. For the City's Payment gateway, alternative gateway solutions must be analyzed by the City for their functionality and amount of implementation development work required by the City.*
3. What are PayPal's current rates?  
A: *Most of the PayPal PayFlow Pro monthly charges are absorbed by the current merchant bankcard service provider. In the instances that are not, the charges are \$199/setup and \$31/month for internet.*
4. Is the City wanting pricing for both Agency Absorbed (the City pays the fees) or Convenience Fee (consumer pays convenience fee)?  
A: *The City collects a convenience fee in only one application that is set up to receive tax payments. In this one instance, the application is set up with two merchant accounts with the first account collecting the tax payments and the second account collecting the convenience fee. The City pays the merchant bankcard fees on both accounts.*
5. Who currently provides the City with their General Banking and Merchant Bankcard Services?  
A: *Wells Fargo Bank, N.A.; Wells Fargo Merchant Services, LLC*



# CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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November 6, 2012

## ADDENDUM NO. TWO (2)

RFP No. 114739

### GENERAL BANKING SERVICES AND MERCHANT BANKCARD SERVICES Proposals Due: November 29, 2012 By: 2:00 pm

This addendum provides changes to the specifications for the above-entitled project to be considered by each respondent. This addendum shall be included within the proposal. Any changes made by this addendum to said specifications offset only the portion of the words or paragraphs specifically mentioned herein, and the balance of the specifications remain in full force. It is the responsibility of all respondents to conform to this addendum.

The attached CLARIFICATION QUESTIONS/ANSWERS are provided for clarification purposes only.

Please direct all questions and concerns to B. J. Gibson, CPPO, at (503) 823-7665.

End of Addendum

Christine Moody  
Chief Procurement Officer

CM:bg

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The following CLARIFICATION QUESTIONS/ANSWERS are provided for clarification purposes only:

1. C-4 ... If one day settlement is not available at this time, is that an automatic dismissal?

A: *It is not an automatic dismissal, although delays past one-day settlement may affect the evaluation of the proposal.*

2. The RFP requires the processor to have been in business for 10 years. We have been in business for 8 1/2 years. Will this suffice?

A: *This would not be an automatic dismissal, although experience less than 10 years may affect the evaluation of the proposal.*

3. Not only do we price clients with the traditional Tier system (i.e., Qualified, Mid, and Non), we also offer Interchange plus pricing for high volume organizations such as yourself. Is the evaluation staff familiar with this price structure and would it be permissible?

A: Yes.

4. Our firm has just recently begun to market public sector clients. We have an extensive number of private sector clients but none in the public sector. Are we still allowed to bid and may we submit private sector references?

A: *Yes, although lack of public sector experience may affect the evaluation of the proposal.*



**CITY OF PORTLAND**  
OFFICE OF MANAGEMENT AND FINANCE

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November 14, 2012

**ADDENDUM NO. THREE (3)**

**RFP No. 114739**

**GENERAL BANKING SERVICES  
AND  
MERCHANT BANKCARD SERVICES**  
Proposals Due: November 29, 2012  
By: 2:00 pm

This addendum provides changes to the specifications for the above-entitled project to be considered by each respondent. This addendum shall be included within the proposal. Any changes made by this addendum to said specifications offset only the portion of the words or paragraphs specifically mentioned herein, and the balance of the specifications remain in full force. It is the responsibility of all respondents to conform to this addendum.

The attached CLARIFICATION QUESTIONS/ANSWERS are provided for clarification purposes only.

Please direct all questions and concerns to B. J. Gibson, CPPO, at (503) 823-7665.

End of Addendum

Christine Moody  
Chief Procurement Officer

CM:bg

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The following CLARIFICATION QUESTIONS/ANSWERS are provided for clarification purposes only:

1. How many PayPal Pay Flow Pro Merchant Account gateway setups is the city's current provider absorbing for the City?  
A: Sixteen (16).
2. Section B – Proposal Submission, 2. Proposals: would the City consider expanding maximum pages for responding banks other than the incumbent to allow for detailed transition plans that the current bank will not need to include in their responses?  
A: No. Please keep in mind that at this time the City is only asking for an overview of transition plans.
3. The following question relates to volumes provided in Attachment 2, Costing Table: What is your check volume in your Controlled Disbursement account for AP?  
A: 3,694 per month
4. The following question relates to volumes provided in Attachment 2, Costing Table: Do the items identified as "Detail items in EDI report" (905) include ACH "received items" (401)?  
A: Yes.

**Regarding "Merchant Bank Card Services":**

5. Is the connectivity method (PayFlow Pro) used by the Payment Gateway owned by the City, or provided by the current Payment Provider (Acquirer)?  
A: Three are owned and thirteen are provided.
6. What Tender Retail Merchant Connect Multi version is being used by the Amano McGann equipment?  
A: Version 4.2.8.
7. What Tender Retail version is being used by the Parks Bureau?  
A: Parks is currently using Version 4.2.8 also.
8. Do you have relationships with multiple processors/acquirers/gateways?  
A: No, we contract with only one merchant bankcard services provider, which currently is Wells Fargo.
9. How many processing end-points do you maintain?  
A: Please reference Exhibit D: Description of City's Current Merchant Bankcard Services.
10. Who is your QSA?  
A: Coalfire
11. How many data stores are used to contain that data?  
A: The City has three distinct bankcard processing environments (parks, garages, payment gateway).
12. Describe data acceptance environment(s) (Points of card entry across your enterprise: in person, online (Virtual Terminals), MOTO, kiosk, etc.  
A: The City accepts cards in multiple environments.
13. Do you have legacy POS systems that need to be secured? How are you protecting data:  
A: No.

14. How much effort does the City spend maintaining PCI compliance?

A: *Maintaining compliance is an ongoing (daily) effort. Preparation for the assessment is not our end goal -- compliance is.*

15. Do you have a dedicated PCI audit staff?

A: *Compliance is conducted daily; audit is outsourced.*

**NOTE:** Regarding the following questions, the City's Bureau of Technology Services (BTS) has staff dedicated to Information Security all of whom work closely with Treasury. The Security Team works to maintain PCI compliance. The City outsources the audit function to Coalfire.

Due to system security any questions regarding system security, risk and fraud management, policies and processes, internal resources, and system procedures will not be addressed at this time.



# CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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November 19, 2012

## ADDENDUM NO. FOUR (4)

RFP No. 114739

### GENERAL BANKING SERVICES AND MERCHANT BANKCARD SERVICES Proposals Due: November 29, 2012 By: 2:00 pm

This addendum provides changes to the specifications for the above-entitled project to be considered by each respondent. This addendum shall be included within the proposal. Any changes made by this addendum to said specifications offset only the portion of the words or paragraphs specifically mentioned herein, and the balance of the specifications remain in full force. It is the responsibility of all respondents to conform to this addendum.

The attached CLARIFICATION QUESTIONS/ANSWERS are provided for clarification purposes only.

Please direct all questions and concerns to B. J. Gibson, CPPO, at (503) 823-7665.

End of Addendum

Christine Moody  
Chief Procurement Officer

CM:bg

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The following CLARIFICATION QUESTIONS/ANSWERS are provided for clarification purposes only:

**Regarding Banking Services:**

1. Section B - Work Requirements - B.25: For the items processed through Electronic File Deposit today, is converting items to ACH a requirement or are you open to a bank providing a solution without ACH conversion that provides better pricing and equal or better availability?  
A: *The City is open to other alternatives, although solutions requiring software reconfiguration (with its attendant costs) may impact the City's evaluation of the proposal.*
2. Does the City currently send an X9.37 format file for daily image cash letter/ACH conversion files? What is the model name and type of scanning equipment used for this process?  
A: *Yes, using Unisys programming on a Burroughs (formerly Unisys) DP600 quantum high speed remittance processor.*
3. How many checks/what size would the City expect to be cashed at the bank's teller line using an employee ID card? Do your employee IDs include a photograph? What type of checks are expected to be cashed via teller line with employee ID? (payroll, etc.)  
A: *As noted in this RFP, City ID cards include photos. Historical estimates of teller-cashed checks are: payroll 85/month, FPDR retirement/disability 4/month, AP 17/month. The City does not have data on dollar amounts for teller-cashed checks.*
4. What is the expected time frame for an uncollected funds usage scenario (number of days)?  
A: *Check clearing time is usually a 2-day maximum.*
5. In accordance with section I B, may we request approval to submit differentiations of the minimum requirements, including 2013 service enhancements, according to our services structure, professional recommendations, and cost/time efficiencies, which may vary from the minimum requirements listed? Will our proposal success be affected by such variations, according to Section I B form, and may we offer such variations in conjunction with our signature on this form?  
A: *The City is open to other alternatives, although differentiations may impact the City's evaluation of the proposal.*

**Regarding "Merchant Bank Card Services":**

6. Do you need access to card data for subsequent transactions?  
A: *Yes, with some services, the City retains only the last 4 digits; in other cases, the City retains hashed data (e.g., for re-use with auto-pay). Credit cards are stored only until they expire, at which point they are no longer valid unless information is updated by card owner.*
7. What platforms are your in-house developed merchant services payment system certified to process on?  
A: *Merchant Services – Verisign with First Data as the City's current back-end merchant services processor.*
8. In accordance with section I B, may we request approval to submit differentiations of the minimum requirements, including 2013 service enhancements, according to our services structure, professional recommendations, and cost/time efficiencies, which may vary from the minimum requirements listed? Will our proposal success be affected by such variations, according to Section I B form, and may we offer such variations in conjunction with our signature on this form?  
A: *The City is open to other alternatives, although differentiations may impact the City's evaluation of the proposal.*

NOTE: Due to system security any questions regarding system security, risk and fraud management, policies and processes, internal resources, and system procedures will not be addressed at this time.



# CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor  
 Jack D. Graham, Chief Administrative Officer  
 Bryant Enge, Director, Bureau of Internal Business Services

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November 26, 2012

## ADDENDUM NO. FIVE (5)

RFP No. 114739

### GENERAL BANKING SERVICES AND MERCHANT BANKCARD SERVICES Proposals Due: November 29, 2012 By: 2:00 pm

This addendum provides changes to the specifications for the above-entitled project to be considered by each respondent. This addendum shall be included within the proposal. Any changes made by this addendum to said specifications offset only the portion of the words or paragraphs specifically mentioned herein, and the balance of the specifications remain in full force. It is the responsibility of all respondents to conform to this addendum.

The following CLARIFICATION is provided for informational purposes only.

**Part III, Section A.2 PROPOSAL REVIEW:** There will be separate evaluation committees each charged with evaluating designated sections of the RFP: one committee will evaluate the General Banking Services, another will evaluate the Merchant Bankcard Services and a third will evaluate the Cost section of the proposal responses.

Please direct all questions and concerns to B. J. Gibson, CPPO, at (503) 823-7665.

End of Addendum

Christine Moody  
 Chief Procurement Officer

CM:bg

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## **EXHIBIT 2**

### **WELLS FARGO BANK, N.A. PROPOSAL**

Including the following documents:

Proposal, including Sections A- F and Attachment A – G [Attachment A, ARP Statements and Reporting, Commercial Electronic Office (CEO); Attachment B, Banking Stores in the City of Portland; Attachment C, Employee Banking Packages Legal Disclaimer; Attachment D, Corporate Supplier Diversity Plan; Attachment E, Training Courses; Attachment F, Wells Fargo exceptions to the City General Banking Services Contract; Attachment G, Acceptance of Services; and Wells Fargo Response to Questions Following Presentation]

## EXHIBIT 2



**City of Portland  
Response to Request for General Banking  
Services RFP 114739**

November 29, 2012

Submitted by:

Mark Hudspeth

Relationship Manager

503-886-4914

[mark.hudspeth@wellsfargo.com](mailto:mark.hudspeth@wellsfargo.com)

Ed Hiddleston

Sr. Treasury Management Consultant

206-292-3644

[edward.k.hiddleston@wellsfargo.com](mailto:edward.k.hiddleston@wellsfargo.com)

**Government Banking**  
 Northwest Division  
 MAC P6101-050  
 1300 Fifth Avenue, 5<sup>th</sup> Floor  
 Portland, OR 97201



November 29, 2012

B.J. Gibson, CPPO  
 Procurement Services  
 1120 SW Fifth Avenue, Room 750  
 Portland, OR 97204

RE: RFP No. 114739 – General Banking Services

Dear Ms. Gibson:

Thank you for the opportunity to bid on the City of Portland's Request for Proposal for General Banking Services. Wells Fargo has had the privilege of serving as the City's banking partner for over fifty years, and we are committed to continuing the relationship for many years to come. We are excited about the prospect of expanding our relationship and offering the City what we feel are the most technologically efficient products, advanced strategies in risk protection, and our award winning customer service. Please note that we have not provided a redacted copy of our proposal and Mark Hudspeth is authorized to represent Wells Fargo Bank and sign a banking services contract.

We believe that Wells Fargo is the best choice to serve as the City's primary bank for the following reasons:

#### *Socially responsible banking*

Wells Fargo wants to help all our customers succeed financially, and support long-term economic growth and improved quality of life for everyone in our communities. In 2011, Wells Fargo invested \$213.5 million in 19,000 nonprofits nationwide, surpassing \$200 million for the fourth consecutive year. Additionally, we provided \$33 million in grants to nonprofits supporting homeownership, and \$3.6 billion in community development loans and investments in projects that support affordable housing, community services, and economic development, revitalization and stabilization.

#### *Commitment to the City*

Wells Fargo has a vested interest in the City's well-being as well. Building a strong community is at the top of our agenda, as evidenced by our commitment to corporate citizenship. In terms of employment, over 1,900 team members work in Portland, occupying over 26 locations. Spending by Wells Fargo and team members in the City supports local businesses and brings in tax dollars.

Community investment is a core value at Wells Fargo. Our foundation and corporate giving in the City exceeded \$740,000 last year and focused on arts and culture, community development, education, and human services. In addition, volunteer hours contributed by our team members in 2011 throughout the Portland community exceeded 19,050.



Government Banking  
Northwest Division  
MAC P6101-050  
1300 Fifth Avenue, 5<sup>th</sup> Floor  
Portland, OR 97201



## Wells Fargo understands the City

Wells Fargo has been serving the City for over 50 years and government clients for over 150 years. In 2010, we expanded our government banking team by opening offices in Portland and Seattle, dedicated to providing banking services to public agencies throughout the Pacific Northwest. Since our formation, we have added several clients, and in each case, we have transitioned these customers from other financial institutions with a focus on treasury process improvement. Through close consultation with our customers, we develop a thorough understanding of their business processes. This consultative approach has enhanced the Treasury operations of our clients and has shaped our product set, thereby enabling us to better tailor solutions to meet government needs.

## Strong government focus

Although each public agency is unique, we find that most agencies face the same challenges. Shrinking budgets and lack of resources make it imperative that your banking relationship runs efficiently at a reasonable cost. In 2009, Wells Fargo merged with Wachovia to become the fourth largest bank in the United States in terms of assets and today is the largest in terms of market capitalization. Today, over 500 Wells Fargo government banking professionals serve the public sector market.

**Serving the banking needs of public agencies is a core business of Wells Fargo.** This means that the Government Banking Division gets the resources and funding to meet the product needs of our customers. Further, our financial performance has resulted in dollars available for investment in technology and training. It is our good fortune to have been able to draw on the best ideas and products of both banks, making us the leader in technology and innovation.

## Experienced team

Wells Fargo has a very experienced government team located in Portland, led by Mark Hudspeth, Relationship Manager, and Ed Hiddleston, Treasury Management Consultant. Mark and Ed each have over 20 years of banking experience, with the bulk of their career focused on the public sector. They are further supported by a dedicated client service officer, relationship associate, treasury associate, credit analyst, and loan team leader, bringing a comprehensive understanding and appreciation of government operations.

## Guaranteed pricing and retention credit

If awarded the City's banking contract, Wells Fargo will guarantee pricing for four years. In addition, we are offering a retention credit of \$42,000, equal to approximately six-months of service fees, which can be spread over four years. Further, the City will have its choice of the Government Banking Wholesale Earning Credit Rate, or the 91-day Treasury bill rate, whichever rate offers the greatest advantage. The City will be further protected with a minimum Earnings Credit Rate of 40 basis points during the four-year term of the initial contract.

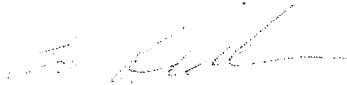


**Government Banking**  
Northwest Division  
MAC P6101-050  
1300 Fifth Avenue, 5<sup>th</sup> Floor  
Portland, OR 97201

**WELLS  
FARGO**

Wells Fargo is very excited for the opportunity to continue as the City's banking services partner. We are fully committed to providing outstanding customer service in every aspect of your relationship, and we look forward to exceeding your expectations.

Sincerely,



Mark Hudspeth  
Sr. Vice President  
Relationship Manager  
503-886-4914  
887-814-2007 Fax  
mark.hudspeth@wellsfargo.com

Ed Hiddleston  
Vice President  
Sr. Treasury Consultant  
206-292-3644  
855-207-1920 Fax  
edward.k.hiddleston@wellsfargo.com



PROPOSAL NO. 114739

## EXHIBIT B

### CERTIFICATION OF COMPLIANCE WITH MINIMUM REQUIREMENTS OF RFP

I have read, understand and agree to comply with the **MINIMUM REQUIREMENTS** as specified in Section I, B of this RFP. Checking "YES" indicates acceptance of the entire list of requirements; checking "NO" denotes non-acceptance of any or all requirements and must be detailed below. All exceptions **MUST** be documented and explained in the form below. All contract clarifications or exceptions must be documented and explained in the form below. The City, at its sole discretion, must approve these exceptions and determine if the proposal will be included as part of Level #2 evaluation or rejected for non-responsiveness.

YES X NO \_\_\_\_\_ SIGNATURE *Maria Rodriguez*

EXCEPTIONS: Attach additional sheets if necessary. Please use this format.

#### EXCEPTION SUMMARY FORM

MINIMUM REQUIREMENT NUMBER	EXPLANATION OF NON-ACCEPTANCE
EXAMPLE: 1.,A.,1)	[Detailed explanation here.]



## Table of contents

A.	Cover letter	
	<i>Exhibit B: Certification of Compliance with Minimum Requirements</i>	
B.	Project team.....	1
	<i>Exhibit E: Form References</i>	
C.	Project approach.....	4
1.	Banking services .....	4
	On-line account access and reporting .....	4
	Depository services .....	14
	Disbursement services .....	19
	Earnings credits .....	20
	Training.....	21
	Conversion plan .....	22
	Other .....	24
D.	Organization .....	29
E.	Costing.....	34
	<i>Attachment 2: Costing Table</i>	
1.	Banking services .....	34
F.	Diversity in employment and contracting .....	36

## Appendix

Sample statements and reports .....	Tab A
Banking stores in the City .....	Tab B
Wells Fargo At Work® legal disclaimer .....	Tab C
Corporate diversity .....	Tab D
Available training courses.....	Tab E
Exceptions to the City's contract.....	Tab F
Legal agreements .....	Tab G
Wells Fargo Quarterly Report.....	Tab H
Wells Fargo Annual Report .....	Submitted separately

## B. Project team

- 1) **How long has your organization been providing services to public sector municipal clients?**

Wells Fargo has provided banking services to public sector clients since the bank's inception—over 160 years.

- 2) **As of June 30, 2012:**

- a) **How many clients (total) does your firm service in the public sector marketplace?**

Wells Fargo has over 5,000 clients in the public sector marketplace.

- b) **How many total employees does your firm have to service the public sector marketplace exclusively?**

Over 500 Wells Fargo government banking professionals serve the public sector market. Our relationship model is somewhat different from many banks; at Wells Fargo, you maintain a much closer connection with your relationship manager and relationship associate who work exclusively with government clients. Our unique relationship model provides the City with local presence, their experience in working with the City, and the added bonus of our Government Group's industry expertise.

- c) **How many individuals does your firm employ within the State of Oregon?**

Wells Fargo employs 6,299 individuals in the state of Oregon.

- d) **How many public sector clients do you have with total revenues:**

The figures below are government entities as defined by the US Census.

- **Over \$1 billion?** 151
  - **\$750 million – \$1 billion?** 36
  - **\$500 – 750 million?** 81
- 3) **In the last five years, how many public sector clients have you won (i.e., clients transferring primary account relationships from a previous firm to your firm), and lost (i.e., clients you elected to rebid but did not successfully retain) with total revenues:**
- **Over \$1 billion?**
  - **\$750 million – \$1 billion?**
  - **\$500 – 750 million?**
  - **Oregon public sector/municipal clients?**

On a national basis it is difficult to provide an accurate estimate of customers won or lost for the period requested as we have clients that may have been transferred to and from different sectors of the bank. During this period, Wells Fargo Bank and Wachovia Bank merged which further complicates the won-lost analysis. Within Oregon, our best estimate is that we won 13 municipal clients and lost 4.

- 5) **How do you propose to staff the City's account? Will City be able to participate in selecting staff for the City's account? NOTE: Proposer shall indicate one primary point of contact for the resulting contract.**

Unless changes are requested, the City's current team would remain in place. That team includes your relationship manager and primary point of contact, Mark Hudspeth; Relationship Associate, Jay Holland; Client Services Officer, Sam Cady; Merchant Services Relationship Manager, Kelly Reiter; and Treasury Management Sales Consultant, Ed Hiddleston. The team has experience working on the City's accounts and understands your structure and requirements.

- 6) **Names and resumes of key members who will work on City's account, and:**
- o **Their roles and responsibilities on City's account;**
  - o **Their current assignments and location;**
  - o **Their relevant experience on similar or related public sector accounts;**
  - o **Their unique qualifications;**
  - o **The percentage of their time that will be devoted to the City's account;**
  - o **Whether they will be employees of your firm.**

All those named below are Wells Fargo employees and part of your relationship team. We will continue to devote as much time as needed to provide excellent service to the City.

**Mark Hudspeth**  
**Senior Vice President**  
**Government and Institutional**  
**Banking Relationship Manager**

mark.hudspeth@wellsfargo.com

503-886-4914

877-814-2007 fax

1300 SW 5th Avenue  
 5th Floor  
 Portland, OR 97201

Mark is a senior vice president and Government & Institutional Banking relationship manager covering Oregon and Washington. Mark functions as a financial consultant and coordinates a team of specialists working on your banking relationship. He will be your relationship manager and responsible for the delivery of your products and services. He has over 20 years of experience providing financial services to school districts, cities, counties, special districts, and state governments.

Mark has been a member of several governmental associations including the Oregon Association of School Business Officials, Oregon Municipal Finance Officers Association, the Special Districts Association of Oregon, and the Oregon Association of County Treasuries and Finance Officers.

Mark holds a bachelor degree in political science and a M.B.A. from the University of Colorado. He has presented financing topics at various municipal conferences.

**Jay P. Holland**  
**Relationship Associate**

hollanjp@wellsfargo.com

206-292-3657

855-207-1920 fax

999 Third Avenue  
 11th Floor  
 Seattle, WA 98104

As part of his role, Jay Holland supports a portfolio of customers by serving as an extension of the relationship manager. He is responsible for ensuring a positive customer experience by handling customer service inquiries.

Jay has been with Wells Fargo for 17 years. He spent the first 12 years of his banking career working in retail as a teller, personal banker, assistant manager and manager. The last 5 years he worked in commercial banking as a relationship associate before joining the Government & Institutional Banking Group.

Jay was born and raised in the Seattle area, attended the University of Hawaii at Manoa and currently resides in Mill Creek with his wife and two children.

**Ed Hiddleston**  
Vice President  
Sr. Treasury Management  
Consultant

Edward.k.hiddleston@wellsfargo.com  
206-292-3644

999 Third Avenue  
11th Floor  
Seattle, WA 98104

Ed Hiddleston functions as a financial consultant for treasury management products and services. Ed routinely consults with customers and prospects to analyze business processes and identify more efficient ways to meet their day-to-day cash management needs.

Ed has worked for Wells Fargo for 22 years, with experience in treasury management, commercial lending, and small business lending. Ed has focused on treasury management for the past 11 years and has experience working with prospects and clients from all industries, including commercial, industrial, agricultural, and governmental agencies.

**Carolina Quinónez**  
Assistant Vice President  
Treasury Management Sales Analyst

carolina.quinonez@wellsfargo.com  
415-369-2620

550 California Street  
10th Floor  
San Francisco, CA 94104

Carolina supports Ed Hiddleston and will assist with treasury management questions when Ed is unavailable.

Carolina brings over 7 years of banking experience, specializing in government banking for the last 3 years. She also has experience in middle market and corporate banking industries. She received her bachelor degree in 2001 from DeVry University in Long Beach, California.

**Sam Gady**  
Assistant Vice President  
Client Service Officer

cadysam@wellsfargo.com  
415-243-7587

866-380-0950 fax

335 Market Street  
12th Floor  
San Francisco, CA 94105

Sam began his career with Wells Fargo in 1983, and joined the Treasury Management Client Services Group two years later. His extensive work experience with Wells Fargo has provided him with the opportunity to develop in-depth resolution skills. Currently Sam services a portfolio of approximately 55 active clients, and has extensive experience dealing with municipalities.

Sam will continue to be your representative for day-to-day customer service. He acts as a liaison between you and the various operations centers to resolve issues and request information quickly.

Sam holds a Customer Service Certificate from Rockhurst University.

**Laura Gonzalez**  
Implementation Coordinator

laura.elena.gonzalez@wellsfargo.com  
213-614-2114

707 Wilshire Boulevard  
13th Floor  
Los Angeles, CA 90017

Laura is the City's dedicated implementation coordinator and responsible for implementing all treasury management products and services. She will ensure that City employees receive proper training on any additional services and assist in completing all documentation.

Laura has worked for Wells Fargo for 6 years and is working on obtaining her degree in business administration.

- 7) **If staff for the City's account is not located in Portland or the Pacific Time zone, please address whether your firm has any staff in Portland or in the Pacific Time zone.**

Your Relationship Manager, Mark Hudspeth, is your local contact in the City. All key relationship team members named above are in the Pacific Time zone.

- 8) **If your RFP response requires the City to transition to your firm, please provide separate answers to the above questions specifically for your dedicated transition team.**

No transition is required.

PROPOSAL NO. 114739

## EXHIBIT E

### REFERENCE INFORMATION

Provide the following contact information for all of the categories below:

Name: **Mark Hudspeth**

Title: **Relationship Manager**

Institution: **Wells Fargo Bank, N.A.**

Address: **1300 SW 5th Avenue, Portland, 97201**

Phone: **503-886-4914**

Email: **mark.hudspeth@wellsfargo.com**

a) Three (3) current public sector customers;

#### References

**Rhyan Van Horn**  
**Senior Accountant of Treasury and Cash Management**  
**TriMet**

503-962-7540  
vanhornr@trimet.org

4012 SE 17th Avenue  
Portland, OR 97202

**Teri Allen**  
**Operations Manager**  
**City of Seattle**

206-684-5226  
teri.allen@seattle.gov

Seattle Municipal Tower  
700 5th Avenue  
#4250  
Seattle, WA 98124

**Tracy Westerfield**  
**Cash and Investment Program Manager**  
**Port of Portland**

503-415-6614  
tracy.westerfield@portofportland.com

7200 NE Airport Way  
Portland, OR 97281

## PROPOSAL NO. 114739

- b) One (1) prior public sector customer you elected to rebid but did not successfully retain; and,

**References**

**Russell Allen**  
**Director of Business and Operations**  
**Greater Albany School District**

541-967-4505  
russ.allen@albany.k12.or.us

Business Department  
718 Seventh Avenue SW  
Albany, OR 97321

- c) Two (2) public sector customers that converted from another financial institution to yours within the last three (3) years.

**References**

**Staci Voight**  
**Treasury Accountant**  
**City of Corvallis**

541-766-6738  
staci.voight@corvallisoregon.gov

500 SW Madison Avenue  
Corvallis, OR 97333

**Scott Goodrich**  
**Accounting Manager**  
**Port of Vancouver**

360-213-1240  
sgoodrich@portvanusa.com

3103 NW Lower River Road  
Vancouver, WA 98660

## C. Project approach

### 1. Banking services

#### On-line account access and reporting

#### a) What are the minimum requirements for City employees to access the bank's Internet portal(s) (browser version, processor speed, memory, etc.)?

Below you'll find the minimum and recommended hardware and software specifications for accessing the Commercial Electronic Office® (CEO®) portal.\*

Windows-compatible PCs	Minimum system requirements	Recommended system requirements
<b>Web browser</b>	Microsoft Internet Explorer 7 with 128-bit SSL  Mozilla Firefox 3  Safari 3.X (with Mac OS only)	Microsoft Internet Explorer 8
<b>Browser plug-ins and settings</b>	Adobe Reader 4 (for viewing reports)  Adobe Flash Player 5 (for viewing tutorials)  JavaScript enabled  Session cookies enabled  XHR enabled	Adobe Reader 7 (for viewing reports)  Adobe Flash Player 7 (for viewing tutorials)  JavaScript enabled  Session cookies enabled  XHR enabled
<b>Modem/connection</b>	56 kbps baud modem	Broadband (DSL, cable modem, T1, T3)
<b>Operating system, CPU, and memory</b>	Windows XP Home Edition/Professional 500MHz or higher processor 128 MB of RAM  Mac OS (with Safari 3.X or 4.X) Mac computer with an Intel, PowerPC G5, or PowerPC G4 (867 MHz or faster) processor 512 MB of physical RAM	Windows XP Home Edition/Professional 1GHz or higher processor 256 MB of RAM  Windows Vista 800MHz or higher processor 512 MB of RAM  Windows 7 1 GHz or higher processor 1 GB of RAM
<b>Monitor</b>	Super VGA monitor with 1024x768 or higher color display resolution	Super VGA monitor with 1024x768 or higher color display resolution

\*Minimum and recommended system requirements for our other online applications may vary. For specifics on our other online services, access [wellsoffice.wellsfargo.com/ceoportal/signon/public/SystemReqs.jsp](http://wellsoffice.wellsfargo.com/ceoportal/signon/public/SystemReqs.jsp)

#### b) What Internet security protocols do you have in place? Is there a second or higher level of authentication when funds are affected? (Yes/No)

Our CEO portal uses the security features described below to help protect your information. This includes the requirement for a second level of authentication when funds are transferred or when administrative services are necessary.

### Authentication

The system requires multiple sign on identifiers, including:

- Company ID, user ID, and password
- Strong or two-factor authentication for all online payment and administration services

### Account lockout

The system will lock out a user account when there are invalid password attempts. If an account becomes locked, the user must contact the City's administrator or your dedicated Client Services officer, Sam Cady, to reissue and reset the password.

### Timed log off

The online sessions are timed and monitored so that the system automatically logs users out when there are periods of inactivity. This reduces the risk of others accessing information from your unattended computers.

### Access control

You determine who can access protected resources and which resources are available for access. Wells Fargo can set up entitlements for each user, or your administrators can create user IDs and assign privileges using our online administration service.

### Dual custody

To reduce your fraud risk, we require dual custody to release online payment transactions and make administrative changes. This helps to protect against fraud attempts that could originate inside or outside your organization. For maximum effectiveness, dual custody should involve two users on different computers or mobile devices.

You can choose to add dual custody to other online features such as user set up and password resets.

### Encryption

Encryption is the process of encoding your information in such a way that eavesdroppers or hackers cannot read it, but that authorized parties can. Our system conducts user logins and all session activities using 128-bit encryption. During login or when upgrading to use two-factor authentication, the system masks passwords and token pass codes for security reasons. Additionally, the system stores all passwords using one-way hashing.

### Audit controls

We internally log and monitor customer events that occur on our online system. Event logs provide information about user activities such as login, user profile updates, and transactional activity.

These logs also identify the user, date and time of event, and other information relevant to the activity performed.

## c) **How are Internet-passwords assigned and changed?**

City users are given a temporary password for first use of the *CEO* portal; upon initial sign-on users are prompted to select a new password. The standard for password expiration is 60 days, although the City may elect to use expiration periods of 30, 90, or 120 days. Users may contact a City administrator or your dedicated Client Services Officer, Sam Cady, to reset passwords. Each user is asked to select secret questions and input answers to those questions, which are used to validate their identity if they call into Client Services. All password authentications are logged for audit purposes.



**d) Can the City self-administer its use of the Internet portal(s)? (Yes/No) If yes, what are the control options (e.g., dual, forced dual)? Can the City set varying security level access to different accounts?**

Yes, with our Self-Administration service, the City's administrator can perform a variety of functions through our online user management service, including:

- Administering, maintaining, and deleting user access
- Resetting passwords
- Restricting user access to services
- Setting up multiple users with similar access controls at the same time
- Establishing additional controls for specified transactions and functions that require review and approval by a third or fourth administrator before a transaction's execution\*
- Setting up forced dual controls for all tasks performed through the online user management service\*
- Running management reports that show current user access levels and 90 days of administration activity history
- Giving One Time Code service access to users when they are away and do not have their tokens
- Reassigning tokens to other users

\*We require dual custody for all transaction-based services and for any administrative tasks related to those services.

**e) Does your bank have the ability to recognize and accept digital certificates? (Yes/No) If yes, please describe.**

Yes, any files you transmit to us are authenticated and encrypted. Security elements vary according to the internet protocol you use for sending your transmissions and may include:

- Digital certificates issued by Wells Fargo
- ID
- Key
- Password
- RSA SecurID token
- PGP encryption
- Connect:Direct (NDM) with Secure+

**f) Have there been instances where your Internet portal(s) were not functioning? (Yes/No) If yes, please describe frequencies and duration.**

Yes, there have been instances when our *CEO* internet system was not fully functional; however, in the past 12 months, our portal has been available 99.99% of the time. In our experience, significant system downtime is extremely rare. Software is thoroughly tested prior to release, and we maintain redundant hardware for key operations.

Should a system be impaired, Wells Fargo notifies customers of delays through a system status screen on the *CEO* portal home page. Our system status is monitored and updated 24 hours a day, seven days a week.

When you use the *CEO* portal to access information reporting on your Wells Fargo accounts, colored indicators next to the name of each of your *CEO* portal applications show the current system status. Green indicates the application is available and operating normally. Yellow indicates the application is available, but some components may not be operating at normal levels. Red indicates the application is currently unavailable. With

yellow and red indicators, Wells Fargo will post updates to describe the problem and expected system availability.

- g) **What is your bank's contingency plan for providing services in the event that the Internet portal(s) are not functioning properly (from intermittent outage to major disaster)? Please address prior day reporting, controlled disbursement reporting, positive pay exception reporting and decisions, sending fed wires out and reporting fed wires in, initiating ACH transactions, and creating ARP registers.**

Due to the interdependency of applications at Wells Fargo, our corporate-wide philosophy is that all applications, whether supporting critical, important, or deferrable business functions, must be recoverable. The recovery solution for the CEO portal is geographical redundancy, in which we have created a duplicate environment in a separate location. The alternate site is used for high availability, deploying code enhancements, and disaster preparedness simulations, and is therefore, actively monitored. This solution means that we don't have to use outside vendors to switch over to the recovery site. The recovery of the CEO service infrastructure has a zero to two hour window.

Our business continuity plan includes multiple recovery strategies for each core function, product, and service. Wells Fargo processing of core business functions will automatically divert to identified backup sites as necessary in the event of an unexpected disaster or emergency. Each site has the ability to transfer workload and backup any of the other sites as needed.

Wells Fargo and your relationship management team will work with you on an individual case-by-case basis to determine the most effective ways to exchange data and information. Successful contingency plans are generally set up in advance and are an ongoing part of emergency planning.

**Prior day reporting, controlled disbursement reporting, and fed wire reporting**  
Should you experience an issue pulling information reports, please contact your Client Services Officer, Sam Cady, immediately. Sam will be able to update you on the status of the system and may be able to provide the information in an alternative format.

#### Positive Pay exceptions and decisions

If the City knows its pay and return decisions (i.e., if Image Positive Pay goes down after you have seen your exception items), you can email or fax pay and return decisions to your client services officer. In this situation, Wells Fargo may contact you to manually work through exception items over a dollar threshold we have assigned internally. Or, we may extend the decision deadline, depending on the timing of the outage.

If the City is unable to view exception items, Wells Fargo will manually review exception items over a dollar threshold on behalf of the City. If we cannot resolve exceptions, we will call the City or default to the account pay and return defaults. Or, we may extend the decision deadline, depending on the timing of the outage.

#### Fed wires (outgoing)

The City can enroll in backup channels that may be used in the event access to your primary channel is interrupted. Such backup may include manual phone or fax initiation of wires if necessary, with security provided via existing authentication procedures such as IDs, PINs, and account numbers.

#### ACH transactions

ACH backup options include direct transmission or ACH Payments. If such workaround processes become necessary, your relationship management team will work with the City to determine the most effective way to process file information back and forth.

### ARP registers

Files can be sent to the bank via direct transmission, provided the City's department is already set up for ARP direct transmission. Or the City may fax an Excel spreadsheet of registers for manual input overnight, dependent on volume. Our Client Service group can also be provided with check issue information to ensure that employees cashing checks are inconvenienced as little as possible.

- h) How many system outages or down times has your system experienced in the past year? How quickly were services restored? Which customers may we contact to verify their experiences?**

In the past 12 months, our portal has been available 99.99% of the time. The recovery of the CEO service infrastructure has a zero to two hour restoration window.

As an existing client and user of the CEO portal, the City is familiar with the reliability of our portal. The City may contact any of our references listed on your Exhibit E Form to verify other client's experiences using the CEO portal.

- i) What is the latest time that the previous day's summary and detail information is available in the morning online? Is it available in both BAI and a printable format? For how many days is it maintained online?**

Your Previous Day Composite Report is available by 4:00 a.m. PT Tuesday through Friday and 6:00 a.m. PT on Saturday. It can be downloaded in BAI 2 file format, as well as CSV and Excel formats and can be viewed and printed in HTML and PDF formats. Our standard is to provide access to seven calendar days of history. We also offer the City extended storage of transaction history for 30, 60, or 90 calendar days.

- j) In regard to the bank's Internet services for initiating wires:**

- **Can the City send template, freeform and book transfers over the Internet? (Yes/No)**

Yes, the City may initiate wire and book transfers through the internet, through the CEO portal. CEO Wire Transfer allows you to transmit funds electronically from your designated Wells Fargo accounts to third parties at Wells Fargo or other banks, both domestically and internationally, as well as to City accounts. Payment types include: book transfers, domestic wires, drawdowns, international single currency wires and international cross currency wires. You have the option of sending same-day or future-dated transfers, templated or freeform.

You can use the freeform transfer feature and supply all payment information at the time you create the transaction. Alternatively, you can create and maintain a set of template transfers that include pre-authorized, predefined payment instructions, all of which are stored on our servers. Flexible customization features allow you to tightly control which functions your staff can access, and you can use the service's comprehensive reporting features to closely monitor your transfer activities throughout the day.

With our File Upload Service, CEO Wire Transfer customers have a convenient and easy way to implement "batch" wire capability. With File Upload, you can enter freeform or templated wires into a specially formatted Excel spreadsheet template and upload the file. You can then easily modify, delete or approve the uploaded wires.

- **Are two individuals required, one for initiation and one for approval? (Yes/No)**

Yes, dual custody is required for initiating free-form wires and optional for repetitive wires. At least one approver is required to approve free-form wires, but you can require as many as four approvers if you prefer.

Dual control can also be required for telephone initiated wires, book transfers, and creating templates.

- **How far in advance can wires be set up?**

You can initiate future-dated domestic and international wire transfers up to 60 calendar days in advance through all of our initiation options.

- **How quickly are you able to confirm both incoming and outgoing wires?**

Our Wire Transfer Detail and Intraday Composite reports both provide real-time data of incoming and outgoing wire transfers. These reports provide payment confirmation information, including our internal bank and Fed reference numbers, through *CEO* Treasury Information Reporting. For *CEO* Wire customers, a wire report is also available that indicates whether the wire has been initiated, approved, and processed by the bank. If processed, the report shows our internal confirmation/sequence number. After the Federal Reserve has received the wire, the report will show the Federal Reserve reference number.

- **What are the deadlines for correcting errors and how are they handled?**

We allow the City to cancel wire transfers anytime prior to their release for processing to the Federal Reserve, SWIFT, or our internal posting system. Cancellation requests should be directed to your Relationship Manager, Mark Hudspeth, or our Wire Transfer unit by 2:30 p.m. PT and before we release the wire transfer. Our deadline for best-efforts cancellation of a wire transfer is 5:00 p.m. PT. If we have processed the wire and released it, we can contact the receiving bank and request the funds be returned. However, the receiving bank is under no obligation to return the funds. If the receiving bank returns the funds, they will be immediately credited to your account.

k) **What are the timing requirements for initiation of ACH transactions (both file transmissions and Internet based)? When do transfers occur during the day? What are the procedures and deadlines for corrections or cancellations?**

You may send files anytime, 24 hours a day, 7 days a week, although settlement is subject to the deadlines in the table below. Wells Fargo distributes files to the Fed five times each business day. For files transmitted with an effective date of a holiday or weekend, the transactions will automatically settle on the next business day.

Customer input method	Cutoff time (credits and debits)		
	Book transfer (same day settlement)	Next day settlement	2 or more days settlement
<b>Direct transmission</b>	3:00 p.m. PT	6:00 p.m. PT	9:00 a.m. PT
<b>Internet</b>	3:00 p.m. PT	6:00 p.m. PT	6:00 p.m. PT
<b>Other</b> EDI consolidated payables file	5:30 p.m. PT	5:30 p.m. PT	5:30 p.m. PT

We offer a flexible, easy-to-use process for handling file, batch, and item reversals and deletions. Accessible through our *CEO* portal, our ACH Deletes & Reversals service gives authorized users the ability to initiate both delete and reversal requests. The deadline for delete requests is 1:00 p.m. PT, two business days before the posting date for two-day items, or one business day before the posting date for one-day items. Per NACHA guidelines, reversal requests must be submitted within five business days after settlement. The deadline for reversal requests is 1:00 p.m. PT on the 5th day after settlement.

Only authorized users can initiate delete and reversal requests. Your security administrator can restrict access to this service through the *CEO* Self Administration application.

**l) What is the latest time the bank's EDI report of current day ACH credit/debit postings to the City's accounts is available? In what formats is the report available (e.g., fax, Internet)?**

EDI Payment Detail report data is available at 4:00 a.m., 9:00 a.m. and 4:00 p.m. PT. You receive full remittance information on all payments that you receive. Payments may contain those received from ACH, including those in CTX format, and from EDI sources using the ANSI X12.820 transaction sets. The report can be viewed in HTML or PDF formats and downloaded in BAI 2, CSV, or Excel formats.

In addition, our ACH Receive report reflects incoming ACH information 60 to 90 minutes after the ACH system processes the transactions and is available in HTML, PDF, BAI 2, Excel, and CSV formats. You can receive notice by email, text message or fax when intraday ACH activity is received with our optional Event Messaging service.

**m) In regard to your bank's positive pay service:**

• **Which check fields are matched?**

Our Image Positive Pay service with Payee Validation matches the serial number, dollar amount and payee name of a presented check to your issue file.

• **What is the latest time that current day exceptions are reported?**

Current day exception items are reported to the City through the *CEO* portal; deadlines are dependent upon the type of Positive Pay utilized:

- **Perfect Presentment® Positive Pay for Controlled Disbursement:** All encoding errors are reviewed and corrected prior to posting; that means you no longer deal with an item posting and then being reversed when it is returned. This is a "scrubbed" report - only true "suspects" will appear on the Positive Pay Exception report. Images of the exceptions are available to assist with the decision process. This is a same-day Positive Pay process.
- **Positive Pay:** All encoding errors are reviewed and corrected prior to customer reporting. This is a "scrubbed" report - only true "suspects" will appear on the Positive Pay Exception report. Images of the exceptions are available to assist with the decision process.
- **Basic Positive Pay:** Encoding errors are NOT reviewed or corrected prior to customer reporting. This is an "unscrubbed" report - encoding errors may appear on the Positive Pay Exception report. Images of the exceptions are available to assist with the decision process.

Service	Reporting	Image Available	Decision Deadline
Chapel Hill <b>Perfect Presentment Positive Pay</b>	1:00 p.m. PT	1:00 p.m. PT	12:00 p.m. PT (next day)

• **Can images of exception items be viewed over the Internet? (Yes/No) If yes, at what time are images available?**

Yes, online check images are fully integrated into all of our Positive Pay service options. As indicated in the table above, images are available at 1:00 p.m. PT, the same time as the exception reporting times.

• **What time is the decision deadline?**

As indicated in the table above, the decision deadline for Positive Pay exceptions is 12:00 p.m. PT the following day.

- **Are a certain number of exception items free to the City to compensate for bank encoding errors? (Yes/No) if yes, how many?**

No, with our Positive Pay services we review exception items, correct any encoding errors, and report only unresolved exceptions for your pay or return decision.

**n) When placing a stop payment on-line:**

- **What fields are entered?**

Through our CEO portal Stops-Images-Search service, the City can search for stop-eligible items by inputting the check number or range of numbers, amount or range of amounts, and posting date or range of dates. Then to initiate a stop, you need only select the account and enter up to 10 check numbers at a time.

- **Is the check immediately confirmed as outstanding?**

Yes, when a stop payment order is submitted, our system automatically verifies whether the check was paid before the order is accepted. If you try to place a stop payment on a check that has already posted, you'll get a Posted Items Found message and detail on the posted check including the check amount, type code and transaction type, description and posting date. In verifying if a check has been paid, the system examines 180 days of history, as well as intra-day teller cashed activity for non-controlled disbursement accounts. Stop payment requests can be made as late as 6:00 p.m. PT and still receive immediate same-day posting.

- **Is the stop payment immediately assigned a confirmation number?**

Yes, the stop payment is immediately assigned a confirmation number.

- **How long are stop payments in effect?**

Stop payments remain in effect for six months. After this period, the City may take advantage of our Stop Renewal service that allows you to extend stop payments for up to six years (in 12 month increments), specify a pre-determined dollar threshold for automatic stop payment renewal, limit the number of times a stop payment will be automatically renewed, etc. The first renewal is free of charge.

As an added measure, when a customer uses the stale date option associated with Account Reconciliation, Wells Fargo returns checks presented for payment after a specified period of time. Customers subscribing to Positive Pay may elect to have stale dated checks reported daily with their Positive Pay exception checks.

**o) In regard to your bank's controlled disbursement service:**

- **If you have multiple control points, what site are you recommending for the City and why?**

The City currently utilizes our Chapel Hill, North Carolina controlled disbursement endpoint, which offers early morning presentments and the float benefits associated with an East Coast site.

- **What detail is reported (holdovers, presentments, adjustments, etc.)?**

You make funding decisions based on the daily clearing amount that is reported to you, which includes holdovers and adjustments. Therefore, it's important that the amount that's reported is both accurate and firm, and not subject to change. Because of the way we handle the presentment process, the presentment totals are final once the funding report is made available to you. Any additional items that are presented are held over until the next day. This lets you make funding decisions with full confidence that the final amount will not change.

Controlled disbursement notification reports are available online through *CEO*, by email, fax, or mobile.

- **Does your controlled disbursement report distinguish between ACH payments and checks cleared?**

The City has the option of using a controlled disbursement account for checks *and* for originated and received ACH transactions. If you do choose to use your controlled disbursement account for ACH transactions, it's important that you have access to information that reflects everything that's presented that day, including both checks and ACH transactions.

However, we are not able to report some ACH transactions, including returns and same-day ACH received items, with your controlled disbursement totals because many of these ACH transactions are received after your totals are provided. To ensure that you properly fund your account, we recommend that you use the intraday ACH reports available through our *CEO* portal to view ACH activity that is not included in your final controlled disbursement funding notification.

- **What is the latest notification time?**

Our controlled disbursement customers receive two notifications Monday through Friday, excluding Federal holidays.

At our Chapel Hill endpoint, the first presentment is 5:30 a.m. PT. The second presentment is 7:00 a.m. PT.

- **How many times have you missed the notification time within the past 90 days and what is the average length of time by which you missed the notification?**

Wells Fargo is consistent in meeting our presentment deadlines. In the past 90 days, we've met first and second presentment deadlines 100% of the time.

The City can be assured that our reporting system is highly reliable — as evidenced by our ratings in the 2012 Phoenix-Hecht Large Corporate Quality Index survey. For controlled disbursement products, we received an A+ rating for timeliness of notification.

p) **The bank must provide bank account and client analysis statements monthly:**

We are able to provide monthly statements as requested.

- **Are statements available over the Internet? (Yes/No) If yes, is that an extra cost option? Can they be downloaded into Excel? (Yes/No) If yes, is that an extra cost option?**

Yes, statements are available over the internet at no extra cost in PDF format. Additionally, statements can be downloaded in Excel and CSV formats for an additional charge. See Tab E for pricing details.

- **How soon are statements available after month-end?**

The following table lists the mailing dates and online availability of statements and optional reports. The *CheXstor*® check truncation service is standard with all of our ARP service options.

Service option	Business days after cutoff: mailed	Business days after cutoff: available online
Bank statement, and no ARP	3 days	1 day

Service option	Business days after cutoff: mailed	Business days after cutoff: available online
<b>Full ARP statement</b>		
Month-end cutoff	6 days	4 days
Non-month-end cutoff	4 days	4 days
<b>Partial ARP statement</b>		
Month-end cutoff	2 days	1 day
Non-month-end cutoff	1 day	1 day
<b>Positive Pay, Full or Partial ARP, account statement</b>		
Month-end cutoff	6 days	4 days
Non-month-end cutoff	4 days	4 days

**q) In regard to images of paid checks:**

**• How soon can they be viewed after being paid?**

Through our online Stops-Images-Search service the City can view images by 6:00 a.m. PT the day after a check has posted.

**• How long is the online image available (including checks that are imaged on CD or returned with the monthly statement)? Is that an extra cost option?**

All images are available for up to seven years whether online or on CD. While there is no extra cost for storing your images for this time frame, costs vary based on method of image retrieval. Please see Tab E for pricing details.

**• Can the image be downloaded and saved?**

Yes, you can choose to print images to your local printer (up to 25 images in a single print request), or save them as a PDF or RTF file, and then fax or email them.

**r) Do you plan on any upgrades to your online banking system(s) or software in the next 12 months? (Yes/No) If yes, please describe.**

Yes, as the owner and developer of most of the services that are available through our *CEO* portal, Wells Fargo regularly performs system upgrades throughout the year. We spend a lot of time and effort to ensure that customer feedback is the primary determinant in upgrading the *CEO* portal as well as all of our treasury management products. In addition to the informal collection of customer feedback thorough our relationship management process we sponsor many formal activities, such as regional delivery councils, where we meet with customers on a biannual basis, to gather feedback on topics such as product enhancement. This feedback is used to improve the system, which we do several times each year.

Because the *CEO* portal is entirely internet-based, upgrades are made directly to the portal's servers and are subsequently available to the City when you access the system. No installation is required. The type of upgrade is dependent upon the product or service affected. We will continue to notify you of your upgrades through our *CEO* portal's main page well in advance and communicate any necessary required action.

Wells Fargo considers upgrades to our online service as a natural part of doing business. We do not charge the City fees for upgrades.



s) **Please provide a sample of the following as part of your response to the Project Approach for Banking Services:**

- **A detailed monthly bank account statement**

We have provided sample for your review in the Appendix.

- **Internet prior day account summary and detail transaction posting showing ledger balance, collected balance, float balance, etc.**

We have provided sample for your review in the Appendix.

- **Account analysis statement and user guide**

We have provided sample for your review in the Appendix.

## **Depository services**

a) **What is the latest time of day deposits may be made for same-day credit?**

Our 5th and Jefferson branch is next door to City Hall. Deposits received at all our branches by 4:00 p.m. Monday through Thursday and by 6:00 p.m. on Friday receive same day credit.

Other deposit options include remote cash capture, remote deposit capture, cash vault, night depository, or courier delivery directly to our item-processing center (checks only). Many of these options will extend your deposit deadline for same day credit.

- The deadline for our remote deposit capture service, Desktop Deposit®, using the *CEO* portal is 7:00 p.m. PT.
- For cash vault deposits, different deadlines apply for mixed deposits (cash and checks on the same deposit slip) and split deposits (cash and checks on separate deposit slips). Our Portland vault has deadlines of 5:00 p.m. for mixed deposits, 6:00 p.m. for check only deposits and 7:30 p.m. for cash only deposits.
- Item processing center check only deposits are accepted until 9:00 p.m.
- Deposits made using our remote cash capture, SafeVantage® solution, receive next business day credit.

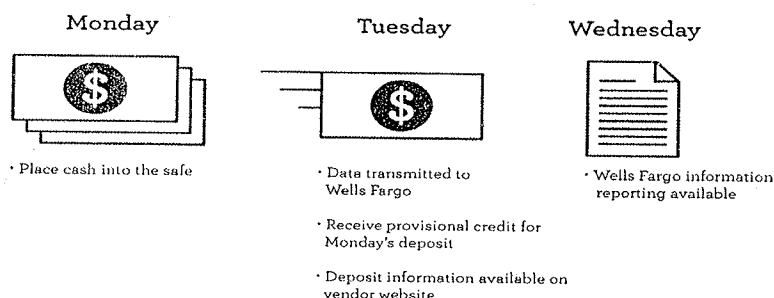
The City may also consider using our *SafeVantage* solution for currency deposits at each of your locations. You get provisional daily credits to your bank account without daily armored car pickups — accelerating cash flow by one to two days. And each safe is equipped with bill validating and counterfeit detection technology.

Your staff will place deposits into the safe and the information will transmit to Wells Fargo. We'll credit your account the next business day. For customers with the flexibility to end their business day early, we may be able to credit your account on the same business day. Your treasury management sales consultant will work with you to determine if you meet the criteria for same day credit.

We capture your transaction information and pass it through the standard Wells Fargo reporting channels for reconciliation.

The cash is stored in the safe until the armored carrier you use picks it up. We offer our remote cash capture solution in partnership with Brinks, Loomis, and Garda. These armored carriers safely deliver your deposits to cash vaults and coin and currency to your locations. They also maintain and repair the safes.

## How the SafeVantage solution works



Our remote cash capture solution offers the City many benefits, including:

- **Expedited credit.** You receive provisional credit and faster access to working capital, without being dependent upon a daily armored carrier pickup.
- **Easy reconciliation.** All transactions flow through the standard Wells Fargo information reporting channels, including BAI file transfers and our online banking service. We offer a suite of reports that provide detailed information about your deposits and coin and currency orders.
- **Reduced risk of fraud and theft.** The safe uses a point-of-sale system to track funds. The totals shown on the system should equal the amount deposited. You can access deposit data at a location or employee level, increasing control and providing an audit trail.
- **Lower transportation and supply costs.** Since we credit deposits to your account through an electronic data transmission from the safe, you can reduce armored car pickups and trips to the bank. Our solution also reduces the need for deposit bags and tickets.
- **Increased efficiencies.** Your employees can focus on customer and business needs, instead of spending time handling cash, preparing deposits, and making trips to the bank.
- **Flexibility.** We offer a number of safe models to meet the size requirements of your locations and suit your business processes.

The risks that you should be aware of and consider before implementing our remote cash capture solution include:

- **Liability around safekeeping equipment.** You are responsible for the value of the remaining useful life of the safe if it is stolen from your location, destroyed, or damaged. You may also be responsible for the cash held in the safe for which Wells Fargo has already provided provisional credit, but this depends on the vendor provider.
- **Counterfeit notes.** The bill validator on the safe comes equipped with counterfeit detection technology; however, it cannot detect all counterfeit items. You should refer to the vendor's guarantee program to find out if you are protected against counterfeit losses.
- **Fee increases.** Safe vendors reserve the right to increase fees to cover the costs of labor and servicing of the safes.

- b) **Can cash vault deposits be dropped off at a satellite location (e.g., a bank branch) and transferred to the cash vault internally by the bank? (Yes/No) If yes, describe the options.**

No, any deposits made at a Wells Fargo branch will be counted and processed by that branch. Cash vault deposits must be delivered to our Portland Cash Vault site by an authorized courier.

**c) Describe the bank's procedure for requesting change/currency orders (both cash vault and tellers).**

For both cash vault and branch change orders, there are no minimum (or maximum) purchase requirements. You can order currency in loose, non-standard quantities or in straps of 100 notes, and coin by the roll or in standard full or half boxes.

At our banking stores (branches), you can request coin and currency directly from a teller who will prepare the order in front of you. To pay for the order, you can have us debit your Wells Fargo account or you can hand the teller cash. Change orders cannot exceed more than \$3,000 cash or \$500 coin per day; there is a limit of three orders per week. If your normal orders exceed our limits, we'll work with you to establish an alternate method.

City staff can place change orders through our cash vault one of two ways; through our *CEO* portal, or through our automated touchtone telephone ordering system. The *CEO* portal can be used to place orders for a single location or multiple locations. To simplify the ordering process, your staff can also upload change order details in an Excel spreadsheet.

With our touchtone ordering service, each location is assigned an ID and password that is required to access the system. To maximize security, you can also establish a maximum order limit per location.

Once the order is submitted, change orders are filled using a procedure called blind, dual control. Dual control means that two associates must verify that the dollar amount is correct. Blind means that the second associate does not know the original amount of the order. These procedures ensure that the amount is correct. Once verified, orders are placed in clear plastic bags and sealed. Orders are then delivered to your designated location via armored carrier, usually on a next-day basis. Where applicable, electronic reports and statements will include location numbers where change orders were sent.

Change order deadlines for our Portland Cash Vault are 10:00 a.m. for orders placed through *CEO* or Transmission, 10:30 a.m. for touchtone telephone orders, and 3:00 p.m. for armored carrier pickup.

**d) In regards to the processing of returned items (both physical and electronic), what is the time elapsed between:**

- **First and second presentment**
- **Second presentment and sending advice of charge with return items**

Our standard process for paper returns under \$300 is to redeposit the items on the next business day. If over \$300, we charge the item back and mail it to you. However, we can accommodate almost any special processing the City desires, i.e. reprocess all items, or items under a City-specified threshold. If the item fails a second time, the chargeback debit, paper advice and original/Image Replacement Document (IRD) go out the same day we receive the item back from the maker's bank. In addition to paper advices, the City has the option of viewing the return item online through the *CEO* Returned Item module next day or intra-day if the City is using Return Item Decisioning, a service that allows the City to override your returned item instructions.

We also offer our Electronic Returns (RCK) and Smart Decision<sup>®</sup> services, whereby returned checks are automatically converted to electronic ACH debits. With these services, the City receives two redeposit attempts and you can select the timing of the redeposit. The default redeposit is the next day, but other options include: elapsed number of days, day or the week or day of the month. The timing for the first redeposit and the second redeposit may differ. If the item becomes a chargeback, we follow the same procedure as above with

the debit, advice, and IRD occurring the same day we receive the item back from the maker bank.

**e) Describe the process and timing for deposit corrections or other credits or charges to our accounts. When these entries are made, is notification provided to the City? How soon should it be received?**

A deposit adjustment is made when the amount declared on your deposit slip differs from the amount later verified by the bank. We mail you a notice of the amount of the adjustment, with relevant back-up documents. Mailed notices provide complete transaction detail, including City location number and the specific reason for the adjustment. Check deposit adjustment notices are also available online through *CEO* Statements & Notices at no charge, usually on a next day basis. The City can receive email, text message, or fax notification that an adjustment is available for viewing through our Event Messaging service.

Deposit corrections are specifically identified by source and nature of the transaction on your bank statement, balance reporting and deposit reconciliation reports. The declared amount on the deposit slip is always credited to your account, with separate debit and credit entries made for adjustments.

For faster and easier access to your cash vault deposits and adjustments, *CEO* Cash Vault Inquiry provides you with the ability to search and confirm your cash vault deposits and view deposit adjustments. The cash vault can also call the City regarding any adjustments in excess of \$100. Cash vault adjustment notices include deposit date, declared amount, verified currency total by denomination, and location number (if applicable). For branch deposit adjustments, your adjustment notice will include the amount and reason for the adjustment. For deposits to a subaccount, the location code will also be provided.

We report adjustments to you within 48 hours, to the contact of your choice.

**f) Describe the bank's problem resolution process for missing deposits, deposit amount differences, and account adjustments.**

At our cash vaults, deposit bags are logged using a barcode that tracks the deposit through the entire verification process. Deposit bags are opened under team custody and emptied deposit bags are saved under batch IDs for up to three months in case research is needed. All currency discrepancies of \$10 or more are reported to a supervisor at the time they are discovered. Supervisors must validate any deposit discrepancies before processing continues. You can choose to receive a phone call notification for all adjustments of more than \$100.

Our automated operating system enables us to track deposits by customer, date, location, and vault teller, and to monitor each handoff of your deposit throughout the validation process. This comprehensive process ensures your deposit is accurately processed and verified, and it virtually eliminates the risk of loss due to theft or fraud.

The City of Portland has a dedicated Client Services Officer, Sam Cady, who services your day-to-day needs, including problem resolution for deposit discrepancies. Sam is your single point of contact; he serves as a liaison between the City and bank operations in our cash vault, branch, and check processing sites. Sam will take ownership of the issue until resolution is achieved. He has desktop access to a multitude of electronic systems for problem research and is part of our centralized Treasury Management customer service center that includes an infrastructure to track issues, identify the root cause of any errors, and ensure timely resolution. If a mistake is discovered in your analysis, we will correct it with an adjustment. Balance and float adjustment information is printed on the statement in a section called "Balance Adjustments."

Your Relationship Associate, Jay Holland, is an additional resource when dealing with issues that are more complex. Jay works closely with your Relationship Manager, Mark Hudspeth, and helps support his clients. The City of Portland has access to an entire relationship management team, with Mark having overall ongoing responsibility for your relationship.

- g) **Describe the procedure for ordering supplies (e.g. pre-printed encoded deposit slips, coin rolls, currency straps, deposit bags, etc.). Indicate the turnaround time between ordering and receiving these supplies.**

The City can order bank supplies directly from our vendor Superior Press, or from a vendor of your choice. Our vendor turns standard orders around same day if ordered before 10:00 a.m. PT. Standard mail delivery is 7-10 days, and overnight and two-day delivery is available for a fee.

- h) **Can the bank provide on-line access to images of deposited items? (Yes/No) If yes, how soon are the images available and how long will they be maintained and available to the City?**

Yes, Wells Fargo allows you to search for images of deposited checks online using our *CEO* portal Stops-Images-Search service. The *CEO* system lets you search for, and request, check images for deposited items and returned items for up to 180 days. Items are available one business day after posting to your account. Images are retained for seven years and can be requested through your dedicated Client Services Officer, Sam Cady, after the 180-day period. We also offer transmission of electronically deposited item images through our Image File Import service.

- i) **Do you offer any benefit programs for City employees (free checking with direct deposit, etc)?**

Yes, Wells Fargo is pleased to offer the City our Wells Fargo At Work<sup>SM</sup> program. This employee benefits program is available exclusively for business customers of Wells Fargo at no cost to the City.

Our program provides a wide-array of financial offers, including preferred benefits and discounts on a variety of deposit, credit, mortgage, and other services. Educational seminars and tools are also available to support the financial well-being of your employees.

For the City

Offered at no cost to the City, the *Wells Fargo At Work* program benefits you by:

- Enhancing your benefit program, providing an additional recruitment and retention tool
- Encouraging employee direct deposit, which can make payroll easier and less costly
- Supporting you with customized marketing support, including brochures, flyers, payroll stuffers, and more

Your dedicated *Wells Fargo At Work* relationship manager helps implement the program, and serves as a single point of contact for the City and your employees (where available).

For your employees

The *Wells Fargo At Work* program offers a valuable package<sup>1</sup> of accounts and services designed to fit your employees' financial needs, including (but not limited to):

- An interest-earning checking account<sup>2</sup> with many ways to avoid the monthly service fee – including direct deposit of their salaries<sup>3</sup>
- Discounts on personal check orders
- No-fee cashier's checks and personal money orders
- Benefits on mortgages<sup>4</sup>, loans, and lines of credit<sup>5</sup>

- A free thank you gift of their choice after closing a qualified home purchase or refinance loan<sup>6</sup>
- Transfer fee discounts on Wells Fargo ExpressSend® service<sup>7</sup>
- Free access to Wells Fargo Online® with Bill Pay
- Convenient access to other Wells Fargo banking accounts and services, including
- Wells Fargo Insurance for auto, home, life, and renters insurance, along with identity theft protection plans\*
- Convenient 24 hours a day, 7 days a week access to their money — wherever they work or live — through more than 6,200 banking locations and more than 12,000 Wells Fargo ATMs nationwide, plus Wells Fargo Phone Bank<sup>SM</sup> and Wells Fargo Mobile® Banking<sup>8</sup>

#### Financial education

Hands on Banking® ([handsonbanking.org](http://handsonbanking.org)) is an interactive website with smart account management tools and expert guidance that gives your employees the knowledge and skills to manage their money to its best advantage.

Online money management tools help them track spending, create a budget, establish savings goals, and monitor their progress. They can also attend complimentary on-site financial seminars conducted by Wells Fargo on various topics including savings, credit, identity theft, and more (where available and with the City's permission).

Please refer to the Appendix for our *Wells Fargo At Work* legal disclaimer.

## Disbursement services

**What is the turn-around time for providing CDs or online images of paid checks?  
What is the procedure in the event you cannot provide a readable CD or photocopy in a timely manner?**

At Wells Fargo, we give you multiple options for receiving check image detail. You can receive check images on CD-ROM through our WellsImage® CD service, online through CEO Stops-Images-Search, or by electronic transmission through our Image File Import service.

*WellsImage* CDs can hold up to 30,000 check images (front and back) and can be delivered on a weekly, monthly, or fiscal calendar basis. They are available eleven business days after the CD ROM cycle cut-off. Data and images can be archived and viewed using our *WellsImage*® Viewer software. If the City should need a CD-ROM recreated, you would contact your Client Services Officer, within 60 days of the original CD-ROM creation date.

Our Stops-Images-Search service makes images available for retrieval by 6:00 a.m. PT the day after they're posted. In addition to viewing items online, you can also print or download them to your computer. Once downloaded, check images can be faxed, emailed, etc. Online images are available for up to seven years. Items older than 180 days are delivered to you online within 24 hours on the next business day after the request. If the check image is not readable, our Client Services Group would first try to get a better copy internally. If that isn't possible, we attempt to obtain a better copy from the presenting bank.

Our Image File Import service provides a daily transmission of paid check images and associated index information. Your image files will be available for downloading into your own internal archive system as early as 8:00 a.m. PT the day after posting. Files can be sent to you in XML or PDF formats.

## Earnings credits

**The City intends to pay all fees associated with banking services through compensating balances and quarterly invoicing, or a combination thereof. For purposes of compensating balance, overdraft and negative collected balance calculations, bank must agree to treat City's accounts with the bank on a daily consolidated basis and, so long as City's accounts on a daily consolidated basis maintain a positive ledger balance, no charges may be assessed for individual accounts being in a negative ledger position.**

### Compensation

The City may continue to pay for fees using compensating balances. You may carry excess balances forward to offset a deficit incurred during a calendar month and to cover charges in subsequent months, but excess balances cannot be carried beyond one calendar quarter. Any shortfall will be due and payable within ten days of presentment of the analysis for the final month of the quarter.

### Daylight overdrafts and overdrafts

If the aggregate collected balance of the City is positive, we do not charge for uncollected funds. If the aggregate collected balance is negative, the charge for uncollected funds is calculated as follows:

$$(\text{average daily negative collected balance}) \times (\text{overdraft rate}) \times (\text{days in period}) \div (360)$$

We do not charge the City for daylight overdrafts.

- a) **Describe how the bank calculates collected balances. Describe the methodology that would be used to give credit to the City for bank balances.**

Collected balances are ledger balances minus float.

We can offer the City two Earnings Credit Rates:

1. Our managed Wholesale Earnings Credit Rate (ECR), which is set internally on a monthly basis at our discretion. The ECR Index is calculated after evaluating a combination of factors, including the 91-Day Treasury Bill rate, the Fed Funds rate, sweep rates, and other market indicators. The index may be adjusted during the month to react to market changes, or
2. An ECR that is tied to the 91-day T-Bill rate.

The City may choose the ECR tied to the 91-day T-Bill rate or the managed Wholesale rate and can periodically switch which index you are tied to during the contract.

Wells Fargo calculates your earnings credit on 100% of your average daily positive collected balances (average positive collected balance). We do not deduct a reserve requirement prior to calculating the ECR. Earnings credit is calculated using the following formula:

$$(\text{average positive collected balance}) \times (\text{number of calendar days in the month}) \times (\text{ECR}) \div (360)$$

- b) **In addition to the Federal Funds target rate, please provide the City with at least one additional earnings credit rate allowance option from which to choose. (e.g., 91-day Treasury Bills, 3-month LIBOR).**

We do not offer an ECR tied to Federal Funds target rate, but instead offer two ECR rates:

1. Our managed Wholesale Earnings Credit Rate (ECR) as described above
2. An ECR that is tied to the 91-day T-Bill rate

The table below lists our two ECR options for the last six months.

Month	Whole Earning Rate Earnings credit rate	91-Day Earnings credit rate
<b>October 2012</b>	0.20%	0.10%
<b>September 2012</b>	0.20%	0.11%
<b>August 2012</b>	0.20%	0.10%
<b>July 2012</b>	0.20%	0.09%
<b>June 2012</b>	0.20%	0.09%
<b>May 2012</b>	0.20%	0.09%

- c) **What is the bank's policy regarding overdrafts and negative balances? What is the interest rate charged on negative balances?**

Wells Fargo Bank will continue to make every effort to honor the City's checks, acknowledging that some accounts might not reflect sufficient balances. A Daylight Overdraft Limit facilitates temporary funding shortfalls that are pending intraday receipt of funds, such as investment settlement wires or receipt of state payments.

If the aggregate collected balance of the City is positive, we do not charge for uncollected funds. If the aggregate collected balance is negative, the charge for uncollected funds is calculated as follows:

$$(\text{average daily negative collected balance}) \times (\text{overdraft rate}) \times (\text{days in period}) \div (360)$$

The overdraft rate is currently set at Prime (3.25%).

We do not charge the City for daylight overdrafts.

- d) **Over what period of time (e.g., monthly, annually) will account profitability be reviewed? Is this negotiable? If profitability is reviewed annually and additional profitability exists, are you willing to carry excess earnings forward to the next year? (Yes/No)**

The City's accounts are analyzed monthly and if your compensating balances don't cover the charges for the service volumes utilized, the City may settle what is owed on a quarterly basis. Yes, the City may carry excess balances forward to offset a deficit incurred in the next settlement period, however, we do not allow excess earnings credits be carried forward into the following year.

## Training

- a) **Will you provide City employees with on-site product training sessions? Will this be one-time or on an on-going basis? (Yes/No) If yes, please list the titles of training topics that may be provided; no description is necessary.**

Training on the *CEO* portal is available to the City throughout your relationship with Wells Fargo.

Because the services we offer are so easy to use, on-site training is generally not needed. One-time, on-site training is available in certain circumstances; however, this would need to be further discussed with the City. Most of our services offer features that are available through our *CEO* portal; there is no charge for training on these features.

We supply a listing of available training courses in the Appendix.



- b) **Do you offer online product education and training programs to City employees? (Yes/No) If yes, please list the classes/courses currently available; no description is necessary.**

Yes. The *CEO* portal includes access to product demos and your staff can access tutorials and sign up for webinars taught by trained product experts. User guides and answers to frequently asked questions are also easily found on the site.

We supply on-demand, pre-recorded modules online. This approach offers flexibility, so your staff can train when it is most convenient for them. Tutorials are especially useful for training new hires or for individuals learning a new job. These audio and visual recordings are available 24 hours a day, 7 days a week.

Webinars are instructor-led. Your staff dials in to a conference call and follows an interactive online presentation. Attendees can ask questions of the instructor, find solutions to their specific issues, and chat with other users.

While we provide our training tools online, your client services officer or their backup will always be available to help your staff with questions about your new banking services. Our Technical Support Group is available to assist with technical issues that your client services officer may not be able to resolve.

We supply a listing of available instructor-led and pre-recorded training courses in the Appendix.

## **Conversion plan**

**All proposers must acknowledge and accept that the City reserves the right to establish and adjust the banking services conversion plans or schedules as deemed appropriate by and in the best interest of the City.**

Acknowledged.

- a) **Provide an outline of your transition plan for the City assuming conversion begins April 1, 2013.**

One of the benefits of maintaining your long-standing relationship with Wells Fargo is that the City will not have to endure a lengthy banking conversion. Only new products or services will require implementation and training. Since your core services are established, we will answer the following questions based upon new services you may elect to implement.

### **Please address:**

- **Necessary actions**

As stated above, the only implementations that would occur would be for any new products or services the City elects to use. Those services would be implemented at the City's convenience.

Should there be new services the City wants to implement, we would schedule a pre-implementation meeting to discuss the details of that particular service, involving subject area experts as needed. A timeline and implementation plan would be produced at that time.

- **Responsible parties**

Implementation for any new services would be the responsibility of your relationship manager, relationship associate, implementation coordinator, and treasury management

consultant. This team ensures that all aspects of the implementation go smoothly and are done in a timely manner.

- **Target completion dates**

Target completion dates would be dependant upon the new services selected; timelines for implementing services can range from a few days to several weeks. The timeline is driven by many factors, including the complexity of the service, whether transmission testing is necessary, etc.

- **Number of meetings with Treasury staff**

This will vary based upon the complexity of the services being added. Some services require nothing more than a phone call letting us know what you want implemented, i.e. a report added; other services may require a series of meetings that could include your IT staff. Some services may require several meetings to discuss requirements, options, transmissions, etc. Our goal is to minimize the meetings required without sacrificing the quality of the implementation process.

- **Number of meetings with affected bureau staff**

This will vary based upon the complexity of the added services. Some services require nothing more than a phone call letting us know what you want implemented, i.e. a report added; other services may require a series of meetings that could include your IT staff. Some services may require several meetings to discuss requirements, options, transmissions, etc. Our goal is to minimize the meetings required without sacrificing the quality of the implementation process.

- b) **Provide a template or brief explanation as to how to effectively manage the opening of new accounts and closing of existing accounts.**

Accounts can be opened or closed by merely calling your Relationship Associate, Jay Holland. Jay will prepare any necessary documentation and deliver it to the City for completion and authorization. The implementation will then be handled by your dedicated Implementation Coordinator, Laura Gonzalez.

- c) **Describe setup fees, training fees or other conversion/implementation fees the City will be charged by converting to your bank.**

As an existing client of Wells Fargo, the City can avoid paying fees associated with a costly conversion.

- d) **Are you willing to commit to reimbursing the City's costs associated with transitioning the City's account? (Yes/No) If yes, please indicate the monthly reimbursement credit you would be willing to provide the City during the initial four-year contract period.**

Wells Fargo knows that as the premier municipality in the state of Oregon, many banks would like to provide your banking services. While we recognize there will be no transition costs associated with maintaining your business with us, we are offering a \$42,000 credit as a reflection of our appreciation of the ongoing relationship. This credit, offsetting treasury fees, would be spread over the four year term of the contract.

## Other

**a) Describe services, enhancements and/or technologies City should consider to improve operational efficiencies and/or cost profile of its banking services.**

As enhancements to the City's existing services, we recommend the following:

### Business Process Review services

As part of our commitment to really understanding the ongoing needs and challenges of the City— and helping you address them — we offer services such as Business Process Review studies.

Wells Fargo uses Business Process Review to gain insight into how City staff members actually perform their jobs, whether they are making investment decisions, preparing their daily cash positions, or printing and mailing checks. We use what we learn to advise customers on how they can streamline their financial operations and to educate our product developers on what types of services and functionality would address common customer challenges and make life easier for customers' employees.

Efficient financial operations not only contribute to an organizations overall profitability, they also position your organization to better manage future growth. However, identifying where and how to streamline may prove challenging when looking at your own processes. That's where Wells Fargo's Business Process Review Team can help.

An objective look at your operations

To help you — and us — gain a more complete understanding of the City's financial workflows, the Business Process Review team can visit a number of the City's departments to observe employees performing specific tasks. Our observations often bring to light opportunities for improving your business processes.

They also help Wells Fargo understand how we can better serve your financial needs through improved communication, customer service, products and services, systems interfaces, and relationship management.

Benefits to you

You gain access to our insights into financial workflows and best practices gleaned from performing studies for multiple companies across different industries. There is no cost to you.

We have found that a study that examines many of your financial processes provides more benefits than a study limited to one process because it allows us to analyze how your processes work together.

In addition to core treasury and accounting processes (e.g., A/R, A/P, cash management, and reconciliation), a comprehensive study may also evaluate areas such as:

- Retirement and employee benefits
- Investing
- Credit
- Payroll
- Foreign exchange
- Purchasing
- Hedging, swaps, etc.
- Insurance & risk management
- Trust

## Payment Manager<sup>®</sup>

Streamlining your accounts payable process, maximizing your working capital, and adopting a paperless approach to payments is quick and easy with our *Payment Manager* service.

This service lets you initiate payments directly from your treasury workstation, ERP, or accounts payable system — it can even handle multiple payment types and remittance information submitted in a single file. The service separates payments by type and processes them accordingly, sending traditional or human-readable remittance information to the payee.

The following payment types can be included in a single file:

- U.S. dollar and Canadian dollar paper checks (check outsourcing)
- ACH transactions (domestic and international)
- U.S. dollar wire transfers (domestic and international)
- Foreign currency wire transfers
- International requests for transfer (SWIFT MT101 wires)
- Commercial card transactions

## Benefits

Consolidated processing of multiple payment types

Because the *Payment Manager* service lets you create and send multiple payment types to us in a single file, you don't need to create and send separate files for different payment types. This helps you reduce the time allocated to administrative tasks throughout the payment processing cycle and assists you in consolidating formerly disparate payment processing functions. Wells Fargo accepts a variety of standard and custom file formats, including:

- ASC X12 820 version 4010
- Flat file (delimited or positional)
- XML
- EXCEL CSV
- SAP IDoc – Extended Payment Order (PEXR)
- XRT
- Proprietary or third-party formats such as:
  - J.D. Edwards
  - Oracle
  - PeopleSoft
  - Selkirk
  - SunGard ICMS

Improved cash flow management

Electronic control of your domestic and international payables helps you improve your ability to manage cash flow by letting you:

- Improve the timeliness and reliability of balance reporting
- Extend your days payable outstanding
- Take strategic advantage of early-pay discounts

Enhanced end-to-end control

When you use the *Payment Manager* service, payment processing steps like submission, review, and approval can be separated to provide added protection against fraud. We'll send you an acknowledgement for each payment file you send to us. We can also provide you

with optional confirmations for ACH and wire payments. These confirmations give you additional information on the status of the files you have submitted.

Increased efficiency and lower error rates

A paper-intensive payment process requires you to commit accounts payable staff for processing, printing checks, matching checks with invoices, and stuffing and mailing envelopes to your suppliers. The *Payment Manager* service can help you better manage the entire payment processing cycle, while allowing you to reallocate personnel to more value-added tasks.

Moreover, because the service can significantly reduce — if not eliminate — the manual keying-in of data, human error decreases while your capacity to accurately and consistently track and report payment-related information increases.

#### Safevantage<sup>®</sup>

You receive provisional daily credits to your bank account without the cost of daily armored car pickups, and you may accelerate cash flow by one to two days. In each of your locations, an approved vendor installs a safe equipped with bill validating and counterfeit detection technology. Safes accept deposits, provide counts of all deposits, and transmit deposit information to Wells Fargo. You receive credit for deposits the next business day.

To facilitate reconciliation, you can view transaction information through standard Wells Fargo reporting channels.

If you have the flexibility to end your business day early, we may be able to credit your account on the same business day. Your treasury management sales consultant will work with you determine if you meet the criteria for same-day credit.

Remote capture safes hold cash until an armored carrier (we partner with Brinks, Loomis, and Garda) picks it up and delivers it safely to their cash vault. These carriers also deliver coin and currency to locations, and maintain and repair the safes.

#### Commercial Card

Since 1994, Wells Fargo has helped thousands of customers improve their expense management processes with our proprietary *WellsOne*<sup>®</sup> Commercial Card program. The *WellsOne* Commercial Card offers unsurpassed ability to streamline expense management and increase process efficiency. We offer a single-card approach that allows our customers to consolidate purchasing, travel and entertainment, fleet, and accounts payable spend under one program, if desired. The *WellsOne* Commercial Card program is flexible in allowing the City to leverage the program in the way that best fits your needs.

Wells Fargo is the only issuer totally dedicated to and resourced for this single-card approach and we demonstrate our belief in its value by using it ourselves. This single-card card concept has allowed us to achieve dramatic cost reductions by significantly decreasing the number of costly manual checks and purchase orders that are issued and reducing process cycle time. Further, the centrally billed, corporate liability platform with individual reconciliation makes expense management easier and faster for both managers and employees.

We can share the experience Wells Fargo has gained through improving our own processes as we work with the City to address your cardholder issues, management reporting needs, and business and functional requirements.

Key features of the *WellsOne* Commercial Card program include:

- **Consolidated one-card program.** The City can monitor and manage various types of purchasing and accounts payable spend through a single interface.

- **Sophisticated, proprietary technology.** Wells Fargo offers our web-based Commercial Card Expense Reporting (CCER) application to meet the needs of customers like the City. CCER provides your program administrators, approvers, and cardholders with a flexible tool to review, enhance, and approve card transactions over the Internet—effectively transforming the City’s card program into a total expense management solution. CCER offers the City real-time card management, comprehensive expense reporting, multiple options for customizing transaction fields, and precise cost allocations. Further, CCER interfaces with many forms of technology for expense reporting. The City can upload expense data from CCER to most ERP or treasury workstation platforms, which eliminates any manual data entry to your general ledger. CCER is proprietary, developed and maintained by Wells Fargo. This allows enhancements to be made regularly based on your feedback.
- **Single-use account number for automating the payment of invoices.** Through our AP Control solution, the City can use your *WellsOne* Commercial Card to pay invoices without revealing your actual card number. This increases your security and control over payments and maximizes revenue share opportunities.
- **Electronic submission, review, and reimbursement for out-of-pocket expenses.** Cardholders and non-cardholders alike can enter their out-of-pocket expenses, including mileage, creating a one-stop expense reporting experience. Once any out-of-pocket expenses are approved, employees receive reimbursement through the ACH network, leaving behind a complete audit trail from the time a transaction occurred until the employee received reimbursement.
- **Mobile capabilities.** CEO Mobile® provides the City’s employees with the ability to view information in real-time and make time-sensitive changes using Smart Phone devices. Program administrators can view both completed and declined transactions and make changes to cardholder’s spending parameters such as individual transaction limits, daily and monthly spending limits, and restricted merchant category codes. Cardholders can view both completed transactions and declined transactions, view available credit balance, and enter out-of-pocket expenses. Wells Fargo is the first major U.S. bank to offer corporate mobile banking to customers.
- **Integrated online receipt imaging capability.** The City’s employees will fax their receipts to an image archive, instead of submitting paper receipts by interoffice or U.S. mail. Approvers and program administrators can review images of receipts in CCER within two hours of being faxed.
- **Dedicated account manager and supplier outreach team.** Our team will provide the consulting, necessary tools, and support to help the City on-board and migrate more of your payments to commercial card, increasing revenue share opportunities.
- **Day-to-day support provided 24 hours a day, 7 days a week.** Our Business Purchasing Service Center, located in San Francisco and Salt Lake City, is available around the clock to provide day-to-day support to the City’s program administrators and cardholders.

**b) Describe your firm’s approach to keeping your product line competitive.**

We produce product development plans every year. These development plans are shaped in part by regulatory or market changes, and in large part by customer needs.

We capture customer feedback using a variety of tools. For example, we periodically perform usability studies. This involves using a professional interviewer and videotape equipment to capture how customers are actually using our information tools. These studies are invaluable. They provide us with unique insights into user behavior. Over time, this has allowed us to refine and streamline our processes and user interfaces.

In addition to usability studies, we also conduct monthly delivery councils. Consisting of 10 to 12 clients located in a particular region, these daylong sessions give us the opportunity to

hear about client needs directly from our customers. This is an important tool for identifying and prioritizing new products or new functionality for existing products.

Wells Fargo has a proven ability to offer new and innovative products and services. We introduced our award-winning *CEO* portal more than 10 years ago, we continue to enhance it with additional features designed to simplify our customers' treasury operations.

Our latest innovation within the *CEO* portal:

The *CEO Workstation* platform is an on-line, easy to implement and affordable treasury workstation designed to assist business customers with their treasury operations. Our initial offering will include Cash Positioning and Cash Forecasting tools that will provide the following key benefits:

- Global view of cash position in multiple currencies with ability to convert to a single currency
- Pre-populated bank data from both Wells Fargo and other bank accounts
- Display of information tailored to your organization's account hierarchy
- Forecasting tools, including a Report Card with variance analysis to help improve the accuracy of cash forecasting
- Journal Entry Export capability allows user to create and export journal entries based on the information within *CEO Workstation* platform
- Ease of implementation. The *CEO Workstation* benefits customers of all sizes. Without the need for software, implementation can be done as quickly as same day rather than months as a traditional workstation would require.

## **2. Merchant bankcard services**

Please refer to our separate merchant card proposal for responses.

## D. Organization

- 1) **Legal name of the responding firm, street and mailing addresses, telephone number, fax number, and company Internet address.**

Corporate Address  
Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94163  
[www.wellsfargo.com](http://www.wellsfargo.com)

Local Servicing Address:  
Mark Hudspeth  
Relationship Manager  
1300 SW 5th Avenue  
5th Floor  
Portland, OR 97201  
503-886-4914  
877-814-2007 Fax

- 2) **Location of all branches and cash vault(s) within City boundaries and any plans for branch closures. Identify the address and hours of the nearest full service branch to the Portland Building (1120 SW 5th Avenue; banking services only)**

We have 27 branches in the City of Portland. The nearest branch to the Portland Building is located a block away at 1300 SW Fifth Avenue. Its hours of operation are 9:00 a.m. to 6:00 p.m. PT, Monday through Friday.

Couriers know the location of our Portland cash vault, however for security reasons; we do not disclose its address.

As requested, we include a listing of all branches within city boundaries in the Appendix.

- 3) **Ownership structure of firm, including parent company and all subsidiaries and affiliated businesses.**

Wells Fargo & Company (NYSE: WFC) is a publicly traded holding company that operates through subsidiaries performing a wide variety of financial services. We are a diversified financial services company providing banking, insurance, investments, mortgage and consumer finance through almost 9,000 stores, the Internet and other distribution channels across North America and internationally. Its principal banking subsidiary is Wells Fargo Bank, N.A., which is a national banking organization. You can find a list of our subsidiaries, which number in the hundreds, at the following link:

<http://wflegal.homestead.wellsfargo.com/sections/lscma/Document%20Repository/10k.pdf>

- 4) **As part of your response to this section, provide in paper form, one copy of your firm's most recently available quarterly and annual audited financial statements for your firm and annual audited financial statements for any holding companies (if applicable). Also provide an Internet link where your financial information can regularly be accessed.**

As requested, we have included paper copies of our most recent annual and quarterly and report.

You can find our most recent annual report and financial statement at:  
[wellsfargo.com/invest\\_relations/annual](http://wellsfargo.com/invest_relations/annual).

- 5) **Identify your firm's and parent company's financial regulators, net capital position and regulatory capital ratios as of June 30, 2011.**

Regulations come from both federal and state government agencies. These regulators are responsible for examining banks' stability, monitoring compliance with banking laws,



issuing regulations, taking enforcement actions, and closing banks if they fail. Several of our federal regulatory agencies include:

- The Office of the Comptroller of the Currency (OCC)
- The Board of Governors of the Federal Reserve System (FRB)
- The Federal Deposit Insurance Corporation (FDIC)
- The Securities and Exchange Commission (SEC)

Our Oregon State regulatory agencies include:

- The Division of Finance and Corporate Securities (DFCS)

### Capital ratios

Our capital ratios as of the end of second quarter are as follows:

Capital ratios	Quarter ended June 30, 2012
Tier 1 capital	11.69%
Total capital	14.85%
Tier 1 leverage	9.25%

\*Details on the figures above can be found in our quarterly earnings at:  
<https://www.wellsfargo.com/downloads/pdf/press/2q12pr.pdf>

Because we do not publicly report our net capital position, we are not able to provide it in this response.

### 6) Provide your firm's and parent company's most current short- and long-term credit ratings.

Wells Fargo subscribes to Fitch, Moody's, Standard & Poor's, and DBRS ratings agencies.

We have one of the highest debt ratings of any financial services company, as shown in the table below.\*

Wells Fargo & Company	Fitch Ratings	Moody's	Standard & Poor's	DBRS
<b>Long-term Issuer Rating</b>	AA-	A2	A+	AA
<b>Short-term Issuer Rating</b>	F1+	P-1	A-1	R-1 (middle)
<b>Senior Unsecured</b>	AA-	A2	A+	AA
<b>Subordinated</b>	A+	A3	A	AA (low)
<b>Preferred Stock</b>	A	Baa3	BBB+	-
Wells Fargo Bank, N.A.	Fitch Ratings	Moody's	Standard & Poor's	DBRS
<b>Long-term Issuer Rating</b>	AA-	Aa3	AA-	AA (high)
<b>Short-term Issuer Rating</b>	F1+	P-1	A-1+	R-1 (high)
<b>Bank Deposits</b>	AA	Aa3	-	AA (high)
<b>Senior Unsecured</b>	AA-	Aa3	AA-	AA (high)
<b>Subordinated</b>	A+	A1	A+	AA

\*The information provided is found on our Investor Relations site ([wellsfargo.com/invest\\_relations/debt](http://wellsfargo.com/invest_relations/debt)) and is provided for informational purposes only. We do not guarantee the accuracy or completeness of information on or available through this site, and we are not responsible for inaccuracies or omissions in that information or for actions taken in reliance on that

information. Please read Legal Disclaimers ([wellsfargo.com/invest\\_relations/legal/](http://wellsfargo.com/invest_relations/legal/)) before using or relying on information on or available through this site. Potential investors in our securities should seek professional advice before they invest.

**7) Provide your firm's most current Community Reinvestment Act (CRA) rating.**

In its most recent (2009) CRA examination, the Office of the Comptroller of the Currency (OCC) gave Wells Fargo an "Outstanding" rating — the highest rating possible. We met and exceeded community needs in areas such as affordable housing, financial education, and small business lending.

Wells Fargo received an overall "Outstanding" rating, and was rated "Outstanding" in each of the exam's three test categories:

- **Lending:** mortgages, small business, and community development for affordable housing and economic development
- **Services:** retail banking stores, alternative delivery channels, and financial outreach
- **Investments:** funding capital and grants to community organizations

We have included our most recent contributions in the state of Oregon in section F.10.

You can find our most recent Community Reinvestment Act (CRA) performance evaluation at the following link:

[wellsfargo.com/about/community/wfcra/perf\\_evaluation](http://wellsfargo.com/about/community/wfcra/perf_evaluation)

**8) Provide information pertaining to your firm's current financial condition in the context of current economic conditions, including discussion of any financial challenges that may impact firm's ability to provide the services detailed in this RFP. If challenges exist, what is firm's strategy to address them?**

While Wells Fargo is not immune to the challenges of the housing market or the general economy, we continue to produce strong financial results. As of the last quarter, we reported net income of \$4.9 billion, up from \$4.6 billion, for third quarter 2011. We've now had six consecutive quarters of record net income.

We know of no financial or organizational challenges that will impact our ability to provide the services detailed in our response to your RFP.

**9) Describe organizational challenges that may impact your firm's ability to provide the services detailed in this RFP. If firm has completed or proposed a merger with or acquisition of another firm within the past 12 months, include a discussion of the combined entity's surviving systems and impact of any system transitions on delivering the services detailed in this RFP.**

To the best of the knowledge of the Wells Fargo representative submitting this response, Wells Fargo has no publicly announced plans to sell, merge, or dramatically change. Information regarding sales, mergers or significant changes that have not been publicly announced are confidential, and may not be disclosed. We would expect no material adverse impact on our ability to provide the services requested in this RFP should Wells Fargo engage in a merger or acquisition.

Typically, Wells Fargo systems survive in mergers because of our leading technology.

- 10) **Will any of the services requested in this RFP be provided by subcontractors? (Yes/No) If yes, identify the services, the subcontractor(s), and address how you will ensure the City receives the standard of care, skill and diligence that would ordinarily be used by similar professionals in this community in similar circumstances. Identify how the security of City information shared with subcontractors will be ensured.**

No, the proposed services are provided and maintained in-house by Wells Fargo. We do work with various third parties throughout the bank, but none specifically as a result of the City's services. These vendors are used in a minor capacity and would have no material impact on our ability to fulfill our contract with the City. It is critical that our vendors provide excellent service to Wells Fargo, because it could impact every client we have. Accordingly, we accept responsibility for providing excellent service to the City.

Wells Fargo grants team members and contractors access to our systems and customer data based on the industry principles of least privileges and business need to know. Team members and contractors only receive access to the systems and data they need to perform their jobs.

Management reviews and approves all access requests, and reviews access on a regular basis to ensure the need is still required.

In addition, we require that all Wells Fargo team members, contractors, and vendors comply with the information security policy and procedures. Team members and contractors must complete annual information security training.

- 11) **Has your organization ever been petitioned into bankruptcy or insolvency? (Yes/No) If yes, please explain.**

No, we have never been petitioned into bankruptcy or insolvency.

- 12) **Describe any litigation or regulatory actions against your firm, in the past five years or pending, resulting from current or past involvement providing banking and/or merchant bankcard services to municipal clients.**

The disclosure requested is broad, and, at any given time, an organization the size of Wells Fargo may be involved in legal proceedings, some or all of which may be confidential in nature. To the extent any litigation is required to be reported, it is disclosed in Wells Fargo & Company's SEC filings and is a matter of public record. At this time, and to the best knowledge of the Wells Fargo representatives preparing this response, Wells Fargo has not been involved in any legal actions within the past five years that would have a material adverse impact on Wells Fargo's ability to provide the services requested in this RFP.

Any outstanding supervisory actions against Wells Fargo Bank, N.A. by its primary federal regulator, the Office of the Comptroller of the Currency (OCC); or against Wells Fargo & Company by its primary federal regulator, the Federal Reserve Board, may be accessed through their respective websites by using the search facility at the enforcement actions page. A search at those sites covering a defined time period for all actions with regard to Wells Fargo will bring up a list of such actions, with links to the enforcement document itself.

Any information regarding supervisory actions that is not accessible through these websites would be considered confidential supervisory information that Wells Fargo is prohibited by regulation from disclosing to third parties.

- 13) Has your firm or any local service representatives or subcontractors been cited or reprimanded by any regulatory agency within the past five years? (Yes/No) If yes, please describe.**

Wells Fargo & Company is a diversified financial services company that provides retail, commercial and corporate banking services through banking stores located in 39 states. It provides other financial services through subsidiaries engaged in various businesses, principally wholesale banking, mortgage banking, consumer finance, equipment leasing, agricultural finance, commercial finance, securities brokerage and investment banking, insurance agency and brokerage services, computer and data processing services, trust services, investment advisory services and venture capital investment. Wells Fargo is thus subject to significant government regulation. Routine exams by such government regulators may result in alleged exceptions and resulting assessments, many or all of which are confidential in nature and may not be disclosed without the express permission of our banking regulators.

At this time, and to the best knowledge of the Wells Fargo representatives preparing this response, Wells Fargo or any local service representatives have not been involved in any regulatory actions within the past five years that would have a material adverse impact on our ability to provide the services requested in this RFP.

## E. Costing

### 1. Banking services

- a) **Monthly Deposit Insurance Assessment.** The City maintains 25 demand accounts with a total monthly average balance of \$6,667,140. In addition, one bank account (the General Account) maintains a negative monthly average balance of (\$852,800). Based on this information, what is your total monthly deposit insurance assessment fee? Provide details of your fee structure.

Wells Fargo charges a recoupment fee to partially recover deposit insurance premiums that we pay to the Federal Deposit Insurance Corporation (FDIC).<sup>1</sup>

We assess the fee on a monthly basis at 0.1275 per \$1,000 of your average ledger balance for the month. Your account analysis statement will detail this fee as an individual charge.

<sup>1</sup> The FDIC does not charge a bank's depositors for deposit insurance or require banks to pass the cost of deposit insurance on to their depositors.

- b) **Costing Table.** State your fee for each of the services detailed in Attachment 2, COSTING TABLE. Note that the monthly volumes indicated are historical estimates and not guarantees of minimum or maximum future activity. . Ensure all fees associated with general banking services described in this RFP are included. Any fee not fully documented in your proposal will not be allowed during the course of the contract.

We have included our services fees in the City's Attachment 2, Costing Table, as requested.

## ATTACHMENT 2 TO CONTRACT COSTING TABLE

### 1. BANKING SERVICES:

- a) Monthly Deposit Insurance Assessment. The City maintains 25 demand accounts with a total monthly average balance of \$6,667,140. In addition, one bank account (the General Account) maintains a negative monthly average balance of (\$852,800). Based on this information, what is your total monthly deposit insurance assessment fee? Provide details of your fee structure,

**Based on the information provided above, Wells Fargo estimates the calculation of your Recoupment Fee to be:**

$$\$6,667.14 \times \$0.1275 = \$850.06 \text{ per month}$$

- b) Costing Table. State your fee for each of the services detailed below. Note that the monthly volumes indicated are historical estimates and not guarantees of minimum or maximum future activity. Ensure all fees associated general banking services described in this RFP are included. Any fee not fully documented in your proposal will not be allowed during the course of the contract.

	Monthly Volume	Per Item Fee	Total Fee
<b>General Account Services</b>			
Account Maintenance – checks returned with statement	19	\$10.00	\$190.00
Account Maintenance – non return of checks	4	\$ 5.00	\$20.00
Account Maintenance – zero balance	4	\$ 5.00	\$20.00
<b>Provide any further details regarding fee structure and features for the General Account &amp; Disbursement services</b>			
Zero Balance Master Account Maintenance		\$0.00	
DDA Statement – Paper		\$1.00	
Client Analysis Statement – Paper		\$0.00	
MICR Check Rejects over 2%		\$0.75	
Payment Authorization Check Monthly Base		\$1.00	
DDA Checks Paid		\$0.04	
<b>Bank Internet Portal and Reporting</b>			
Previous day – accounts reported	11	\$15.00	\$165.00
Previous day BAI monthly base	1	\$20.00	\$20.00
Previous day detail items	10196	\$0.035	\$356.86
Debits posted (other than checks)	300	\$0.08	\$24.00
Credits posted (non-electronic deposits and credits)	1690	\$0.40	\$676.00
Credits posted – electronic	2248	\$0.04	\$89.92
Monthly subscription per account for EDI report	3	\$20.00	\$60.00
Detail items in EDI report	905	\$0.05	\$45.25

Addenda items in EDI report	393	\$0.05	\$19.65
Wire detail report monthly subscription	1	\$20.00	\$20.00
Wire detail report per items accessed	42	\$0.05	\$2.10
Domestic wire out	33	\$2.50	\$82.50
Wire – book transfer	26	\$0.25	\$6.50
Domestic wire in	24	\$2.50	\$60.00
Stop payments	8	\$5.00	\$40.00

**Provide any further details regarding fee structure and features for the bank's Internet portal and reports available on the portal.**

Stop Payment – Auto Renewal	\$3.00
CEO Intraday Subscription Monthly Base	\$15.00
CEO Intraday Subscription - Item	\$0.10
CEO Event Messaging Service - Email	\$0.25
CEO Event Messaging Service – Text	\$0.25
CEO Search	\$0.50
Electronic Window Extended Storage	\$0.01
Wire Security Monthly Base	\$0.375
Wire Template Storage Monthly Base	\$0.25
Wire IN Repair Surcharge	\$7.00
Wire Investigation	\$55.00
Wire OUT Repair Surcharge	\$7.00
CEO Credit Management Monthly Base	\$0.00

<b>Branch Deposit and Check Processing Services</b>
---

Unencoded checks – on us	2563	\$0.03	\$76.89
Unencoded checks – local clearing house	7349	\$0.04	\$293.96
Unencoded checks – transit	2576	\$0.04	\$103.04
Unencoded checks – region	4254	\$0.04	\$170.16
Cash deposited & verified by teller	\$217,060	\$0.0006	\$130.00

**Provide any further details regarding fee structure and features for the bank's branch deposit and check processing services.**

Deposit Correction - Branch	\$10.00
Payee Valid Non Acct Holder – Check Cash	\$0.0000
Non-Encoded Checks – Adjustment	\$0.15

<b>Cash Vault Services</b>
----------------------------

Unencoded checks – on us	133	\$0.03	\$3.99
Unencoded checks – local clearing house	374	\$0.04	\$14.96

Unencoded checks – transit	136	\$0.04	\$5.44
Unencoded checks – region	269	\$0.04	\$10.76
Cash deposited	\$522,983	\$0.0006	\$313.79
Accounts w/duplicate receipt mailed to Treasury	3	\$20.00	\$60.00
Deposit adjustment	8	\$5.00	\$40.00

**Provide any further details regarding fee structure and features for the bank's cash vault services.**

Cash Vault Mixed Deposit Surcharge	\$2.00
Cash Vault Bag Deposit Processing	\$1.00
Cash Vault Adj. Advice – US Mail	\$0.50
Cash Vault Cash Order.– Call in	\$5.00
Cash Vault Cash Orders	\$1.50
Cash Vault Coin Deposit – Std. Bag	\$2.00
Cash Vault Coin Furn.-Std. Half Box	\$3.00
Cash Vault Coin Furnished -Rolled	\$0.12
Cash Vault Coin Furnished – Std. Box	\$4.00
Cash Vault Correction	\$5.00
Cash Vault Currency Furn.-Bundle	\$0.0006
Cash Vault Currency Furnished	\$0.0006
Cash Vault Monthly Base	\$8.00
Non-Verified Envelope Processing	\$0.40
Vault Deposited Coin - Rolled	\$0.06
Non-Encoded Checks – Adjustment	\$0.15

<b>Desktop Deposit</b>
------------------------

Checks – on us	75	\$0.03	\$2.25
Checks – not on us	426	\$0.035	\$14.91
Desktop deposits	87	\$0.08	\$6.96

**Provide any further details regarding fee structure and features for the bank's desktop deposit services.**

Desktop Deposit Images Retrieved	\$0.25
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<b>Electronic File Deposits</b>
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Checks – on us	1325	\$0.03	\$39.75
Checks – not on us	6920	\$0.035	\$242.20
Deposit adjustments	2	\$15.00	\$30.00
Checks (on us) same day conversion to ACH	3798	\$0.015	\$56.97
Checks (not on us) one day conversion to ACH	18896	\$0.02	\$377.92



**Provide any further details regarding fee structure and features for the bank's electronic file deposit services.**

Electronic Deposited Check – MICR Reject	\$0.25
Smart Decision Monthly Base	\$0.00

<b>Return Checks</b>
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Check returned (not electronic)	46	\$1.00	\$46.00
Returned check redeposited (not electronic)	35	\$0.50	\$17.50
Electronic check corrected but returned to City unpaid	1	\$0.75	\$0.75
Electronic check repaired as ACH item	1	\$2.25	\$2.25
Electronic check repaired as substitute check	9	\$1.00	\$9.00
Electronic check re-presented	16	\$1.00	\$16.00
Electronic check returned to City (no correction)	11	\$1.00	\$11.00

**Provide any further details regarding fee structure and features for the bank's checks return services.**

Return Item Special Instructions	\$0.25
Return Item Special Instructions Monthly Base	\$0.00

<b>Coin &amp; Currency</b>
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Coin/Currency furnished by branch	\$4,824	\$0.00065	\$3.14
Coin/currency orders at branch	9	\$2.00	\$18.00
Per role charge for rolled coin by branch	246	\$0.125	\$30.75

**Provide any further details regarding fee structure and features for the bank's coin and currency services.**

Coin Processing-Mixed Bag	\$5.00
Cash Dep/\$1 Verify in Cash Vault T4	\$0.0006

<b>Controlled Disbursement (Accounts Payable)</b>
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Account maintenance monthly	1	\$75.00	\$75.00
Reporting on bank portal monthly subscription	1	\$10.00	\$10.00

**Provide any further details regarding fee structure and features for the bank's controlled disbursement services and any differences in fees not captured below in Positive Pay.**

CEO Cont Disbursement Subscription - Item	\$0.05
Cont Disb. Cashed Check – Branch	\$0.00
Controlled Disbursement MICR Reject	\$0.75
MICR Rejects>1% thru 2%	\$0.75
Cont Disbursement Credits Posted	\$0.05
Cont Disb Image Checks Paid	\$0.09

Cont Disb PosPay Exception Chk Rtn	\$5.00
Cont Disb Pos Pay Mthly Base	\$0.00
Cont Disb Positive Pay Exception	\$6.00
Control Disbursement Account Setup	\$75.00

<b>Positive Pay</b>
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Checks paid – full reconciliation (incl. AP)	5973	\$0.04	\$238.92
Payee validation per check issued (incl. AP)	5967	\$0.015	\$89.51
ARP monthly base with full reconciliation (incl. AP)	8	\$15.00	\$120.00
Full reconciliation per check issued (incl. AP)	5967	\$0.03	\$179.01
Sort checks in serial order	529	\$0.035	\$18.52
ARP checks returned with statement	598	\$0.05	\$29.90
Checks manually entered on bank portal	130	\$0.04	\$5.20
Exceptions reported by bank	13	\$1.50	\$19.50
Exception image on bank portal	5	\$1.00	\$5.00
Outstanding checks on file over 60 days (incl. AP)	1562	\$0.01	\$15.62
ARP accounts with paper statement (incl. AP)	8	\$2.00	\$16.00

**Provide any further details regarding fee structure and features for the bank's positive pay services.**

ARP Serial Sort Monthly Base	\$0.00
ARP Statements & Reports (CSV/EXCEL)/Item	\$0.015
ARP Statements & Reports (CSV/EXCEL) Base	\$15.00
ARP Item Paid No Issue Info – Item	\$0.00
ARP Optional Reports	\$2.00
ARP Output Transmission	\$4.00
ARP Paper Statement Delivery	\$5.00
ARP Statement Monthly Base - CEO	\$0.00
Deposit Location Reporting - Item	\$0.05
Outgoing Transmission – per item	\$0.00
Positive Pay Exception Checks Return	\$3.00
Positive Pay Monthly Base	\$10.00
Positive Pay Monthly Base – Basic	0.00
ARP Setup – Full	\$75.00
ARP Setup – Deposit Location Reporting	\$10.00

<b>Check Imaging</b>
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Monthly maintenance for payroll CD	1	\$20.00	\$20.00
Monthly maintenance for controlled Disbursement CD (AP)	1	\$10.00	\$10.00
CD with check images (payroll & AP)	2	\$10.00	\$20.00
Payroll items imaged on CD	1578	\$0.007	\$11.05
AP items imaged on CD	3690	\$0.007	\$25.83

**Provide any further details regarding fee structure and features for the bank's check imaging service.**

Online Image View < 90 Days - Item	\$0.50
Online Image View > 90 Days - Item	\$2.00
WELLSIMAGE--Setup Additional Account	\$5.00
WELLSIMAGE--Setup 1 <sup>st</sup> Account	\$10.00

<b>ACH Services</b>
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Monthly base fee for accounts	8	\$10.00	\$80.00
One day items – bank Internet portal	456	\$0.02	\$9.12
Two day items – bank Internet portal	1961	\$0.015	\$29.42
Same day items – direct file	22	\$1.50	\$33.00
One day items – direct file	2032	\$0.02	\$40.64
Two day items – direct file	23699	\$0.015	\$355.49
Batches processed – bank Internet portal	11	\$3.00	\$33.00
Batches processed – direct file	51	\$5.00	\$255.00
Recurring ACH auto pay items - direct file	3096	\$0.02	\$61.92
Received items (not originated by City)	410	\$0.03	\$12.30
Monthly maintenance returns/NOC (per account)	9	\$10.00	\$90.00
Items returned or NOC – bank portal	159	\$1.00	\$159.00
Returned items – bank transmitted advice	160	\$1.00	\$160.00
NOC items – bank transmitted advice	26	\$2.00	\$52.00
Returned items – bank faxed advice	3	\$2.00	\$6.00
Fax fee for ACH reports (per page)	85	\$2.50	\$212.50
Delete ACH item	1	\$10.00	\$10.00
Reverse ACH item	1	\$10.00	\$10.00
Fraud filter monthly base (per account)	25	\$5.00	\$125.00
Fraud filter monthly base reported on portal (per account)	8	\$5.00	\$40.00
Fraud filtered items for review on bank portal	11	\$0.50	\$5.50

**Provide any further details regarding fee structure and features for the bank's ACH services.**

ACH Inquiry Monthly Base	\$0.00
ACH CEO Return Subscription - Item	\$0.05
ACH Originated – Addenda	\$0.025
ACH Ret Item –Info Reporting Advice	\$1.00
ACH Return Item - Redeposited	\$1.00
ACH Return Item - Dishonored	\$1.00
ACH Exception Process – Duplicate File	\$10.00
Internet ACH Base Fee	\$10.00
ACH Reject Notification	\$7.50
ACH Special Investigation	\$25.00
ACH NOC – FAX Advice	\$7.00
ACH Wells Fargo NOC – Fax Advice	\$5.00
ACH Wells Fargo NOC – Trans Advice	\$4.00
ACH Wells Fargo NOC – Info Report Advice	\$1.00
ACH Delete/Reversal – Batch/File	\$10.00
ACH CEO Subscription- Item	\$0.25
ACH CEO Subscription Account	\$10.00
ACH CEO Fraud Filter Review	\$5.00
ACH Fraud Filter Stop – Item Fax	\$10.00
ACH CEO Fraud Filter Review - Item	\$0.50
CEO ACH Origination New Company ID Setup	\$0.00
Internet ACH Setup Fee	\$10.00
ACH Transmission – Setup	\$10.00
CEO ACH Origination New Company ID Setup	\$10.00
ACH Fraud Filter – Setup	\$0.00

<b>Consolidated Internet Bill Payments</b>
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Monthly maintenance fee	1	\$100.00	\$100.00
Per item charge	15639	\$0.0325	\$508.27
Transmissions	21	\$4.00	\$84.00

**Provide any further details regarding fee structure and features for the bank's consolidated Internet bill payment services including the cost of implementation.**

Receivables Manager Monthly Base	\$50.00
EC BILLPAY On Us ITEMS	\$0.0325

- 3) **If you are submitting Proposals for both General Banking and Merchant Bankcard, discuss whether your Proposals include discounts for providing all requested services.**

Any credit or discount offered for banking services will pertain to banking services and any credit or discount offered for merchant services will pertain to merchant services.

## F. Diversity in employment and contracting

- 1) **Indicate if your firm is currently certified through the State of Oregon as a Minority-owned, Women-owned or Emerging Small Business (M/W/ESB). If not, what percentage of the project will be subcontracted out to M/W/ESBs?**

Wells Fargo is a publicly traded corporation and does not qualify as and is not certified as an MBE, WBE or ESB. Wells Fargo actively supports the use of diverse suppliers through our Corporate Supplier Diversity Initiatives.

While there is no expectation of direct sub-contracting opportunities for this contract, any such opportunities would be sourced with an effort to maximize diverse supplier utilization.

- 2) **Identify your current diversity of workforce and describe your firm's commitments to providing equal employment opportunities:**

Diversity is integral to our vision, strategy, and continued success. It's part of the foundation of our culture. Our company policy is to provide equal opportunity in all employment decisions (such as compensation, benefits, transfers, leaves, returns from leave, company-sponsored training, education, education reimbursement, and social and recreational programs) for all qualified applicants and team members, without regard to race, color, gender, national origin, religion, age, sexual orientation, gender identity, genetic information, physical or mental disability, pregnancy, marital status, veteran status or any other status protected by federal, state, or local law.

We promote effective use of all team members — minorities, women, and those with disabilities among them — through a positive, continuing affirmative action program at all levels throughout the company.

Wells Fargo currently has more than 270,000 team members; 60% are women, and 35% are ethnically diverse. Among our senior managers, 49% are women, and 23% are ethnically diverse. Our 15-member Board of Directors is 27% women, and 20% ethnically diverse.

We've listed some of our recent publication and organization awards below.

### ***DiversityInc***

- Top 50 Companies for Diversity (2012)
- Top 10 Company for Lesbian, Gay, Bisexual & Transgender Employees (2012)
- Top Company for Community Development (special award)

### ***LATINA Style***

- 12<sup>th</sup> Best Company for Latinas (2011)

### ***Hispanic Business***

- Top 40 Companies (2011)

### ***Black Enterprise***

- One of the Top 40 Best Companies for Diversity (2012)

### ***American Banker***

- Most Powerful Women in Banking (2011)

### **Human Rights Campaign Foundation**

- Perfect Score of 100 on Corporate Equality Index (2011)
- Best Places to Work 2011

- **Describe how your firm has historically provided opportunities for minorities and women to receive training and work within your firm.**

Wells Fargo has understood the importance of both hiring and retaining a diverse workforce and serving a diverse community for more than 160 years. Here are a few examples of our historical commitment to diversity:

- **1856:** Wells Fargo hires the first African- American, William Robinson, as an express driver in California.
- **1870:** Esteban Ochoa becomes a Wells Fargo agent in Panto, Arizona.
- **1873:** Wells Fargo hires Mary Taggart as an agent in Palmyra, Nebraska-the first of more than 350 women who will run Wells Fargo office locations across the nation.
- **1934:** Clara Hellman Heller becomes first female member of Wells Fargo's Board of Directors.
- **1968:** Wells Fargo College Relations Section of Personnel Division sponsors a trial program to hire male minority college students for summer jobs with the bank. In the same year Wells Fargo begins training minority women for bank positions through the Training for Advancement Program (TAP). They take classes at Heald's College then work part time.

We promote effective use of all team members — minorities, women, and those with disabilities among them — through a positive, continuing affirmative action program at all levels throughout the company.

- **If your firm currently has under-representation of minorities or women within your current workforce, describe how, over time, you propose to remedy this underutilization.**

Today, the diversity of our 270,000 team members enables us to respond faster to the needs of our increasingly diverse communities. We view diversity not just as the right thing to do, but as a growth opportunity. It's essential for achieving our vision of satisfying all our customers' needs and helping them succeed financially. Diversity is about inclusiveness; making sure everyone — team members, customers, and business partners — feels welcome and included, valued for their individualism, and given the opportunity to succeed. We want to do more than just reflect or represent the diversity of our communities. We want to be the diversity of our communities.

We work with preferred search firms that specialize in diversity, offer leadership development programs for females and ethnically diverse leaders, provide a company-wide mentoring program, and mandate diversity training programs for managers. Many managers have diversity goals tied to their performance goals, clearly demonstrating our belief that diversity is tied to the bottom line.

Achieving our diversity goals isn't just the responsibility of senior management — it's up to every single one of our team members to make Wells Fargo more inclusive. We have a Corporate Diversity Council, comprised of team members from around the company, who advise our executive team on policy, programs, culture, and leadership best practices that foster diversity and awareness. We sponsor nine Team Member Networks (TMNs). TMNs are affinity groups, each dedicated to an aspect of diversity — PRIDE, Native Peoples, Diverse Abilities Team Member Network, and Latin Connection are a few. These groups play a critical role in attracting, developing, engaging, and retaining team members at all levels across the company. Their activities range from career development and mentoring programs, to participation in networking and community outreach activities. They are ambassadors and liaisons to the community.

- **Discuss any project-specific opportunities for technical training and/or employment of underrepresented groups you would commit to.**

Through our supplier diversity program, we proactively seek qualified suppliers that are minority-owned, woman-owned, and disadvantage-owned business enterprises (MWDBE's). Wells Fargo has a corporate goal to use at least 10% annually of our controllable expenditures with MWDBE's by 2013.

- 3) **Provide a narrative description of your firm's experience in promoting participation on the part of M/W/ESB enterprises as partners, consultants or suppliers on previous projects.**

Wells Fargo seeks to utilize diverse suppliers on all projects by giving all qualified companies competitive access to opportunities to provide us with goods and services. Our inclusion of highly qualified diverse suppliers in the earliest phases of our enterprise-wide strategic sourcing process has proven to be very successful. While we routinely advertise in minority-owned publications and use minority-owned advertising agencies for a portion of our national marketing effort, no direct ads were placed relative to this contracting opportunity. While Wells Fargo routinely engages in outreach activities, such as active participation in minority-based trade shows, no direct outreach meetings were held relative to this contracting opportunity.

Many of our vendors are also customers of Wells Fargo. Due to the nature of our business, we cannot disclose specifics on prior projects.

For additional information, please refer to the corporate diversity attachments in the Appendix.

- 4) **List those certified M/W/ESBs with which your firm has had a contractual relationship during the last twelve (12) months.**

Many of our vendors are customers of Wells Fargo. Due to the nature of our business, we do not share customer information.

- 5) **If your firm has a supplier diversity program, describe: How long it has been in existence? What were the driving factors for establishing the program? How do you evaluate the credentials of your M/W/ESB suppliers? What results has it had to increase your company's M/W/ESB participation?**

To integrate supplier diversity into all aspects of our business we focus on three areas.

#### Education and awareness

We assist minority-, women-, and disadvantaged-owned business enterprises (MWDBEs) in becoming competitive performance leaders in their industries by coaching, creating programs, and developing business models that support entrepreneur development.

#### Partnership development

We collaborate with leaders across the Wells Fargo enterprise and advocacy organizations to provide MWDBEs equal opportunities to compete for business.

#### Measurement and accountability

We support sourcing of goods and services from MWDBEs while monitoring program effectiveness through performance goals and feedback sessions with Wells Fargo and community leaders.



At Wells Fargo we recognize that diversity is a competitive advantage. We know when our suppliers have different experiences, perspectives, cultures and backgrounds – that we'll receive the most innovative and cost effective products and services available. To be successful, it's critical that our suppliers reflect the increasing diversity of our customers.

Wells Fargo requires that MWDBEs be certified by an official certification agency such as the National Minority Supplier Development Council (NMSDC), Women Business Enterprise National Council (WBENC), National Gay and Lesbian Chamber of Commerce (NGLCC) and other local, state, and federal government agencies that provide third-party certification services.

Please refer to the corporate diversity attachments in the Appendix for additional information.

**6) Discuss any innovative or particularly successful measures your firm has undertaken to work with M/W/ESBs on other projects.**

Wells Fargo seeks to use diverse suppliers on all projects by giving all qualified companies competitive access to opportunities to provide our company with goods and services. We seek to include highly-qualified diverse suppliers early in the sourcing process, which has proven to be very successful. We also focus on high-volume, high-potential commodities where previous success in using diverse suppliers has been demonstrated.

**7) Describe your diversity solution where you, as the prime contractor, sub-contract services in a partnering relationship with certified M/W/ESB firms:**

We are unable to disclose details relating to particular projects and vendors as many of our vendors are also Wells Fargo customers.

- **How do the M/W/ESBs that you partner with benefit from the relationship with your firm?**

Wells Fargo has spent \$7 billion with diverse-owned suppliers in the last 10 years. The partnerships create opportunities for capable companies – small, new and minority-owned – to participate in competing for work in an environment of established relationships. In addition, it contributes to the sustainability of their communities.

- **Describe what you consider your first-tier diversity solution in which you utilize a certified M/W/ESB firm as the prime contractor and your company works as an alliance partner.**

Please refer to the corporate diversity attachments in the Appendix.

- **Describe how your firm could increase the utilization of certified M/W/ESB firms in service of this City contract if you are the winning proposer?**

While there is no expectation of direct sub-contracting opportunities for this contract, any such opportunities would be sourced with an effort to maximize diverse supplier utilization.

**8) Describe your outreach plan to M/W/ESBs for this project. If your firm is not utilizing existing relationships as described above or is able to undertake additional outreach to improve opportunities for M/W/ESBs, describe your outreach program or plan for obtaining maximum utilization of M/W/ESB firms on this project. Proposers not drawing on existing relationships with M/W/ESBs should describe what outreach efforts will be pursued in order to make contracting opportunities available to M/W/ESBs.**

While there is no expectation of direct sub-contracting opportunities for this contract, any such opportunities would be sourced with an effort to maximize diverse supplier utilization.

- 9) **M/W/ESB compliance and reporting:** If your company will be utilizing M/W/ESBs on this project, please list those firms and detail their role within the present solicitation. The City will enforce all EEO/Diversity and M/W/ESB commitments submitted by the successful proposer. Proposers shall identify the following:

- **The name of ALL subcontractors on the project.**

Subcontractors will not be used in this project.

- **The names of all M/W/ESB firms. If firms have more than one certification (ESB and MBE) note that on the form.**

Many of our vendors are customers of Wells Fargo. Due to the nature of our business, we do not share customer information.

- **The proposed scope or category of work for each subcontract.**

Subcontractors will not be used in this project.

- **If the proposer will not be using any subcontractors, the proposer will indicate "NONE" with the proposal.**

None.

- 10) **Specific to the Portland metropolitan area:**

- **Describe your firm's workforce demographics and the measurable steps taken to ensure a diverse workforce.**

Diversity is integral to our vision, strategy, and continued success. It's part of the foundation of our culture. Wells Fargo currently has more than 270,000 team members; 60% are women, and 35% are ethnically diverse. Unfortunately, we do not disclose demographics related to a specific municipality.

To succeed in financial services, we must be committed to serving our diverse customers, team members, and suppliers. A strong, healthy supplier network reflecting the demographics of our communities supports local economic development. We believe that — together with our diverse suppliers — we can contribute to the long-term economic sustainability of our communities.

Our company policy is to provide equal opportunity in all employment decisions (such as compensation, benefits, transfers, leaves, returns from leave, company-sponsored training, education, education reimbursement, and social and recreational programs) for all qualified applicants and team members, without regard to race, color, gender, national origin, religion, age, sexual orientation, gender identity, genetic information, physical or mental disability, pregnancy, marital status, veteran status or any other status protected by federal, state, or local law.

We promote effective use of all team members — minorities, women, and those with disabilities among them — through a positive, continuing affirmative action program at all levels throughout the company.

- **Describe your firm's employee compensation structure, including policies regarding living wages, healthcare coverage, employee leaves, dependent care, etc.**

#### Compensation

To attract and retain great team members throughout our organization, Wells Fargo offers a total compensation package that is competitive with those offered by our key competitors in the businesses and markets where we operate. The total compensation package at Wells Fargo includes the total cash compensation (salary, draw, and any incentive

compensation, including but not limited to bonus, commission, and other forms of incentive compensation), plus company contributions toward additional benefits like health care and disability plans, retirement plans, and paid time off, plus any equity awards.

#### Benefits

As part of our benefits package, we offer a broad array of medical, dental, and vision plans. In addition, we offer a rich selection of benefits employees can personalize to help achieve a work/life balance. Below are highlights of our benefits package:

- **Paid time off.** The flexibility of paid time off (PTO) lets our employees set their own priorities. PTO can be used for vacation, a parent-teacher conference, a doctor's appointment, or any number of other events.
- **401(k) plan.** Employees can make before-tax or Roth contributions (or a combination of both) to the 401(k) Plan up to the lesser of 50% of their eligible pay or the IRS limit. We match employee contributions dollar for dollar up to 6% of their eligible pay on a quarterly basis, after 1 year of service. We may also make a profit sharing contribution to employees 401(k) Plan account up to 4% of their annual eligible pay based on company performance.
- **Discounts and savings.** We offer special discounts on Wells Fargo financial products and services that are typically offered to our best customers.
- **Wellness benefits.** LifeCare.com provides counseling, education, and referral services on a wide range of issues and topics.
- **Commuter benefits.** Employees can choose to pay for mass transit or parking on a pre-tax basis.
- **Tuition reimbursement.** To encourage professional development, we reimburse eligible tuition expenses up to \$5,000 annually.
- **Adoption reimbursement.** We provide up to \$5,000 for eligible adoption-related expenses through our Adoption Reimbursement Program.
- **Scholarships for dependent children.** Wells Fargo offers several scholarships to children of employees ranging from \$1,000 to \$3,000.

- **Describe your firm's commitment to corporate citizenship and community service, including participation in charitable programs, scholarships, etc.**

Wells Fargo is recognized nationally for being a good corporate citizen in areas including diversity, environmental practices, and community support. Two examples of our many national awards include Diversity Inc's Top 50 Companies for Diversity in 2012, and 2011 Human Rights Campaign Corporate Equality Index, where we achieved a perfect score.

Wells Fargo has a comprehensive environmental commitment that includes policies, programs, and pledges in conserving resources as well as protecting our environment. Our commitment — and recognition we've received for our efforts — is shown in the table below.

- We've invested more than \$11.7 billion in renewable-energy projects across the United States
- We've set a goal of reducing our greenhouse gas emissions by 20% from 2008 levels by 2018
- We are a top lender for LEED-certified green buildings

#### Environmental Protection Agency

- Among Top Green Power Partner Companies (2011)

#### Newsweek

- Among America's Greenest Big Companies (2011)

In keeping with the City's environmental goals, we have printed this proposal response double-sided on 100% recycled paper and materials.

Our Corporate Citizenship Report provides detailed information regarding both our internal operational efforts and our customer-related practices and investments. You can find the policies and report mentioned above, as well as news about our environmental initiatives, on our Environmental Affairs website: <https://wellsfargo.com/about/csr/ea/>.

Additionally, in the following sections we describe how we support the communities in which we do business—across our company and in the state of Oregon.

- **Describe your firm's incentives to employees for community service and the rate(s) of employee participation.**

Our team members are leaders. They give their time to teach money management skills, build homes, mentor youth, fundraise, and serve on nonprofit boards. They learn first-hand what local issues and projects need our support, and then bring the right resources together so Wells Fargo can help.

In 2011, Wells Fargo team members volunteered 1.5 million hours; they contributed a record \$63.9 million dollars through year-round donations to nonprofits and the Community Support and United Way Campaign. To encourage service, Wells Fargo provides each team member with 16 hours of paid time off to volunteer each year.

In support of our team members and the communities that we service, Wells Fargo supports team member volunteering through the following programs:

#### Volunteer chapters

These community-involvement networks support team member-led volunteer initiatives. Organized in local markets, Volunteer Chapters give team members the opportunity to create "volunteer communities" that make a positive impact in their local communities and they align perfectly with our Vision & Values.

#### Volunteer service awards

Wells Fargo annually awards, through our Volunteer Service Awards and Cash for Your Cause programs, more than \$500,000 in grants to nonprofits where team members volunteer. Since 1978, Volunteer Service Awards have encouraged our team member volunteers and provided valuable support for nonprofits in communities across the country.

#### Volunteer leave awards

Since 1976, this program has recognized our team members who give their time and service to causes that are important to them. Wells Fargo gives these team members the opportunity to take up to four months off work, with full pay and benefits, to volunteer with a nonprofit organization or K-12 school of their choice. We provide this support because we recognize the value of our team member volunteers in helping solve social problems and in contributing to the long-term sustainability of the nonprofits where they work.

#### Reading first

Since 1999, thousands of team members have participated in Reading First, Wells Fargo's interactive read-aloud program designed to support early childhood adult literacy and increase company volunteerism. Through the program, more than one million books have been read and donated to prekindergarten through second grade classroom libraries.

#### In the state of Oregon

##### Team member volunteers

- 61,555 volunteer hours contributed by team members throughout the Oregon community

##### Philanthropic investing

- \$1,993,382 to nonprofits and schools through corporate and foundation giving

- \$1,063,020 in contributions through the annual team member Community Support and United Way Campaign
- \$271,553 in contributions to match team member gifts to accredited educational institutions, foundations, and Habitat for Humanity

12 Month company data as of 12/31/11

• **Describe the measurable steps your firm has taken to foster economic development, including small business lending programs, and their utilization rates.**

Wells Fargo Community Lending & Investment specializes in offering debt and equity capital to organizations that provide economic development, job creation, and affordable housing in communities of need nationwide. We work with nonprofit, for-profit, or public and government organizations focused on community development that have a solid net worth, experience, and leverage appropriate for their industries.

We offer short-term, balance sheet lending for construction, bridge, or substantial rehabilitation of affordable housing properties. We make investments in low income housing tax credits and historic tax credit properties to enable developers and investors to benefit from tax-credit opportunities.

Community Lending & Investments is part of our overall social responsibility initiative. We believe in supporting our communities, and that it's the right thing to do. Our company is only as successful as the communities where we do business.

In the state of Oregon

Loans and investments

- In the State of Oregon, Wells Fargo provided 31,862 mortgage loans, extending \$6.5 billion in credit<sup>1,2</sup>
- Of that, 4,256 mortgage loans were in low-to moderate-income (LMI) communities, providing \$735.2 million in credit and 6,858 loans were made to LMI borrowers, providing \$948.5 million in credit
- Wells Fargo provided 13,546 small business loans, extending \$514.0 million in credit<sup>2</sup>
- Of that, 2,923 small business loans were in LMI communities, providing \$122.0 million in credit
- Wells Fargo provided 478 small farm loans, extending \$16.1 million in credit in the State of Oregon<sup>2</sup>
- In the State of Oregon, Wells Fargo provided 13 community development loans, totaling \$68.2 million and 41 community development investments, totaling \$15.9 million<sup>3,4</sup>

\*Company data as of 12/31/11

1. Mortgage includes home purchase, home improvement, home refinance, and multi-family loans

2. Totals include census tract income level classified loans only

3. Some investments and grants cannot be tracked to the county/city level

4. Investments include grants and are subject to change as updates are received

• **Describe the measurable steps your firm has taken to support homeownership, including foreclosure prevention programs, and their utilization rates.**

We are committed to giving back to the communities where our customers and team members live and work. The Wells Fargo Housing Foundation helps local housing organizations serve low- to moderate-income communities, increase the number of Wells Fargo business lines and team members that join in charitable housing efforts, and enhance our reputation and image in the communities we serve.

Our mission is to provide sustainable homeownership opportunities for low-to moderate-income people by providing volunteer and financial resources to local and national

nonprofit housing organizations. We work with established local and national nonprofit housing organizations that have demonstrated the ability to create homeownership opportunities for low- to moderate-income families. We also support nonprofit housing organizations that help low- to moderate-income homeowners make necessary repairs and upgrades.

In 2011, the Wells Fargo Housing Foundation supported neighborhood stabilization efforts through our anchor programs and special initiatives, contributing more than \$23 million to nonprofit housing organizations.

Wells Fargo has made significant investments in helping our customers keep their homes through several home preservation strategies. One outreach method involves hosting local workshops. At some of these workshops people meet with a Wells Fargo mortgage representative who will confidentially discuss their financial concerns and home-retention options. In the Portland Metropolitan area, we have hosted eight events from 2009 to 2011 with almost 800 attendees. In total since 2009, approximately 8,000 Wells Fargo Home Mortgage customers have been helped or are in the process of being helped through one of our available workout options. For every 1 customer that has gone into foreclosure, we have helped or are helping two more through alternative options.

Overall, more than 93% of our customers are current on their home loan payments, and as of our most recent Corporate Citizen Report, our first quarter 2012 delinquency and foreclosure rates continue to be significantly below industry average.

- **Describe your firm's programs targeted to the non-banked and under-banked populations, including financial literacy programs, and their utilization rates.**

We want our customers to see us as a trusted financial advisor for outstanding service and sound advice. We work to help our customers be personally accountable for their own financial well-being. Everything we do for our customers should connect to their financial plan; we know that our counsel and guidance can make a real difference in their lives.

For example, our free *Hands on Banking* program offers all the basic money tools, skills, and information individuals need. This noncommercial program teaches people in all stages of life about the basics of responsible money management.

In 2011, our Hands on Banking and El futuro en tus manos® websites received more than 130,000 visitors from more than 140 countries.

Also in 2011:

- We participated in the Jump\$tart Coalition National Educator Conference, where teachers from across the country came to improve the way they teach personal finance to the next generation of American consumers.
- More than 900 team member volunteers taught savings seminars to more than 33,000 participants through our Teach Children to Save outreach program.
- We celebrated a successful Get Smart About Credit event with more than 1,100 credit presentations, more than 59,000 workshop participants, and more than 730 team member volunteers.
- We showcased our online financial education programs, Hands on Banking and Stagecoach Island®, at the 2011 International Society of Education through Technology (ISTE) Conference, which brought together over 18,000 educators.

## Treasury Information Reporting

## ARP statements and reporting

Helping you make more educated decisions and reconcile accounts quickly and easily by providing comprehensive reporting on your account reconciliation process (ARP) data

Treasury Information Reporting offers a variety of online ARP statements and reports to help you reconcile your accounts. Delivered online through the *Commercial Electronic Office*® (CEO®) business portal, ARP reports provide you with convenient, customizable access to the transaction details you need to know. Extensive customization features allow you to create reports that fit your exact business requirements. Through Treasury Information Reporting, you can access your ARP statements, get 14 optional ARP reports, perform intracycle queries, and view details of your account reconciliation activity. Since the reports are available through the CEO portal, you can get information whenever and wherever you want.

**ARP statements and reports include:**

**ARP statements and reports.** Access your ARP statements and 14 off-cycle optional reports in PDF format, free of charge. Or choose just the data you want to see before you download your ARP statements and off-cycle optional reports in CSV or Excel format.

**ARP query report.** Perform a query of your ARP data and download the results in CSV or Excel.

**ARP File Posting Confirmation report.** View a summary and details of your account reconciliation activity by date, including check issues, cancels, and voids, as well as stop payment requests, releases, and renewals in PDF format.

**Custom reporting options.** You can select up to 14 optional reports, eliminating the need to go through the entire statement to find information on specific types of transactions. When you download your reports in CSV or Excel, you can select just the columns of data that you need.

**Previous statement periods.** You can access your statements and reports from previous statement cycles. If you require longer retention, you can save the statements and reports to your PC or archive them to CD-ROM.

**Data retention.** Receive regular reports and statements.

- ARP statements and reports (PDF): 12 rolling months.
- ARP statements and reports (CSV and Excel): 12 rolling months.
- ARP query report: Two statement cycles plus the current cycle.
- ARP File Posting Confirmation report: 45 days.

**Report formats.** PDF, CSV, and Excel.

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Commercial Electronic Office®

**WELLS  
FARGO**

# The Statements & Notices Service

## User Guide — Client Analysis Statements

### Contents

Viewing a Client Analysis Statement . . . . .	2
Performing Trend Analysis . . . . .	4
Setting Client Analysis Statement Preferences . . . . .	6

### Overview

As part of our continuing efforts to improve the services we offer, we are upgrading the Statements & Notices service. The upgrade includes:

- ☐ **New Client Analysis Statements function** — you will receive your monthly Client Analysis statements via the Statements & Notices service.
- ☐ **Trending analysis** — the Client Analysis Statements function will allow you to interactively produce trending information for any time period during the previous 12 months.
- ☐ **Client Analysis Statement preferences** — use the Preferences page to set defaults for the Client Analysis Statement function.

## Viewing a Client Analysis Statement

Your monthly Client Analysis statement describes your Bank services and any associated charges. The statement can be flexibly structured to include a single account or many, depending on your company's accounting needs.

Client Analysis statements are available up to 12 months after their processing date.

### To view and save a Client Analysis statement

- 1 Click Client Analysis Statements in the navigation bar.

View / Download Statement

Select a statement date, choose a format from the drop-down menu, and then click **View / Download**.

† To perform trending of historical data, you must view the statement in HTML format. Historical data for up to 12 months is available for some statement sections.

† Re-analyzed statements are also available for viewing in their original state. However, the original is read-only.

For More Information  
Viewing 1 to 12 of 12 Items

Select Company or Account:

\*ABC INC < > / 1212121212

Update List

	Statement Date ▼	Format †	Statement Type †
1.	<input type="radio"/> 10/01/2007	HTML ▼	
2.	<input type="radio"/> 09/01/2007	HTML ▼	Re-analyzed on 09/30/2007 ▼
3.	<input type="radio"/> 08/01/2007	HTML ▼	
4.	<input type="radio"/> 07/01/2007	HTML ▼	
5.	<input type="radio"/> 06/01/2007	HTML ▼	
6.	<input type="radio"/> 05/01/2007	HTML ▼	
7.	<input type="radio"/> 04/01/2007	HTML ▼	
8.	<input type="radio"/> 03/01/2007	HTML ▼	
9.	<input type="radio"/> 02/01/2007	HTML ▼	
10.	<input type="radio"/> 01/01/2007	HTML ▼	Re-analyzed on 02/27/2007 ▼
11.	<input type="radio"/> 12/01/2006	HTML ▼	
12.	<input type="radio"/> 11/01/2006	HTML ▼	Re-analyzed on 11/27/2006 ▼

View / Download

Viewing 1 to 12 of 12 Items

**A** Select Company or Account To list statements for another company or account, select it from the drop-down list and click **Update List**.

**B** Statement Date Click the radio button for the statement you want to view.


The Statements & Notices Service User Guide — Client Analysis Statements

2 of 6

## Viewing a Client Analysis Statement (continued)

① Format	Select a format from the drop-down list.
	<b>Note</b> To perform trending, you must select <b>HTML</b> format.
	HTML      Displayed in your web browser
	PDF      Adobe® Acrobat® format
	Excel      Microsoft® Excel® format
	CSV      Comma-separated values format
	EDI822_3010      Electronic Data Interchange format based on
	EDI822_4010      the ANSI X12 822 transaction set standard;
	available in version 3010 or version 4010
② Statement Type	If a statement has been re-analyzed, you can select the
	re-analyzed statement or the original statement.

2 After selecting the statement options, click **View/Download**.

If you selected this format...	This happens when you click View/Download
HTML	The statement is displayed as shown below.
PDF	The statement is displayed in a separate browser window. You can then click the <b>Save a Copy</b> icon  to save the PDF file.
Excel, CSV, or EDI822	You are prompted to save or open the file. Select a location for the file and click <b>Save</b> .

If you selected HTML format, the statement is displayed as shown below.

Client Analysis Statement: Relationship Summary | Account Summary

Print

PDF

Download All Sections

Relationship Summary For ABC CORPORATION

WELLS FARGO BANK, I.A.  
POST OFFICE BOX 1234  
MINNEAPOLIS, MN 55479

Officer: SMITH, JOHN G.  
Phone Number: 8005551212

ABC CORPORATION  
123 MAIN STREET  
ANYTOWN, MN 55555

For More Information
Term Definition
Billing Account
New Service Charge
New Price Change
Fee-Based Charge

Customer must examine this statement and report to Bank any claim for credit or refund within 30 days after Bank makes the statement available. If Bank does not receive notice of error or discrepancy within the timeframe, items on the statement will be deemed to be correct.

Analysis Summary

PDF

Download Section

To perform trending of historical data, check one or more boxes, then click Perform Trending.

Average Positive Collected Balance:	\$	25,844.57	<input type="checkbox"/>
Reserve Requirement @ 10.00000 %:	-	2,584.46	<input type="checkbox"/>
Investable Balance Available for Services:	=	23,260.11	<input type="checkbox"/>
Earnings Allowance @ 3.50000 %:	\$	69.16	<input type="checkbox"/>
Current Month Analyzed Charges:	-	134.90	<input type="checkbox"/>
Current Month Position:	=	-115.14	<input type="checkbox"/>
Net Shortfall Due:	\$	115.14	
<b>Total Amount Due:</b>	<b>\$</b>	<b>115.14</b>	

Number of days in this cycle:

30

Investable balance required to offset \$1.00 of analyzed charges:

\$ 1,177.13

Balance required to cover all analyzed charges:

\$ 158,794.83

Perform Trending

## Viewing a Client Analysis Statement (continued)

To print the entire statement	Click the <b>Print</b> link (E).
To download the entire statement	Select a download format from the drop-down list at the top of the statement (F) and click <b>Download All Sections</b> (G).
To download a section of the statement	Select a download format from the drop-down list for the section (H) and click <b>Download Section</b> (I).

## Performing Trend Analysis

- 1 Display a Client Analysis statement in HTML format.

**Analysis Summary** ? ⓘ PDF ▾ Download Section

To perform trending of historical data, check one or more boxes, then click **Perform Trending**.

Average Positive Collected Balance:	\$	25,844.57	<input type="checkbox"/>
Reserve Requirement @ 10.00000 %:	-	2,584.46	<input type="checkbox"/>
Investable Balance Available for Services:	=	23,260.11	<input type="checkbox"/>
Earnings Allowance @ 3.50000 %:	\$	69.16	<input type="checkbox"/>
Current Month Analyzed Charges:	-	134.90	<input type="checkbox"/>
Current Month Position:	=	-115.14	<input type="checkbox"/>
Net Shortfall Due:	\$	115.14	
<b>Total Amount Due:</b>	\$	<b>115.14</b>	
Number of days in this cycle:		30	
Investable balance required to offset \$1.00 of analyzed charges:	\$	1,177.13	
Balance required to cover all analyzed charges:	\$	158,794.83	

**Perform Trending** (B)

- 2 In the Analysis Summary, Balance Summary, or Service Detail section, click the checkboxes (A) to indicate the data you want to include in the trending analysis. Click the **Perform Trending** link (B).

Select a range of months to perform trending for the selected criteria and click **Calculate**.

† If a statement was re-analyzed, trending can only be performed on the most recent statement date for that month.

ⓘ Required Field

Trending Criteria			
Section:	<b>Service Detail</b>	AFP Family Name:	
Service Description (EID):		Selected Field(s):	<b>Total Analyzed Charges</b> <b>Total Fee Based Charges</b>
Account(s):			

Month Range: ⓘ (C) Trend for an exact month or range of months †

OCTOBER 2007 ▾ through OCTOBER 2007 ▾ **Refresh**

**Calculate**

- 3 Select a date range (C) and click **Calculate**.
- 4 The system displays trending data.

## Performing Trend Analysis (continued)

D E

[Print](#) | [PDF](#) ▼ [Download](#)

**Trending Criteria**  

Section: **Service Detail**  
Service Description (EID):  
Account(s):

AFP Family Name:  
Selected Field(s):  
Month(s):

**Total Analyzed Charges**  
**Total Fee Based Charges**  
**August 2007**  
**through**  
**October 2007**

**Service Detail**

Month	Total Analyzed Charges	Total Fee Based Charges
AUG-07	35,177.98	31,113.38
SEP-07	31,015.74	25,255.75
OCT-07	26,222.17	23,233.87

Month	Total Analyzed Charges	Total Fee Based Charges	Total Service Charges
1. AUG-2007	35,177.98	31,113.38	N/A
2. SEP-2007	31,015.74	25,255.75	N/A
3. OCT-2007	26,222.17	23,233.87	N/A

To print the trend analysis

Click the **Print** link (D).

To download the trend analysis

Select a download format from the drop-down list at the top of the statement (E) and click **Download**.

## Setting Client Analysis Statement Preferences

- 1 Click the Preferences link in the navigation bar.

**Preferences** ?

Select your preferences below and click **Save**.

**Statements & Notices – Homepage Preference**

Select the page you would like to see when you sign on to Statements & Notices.

Statements & Notices Homepage: Stop Payment & Renewal Notices ▼

**Stop Payment & Renewal Notices**

Select your preferences.

Default Notice Type: Stop Notices ▼

Default Account: 1234567890 / 123000456 / ABC CORP ▼

**Commercial Checking Account Statements**

Select your preference.

Default Account: 1234567890 / 123000456 / ABC CORP ▼

**Client Analysis Statements**

Select your preferences.

Default Company or Account: 000000000565656 ▼

Statement Call Out Messaging: ☒ On ☐ Off

Statement Definitions: ☒ On ☐ Off

If On is selected, choose a display method from the drop-down menu.

Definitions Display Method: Summary ▼

**Save** [Reset](#)

- A** Sets the default account for the Client Analysis Statements function.
- B** If set to **On**, service code changes (such as a new service code or a unit price change) are highlighted in the Client Analysis statement.
- C** If set to **On**, you can click term definition icons in the Client Analysis statement to display definitions for data elements. When set to **On**, you can select **Summary** or **Detail** as the **Display Method**.

- 2 Click **Save** when finished to save your changes.

## Treasury Management

### Treasury Information Reporting

# Intraday reports

Providing you timely notification of transactions that impact your bottom line

Treasury Information Reporting offers a variety of intraday reports to help you make timely business decisions. Whether you need to know when a deposit hit your account or when a check is going to clear, you can determine your cash position whenever you need to, because the information is updated throughout the day. Delivered online through our *Commercial Electronic Office® (CEO®)* portal, our intraday reports provide you convenient, customizable access to your transaction details. Choose the reports and extensive customization features to create a reporting package that fits your exact business requirements.

### Treasury Information Reporting Intraday reports include:

**Cash Letter Detail.** This report lists up-to-date float information for each deposit—how much is available immediately, in one day, or in two or more days. It also delivers detailed funds availability information on preencoded check deposits.

**Intraday Composite.** This report provides a comprehensive picture of current day—or not yet posted—information, including balances, transaction summaries, and transaction details for each account.

You can access a mobile version of the report through your smartphone or PDA at <https://ceomobile.wf.com>. You can monitor key account and transaction information when you're away from your desk at meetings, in airports, across town, or around the globe.

**Intraday Position.** This report collects current day—or not yet posted—balance, debit, and credit information for all the accounts you select. The report summarizes the activity of all types of transactions, including ACH, cash letter, investments, lockbox, wire transfer, and other debits and credits.

**Customizable options.** Treasury Information Reporting allows you to:

- Access information from the *CEO* home page through *CEO* report panels.
- Tailor a report to include accounts you wish to see.

- Choose the data fields you want and the order you want them to appear when you download reports in CSV or Excel formats.
- Combine information from your accounts at other banks to get a complete look at your financial picture. Incoming Data Exchange sends intraday and previous day account balance and transaction detail activity to Wells Fargo from participating financial institutions.
- Save your customization options. Treasury Information Reporting lets each user in your company save up to 100 customized report templates.
- View a current picture of your overall cash position.
- Reconcile your accounts. Reports include reference numbers, descriptions, and transaction codes for detail items to make reconciling easier.

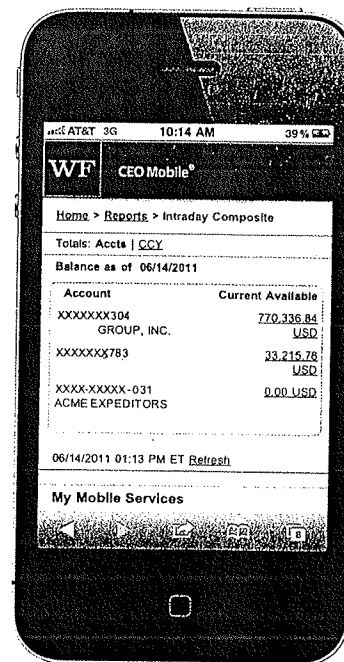
### Treasury Information Reporting technical specifications:

- View the reports in HTML or PDF formats.
- Download the Intraday Composite and Cash Letter reports in BAI V2, CSV, or Excel formats.
- Data retention: Standard storage is seven days. Optional extended storage is available for 30, 60, or 90 days.

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## Intraday reports (continued)

WELLS FARGO		01/15/20XX 02:05 PM ET CUSTOMER ID: WELLS OPERATOR ID: HENRY		HENRY WELLS, INC. Intraday Composite Report As of 01/15/20XX	
Commercial Electronic Office			Treasury Information Reporting		
Note: Intraday information subject to change					
Currency: USD Bank: 000000000 Account: 00000		WELLS FARGO BANK IOWA, N.A. WIDGETS INC.			
<b>Balances</b>					
Opening Ledger Balance		45,015,475.15			
Opening Available Balance		35,356,744.05			
Current Ledger Balance		5,522,524.04			
Current Available Balance		27,567.13			
One Day Float		10,457,135.93			
Three Day Float		.00			
Back Value Adjustment To Opening Ledger		.00			
Back Value Adjustment To Opening Available		.00			
Change In Available Balance Since Opening		-55,124,144.05			
Today's Credits					
Today's Debits		5,547,744.05			
Total Number Credits		47,423,515.67			
Total Number Debits		17			
<b>Summaries</b>					
Type of Credit	Number of Items	Amount			
Total ACH Concentration Credits	6	4,027,511.56			
Total Deposits	6	55,327.01			
Total Wire Transfer Credits	6	5,200,104.99			
<b>Credit Totals</b>	17	9,547,744.05			
Type of Debit	Number of Items	Amount			
Total Miscellaneous Debits	2	450,162.00			
Total Pre-Authorized ACH Debits	5	5,350,817.01			
Total Wire Transfer Debits	4	45,513,112.04			
<b>Debit Totals</b>	11	51,313,991.05			
<b>Credit Transactions</b>					
01/15/20XX	145 ACH CONCENTRATION CREDIT	Bank Ref:	Credit Amount:	1,427,003.43	
	Cust Ref: 0000000000000000				
	COMPANY NAME: WIDGETS COMPANY				
	ENTRY DESC: AUTOSWIFT				
	CUSTOMER ID: FILE 00000000				
	CUSTOMER NAME: ACME RETLANT				
	COMPANY ID: 00000000				
	ENTRY CLASS CODE: CDD				
	DISCRETIONARY DATA:				
	ACH ORIGINATOR: WIDGETS COMPANY - FILE 00000000 CDD 00000000 00000000				
<b>Debit Transactions</b>					
01/15/20XX	455 PREAUTHORIZED ACH DEBIT	Bank Ref:	Debit Amount:	2,575,110.55	
	Cust Ref: 0000000000000000				
	COMPANY NAME: WIDGETS COMPANY				
	ENTRY DESC: CBA FUND				
	CUSTOMER ID: THE ABC				
	CUSTOMER NAME: THE ABC				
	COMPANY ID: 00000000				
	ENTRY CLASS CODE: CDD				
	DISCRETIONARY DATA: 00				
<b>Grand Total For Currency: USD</b>					
<b>Balances</b>					
Opening Ledger Balance		45,015,475.15			
Opening Available Balance		35,356,744.05			
Current Ledger Balance		5,522,524.04			
Current Available Balance		27,567.13			
One Day Float		10,457,135.93			
Three Day Float		.00			
Back Value Adjustment To Opening Ledger		.00			
Back Value Adjustment To Opening Available		.00			
Change In Available Balance Since Opening		-55,124,144.05			
Today's Credits					
Today's Debits		5,547,744.05			
Total Number Credits		47,423,515.67			
Total Number Debits		17			
--- END OF REPORT ---					



For more information on Treasury Information Reporting, contact your Wells Fargo treasury management representative or visit [www.wellsfargo.com/com](http://www.wellsfargo.com/com).



## Treasury Management

### Treasury Information Reporting

## Previous Day reports

Helping you make more educated decisions and reconcile accounts quickly and easily by providing comprehensive reporting on the treasury activity for your Wells Fargo, non-Wells Fargo, and international bank accounts

Treasury Information Reporting offers a variety of previous day reports to help you determine your cash position. Delivered online through the *Commercial Electronic Office® (CEO®)* portal, the Previous Day reports provide convenient, customizable access to the transaction details you need to know. Extensive customization features allow you to create reports that fit your exact business requirements.

### Previous Day reports include:

**Previous Day Composite.** This report offers a complete view of previous day information, including balances, transaction summaries, images for each check transaction, and transaction details for your bank accounts.

**Express Balance.** This report gives you a quick snapshot of your previous day account balance information. See the balance data for each account, the total funds available, and a summary total of the debits and credits posted to your account.

**Month-to-Date.** This report provides a daily summary of account balances, aggregate float, and total transactions posted to each of your accounts for the month to date, prior month, or for a specific date range.

**Multibank Status.** This report lets you know when all of your bank accounts—including non-Wells Fargo and international accounts—have previous day information available for you to review.

**Sweep Account Position.** For our *Stagecoach Sweep®* cash management service, customers who choose money market funds as their investment option, this report shows the investment balance for the prior day and allows you to track month-to-date dividend accruals. You can calculate your dividends earned on the previous day, the total book value of your cash, and your investment position for the next day.

**Customizable options.** Treasury Information Reporting allows you to:

- Access information from the CEO homepage through CEO report panels.
- Tailor the reports to include only the accounts you wish to see.

- Choose the data fields you want and the order you want them to appear when you download reports in CSV or Microsoft® Excel formats.
- Combine information from your accounts at other banks to get a complete look at your financial picture. Incoming data exchange transmission sends intraday and previous day account balance and/or transaction detail activity to Wells Fargo from participating financial institutions.
- Select the details you want to see. Use a range of filter options to select a number of variables, including balance type, transaction criteria, transaction amount, and reference number on the Previous Day Composite report.
- Use the optional expanded wire feature to view and print full transaction details, originator to beneficiary information, bank intermediary information, beneficiary information, and audit information for originated wires when you view reports in HTML and PDF formats.
- Choose a reporting period by selecting either the previous processing day or any processing day within the last week, or enter beginning and ending dates.
- Save your customization options. Treasury Information Reporting lets each user in your company save up to 100 customized report templates.

### Technical specifications:

- View the reports in HTML or PDF formats.
- Download the reports in BAI V2, comma-delimited (CSV), or Microsoft® Excel formats.
- Data retention: Standard storage—seven days; extended optional storage—30, 60, 90, or 120 days.

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\*Investment Products: Not FDIC insured - no bank guarantee - may lose value

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TM-2007 - 09/10

## Previous Day reports (continued)

<b>WELLS FARGO</b>	01/14/20XX 03:05 PM ET CUSTOMER ID: WELLS OPERATOR ID: HENRY	<b>HENRY WELLS, INC.</b> Previous Day Composite Report As of 01/14/20XX	
	<b>Commercial Electronic Office®</b>	<b>Treasury Information Reporting</b>	
<b>Currency:</b> USD <b>Bank:</b> 073000228 <b>Account:</b> 12344		<b>WELLS FARGO BANK, N.A.</b> ABC Company	
<b>Balances</b> Closing Ledger Balance 31,692.00 Closing Collected Balance .00 Opening Available Balance 190,510.68 One Day Float 16,292.00 Two+ Day Float 15,400.00 MTD Average Closing Ledger Balance 20,531.15 MTD Average Closing Collected Balance .00  Total Credits 16,892.16 Total Debits 1,392.16 Total Number Credits 2 Total Number Debits 6			
<b>Credit Transactions</b>			
01/14/20XX	301 / COMMERCIAL DEPOSIT Cust Ref: 0000000000 Float- Zero Day: .00 One Day: .00 Two+ Day: 15,500.00	Credit Amount: 15,500.00 Bank Ref: IA001738013593	<b>A</b>
01/14/20XX	347 / SWEEP PRINCIPAL SELL Cust Ref: 0000000000 SWEEP TRANSFER FROM INVESTMENT	Credit Amount: 1,392.16 Bank Ref: IA022000000369	
<b>Credit Total</b>		<b>Credit Amount: 16,892.16</b>	
<b>Debit Transactions</b>			
01/14/20XX	475 / CHECK PAID Cust Ref: 00000011143	Credit Amount: 930.00 Bank Ref: IA001028322840	<b>B</b>
01/14/20XX	475 / CHECK PAID Cust Ref: 00000011144	Credit Amount: 219.24 Bank Ref: IA001221471055	
01/14/20XX	475 / CHECK PAID Cust Ref: 00000011136	Credit Amount: 71.64 Bank Ref: IA001028319421	
01/14/20XX	475 / CHECK PAID Cust Ref: 00000011148	Credit Amount: 42.90 Bank Ref: IA001322198960	
01/14/20XX	475 / CHECK PAID Cust Ref: 00000011133	Credit Amount: 8.28 Bank Ref: IA000922298500	
<b>CHECK PAID TOTAL</b>		<b>Debit Amount: 1,272.06</b>	

The Balances section contains all the balances for each account.

This information also appears on the TIR Express Balance report.

Transaction details include posting date, BAI code and description, amount, bank ID, float, and any text about the transaction.

Debit check transactions have links to check images.

Note: It is recommended that you subscribe to 90-day extended storage for the Month-to-Date Balance report.

For more information on Treasury Information Reporting, contact your Wells Fargo treasury management representative or visit [www.wellsfargo.com/com](http://www.wellsfargo.com/com).

## Banking stores in the City of Portland

Location name	Address	Type	Deposit channel
SE 181st & Stark	440 SE 181st Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
SE 121st & Division	12005 SE Division St	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
SE 103rd & Washington	10305 SE Washington St	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
NW 19th & Raleigh	1640 NW 19th Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
6th & Morrison	635 SW 6th Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
5th & College	1900 SW 5th Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
39th & Powell	3625 SE 39th Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
5th & Salmon	900 SW 5th Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
Lloyd Center	1405 Lloyd Ctr	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
Johns Landing	5615 SW Macadam Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
Hollywood-Rose	4233 NE Sandy Blvd	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
5th & Jefferson	1300 SW 5th Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
Hayden Island	12240 N Jantzen Dr	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
East Portland	310 SE Taylor St	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
NW 29th & Yeon	3275 NW 29th Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
N Denver Interstate	8334 N Denver Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
122nd& Halsey	1610 NE 122nd Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
Moreland-Sellwood	6646 SE Milwaukie Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
SW 13th & Barbur Blvd	7615 SW 13th Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
St Johns	8330 N Ivanhoe St	In-store	Express ATM, Night Drop
21st & Burnside	2121 W Burnside St	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
Pearl District	845 NW 11th Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
Walnut Park	5730 NE MLK Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store

SE 82nd & Foster	5444 SE 82nd Ave	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
SE 38th & Hawthorne	3782 SE Hawthorne Blvd	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
Raleigh Hills	6785 SW Beaverton Hillsdale Hwy	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store
Peterkort Towne Square	11084 SW Barnes Rd	Traditional	Teller, Express ATM, Night Drop, Dual pouch deposit bags are post verified in the store

## Employee banking packages legal disclaimer

1. The *Wells Fargo At Work* packages consist of a qualifying checking account plus three additional qualifying linked accounts or services.
2. Interest earned on the entire daily collected balance on days that the balance is \$500 or more.
3. Account must meet both account-level and package-level requirements to have the monthly service fee waived. A qualifying direct deposit is a direct deposit of your salary, pension, Social Security, or other regular monthly income electronically deposited to your Wells Fargo checking account by your employer or an outside agency. Transfers from one account to another, or deposits made at a banking location or ATM, do not qualify as a direct deposit. The amount of a qualifying direct deposit may vary by region. Talk to a banker for more details.
4. Home loans are subject to credit qualification and are originated by Wells Fargo Home Mortgage®, a division of Wells Fargo Bank, N.A. Products are not available in all states and are subject to change without notice. You cannot combine these promotions or discounts with other Wells Fargo promotions or discounts.
5. All loans and lines of credit are subject to credit approval, verification, and collateral evaluation. Products are not available in all states. Certain restrictions apply. Programs, rates, terms, and conditions are subject to change without notice. Home equity loans and lines of credit are available through Wells Fargo Home Equity Group, a division of Wells Fargo Bank, N.A.
6. To be eligible for this promotion, you must close on a new purchase or refinance loan secured by a first mortgage or deed of trust through a *Wells Fargo Home Mortgage* eligible program, subject to availability. This promotion cannot be combined with the benefits of The Relocation Mortgage Program®, Wells Fargo Three-Step Refinance System®, or any other program or promotion. Not available on assumption or modification loans, loans originated through brokers, joint ventures or other third parties, home equity loans, or home equity lines of credit. This promotion is subject to change, or may be withdrawn at any time without notice, and is administered by a third-party vendor, not affiliated with *Wells Fargo Home Mortgage*. A gift list can be obtained by calling 800-875-0190 and referencing promotion code GIFTSELECT. Once redeemed, the gift promotion may be reported to the IRS on a Form 1099-MISC. Please consult your tax advisor regarding your individual tax implications. Contact your home mortgage consultant for additional details, including current availability, terms, and conditions.
7. Talk to a banker today for more details on the discounts and qualification requirements.
8. Message and data rates may apply.

\*Investment, insurance, and identity theft protection plan products:

- NOT FDIC Insured • NO Bank Guarantee • MAY Lose Value

\*Wells Fargo Insurance, Inc. is a licensed agency that represents – and is compensated by – the insurer based on the amount of insurance sold.

\*Identity theft protection plans are offered by Wells Fargo Bank.

The information contained is subject to change. Certain products may not be available in all states.

Please see the applicable account agreements for the current terms and conditions.

Deposit and credit products offered by Wells Fargo Bank, N.A. Member FDIC. NMLSR ID 399801.



## Corporate Supplier Diversity Plan

### Approach:

At Wells Fargo diversity is a competitive advantage. We know when our suppliers have different experiences, perspectives, cultures and backgrounds – that we'll receive the most innovative and cost effective products and services available. To be successful, it's critical that our suppliers reflect the increasing diversity of our customers, we're engaging our communities, and attracting and retaining diverse and talented team members. To integrate supplier diversity into all aspects of our business we focus on the following areas:

1. Education and Awareness
  - Assisting Minority, Women, Disadvantaged and Small Business-Owned enterprises (MWDSBEs) in becoming competitive performance leaders in their industries.
  - Creating programs and business models that offer technical assistance, capacity building and development opportunities to MWDSBEs.
2. Measurement and Accountability
  - Supporting sourcing of services and goods from MWDSBEs.
  - Monitoring program effectiveness through performance goals and feedback sessions with Wells Fargo and community leaders.
3. Partnership Development
  - Encouraging business leaders across Wells Fargo to provide diverse-owned businesses equal opportunities to compete for Wells Fargo business.
  - Collaborating with national and regional organizations that share our commitment to support programs and services provided to diverse communities.

### Requirements:

MWDSBEs that would like to be recognized as diverse suppliers must be certified by a third-party agency. To qualify as a diverse supplier under Wells Fargo's requirements, a MWDSBE is a for-profit enterprise, regardless of size; and physically located in the United States. The management and daily operations of the business must be owned, operated and controlled by minority, woman or disadvantaged group member.

Together we'll go far



The business must be is at least 51 percent owned by such individuals or, in the case of a publicly-owned business; at least 51 percent of the stock is owned by one or more such individuals.

To name a few, Wells Fargo accepts certification from the following agencies:

- National Minority Supplier Development Council
- Women's Business Enterprise National Council
- National Gay and Lesbian Chamber of Commerce
- Small Business Administration 8 (a) certification
- Federal, State and/or Local Government Certifying Agencies
- Department of Veterans Affairs

**Commitment:**

Wells Fargo will offer MWDSBEs the opportunity to provide goods and services, and will make every effort to ensure that an amount greater than or equal to 10% of the organization's sourceable expenditures are spent with MWDSBEs.

For all questions please contact:

Sonya Dukes

Senior Vice President

Director of Corporate Supplier Diversity

550 S. Tryon Street, 27<sup>th</sup> Floor

Charlotte, NC 28202

704.383.7323

[sonya.dukes@wellsfargo.com](mailto:sonya.dukes@wellsfargo.com)

**WELLS  
FARGO**

*Corporate Supplier Diversity*

# Let's Talk



Together we'll go far



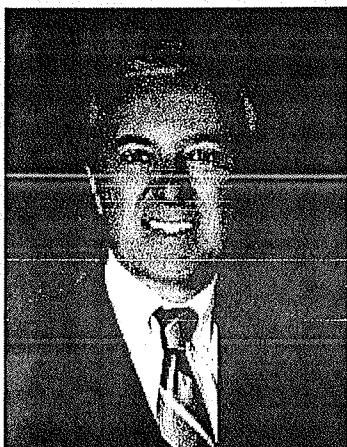


## Our commitment

*Beginning in 2013, Wells Fargo's goal is to spend \$1 billion annually with certified minority-, women-, LGBT-, disabled-, veteran-, and disabled veteran-owned business enterprises.*

# Message from CEO

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To succeed in financial services, we must be committed to serving our diverse customers, team members, and suppliers. Therefore, we are committed to building relationships within our communities through the development and engagement of certified minority, women, and disadvantaged owned enterprises as partners of Wells Fargo products and services.

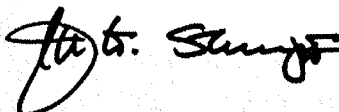
Wells Fargo is committed to ensuring supplier diversity is integrated into our strategic sourcing and procurement processes to generate efficiency and innovation and increased opportunities for first- and second-tier diverse suppliers.

We're committed to accomplishing this mission by establishing and supporting partnerships with the diverse business community, developing these businesses for growth, and engaging with community organizations that share our commitment.

We are further committed to monitoring our practices for effectiveness through performance goals and ensuring our commitment is emphasized by all levels of management and communicated to all team members and stakeholders.

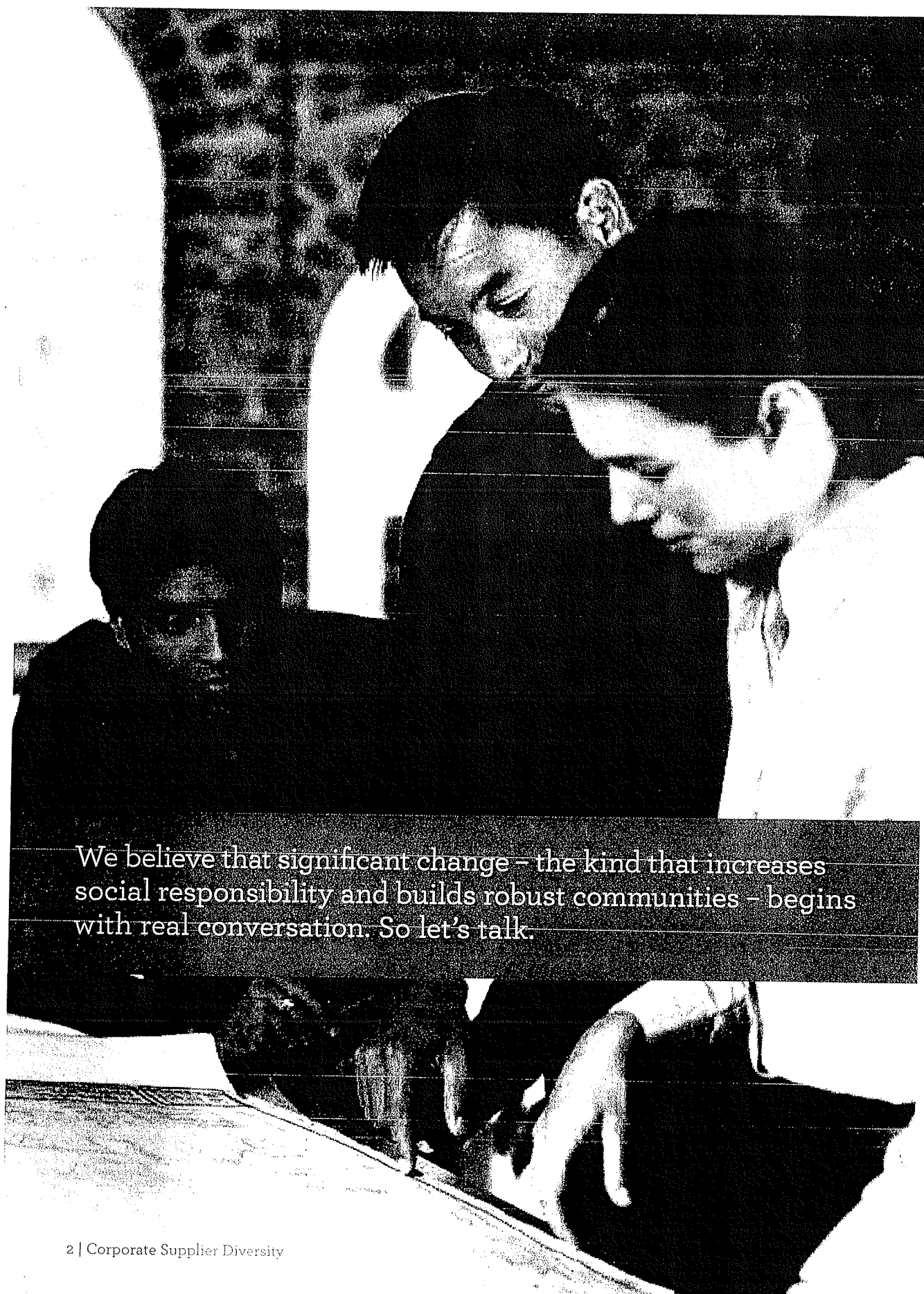
We believe that together with our diverse suppliers, we can contribute to the long-term economic sustainability of our communities.

Sincerely,



John G. Stumpf

Chairman, President, and CEO



We believe that significant change – the kind that increases social responsibility and builds robust communities – begins with real conversation. So let's talk.

# Mission and guiding principles

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*To build relationships within the communities we serve through the development, inclusion, and utilization of certified minority, women, and disadvantaged business enterprises (MWDBEs).*

To integrate supplier diversity into all aspects of our business, we focus on three guiding principles:

*1. Education and awareness*

Assist MWDBEs in becoming competitive performance leaders in their industries by coaching, creating programs, and developing business models that support entrepreneur development.

*2. Partnership development*

Collaborate with leaders across the Wells Fargo enterprise and advocacy organizations to provide MWDBEs equal opportunities to compete for business.

*3. Measurement and accountability*

Support sourcing of services and goods from MWDBEs, while monitoring program effectiveness through performance goals and feedback sessions with Wells Fargo and community leaders.

## Our partners



*"The Wells Fargo Supplier Diversity team has been an incredible support to Akraya, Inc. Their guidance and mentorship has helped us become a better supplier and is a vital part of our growth. Through Wells Fargo's nomination, Akraya won the Supplier of the Year Award in Class 3 from the Northern California Minority Supplier Development Council, an award that will open new doors in our diverse supplier outreach strategy.*

*"We would like to thank the team for making supplier diversity an integral part of Wells Fargo's business routines; it is heartening for diverse suppliers like us to know that they are so deeply committed to the success of small and minority businesses. Wells Fargo is a true Diversity Champion!"*

Sonu Ratra, President  
Akraya, Inc.

# Reflecting and supporting our communities

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Corporate Supplier Diversity touches communities across the country, from metropolitan cities to small towns. In developing diverse business relationships, we strengthen both our company and our communities. We recognize the following supplier diversity groups as part of our supplier diversity process:

## *Minority Business Enterprises (MBEs):*

- African-Americans
- Asian-Indian Americans
- Asian-Pacific Americans
- Hispanics
- Native Americans

## *Women Business Enterprises (WBEs)*

## *Disadvantaged Business Enterprises (DBEs):*

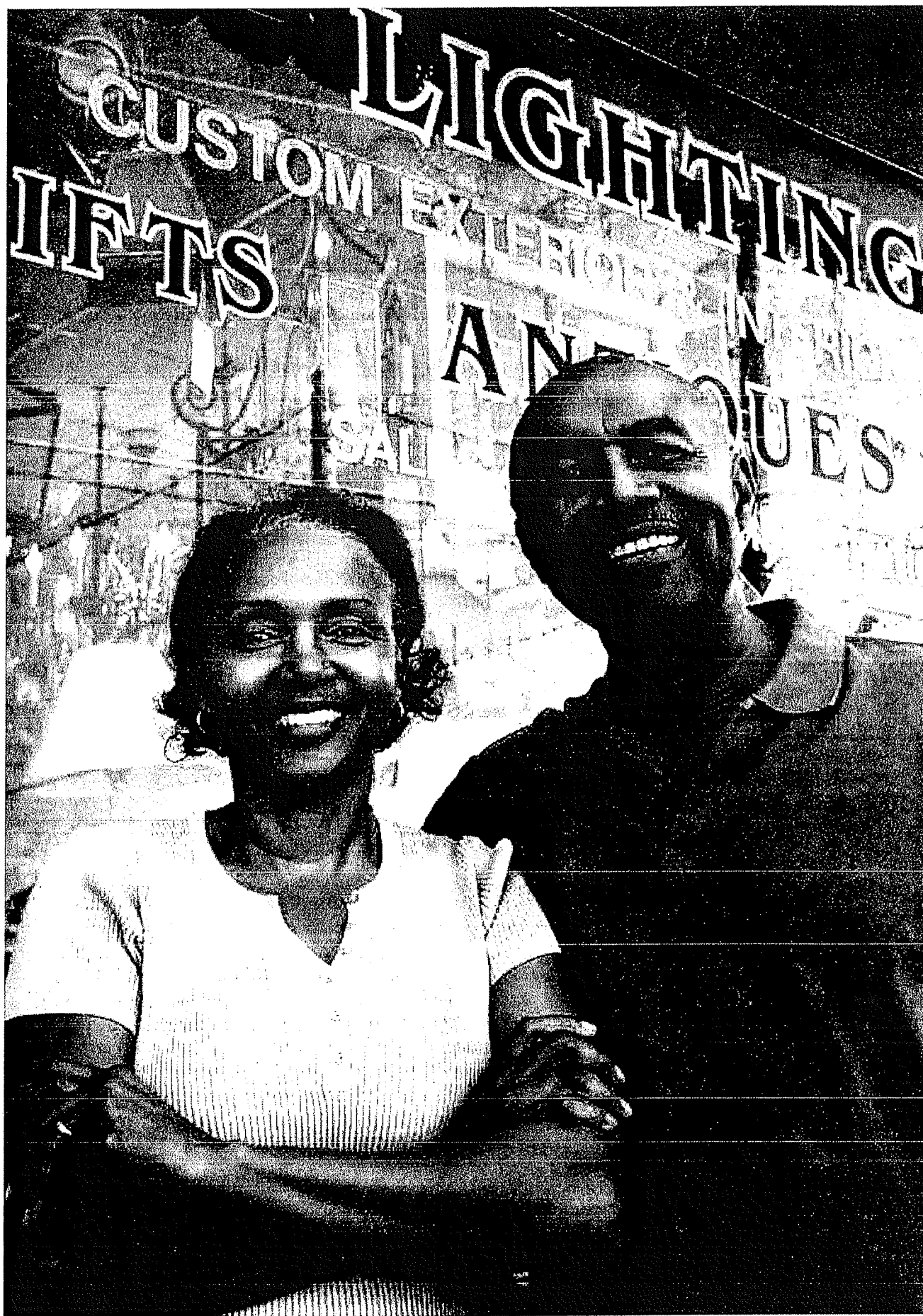
- Disabled Business Enterprise
- Lesbian, Gay, Bisexual and/or Transgender Owned Business Enterprise (LGBTBE)
- Veteran Owned Business (VOB)
  - Veteran
  - Disabled

## Our partners



*"Within our prestigious network of NCMSDC corporate members, Wells Fargo distinguishes itself as a leader in supplier diversity by strategically integrating certified minority-owned business enterprises (MBEs) in its procurement chain, participating in NCMSDC's minority business opportunity events, and supporting the Council in our mission to promote minority participation in the procurement process. On behalf of NCMSDC and the over 700 MBEs we serve, I would like to thank Wells Fargo and its supplier diversity team for their dedication, strong corporate citizenship, and excellence."*

Scott A. Vowels, President  
Northern California Minority Supplier Development Council



# Engagement and inclusion

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With an “open door” approach, we engage and include qualified prospective MWDBEs by linking them with the appropriate Wells Fargo decision makers. As the first step in providing the guidance and consultation that may help MWDBEs become Wells Fargo suppliers, we ask these three questions:

*Do you provide a service beneficial to Wells Fargo?*

Wells Fargo sources these goods and services:

- Architecture, construction and property management, real estate services
- Furnishings, office equipment and supplies, moving and storage
- Human resource staffing, legal, marketing, technology services
- Promotional items, printed products
- Service contracts, maintenance, repair

*Is your company certified as a MWDBE?*

To qualify as a MWDBE, your business must be certified by an official certification agency. The certification process typically involves completing an application, providing written documentation, and may include allowing the certifying agency to conduct a site visit. If your business qualifies, the agency will issue you a printed certificate to verify your status. (See FAQ section on certification.)

*Have you completed the online supplier registration?*

You must complete an online registration and upload a copy of your company's MWDBE certification to be added to our supplier repository. A Corporate Supplier Diversity manager will contact you:

- If a potential business opportunity in your area of service becomes available and you meet the criteria
- To be considered for participation in local seminars, training, or other development opportunities

## Our partners



*“Call One, Inc. has enjoyed a relationship with Wells Fargo Bank and its associates for more than a decade, providing desktop end points including telephone headsets and telephone desk sets on a national level. Call One, Inc. is proud of our National Women’s Business Certification and appreciates Wells Fargo and its associates as supporters of women owned business. Call One, Inc. and its employees look forward to continuing to provide world class products and customer service; now and in the future.”*

Berchet “Dottie” O’Daniel, CEO and Owner  
Call One, Inc.

# Our selection process

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When a sourcing/bid selection process is initiated, the information contained in the Wells Fargo supplier registration system will be reviewed to identify qualified supplier participants, based on the applicable product and service requirements.

Supplier opportunities are established through a fair and objective selection process managed by our Supplier Chain Management or Corporate Properties Group, in partnership with the Corporate Supplier Diversity team. This selection process is designed to ensure optimum quality, service, and value for Wells Fargo, our customers, shareholders, and suppliers.

## Selection criteria

Cost is always a factor in making a best-value decision, however, value creation and

satisfying functional, technical, and other key requirements are also critical considerations.

## Your profile

A complete profile only establishes initial eligibility, but doesn't guarantee that your company will receive a request to participate in a sourcing/bid selection process with Wells Fargo and doesn't imply that your company has any type of preferred supplier relationship with Wells Fargo, now or in the future.

Keep your profile active with semi-annual updates

Once registered, your company will be added to our prospective supplier database, but you must update your profile regularly for it to remain active. Profiles that are not updated semi-annually will be deleted.

## How we protect your profile information

Information provided by your company as part of the supplier registration profile will be treated in a professional manner and will be subject to reasonable safeguards against improper disclosure.

## Second-tier engagement

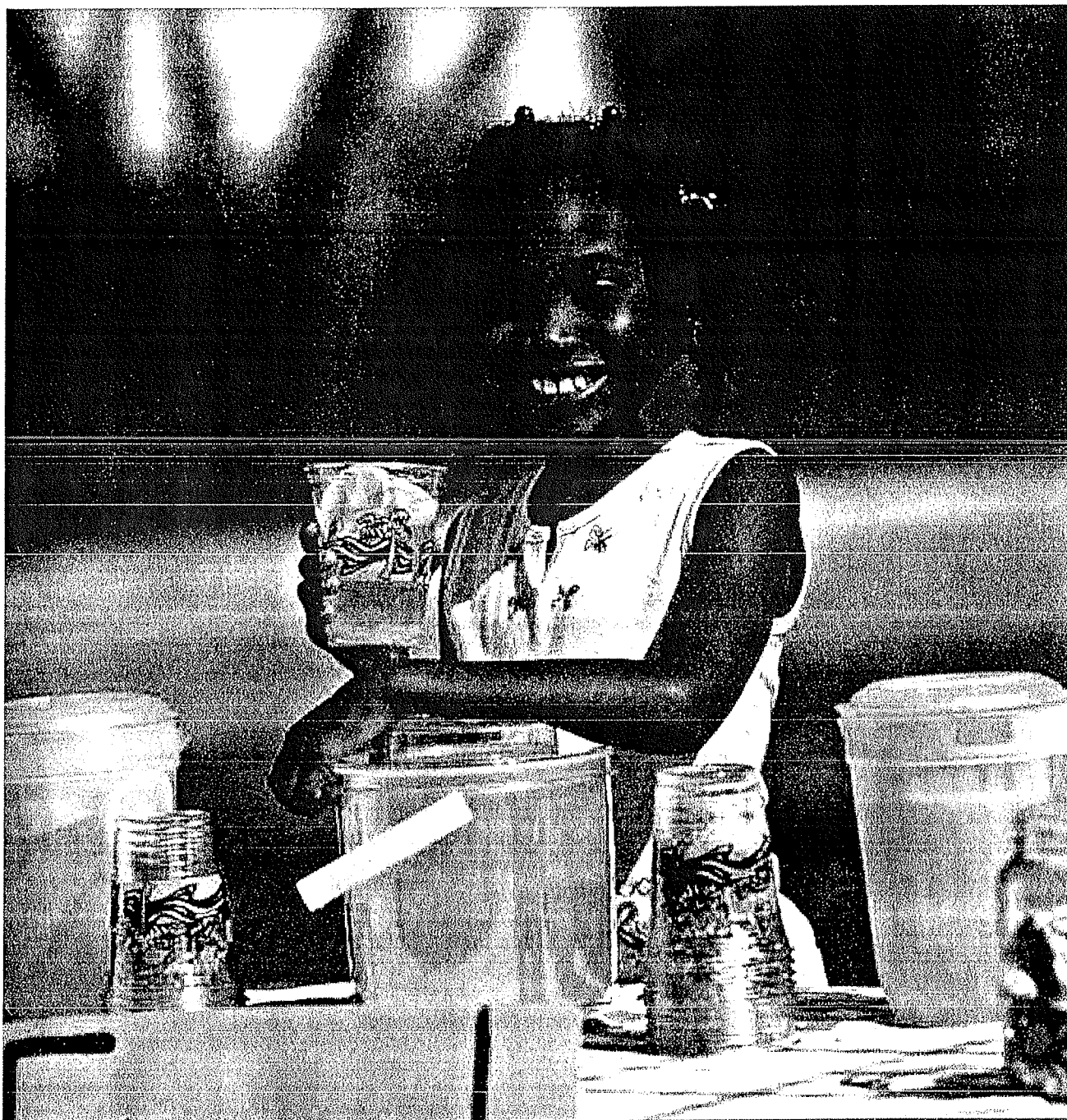
Second-tier suppliers are subcontractors hired by a Wells Fargo contracted supplier to provide goods and/or services under their Wells Fargo contact. This approach provides business opportunities for companies that may not qualify as first-tier suppliers. For more information, contact the Wells Fargo Corporate Supplier Diversity team.



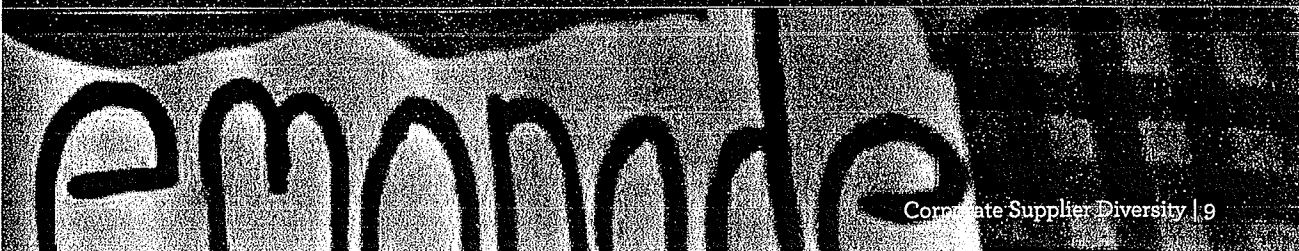
# Leaders of Change

An innovative program, Leaders of Change enhances, engages, and empowers suppliers, advocacy groups, and aspiring young entrepreneurs through the following initiatives:

Supplier development initiatives	Coaching and mentorships	Emerging entrepreneurs
<p>Builds capacity among MWDBEs within the Wells Fargo footprint by:</p> <ul style="list-style-type: none"> <li>• Providing needed educational resources and tools to enhance growth and development of business.</li> <li>• Assisting MWDBEs in learning how to retool and reposition their company's competitive advantage in the marketplace.</li> </ul>	<p>Strategically partners with established MWDBEs to provide one-on-one consultation through business assessments for strategic planning and leadership development to entrepreneurs and advocacy organizations. Objectives include:</p> <ul style="list-style-type: none"> <li>• Consulting on organizational design and operational functions of the business, such as human resources, legal, marketing, etc.</li> <li>• Mentoring relationships that provide perspective as well as advocacy in the supplier community.</li> <li>• Moving MWDBEs toward certification.</li> <li>• Consulting with advocacy organizations to increase their capacity to provide outreach support and services to MWDBEs.</li> </ul>	<p>Young Entrepreneur — Outreach activities with community-based organizations, with a youth component, encourage entrepreneurship by providing networking opportunities with MWDBEs.</p> <p>University Partnerships — Strategically supports entrepreneurship curriculums at selected colleges or universities. These partnerships may include advisory board memberships; financial support of student organizations aligned with the entrepreneurship academic program; and sponsorships.</p>

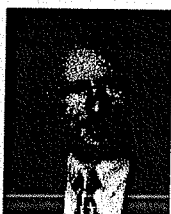


We embrace the spirit of entrepreneurship by supporting our communities through outreach and innovation.



# Our partners

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*"Supplier diversity programs are important because they create opportunities for capable companies – small, new, and minority-owned – to participate in competing for work in an environment of established relationships. Marand Builders, 5 years ago, was a 2nd tier sub-contractor working in the construction of new stores for the bank.*

*With the encouragement of Corporate Supplier Diversity and the opportunities created by the Corporate Properties Group, we have moved to a 1st tier general contractor, grown from 3 employees to 18 employees, and have successfully completed 18 branches year to date in North Carolina, South Carolina, and Georgia."*

Francisco Alvarado, CEO and Owner  
Marand Builders



*"As an esteemed Corporate Member of the Women's Business Enterprise National Council (WBENC), Wells Fargo sets the bar by continually offering outstanding opportunities to certified women's business enterprises. Demonstrating its commitment in action, not just words, Wells Fargo leads and participates in a broad range of regional and national training sessions, strategic procurement outreach activities, and key recognition functions. Wells Fargo is an integral part of WBENC's success in expanding the marketplace for women business owners by forging strong partnerships with Corporate America."*

Pamela Prince-Eason, President and CEO  
Women's Business Enterprise National Council



*"The opportunity to create a business relationship with Wells Fargo not only speaks to their commitment to qualified women and minority owned businesses, but shows that they are committed to forming a long-term partnership with these businesses. We have enjoyed our relationship and the positive work opportunity. Our maintenance services program has allowed Wells Fargo to not only raise the level of quality in all their branches that we service, but to see cost containment across their branch portfolio. We are proud to be a service partner of Wells Fargo."*

Jerry Natividad, President  
American Facility Services Group, Inc.

# Frequently asked questions

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*Why is supplier diversity important at Wells Fargo?*

To succeed in financial services, we must be committed to serving our diverse customers, team members, and suppliers. We believe that — together with our diverse suppliers — we can contribute to the long-term economic sustainability of our communities.

*What is the purpose of the online supplier registration portal?*

It will provide Wells Fargo with your detailed business profile. This information is shared with our purchasing managers via a centralized database:

<https://www.wellsfargo.com/about/corporate/supplier/registration>.

*How can I become a certified company?*

Visit the website of one of the following organizations or contact your city or state government certifying agencies for more information. Wells Fargo accepts certification from a number of third-party organizations, including federal, state, and/or local government certifying agencies.

National Minority Supplier Development Council

212-944-2430  
nmsdc.org

Women's Business Enterprise National Council  
202-872-5515  
wbenc.org

National Gay and Lesbian Chamber of Commerce  
202-234-9181  
nglcc.org

Small Business Administration (SBA) - 8 (a) Certification  
800-827-5722  
sba.gov

Department of Veterans Affairs  
800-827-1000  
va.gov

US Business Leadership Network (USBLN®)  
800-706-2710  
info@usbln.org

National Women Business Owners Corporation (NWBOC)  
<http://www.nwboc.org/>  
1-800-675-5066

*How large does my company have to be?*

Your company must be qualified to handle the product or service category Wells Fargo is sourcing and meet the business requirements of the sourcing opportunity.

*When I have registered, can I expect a response?*

Yes, you will immediately receive a notification that your registration has been received. If there is a sourcing opportunity and your company meets the business requirements based on the information you have included in your company profile, you will be contacted by a Corporate Supplier Diversity representative to further vet this opportunity.

*I registered and received a response from Wells Fargo. What are the next steps?*

The next steps after you have received a response from Wells Fargo will vary. If your company meets the category/business requirements, you will be contacted and provided additional information on potential next steps.

*Who should I contact if I have questions?*

Please email the Corporate Supplier Diversity team at [corporatesupplierdiversity@wellsfargo.com](mailto:corporatesupplierdiversity@wellsfargo.com).

*What other resources are available to diverse businesses at Wells Fargo?*

Please visit our website at [wellsfargo.com](http://wellsfargo.com) for additional resources.



As you take the next step in reaching your business goals,  
Wells Fargo Corporate Supplier Diversity is here to help you  
navigate your way. Let's talk.



# Let's talk

Conversations spark ideas and spur innovation.  
Want to discuss our supplier evaluation and  
selection process?

Contact us at:  
[corporatesupplierdiversity@wellsfargo.com](mailto:corporatesupplierdiversity@wellsfargo.com)

Or visit us at:  
[wellsfargo.com/supplierdiversity](http://wellsfargo.com/supplierdiversity)

## Training courses

Instructor-led curriculum	Recorded classes
<ul style="list-style-type: none"> <li>▪ ACH Fraud Filter - 30 minutes</li> <li>▪ ACH Payments for Administrators - 60 minutes</li> <li>▪ ACH Payments for Users - 60 minutes</li> <li>▪ ARP Register Maintenance and Image Positive Pay - 60 minutes</li> <li>▪ Basic Banking Training Suite - 60 minutes</li> <li>▪ CEO Information Reporting - 60 minutes</li> <li>▪ Commercial Card Expense Reporting for Program Administrators - 90 minutes</li> <li>▪ Commercial Card Expense Reporting For Cardholders and Reconcilers - 60 minutes</li> <li>▪ <i>Desktop Deposit</i> - Self Administration - 60 minutes</li> <li>▪ <i>Desktop Deposit</i> - User Training/Scanner Installation - 60 minutes</li> <li>▪ <i>Desktop Deposit</i> Training Suite - 90 minutes</li> <li>▪ Protecting Yourself Against Identity Theft - 60 minutes</li> <li>▪ Reducing The Risk Of Fraud (Eligible for 1.2 CTP credits) - 60 minutes</li> <li>▪ Retirement Plan Payments (By Invitation Only) - 60 minutes</li> <li>▪ Self Administration - 60 minutes</li> <li>▪ Wire Transfer Services Training Suite - 90 minutes</li> <li>▪ Wire Transfer Services - Self Administration - 45 minutes</li> <li>▪ Wire Transfer Services - User Training - 45 minutes</li> </ul>	<ul style="list-style-type: none"> <li>▪ ACH Inquiry / ACH Deletes &amp; Reversals Online - 8 minutes</li> <li>▪ ACH Fraud Filter - 15 minutes</li> <li>▪ ACH Payments for Administrators - 30 minutes</li> <li>▪ ACH Payments for Users - 65 minutes</li> <li>▪ ACH Payments: Data Import - 25 minutes</li> <li>▪ ARP Register Maintenance - 10 minutes</li> <li>▪ ARP Statements &amp; Reconciliation - 10 minutes</li> <li>▪ Basic Banking for Users - 5 minutes</li> <li>▪ Basic Banking Self Administration - 10 minutes</li> <li>▪ Cash Vault - 10 minutes</li> <li>▪ <i>CEO Mobile</i> - 5 minutes</li> <li>▪ <i>CEO Mobile</i> Deposit - 10 minutes</li> <li>▪ <i>CEO Mobile</i> Intro - 5 minutes</li> <li>▪ <i>CEO</i> Sign On Process for New Users - 5 minutes</li> <li>▪ <i>CEO Workstation</i> - Administration View - 10 minutes</li> <li>▪ <i>CEO Workstation</i> - Cash Forecasting View - 5 minutes</li> <li>▪ <i>CEO Workstation</i> - Cash Positioning View - 5 minutes</li> <li>▪ <i>CEO Workstation</i> - General Ledger View - 5 minutes</li> <li>▪ Claims Payment Solutions - 15 minutes</li> <li>▪ Commercial Card Expense Reporting for Program Administrators - 60 minutes</li> <li>▪ Commercial Card Expense Reporting for Program Administrators: AP Controls - 30 minutes</li> <li>▪ Commercial Card Expense Reporting for Program Administrators: Custom Reports - 15 minutes</li> <li>▪ Commercial Card Expense Reporting for Cardholders and Reconcilers - 45 minutes</li> <li>▪ Commercial Forms (C-Forms) - 10 minutes</li> <li>▪ Credit Management - 40 minutes</li> <li>▪ <i>Desktop Deposit</i> - Scanner Installation - 35 minutes</li> <li>▪ <i>Desktop Deposit</i> - Self Administration - 25 minutes</li> <li>▪ <i>Desktop Deposit</i> for Users - 55 minutes</li> <li>▪ Deposit Maintenance - 25 minutes</li> <li>▪ E-Box® Decisioning - 30 minutes</li> <li>▪ Electronic Document Delivery - 10 minutes</li> <li>▪ Event Messaging - 7 minutes</li> <li>▪ Image Positive Pay - 10 minutes</li> <li>▪ International ACH Payments - 10 minutes</li> <li>▪ PayCard - 25 minutes</li> <li>▪ Payment and Delivery Preferences - 10 minutes</li> <li>▪ Payment Manager - 10 minutes</li> <li>▪ Phishing Awareness - 10 minutes</li> <li>▪ SAFE Transmission - 3rd Party Agents or Vendors - 10 minutes</li> <li>▪ SAFE Transmission - Digital Certificate - 10 minutes</li> <li>▪ SAFE Transmission for Users - 10 minutes</li> </ul>



- SAFE Transmission: Self Administration - 10 minutes
- Self Administration: The Basics - 25 minutes
- Statements & Notices - 10 minutes
- Stops-Images-Search - 8 minutes
- Sweep Statements and Confirmations - 5 minutes
- Treasury Information Reporting - Customizing Reports - 10 minutes
- Treasury Information Reporting - 15 minutes
- Trust Services Online: Overview - 10 minutes
- *WellsImage* Viewer 6.0 Administrator Training
- *WellsImage* Viewer 6.0 User Training
- Wire Transfer: User training - 35 minutes
- Wire Transfer: Self Administration - 20 minutes

## Wells Fargo exceptions to the City's general banking services contract

<p><b>6. Insurance-Proof of coverage</b></p> <p><b>Commercial general liability insurance</b></p>	<p><b>Please amend as follows:</b></p> <p>The Contractor shall provide and maintain public liability and property damage insurance in the minimum amount of \$1,000,000 per occurrence that protects the Contractor <del>and the City and its officers, agents and employees from any and all</del> claims, demands, actions and suits for damage to property or personal injury arising from the Contractor's work under this Contract.</p> <p>The coverage shall apply as to claims between insureds on the policy. <i>Contractor agrees to notify City Auditor within 30 days of receipt of any notice of cancellation from its insurer that results in a material change in coverage terms and limits resulting in non-compliance with the insurance requirements stated herein.</i></p>
<p><b>6. Insurance-Proof of coverage</b></p> <p><b>Technology and omissions</b></p>	<p>This section refers to Errors &amp; Omissions and Cyber coverage. Our Errors &amp; Omissions coverage extends to technology-related errors &amp; omissions. We have a separate insuring agreement to address Cyber Liability requirement.</p> <p><b>Please amend as follows:</b></p> <p>The coverage shall be placed with an insurer <i>or reinsurers</i> with an AM Best Rating of A- ....</p> <p>Such insurance shall cover <del>any and all errors</del>, omissions, or negligent acts in the delivery of Products, Services, and Licensed Programs under this Contract.</p> <p><del>The coverage shall name the City as an additional insured and shall indemnify the City for loss for any errors or omissions on the part of the Contractor, its agents, officers, employees, subcontractors or any other authorized person, regardless of any negligence or lack thereof.</del></p> <p><del>The Insurance Policy shall also be endorsed as follows: The City of Portland, Oregon is named as an additional insured but only as respects the vicarious liability of such person or entity for the wrongful Act of the Insured otherwise covered by this Insurance.</del></p>
<p><b>6. Insurance-proof of coverage</b></p> <p><b>Certificate of insurance</b></p>	<p><b>Please amend as follows:</b></p> <p>As evidence of the required insurance coverage, Contractor shall furnish <del>acceptable standard</del> <i>ACORD</i> insurance certificates to the City with the return of the signed Contract. The certificates shall specify the City of Portland as additional insured on the <i>General Liability Policy</i> <del>and shall include a 30-day notice of cancellation clause.</del></p>

<b>14. Indemnity</b>	<p>During the term of the contract, Wells Fargo will indemnify, defend and hold harmless the City and its officers, directors, employees, agents and assigns (the "Indemnified Parties") from and against all claims, losses, demands, liability, judgments, awards, interest, attorney's fees and costs (collectively, "Losses") arising out of, resulting from or relating to the performance of the services provided hereunder which are, in each case, directly caused in whole or in part by the negligent or intentional acts or omissions of Wells Fargo or any of its officers, directors, employees, agents, subcontractors or assigns, except to the extent such Losses are caused by the negligence or intentional misconduct of any Indemnified Party. In no event will Wells Fargo be liable for any indirect, special, consequential or punitive damages, whether or not the likelihood of such damages was known to Wells Fargo, and regardless of the form of the claim or action or the legal theory on which it is based.</p>
<b>25. Access to records</b>	<p><b>Please amend as follows:</b></p> <p><i>...relative to this contract for seven (7) years from the date of creation.</i></p>
<b>32. Early Termination</b>	<p><b>Please amend as follows:</b></p> <p><i>The City or the Contractor, on thirty (30) days written notice to the other party, may terminate this Contract for any reason deemed appropriate in its sole discretion.</i></p>
<b>37. Intellectual Property</b>	<p>Wells Fargo will provide customary data and reports associated with the requested services. However, Wells Fargo is a service provider, and is not delivering "work product". Wells Fargo will retain all ownership and related rights in its intellectual property (including, but not limited to, systems, software and hardware, regardless of location or date of development), used or developed in connection with the requested services, now and hereafter.</p> <p>The City shall own that portion of the copyright in all reports, studies, and other tangible materials delivered hereunder that contain information specifically related to the City that are first created by Wells Fargo and delivered to the City under this Agreement.</p>



# ACCEPTANCE OF SERVICES

## Part I – Certification

The person(s) signing this Acceptance of Services ("Acceptance") certifies/certify that:

- (a) the company identified in the signature block of this Acceptance ("Company") has received and agrees to be bound by the Service Documentation, as defined in Wells Fargo Bank, N.A.'s ("Bank") Master Agreement for Treasury Management Services;
- (b) Company has granted the person(s) signing this Acceptance the authority on Company's behalf to (i) execute this Acceptance, (ii) enter into other agreements with Bank for treasury management services Bank offers on or after the Effective Date of this Acceptance (each, a "Service") and (iii) amend, terminate or otherwise act on behalf of Company with respect to this Acceptance and such other agreements and Services; and
- (c) Company's use of any Service, including without limitation each Service Company begins using after the Effective Date of this Acceptance, confirms Company's receipt of and agreement to be bound by the Service Documentation relating to that Service.

## Part II – ACH Origination Services

### A. Description of Security Procedure.

1. **General.** An "Entry" is an automated clearing house ("ACH") debit or credit entry issued in Company's name, and a "File" is the data file or batch release used to transmit one or more Entries (or a communication amending or canceling an Entry or File) to Bank. Bank will verify each File Bank receives in Company's name solely in accordance with the security procedure(s) Company elects in this Acceptance (each, a "Security Procedure"). The purpose of the Security Procedure is to verify the authenticity of a File, not to detect an erroneous or duplicate Entry or File.
2. **Commercially Reasonable.** Company has determined (a) the Security Procedure best meets Company's requirements with regard to the size, type and frequency of Files issued by Company to Bank and (b) the Security Procedure is commercially reasonable. Company refuses to have its Files verified by any security procedure other than the Security Procedure.
3. **Binding Instructions.** Company will be responsible for any erroneous or duplicate Entry or File Bank receives in Company's name. Company agrees to be bound by each Entry and File, or request to cancel or amend an Entry or File, whether or not authorized by Company, issued in Company's name and accepted by Bank in compliance with the Security Procedure.
4. **Confidentiality.** Company and Bank will preserve the confidentiality of the Security Procedure and any passwords, codes, security devices and related instructions provided by Bank. If Company becomes aware of a breach, or suspects that a breach may occur, it will immediately notify Bank.
5. **Authorized Person(s).** Company will promptly notify Bank in writing of the identity of each person authorized to receive information regarding the Security Procedure (each, an "Authorized Person") and when a person is no longer an Authorized Person. Company will maintain effective internal procedures to safeguard against unauthorized Entries or Files and warrants that no individual will be allowed to initiate an Entry or File without proper supervision and safeguards.

**B. Election of Security Procedure(s).**

The Security Procedure(s) Company has elected for ACH origination is/are:

☐ **Commercial Electronic Office® (CEO®)**

CEO is Bank's electronic banking portal that is accessed via the Internet. Authorized users may access Bank's CEO Internet ACH Service through the portal. CEO security procedures include log-on credentials specified by Bank (that may include a Company ID, user ID and password) and any other authentication or authorization process Bank requires from time to time. Bank will use the CEO security procedures to authenticate each File received through CEO in Company's name.

☐ **Payment Manager®**

☐ **Secure Application File Exchange Transmission ("SAFE-T").** This transmission protocol offers a variety of transmission protocols including hypertext transfer protocol secured (https), FTP over SSL (FTP/S), secure FTP (S-FTP), and Applicability Statement 2 (AS2) that Bank uses to authenticate each Payment File transmitted to Bank in Company's name.

☐ **Machine-to-Machine ("M2M").** This transmission protocol uses an XML message interface that is based on the Interactive Financial eXchange (IFX) message standard using SOAP structured messages. Data is communicated via the Internet using 128-bit encryption and Secure Socket Layers (SSL). Bank uses digital certificates to authenticate each File transmitted to Bank in Company's name.

☐ **Connect:Direct with Secure +.** This transmission protocol is used to connect Company's mainframe environment to Bank's mainframe environment. Secure+ is an add-on to Connect Direct to enhance security by means of Secure Socket Layer ("SSL") or Transport Layer Security ("TLS"). Bank uses an agreed upon ID password combination and a token card to authenticate each File transmitted to Bank in Company's name. Connect Direct and Secure + are trademarks of Sterling Commerce.

☐ **Value-Added Network ("VAN").** With this transmission protocol, a third party serves as an intermediary for transmitting data between Company and Bank. Procedures for transmitting files may vary by VAN. Bank follows the procedures of the VAN selected by Company to authenticate each File transmitted to Bank through the VAN in Company's name.

☐ **Direct Origination.**

☐ **Secure Application File Exchange Transmission ("SAFE-T").** This transmission protocol offers a variety of transmission protocols including hypertext transfer protocol secured (https), FTP over SSL (FTP/S), secure FTP (S-FTP), and Applicability Statement 2 (AS2) that Bank uses to authenticate each Payment File transmitted to Bank in Company's name.

☐ **Connect:Direct with Secure +.** This transmission protocol is used to connect Company's mainframe environment to Bank's mainframe environment. Secure+ is an add-on to Connect Direct to enhance security by means of Secure Socket Layer ("SSL") or Transport Layer Security ("TLS"). Bank uses an agreed upon ID password combination and a token card to authenticate each File transmitted to Bank in Company's name. Connect Direct and Secure + are trademarks of Sterling Commerce.

☐ SWIFT®

SWIFT has established procedures for controlling access to SWIFT messaging services (each, an "Access Control") that may include without limitation access codes, message authentication codes, secure card readers, digital signatures, and Hardware Security Modules. In addition, SWIFT authenticates certain messages including without limitation Files based on SWIFT message type prior to accepting them for routing as SWIFT messages (each, an "Authenticated Message"). This authentication may include confirming that the sender and recipient of the message have exchanged bilateral keys ("BKE"), entered into a relationship management application ("RMA") agreement, or taken other steps to secure the transmission of SWIFT messages between them as SWIFT requires from time to time (each, an "Authentication Procedure").

☐ Security Procedure Elected by Company's Third Party Service Provider

Company is utilizing a Third Party Service Provider ("TPSP") as defined in the ACH Rules to originate Entries and Files on Company's behalf. Bank will authenticate each File transmitted to Bank in Company's name in accordance with the security procedure the Company's TPSP has elected. Company will notify Bank of any change to Company's TPSP in a manner affording Bank a reasonable opportunity to act on the information. Company's TPSP is:

Third Party Service Provider: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

☐ Non-Standard Security Procedure

Company has refused to utilize any of the security procedures described above and has elected to use the Security Procedure set forth in Attachment B.

**Part III – Wire Transfer Services**
**A. Description of Security Procedure.**

1. **General.** Bank will verify instructions to transfer funds from Company's Account that Bank receives in Company's name (each, a "Payment Order") solely in accordance with the security procedure(s) Company elects in this Acceptance (each, a "Security Procedure"). The purpose of the Security Procedure is to verify the authenticity of a Payment Order, not to detect an erroneous or duplicate Payment Order.
2. **Commercially Reasonable.** Company has determined (a) the Security Procedure best meets Company's requirements with regard to the size, type and frequency of Payment Orders issued by Company to Bank and (b) the Security Procedure is commercially reasonable. Company refuses to have its Payment Orders verified by any security procedure other than the Security Procedure.
3. **Binding Instructions.** Company will be responsible for any erroneous or duplicate Payment Order Bank receives in Company's name. Company agrees to be bound by each Payment Order, or request to cancel or amend a Payment Order, whether or not authorized by Company, issued in Company's name and accepted by Bank in compliance with the Security Procedure.

4. **Confidentiality.** Company and Bank will preserve the confidentiality of the Security Procedure and any passwords, codes, security devices and related instructions provided by Bank. If Company becomes aware of a breach, or suspects that a breach may occur, it will immediately notify Bank.
5. **Authorized Person(s).** Company will promptly notify Bank in writing of the identity of each person authorized to receive information regarding the Security Procedure (each, an "Authorized Person") and when a person is no longer an Authorized Person. Company will maintain effective internal procedures to safeguard against unauthorized Payment Orders and warrants that no individual will be allowed to initiate a Payment Order without proper supervision and safeguards.

#### B. Election of Security Procedure(s).

The Security Procedure(s) Company has elected for Wire Transfers is/are:

☐ Voice

Bank's voice initiation security procedure consists of confirming that the personal identification number ("PIN") accompanying a Payment Order corresponds with a valid PIN assigned to Company for voice-initiated Payment Orders.

- ☐ **Telephone Verification Service.** If Bank receives a voice-initiated, non-repetitive Payment Order of \$\_\_\_\_\_ or more, Bank will make one attempt to telephone person(s) designated by Company on the most current setup form for Company in Bank's records to authenticate the Payment Order. If Bank is unable to complete the call, Bank will not process the Payment Order.

☐ Commercial Electronic Office® (CEO®)

CEO is Bank's electronic banking portal that is accessed via the Internet. Authorized users may access Bank's CEO Wire Transfer Service through the portal. CEO security procedures include log-on credentials specified by Bank that may include a Company ID, user ID and password and any other authentication or authorization process Bank requires from time to time. Bank will use the CEO security procedures to authenticate each Payment Order received through CEO in Company's name.

☐ Payment Manager®

- ☐ **Secure Application File Exchange Transmission ("SAFE-T").** This transmission protocol offers a variety of transmission protocols including hypertext transfer protocol secured (https), FTP over SSL (FTP/S), secure FTP (S-FTP), and Applicability Statement 2 (AS2) that Bank uses to authenticate each Payment File transmitted to Bank in Company's name.
- ☐ **Machine-to-Machine ("M2M").** This transmission protocol uses an XML message interface that is based on the Interactive Financial eXchange (IFX) message standard using SOAP structured messages. Data is communicated via the Internet using 128-bit encryption and Secure Socket Layers (SSL). Bank uses digital certificates to authenticate each File transmitted to Bank in Company's name.
- ☐ **Connect:Direct with Secure +.** This transmission protocol is used to connect Company's mainframe environment to Bank's mainframe environment. Secure+ is an add-on to Connect Direct to enhance security by means of Secure Socket Layer ("SSL") or Transport Layer Security ("TLS"). Bank uses an agreed upon ID password combination and a token card to authenticate each File transmitted to Bank in Company's name. Connect Direct and Secure + are trademarks of Sterling Commerce.

- ☐ **Value-Added Network ("VAN").** With this transmission protocol, a third party serves as an intermediary for transmitting data between Company and Bank. Procedures for transmitting files may vary by VAN. Bank follows the procedures of the VAN selected by Company to authenticate each File transmitted to Bank through the VAN in Company's name.

☐ Direct Origination.

- ☐ **Secure Application File Exchange Transmission ("SAFE-T").** This transmission protocol offers a variety of transmission protocols including hypertext transfer protocol secured (https), FTP over SSL (FTP/S), secure FTP (S-FTP), and Applicability Statement 2 (AS2) that Bank uses to authenticate each Payment File transmitted to Bank in Company's name.

- ☐ **Connect:Direct with Secure +.** This transmission protocol is used to connect Company's mainframe environment to Bank's mainframe environment. Secure+ is an add-on to Connect Direct to enhance security by means of Secure Socket Layer ("SSL") or Transport Layer Security ("TLS"). Bank uses an agreed upon ID password combination and a token card to authenticate each File transmitted to Bank in Company's name. Connect Direct and Secure + are trademarks of Sterling Commerce.

☐ SWIFT®

SWIFT has established procedures for controlling access to SWIFT messaging services (each, an "Access Control") that may include without limitation access codes, message authentication codes, secure card readers, digital signatures, and Hardware Security Modules. In addition, SWIFT authenticates certain messages based on SWIFT message type prior to accepting them for routing as SWIFT messages (each, an "Authenticated Message"). This authentication may include confirming that the sender and recipient of the message have exchanged bilateral keys ("BKE"), entered into a relationship management application ("RMA") agreement, or taken other steps to secure the transmission of SWIFT messages between them as SWIFT requires from time to time (each, an "Authentication Procedure").

☐ Non-Standard Security Procedure

Company has refused to utilize any of the security procedures described above and has elected to use the Security Procedure set forth in Attachment B.

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Part IV – Designation of *Wells Fargo Stagecoach Sweep*® Option(s).

**A. Investment Sweep Options and Money Market Savings Account Option**

Company elects the following Option (check one box only):

- ☐ ***Wells Fargo Stagecoach Sweep Preferred Option.***
- ☐ ***Wells Fargo Stagecoach Sweep Preferred Option with secondary Wells Fargo Stagecoach Sweep, Repurchase Agreement Option.***
- ☐ ***Wells Fargo Stagecoach Sweep Commercial Paper Option.***
- ☐ ***Wells Fargo Stagecoach Sweep Repurchase Agreement Option with secondary Wells Fargo Stagecoach Sweep, Preferred Option.***
- ☐ ***Wells Fargo Stagecoach Sweep Repurchase Agreement Option.***
- ☐ ***Wells Fargo Stagecoach Sweep Money Market Mutual Fund Option.***  
(Check one box only.)
- ☐ Wells Fargo Advantage Money Market Fund - Fund 3951.
- ☐ California Municipal Money Market Fund - Class A - Fund 29.
- ☐ Treasury Plus Money Market Fund - Class A - Fund 453.
- ☐ National Tax-Free Money Market Fund - Class A - Fund 452.
- ☐ 100% Treasury Money Market Fund - Service Class - Fund 8.
- ☐ ***Wells Fargo Money Market Savings Account Sweep Option.***

**B. Credit Sweep Option**

☐ Company elects Bank's Credit Sweep Option.

- Company's LOC number is \_\_\_\_\_.

**C. Additional Information**

- Company's Checking Account Number: \_\_\_\_\_.
- Statements and/or Confirmations will be sent to Company by electronic means unless otherwise requested by Company. Electronic means include Bank's Commercial Electronic Office®, facsimile and/or Secure E-Mail.

Part V – Signature and Effective Date.

Agreed To and Accepted By:

Company: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## ACCOUNT RECONCILIATION PLAN SERVICE SERVICE DESCRIPTION



1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") Account Reconciliation Plan service ("Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of Services.** Bank's ARP Services enable Company to use Bank to (a) store information about Items Company issues on demand deposit accounts that Company enrolls in the Services (each, an "Account"); and (b) process the information in accordance with the Service option(s) that Company elects during the set up process for the Services and from time to time thereafter. Bank's User Guide for the Services details the Service options. "Item" is defined in Bank's Commercial Account Agreement.
3. **Issued Check Information.** If Company elects Bank's full ARP Service, each Business Day prior to the cutoff time Bank separately discloses, Company will provide Bank with the issue date, serial number and dollar amount of each Item Company issues on the Account ("Issued Check Information") using the communication channel(s) Company elects. If Company elects Bank's Deposit Location Reporting Service, Company will provide Bank with a list of Company's location numbers and names and may amend the list from time to time by notifying Bank in writing.
4. **Stop Payment Orders.** If Company uses the Service to place a stop payment order on any Item, Company understands that (a) Bank's Commercial Account Agreement governs the stop payment order; (b) each stop payment order is subject to Bank's verification that the Item described in the stop payment order has not been paid; and (c) this verification may occur a minimum of ninety (90) minutes after the time Company transmits the stop payment order to Bank.



## ACH ORIGATION SERVICE DESCRIPTION

1. **Introduction.** This Service Description is part of the Service Documentation governing Wells Fargo Bank, N. A. ("Bank") ACH Origination service ("Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is identified in the Acceptance.
2. **Description of Services.** The Service enables Company to originate automated clearing house ("ACH") credit and debit entries in accordance with the National Automated Clearing House Association Operating Rules and any applicable local ACH rules (collectively, the "ACH Rules"). Company will maintain one or more deposit account(s) at Bank or Bank's affiliate (each, an "Account"), that Bank may use to process such Entries. An "Entry" is an ACH debit or credit entry issued in Company's name, and a "File" is the data file or batch release used to transmit one or more Entries to Bank. Section 5 of this Service Description describes (a) the means Bank offers to Company for transmitting Files to Bank (each, an "Initiation Method") and (b) the means Bank will use to verify Company's authorization of a File or a communication amending or canceling an Entry or File (each, a "Security Procedure"). When Bank acts with respect to an Entry as both the originating depository financial institution ("ODFI") and receiving depository financial institution ("RDFI"), as ODFI and RDFI are defined by the ACH Rules, the Entry is an "on-us Entry."
3. **Preparation of Entries and Files; Processing Schedules.** Company will prepare each File in accordance with the ACH Rules and the guidelines Bank separately makes available to Company. Bank will process each File in accordance with Bank's then current processing schedule and any instructions regarding the date an Entry is to be settled that Company furnishes with the Entry provided (a) Bank receives the File by Bank's applicable cutoff time on a Business Day and (b) the ACH is open for business. Files will be deemed received by Bank when the transmission of the File to Bank is completed and authenticated in compliance with the Security Procedure. If Bank receives a File after Bank's applicable cutoff time or on a day when the ACH is not open for business, the File will be treated as having been received prior to Bank's applicable cutoff time on the next Business Day on which the ACH is open for business. A "Business Day" is every day except Saturday, Sunday and federal holidays.
4. **Inconsistency of Name and Number.** If an Entry describes a "Receiver" (as defined in the ACH Rules), both by name and identifying number, the RDFI may pay the Entry on the basis of the identifying number, even if the number identifies a person different from the named Receiver. If an Entry describes the RDFI both by name and identifying number, Bank, a gateway operator or another financial institution handling the Entry may rely on the identifying number to identify the RDFI, even if the identifying number refers to an institution other than the named RDFI.
5. **Initiation Methods and Security Procedures.** This section lists the Initiation Methods and describes the Security Procedures Bank offers for ACH origination. Company's elections regarding Initiation Methods and Security Procedures are set forth in the Acceptance.

### 5.1. Commercial Electronic Office® (CEO®) Initiation Method.

CEO is Bank's electronic banking portal that is accessed via the Internet. Authorized users may access Bank's CEO Internet ACH Service through the portal. CEO security procedures include log-on credentials specified by Bank (that may include a Company ID,

user ID and password) and any other authentication or authorization process Bank requires from time to time. Bank will use the CEO security procedures to authenticate each File received through CEO in Company's name.

## 5.2. Direct Origination Initiation Method.

**Secure Application File Exchange Transmission ("SAFE-T").** This transmission platform offers a variety of transmission protocols including hypertext transfer protocol secured (https), FTP over SSL (FTP/S), secure FTP (S-FTP), and Applicability Statement 2 (AS2) that Bank uses to authenticate each File transmitted to Bank in Company's name.

**IBM® - Sterling Connect:Direct® with Secure Plus+.** Secure Plus+ is an add-on to Connect:Direct® to enhance security by means of Secure Socket Layer ("SSL") or Transport Layer Security ("TLS"). Connect:Direct® is a registered trademark of Sterling Commerce, Inc., an IBM Company.

## 5.3. Payment Manager® Initiation Method.

**Secure Application File Exchange Transmission ("SAFE-T").** This transmission platform offers a variety of transmission protocols including hypertext transfer protocol secured (https), FTP over SSL (FTP/S), secure FTP (S-FTP), and Applicability Statement 2 (AS2) that Bank uses to authenticate each File transmitted to Bank in Company's name.

**Machine-to-Machine ("M2M").** This transmission method uses an XML message interface that is based on the Interactive Financial eXchange (IFX) message standard using SOAP structured messages. Data is communicated via the Internet using 128-bit encryption and Secure Socket Layers (SSL). Bank uses digital certificates to authenticate each File transmitted to Bank in Company's name.

**IBM® - Sterling Connect:Direct® with Secure Plus+.** Secure Plus+ is an add-on to Connect:Direct® to enhance security by means of Secure Socket Layer ("SSL") or Transport Layer Security ("TLS"). Connect:Direct® is a registered trademark of Sterling Commerce, Inc., an IBM Company.

**Value-Added Network ("VAN").** With this transmission method, a third party serves as an intermediary for transmitting data between Company and Bank. Procedures for transmitting Files may vary by VAN. Bank follows the procedures of the VAN selected by Company to authenticate each File transmitted to Bank through the VAN in Company's name.

## 5.4. SWIFT® Initiation Method.

SWIFT has established procedures for controlling access to SWIFT messaging services (each, an "Access Control") that may include without limitation access codes, message authentication codes, secure card readers, digital signatures, and Hardware Security Modules. In addition, SWIFT authenticates certain messages including without limitation Files based on SWIFT message type prior to accepting them for routing as SWIFT messages (each, an "Authenticated Message"). This authentication may include confirming that the sender and recipient of the message have exchanged bilateral keys ("BKE"), entered into a relationship management application ("RMA") agreement, or taken other steps to secure the transmission of SWIFT messages between them as SWIFT requires from time to time (each, an "Authentication Procedure").

**5.5. Security Procedure Elected by Company's Third Party Service Provider.**

Company is utilizing a Third Party Service Provider ("TPSP") as defined in the ACH Rules to originate Entries and Files on Company's behalf. Bank will authenticate each File transmitted to Bank in Company's name in accordance with the security procedure the Company's TPSP has elected. Company will notify Bank of any change to Company's TPSP in a manner affording Bank a reasonable opportunity to act on the information.

**5.6. Non-Standard Security Procedure.**

If Company has refused to utilize any of the security procedures described above, then the Security Procedure Company will use is described on Attachment B to the Acceptance.

6. **Company's Payment Obligations.** As of the applicable settlement date, Company will maintain available funds in each Account sufficient to cover the credit Entries originated against it. Company's obligation to pay Bank for each credit Entry matures when Bank transmits the credit Entry to the ACH or gateway operator or posts an on-us Entry. Bank is authorized to debit the Account for the total amount of all credit Entries originated from it at any time. If requested by Bank, Company will pay to Bank, in immediately available funds, an amount equal to all credit Entries Company originates through Bank before the date Bank delivers the credit Entries to the ACH or gateway operator or posts an on-us Entry. If Company fails to comply with Bank's request, Bank may refuse to send the Entries to the ACH or gateway operator or post an on-us Entry. Bank may take such other actions as it deems necessary or appropriate to ensure Bank receives payment for Company's credit Entries including without limitation (a) upon notice to Company, placing a hold on funds in any account at Bank or any affiliate of Bank that Company owns in whole or in part sufficient to cover Company's credit Entries and (b) setting off against any amount Bank or an affiliate of Bank owes Company. In addition, Bank may charge the Account or any other Company account at Bank or any affiliate of Bank for any debit, correcting or reversing Entry which is later returned to Bank.
7. **Provisional Credit.** A credit to Company's Account for an Entry is provisional until Bank receives final settlement for the Entry. If Bank does not receive final settlement, Bank is entitled to debit Company's Account or any other accounts Company owns in whole or in part at Bank or any affiliate of Bank for the amount of the Entry. Company will pay any shortfall remaining after such debit to Bank immediately upon demand.
8. **Rejected Entries.** Bank may reject an Entry or File if Company fails to comply with the terms of this Service Description. Bank will attempt to notify Company promptly so Company may cure the defect but will have no liability to Company for rejecting an Entry or File or any loss resulting from Bank's failure to provide notice. If Company requests Bank repair an Entry or File and Bank attempts to do so, Bank will not be liable if it is unable to make the requested repair. Company will pay all charges and expenses Bank incurs in connection with any repair or attempted repair.
9. **Cancellation, Amendment, Reversal.** Company has no right to cancel, amend or reverse an Entry or File after its receipt by Bank. If Company requests Bank cancel, amend or reverse an Entry or File, Bank may, at its sole discretion, attempt to honor such request but will have no liability for its failure to do so. Company will reimburse Bank for any expenses, losses or damages Bank incurs in effecting or attempting to effect Company's request.
10. **Returned Entries.** Bank will have no obligation to re-transmit a returned Entry or File to the ACH or gateway operator, or to take any further action with respect to a returned on-us Entry, if Bank complied with the terms of this Service Description with respect to the original Entry or

File. Company will reimburse Bank for any returned debit Entries on the same day Company receives notice of such returned Entry.

11. **Reconstruction of Entries and Files.** Company will retain sufficient records to permit it to reconstruct each Entry and File it delivers to Bank for a period of five (5) Business Days after the applicable settlement date and will submit the reconstructed Entry or File to Bank upon request.
12. **Audit.** Company grants Bank ongoing access to Company's Files and the right to audit periodically such Files and Company's ACH processes and controls so Bank can verify Company's compliance with this Service Description.
13. **Bank's Internal Risk Parameters.** Bank establishes internal risk parameters to identify out-of-pattern or suspect Entries or Files and protect Company and Bank from potential losses. These parameters may include without limitation limits on debit and credit settlements on a single Business Day and/or over multiple consecutive Business Days. Bank may pend or delete an Entry or File exceeding the applicable parameters. In addition, any transaction TYPE (debit or credit) or SEC (standard entry class) as defined in the ACH Rules may, at Bank's option, be conditioned upon Bank's prior approval. Upon notice to Company, Bank may discontinue processing a TYPE and/or SEC of transactions Bank has previously processed for Company.
14. **International Entries.**
  - 14.1. **General.** This section contains additional terms applicable when the financial institution holding the account designated to receive an Entry is in a jurisdiction ("Receiving Country") other than the United States (each, an "International Entry"). Bank will process each International Entry in accordance with (a) the laws and payment system rules of the Receiving Country (b) any agreement governing International Entries between Bank and the gateway operator through which Bank processes the International Entry, the terms of which Bank communicates to Company prior to Company's use of the Service or from time to time thereafter, and (c) the ACH Rules. If there is a conflict among these three clauses, they will govern in the order set forth in this subsection.
  - 14.2. **Credit Entries.** With respect to credit Entries Bank agrees to originate in the currency of a designated foreign government or intergovernmental organization ("Foreign Currency"), Bank will convert the amount to be transferred from U.S. dollars ("USD") to the Foreign Currency at Bank's sell rate for exchange in effect on the Business Day the Entry is transmitted by Bank to the ACH or gateway operator. If the financial institution designated to receive the funds does not pay the Receiver specified in the Entry, or if the Entry is subsequently determined to be erroneous, Bank will not be liable for a sum in excess of the amount of the original Entry after it has been converted from the Foreign Currency to USD at Bank's buy rate for exchange at the time the Entry is returned to Bank.
  - 14.3. **Debit Entries.** With respect to debit Entries Bank agrees to originate in a Foreign Currency, Bank will convert the amount of each Entry from the Foreign Currency to U.S. Dollars at Bank's buy rate for exchange in effect on the settlement date of the Entry. If the financial institution designated to receive the Entry subsequently returns it, Bank may charge the applicable Account (or any other accounts Company owns in whole or in part at Bank or any affiliate of Bank) for the amount equal to the value of the returned Entry, after Bank has converted the Foreign Currency to USD at Bank's sell rate for exchange at the time the Entry is returned to Bank. Bank will not be liable for a sum in excess of the original amount of the Entry after conversion.

- 14.4. Acts or Omissions of Third Parties.** Bank will not be liable for any failure or delay by a gateway operator, any intermediary financial institution, or the financial institution designated to receive the Entry in the Receiving Country in processing or failing to process any Entry Bank transmits to the Receiving Country, or for acts or omissions by a third party including without limitation the delay or failure of any third party to process, credit or debit any Entry.
- 15. Third-Party Sender Activities.** This section contains additional terms applicable when Company is a Third-Party Sender, as defined by the ACH Rules.
- 15.1. General.** Prior to originating any Entry on behalf of a customer of Company, Company will (a) notify Bank in writing of any other financial institution Company is using to originate transactions as a Third-Party Sender and thereafter notify Bank before Company adds any new financial institution for this purpose; (b) provide Bank with the information Bank requires to enable it to understand the nature of Company's customer's business including without limitation the name, Taxpayer Identification Number, business activity and geographic location of Company's customer; (c) if specifically required by Bank, obtain Bank's written approval to initiate or continue to initiate Entries for that customer, which approval Bank may rescind upon written notice to Company; and (d) enter into a written agreement with that customer whereby that customer agrees:
- 15.1.1.** to assume the responsibilities of an originator under the ACH Rules and to be bound by the ACH Rules as in effect from time to time;
  - 15.1.2.** ACH entries may not be initiated in violation of the laws or regulations of the United States including without limitation the regulations issued by the Office of Foreign Assets Control;
  - 15.1.3.** to grant Bank ongoing access to audit it and any ACH entry that it has transmitted to Company for transmission to Bank; and
  - 15.1.4.** Bank may at any time refuse to process an ACH entry for that customer.
- 15.2. Representations and Warranties.** Company represents and warrants to Bank Company (a) has conducted due diligence with respect to each customer of Company for which Company is originating transactions through Bank and determined that each such customer is engaged in a legitimate business and that the type, size and frequency of transactions that each such customer is originating is normal and expected for the customer's type of business; and (b) will, in accordance with reasonable commercial standards, monitor each customer's business and transactions on an ongoing basis and notify Bank promptly if Company identifies any unusual activity by Company's customer.
- 16. Perfect NOC Service.** This section contains additional terms applicable to Bank's Perfect NOC Service. Bank maintains a database of Notifications of Change (each, a "NOC") that Bank receives and uses this database to update Company's Entries in accordance with the Service options Company selects from time to time. Bank will notify Company of each NOC Bank receives in connection with Company's Entries.
- 17. Smart Decision Service.** This section contains additional terms applicable to Bank's Smart Decision Service. Bank will process for credit to the Account specified by Company checks and other instruments payable to Company (each, an "Item") that Company delivers to Bank. Company will use the depository channels through which Bank offers the Service including electronic channels and other channels specified by Bank through which Bank accepts Items for

processing. When Company uses electronic depository channels, Company transmits an "Electronic File" to Bank that includes electronic images of Items (each, an "Electronic Image") and other information regarding Items in the Electronic File. Each Business Day, Bank processes Company's Electronic File and other Items according to the processing criteria Bank has on file for Company, the issuer of an Electronic Image or Item, and Bank (each, respectively, a "Company Preference," an "Issuer Preference," or a "Bank Preference.") Based on these Preferences, Bank will (a) convert each eligible Electronic Image and Item to an ACH debit Entry on the deposit account on which it was drawn; (b) process remaining Electronic Images in accordance with Bank's separate Service Documentation governing the electronic depository channel Company used to deliver the Electronic Image to Bank; or (c) process remaining Items in accordance with Bank's Commercial Account Agreement. If a Company Preference or an Issuer Preference conflicts with a Bank Preference, Bank will follow the Bank Preference.

## 18. Warranties.

**18.1. General.** Company acknowledges Bank makes certain warranties under the ACH Rules with respect to each Entry. Company will reimburse Bank for any loss Bank incurs, including Bank's reasonable attorneys' fees and legal expenses, as the result of a breach of a warranty made by Bank in connection with any Entry Bank originates upon the instructions received from Company, except to the extent that the loss resulted from Bank's own gross negligence or intentional misconduct.

**18.2. Smart Decision Service.** If Company subscribes to Bank's Smart Decision Service, Company warrants Company (a) will transmit to Bank only Electronic Images that are suitable for processing, including, but not limited to, Electronic Images that are legible and contain machine-readable MICR data; (b) will not deposit to the Account or otherwise negotiate any original Paper Item from which Company has previously created and submitted to Bank an Electronic Image, unless Bank has notified Company the Electronic Image is not legible or contains MICR data that is not machine readable; and (c) has received copies of the then-current ACH Rules and Reg E and will comply with both at all times Bank provides the Service.

**19. Indemnification.** Company acknowledges Bank indemnifies certain persons under the ACH Rules. Company agrees to reimburse Bank for any loss Bank incurs, including its reasonable attorneys' fees and legal expenses, as the result of the enforcement of any such indemnity, except to the extent the loss resulted solely from Bank's own gross negligence or intentional misconduct. In addition, Company will indemnify Bank from and against all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered by Bank arising directly or indirectly from or related to any material breach in a representation, warranty, covenant, or obligation of Company contained in this Service Description.

**20. Termination.** In addition to the termination provisions contained in the Master Agreement, Bank may terminate the Services immediately upon notice to Company if Bank determines in its sole discretion: (a) the number of returned debit Entries originated under this Service Description is excessive; or (b) Company has breached a warranty provided under the ACH Rules or this Service Description or otherwise failed to comply with the ACH Rules.

**21. Survival.** Sections 3, 4, and 6-19 will survive termination of the Services.



## CHEXSTOR® SERVICE DESCRIPTION



1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") CheXstor service ("Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of Service.** The Service enables Company to have Bank maintain microfilm records of all Items paid on each deposit account of Company at Bank that Company enrolls in the Service (each an "Account"). Bank will maintain microfilm records for a period of seven years or any longer period required by applicable law ("Record Period"). Each Item Bank microfilms will be shredded and recycled. As part of the Service, Bank will provide a photocopy of any Item posted against the Account which Company requests during the Record Period. Company may request a photocopy electronically via Bank's *Commercial Electronic Office*® or by contacting Bank at the telephone number on Company's account statement.
3. **Liability.** If Bank fails to provide in a timely manner a copy of an Item Company requests during the Record Period, Bank will reimburse Company for (and Bank's liability will be limited to) any direct monetary loss Company incurs as a result of the Item's unavailability (not to exceed the amount of the Item). Bank will require Company to substantiate any claimed loss.

## **COMMERCIAL ELECTRONIC OFFICE® ("CEO"®) SERVICE DESCRIPTION**



1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") Commercial Electronic Office Service ("CEO"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of Service.** The CEO is Bank's electronic banking portal that is accessed via the Internet. Authorized Representatives (see section 3) may use the CEO to access (a) Bank Services in which Company has separately enrolled (each, an "Accessed Service") and (b) third-party sites Bank may make available through the CEO. Bank offers different channels through which Company may access the CEO that may include without limitation personal computers and mobile devices. Bank may add or eliminate channels at any time. A Bank Service or third party site accessible through one channel may not be accessible through another channel. The Service Documentation includes the Service Description for each Accessed Service. In the event of a conflict between the Service Description for the Accessed Service and this Service Description, the Service Description for the Accessed Service will control.
3. **Access to the CEO.** When Company enrolls in the CEO and as Bank may determine is necessary after enrollment, Bank will (in accordance with section 4) provide one or more secure means of accessing the Services (each, a "Log-On Credential") to the persons who are authorized to access the CEO on Company's behalf (each an, "Authorized Representative"). Log-On Credentials may include without limitation Company and user IDs, passwords, token IDs and other means of providing secure access to the CEO Service that Bank adopts after the date Company begins using the CEO and may be changed by Bank at any time. Bank will have no obligation to Company to authenticate separately any communication Bank receives in Company's name through the CEO, whether or not an Authorized Representative actually issued the communication. Bank may, at Bank's sole option, contact Company with respect to any communication Bank receives in Company's name, but Bank's election to contact Company with respect to one or more communication will not obligate Bank to contact Company with respect to any subsequent communication Bank receives in Company's name.
4. **Administration of the CEO.**
  - 4.1. **General.** Bank offers two options for administering the CEO: (a) self-administration and (b) Bank administration.
  - 4.2. **Self-Administration.** If Company enrolls in Bank's self-administration option, there are three categories of Authorized Representatives: Company Administrator, Administrator or User. Bank provides Bank's then-current Log-On Credentials only to Company's initial Company Administrator(s) who will (a) assign Bank's Log-On Credentials to other individuals and (b) designate each such individual as (i) a Company Administrator, who may perform all functions of Company's initial Company Administrator; (ii) an Administrator, who may perform all the functions of an Administrator including without limitation designating other Administrator(s) and User(s); or (iii) a User, who may access those Services as designated by a Company Administrator or an Administrator and

those in which Bank permits a User to self-enroll. Each Company Administrator and Administrator has the authority to enroll Company in additional Services. Company will promptly revoke the Log-On Credentials of any Authorized Representative when that individual is no longer an Authorized Representative.

- 4.3. **Bank Administration.** If Company does not enroll in Bank's self-administration option, there is one category of Authorized Representatives: Users. Bank will assign Bank's then-current Log-On credentials to each User Company designates. Each User Company designates will remain authorized until Bank has a reasonable time to act after receiving Company's notification that the User is no longer so authorized.
5. **Restricting or Terminating Access to the CEO.** Bank will not be obligated to permit any Authorized Representative to use any Service through the CEO if Bank determines such use is (a) not in accordance with any term applicable to the CEO, (b) not permitted by any state or federal law or regulation, (c) not authorized by Company or any third person whose authorization Bank believes is necessary for such use, or (d) should be denied for Company's or Bank's protection (without Bank's agreeing to, or being required to, make this determination in any circumstance).
6. **Financial Information.** Financial market data, quotes, news, research, and other financial information developed by third parties and transmitted to Bank (collectively, "Financial Information") may be available to Company at the CEO. The posting of any Financial Information or any other information or data at the CEO will not be a recommendation by Bank of any particular Service or transaction. Bank does not guarantee the accuracy or completeness, (a) of any Financial Information, (b) is not responsible for the actions or omissions of the third parties developing or transmitting Financial Information or (c) for any decision made or action taken by Company in reliance on any Financial Information.
7. **CEO Workstation Service.** This section contains additional terms applicable to Bank's CEO Workstation Service. The CEO Workstation enables Company to view and use for global cash positioning, forecasting and trending data that (a) Bank automatically populates from Company's deposit account(s) at Bank and other financial institutions Company directs to provide data to Bank and (b) Company manually populates. Bank will not verify the accuracy of information from other financial institutions, customer-populated data or forecasting information. Forecasting information is not a guarantee of actual performance. If Company uses the Workstation to convert funds in an account to a currency other than the currency in which the account is denominated, the rate used through the Workstation may differ from the rate actually used when the funds are converted on a given Business Day.
8. **Company's Representations and Warranties.** Company represents and warrants to Bank:
  - 8.1. Company's governing body has duly authorized each Authorized Representative, regardless of whether Company enrolls in Bank's self-administration option, Bank Administration or whether the individual is designated to act as Company Administrator, Administrator or User; and
  - 8.2. Company will preserve the confidentiality of the Log-On Credentials and immediately notify Bank if Company becomes aware or suspects that any Log-On Credential may have been compromised.

9. **Company's Agreement to Indemnify Bank.** Company will indemnify and hold Bank, its parent company, and its affiliates and each of their respective directors, officers, employees, and agents harmless from and against all losses, damages, claims, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered by any of them arising directly or indirectly from or related to any material breach in a representation, warranty, covenant, or obligation of Company contained in this Service Description.
10. **Survival.** Sections 3, 4, 5, 6, 7, 8 and 9 will survive termination of the Service.

WELLS FARGO BANK \_\_, N.A.

**COMMERCIAL ACCOUNT AUTHORIZATION & AGREEMENT (SIGNATURE CARD)**

(This document to be used when establishing a new account only.)

**WELLS  
FARGO**

(CoID)

<b>ACCOUNT NUMBER(S)</b>	1				
	2				
	3				

<b>II. ACCOUNT TITLE(S)</b>	1	
	2	
	3	

<b>III. ACCOUNT TYPE</b> (Check <b>One</b> Box Only)			
<input type="checkbox"/> Commercial Checking (Non Interest)	<input type="checkbox"/> Commercial Checking with Interest	<input type="checkbox"/> Commercial Money Market Account	
<input type="checkbox"/> Other			

<b>IV. BUSINESS INFORMATION</b>			
Customer Name ("Accountholder")			
Business Location/Street Address		City	State      Zip
Mailing Address		City	State      Zip
Business Phone ( ) - Ext.	Alternate Phone ( ) - Ext.	Primary Contact Name	

<b>Type of Entity</b> (Check <b>One</b> Box Only)			
<b>Business</b> <input type="checkbox"/> Corporation <input type="checkbox"/> Corporation (Professional) <input type="checkbox"/> Corporation (Nonprofit) <input type="checkbox"/> Partnership (General)  <input type="checkbox"/> Partnership (Limited) <input type="checkbox"/> Joint Venture <input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Business Trust <input type="checkbox"/> Real Estate Investment Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ( )  <b>Foreign</b> <input type="checkbox"/> Corporation <input type="checkbox"/> Fin'l Institution	<b>Public Funds</b> <input type="checkbox"/> City / Municipality <input type="checkbox"/> County <input type="checkbox"/> State <input type="checkbox"/> Federal (US Government) <input type="checkbox"/> <b>Other</b>  <input type="checkbox"/> <b>Indian Tribal Entity</b>	<b>Financial Institution</b> <input type="checkbox"/> Commercial Bank <input type="checkbox"/> Savings Bank <input type="checkbox"/> Credit Union  <b>Internal</b> <input type="checkbox"/> WF & Co Sub <input type="checkbox"/> WFB Subsidiary

Business Organized under the Laws of (Jurisdiction)	Annual Sales \$
Date Business Established	Number of Employees
Date Current Owner Since / Mgmt Started	Accountholder or any entity for which account will be maintained (f/b/o) engaged in business of internet gambling? <input type="checkbox"/> Yes <input type="checkbox"/> No

<b>Wells Fargo Banker to Complete</b>	
Business License #:      Dated:	Date of Last Banker Visit to Business Address:
Fictitious Name Statement Date	Banker Name & Customer Contact/Visited

**V. TAX REPORTING & CERTIFICATION****Employer Identification Number ("EIN"):** \_\_\_\_\_**CERTIFICATION:** Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and  
☐ You must check this box if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.
3. I am a U.S. Citizen or other U.S. person (For federal tax purposes, you are considered a U.S. person if you are; an individual who is a U.S. citizen or U.S. resident alien; a partnership, corporation, company, or association created or organized in the United States or under the laws of the United States; an estate (other than a foreign estate); or a domestic trust.)

**The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.**

X \_\_\_\_\_

Signature

Position / Title

Date

**\*Notice to Nonresident Alien Individuals and Foreign Entities** (e.g. foreign corporations, partnerships, trusts, etc.): Do not complete the above Substitute W-9. Instead complete the certification statement below.

On behalf of the Company named in this document, I certify that the Company understands and will promptly comply with the Form W-8 filing requirement with Wells Fargo Bank \_\_\_\_\_, N.A. and as checked below that the Company is:

- ☐ A non-resident alien individual or non-resident foreign corporation (Form W-8BEN);  
☐ A foreign partnership (Form W-8IMY);  
☐ A foreign tax-exempt organization or government (Form W-8ECI or Form W-8EXP);  
☐ Acting as an intermediary (Form W-8IMY);  
☐ Claiming exemption based on income effectively connected with the conduct of a trade or business within the United States (Form W-8ECI).

X \_\_\_\_\_  
Signature

Position / Title

Date

## VI. AUTHORIZED SIGNERS

(Sign within Box)

Signature 1

Printed Name

Position / Title

Signature 2

Printed Name

Position / Title

Signature 3

Printed Name

Position / Title

Signature 4

Printed Name

Position / Title

Signature 5

Printed Name

Position / Title

Signature 6

Printed Name

Position / Title

## VII. ACKNOWLEDGEMENT & AGREEMENT

On behalf of the Accountholder, I hereby certify, by my signature below, that each of the individuals designated in Section VI above as an "Authorized Signer" is authorized, acting alone, to (i) sign checks drawn on, and make cash withdrawals from, the Account, (ii) request stop payment orders for checks drawn on the Account, and (iii) initiate funds transfers by ACH, wire or other means out of the Account in accordance with the Accountholder's contractual arrangements with Wells Fargo regarding these services.

Wells Fargo may obtain credit reports or other information about the Accountholder. Wells Fargo may disclose information about each account to its affiliates, to credit reporting agencies, and to other persons or agencies that, in Wells Fargo's judgment, have a legitimate purpose for obtaining the information.

I acknowledge that the Accountholder has received a Commercial Account Agreement and agree that its terms and conditions, as amended from time to time, will govern the Account.

X \_\_\_\_\_  
Authorized Signature

Position / Title

Date

Printed Name:

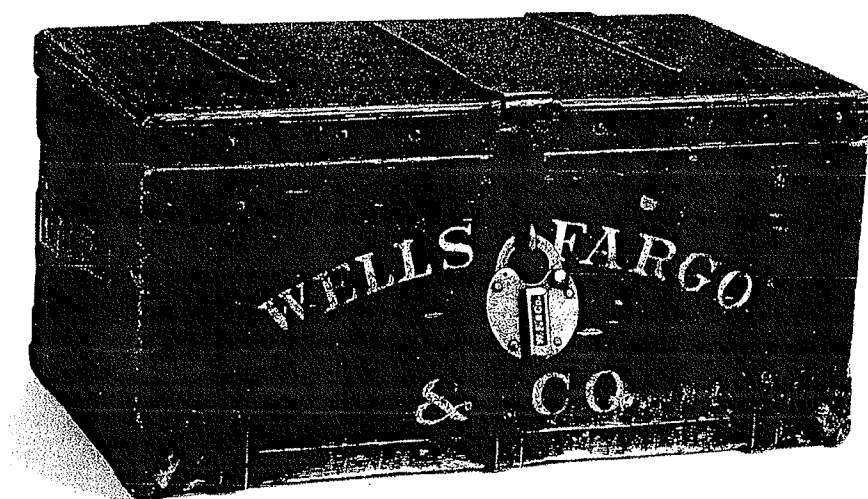
BANK USE ONLY		ACCOUNT NO(S):	
Date Received / / 20	Banker Name	Banker Telephone ( ) -	Banker MAC
AU	RAU	Officer Number	RPM Family Name RPM Family Number

FORWARD VIA GOLD BAG TO DOCUMENT MANAGEMENT OR MAC N9777-133

**WELLS  
FARGO**

## Commercial Account Agreement

Effective May 1, 2005



## Table of Contents

### I. Terms Applicable to All Commercial Deposit Accounts .....5

#### Introduction

#### Defined Terms

Affiliate .....	5
Authorized Signer .....	5
Business Day .....	5
Collected Balance .....	5
Commercial Deposit Account .....	5
Deposit Float .....	5
Deposited Item .....	6
Investable Balance .....	6
Item .....	6
Ledger Balance .....	6
Overdraft .....	6
Paper Item .....	6
Service .....	6

#### Arbitration Agreement

Agreement to Arbitrate .....	6
Governing Rules .....	6
No Waiver of Self-Help or Provisional Remedies .....	7
Arbitrator Qualifications and Powers .....	7
Discovery .....	7
Class Actions and Consolidations .....	7
Payment of Arbitration Costs and Fees .....	7
Miscellaneous .....	7

#### Statements and Other Account-Related Information

Mailing Statements and Other Account-Related Information to Company .....	8
Company's Obligation to Review Statements and Other Account-Related Information and to Notify Bank of Errors .....	8
Returned, Unclaimed Statements or Other Account-Related Information .....	8
Address Changes for Statements for Company's Account and Other Account-Related Information .....	9
Notices and Other Mail .....	9
Electronic Communications .....	9



Fraud Prevention	
Protection Against Unauthorized Items .....	9
Lost or Stolen Paper Items; Unauthorized Items .....	9
Preventing Misuse of Company's Account .....	10
Claim of Unauthorized Transactions; Bank's Rights and Liability	
Investigation by Bank; Company's Agreement to Cooperate .....	10
Standard of Care .....	11
Limitation of Liability; Indemnification .....	11
Adverse Claims.....	11
Legal Process .....	11
"Freezing" Company's Account .....	11
Force Majeure.....	12
Company's Insurance Coverage .....	12
Substitute Checks	
Deposits to Company's Account	
General .....	12
Collection Items .....	12
Endorsements .....	12
Material Appearing on the Back of Items; Check Legends .....	13
Breach of Warranties .....	13
When Deposits are Credited to Company's Account .....	13
Use of Funds.....	13
Deposits at Affiliates.....	13
Deposits of Non-U.S. Items.....	13
Acts and Omissions of Other Financial Institutions .....	14
Deposited Items Returned.....	14
Direct Deposits Returned by Bank.....	14
Reconstructing Lost or Destroyed Deposited Items .....	14
Withdrawals from Company's Account	
Determining Company's Account's Balance; Debiting Company's Account .....	14
Order of Posting .....	15
Paper Items Presented Over-the-Counter for Payment by a Non-Customer .....	15
Large Cash Withdrawals .....	15
Withdrawals at Affiliates .....	15
Items Resulting From Company's Disclosure of Company's Account Number .....	15
Missing Signatures; Alterations; Forgeries .....	15
Dates and Special Instructions on Paper Items .....	16
Facsimile or Mechanical Signatures.....	16
Consumer ACH Debit Entries.....	16

<b>Stop Payment Orders; Notices of Post-Dating</b>	
General .....	16
Content of Stop Payment Order .....	16
Effective Period of Stop Payment Order; Renewal; Revocation .....	16
Liability to Holder in Due Course .....	17
Paper Items Paid Over Valid Stop Payment Orders .....	17
<b>Overdrafts; Security Interest; Bank's Right to Setoff</b>	
Overdrafts and Insufficient Funds .....	17
Security Interest; Bank's Right to Setoff .....	17
<b>Bank Fees and Expenses</b>	
General .....	18
Payment of Bank Fees and Expenses; Finance Charges .....	18
Earnings Allowance .....	18
<b>Checking Subaccounts</b>	
<b>Miscellaneous</b>	
Acceptable Form of Paper Items; Document and Image Quality .....	19
Closing Company's Account .....	19
Contract Language .....	19
Credit Reports .....	19
Disclosure of Information .....	19
Dormant and Unclaimed Accounts .....	20
Entire Agreement; Headings; No Third Party Beneficiary .....	20
Laws Governing Company's Account .....	20
Minimum Balance Requirements; Other Restrictions .....	20
Modification of Agreement; Account Conversion .....	20
Monitoring and Recording Communications .....	21
No Fiduciary Relationship .....	21
Reliance on Bank's Records .....	21
Reordering Checks .....	21
Transferring an Interest in Company's Account .....	21
<b>II. Additional Terms Applicable to All Commercial Interest-Bearing, Savings and Time Accounts</b>	
<b>Interest-Bearing Accounts</b>	
Variable/Fixed-Rate Accounts .....	21
Method Used to Calculate Earned Interest .....	21
Interest Accrual .....	21
Compounding and Crediting .....	22
Target Balance Accounts .....	22
Interest Adjustments .....	22
Tax Identification Number Certification .....	22

<b>Commercial Savings Accounts</b>	
Bank's Right to Require Notice .....	22
Limitations on Transfers from Company's Savings Account .....	22
<b>Commercial Time Accounts</b>	
General .....	23
Certificated Time Accounts .....	23
Maturity Date .....	23
Time Requirements .....	23
Payment of Interest .....	23
Additional Deposits .....	23
Withdrawal of Interest Prior to Maturity .....	23
Renewal Policies .....	23
<b>III. Funds Transfers</b> .....	24
General .....	24
Notice of Receipt of Funds .....	24
Reliance on Identification Numbers .....	24
Duty to Report Unauthorized and Erroneous Fund Transfers .....	24
Erroneous Payment Orders .....	24
Automated Clearing House (ACH) Transactions .....	24
<b>IV. Selected Services</b> .....	25
ATM Deposit Service .....	25
Treasury Express Deposit® Service .....	25

## I. Terms Applicable to All Commercial Deposit Accounts

### Introduction

In this Commercial Account Agreement ("Agreement"), "Company" refers to the owner or accountholder of a Wells Fargo bank commercial deposit account ("Account"). "Bank" refers to the Wells Fargo bank at which Company's Account is maintained. This Agreement includes the following disclosures applicable to Bank's commercial deposit accounts and related services (each, a "Service"), that Bank has separately provided to Company: (i) the schedule of Bank's fees and other account-related information (the "fee and information schedule"), (ii) the collection schedule, (iii) the funds availability policy, (iv) the privacy policy, (v) the rate sheets for interest-bearing accounts, each as modified by Bank from time to time, and (vi) any additional disclosures regarding Company's Account that Bank may provide to Company. Company is responsible for ensuring that each Authorized Signer is familiar with this Agreement. Unless Company has instructed Bank in writing to the contrary, Bank may consider communications about Company's Account from an Authorized Signer on Company's Account as communications from Company. Company agrees to notify Bank immediately in writing if any Authorized Signer's authority has been terminated. This Agreement replaces all prior agreements with Bank regarding Company's Account other than agreements regarding security interests in, or services utilizing, the Account. By signing Bank's signature card for Company's Account or by using Company's Account or a Service, Company will be deemed to have agreed to this Agreement. Company should retain a copy of this Agreement (and any information that Bank provides Company regarding changes to this Agreement) for as long as Company maintains its Account with Bank.

### Defined Terms

In this Agreement, certain words have a special meaning and are therefore defined. Certain terms and their definitions are found in this Section, and others are found in the text of this Agreement.

#### Affiliate.

An "Affiliate" is a bank that is, directly or indirectly, a wholly or substantially owned subsidiary of Wells Fargo & Company.

#### Authorized Signer.

An "Authorized Signer" is a person who has Company's actual or apparent authority to transact business on Company's Account(s), whether or not such person has signed the signature card or other documentation for Company's Account(s). Bank may continue to recognize an Authorized Signer's authority until Bank has received and had a reasonable time to act upon Company's written modification or revocation of it.

#### Business Day.

A "Business Day" is every day except Saturdays, Sundays and federal holidays.

#### Collected Balance.

The "Collected Balance" is the Ledger Balance in Company's Account less Deposit Float.

#### Commercial Deposit Account.

A "commercial deposit account" is any deposit account, other than one of Bank's business deposit accounts, that is not held or maintained primarily for personal, family or household purposes. Examples of commercial deposit accounts include an account owned by an individual acting as a sole proprietor, a partnership, a limited partnership, a limited liability partnership, a limited liability company, a corporation, a joint venture, a non-profit corporation, an employee benefit plan or a governmental unit including an Indian tribal entity.

#### Deposit Float.

"Deposit Float" is the total dollar amount of Items deposited in Company's Account for which, based on the collection schedule used by Bank or the applicable Affiliate for this type of account, Company's Account has not yet been credited for purposes of calculating the Collected Balance.

**Deposited Item.**

A "Deposited Item" is an Item (including a non-U.S. Item) that Bank cashes or collects for Company or accepts for deposit to Company's Account.

**Investable Balance.**

The "Investable Balance" is the Collected Balance in Company's Account less (i) the portion of such Collected Balance that Bank is required by law to hold in reserve at a Federal Reserve Bank and (ii) other adjustments.

**Item.**

An "Item" includes a check, substitute check, purported substitute check, electronic item, draft, demand draft, preauthorized draft, remotely created check, remotely created item, remotely created consumer item, image replacement document or other order or instruction for the payment, transfer, or withdrawal of funds (including a withdrawal slip), automatic transfer, and electronic transaction (including a wire transfer, an ACH transfer and a Consumer ACH Debit Entry), any written document created or authorized in Company's name that would be a check or draft but for the fact that it has not been signed, and a cash-in ticket or a deposit adjustment or a photocopy or an image of any of the foregoing.

**Ledger Balance.**

The "Ledger Balance" is the balance in Company's Account after all debits and credits for the Business Day are posted.

**Overdraft.**

An "Overdraft" is any event that results in a negative balance in Company's Account.

**Paper Item.**

A "Paper Item" is an Item that is in paper form.

**Service.**

A "Service" is any service Bank provides to Company including without limitation any Treasury Management Service.

<b>Arbitration Agreement</b>
------------------------------

**Agreement to Arbitrate.**

Except as stated in "No Waiver of Self-Help or Provisional Remedies" below, Company and Bank agree, at Company's or Bank's request, to submit to binding arbitration all claims, disputes and controversies between or among Company and Bank (and their respective employees, officers, directors, attorneys, and other agents), whether in tort, contract or otherwise arising out of or relating in any way to Company's Account(s) and/or Service(s) and their negotiation, execution, administration, modification, substitution, formation, inducement, enforcement, default or termination (each, a "Dispute").

**Governing Rules.**

Any arbitration proceeding will (i) proceed in a location selected by the American Arbitration Association ("AAA") in the state whose laws govern Company's Account; (ii) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between Company and Bank; and (iii) be conducted by the AAA, or such other administrator as Company and Bank shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and any such Rules, the terms and procedures set forth herein shall control. Any party who fails or refuses to submit to arbitration following a lawful demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. Nothing contained herein shall be deemed to be a waiver by Bank of the protections

afforded to it under 12 U.S.C. Section 91 or any similar applicable state law.

**No Waiver of Self-Help or Provisional Remedies.**

This arbitration requirement does not limit the right of either party to (i) exercise self-help remedies including setoff or (ii) obtain provisional or ancillary remedies such as injunctive relief or attachment, before, during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of either party to submit any Dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in (i) and (ii) of this subsection.

**Arbitrator Qualifications and Powers.**

Any Dispute in which the amount in controversy is \$5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any Dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. Each arbitrator will be a neutral attorney licensed in the state whose laws govern Company's Account and who has a minimum of ten years experience in the substantive law applicable to the subject matter of the Dispute to be arbitrated. The arbitrator(s) will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator(s) will decide (by documents only or with a hearing at the discretion of the arbitrator(s)) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator(s) shall resolve all Disputes in accordance with the substantive law of the state whose laws govern Company's Account and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator(s) shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as deemed necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the state rules of civil procedure for the state whose laws govern Company's Account or other applicable law. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

**Discovery.**

In any arbitration proceeding, discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than twenty (20) days before the hearing date and within 180 days of the filing of the Dispute with the AAA. Any requests for an extension of the discovery periods, or any discovery Disputes, will be subject to final determination by the arbitrator(s) upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

**Class Actions and Consolidations.**

Company and Bank agree that the resolution of any Dispute arising pursuant to the terms of this Agreement shall be resolved by a separate arbitration proceeding and shall not be consolidated with other Disputes or treated as a class. Neither Company nor Bank shall be entitled to join or consolidate Disputes by or against others in any arbitration, or to include in any arbitration any Dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

**Payment of Arbitration Costs and Fees.**

The arbitrator(s) shall award all costs and expenses of the arbitration proceeding.

**Miscellaneous.**

To the maximum extent practicable, the AAA, the arbitrator(s), Company and Bank shall take all action required to conclude any arbitration proceeding within 180 days of the filing

of the Dispute with the AAA. The arbitrator(s), Company, or Bank may not disclose the existence, content or results thereof, except for disclosures of information by Company or Bank required in the ordinary course of business, by applicable law or regulation, or to the extent necessary to exercise any judicial review rights set forth herein. If more than one agreement for arbitration by or between Company and Bank potentially applies to a Dispute, the arbitration agreement most directly related to Company's Account or the subject matter of the Dispute shall control. This arbitration agreement shall survive the closing of Company's Account or termination of any Service or the relationship between Company and Bank.

#### Statements and Other Account-Related Information

##### **Mailing Statements and Other Account-Related Information to Company.**

Except as expressly provided otherwise in this Agreement, Bank will mail (or otherwise make available to Company) statements for Company's Account and notices and other information regarding Company's Account or any Service (collectively, "Account-Related Information") to the postal or electronic address reflected in Bank's records for Company's Account. Any statement or Account-Related Information will be deemed to have been sent to Company on the first Business Day following the date on it. A statement or other Account-Related Information that is held for Company to pick up will be deemed to be delivered to Company at the time that Bank makes it available for pick up.

##### **Company's Obligation to Review Statements and Other Account-Related Information and to Notify Bank of Errors.**

Company agrees to promptly and carefully examine each statement for Company's Account and any other Account-Related Information and any paid Items that are returned with (or described in) the statement and any other Account-Related Information and to promptly notify Bank of, and reimburse Bank for, any erroneous credit to Company's Account. Within thirty (30) days after Bank mails or otherwise makes the statement or other Account-Related Information available to Company, Company will notify Bank of any claim for credit or refund due, for example, to an erroneous or unauthorized debit, a missing signature, an unauthorized signature, or an alteration (each, an "unauthorized transaction"). Within six (6) months after Bank mails or otherwise makes the statement or other Account-Related Information available to Company, Company will notify Bank of any claim for credit or refund resulting from a forged, unauthorized, or missing endorsement. Such notification is to be made by (i) calling the telephone number listed on the statement for Company's Account or in the other Account-Related Information for such purpose and (ii) submitting a written report to Bank as soon as possible, but, in any event, within the timeframes specified above. If Company fails to notify Bank within the timeframes specified above, the balance shown on the statement for Company's Account or other Account-Related Information will be conclusively presumed to be correct, and Company will be deemed to have released Bank from all liability for the Items charged to Company's Account and for all other transactions covered by the statement or other Account-Related Information. In addition, if Company fails to notify Bank of an unauthorized transaction on Company's Account within thirty (30) days after Bank mails or otherwise makes the statement for Company's Account or other Account-Related Information describing the unauthorized transaction available to Company, Bank will not be liable to Company for any unauthorized transactions on Company's Account by the same person that could have been prevented if Company had complied with Company's obligations under this subsection. If Company notifies Bank of any claim for credit or refund later than required by this subsection, Bank may assert, at Company's request and on Company's behalf, any claim against a third party that Bank determines in Bank's sole discretion is permitted under the laws governing Company's Account or applicable rule.

##### **Returned, Unclaimed Statements or Other Account-Related Information.**

Unless otherwise prohibited by the laws governing Company's Account, (i) if two or more statements for Company's Account are returned, Bank may discontinue sending statements for Company's Account and other Account-Related Information to Company until Company provides a valid address to Bank; (ii) Bank may destroy statements for Company's Account

and other Account-Related Information that are sent to Company and returned to Bank as undeliverable; and (iii) if Bank holds the statement for Company's Account or other Account-Related Information for Company to pick up and the statement remains unclaimed for sixty (60) days, Bank may send the statement to the address reflected in Bank's records for Company's Account or destroy it.

#### **Address Changes for Statements for Company's Account and Other Account-Related Information.**

Company may instruct Bank to change the address to which Bank mails (or the means by which Bank otherwise makes available) statements for Company's Account and other Account-Related Information at any time. Bank may act on any such instruction purportedly made on Company's behalf within a reasonable time after Bank receives such instruction. Unless Company instructs Bank otherwise, Bank may in its sole discretion change the address only for the Account(s) Company specifies or for all or some of Company's other Accounts with Bank. Bank may change Company's address of record if Bank receives an address change notice from the U.S. Postal Service or if Bank receives information from a third party in the business of providing correct address information that the address in Bank's records no longer corresponds to Company's address.

#### **Notices and Other Mail.**

Any notice Company sends Bank will not be effective until Bank actually receives it and has a reasonable opportunity to act on it. If there is more than one Authorized Signer on Company's Account, Bank may send statements and other Account-Related Information to any one of them (unless Company has otherwise instructed Bank in writing). Company assumes the risk of loss in the mail. Any notice Bank sends Company will be effective when mailed or otherwise made available to Company.

#### **Electronic Communications.**

If Company provides Bank with an electronic address to which Bank may send electronic communications, Company agrees that Bank may send to Company by electronic communication any information that the laws governing Company's Account require be sent to Company in writing, provided such electronic communication does not violate the laws governing Company's Account. "Electronic communication" means a message transmitted electronically in a format that allows visual text or images to be displayed on equipment such as a personal computer monitor.

### **Fraud Prevention**

#### **Protection Against Unauthorized Items.**

Company acknowledges that there is a growing risk of losses resulting from unauthorized Items. Bank offers Services that provide effective means for controlling the risk from unauthorized Items. These Services include:

- Positive Pay, or Positive Pay with Payee Validation, or Reverse Positive Pay (each offered by Bank in conjunction with Bank's Account Reconciliation Plan Service);
- ACH Fraud Filter; and
- Payment Authorization Service.

If Bank has expressly recommended that Company use one or more of these Services (or any other Service related to fraud prevention that Bank offers after the date of this Agreement), and Company either decides not to use the recommended Service or fails to use the recommended Service in accordance with the applicable Service Description or other Bank documentation applicable to the Service, Company will be treated as having assumed the risk of any losses that could have been prevented if Company had used the recommended Service in accordance with the applicable Service Description or applicable documentation.

#### **Lost or Stolen Paper Items; Unauthorized Items.**

If any of Company's unissued Paper Items has been lost or stolen, or if Company learns that unauthorized Items are being issued on Company's Account, Company agrees to notify Bank at once. To the extent that Company's failure to so notify Bank hampers Bank's ability



to prevent loss, Bank will be relieved of any liability for such Items. Upon receipt of any such notice, Bank may at its sole discretion and without any liability to Company take one or more of the following actions: (i) close Company's Account and open a new account for Company; (ii) dishonor any Paper Item Company or an Authorized Signer has indicated may have been lost or stolen (unless Company or an Authorized Signer subsequently has instructed Bank to honor such an Item); or (iii) pay any Paper Item presented for payment on Company's Account, provided Company has instructed Bank to pay such Paper Item and given Bank the number of that Paper Item. If Bank opens a new account for Company and Company has authorized a third party to automatically make regular deposits to or withdrawals from Company's Account (such as wire or ACH transfers), Bank shall have no liability to Company if Company does not receive any regularly scheduled deposit or if a regularly scheduled payment is not made for Company due to Company's failure to notify that third party in a timely fashion of the number of Company's new Account.

#### **Preventing Misuse of Company's Account.**

Company agrees to take reasonable steps to ensure the integrity of Company's internal procedures with respect to Company's Account and Items drawn on Company's Account or deposited to it. To help prevent embezzlement and protect Company's business assets, Bank recommends Company:

- Assign responsibilities for Company's Account to multiple individuals. Those who reconcile statements for Company's Account should be different from those who issue Items drawn on Company's Account.
- Reconcile statements for Company's Account as received and notify Bank immediately of any problem.
- Contact Bank immediately if Company does not receive the statement for Company's Account when Company would normally expect to.
- Watch for Paper Items cashed out of sequence or made out to cash. These are classic red flags for embezzlement.
- Secure Company's supply of Paper Items at all times. Stolen Paper Items are a common method of embezzlement.
- Periodically reassign accounting duties such as reconciling Company's Account or making a deposit.
- Review transaction activity on Company's Account for unexpected fluctuations. For example, compare the percentage of cash deposits to total deposit size. Most businesses will maintain a constant average. A large fluctuation might indicate embezzlement.
- Destroy any Paper Item that Company does not intend to use.
- Use tamper-resistant Paper Items at all times.
- Notify Bank immediately when an Authorized Signer's authority ends so that his/her name can be removed from all signature cards and Online Banking access, and any Cards that Bank has issued to him/her can be cancelled.
- Do not sign blank Paper Items.
- Obtain insurance coverage for these risks.

#### **Claim of Unauthorized Transactions; Bank's Rights and Liability**

##### **Investigation by Bank; Company's Agreement to Cooperate.**

Bank shall investigate any transaction Company has reported to Bank as unauthorized (a "Claim of Unauthorized Transaction"). Company agrees to (i) submit Company's Claim of Unauthorized Transaction in writing to Bank by completing or obtaining a declaration under penalty of perjury describing Company's Claim of Unauthorized Transaction (in an affidavit form approved by Bank, if so requested); (ii) file a police report; (iii) complete and return to Bank any documents requested of Company; and (iv) in all respects cooperate fully at Company's expense with Bank in Bank's investigation of Company's Claim of Unauthorized Transaction.

#### Standard of Care.

Bank will meet its standard of care for Company's Account by exercising ordinary care in the transaction at issue. When Bank takes an Item for processing by automated means, "ordinary care" does not require Bank to examine the Item. In all other cases, "ordinary care" requires only that Bank follow standards that do not vary unreasonably from the general standards followed by similarly situated banks. Bank's policies and procedures are general internal guidelines for Bank's use and do not establish a higher standard of care for Bank than is otherwise established by the laws governing Company's Account. A mere clerical error or an honest mistake will not be considered a failure of Bank to perform any of its obligations. If Bank waives any of its rights as to Company or Company's Account on one or more occasions, it will not be considered a waiver of Bank's rights on any other occasion.

#### Limitation of Liability; Indemnification.

Whether in connection with Company's Account or a Service, in no event will either party to this Agreement or its respective directors, officers, employees, or agents be liable to the other party for any special, consequential, indirect or punitive damages, whether any claim is based on contract or tort or whether the likelihood of such damages was known to either party. The foregoing limitation of liability will not apply where expressly prohibited by the laws governing Company's Account. Bank will not have any liability to Company if there are insufficient available funds in Company's Account to pay Company's Items due to actions taken by (i) Bank in accordance with this Agreement or (ii) any third party. Except to the extent that Bank fails to exercise ordinary care or breaches this Agreement, Company agrees to indemnify and hold Bank and its directors, officers, employees and agents harmless from all claims, demands, losses, liabilities, judgments, and expenses (including their attorneys' fees and legal expenses) arising out of or in any way connected with Bank's performance under this Agreement. Company agrees this indemnification will survive the closing of Company's Account and the termination of any Service.

#### Adverse Claims.

If any person or entity makes a claim against funds in Company's Account, or if Bank believes that a conflict exists between or among the Authorized Signers on Company's Account or that there is a dispute over matters such as the ownership of Company's Account or the authority to withdraw funds from Company's Account, Bank may, without any liability to Company, take one or more of the following actions: (i) continue to rely on Bank's records to determine the ownership of or the identity of the Authorized Signer(s) for Company's Account; (ii) honor the claim upon receipt of evidence satisfactory to Bank to justify such claim; (iii) freeze all or a part of the funds in Company's Account until the dispute is resolved to Bank's satisfaction; (iv) close Company's Account and send a check for the available balance in Company's Account payable to Company or to Company and each claimant; or (v) pay the funds into an appropriate court.

#### Legal Process.

Bank may accept and act on any legal process it believes is valid, whether served in person, by mail or by electronic notification, at any location of Bank. "Legal process" includes a levy, garnishment or attachment, tax levy or withholding order, injunction, restraining order, subpoena, search warrant, government agency request for information, forfeiture, seizure, or other legal process relating to Company's Account. Any such legal process is subject to Bank's security interest and right of setoff. Bank will not notify Company of a grand jury subpoena affecting Company or Company's Account.

#### "Freezing" Company's Account.

As part of Bank's loss prevention program, when Bank suspects that irregular, unauthorized, or unlawful activities may be occurring in connection with Company's Account, Bank may "freeze" (or place a hold on) the balance in Company's Account (and in other Account(s) Company maintains with Bank) pending an investigation of such suspected activities. If Bank freezes Company's Account, Bank will give any notice required by the laws governing Company's Account.

**Force Majeure.**

Neither party to this Agreement shall be deemed to be in default of any of its obligations under this Agreement if its performance is delayed, hindered or becomes impossible because of any act of God or of any public enemy, hostilities, war (declared or undeclared), guerilla or terrorist activities, act of sabotage, blockade, earthquake, flood, landslide, avalanche, tremor, ground movement, hurricane, storm, explosion, fire, labor disturbance, riot, insurrection, strike, sickness, accident, civil commotion, epidemic, act of government or its agencies or officers, power interruption or transmission failure or any cause beyond the control of either party.

**Company's Insurance Coverage.**

Many businesses carry special insurance for employee fraud/embezzlement. If Company does, Bank reserves the right to require Company to file a claim with its insurance company before making any claim against Bank. In such event, Bank will consider Company's claim only after Bank has reviewed Company's insurance company's decision, and Bank's liability to Company, if any, will be reduced by the amount Company's insurance company pays Company.

<b>Substitute Checks</b>
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A federal law, known as the "Check Clearing for the 21st Century Act" or "Check 21," took effect on October 28, 2004. This law provides for an instrument called a "substitute check." A substitute check contains an accurate copy of the front and back of the original draft and bears the legend: "This is a legal copy of your check. You can use it the same way you would use the original check." As noted in the legend, a substitute check is the same as the original draft for all purposes, including proving that Company made a payment. Any Paper Item Company issues or deposits that is returned to Company may be returned in the form of a substitute check. Even if Company has cancelled Items returned with the statements for Company's Account, Bank may in its sole discretion withhold substitute checks therefrom. Company agrees Company will not transfer a substitute check to Bank, by deposit or otherwise, if Bank would be the first financial institution to take the substitute check, unless Bank has expressly agreed in writing to take it.

<b>Deposits to Company's Account</b>
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**General.**

Unless otherwise agreed in writing, Bank may, without inquiry, accept a deposit to Company's Account at any time, from any person or entity, made in any manner including without limitation a deposit based on an image of an Item. Bank may also refuse to accept all or any part of any deposit. Bank may require that Company deposit an Item that is made payable to Company to Company's Account, instead of permitting Company to cash the Item. Bank is not responsible for a deposit until a Bank employee has received and verified it. The receipt received at the time of deposit is not evidence that a deposit has been verified. Bank may reverse or otherwise adjust any credit Bank believes it has erroneously made to Company's Account at any time without prior notice to Company.

**Collection Items.**

Bank may, in its sole discretion and with notice to Company, handle a Paper Item as a collection Item, instead of as a deposit. This means Bank sends the Item to the issuer's bank for payment and credits Company's Account for the Item when Bank receives payment for the Item. If the Item is returned unpaid, Bank will return the Item to Company.

**Endorsements.**

This subsection applies if an endorsement is necessary for the transfer or negotiation of an Item. Company authorizes Bank to supply Company's endorsement on any Item Bank takes for collection, payment or deposit to Company's Account. Company also authorizes Bank to collect any unendorsed Item that is made payable to Company without first supplying Company's endorsement, provided the Item was deposited to Company's Account. Bank may refuse to pay any Item or accept any Item for deposit or collection unless Bank is able to verify to its satisfaction that all of the necessary endorsements are present on the Item. For example, Bank may require that all endorers be present at the time that an Item is presented to Bank for payment or accepted for deposit or collection.

**Material Appearing on the Back of Paper Items; Legends on Paper Items.**

Company is responsible for losses incurred by any person that cashes or accepts Company's Paper Items for deposit, if: (i) the loss is due to a delay in the return of the Item; and (ii) the delay is caused by material appearing on the back of the Item when it was issued or transferred by Company. This material may include, but is not limited to, carbon bands, blacked out areas, and printed or written text or numbers. Company is responsible for all losses, claims, damages or expenses that result from a restrictive legend or notation on Company's Paper Items.

**Breach of Warranties.**

If Company breaches any warranty Company makes under the laws governing Company's Account or rule with respect to any Item, Company shall not be released or otherwise discharged from any liability for such breach so long as Bank notifies Company of the breach within 120 days after Bank learns of the breach. If Bank fails to notify Company within this 120-day period, Company shall be released from liability and discharged only to the extent Bank's failure to notify Company within such time period caused a loss to Company.

**When Deposits are Credited to Company's Account.**

All over-the-counter deposits or ATM deposits to Company's Account which are received before Bank's established cut-off time on any Business Day will be credited (and will be considered deposited) to Company's Account as of the close of business that day, and will be reflected in that day's Ledger Balance for Company's Account. All other deposits (such as cash letter or lockbox) will be processed in accordance with the written agreements governing such deposits or, if there is no written agreement, banking practice. All deposits received after Bank's established cut-off time on a Business Day or at any time on a day which is not a Business Day will be credited (and will be considered deposited) to Company's Account at the end of the next Business Day. Deposits placed in one of Bank's "night depositories" before the established deadline on any Business Day will be credited to Company's Account at the close of business on that same day. All other deposits placed in the "night depository" will be credited to Company's Account at the end of the next Business Day.

**Use of Funds.**

Company's use of funds deposited to Company's Account will be governed by Bank's separately disclosed collection schedule and, if Company's Account is a checking account, funds availability policy. Bank's collection schedule describes when deposits of Items that satisfy certain criteria will be considered collected. A fee may be charged in connection with any use of uncollected funds permitted by Bank. The then-current rate will appear on the statement for Company's Account. Bank's funds availability policy describes when funds deposited to Company's checking Account will be available to be used for all purposes. Bank may change its collection schedule and funds availability policy from time to time without prior notice to Company.

**Deposits at Affiliates.**

Company may make deposits to Company's Account(s) at an Affiliate, provided the Affiliate agrees. If Company makes a deposit to Company's Account at an Affiliate, that Affiliate's collection schedule and funds availability policy will determine when the funds deposited to Company's Account will be considered collected and available.

**Deposits of Non-U.S. Items.**

Bank may refuse to accept for deposit or collection an Item that is payable in currency other than U.S. dollars or an Item that is not drawn on a financial institution chartered in the United States (each, a "non-U.S. Item"). If Bank accepts a non-U.S. Item for deposit to Company's Account or collection, Company accepts all risk associated with foreign currency fluctuation (exchange rate risk) and any late return of the non-U.S. Item. Company agrees Bank may use Bank's current buying and selling rate, as applicable, when processing a non-U.S. Item and may recover from Company's Account any loss Bank incurs as a result of processing such an Item for Company. Bank reserves the right to place longer holds on non-U.S. Items than the timeframes specified in Bank's funds availability policy for Deposited Items.

#### **Acts and Omissions of Other Financial Institutions.**

Bank is not liable for the insolvency, neglect, misconduct, mistake, or default of another bank or person, or for the loss or destruction of a Deposited Item or of a notice of nonpayment relating thereto. If a Deposited Item is lost or misrouted during the collection process: (i) Bank shall have no responsibility to Company for the actions or inactions of any collecting bank; (ii) Bank may charge Company's Account for the amount of the Deposited Item (and reverse any interest that may have accrued to Company's Account in connection with the Deposited Item); and (iii) Company agrees to cooperate with Bank in recreating the Deposited Item.

#### **Deposited Items Returned.**

Bank has the right to charge back to or otherwise debit any of Company's Account(s) for any Deposited Item that is returned (and to reverse or recover any associated interest that may have accrued), even if Company has made withdrawals against it. This right of charge back or debit is not affected by the expiration of any applicable midnight deadline, provided Bank does not have actual knowledge that such deadline has expired or, having such knowledge, Bank concludes that (i) the Deposited Item is returned in accordance with the laws governing Company's Account or a rule (including a clearing house rule); or (ii) Bank has received a claim that Company has breached a warranty made in connection with the Deposited Item. Bank has the right to pursue collection of such Deposited Item, even to the extent of allowing the payor bank to hold the Deposited Item beyond the midnight deadline in an attempt to recover payment. Bank may redeposit a returned Deposited Item and re-present it for payment by any means (including electronic means), unless Bank has received instructions from Company not to redeposit such Deposited Item. Bank will have no liability for taking or failing to take any action to recover payment of a returned Deposited Item. If one of Company's Deposited Items is returned with a claim that there is a breach of warranty (for example, that it bears a forged endorsement or is altered in any way), Bank may debit Company's Account for the amount of the Item (plus any associated fees) and pay the amount to the person or entity making the claim. Bank is under no duty to question the truth of the facts that are being asserted, to assess the timeliness of the claim, or to assert any defense. Bank need not give Company any prior notification of its actions with respect to the claim. Company agrees to immediately repay any Overdraft caused by the return of a Deposited Item.

#### **Direct Deposits Returned by Bank.**

If, in connection with a direct deposit plan funds are deposited to Company's Account and later returned to the originator, Bank may deduct the amount from that or any other Account Company maintains at Bank, without prior notice and at any time, except as prohibited by the laws governing Company's Account. Bank may also use any other legal remedy to recover the amount.

#### **Reconstructing Lost or Destroyed Deposited Items.**

If a Deposited Item is lost or destroyed during processing or collection (either at Bank or at another point in the payments system), Company agrees to cooperate fully with Bank to reconstruct the Deposited Item by promptly: (i) providing Bank with a copy of the front and back of the Deposited Item from Company's or the issuer's records; (ii) asking the issuer to place a stop payment on it (at Bank's expense) and issue a replacement Item to Company (if the Deposited Item has not been paid); or (iii) reviewing Company's records and other information and conducting any additional research as may be reasonable to determine the issuer's identity (if Company does not know the identity of the issuer of the Deposited Item). If Company fails to cooperate with Bank, Bank may, at any time and without advance notice to Company, reverse or otherwise adjust any credit made to Company's Account for a lost or destroyed Deposited Item.

<h3><b>Withdrawals from Company's Account</b></h3>
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#### **Determining Company's Account's Balance; Debiting Company's Account.**

In determining the balance in Company's Account that is available to pay Items, Bank may reduce the available balance by the amount of any hold that Bank has placed on Company's Account under this Agreement. Additionally, Bank may place a hold on Company's Account

if Bank receives an electronic notice that an Item will be presented for payment or collection against Company's Account (a "Notice of Presentment"). The hold may remain in effect from the time the Notice of Presentment is received until the Item is presented or notice is received that the Item will not be presented, whichever first occurs. Bank may conclusively rely on the information it receives in an electronic presentment or notification when determining the available balance in Company's Account, and Bank will not have any liability for refusing to honor any of Company's Items because of insufficient funds, even if the electronic presentment or notification incorrectly describes the Item, including its amount. Bank may debit Company's Account on the day an Item is presented by any means, including without limitation electronically, or at an earlier time based on notification received by Bank that an Item drawn on Company's Account will be presented for payment or collection. A determination of the balance in Company's Account for purposes of making a decision to dishonor an Item for insufficiency or unavailability of funds may be made at any time between the presentment of the Item (or earlier upon receipt of any Notice of Presentment) and the time of return of the Item. No more than one such determination need be made.

#### **Order of Posting.**

Bank may post Items presented against Company's Account in any order Bank chooses, unless the laws governing Company's Account either require or prohibit a particular order. For example, Bank may, if it chooses, post Items in the order of highest dollar amount to lowest dollar amount. Bank may change the order of posting Items to Company's Account at any time without notice.

#### **Paper Items Presented Over-the-Counter for Payment by a Non-Customer.**

If a Paper Item drawn against Company's Account is presented over-the-counter for payment by a person who does not have a deposit account at Bank, Bank may charge a fee to the person presenting the Paper Item as a condition for payment of the Paper Item. Company should contact its banker if Company has questions or if Company is required for any reason to have a place where Company's Paper Items can be cashed without a fee. The amount of the fee is disclosed in the fee and information schedule. Bank may require identification acceptable to Bank and not prohibited by the laws governing Company's Account, including a fingerprint of the person presenting the Paper Item. Bank may dishonor the Paper Item if the person refuses to pay this fee or provide the identification Bank requests.

#### **Large Cash Withdrawals.**

If Company wants to cash a check (or make a cash withdrawal from Company's Account) for a very large amount, Bank may require five (5) Business Days' advance notice so that it can order the cash from its vault. Bank may, but is not obligated to, require that Company provide adequate security when Company picks up the cash and may also require Company to pick up the cash at Bank's central vault or other location.

#### **Withdrawals at Affiliates.**

Company may make withdrawals from Company's Account at an Affiliate, provided the Affiliate agrees. If an Affiliate cashes an Item for Company, Bank may place a hold on Company's Account(s) for a corresponding amount of funds. If the Item is later returned to the Affiliate for any reason, Bank may debit one or more of Company's Accounts for the amount of the Item.

#### **Items Resulting From Company's Disclosure of Company's Account Number.**

If Company voluntarily discloses Company's Account number to another person orally, electronically, in writing, or by some other means, and Bank determines that the context of such disclosure implies Company's authorization to debit Company's Account, Bank may treat such disclosure as Company's authorization to that person to issue Items drawn on Company's Account.

#### **Missing Signatures; Alterations; Forgeries.**

Bank will have no responsibility for reviewing the number or combination of signatures on an Item drawn on Company's Account. This means that if Company has indicated that more than one signature is required in connection with an Item drawn on Company's Account,

Bank will have no liability to Company if a transaction is conducted on or through Company's Account contrary to the signature requirements Company has specified, provided at least one of the required signatures appears on the Item. Bank will have no liability to Company for failing to detect a forgery of the signature of an Authorized Signer or an alteration of one of Company's Items, if the forgery or alteration is such that a reasonable person could not reasonably be expected to detect it.

#### **Dates and Special Instructions on Paper Items.**

Bank may, without inquiry or liability, pay one of Company's Paper Items even though: (i) special instructions written on the Paper Item indicate that Bank should refuse payment (e.g., "Void after thirty (30) days," "Paid-In-Full," or "Void over \$100"); (ii) the Paper Item is stale-dated (e.g., it bears a date that is more than six (6) months in the past), even if Bank has knowledge of the date on the Paper Item; (iii) the Paper Item is post-dated (e.g., it bears a date in the future), unless an Authorized Signer has given Bank a notice of post-dating; or (iv) the Paper Item is not dated. In addition, Bank may pay in U.S. dollars the amount that has been MICR-encoded on Company's Paper Item, even though Company has purportedly drawn the Paper Item in a foreign currency.

#### **Facsimile or Mechanical Signatures.**

If Company has elected to use a facsimile or other mechanical signature (including a stamp) to sign or endorse Paper Items, Bank may rely on that signature (or any signature that purports to be the facsimile or other mechanical signature of an Authorized Signer) as Company's authorized signature without regard to when or by whom or by what means or in what ink color such signature may have been made or affixed to a Paper Item deposited to, drawn on or otherwise debited to Company's Account.

#### **Consumer ACH Debit Entries.**

Under the ACH Operating Rules, certain types of ACH entries may only be presented on a consumer account. These entries (each, a "Consumer ACH Debit Entry") include without limitation Point of Purchase ("POP"), account receivable ("ARC"), destroyed check ("XCK") and returned check ("RCK") entries. Bank shall have no obligation to pay, and no liability for paying, any Consumer ACH Debit Entry on Company's Account.

### **Stop Payment Orders; Notices of Post-Dating**

#### **General.**

"Stop payment order" refers to both an order to Bank not to pay a Paper Item and to a notice of post-dating. To be effective, a stop payment order must be received in a time and manner that gives Bank a reasonable opportunity to act on it before paying, accepting, certifying, cashing or otherwise becoming obligated to pay Company's Paper Item as provided in the Uniform Commercial Code. Each stop payment order is subject to Bank's verification that the Paper Item described in the order has not been paid. This verification may occur subsequent to the time Bank accepts the stop payment order.

#### **Content of Stop Payment Order.**

Bank requires the exact (i) name of the payee, (ii) number of Company's Account on which Paper Item is drawn, (iii) Paper Item amount and (iv) the Paper Item number or a range of Paper Item numbers. Bank may, at its sole discretion, use only a portion of the required information in order to identify a Paper Item. Failure to provide correct and complete information may make it impossible for Bank to stop payment of a Paper Item. Company agrees to indemnify and hold Bank harmless from and against any loss incurred by Bank as a result of Bank's paying a Paper Item if any of the information relied upon in the stop payment order is incorrect or incomplete (or as a result of Bank's not paying a Paper Item for which a valid stop payment order is in effect).

#### **Effective Period of Stop Payment Order; Renewal; Revocation.**

Bank need not honor a written stop payment order for more than six (6) months. For accounts that do not have Bank's STOP AUTO-RENEWAL Service, Company must renew a stop payment order if Company does not want the stop payment order to expire after six (6)

months. Each renewal is treated as a new stop payment order. For accounts with Bank's STOP AUTO-RENEWAL Service, a stop payment order is subject to annual renewals for up to six (6) twelve-month periods, unless Company has otherwise notified Bank in writing. Bank may pay a Paper Item after a stop payment order has expired, even though the Paper Item is more than six (6) months old. An instruction to revoke a stop payment order must be received in a time and manner that gives Bank a reasonable opportunity to act on it.

**Liability to Holder in Due Course.**

Notwithstanding Bank's timely return of any Paper Item due to a valid stop payment order, Company may still be liable under the laws governing Company's Account for the amount of that Item.

**Paper Items Paid Over Valid Stop Payment Orders.**

If Bank pays a Paper Item over a valid stop payment order, Bank may require Company to provide Bank with an affidavit describing in detail Company's dispute with the payee. If Bank credits Company's Account after paying a post-dated Paper Item over a valid and timely notice of post-dating, Bank may charge Company's Account for the amount of the Paper Item as of the date of the Paper Item.

Overdrafts; Security Interest; Bank's Right to Setoff
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**Overdrafts and Insufficient Funds.**

Bank may, at its option, pay or refuse to pay any Item if it would create an Overdraft on Company's Account, without regard to whether Bank may have previously established a pattern of honoring or dishonoring such an Item. Bank may take either of the following actions if Bank receives an Item drawn on Company's Account and there are insufficient available funds in Company's Account to cover the Item, without prior notice to Company:

- Pay the Item and create an Overdraft on Company's Account.
- Return the Item if the Item would create an Overdraft on Company's Account.

Company agrees to pay Bank's fee that may vary depending on the action Bank takes. Any Overdraft on Company's Account is immediately due and payable, unless Bank agrees otherwise in writing. Company agrees to reimburse Bank for the attorneys' fees and other costs and expenses Bank incurs in recovering the Overdraft (including Overdraft and associated fees). On a Business Day when Bank determines that there are sufficient funds in Company's Account to pay one or more but not all of the Items presented for payment on Company's Account, the order in which Bank posts such Items may affect the number of Items paid and the Overdraft and returned Item fees assessed. When Bank posts Items in the order of highest to lowest dollar amount, the Overdraft and returned Item fees may be more than these fees would be if Bank were to post the Items in the order of lowest to highest dollar amount.

**Security Interest; Bank's Right to Setoff.**

To secure Company's performance of this Agreement, Company grants Bank a lien on and security interest in Company's Account and Company's accounts with any Affiliate. In addition, Company acknowledges Bank may setoff against any Account(s) (including matured and unmatured time Account(s)) for any obligation Company owes Bank at any time and for any reason as allowed by the laws governing Company's Account. These obligations include both secured and unsecured debts and debts Company owes individually or together with another person. Bank may consider this Agreement as Company's consent to Bank's asserting its security interest or exercising its right of setoff should the laws governing Company's Account require Company's consent. If Company's Account is an unmatured time account, Bank may deduct any early withdrawal fee that may be due as a result of Bank having exercised its right of setoff. If Company has a Sweep Account, Company also authorizes Bank to redeem Company's shares in the Designated Money Market Fund and apply the proceeds to any obligation Company owes Bank. 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 Company may have granted to Bank.



### Bank Fees and Expenses

#### General.

Company agrees to pay Bank in accordance with the fee and information schedule. Company also agrees to pay an amount equal to any applicable taxes, however designated, exclusive of taxes based on the net income of Bank.

#### Payment of Bank Fees and Expenses; Finance Charges.

Bank may either directly debit Company's Account or invoice Company for Bank fees and expenses and taxes incurred in connection with Company's Account and any Service. If an Earnings Allowance accrues on Company's Account, Bank will periodically apply Company's accrued Earnings Allowance to Bank fees and expenses (unless Bank otherwise indicates in writing). Bank may debit Company's Account (or any other Account Company maintains at Bank) or invoice Company for any amount by which the fees and expenses exceed the accrued Earnings Allowance on Company's Account. Bank may also debit Company's Account (and any other account Company maintains at Bank) for attorneys' fees and any other fees and expenses Bank incurs in exercising its rights under this Agreement including Bank's rights in connection with Overdrafts, Adverse Claims, Legal Process and "Freezing" Company's Account. If there are insufficient funds in Company's Account to cover the debit, Bank may overdraw Company's Account. Company agrees to promptly pay any invoiced amount. Bank may assess finance charges on any invoiced amounts that are not paid within forty-five (45) days of the date of invoice. Finance charges are assessed at a rate of 1.5% per month (18% per annum) or the highest amount permitted by the laws governing Company's Account, whichever is less. Charges for accrued and unpaid interest and previously assessed finance charges will not be included when calculating finance charges. Payments and other reductions of amounts owed will be applied first to that portion of outstanding fees attributable to charges for accrued and unpaid interest and previously assessed finance charges, then to other fees and expenses. Debiting of service fees occurs on the twentieth (20<sup>th</sup>) day of each month, or if the twentieth (20<sup>th</sup>) day is not a Business Day, on the next succeeding Business Day.

#### Earnings Allowance.

Each month, the average monthly Investable Balance in a commercial demand deposit account may earn an "Earnings Allowance" which, depending on the arrangement with Bank, may be applied against that month's fees for the account. An Earnings Allowance in excess of the total monthly fees cannot be credited to the account as interest and may not be carried forward to the following month. Earnings Allowances are calculated on a 365/366-day year basis using an "Earnings Allowance Rate," which is a variable rate established by Bank (and which may be as low as zero percent). Bank reserves the right to change this rate at any time without notice to Company. If the account is an interest-bearing account, the account is not eligible to earn an Earnings Allowance.

### Checking Subaccounts

For each checking account, Bank may establish on Company's behalf a master account and two subaccounts. All information that is made available to Company about Company's Account will be at the master account level. The subaccounts are comprised of a savings account and a transaction account. On the first day of each month, Bank will allocate funds between the two subaccounts as it deems appropriate. Items received by Bank that are drawn against Company's master account will be presented for payment against the transaction subaccount. Funds will be transferred from the savings subaccount to cover Items presented against the transaction subaccount as may be needed. On the sixth (6<sup>th</sup>) transfer from the savings subaccount during a statement period all of the funds on deposit in the savings subaccount will be transferred to the transaction subaccount. If Company's Account earns interest, the use of subaccounts will not affect the interest Company earns.

Miscellaneous
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**Acceptable Form of Paper Items; Document and Image Quality.**

Company agrees to comply with Bank's specifications for Paper Items, including without limitation paper stock, dimensions, and other generally applicable industry standards for Paper Items and to include on Company's Paper Items Bank's name and address as directed by Bank. Certain features (such as security features) of an originally issued Item or a Deposited Item may impair the image quality of a substitute check, purported substitute check or electronic Item created by Bank or any third party. Bank will not be liable for any claims, demands, judgments or expenses paid, suffered or incurred by Company, and Company will indemnify Bank from and hold Bank harmless against any claims, demands, judgments or expenses paid, suffered or incurred by Bank, arising directly or indirectly as a result of or in connection with (i) the untimely return of any Paper Item Company has issued as a result of, and any presentment-related problem resulting from, the failure of the Paper Item to conform in any respect to Bank's Paper Item specifications, including without limitation, failure to include Bank's full name and address on the Paper Item, and (ii) any claim based on the image quality of a substitute check, purported substitute check or electronic Item, whether created by Bank or any third party.

**Closing Company's Account.**

Company may close Company's Account at any time. Bank may, in its sole discretion, close Company's Account at any time. If Bank closes Company's Account, Bank may send the Collected Balance on deposit in Company's Account by ordinary mail to Company's most recent address shown on Bank's account records. Whether Company or Bank closes Company's Account, Company agrees to maintain on deposit in Company's Account sufficient funds (determined in Bank's sole discretion) to cover outstanding Items to be paid from Company's Account, charge-backs including without limitation returned Deposited Items and Bank's fees and expenses. This Agreement shall continue to govern Company's Account until Bank makes a final disbursement from it. In addition, Bank will not be liable for any loss or damage that may result from dishonoring any of Company's Items that are presented or otherwise received after Company's Account is closed.

**Contract Language.**

English is the controlling language of the relationship between Company and Bank. Bank may translate its agreements, forms, disclosures and advertisements into another language for Company's convenience. However, if there is a discrepancy between Bank's English language materials and the materials in another language, the English language version is controlling, unless (i) Bank otherwise agrees with Company in writing; or (ii) the laws governing Company's Account specifically provide for a different result.

**Credit Reports.**

Company authorizes Bank to make any inquiries that Bank considers appropriate to determine if Bank should open and maintain an Account for Company. This may include ordering a credit (or other) report (e.g., information from any motor vehicle department or other state agency) on Company.

**Disclosure of Information.**

Generally, absent Company's consent, Bank will not disclose information about Company's Account, but may do so under the following circumstances: (i) to comply with the laws governing Company's Account; (ii) in connection with examinations by state and federal banking authorities; (iii) to comply with any legal process, including without limitation a subpoena, search warrant or other order of a government agency or court; (iv) when Bank determines that disclosure is necessary or appropriate in order to complete a transaction; (v) to verify the existence and condition of Company's Account for a third party, such as a merchant or credit bureau; (vi) to provide information to Company's legal representative or successor; (vii) when reporting the involuntary closure of Company's Account; (viii) when Bank concludes that disclosure is necessary to protect Company, Company's Account, or the interests of Bank; (ix) to agents, independent contractors, and other representatives of

Bank in connection with the servicing or processing of Company's Account or Account transactions, Account analysis, or similar purposes; (x) to Bank's Affiliates and affiliated companies; or (xi) if Company gives Company's permission.

**Dormant and Unclaimed Accounts.**

Company's Account is dormant if, for one year for a checking account or three years for a Commercial savings or time account, there is no customer initiated activity (except where the laws governing Company's Account require otherwise). If Company's Account is dormant, Bank may hold all statements on Company's Account, but Bank's normal maintenance and other fees will continue to be assessed except where prohibited and ATM and Point-of-Sale ("POS") access may be blocked. If Company's Account remains dormant and is unclaimed by Company for the period required under the laws governing Company's Account, Bank is required by those laws to "escheat" the funds; that is, to deliver the funds in Company's Account to the state whose laws govern Company's Account. Bank may charge a fee to Company's Account for mailing an escheat notice. When the funds in Company's Account are delivered to the state, Company's Account is closed, and no interest accrues. To recover funds delivered to the state, Company must file a claim with the state.

**Entire Agreement; Headings; No Third Party Beneficiary.**

This Agreement constitutes the entire agreement between Company and Bank regarding the subjects addressed in it and supersedes prior oral or written representations, conditions, warranties, understandings, proposals or agreements regarding Company's Account. Headings do not constitute a part of this Agreement. No person or entity will be deemed to be a third party beneficiary under this Agreement.

**Laws Governing Company's Account.**

The laws governing Company's Account include the laws and regulations of the United States and, to the extent applicable, the laws of the state in which the Bank office that maintains Company's Account is located (unless Bank has notified Company in writing that the laws of another state shall govern Company's Account), without regard to conflicts of laws principles. If Company's Account was not opened in person at a Bank office (for example, if Company opened its Account by phone, through the mail, or over the Internet), Company's Account will be governed by the laws of the state in which Bank's main office is located, unless Bank notifies Company that its Account has been assigned to a particular Bank office, in which event the laws of the state in which that office is located will govern Company's Account. Any lawsuits, claims, or other proceedings relating in any way to Company's Account, any Service or this Agreement, including without limitation, the enforcement of the Arbitration Agreement in this Agreement and the entry of judgment on any arbitration award shall be venued exclusively in the courts of the state whose laws govern Company's Account, without regard to conflict of laws principles. Each provision of this Agreement stands alone. Any provision of this Agreement which is inconsistent with the laws governing Company's Account, either in its entirety or with respect to a particular type of transaction or Item, will be deemed modified and applied in a manner consistent with the laws governing Company's Account. Any provision of this Agreement which a court of competent jurisdiction determines to be unenforceable or invalid, either in its entirety or with respect to a particular type of transaction or Item, will not affect the enforceability or validity of the remaining provisions of this Agreement.

**Minimum Balance Requirements; Other Restrictions.**

Bank may impose minimum balance requirements or other applicable limitations, or restrictions on Company's Account, provided such requirements, limitations, or restrictions are disclosed to Company.

**Modification of Agreement; Account Conversion.**

Bank may in its sole discretion from time to time change this Agreement by adding new provisions or by modifying or deleting existing provisions. Each such addition, modification or deletion is referred to in this Agreement as a "modification." When applicable law requires Bank to notify Company of a modification, Bank may do so by posting notice of the modification in Bank or at Bank's home page ([www.wellsfargo.com](http://www.wellsfargo.com)), by including

a message on or with the statement for Company's Account, or by any other means that Bank considers appropriate, unless the laws governing Company's Account requires notice by a specific means. In addition, Bank may agree in writing to waive a provision of this Agreement including without limitation a fee (a "waiver"). Bank may, upon prior written notice to Company, revoke any waiver. Company's continued use of Company's Account or a related Service following the effective date of any modification or revocation of any waiver will show Company's consent to that modification or revocation of waiver. Bank may convert Company's Account to another type of account at any time, provided Bank gives Company any advance notice that may be required.

**Monitoring and Recording Communications.**

Bank may without liability monitor, record and retain telephone conversations, electronic messages, electronic records and other data transmissions between Company and Bank at any time without further notice to Company, unless further notice is otherwise required by the laws governing Company's Account.

**No Fiduciary Relationship.**

Bank's relationship with Company concerning Company's Account is that of debtor and creditor; no fiduciary, quasi-fiduciary, or special relationship exists between Company and Bank.

**Reliance on Bank Records.**

Bank may rely solely on its records to determine the form of ownership of and the Authorized Signers on Company's Account.

**Reordering Checks.**

Company can reorder checks by mailing the reorder form enclosed in Company's current order of checks or by calling Bank at the telephone number shown on the statement for Company's Account. If Company or a third party prints its checks, Bank shall have no liability to Company if Bank is unable to process such checks by automated means.

**Transferring an Interest in Company's Account.**

Company's Account may not be pledged, assigned, or in any other manner transferred, whether in whole or in part, without Bank's written agreement.

## II. Additional Terms Applicable to All Commercial Interest-Bearing, Savings and Time Accounts

Interest-Bearing Accounts
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**Variable/Fixed-Rate Accounts.**

Company's interest-bearing Account may be either a variable-rate or fixed-rate account. Unless Bank has specified otherwise in writing, Company's Account will be a variable-rate account. That means Bank may in its sole discretion change the interest rate on Company's Account at any time. If Company's Account is a fixed-rate account and it is not a time account, Company will be paid the specified interest rate for at least thirty (30) days.

**Method Used to Calculate Earned Interest.**

Bank may use either the average daily balance or daily balance method to calculate interest. The average daily balance method applies a periodic rate to the average daily collected balance for the period. The average daily balance is calculated by adding principal for each day and dividing by the number of days in the period. The daily balance method applies a daily periodic rate to principal each day. Unless Bank has specified otherwise in writing, it will use the daily balance method to calculate interest. If Company's Account is a tiered-rate account, Bank may pay the same interest rate on more than one tier.

**Interest Accrual.**

If Company deposits a non-cash Item, such as a check, interest begins to accrue no later than the Business Day Bank receives credit for the deposit of that Item. This may not be the same day that Company deposits the non-cash Item to Company's Account.

**Compounding and Crediting.**

Interest will compound on a daily basis. For checking and savings accounts, interest will be credited on a monthly basis. For time accounts, Bank will notify Company separately as to the frequency with which interest will be credited to Company's Account.

**Target Balance Accounts.**

If Company maintains multiple accounts at Bank, Company may, with Bank's consent, designate in writing one such account as its "Principal Account" and one or more additional accounts as "Target Balance Accounts." For each Target Balance Account, Company will separately specify to Bank in writing the Ledger Balance or Collected Balance which Company wishes to maintain in such account (the "Target Balance"). At the end of each Business Day, Bank will determine the applicable balance on deposit in each Target Balance Account. If the applicable balance in a Target Balance Account exceeds its Target Balance, Bank will transfer from the Target Balance Account to the Principal Account such funds as are necessary to bring the applicable balance to the Target Balance. If the applicable balance is less than the Target Balance, Bank will transfer from the Principal Account to the Target Balance Account such funds as are necessary to bring the applicable balance to the Target Balance. Bank may, but will not be required to, transfer funds if the transfer would create an Overdraft or exceed the Collected Balance then on deposit in the Principal Account.

**Interest Adjustments.**

An interest adjustment may be reflected on the statement for Company's Account for the month after it occurs rather than the month in which it occurs.

**Tax Identification Number Certification.**

In most instances, Treasury regulations require Bank to obtain a Tax Identification Number ("TIN") for each account. To avoid backup withholding tax on accounts that earn interest or dividends, Company must submit Internal Revenue Service ("IRS") Form W-9 or Form W-8BEN to Bank. U.S. citizens or other U.S. persons, including resident alien individuals, must provide a Form W-9. If Company is a non-resident alien, Company must provide a Form W-8BEN. Other additional forms may be required if Company is a foreign partnership, foreign government, or is claiming an exemption based on Effectively Connected Income. Until Bank has received the completed and signed Form(s) W-9 or W-8BEN, Bank may either not pay interest or pay interest and comply with the backup withholding requirements of the IRS. If Company's Account is an interest-bearing checking or savings account, it will begin earning interest at the rate in effect on the date Bank receives Company's Form(s) W-9 or W-8BEN. If Company's Account is a time account, it will earn interest at the rate in effect on the date opened or the date of last maturity, whichever is later. If, at any time, Bank receives information which indicates that someone other than Company is using the same TIN that Company certified as its TIN on Form W-9, and Bank is not able to determine to its own satisfaction that the TIN has been assigned to Company, Bank may at its option and without notice (i) stop paying interest on Company's Account, (ii) continue paying interest but comply with the backup withholding requirements of the IRS and/or, (iii) take any other action which Bank believes is reasonable in the circumstances. If Company is an individual who owns its Account as a sole proprietor, upon that individual's death, Bank must be provided with the individual's estate's or successor's TIN or Bank may either refuse to pay interest earned on Company's Account since the date of the individual's death or withhold a portion of the interest that has been earned on Company's Account since the date of the individual's death.

**Commercial Savings Accounts**
**Bank's Right to Require Notice.**

Bank has the right to require seven (7) days' written notice before Company withdraws money from Company's savings Account.

**Limitations on Transfers from Company's Savings Account.**

Preauthorized transfers, automatic transfers, online transfers, payments to other persons, and transfers by telephone from Company's savings Account are limited to six (6) a month.

Preauthorized transfers include automatic bill payments, transfers to Company's other Accounts with Bank, or automatic transfers to other persons that Company has authorized Bank to make. If Bank permits transfers from Company's savings Account by check, draft, point of sale POS purchases, check card or any similar order for withdrawal, no more than three (3) of the six (6) transfers may be made by such means in a calendar month or statement cycle. If Bank determines that Company is exceeding the limits described above on more than an occasional basis, Bank will, at its option, either close Company's savings Account, transfer the funds on deposit in Company's Account to another account that Company is eligible to maintain, or terminate Company's right to make transfers and write Items against Company's savings Account.

### Commercial Time Accounts

#### General.

Commercial Time ("time") Accounts include deposits which are payable, either on a specified date or at the expiration of a specified time, no less than seven (7) calendar days after the date of deposit. Bank may refer to a time account as a "certificate of deposit" or a "CD," even though the time account is not represented by a certificate.

#### Certificated Time Accounts.

If Company receives a certificate evidencing Company's time Account, Bank may require Company to present the certificate and any amendments to receive payment or transfer ownership.

#### Maturity Date.

Company's time Account will mature at the end of the term stated on Company's receipt, disclosure or certificate, as applicable.

#### Time Requirements.

Company agrees to keep Company's funds on deposit until the maturity date. Company may make withdrawals from Company's time Account on the maturity date or within the grace period after that date. Bank will not agree in advance to allow withdrawal before maturity.

#### Payment of Interest.

If Company has elected a payment of interest other than a credit to Company's time Account, Bank may in its sole discretion terminate it in favor of crediting Company's time Account. Ordinarily, such discretion will be exercised when an interest payment mailed to Company's Account address has been returned undelivered or when an Account to which Company's interest payments were automatically credited has been closed, or if the interest payment amount is less than any minimum amount disclosed in the fee and information schedule.

#### Additional Deposits.

Other than during the grace period, Company may not make additional deposits to Company's time Account, unless Bank otherwise agrees in writing.

#### Withdrawal of Interest Prior to Maturity.

A withdrawal of interest prior to maturity will reduce earnings.

#### Renewal Policies.

If Company's time Account is automatically renewable, at maturity it will renew (i) for a like term; and (ii) at Bank's interest rate in effect on the maturity date for a new time deposit of the same term and amount, unless Bank has notified Company that it will not renew Company's Account. Company may withdraw Company's funds anytime during the grace period without a fee. If Company does, Bank will not pay interest for that period on the funds withdrawn. If Company's time Account is not automatically renewable and Company does not withdraw the funds on the maturity date, the funds will no longer earn interest after the maturity date and will be placed in a non-interest-bearing checking Account.

### III. Funds Transfers

#### General.

Funds transfers to or from Company's Account will be governed by the rules of any funds transfer system through which the transfers are made, as amended from time to time, including, without limitation, the National Automated Clearing House Association and any regional association (each, an "ACH") and Clearing House Interbank Payments System ("CHIPS"). The following terms are in addition to, and not in place of, any other agreements between Company and Bank regarding funds transfers.

#### Notice of Receipt of Funds.

Unless Bank has otherwise agreed in writing, it will notify Company of funds electronically debited or credited to Company's Account through the statement for Company's Account covering the period in which the transaction occurred. Bank is under no obligation to provide Company with any additional notice or receipt.

#### Reliance on Identification Numbers.

If a transfer instruction describes the person to receive payment inconsistently by name and account number, payment may be made on the basis of the account number even if the account number identifies a person different from the named person. If a transfer instruction describes a participating financial institution inconsistently by name and identification number the identification number may be relied upon as the proper identification of the financial institution.

#### Duty to Report Unauthorized and Erroneous Fund Transfers.

Company agrees to exercise ordinary care to determine whether a fund transfer to or from Company's Account was either erroneous or not authorized and will notify Bank of the facts within a reasonable time not exceeding fourteen (14) days after Bank sends or makes available to Company the statement for Company's Account on which the transfer appears or Company otherwise has notice of the transfer, whichever is earlier. Company will be precluded from asserting that Bank is not entitled to retain payment unless Company objects to payment within the fourteen (14) day period.

#### Erroneous Payment Orders.

Bank has no obligation to detect errors in payment orders (for example, an erroneous instruction to pay a beneficiary not intended by Company or to pay an amount greater than the amount intended by Company, or an erroneous transmission of a duplicate payment order previously sent by Company). Should Bank detect an error on one or more occasions, it shall not be construed as obligating Bank to detect errors in any future payment order.

#### Automated Clearing House (ACH) Transactions.

The following terms apply to payments to or from Company's Account that are transmitted through an ACH:

- Company's rights as to payments to or from Company's Account will be governed by the laws that govern Company's Account.
- Credit given by a receiving bank to its customer for a payment from Company's Account is provisional until final settlement has been made or until payment is considered received under the laws that govern Company's Account.
- If final settlement or payment is not made or received, the receiving bank will be entitled to a refund from its customer and Company, as the originator of the payment will not be considered to have paid Company's customer.
- If a payment is made to Company's Account and Bank does not receive final settlement or payment is not received under the laws governing Company's Account, Company will not be considered to have received payment, and Bank will be entitled to reimbursement from Company for that payment.
- Company hereby authorizes any Originating Depository Financial Institution (ODFI) to initiate, pursuant to ACH Operating Rules, ACH debit entries to Company's Account for electronic presentment or re-presentment of Items written or authorized by Company.

#### IV. Selected Services

##### ATM Deposit Service.

Company may elect to utilize Bank's ATM Deposit Service by completing and returning to Bank an ATM Deposit Service Setup Form. This Service allows Company to make deposits to Company's Account using a Treasury Express Deposit® card ("Deposit Card") and a designated Wells Fargo® ATM ("ATM"). Company shall make such deposits according to the instructions Bank provides and shall gain access to the ATM using the Deposit Card and a Personal Identification Number ("PIN"), the risk of misuse of both of which Company assumes. Bank will provisionally credit each deposit to Company's Account based on the amount Company keys into the ATM. Company will receive same-day availability for cash subject to the standard cut-off time established for the ATM into which the deposit was made and Bank's funds availability policy applicable to Company's Account. If the dollar amount of Company's deposit as determined by Bank differs from Company's total (as shown on Company's ATM receipt), Bank will send Company a statement showing the amount of this difference. Company agrees Bank's count of the dollar amount of Company's deposit will be conclusive and binding on Company. Company will have full responsibility for each deposit and its contents until the deposit has been completely and physically accepted into the ATM. If Company claims any portion of a deposit was lost or stolen while in Bank's custody, Company acknowledges Company has the burden of proving its claim. If Company orders supplies for the ATM Deposit Service through the ATM, Company authorizes Bank to initiate debits to Company's Account and credits to the accounts of third party vendors to cover the cost of such supplies provided to Company. Such transfers may be processed through an automated clearing house or any other means chosen by Bank and will be subject to the rules of the funds transfer system used by Bank. Company's authorization will remain in full force and effect until Bank has received written notification from Company of its termination in such time and manner as to afford Bank and any third party vendor a reasonable opportunity to act on it.

##### Treasury Express Deposit® Service.

If Company elects to utilize Bank's Treasury Express Deposit ("TED") Service, Company will prepare, package and deliver TED deposits to Bank in accordance with Bank's instructions. Bank will provisionally credit Company's Account for the currency shown on the deposit ticket enclosed in Company's TED bag as follows: (i) same day credit for deposits delivered to an office of Bank before that office's cut-off time on any Business Day or for deposits placed in night depository of Bank before 6:00 a.m. on any Business Day; or (ii) next Business Day credit for deposits delivered to an office of Bank on any Business Day on or after Bank's office's cut-off time or on any non-Business Day. All TED deposits are subject to Bank's acceptance and verification. Bank will verify the currency in Company's TED bag either at a later time in Bank's office or when Company's TED bag is delivered to Bank's cash vault. Checks will be verified when they are delivered to Bank's check processing center. Bank reserves the right to adjust (debit or credit) Company's Account if Bank determines that the amount shown on Company's deposit ticket is incorrect. Because the frequency of armored courier transportation from Bank's offices to Bank's vaults varies from office to office, the time it takes to verify Company's TED deposit may vary, depending on the office to which Company's TED bag is delivered. In most cases, adjustments will be made and notification will be sent within three (3) Business Days. Adjustments will be effective when they are processed.





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COM1416 (5/05)

## COMMERCIAL DEPOSITORY SERVICE DESCRIPTION



1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") commercial depository services (each, a "Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of Service.** With the Service, Company may order currency and coin (collectively, "cash") from Bank's cash vault and Bank will make such cash available to an armored car service acting as Company's agent ("Agent") at Bank's cash vault.
3. **Cash Orders from Bank's Cash Vault.**
  - 3.1. **Cash Requests.** Company may request in writing, telephonically by operator-assisted call or by touch tone/automated response, or electronically via transmission, facsimile, or Bank's *Commercial Electronic Office*® (CEO®) portal (each a "Cash Request") that Bank make available to Company's Agent at Bank's cash vault, in an amount designated in the Cash Request, shipments of cash (each a "Cash Shipment") in bags or other containers ("Cash Bags"). Bank is authorized to act upon any Cash Request Bank receives in accordance with this Service Description, and which Bank believes in good faith to have been made by an authorized representative of Company. Bank has no obligation whatsoever to verify, and will not be liable for its failure to verify or investigate, any Cash Request.
  - 3.2. **Making Cash Available to Company's Agent.** Bank is authorized to make Cash Shipments available to any person whom Bank in good faith believes to be Company's Agent. Bank will have no further responsibility, and Company assumes all risk of loss, for cash made available to any such person. Bank will make Cash Shipments available only at the locations, on days, and during the hours published by Bank from time to time. Bank reserves the right to suspend the Service at any time without notice.
  - 3.3. **Company's Authorized Representatives.** Company will promptly certify to Bank the identity of: (a) the person with whom Bank is authorized to communicate regarding authorization codes or other security procedures; (b) Company's Agent authorized to accept delivery of cash; and (c) where applicable, the persons who are authorized users of the Service. Company will give prior written notice to Bank of any change in the person(s) or Agent so authorized by Company. Bank will be fully protected in relying on each such notification and on the obligation of Company to promptly notify Bank of any change in the person(s) or Agent so authorized by Company.
  - 3.4. **Security Procedures.** For requests made in writing or by facsimile, operator-assisted telephone call or transmission, a Customer ID assigned by Bank is required. For CEO requests, a User ID assigned by Bank is required. For touch-tone/automatic response telephone requests, an Access Code is required which can be assigned either by Bank or by Company. Operator limits may also be required. It is Company's responsibility to put into place internal procedures that will minimize the risk of an unauthorized person gaining access to the Customer ID, User ID(s) and Access Code(s). Such internal

procedures include without limitation requiring users to maintain such number(s) and code(s) in strict confidence. Company will notify Bank immediately in the event a breach of security is suspected.

**3.5. Debit of Account.** On the Business Day that Bank makes available any Cash Shipment to Company's Agent, Bank is authorized to debit Company's designated account at Bank's or Bank's affiliate ("Designated Account") for the aggregate amount of the shipment. Company will maintain collected balances in the Designated Account sufficient at all times to cover fully any debit. Bank has no obligation to release a requested Cash Shipment or any portion thereof to Company's Agent unless there are sufficient collected funds in the Designated Account to fully cover the amount of the Shipment at the time the Shipment is to be made available to Company's Agent. If Company fails to specify a Designated Account to Bank, Bank may debit any account which Company maintains with Bank for the amount of a requested Cash Shipment.

**3.6. Packing Slip; Differences in Shipment Amount.** Each Cash Shipment will be accompanied by a packing slip. The packing slip will disclose the aggregate amount of the Cash Shipment, the overall number of containers included in the Cash Shipment, and the number of containers delivered to Company's Agent for transmittal to Company. With respect to any Cash Shipment made available to Company's Agent, Company will notify Bank immediately in writing of any difference between the amount specified on the packing slip for that Shipment and the amount, as counted by Company, of the Shipment. In the event that the difference cannot be resolved, Bank's count of the amount of the disputed Shipment will be conclusive and binding on Company.

**4. Delivery and Processing of Deposit Shipments at Bank's Cash Vault.** The following procedures will govern Company's delivery of currency, coin, checks, other negotiable instruments or food coupons (each a "Deposit Shipment") to Bank's cash vault locations, and Bank's processing of such Deposit Shipments:

**4.1. Use of Agent to Deliver Shipments.** Company will deliver Deposit Shipments in deposit bags or other containers ("Deposit Bags") to one of Bank's cash vaults via an armored car service acting as Company's agent ("Agent"). Company is responsible for making all arrangements with its Agent for delivery of Deposit Shipments. Bank may accept Deposit Shipments from any person Bank believes in good faith to be Company's Agent. The delivery of a Deposit Bag to Bank or Bank's receipt for it on a manifest will not be deemed proof of Bank's receipt of the contents listed on the deposit slip contained in the Deposit Bag or Company's records. Bank will have no responsibility for any Deposit Bag or its contents delivered to one of Bank's cash vaults until the Deposit Bag is accepted by Bank in accordance with its procedures and the contents of the Deposit Bag are counted by Bank.

**4.2. Delivery Procedures.** In delivering a Deposit Shipment to Bank's cash vault, Company agrees to comply (and to cause its Agent to comply) with the following procedures:

- Deliver Deposit Bags only at the locations, on the days, and during the hours published by Bank from time to time;
- Properly endorse all checks and other negotiable instruments included in a Deposit Shipment;
- Use only Bank-approved Deposit Bags that are properly secured;

- Specify the number of Deposit Bags belonging to Company which are included in the overall shipment delivered to Bank, as well as the contents of each Deposit Bag, on a delivery manifest, a copy of which Company's Agent will provide to Bank at the time of delivery;
- Obtain the signature of Bank's employee who accepts delivery on that portion of the delivery manifest which the Agent retains; and
- Retain a copy of the receipt or other document covering each Deposit Bag delivered by Company to its Agent for at least one year from the date of delivery to Company's Agent.

Company agrees that Deposit Bags will be used only for the deposit of currency, coin, checks, other negotiable instruments or food coupons (collectively "items"), and will not be used in any unauthorized manner or for any unlawful purpose. As to any property other than items included in a Deposit Bag, Bank will not be deemed a bailee and will have no liability for any loss of or damage to such property which may occur.

- 4.3. Cut-off Time; Deposit to Designated Account.** If a Deposit Shipment is received at one of Bank's cash vaults on a Business Day before Bank's published "cut-off time" for that cash vault, the aggregate amount of the deposits in such Shipment will be credited on that Business Day to the account with Bank specified on the deposit slip for that Shipment (the "Depository Account"). If a Deposit Shipment is received at a cash vault on a Business Day after Bank's "cut-off time," the aggregate amount of the deposits in that Shipment will be credited to the Depository Account on the next succeeding Business Day. Bank will not deposit any items received in any Deposit Shipment unless the account number of the Depository Account into which the deposit is to be made is specified on the deposit slip for that Shipment.
- 4.4. Processing of Deposit Shipments.** Company authorizes Bank to open each Deposit Bag, count the contents, credit the amount of items to the Depository Account indicated on the deposit slip contained in the Deposit Bag and process any food coupons, all in accordance with Bank's customary procedures. All deposits are subject to verification, and Bank's count of the items will be conclusively deemed to be correct and complete for all purposes. No relationship of debtor and creditor will arise between Bank and Company until the count has been completed and the deposit credited to the Depository Account. Company acknowledges that it has had an opportunity to have Bank's applicable count and verification procedures explained to its representative and agrees that the same will be deemed commercially reasonable. Company understands that no photocopying or microfilming of items will be performed at any cash vault location.
- 4.5. Adjustment Procedures.** If the aggregate amount of the items in any Deposit Shipment, as counted by Bank, is less than that reported on the deposit slip covering that Shipment, Bank will debit the Depository Account specified on the deposit slip by such difference and report the difference to Company. If that Depository Account has an insufficient collected and available balance to cover the debit, Bank will debit any of Company's other accounts with Bank for the difference, and Company agrees to promptly reimburse Bank for the difference (or any portion thereof) for which there are insufficient available balances in Company's accounts with Bank. If the aggregate amount of the items in any Deposit Shipment, as counted by Bank, is more than that reported on the deposit slip covering the Shipment, Bank will credit the Depository Account specified on the deposit slip for the difference and notify Company of the difference.

**5. Delivery and Processing of Deposit Shipments at Bank's Night Depository Locations.** The following procedures will govern Company's delivery of currency, coin, checks, other negotiable instruments or food coupons (each a "Night Deposit") to Bank's night depository locations, and Bank's processing of Night Deposits.

- 5.1. Night Depository Locations; Issuance of Keys.** Company may make Night Deposits to its deposit account(s) with Bank by placing the items to be deposited into disposable bags furnished by Bank (each a "Night Bag") and then placing the Night Bags in the night depository receptacle ("Night Depository") at one of Bank's branches/stores (each a "Store") listed on Bank's Night Depository Set-up Form. Each office of Company listed on the Night Depository Set-up Form will receive one key to the Night Depository at a designated Store. Company will designate in writing to Bank the individuals to receive the key for each of its offices; Bank may require such individuals to sign a receipt for the keys they receive.
- 5.2. Contents of Night Bags; Deposit of Night Bags.** Company agrees that Night Bags will be used only for the deposit of currency, coin, food coupons, checks or negotiable instruments properly endorsed by Company (collectively "items"), and will not be used in any unauthorized manner or for any unlawful purpose. As to any property other than items included in a Night Bag, Bank will not be deemed a bailee and will have no liability for any loss of or damage to such property which may occur. Each Night Bag must contain one or more deposit slips listing all the items contained in that Bag and their total dollar amount, and identifying the deposit account of Company into which the dollar amount of the deposit is to be credited (the "Designated Account"). After each Night Bag is placed in a Night Depository, the Night Depository must be securely locked. At the time each Night Bag is placed in a Night Depository the Bag must be securely closed and placed completely in the Night Depository.
- 5.3. Processing of Night Deposits.** Bank may open each Night Bag and remove its contents without Company or any of its representatives being present. The contents of each Night Bag will be processed in accordance with Bank's standard procedures, and if placed in a Night Depository before Bank's established "cut-off time" on any Business Day, those items acceptable for deposit will be deposited into the Designated Account as of the close of business on that same Business Day. The cut-off time for deposits made through the night depository may be different from that for deposits made at the teller line. Night Deposits placed in a Night Depository after Bank's established "cut-off time" will be credited to the Designated Account on the next succeeding Business Day. Company understands and agrees that the contents of a Night Bag will not be credited to the Designated Account, nor will the relationship between Company and Bank be that of a debtor to a creditor with respect to any item in a Bag, until Bank has accepted the item for deposit into the Designated Account after counting all the items in the Bag and calculating the total dollar amount of all such items.
- 5.4. Counting and Adjustment Procedures.** If Company's records regarding the total dollar amount of the items in any Night Bag differ from Bank's calculation of the total dollar amount of the items in the Bag, Company has the burden of proving that its records show the correct amount in the Bag or Bank's total will be accepted as final. If there is a difference between Bank's total and Company's total for the amount of items in a Night Bag (as Company's total is shown on the deposit slip or slips in the Bag), Bank will send Company a statement indicating the amount of the difference. In the event that the difference cannot be resolved, Bank's count of the dollar amount will be conclusive and binding on Company.

- 5.5. **Claims of Lost or Stolen Items.** Company will have the burden of proving the amount of any item which it claims was lost or stolen while it was at a designated Store and that disappearance of the item occurred while it was at the designated Store. Company agrees to notify Bank immediately if Company determines that any Night Bag or any item in a Night Bag has been lost or stolen while at one of Bank's Stores. Company agrees that it will have total responsibility for each Night Bag and its contents until the Bag has dropped completely into a Night Depository.
6. **Special Instructions.** Company may submit to Bank in writing any special handling instructions it may have in connection with cash orders or deposits of items at Bank's cash vault or night depository locations. Bank may at its option accept or reject the instructions and so notify Company. Even if accepted, Bank may stop complying with the instructions upon prior notice to Company if, in Bank's opinion, continued compliance would increase Bank's costs or risks, interfere with its established or revised procedures, or diminish the efficiency of Bank's operations. Any loss attributable to increased risk resulting from a special handling procedure will be borne solely by Company.
7. **Survival.** Sections 3.6, 4.4., 4.5., 5.4., 5.5., and 7 will survive termination of the Service.





## CONTROLLED DISBURSEMENT SERVICE DESCRIPTION

1. **Introduction.** This Service Description is part of the Service Documentation governing Wells Fargo Bank, N.A. ("Bank")'s controlled disbursement service ("Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Required Account(s) and Services.** Company, as defined in the Acceptance, will establish and maintain:
  - (a) one or more demand deposit accounts with Bank or Bank's affiliate (each, a "Funding Account");
  - (b) one or more checking accounts (each, a "Disbursement Account") at Bank or Bank's affiliate(s) (each, a "Disbursing Bank"); and
  - (c) the information reporting service specified by Bank ("Information Reporting Service").

Each Funding Account and Disbursement Account and the Information Reporting Service will be identified in the Service Documentation. Each Funding Account will be linked to one or more Disbursement Accounts maintained by Company. Company will use each Disbursement Account solely to issue checks (or payable-through drafts) and electronic debits (each, a "Debit") in accordance with this Service Description. Company will not issue any Debits on any Disbursement Accounts until Bank notifies Company that such Disbursement Account is operational. Company irrevocably authorizes Disbursing Bank to release to Bank all information requested by Bank with respect to each Disbursement Account.

Each Disbursement Account and Funding Account will be governed by Wells Fargo Bank, N.A.'s Commercial Account Agreement ("Account Agreement"), except that if Company's Funding or Disbursement Account is Bank's Choice III account, "Account Agreement" will mean Wells Fargo Bank, N. A.'s Business Account Agreement. The term "Bank" as used in the Account Agreement will mean the bank at which such Disbursement Account or Funding Account is maintained.

3. **Determination of Total Net Presentment.** Each Business Day as defined in the applicable Account Agreement, by the reporting times Bank separately discloses to Company from time to time, Bank will make the Total Net Presentment for each Disbursement Account available to Company by means of the Information Reporting Service. The Total Net Presentment consists of the total dollar amount of:
  - (a) Debits that have posted in the first and, if applicable, second presentment on that Business Day; and
  - (b) Adjustments to the Disbursement Account reported on Bank's CD Summary report, including without limitation Debits posted after the last presentment on the prior Business Day (these Debits are referred to collectively as the "Prior Day Funding Adjustments").

If the Total Net Presentment is not made available through the Information Reporting Service by



the applicable reporting time, Bank will have no liability, and Company will estimate the Total Net Presentment.

4. **Company's Obligation to Deposit Funds in Funding Account.** Each Business Day, by the applicable cutoff time Bank separately discloses to Company from time to time, Company will deposit good and collected funds in Funding Account so that the balance in Funding Account, determined in accordance with the applicable Account Agreement, is sufficient to cover either the Total Net Presentment or Company's estimate of the Total Net Presentment.

If Company fails to transfer funds in accordance with its obligation under the preceding sentence or if such transfer was based on Company's estimate of the Total Net Presentment and such estimated amount was less than the actual Total Net Presentment, Bank may, at its sole option,

- (a) advance to Funding Account(s) sufficient funds to pay the Debits presented for payment on the Disbursement Account and transfer such funds to the Disbursement Account; or
- (b) return, or cause Disbursing Bank to return, any Debits, in any order, unpaid (even though Bank or the Disbursing Bank may have previously established a pattern of paying such Debits). If Bank returns or causes Disbursing Bank to return the Debits, Bank is authorized to instruct the Disbursing Bank to return to Bank any funds Bank transferred to Disbursing Bank pursuant to Section 5.

5. **Transfer of Funds to Disbursement Account.** Each Business Day, Bank will (a) transfer from the Funding Account to the Disbursement Account the amount necessary to cover the Total Net Presentment as shown on the CD Summary Report for that Business Day and (b) advance funds to the Disbursement Account in the amount sufficient to cover Debits that posted to Disbursement Account after the last presentment on that Business Day (and this amount advanced by Bank will be reported on the CD Summary Report for the next Business Day)

6. **Disbursing Bank's Obligation to Pay Debits.** No Disbursing Bank will have any obligation whatsoever to pay any Debit if sufficient good and collected funds to cover the Debit are not in the Disbursement Account on which the Debit is drawn at the time the Disbursing Bank makes its payment decision.

7. **Company's Agreement to Repay Bank's Advances to Disbursement Account(s).** Company will unconditionally pay Bank on demand without setoff or counterclaim in good and collected funds the full amount of any advance Bank makes pursuant to Section 4(a) and Section 5 plus Bank's fees and costs incurred in connection with such advance.

8. **Security Interest.** As security for the Obligations (as defined in this Section 8), Company pledges to Bank, and grants a lien to Bank on, and a security interest in, the following and the proceeds thereof (collectively, the "Collateral") as security for the prompt satisfaction of the Obligations: (a) all amounts from time to time on deposit in, or withdrawable from, Funding Account, all of Company's other accounts with Bank and Bank's affiliates and each Disbursement Accounts, and (b) any of Company's property, or property in which Company has an interest, now or at any time delivered, conveyed, transferred, assigned, pledged or paid to Bank in any manner whatsoever. "Obligations" includes any and all advances, debts, loans, obligations and liabilities that Company owes Bank and Bank's affiliates pursuant to the terms of this Service Description, including without limitation any advances Bank makes to Funding Account(s) pursuant to Section 4(a) of this Service Description and any advances Bank makes to Disbursement Account(s) pursuant to Section 5 of this Service Description. Bank's receipt at any time of any kind of security, including without limitation cash, will not be deemed a waiver of any of Bank's rights or powers under any agreement Company has signed in Bank's favor.

Company will sign and deliver to Bank, on demand, all such security, control or other agreements, financing statements and other documents as Bank may at any time request which are necessary or desirable (in Bank's sole opinion) to grant to Bank a perfected security interest in and to any or all of the Collateral. At the time any Obligation becomes due and payable, Bank may sell or otherwise apply or dispose of any and all Collateral, received or to be received, in such parcel or parcels, at such time or times, at such place or places, for such price or prices and upon such terms and conditions as Bank may deem proper, and Bank may apply the net proceeds of the sale or sales, application or other disposition, together with any sums credited by or due from Bank to Company, to the payment of any and all of the Obligations, all without prejudice to Bank's rights against Company with respect to any and all of the Obligations which may be or remain outstanding or unpaid. Company expressly waives any right to require Bank to make any presentment or demand, or give any notices of any kind, including, but not limited to, any notice of nonpayment or nonperformance, protest, notice of protest, notice of dishonor, notice of intent to accelerate or notice of acceleration. Any requirement of reasonable notice to Company with respect to the sale or other disposition of Collateral will be met if the notice is given at least five calendar days before the date any sale, application or other disposition will be made. Bank's rights and remedies under any agreements or instruments signed by Company in Bank's favor are in addition to, and not exclusive of, any rights or remedies otherwise available to Bank under applicable law.

9. **Fees.** Fees for this Service may, in whole or in part, be based on the applicable fees charged by each Disbursing Bank and will be separately disclosed to Company. Fees will not be prorated if the Service terminates before the end of a calendar month.
10. **Protection Against Fraudulent Checks.** Company and Bank acknowledge that there is a growing risk of loss resulting from the increasing use of counterfeit and certain other types of fraudulent checks. Company recognizes that controlled disbursement service customers are especially susceptible to losses from these checks. Company is aware that Bank offers services known as "Image Positive Pay" and "Reverse Positive Pay" which are effective means of controlling risk from counterfeit checks and certain other types of fraudulent checks. Bank has advised Company that if it does not use either of these Services, Bank will be unable to prevent losses from counterfeit and certain other types of fraudulent checks and Company will be treated as having assumed the risk of those losses.
11. **Company's Enquiries and Instructions Regarding Disbursement Account.** Company will direct all enquiries and instructions (including by way of example and not by way of limitation stop payment orders) to Bank. In no event will any such enquiries or instructions be directed to Disbursing Bank.
12. **Liability and Indemnification.** In addition to the liability and indemnification provisions in the Master Agreement, neither Bank nor any Disbursing Bank will be liable for any claim, demands, judgments or expenses ("Losses") paid, suffered or incurred by Company, and Company will indemnify Bank and each Disbursing Bank from and hold each of them harmless against any Losses paid, suffered or incurred by them, arising directly or indirectly as a result of or in connection with:
  - (a) Company's performance or failure to perform its obligations in accordance with this Service Description;
  - (b) Bank's or any Disbursing Bank's acting on any information furnished by or on behalf of Company in any Service Documentation or otherwise;
  - (c) Bank's or any Disbursing Bank's return of any Check unpaid because Company has not deposited good and collected funds in the Funding Account related to the Disbursement

Account on which a Debit is drawn sufficient to cover the Total Net Presentment;

- (d) Bank's or Disbursing Bank's dishonor and return of any Debit unpaid if Company issues the Debit before Bank notifies Company the Disbursement Account on which it was drawn is operational;
- (e) Bank's or any Disbursing Bank's nonpayment of a Debit, unless such nonpayment results directly and proximately from, respectively, Bank's or Disbursing Bank's gross negligence or willful misconduct;
- (f) Bank or Disbursing Bank's late return of any Debit as a result of, and any presentment-related problem resulting from, the failure of any Debit which has not been tested and approved by Bank or Disbursing Bank to conform in any respect to Bank's or Disbursing Bank's check specifications including without limitation failure to include Bank's or Disbursing Bank's full name and address and Bank's full name on any check or payable through draft,
- (g) Except as otherwise provided under Bank's Account Reconciliation, Image Positive Pay, Reverse Positive Pay, Payable-Through Draft, Share Draft or Payable-If-Desired Service Descriptions, if Bank provides Company with one or more of those services, Bank's payment of any check or payable-through draft which is unauthorized or contains a forged, unauthorized, incorrect or illegible endorsement, a forged or unauthorized signature, an alteration of amount or payee, or any other error, discrepancy or deficiency; or
- (h) Bank's exercise of its rights, or Bank's performance of its obligations, in accordance with this Service Description or Bank's Account Reconciliation, Image Positive Pay, Reverse Positive Pay, Payable-Through, Share Draft, or Payable-If-Desired Service Descriptions, if Bank provides Company with one or more of those Services.

**13. Termination.** Bank may terminate this Service, close the Funding Account, and instruct the Disbursing Bank(s) to close Disbursement Account(s), immediately upon Bank's sending Company written or oral notice (confirmed in writing) of such action if:

- (a) Company fails at any time to fund the Funding Account as required in this Service Description,
- (b) any lawsuit or other action or proceeding is filed or instituted by any federal or state agency alleging, or any Disbursing Bank receives an opinion of counsel, that this Service or any material term or condition of this Service violates any law or regulation,
- (c) Bank's agreement with any Disbursing Bank concerning this Service is suspended or terminated for any reason with respect to all Bank's customers receiving the Service or with respect only to Company,
- (d) the occurrence of any default by Company under the other Service Documentation or under any other agreement or instrument signed by Company in Bank's or the Disbursing Bank's favor including without limitation any loan agreement or promissory note,
- (e) Bank determines that one or more conditions exist or events have occurred which might indicate, or result in, a material adverse change in Company's operations, business, property or assets or its condition (financial or otherwise).

Upon termination of this Service, Company will, in accordance with such instructions as Bank or the Disbursing Bank may give, cease to issue Debits on the Disbursement Account(s), and the Disbursing Bank will close the Disbursement Account(s) and stop processing Debits. Company will continue to be liable for all Debits issued on the Disbursement Account(s) prior to termination and for all Debits the Disbursing Bank is obligated to pay. The provisions of Sections 4, 7, 8, 10, 12 and 13 of this Service Description will survive termination of the Service.

14. **Governing Law.** Except to the extent governed by federal law and regulations, the law and regulations of the state in which the Disbursing Bank is located will govern its performance of the Service.

## E-BOX® SERVICE DESCRIPTION



1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") E-Box service ("Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of Service.** Bank (a) receives electronic information ("Remittance Information") about payments Company's customers make to Company through online bill payment services and other payment channels described in Bank's Reference Guide for the Service (each, a "Payment"); (b) processes Payments for credit to Company's account at Bank ("Account"); and (c) provides information reporting on Payments to Company through Bank's separate Receivables Manager Service ("Remittance File"). The specific processing services Bank will provide to Company are detailed in the Statement of Work to which Company and Bank agree separately ("SOW"). Each Business Day, Bank credits Company's Account for Funded Payments (see section 3) via a consolidated Automated Clearing House ("ACH") credit entry ("File"). Bank originates each File in accordance with the National Automated Clearing House Association Operating Rules and any applicable local ACH rules (collectively, the "ACH Rules"). In order to enroll in the Service, Company will also enroll in Bank's Receivables Manager Service.
3. **Funded Payments.** A "Funded Payment" is a payment for which Bank receives Remittance Information and the funds relating to the Payment. Bank will process Payments for which Bank has received Remittance Information but not funding (each, an "Unfunded Payment") in accordance with the SOW.

## FUNDS AVAILABILITY POLICY

The policy of Wells Fargo Bank, National Association ("Bank" or "Wells Fargo"), is to delay the availability of funds from Company's check deposits to Company's account (in this policy, each an "account") in accordance with an availability schedule or schedules provided by Bank to Company contemporaneously with this policy or from time to time thereafter, subject, among other things, to the location of the deposit transaction or the manner in which the deposit is made. During the delay, Company may not withdraw the funds in cash and Bank will not use the funds to pay checks that Company has written and fees and expenses that Company has incurred.

### 1. Determining the day of receipt

The length of the delay is counted in business days from the day of Company's deposit. Every day is a business day, except Saturdays, Sundays, and federal holidays. If Company makes a deposit before Bank's established cutoff time on a business day that Bank is open, Bank will consider that day to be the day of Company's deposit. However, if Company makes a deposit after the cutoff time or on a day Bank is not open, Bank will consider the deposit was made on the next business day Bank is open. Cutoff times may vary by location and are posted in each store and on each Bank ATM. The earliest cutoff time for a store or an ATM is 2:00 p.m. local time.

The length of the delay varies depending on the type of deposit and is explained below.

### 2. Same business day availability

The following deposits will be available on the business day Bank receives the deposit:

- Incoming wire transfers.
- Electronic direct deposits.
- Cash deposited at a teller window.
- Checks drawn on Bank.
- Cash deposited through an *Envelope-Free*(sm) Wells Fargo ATM.
- The first \$100 of a day's first noncash deposit on a business day through an *Envelope-Free* Wells Fargo ATM.
- The first \$100 of a day's first deposit on a business day through a standard envelope accepting Wells Fargo ATM.

### 3. Next business day availability

Funds from the following deposits are available on the first business day after the day of Company's deposit:

- U.S. Treasury checks that are payable to Company.
- Cashier's check issued by Bank.
- Checks drawn on Company's controlled disbursement account through one of Bank's controlled disbursement endpoints.

If Company makes the deposit in person to one of Bank's employees, funds from the following deposits are also available on the first business day after the day of Company's deposit:

- State and local government checks that are payable to Company if it uses a special deposit slip available from Bank upon request.

- Cashier's, certified, and teller's checks that are payable to Company where Bank is not the issuer or drawee, if Company uses a special deposit slip available from Bank upon request.
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to Company.
- The first \$200 of a day's first deposit on a business day.

If Company does not make its deposit in person to one of Bank's employees (for example, if Company mails the deposit), funds from these deposits will be available on the second business day after the day Bank receives Company's deposit.

### 3. **Other check deposits**

All other check deposits are considered local checks. From Company's deposit, the first \$200 of the day's first deposit on a business day will be available on the next business day. The remaining balance will be available on the second or third\* business day after the day of Company's deposit in accordance with the availability schedule or schedules discussed above.

### 4. **Longer delays may apply**

Funds Company deposits by check may be delayed for a longer period under the following circumstances:

- Bank believes a check Company deposits will not be paid.
- Company deposits checks totaling more than \$5,000 on any one day.
- Company redeposits a check that has been returned unpaid.
- Company has overdrawn its account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

Bank will notify Company if it delays Company's ability to withdraw funds for any of these reasons, and Bank will tell Company when the funds will be available. The funds will generally be available no later than the seventh or eighth\* business day after the day of your deposit.

### 5. **Holds on other funds (check cashing)**

If Bank cashes a check for Company that is drawn on another bank, it may withhold the availability of a corresponding amount of funds that are already in the account. Those funds will be available at the time funds from the check Bank cashes would have been available if Company had deposited it.

### 6. **Holds on other funds (other account)**

If Bank accepts a check for deposit that is drawn on another bank, it may make funds from the deposit available for withdrawal immediately but delay Company's ability to withdraw a corresponding amount of funds that Company has on deposit in another account with Bank. The funds in the other account would then not be available until the time periods that are described in this policy.

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\* Bank may delay availability of funds by one additional business day for certain checks deposited at a Bank location in Alaska. This right applies only if the check is drawn on or payable at or through a paying bank not located in Alaska.

**7. Delays on other funds**

Funds from any deposit (cash or checks) into accounts domiciled in Iowa and Nebraska made at eligible non-Bank ATMs in those same states will not be available until the third business day after the day of Company's deposit. This rule does not apply at ATMs that Bank owns or operates. All ATMs that Bank owns or operates are identified on Bank's machines as "Wells Fargo" or "Wachovia a Wells Fargo Company."





## IMAGE POSITIVE PAY SERVICE DESCRIPTION

1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") Image Positive Pay service ("Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the Bank customer identified in the Acceptance.
2. **Description of Service.** The Service enables Company to instruct Bank to pay or return counterfeit Checks, Checks otherwise not validly issued and certain altered Checks presented to Bank for payment on the deposit account(s) at Bank that Company enrolls in the Service (each, an "Account"). Each Business Day, Bank electronically compares the serial number and numeric amount of Checks presented to Bank for payment before Bank's separately-disclosed cutoff time on the prior Business Day to Company's Check Issue Data (see section 5). In accordance with section 7, Bank will notify Company of each Check that does not match Company's Check Issue Data (each, an "Exception Item") and will pay or return each Exception Item in accordance with this Service Description. "Check" refers to each check presented for payment on Company's Account, whether it is counterfeit, not validly issued, altered or validly issued by Company. A "Business Day" is every day except Saturdays, Sundays, and federal holidays. Except as otherwise provided in this Service Description, enrollment in Bank's Account Reconciliation Plan ("ARP") Service is required.
3. **Service Options.** Company may enroll an Account in one of three options of the Service. The Service options differ based on (a) when Bank electronically compares a Check to Company's Check Issue Data (before or after posting the Check to Company's Account); (b) Bank's handling of errors on Checks; (c) the content of Bank's report to Company of discrepancies between a Check and Company's Check Issue Data ("Exceptions Report"); and (d) the time by which Company must notify Bank of Company's pay or return decision ("Decision Deadline"), as specified in the Exceptions Report. Each discrepancy is an "Exception," and each Check with a discrepancy is an "Exception Item."
  - 3.1. **Perfect Presentment® Positive Pay.** Bank electronically compares a Check to Company's Check Issue Data prior to posting the Check to Company's Account. Each Check with error(s) that Bank can correct, such as an encoding error, will be corrected, so that the Exceptions Report includes only unresolved Exception Items. This option is offered only on an Account enrolled in Bank's Controlled Disbursement Service.
  - 3.2. **Positive Pay and Positive Pay Only.** Bank electronically compares a Check to Company's Check Issue Data after posting the Check to Company's Account. Bank then reviews each Exception Item, and reverses and reposts each Exception Item with error(s) that Bank can correct, such as encoding errors, so that the Exception Report includes only unresolved Exception Items. Enrollment in Bank's ARP Service is not required for Positive Pay Only.
  - 3.3. **Basic Positive Pay.** Bank electronically compares a Check to Company's Check Issue Data after posting the Check to Company's Account and provides Company with an Exceptions Report containing all Exception Items including Checks with encoding errors.

4. **Payee Validation.** Bank offers Payee Validation with Perfect Presentment Positive Pay, Positive Pay and Positive Pay Only. In addition to performing the electronic comparison described in section 2, Bank electronically compares the payee's name on each Check to the payee's name in Company's Check Issue Data. If there is a discrepancy between the two names that is not within parameters Bank establishes from time to time in its sole discretion, Bank will, in its sole discretion, (a) include the Check as an Exception Item in Company's Exceptions Report (and the discrepancy will constitute an Exception), or (b) manually review the Check. There are two Payee Validation Options:

- 4.1. **Standard Payee Validation Option.** Bank validates the payee's name on each Check exceeding the dollar threshold determined by Bank from time to time without notice to Company. Bank will indemnify Company against actual direct money losses incurred by Company as a result of an unauthorized alteration of the payee's name on each Check paid by Bank (excluding hand-written Checks).
- 4.2. **Customized Payee Validation Option.** Bank validates the payee's name on each Check exceeding the dollar threshold that Company elects. Company will indemnify Bank against actual direct money losses Bank incurs as a result of an unauthorized alteration of the payee's name on a Check below Company's defined dollar threshold, and Bank will indemnify Company against actual losses Company directly incurs as a result of an unauthorized alteration of the payee's name on a Check equal to or greater than Company's defined dollar threshold (excluding hand-written Checks).

Bank will not perform Payee Validation with respect to a Check if (i) Company fails to include the payee's name on the Check in Company's Check Issue Data; (ii) Bank does not receive Company's Check Issue Data for the Check before the cutoff time Bank separately discloses; or (iii) Company requests Bank to add the payee's name manually to Check Issue Data Company has previously provided to Bank.

5. **Check Issue Data.** The "Check Issue Data" for any Check is the Check's complete serial number and numeric amount, and if Company has selected Payee Validation, the payee's name (or truncated name). As detailed in Bank's User Guide for the Service, a "truncated name" is the portion of a payee's name Company includes in its Check Issue Data based on the option it has elected from the options for truncation Bank offers from time to time. Each Business day not later than the cutoff time Bank separately discloses, Company will provide the Check Issue Data for all Checks issued through that Business Day to Bank in the format, through the medium, and at the place(s) Bank specifies. In performing the Service, Bank will use only the Check Issue Data Company provides to Bank. Bank will not electronically or manually compare a Check with an issue date after the current Business Day against the Checks presented for payment on the Account until the issue date contained on the future-dated Check register matches the current Business Day's calendar date. Bank will not accept Check Issue Data that contains an issue date more than forty-five (45) calendar days in the future.
6. **Payment of Matching Checks.** If a Check presented to Bank matches the Check Issue Data Company has provided to Bank (a "Matching Check"), Bank will make final payment on the Check and charge the Check to Company's Account (subject to section 13).
7. **Notification of Exception Item; Image of Exception Item.**
  - 7.1. **Electronic Comparison.** When Bank identifies an Exception Item through its electronic comparison process, Bank notifies Company of the Exception Item through the Exceptions Report Bank makes available to Company through CEO.

- 7.2. Manual Review.** When Bank manually reviews a Check in accordance with section 4 and identifies a payee name discrepancy, Bank will use its best efforts but in no event make more than one attempt to notify Company of the discrepancy by telephoning Company at the number Bank has on file for Company.
- 7.3. Holdover Exception Items.** This subsection applies when Company has enrolled its Controlled Disbursement Account in Bank's Perfect Presentment Positive Pay Service. A "Holdover Exception Item" is an Exception Item Bank identifies after Bank prepares and transmits the Exceptions Report to Company. Bank will use its best efforts but in no event make more than one attempt to notify Company of each Holdover Exception Item by telephoning Company at the number Bank has on file for Company.
- 7.4. Image of Exception Item.** Bank will use reasonable efforts to provide an image of any Exception Item (including a Holdover Exception Item) to Company, but Bank will have no liability if Bank is unable to do so prior to Company's Decision Deadline.
- 8. Default Options for Checks Listed in Exception Report.** Bank offers two options for processing Checks listed in the Exceptions Report for which Company fails to instruct Bank to pay or return before the Decision Deadline (each, "Company's Default Option"). Company may elect to have Bank pay each such Check or to return each such Check.
- 9. Company's Instructions to Bank; Failure to Instruct By Decision Deadline.**
- 9.1. Company's Pay or Return Decision.** Company will make its pay or return decision based on the information about the serial number and amount of the Exception Item in the Exceptions Report, and if Company has elected Payee Validation, on any payee information Bank provides to Company.
- 9.2. Instructions Prior to Decision Deadline.** If, prior to Company's Decision Deadline, Company instructs Bank to pay or return an Exception Item, Bank will follow Company's instructions (subject to section 13). For each Exception Item, Company will use the same communications channel to instruct Bank that Bank used to notify Company of the Exception Item. If Bank included the Exception Item on the Exception Report Bank makes available to Company through CEO, Company will use CEO to communicate its instruction regarding the Exception Item to Bank. If Bank attempted to contact Company by telephone, Company will telephone Bank to communicate its instruction.
- 9.3. No Instructions Prior to Decision Deadline.** If Company does not instruct Bank prior to Company's Decision Deadline with respect to an Exception Item described in subsection 7.1, Bank will process the Check in accordance with Company's Default Option. If Bank is unable to obtain Company's instructions prior to the Decision Deadline regarding an Exception Item described in subsection 7.2, Bank will return the Exception Item unpaid (regardless of Company's Default Option). If Bank is unable to obtain Company's instructions prior to the Decision Deadline regarding a Holdover Exception Item described in subsection 7.3, Bank will process the Holdover Exception Item in accordance with Company's Default Option.
- 10. Teller Line Checks.** A Check presented for encashment at Bank's teller line is a "teller line Check". A teller line Check that is not included in Company's Check Issue Data on file with Bank at the time it is presented for encashment is a "teller line Exception Item". Bank will take those steps to review and cash or refuse to cash a teller line Exception Item as Bank in its sole discretion determines are commercially reasonable. Company may instruct Bank to exclude all teller line Checks from this process, in which event each teller line Check will be deemed to be a Matching Check, even if it is not included in Company's Check Issue Data on file with Bank at the time it is presented for encashment.

11. **Limitation of Liability and Indemnification.** Each Check Company has authorized or is deemed to have authorized Bank to pay in accordance with this Service Description (including each Matching Check) will be paid without Bank performing any Check verification procedure other than those described in this Service Description. Bank will have no liability for paying a Check if (a) there is an alteration in its serial number or amount; (b) Company has elected Payee Validation and Bank fails to identify an alteration or other exception in the payee's name because Company has truncated the name in Company's Check Issue Data; (c) it is counterfeit, bears a forged or unauthorized signature; or (d) it was otherwise not validly issued. Each Check that Bank pays in accordance with this Service Description will be deemed to be properly payable, and each Check that Bank returns in accordance with this Service Description will be deemed not to be properly payable. Without limiting the indemnification provisions contained in the other Service Documentation, Company (i) indemnifies and holds Bank harmless from any and all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) that Bank may suffer or incur as a result of Bank's payment or return of a Check at Company's instruction or otherwise in accordance with sections 9 or 10 of this Service Description, and (ii) releases and forever discharges Bank from all claims and damages, whether known or unknown, liquidated or unliquidated, contingent, direct or indirect, which Company has, or claims to have against Bank relating to the payment or return of any Check in accordance with this Service Description. This Section 11 will survive termination of the Service.
12. **Stop Payment; Cancel and Void Instructions; Stale-Dated Checks.** Company will not use the Service as a substitute for Bank's stop payment service. Company will follow Bank's standard stop payment procedures if it desires to stop payment on a Check that was validly issued. Company will use (a) a cancel instruction only to delete an outstanding Check included in its Check Issue Data and (b) a void instruction only to notify Bank that a Check included in Company's Check Issue Data has been destroyed and will not be re-issued. If Company elects to use Bank's "stale-dated" feature, Bank will return each Matching Check that is stale-dated unless Company instructs Bank to pay the Check. A Check is "stale-dated" when it is a Matching Check with an issue date exceeding the number of months Company elects as its stale date.
13. **Bank's Right to Return Checks.** Nothing in this Service Description will limit Bank's right to return any Check that Company has authorized Bank to pay in accordance with this Service Description if Bank determines in Bank's sole discretion that (a) the Check is not properly payable for any reason (without Bank's agreeing to, or being required to, make such determination in any circumstance), or (b) there are insufficient collected and available funds in the Account to pay the Check. As between Company and Bank, any determination by Bank not to pay a Check will not constitute wrongful dishonor of such Check.
14. **Survival.** Sections 4, 5, 7, 9, 10, 11 and 13 will survive termination of the Service.

## INFORMATION REPORTING SERVICE DESCRIPTION

The Wells Fargo logo, consisting of the words "WELLS" and "FARGO" stacked vertically in a white, sans-serif font inside a black square.

1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") Information Reporting services (each, a "Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of Services.** The Services enable Company to view and or receive files containing data and/or images (each, a "File") regarding specified transactions on each deposit account at Bank that Company enrolls in the Service (each, an "Account"). The means used to transmit Files to Company include without limitation BAI File Transfer, Bank's Commercial Electronic Office® ("CEO"®), and CD-ROM. Depending on the Service Company elects, the transactions may include checks or other instruments (each, an "Item") (a) posted to Company's Account; (b) cashed or collected by Bank or accepted for deposit to Company's Account; and (c) returned unpaid to Company's Account. "Item" is defined in Bank's Commercial Account Agreement.
3. **Information From Company's Accounts at Other Financial Institutions.** If the Service Company elects permits Company to have information from deposit accounts Company maintains at other financial institutions imported to Bank and included in a report Bank provides to Company in connection with the Service, Bank will not verify the accuracy or completeness of the information.
4. **Software Sublicense.** If a software sublicense is required for Company to access the Service ("Software Sublicense"), Bank will make the terms of the Software Sublicense available to Company as part of the set up process for the Service. Company will be required to accept the Software Sublicense before being allowed to access the Service. Bank may terminate any Service requiring use of a Software Sublicense immediately on written notice to Company, if Company fails to comply with the Software Sublicense. Company's obligations under this section 4 will survive the termination of Service.



## INTERMEDIARY BANK FUNDS TRANSFER SERVICE DESCRIPTION

1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") Intermediary Bank Funds Transfer service ("Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of Services.** This Service Description governs payment orders Bank receives via Fedwire for which Company is either an originating or intermediary bank and for which Bank is being requested to act as an intermediary bank (each a "Payment Order"). A Payment Order may include specific instructions to Bank to process the Payment Order as an outgoing funds transfer. Unless otherwise instructed, each Payment Order executed by Bank will be by means of a payment order denominated in U.S. dollars, even if the Payment Order received by Bank includes instructions Bank understands to indicate the Payment Order is a part of an international funds transfer. If so instructed, Bank will, before executing a Payment Order involving an international funds transfer, convert the amount of the Payment Order from U.S. dollars to the currency of a designated foreign government or intergovernmental organization ("Foreign Currency") in accordance with section 6 of this Service Description.
3. **Authentication of Payment Orders.** Payment Orders will be authenticated by Bank in accordance with such procedures as may be established from time to time to authenticate payment orders received from a Federal Reserve Bank.
4. **Service Fees.** For each Payment Order executed by Bank, Company agrees to pay Bank the service fee described in documentation that has been separately provided to Company (the "Service Fee"), receipt of which is hereby acknowledged, and any taxes applicable to the services provided hereunder, however designated, exclusive of taxes based on Bank's net income.
5. **Service Fees – Method of Payment.** Company will pay the Service Fees in accordance with the option selected below (**check one**):
  - ☐ **Fees deducted from funds transfer.** The Service Fee will be paid by Bank reducing the amount of funds to be transferred in connection with each Payment Order by the amount of the Service Fee. Company agrees that Bank will be entitled to be paid the full amount of the Payment Order, notwithstanding the fact that the amount of the payment order issued by Bank in execution of that Payment Order is reduced by the amount of the Service Fee.
  - ☐ **Fees deducted from funds transfer – with rebate.** The Service Fee will be deducted from each Payment Order in accordance with the pricing option labeled "Fees deducted from funds transfer." A portion of the Service Fee, as specified by Wells Fargo, will be rebated to Company. The rebate will be paid by a single credit to an account Company maintains with Bank on the last Business Day of each month for the aggregate amount due Company in connection with the Payment Orders executed by Bank during that month. A "Business Day" is a calendar day other than a Saturday, Sunday or federal holiday on which Bank is open to the public for carrying on substantially all of its banking functions.

- ☐ **Fees charged to Company.** Bank will separately charge Company for the Service Fee for processing each Payment Order. The Service Fees will be paid by Company as a part of Company's account analysis.

**Indemnification.** If Company elects to pay the Service Fees under either the option entitled "Fees deducted from funds transfer" or the option entitled "Fees deducted from funds transfer – with rebate," Company agrees to indemnify and hold harmless Bank, its employees, officers, directors and agents from any and all debts, claims, demands, actions, proceedings, judgments, losses, damages, attorney's fees, payments, expenses and liabilities whatsoever which arise directly or indirectly by reason of the payment method selected hereunder.

6. **International Funds Transfers To Be Denominated In Foreign Currency.** Company may request that, prior to executing a Payment Order as part of an international funds transfer, Bank convert the amount to be transferred from U.S. dollars to the designated Foreign Currency. The conversion will be at Bank's applicable sell rate for exchange in effect on the date the Payment Order is executed by Bank. If the beneficiary's bank does not pay the beneficiary and the Payment Order is payable in Foreign Currency, Bank will not be liable for a sum in excess of the value of the Payment Order, less any fees that may have been deducted pursuant to the provisions of Section 4 of this Agreement, after it has been converted from Foreign Currency to U.S. dollars at Bank's buy rate for exchange at the time the cancellation of the Payment Order is confirmed by Bank.
7. **Reports.** If Company elects the payment option titled "Fees deducted from funds transfer – with rebate," Bank will provide Company with a monthly report detailing the activity related to the Payment Orders executed by Bank during the preceding month.
8. **Form and Format.** Each Payment Order will be in a form and format that is in accordance with Bank's then-current instructions to Company.

IN WITNESS WHEREOF, Company has caused this Service Description to be executed and does hereby warrant and represent that its signatory, whose signature appears below, has been and is on the date of this Service Description duly authorized by all necessary and appropriate corporate action to execute this Service Description.

Agreed to and accepted by:

\_\_\_\_\_  
("Company")

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## MASTER AGREEMENT FOR TREASURY MANAGEMENT SERVICES

The Service Documentation described below contains the terms under which Wells Fargo Bank, National Association ("Bank") provides treasury management services ("Services"). The Bank customer to which the Services will be provided ("Company") is identified in the Acceptance of Services ("Acceptance").

Bank and Company agree:

1. **Service Documentation.** The Service Documentation for each Service includes:
  - 1.1. The Service Description.
  - 1.2. The Acceptance.
  - 1.3. This Master Agreement for Treasury Management Services ("Master Agreement").
  - 1.4. The account agreement for the deposit account(s) (each, an "Account") that Company or Company's affiliate or subsidiary maintains at Bank or Bank's affiliate in connection with a Service. The account agreement includes the Dispute Resolution Program that Company and Bank agree to use to resolve any disagreements between Company and Bank regarding accounts and Services governed by the Service Documentation.
  - 1.5. User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices.
  - 1.6. The set-up form(s) for each Service.

The Service Documentation also applies to a Service that is provided by an affiliate of Bank and a Service that is used by an affiliate or a subsidiary of Company. "Bank" includes each such affiliate, and "Company" includes each such affiliate and subsidiary. If there is a conflict among the documents that make up the Service Documentation, the documents will govern in the order set forth above. Company acknowledges receiving a copy of the Service Documentation for each Service Bank provides to Company.

2. **Services.** Bank and Company will agree upon the Service(s) to be provided.
3. **Changes to Services.** Bank may change (or add to) the terms and fees in the Service Documentation at any time upon prior written notification to Company. If Company discontinues using the affected Service before the change becomes effective, it will not be bound by the change. If Company continues to use a Service after the change becomes effective, it will be bound by the change.
4. **Term and Termination.** Unless terminated sooner in accordance with the Service Documentation, this Master Agreement and all Services will continue in effect until terminated by either party upon thirty (30) days prior written notice to the other party (unless a Service is terminated sooner in accordance with the Service Documentation). Bank may terminate any Service (a) following notice to Company of a breach of any provision of the Service Documentation and Company's failure to cure the breach within fifteen (15) days of the date of



such notice, or (b) without notice to Company if (i) Company is subject to a petition under the U. S. Bankruptcy Code or (ii) Bank determines in its sole discretion that a material adverse change has occurred in Company's ability to perform its obligations under the Service Documentation. The termination of a Service will not affect Company's or Bank's rights with respect to transactions occurring before termination. Bank will not be liable to Company for any losses or damages Company may incur as a result of any termination of any Service.

5. **Service Fees.** Company will pay Bank the fees described in the Service Documentation and any taxes applicable to each Service however designated exclusive of taxes based on Bank's net income. Bank may debit Company's account(s) with Bank for any fees not covered by earnings credits and any taxes that are due, or it may send an invoice to Company for such amounts, which Company shall promptly pay. Bank may assess finance charges at a rate of 1.5% per month (18% per annum) or the highest rate permitted under applicable law (determined in accordance with section 8.1), whichever is less, on any invoiced fees or taxes not paid within thirty (30) days of the due date and will apply payments and other reductions of amounts owed first to unpaid interest and then to other fees and charges.
6. **Confidential Information.** Unless otherwise provided in the Service Documentation, all User Guides and software constitute Bank's or its vendor's confidential information ("Confidential Information"), and Company will not acquire any ownership interest in or rights to Confidential Information as a result of Company's use of any Service. Company will (a) maintain the confidentiality of the Confidential Information; (b) not disclose (or permit its employees or agents to disclose), copy, transfer, sublicense or otherwise make any of it available to any person or entity, other than Company's employees who have a need to use the Confidential Information in connection with the applicable Service; and (c) not decompile, reverse engineer, disassemble, modify, or create derivative works of any Confidential Information. Company will notify Bank immediately if it knows or suspects that there has been any unauthorized disclosure, possession, use or knowledge (each, an "Unauthorized Use") of any Confidential Information. If Company (or its employees or agents) is responsible for the Unauthorized Use, Company will, at its expense, promptly take all actions, including without limitation initiating court proceedings to recover possession and prevent further Unauthorized Use of the Confidential Information and obtain redress for any injury caused to Bank as a result of such Unauthorized Use.
7. **Liability and Indemnification.**
  - 7.1. Bank will perform each Service in accordance with reasonable commercial standards applicable to Bank's business; laws, regulations and operating circulars governing the activities of Bank; applicable funds transfer system(s) and clearinghouse rules; and the Service Documentation.
  - 7.2. Bank is under no obligation to honor, in whole or in part, any entry, file, batch release, transfer instruction, payment order, transaction or instruction that (a) exceeds the available balance in the Account, unless otherwise provided in the Service Documentation; b) is not in accordance with the Service Documentation or Bank's applicable policies, procedures or practices as made available to Company; c) Bank has reason to believe may not have been duly authorized, should not be honored for its or Company's protection, or involves funds subject to a hold, dispute, restriction or legal process; or d) would possibly result in Bank violating any applicable rule or regulation of any federal or state regulatory authority including without limitation any Federal Reserve guidelines such as the limitations on Bank's intra-day net funds position.
  - 7.3. All uses of Services through Company's ID codes, passwords, token cards, PINs, or passcodes (each, a "Code") will be deemed to be authorized by and binding on Company. Company's failure to protect Codes may allow an unauthorized party to (a)

use the Services, (b) access Company's electronic communications and financial data, and (c) send or receive information and communications to Bank. Company assumes the entire risk of unauthorized use of Codes and unencrypted electronic transmissions.

- 7.4. Neither Bank nor any software vendor makes any express or implied representations or warranties with respect to the Services or any software used in connection with the Services including without limitation any warranty as to the merchantability or fitness for a particular purpose, other than those expressly set forth in the Service Documentation.
- 7.5. Company will promptly furnish written proof of loss to Bank and notify Bank if it becomes aware of any third party claim related to a Service. Company will cooperate fully (and at its own expense) with Bank in recovering a loss. If Company is reimbursed by or on behalf of Bank, Bank or its designee will be subrogated to all rights of Company.
- 7.6. Any claim, action or proceeding against Bank for losses or damages arising from a Service, including Bank's honoring or dishonoring a check covered by a Service, must be brought within one (1) year from the date of the act or omission or in the case of a check from the date the check was first paid or returned by Bank.
- 7.7. Bank will have no liability for failure to perform or delay in performing a Service if the failure or delay is due to circumstances beyond Bank's reasonable control. If Bank determines that any funds transfer or communications network, Internet service provider, or other system(s) it has selected to provide a Service is unavailable, inaccessible or otherwise unsuitable for use by Bank or Company, Bank may, upon notice to Company, suspend or discontinue the affected Service.
- 7.8. Except in the case of Bank's negligence or intentional misconduct, Company will indemnify and hold Bank, its directors, officers, employees and agents harmless from all losses or damages that arise out of (a) the performance of a Service in accordance with the Service Documentation including without limitation any warranty Bank is required to make to a third party in connection with a Service; (b) an act or omission of any agent, courier or authorized representative of Company; and (c) if the Service includes a license or sublicense of any software to Company, the use or distribution of the software by Company or any person gaining access to the software through Company that is inconsistent with the license or sublicense.
- 7.9. Bank will only be liable to Company for Company's direct monetary losses due to Bank's negligence or intentional misconduct. Except in the case of Bank's gross negligence or intentional misconduct, Bank's liability to Company will be limited to an amount not to exceed ten (10) times Bank fees incurred during the calendar month immediately preceding the calendar month in which such loss or damages were incurred (or, if no Bank fees were incurred in such month, Bank fees incurred in the month in which the losses or damages were incurred). Except as expressly provided otherwise in the Service Documentation, neither party to this Master Agreement will be liable to the other party for any special, consequential, incidental (including without limitation court costs and attorneys' fees), indirect, or punitive losses or damages, whether any claim is based on contract or tort, or whether the likelihood of such losses or damages was known to the other party and regardless of the form of the claim or action.

## 8. Miscellaneous.

- 8.1. The Service Documentation will be governed by substantive federal laws, regulations and rules and, to the extent such laws, regulations and rules are not applicable, those of the state in which the office of Bank that maintains the Account is located, without regard to conflicts of laws principles. Any portion of the Service Documentation which is inconsistent with applicable laws, regulations or rules will be deemed modified and applied in a manner consistent therewith, and Bank will incur no liability to Company as a result of the inconsistency or modification and application. If any portion of the Service Documentation is deemed unenforceable, it will not affect the enforceability of the remaining Service Documentation.
- 8.2. The Service Documentation is the entire agreement between Bank and Company and supersedes all prior representations, conditions, warranties, understandings, proposals or agreements regarding a Service. No course of dealing or waiver of any right on one occasion will constitute a modification of the Service Documentation or be a waiver of that right on a subsequent occasion.
- 8.3. Company will provide Bank promptly upon Bank's request any existing financial statements or other information pertaining to Company's financial condition or any previously unprepared financial statements which Bank may require Company to prepare and/or to be audited or reviewed by independent certified public accountants acceptable to Bank.
- 8.4. Company warrants it will not use any Service in a manner which violates any federal or state law including without limitation any sanction or control administered by the Office of Foreign Assets Control or Bureau of Export Administration.
- 8.5. If Company employs an agent in connection with its use of any Service, Company represents and warrants to Bank that (a) Company's governing body has duly authorized the agent and (b) Company will exercise appropriate controls to ensure each agent so authorized does not exceed the authority so granted to it. Any communication to Bank regarding Company's use of a Service from Company's agent will be deemed to be a communication from Company, and Company authorizes Bank to communicate with Company's agent regarding any such communication or Service.
- 8.6. Either party may provide notice to the other party by mail, personal delivery, or electronic transmission. Bank will use the most recent address for Company in Bank's records, and any notice from Bank will be effective when sent. Company will use the address where Company's relationship manager or other manager is located and address any notice to the attention of such manager. Any notice from Company will be effective when actually received by Bank. Bank will be entitled to rely on any notice from Company that it believes in good faith was authorized by an authorized representative of Company and, except as expressly stated in the Service Documentation, will have no obligation to verify the signature (including an electronic signature). Each party will have a reasonable time after receipt of any notice to act on it.
- 8.7. Sections 1, 4, 5, 6, 7, and 8 will survive termination of this Master Agreement.

## PAYMENT AUTHORIZATION SERVICE DESCRIPTION

The Wells Fargo logo, consisting of the words "WELLS" and "FARGO" stacked vertically in a white, serif font inside a dark square.

1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") Payment Authorization Service ("Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of Service.** Company may, by executing and delivering to Bank a Payment Authorization Service Set-up Form, elect to utilize the Service for deposit accounts which Company maintains at Bank (each an "account"). Under the terms of the Service, Bank will without Company's specific approval as to any particular Item, (a) automatically return unpaid (marked "REFER TO MAKER") Items drawn against the account which are presented to Bank, and which exceed the "Maximum Dollar Authorized Payment Amount" specified on the Setup Form, (b) refuse encashment of Items drawn against the account which are presented to Bank through its branch/store network, and which exceed the "Maximum Check Cashing Amount" specified on the Setup Form, (c) refuse withdrawal requests against the account which are presented to Bank through its branch/store network, and which exceed the "Maximum over the Counter Withdrawal Amount" specified on the Setup Form, and/or (d) refuse encashment of Items drawn against the account which are presented to Bank through its branch/store network, and which are made payable to an individual.



## RECEIVABLES MANAGER SERVICE DESCRIPTION

1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") Receivables Manager services (each, a "Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of Service.** The Service enables Company to receive consolidated electronic files and/or human readable documents containing information (each, a "File") regarding credits and/or debits to the deposit accounts at Bank that Company enrolls in the Service (each, an "Account") and associated remittance information. The User Guide details (a) the types of payments for which Bank provides the Service, (b) the options Bank offers for formatting Files, (c) the secure transmission platforms Bank offers to deliver Files to Company, (d) the schedule Bank follows in providing the Service, and (e) Bank's Service level goals.
3. **Re-association Service.** If Company enrolls in Bank's Re-association Service, Bank will accept a File containing remittance information from a trading partner of Company and attempt to re-associate payments the trading partner makes separately by ACH or wire transfer, provided the trading partner (a) sends the remittance information to Bank in advance of the payment and (b) includes an originating company ID and a transaction reference number with both the remittance information and the associated payment.
4. **Company's Receipt of Files; Acknowledgments.** Bank will not monitor Files transmitted to Company through the Service including without limitation any acknowledgment Company's system may generate upon its receipt of a File. If Company does not receive a File when it expects to, Company will notify Bank. If Company requests Bank resend a File within fourteen days after Bank initially transmits the File to Company, Bank will attempt to honor such request but will have no liability for not doing so.
5. **Incorrect, Incorrectly Formatted Information.** Bank is not responsible for the accuracy of and will not verify remittance information it receives from Company's trading partners and provides to Company through the Service.



## WELLS FARGO REMOTE DEPOSIT CAPTURE SERVICE DESCRIPTION

(Wells Fargo Electronic Deposit<sup>sm</sup>, Desktop Deposit<sup>®</sup>,  
Remote Deposit Capture)

1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") Remote Deposit Capture services (each, a "Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance") between Company and Bank, and "Company" is identified in the Acceptance.
  
2. **Description of Service.** The Service enables Company to create electronic images of certain Paper Items and transmit those images and other information including without limitation MICR data in an electronic file ("Electronic File") to Bank for review and processing for credit to Company's deposit account at Bank ("Account") in accordance with this Service Description. "Paper Item" is defined in Bank's Commercial Account Agreement, and an "Electronic Item" is the electronic image of the front and back of each Paper Item and other information captured from the Paper Item (and will be deemed to be an "item" for purposes of the Uniform Commercial Code). For each Electronic Item Bank determines is eligible for processing (see section 4), Bank will:
  - 2.1. create a substitute check as defined in Bank's Commercial Account Agreement that Bank will present directly or indirectly to the bank (a) on which the original Paper Item to which the Electronic Item relates is drawn, or (b) at or through which the Paper Item is payable (each, the "Paying Bank");
  - 2.2. include the Electronic Item in an electronic file for presentment directly or indirectly to the Paying Bank; or
  - 2.3. post any Electronic Item for which Bank is the Paying Bank.
  
3. **Creating Electronic Items and Transmitting Company's Electronic File to Bank.** To create Electronic Items and transmit Company's Electronic File to Bank, Company will use either (a) Bank provided software and Bank provided, certified or approved hardware, or (b) Company's software and hardware or third party provided software and hardware, provided each generates Electronic Items and Electronic Files that meet Bank's then current standards and specifications. Any third party processor Company uses to prepare and/or transmit Company's Electronic File is Company's agent, and Company will be responsible for ensuring its agent complies with Company's responsibilities under this Service Description. In particular, each Electronic File Company's agent transmits to Bank will include only Electronic Items payable or endorsed to Company, unless Bank consents in writing to permit Company's agent to include Electronic Items payable to multiple customers of Bank.

4. **Processing Company's Electronic File.** Bank will review each Electronic Item and process the Electronic Items Bank determines are eligible for processing on the Business Day Company transmits Company's Electronic File to Bank, if Bank receives Company's Electronic File before the processing deadline Bank separately discloses to Company ("Cut-Off Time") on that Business Day and on the next Business Day if Company transmits Company's Electronic File to Bank after Bank's Cut-Off Time. "Business Day" is defined in Bank's Commercial Account Agreement.
5. **Exception Items.** Each Business Day on which Bank processes Company's Electronic File, Bank may, without liability to Company, reject Electronic Items Bank determines are ineligible for the Service (each, an "Exception Item"). "Exception Item" includes without limitation an Electronic Item that (a) is illegible or contains MICR data that is not machine-readable, (b) was previously processed as an Electronic Item, or (c) is drawn on a bank located outside the United States and is not payable at or through a bank located within the United States. Bank will notify Company of each Exception Item through Bank's *Commercial Electronic Office*® service or other communication channel at Bank's discretion. Company will deposit an Exception Item to Company's Account only by depositing the original Paper Item to which the Exception Item relates or as otherwise agreed by Bank and Company. Even if Bank does not identify an Exception Item when Bank processes the Electronic File that includes the Exception Item, the substitute check or purported substitute check Bank creates from the Electronic Item may be returned to Bank because, among other reasons, the Paying Bank determines it is illegible or missing an image. Bank's failure to identify an Exception Item will not limit Company's obligations to Bank under section 9.
6. **Deposits to Company's Account.** Bank will be deemed to have accepted each Electronic Item for deposit to Company's Account (other than any Exception Item)) (a) on the Business Day Bank processes the Electronic Item (b) at the Bank office where Company's Account is maintained. Funds from these Electronic Items will be made available in accordance with Bank's Funds Availability Policy applicable to Company's Account deemed to be collected in accordance with Bank's Electronic Deposit Collected Funds Schedule which Bank will provide to Company upon request and may amend from time to time.
7. **Third-Party Senders.** This section contains additional terms applicable when Company uses the Service to create and process Electronic Items on behalf of its customers. Prior to creating an Electronic Item on behalf of its customer, Company will (a) provide Bank with the information Bank requires to enable Bank to understand the nature of the customer's business including without limitation its name, Taxpayer Identification Number, business activity and geographic location; (b) if expressly required by Bank, obtain Bank's written approval to use the Service for that customer, which approval Bank may withdraw upon written notice to Company; and (c) enter into a written agreement with that customer in which the customer (i) agrees to grant Bank ongoing access to audit its processes and activities relating to remote deposit capture and (ii) acknowledges Bank may at any time refuse to process Electronic Items for that customer.
8. **Company's Representations and Warranties.** Company represents and warrants to Bank Company will:
  - 8.1. use the Service only for Paper Items payable to or endorsed for deposit by Company;
  - 8.2. transmit to Bank only Electronic Items suitable for processing including without limitation legible Electronic Items containing machine-readable MICR data;

- 8.3. not transmit to Bank any Electronic Item that duplicates an Electronic Item previously transmitted to Bank or that did not originate as a Paper Item;
  - 8.4. maintain control over and sole responsibility for secure retention and destruction of each original Paper Item for which Company has created an Electronic Item (including the security and integrity of nonpublic personal information appearing on the original Paper Item throughout the transmission flow and while in storage) and properly secure all hardware Company uses in connection with the Service at all times;
  - 8.5. not transmit to Bank, deposit to Company's Account, or otherwise negotiate any original Paper Item with respect to which Company has transmitted an Electronic Item to Bank, unless Bank has notified Company that the Electronic Item is an Exception Item; and
  - 8.6. If Company uses an agent to create Electronic Items and/or transmit Company's Electronic File to Bank, Company will ensure its agent includes in each Electronic File Bank Electronic Items payable only to Company, unless Bank consents in writing to permit the agent to include Electronic Items payable to multiple customers of Bank.
  - 8.7. If Company uses the Service to create and process Electronic Items on behalf of its customers, Company (a) has conducted due diligence with respect to each customer and determined that each such customer is engaged in a legitimate business and that the size and frequency of the customer's deposits are normal and expected for the customer's type of business; and (b) will, in accordance with reasonable commercial standards, monitor each customer's business and deposits on an ongoing basis and notify Bank immediately if Company identifies any unusual activity by any customer of Company.
9. **Company's Agreement to Indemnify Bank.** Company will indemnify, defend, and save harmless Bank, its parent company, and its affiliates and each of their respective directors, officers, employees, and agents (collectively in this section 9, "Indemnitees") from and against all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered (collectively, "Losses and Liabilities") by Indemnitees arising directly or indirectly from or related to:
- 9.1. Any negligent or intentional act or omission by Company in the performance of its obligations under this Service Description including without limitation failing to maintain control over and sole responsibility for secure retention and destruction of each original Paper Item for which Company has created an Electronic Item (including the security and integrity of nonpublic personal information appearing on the original Paper Item throughout the transmission flow and while in storage), in which event Losses and Liabilities will include without limitation consequential damages;
  - 9.2. Any material breach in a representation, warranty, covenant, or obligation of Company contained in this Service Description;
  - 9.3. Bank acting as a "reconverting bank" under the Check Clearing for the 21st Century Act through the creation of "substitute checks" or purported substitute checks using an Electronic Item, an Exception Item or an Electronic File, in which event Losses and Liabilities will include without limitation consequential damages; and
  - 9.4. Bank presenting an Electronic Item to the Paying Bank for payment.



10. **Termination.** In addition to its rights to discontinue providing Services under the Master Agreement, Bank may discontinue providing the Service to Company immediately upon notice if Bank determines in its sole discretion that Company has breached any of Company's obligations under sections 8 or 9 of this Service Description.
11. **Bank's Authority Under FIL-4-2009.** In FIL-4-2009, Risk Management of Remote Deposit Capture ("RDC") Guidelines, the FFIEC sets forth guidelines for agreements with RDC customers. In accordance with these guidelines, Bank has the authority upon reasonable prior notice to (a) mandate specific internal controls at Company's locations, (b) periodically audit or require audits of Company's RDC operations including Company's IT infrastructure at Company's expense, and (c) request additional information about Company.
12. **Survival.** Sections 8 and 9 of this Service Description will survive termination of the Service.



## RETURNED ITEM DECISIONING SERVICE DESCRIPTION

This Service Description contains provisions which, in addition to the provisions contained in the Master Agreement for Treasury Management Services between Bank and Company (the "Agreement"), will govern the Returned Item Decisioning Service (the "Service").

1. **The Service.** Using the *Commercial Electronic Office*® (CEO®) portal, Bank will notify Company of returned items to its account(s) during the period specified by Bank on each Banking Day. Returned items will be listed by the default disposition (redeposit or chargeback) selected by Company. Company will review items and accept or change each item's disposition prior to the daily deadline specified by Bank. Returned items not accepted or changed by this deadline will be processed according to their default disposition.
2. **Requirement for Service.** Company shall have met requirements for receiving services offered through the CEO® portal, including the execution of any necessary documentation.



## WELLS FARGO RETURNED ITEM SERVICES SERVICE DESCRIPTION

1. **Introduction.** This Returned Item Services Service Description ("Service Description") and the other Service Documentation as defined in the Master Agreement for Treasury Management Services between Wells Fargo Bank, N.A. ("Bank"), and the company identified in the Acceptance of Services ("Company") between Bank and Company govern Bank's Returned Item Services (each, a "Service").
2. **Description of Bank's Returned Items Services.** Bank's Returned Item Services enable Company to have Bank (a) act as Company's returned Item processor with respect to Items payable to Company that are presented to Bank or another financial institution for payment and returned to Bank unpaid (each, a "Returned Item") in accordance with Company's Special Instructions to Bank for Returned Items ("Special Instructions") and (b) originate debits, and report and process credits received, for Company's returned check fee ("Returned Item Service Fee Recovery"). Company shall communicate its Special Instructions regarding Company's Returned Items to Bank, and Bank shall communicate to Company regarding the Services, using the media, format and communication channel(s) to which Company and Bank agree.
3. **Conditions to Provision of Bank's Service.** As conditions to Bank's provision of the Services, Company shall at all times (a) maintain Company's demand deposit account(s) at Bank (each, an "Account") in good standing; (b) subscribe to Bank's *Commercial Electronic Office®* ("CEO®") Service; and (c) comply with all Rules Applicable to Bank's Returned Item Services as set forth in this Service Description.
4. **Rules Applicable to Bank's Returned Item Services.** Bank will provide its Services to Company in accordance with
  - 4.1. the Service Documentation including without limitation the User Guide that Bank makes available to Company at [www.wellsfargo.com](http://www.wellsfargo.com); and
  - 4.2. State and federal laws and regulations and clearinghouse rules applicable to a Returned Item which may include Federal Reserve Board Regulation CC Subpart C relating to the collection of checks ("Reg CC"), Federal Reserve Board Regulation E ("Reg E") and, in the case of Bank's Returned Item Service Fee Recovery Service when Bank originates an ACH entry on Company's behalf, the National Automated Clearinghouse Association Operating Rules, as supplemented by any applicable operating rules of any automated clearing house of which Bank is a member (together, the "NACHA Rules"), all as amended from time to time.
5. **Special Instructions.** Bank will process Company's Returned Items in accordance with Company's Special Instructions, unless Bank determines in Bank's sole discretion that doing so with respect to a Returned Item would prevent Bank from effectively providing Bank's Service to Company.
6. **Bank's Right to Chargeback Returned Items.** Bank may chargeback a Returned Item to any account Company owns in whole or in part at Bank or any affiliate of Bank without

regard to whether the returned Item was initially deposited to Company's Account or to an account at another financial institution.

7. **Returned Item Service Fee Recovery.** Bank determines the state whose laws establish the maximum returned check fee that Company may assess a customer who issues a Returned Item to Company based on information about Company's retail locations that Company provides to Bank when Company subscribes to this Service and upon any subsequent changes in Company's retail locations. If Company fails to provide information to Bank regarding a location in a timely fashion, Bank will assess the lowest maximum fee permitted in the states for which Company has provided location information.
8. **ACH Entries.**
  - 8.1. **Payment Obligations; Settlement; Returned Debit Entries.** In the case of Services for which Bank originates ACH debit entries on Company's behalf, each credit to Company's Account will be made on the applicable settlement date. Bank may charge Company's Account for any debit, correcting or reversing entry which is later returned to Bank. Company authorizes Bank upon prior oral or written notice to Company to place a hold on an equal amount of funds in Company's Account or to take any other action Bank deems appropriate to ensure Bank receives payment for any debit, correcting or reversing entry which is later returned to Bank.
  - 8.2. **Reimbursement.** Company will reimburse Bank for any loss or expense Bank incurs, including reasonable attorney's fees and legal expenses, as the result of (a) a breach of any warranty Bank makes under the NACHA Rules in connection with providing the Services to Company, (b) a breach of any representation or warranty that Company makes in this Service Description, or (c) an action Company asks Bank to take in connection with Bank's providing the Services to Company. Company authorizes Bank to recover any such amount by debit to any account Company owns in whole or in part at Bank or any affiliate of Bank.
9. **Company's Representations and Warranties.** Company represents and warrants Banking that:
  - 9.1. The information about Company's retail locations that Company provides to Bank in accordance with Section 7 of this Service Description is accurate.
  - 9.2. Company has received and shall maintain current copies of the Rules Applicable to Services including without limitation Reg CC, Reg E and the NACHA Rules and is in compliance therewith.
10. **Company's Agreement to Indemnify Bank.** Company shall indemnify, defend, and save harmless Bank, its parent company, and its affiliates and each of their respective directors, officers, employees, and agents (collectively in this Paragraph 10, "Indemnified Persons") from and against all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) (collectively, "Losses and Liabilities") awarded against or incurred or suffered by Indemnified Persons arising directly or indirectly from or related to the following :

- 10.1. Any negligent or intentional act or omission by Company in the performance of its obligations under this Service Description and the other Service Documentation including without limitation Company's obligation to provide Bank with information about Company's locations.
  - 10.2. Any material breach in a representation, warranty, covenant, or obligation of Company contained in this Service Description and the other Service Documentation;
  - 10.3. The violation of any applicable law, statute, or regulation or of the Rules Applicable to Bank's Returned Items Services including without limitation Reg CC, Reg E and the NACHA Rules in the performance of Company's obligations under this Service Description and the other Service Documentation; and
  - 10.4. A breach of any warranty Bank makes under the NACHA Rules in connection with Bank's Services under this Service Description, any failure by Bank to assess the correct Returned Item Service fee based and any delay in the return of any Returned Item.
11. **Bank's Assessment of Services.** Company agrees Bank may at any time or times modify this Addendum with prior notice to Company, and the Addendum as modified shall supersede this Addendum and be binding upon Company.
12. **Survival.** Sections 6, 7, 8, 9, and 10 of this Service Description will survive termination of the Service.



## SMART DECISION® SERVICE DESCRIPTION

1. **Introduction.** This Service Description and the other Service Documentation as defined in the Master Agreement for Treasury Management Services between Wells Fargo Bank, N.A. ("Bank"), and the Company identified in the signature block of the Acceptance of Services ("Company") between Company and Bank govern Bank's Smart Decision Service ("Service").
2. **Description of Service.** Bank will process for credit to each account at Bank that Company enrolls in the Service ("Account") checks or other instruments payable to Company (each, an "Item") that Company delivers to Bank via the depository channels through which Bank offers the Service. These depository channels include (a) electronic channels through which Company transmits electronic files of electronic images of Items (each, an "Electronic Image") and other information (collectively, the "Electronic File") and (b) other channels through which Bank accepts Items for processing. Bank will convert each eligible Electronic Image and each eligible Item to an automated clearing house ("ACH") debit entry (each, an "Entry") on the deposit account on which it was drawn or otherwise process the Electronic Image in accordance with the separate Service Documentation governing the electronic depository channel Company uses to deliver the Electronic Image to Bank or process the original Item in accordance with Bank's Commercial Account Agreement.
3. **Rules Applicable to the Service.** Bank will provide the Service to Company in accordance with
  - 3.1. this Service Description;
  - 3.2. the Service Documentation; and
  - 3.3. the National Automated Clearinghouse Association Operating Rules, as supplemented by any applicable operating rules of any automated clearing house of which Bank is a member and Federal Reserve Board Regulation E ("Regulation E") (together, the "ACH Rules"). If Bank processes an Item as an Entry, Bank is the originating depository financial institution ("ODFI"), Company is the "Originator," and the person issuing the Paper Item is the "Receiver," as these terms are defined in the ACH Rules.

In the event of a conflict between this Service Description and the other Service Documentation, this Service Description will control.
4. **Conditions to Provision of the Service.** As conditions to Bank's provision of the Service, Company will at all times (a) subscribe to Bank's *Commercial Electronic Office®* ("CEO®") Service, (b) maintain each Account in good standing, and (c) comply with the Rules Applicable to the Service.
5. **Preferences.** A Preference is a criterion Bank uses to determine the means Bank will use to process an Item. Each Business Day, Bank will process Company's Electronic File and Items in accordance with Company Preferences and Preferences from the issuer of an Item (each, an "Issuer Preference") that Bank has on file as of Bank's Cut-Off Time on the prior Business Day. If a Company Preference or an Issuer Preference conflicts with a Bank Preference with respect to an Electronic Image or an Item, Bank will process the Electronic Image or Item in accordance with the Bank Preference.

6. **Payment Obligations; Provisional Credit, Settlement; Returned Debit Entries.** When Bank processes an Electronic Image or an Item as an Entry, Bank will credit Company's Account for the Entry on the applicable settlement date. A credit to Company's Account for an Entry is provisional until Bank receives final settlement for the Entry. If Bank does not receive final settlement for the Entry, Bank may debit Company's Account or any other accounts Company owns in whole or in part at Bank or any affiliate of Bank for the amount of the Entry. When Bank process an Electronic Image in accordance with the applicable Service Documentation, Bank will credit Company's Account for the Electronic Image and process any chargeback related to the Electronic Image in accordance with that Service Documentation. When Bank processes the original Item in accordance with Bank's Commercial Account Agreement, Bank will credit Company's Account for the Item and process any chargeback related to it in accordance with the Account Agreement. Company will pay Bank for any shortfall remaining after such debit or chargeback immediately upon demand.
7. **Bank's Internal Risk Parameters.** Bank establishes internal risk parameters to identify out-of-pattern or suspect transactions and protect Company and Bank from potential losses. These parameters may include without limitation limits on Company's debit and credit settlements on a single Business Day and/or over multiple consecutive Business Days. Bank reserves the right to pend or delete an Entry or file exceeding the applicable parameters as Bank would if Bank had reason to believe the Entry or file had not been duly authorized or should not be honored for Company's or Bank's protection.
8. **Third-Party Sender Activities.** If Company is a Third-Party Sender, as defined by the ACH Rules, this Section will apply to Company's use of Bank's Services.
  - 8.1. Prior to originating any Entry on behalf of a customer of Company ("Customer"), Company will (a) notify Bank in writing of any other financial institution Company is using to originate transactions as a Third-Party Sender and thereafter notify Bank before Company adds any new financial institution for this purpose; (b) provide Bank with the information Bank requires to enable it to understand the nature of the business of that Customer including without limitation the name, TIN, business activity and geographic location of that Customer; (c) if specifically required by Bank, obtain Bank's written approval to initiate or continue to initiate Entries for that Customer, which approval Bank may rescind upon written notice to Company; and (d) enter into a written agreement with that Customer in which that Customer agrees:
    - 8.1.1. to assume the responsibilities of an originator under the ACH Rules and to be bound by the ACH Rules as in effect from time to time;
    - 8.1.2. Entries may not be initiated in violation of the laws or regulations of the United States including without limitation the regulations issued by the Office of Foreign Assets Control;
    - 8.1.3. to grant Bank ongoing access to audit it and any ACH file that it has transmitted to Company for transmission to Bank; and
    - 8.1.4. Bank may at any time refuse to process an Entry for that customer.
  - 8.2. Company represents and warrants to Bank that Company (a) has conducted due diligence with respect to each Customer for which Company is originating transactions through Bank and determined that each Customer is engaged in a legitimate business and that the type, size and frequency of transactions that each such Customer is originating is normal and expected for the Customer's type of

business; and (b) will, in accordance with reasonable commercial standards, monitor each Customer's business and transactions on an ongoing basis and notify Bank immediately if Company identifies any unusual activity.

9. **Company's Representations and Warranties.** Company represents and warrants to Bank that:
  - 9.1. Company will transmit to Bank only Electronic Images that are suitable for processing, including, but not limited to, Electronic Images that are legible and contain machine-readable MICR data.
  - 9.2. Company will not deposit to the Account or otherwise negotiate any original Paper Item from which Company has previously created and submitted to Bank an Electronic Image, unless Bank has notified Company that the Electronic Image is not legible or contains MICR data that is not machine readable.
  - 9.3. Company has received copies of the Rules Applicable to the Service including without limitation the then-current ACH Rules and Reg E and will comply therewith at all times that Bank provides the Service.
10. **Company's Agreement to Indemnify Bank.** Without limiting the indemnification provisions contained in the other Service Documentation, Company will indemnify, defend, and save harmless Bank, its parent company, and its affiliates and each of their respective directors, officers, employees, and agents (collectively in this Paragraph 10, "Indemnitees") from and against all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered (collectively, "Losses and Liabilities") by Indemnitees arising directly or indirectly from or related to the following (except for Losses and Liabilities arising directly or indirectly from or related to Bank's own gross negligence or intentional misconduct):
  - 10.1. Any negligent or intentional act or omission by Company in the performance of its obligations under this Service Description including without limitation failing to maintain control over and properly dispose of original Items for which Company has transmitted an Electronic File to Bank in which event Losses and Liabilities will include consequential damages;
  - 10.2. Any material breach in a representation, warranty, covenant, or obligation of Company contained in this Service Description;
  - 10.3. The violation of any applicable law, statute, or regulation in the performance of Company's obligations under this Service Description; and
  - 10.4. A breach of any warranty Bank makes under the ACH Rules.
  - 10.5. Bank presenting an Electronic Item to the paying bank for payment.
11. **Survival.** Paragraphs 6, 8 and 10 will survive termination of the Service.





## WIRE TRANSFER SERVICE DESCRIPTION

1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") wire transfer service ("Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of the Service.** The Service enables Company to instruct Bank to transfer funds in accordance with Article 4A of the Uniform Commercial Code as amended from time to time ("UCC 4A") and the rules and regulations of any funds transfer system Bank uses to effect the transfer. In this Service Description, an instruction to Bank (including any communication cancelling or amending an instruction) in Company's name to transfer funds from Company's account at Bank or Bank's affiliate (each, an "Account") is a "Payment Order" (as defined in UCC4A). Section 5 of this Service Description describes (a) the means Bank offers to Company for transmitting Payment Orders to Bank (each, an "Initiation Method") and (b) the means Bank will use to verify Company's authorization of a Payment Order or a communication amending or canceling a Payment Order (each, a "Security Procedure").
3. **Preparation of Payment Orders; Processing Schedules.** Company will prepare each Payment Order in accordance with guidelines Bank separately makes available from time to time. Bank will execute each Payment Order in accordance with Bank's then current processing schedule and any instructions Company furnishes with the Payment Order regarding the date a Payment Order is to be executed. A Payment Order will be deemed received by Bank when Bank has verified it in compliance with the Security Procedure. If Bank receives a Payment Order after Bank's applicable cutoff time on any Business Day, Bank will treat the Payment Order as having been received prior to Bank's applicable cutoff time on Bank's next Business Day. A "Business Day" is every day except Saturday, Sunday, and federal holidays.
4. **Inconsistency of Name and Number.** If a Payment Order describes the person to receive the funds that are the subject of the Payment Orders both by name and identifying number, Bank may execute the Payment Order on the basis of the identifying number, even if the number identifies a person different from the named person. If a Payment Order describes a financial institution both by name and identification number, the identification number may be relied upon to identify the financial institution, even if the identification number refers to a financial institution other than the named financial institution.
5. **Initiation Methods and Security Procedures.** This section lists the Initiation Methods and Security Procedures Bank offers for wire transfers. Company's elections regarding Initiation Methods and Security Procedures is/are set forth in the Acceptance.
  - 5.1. **Voice Initiation Method.**

Bank's voice initiation security procedure consists of confirming the personal identification number ("PIN") accompanying a Payment Order corresponds with a valid PIN assigned to Company for voice-initiated Payment Orders.

    - 5.1.1. **Telephone Verification Service.** If Bank receives a voice-initiated, non-repetitive Payment Order that exceeds the applicable pre-designated limit, Bank will make one attempt to telephone person(s) designated by Company on the most current

setup form for Company in Bank's records to verify the Payment Order. If Bank is unable to complete the call, Bank will not process the Payment Order.

## 5.2. Commercial Electronic Office® (CEO®) Initiation Method.

CEO is Bank's electronic banking portal that is accessed via the Internet. Authorized users may access Bank's CEO Internet ACH Service through the portal. CEO security procedures include log-on credentials specified by Bank (that may include a Company ID, user ID and password) and any other authentication or authorization process Bank requires from time to time. Bank will use the CEO security procedures to authenticate each Payment Order received through CEO in Company's name.

## 5.3. Direct Origination Initiation Method.

**Secure Application File Exchange Transmission ("SAFE-T").** This transmission platform offers a variety of transmission protocols including hypertext transfer protocol secured (https) FTP over SSL (FTP/S), secure FTP (S-FTP), and Applicability Statement 2 (AS2) that Bank uses to authenticate each Payment Order transmitted to Bank in Company's name.

**IBM® - Sterling Connect:Direct® with Secure Plus+.** Secure Plus+ is an add-on to Connect:Direct® to enhance security by means of Secure Socket Layer ("SSL") or Transport Layer Security ("TLS"). Connect:Direct® is a registered trademark of Sterling Commerce, Inc., an IBM Company.

## 5.4. Payment Manager® Initiation Method.

**Secure Application File Exchange Transmission ("SAFE-T").** This transmission platform offers a variety of transmission protocols including hypertext transfer protocol secured (https), FTP over SSL (FTP/S), secure FTP (S-FTP), and Applicability Statement 2 (AS2) that Bank uses to authenticate each Payment Order transmitted to Bank in Company's name.

**Machine-to-Machine ("M2M").** This transmission method uses an XML message interface that is based on the Interactive Financial eXchange (IFX) message standard using SOAP structured messages. Data is communicated via the Internet using 128-bit encryption and Secure Socket Layers (SSL). Bank uses digital certificates to authenticate each Payment Order transmitted to Bank in Company's name.

**IBM® - Sterling Connect:Direct® with Secure Plus+.** Secure Plus+ is an add-on to Connect:Direct® to enhance security by means of Secure Socket Layer ("SSL") or Transport Layer Security ("TLS"). Connect:Direct® is a registered trademark of Sterling Commerce, Inc., an IBM Company.

**Value-Added Network ("VAN").** With this transmission method, a third party serves as an intermediary for transmitting data between Company and Bank. Procedures for transmitting Payment Orders may vary by VAN. Bank follows the procedures of the VAN selected by Company to authenticate each Payment Order transmitted to Bank through the VAN in Company's name.

### 5.5. **SWIFT® Initiation Method.**

SWIFT has established procedures for controlling access to SWIFT messaging services (each, an "Access Control") that may include without limitation access codes, message authentication codes, secure card readers, digital signatures, and Hardware Security Modules. In addition, SWIFT authenticates certain messages including without limitation Payment Orders based on SWIFT message type prior to accepting them for routing as SWIFT messages (each, an "Authenticated Message"). This authentication may include confirming that the sender and recipient of the message have exchanged bilateral keys ("BKE"), entered into a relationship management application ("RMA") agreement, or taken other steps to secure the transmission of SWIFT messages between them as SWIFT requires from time to time (each, an "Authentication Procedure").

### 5.6. **Security Procedure Elected by Company's Third Party Service Provider.**

Company is utilizing a Third Party Service Provider ("TPSP") as defined in the ACH Rules to originate Payment Orders on Company's behalf. Bank will authenticate each Payment Order transmitted to Bank in Company's name in accordance with the security procedure the Company's TPSP has elected.

### 5.7. **Non-Standard Security Procedure.**

If Company has refused to utilize any of the security procedures described above, then the Security Procedure Company will use is described on Attachment B to the Acceptance.

6. **Authorization to Pay.** Company authorizes Bank to (a) execute any Payment Order Bank verifies in accordance with the Security Procedure and (b) debit the account specified in the Payment Order (and if no account is specified, the Account or any other account of Company at Bank or an affiliate) even if a debit results in an overdraft on the execution date (as defined in UCC4A). Company will maintain sufficient available funds in the account specified in the Payment Order at the time of each debit.
7. **Company's Duty to Report Erroneous or Unauthorized Transfer Instructions.** Company will exercise ordinary care to determine whether a Payment Order accepted by Bank was either erroneous or not authorized and to notify Bank of the relevant facts within a reasonable time not exceeding fourteen (14) days after Company receives notification from Bank that the Payment Order was accepted or that the Account was debited with respect to the Payment Order, whichever is earlier. Company will be liable to Bank for the loss Bank incurs as a result of Company's failure to act in accordance with this section.
8. **Rejected Payment Orders.** If a Payment Order is rejected for any reason Bank will attempt to notify Company promptly so Company may cure the defect but will have no liability to Company for a rejected Payment Order or any loss resulting from Bank's failure to provide notice.
9. **Cancellation, Amendment, Reversal.** A Payment Order will be final and not subject to cancellation, amendment or reversal by Company, except Bank may, at Company's request, make an effort to effect such cancellation, amendment or reversal without incurring any liability for its failure or inability to do so.
10. **International Wire Transfers.** A Payment Order expressed in U.S. Dollars will be sent in U.S. Dollars. Company may request that prior to executing a Payment Order, Bank convert the amount to be transferred from U.S. Dollars to the currency of a designated foreign government

or intergovernmental organization ("Foreign Currency") at Bank's sell rate for exchange in effect on the date Bank executes the Payment Order. If the financial institution designated to receive the funds does not pay the beneficiary specified in a Payment Order payable in Foreign Currency and the funds are returned to Bank, Bank will not be liable for a sum in excess of the value of the funds after they have been converted from Foreign Currency to U.S. Dollars at Bank's buy rate for exchange at the time the cancellation of the Payment Order is confirmed by Bank. Bank will not be liable for any failure or delay by any financial institution or other third party in the designated foreign country in executing or failing to execute any Payment Order Bank transmits to a foreign country.

11. **Drawdown Requests.** A "drawdown request" is an instruction from Company to another depository institution to debit (a) an account at that institution and transfer the funds to Bank (each, an "outgoing drawdown request") or (b) the Account and transfer the funds to that institution (each, an "incoming drawdown request"). In this Service Description, "Payment Order" includes drawdown requests. Bank may execute an incoming drawdown request that conforms with instructions it receives through Fed Wire, SWIFT, CHIPS or any other funds transfer system, provided such instructions are not inconsistent with instructions Company separately provides in writing. The authority to execute the incoming drawdown request will continue until Bank receives express written notice from Company that such authority is revoked.
12. **Limitation of Bank's Liability.** If Bank executes Company's Payment Order by sending instructions to another financial institution, Bank may send the payment order by any transmission method and by any route Bank in its sole discretion considers reasonable. Bank will not be liable for any third party's failure to or delay or error in processing a Payment Order. If the beneficiary bank does not pay the beneficiary specified in the Payment Order, a refund will be made only after Bank has received confirmation of the effective cancellation of the Payment Order and Bank is in free possession of the funds debited or earmarked in connection with the Payment Order. If Bank is notified it did not transfer the full amount stated in a Payment Order, Bank's sole obligation will be to promptly execute a second Payment Order in the amount of the stated deficiency. If Bank executes a Payment Order in excess of the amount stated in the Payment Order, to the extent Company does not receive the benefit of the Payment Order, Bank will only be liable for any loss of the principal amount transferred in excess of the amount stated in the Payment Order. Additionally, Bank will be liable for the amount of interest Company has lost due to the transfer of the excess amount, computed at the then current Federal Funds rate. However, Bank's liability for loss of interest will be limited to twenty (20) calendar day's interest. This section sets forth Bank's complete liability for a Payment Order issued or received under this Service Description.
13. **Survival.** Sections 4, 5, 6, 7, 8, 9, 10, 11 and 12 will survive the termination of Services.



# Wire Transfer Services Security Procedure Agreement and Customer Setup

Complete this form to set up a customer for voice wire initiation. This form requires both customer and banker signatures. Forms received without signatures will be returned to the banker unprocessed. To set up SWIFT wire initiation, use the SWIFT Wire Initiation Setup form, WTR 6667.

Keying detailed wire information electronically into this form, by the banker on behalf of the customer, may result in a more accurate and legible form that can be processed more quickly, and retained more easily.

## Section 1 – Agreement

This form is to establish new voice wire services. To update existing security procedures or for account maintenance please refer to forms WTR 1506, Wire Transfer Security Procedure Agreement or WTR 4777, Wire Transfer Customer Maintenance.

This agreement is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_ ("you" or "your") and Wells Fargo Bank, N.A. ("Bank"). By signing below, you acknowledge receiving and agreeing to be bound by these terms and conditions and those referred to in the Wire Transfer Services Agreement or the Master Agreement for Treasury Management Services Description and Wire Transfer Services Description and, if applicable, the CEO Service Description. You understand that in any instructions to transfer funds by wire from accounts you maintain at Bank ("Orders"), Bank may rely solely (i) on the account number of the person ("Beneficiary") who is to receive the wire transfer rather than the Beneficiary's name, and (ii) if provided by you, on the identification number of any other financial institution through or to which the funds are to be transferred, rather than the name of the financial institution. You agree that you are bound by any Order, whether or not authorized, issued in your name and accepted by Bank in compliance with the Security Procedure selected by you.

## Section 2 – Standard Security Procedures

**2.1 Voice Initiated Orders.** Bank's standard Security Procedures consist of confirming that the personal identification number ("PIN") that accompanies an Order corresponds with a valid PIN assigned to you on voice-initiated Orders. A PIN is required for all voice-initiated transfers.

**2.2 Terminal Initiated Orders.** Bank's standard Security Procedures for terminal-initiated Orders (including Orders placed via the Internet) consist of RSA SecurID® or other system security features offered by Bank.

## Section 3 – Additional Security Procedures for Specific Services. (Unless designated as "optional", the following Security Procedures are required in addition to the Standard Security Procedures.)

**3.1 Voice Initiated, Non-Repetitive wires.** If you are doing Repetitive wires only do NOT complete Section 3.1.1.

**3.1.1 OPTIONAL Verify Callback Service:** (Selecting this fee-based service requires a minimum of two persons with wire transfer authority because the initiator of a wire cannot also approve the wire.) The Bank will make a reasonable attempt to telephone an authorized approver, not the initiator, to verify that the voice initiated wire transfer order is authorized, when the amount of the Non-Repetitive Outgoing wire is \$\_\_\_\_\_ or more. If the Bank is unable to contact or obtain approval from an Authorized Approver, the transfer will not be processed. By specifying an amount in the space provided above, you agree with these terms. Bank will not telephone to verify a Repetitive wire transfer regardless of the amount. If the form does not indicate an approver, other than the initiator, the service cannot be provided and cannot be setup.

Complete this section for authorized approvers and provide your signature on page 3 as authorization to assign the designated persons.

Individuals authorized to approve wires (Verify Call Back) first & last name	\$ Limit	Phone number including area code
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

Once the customer's approval/signature is received on the form, the Banker/Relationship Manager must approve/sign the form, then fax to 866-922-6202, Wire Implementation from a valid Wells Fargo Fax. File copies in your location's record-retention file.

Account Number

### 3.2 Commercial Electronic Office (CEO<sup>SM</sup>) Wire Transfer Service (or WellsNet Wire Transfer Service.)

**3.2.1 Availability of Self-Administration.** If you request Self-Administration of your access to the CEO, most of the set-up and administration of your access to CEO services (including the CEO Wire Transfer Service) will be performed by your Company Administrator rather than Bank. Three levels of access authorization are available: *Company Administrator, Administrator and Operator*. A "Company Administrator" has access to all services you receive through the CEO and is able to set up and administer access for other Company Administrators, Administrators and Operators for all such services. An "Administrator" has access to specific CEO services and can set up other Administrators and Operators for such specific services. "Operators" are authorized to access specific services and functions (for example, the create/modify function or the verify function for wire transfer requests) within those services, but they are not authorized to set up or administer access for such services or functions.

**3.2.1.1 No Self-Administration.** If you do not have Self-Administration, your designated security administrator will determine Operators and the dollar limits per transaction and per day assigned to each Operator and will communicate this information to Bank. Bank will set up the Operators by assigning each a personal ID code. Your security administrator will also be responsible for communicating any changes in Operators or in Operator limits or authorization(s) to Bank. You will promptly report to Bank any lost or stolen token cards.

**3.2.1.2 Self-Administration.** If you have requested Self-Administration, Bank will assign a Company ID code and will set up your first Company Administrator by assigning a personal ID code and password to be used when he/she first enters the CEO number. He/She can then set up additional Company Administrators, Administrators or Operators. Any Company Administrator: (a) can set up additional Company Administrators, Administrators and Operators (issuing each a password that will be changed upon first entry to the CEO) and a personal ID code; (b) can reset passwords for all services; and (c) shall be required to immediately disable access to the CEO for any Company Administrator, Administrator or Operator who ceases to be a Company Administrator, Administrator or Operator. An Administrator can set up additional Administrators and Operators and reset passwords for the specific service(s) he/she is set up to access. Bank will not know the password of any Company Administrator, Administrator, or Operator except the initial password assigned to the first Company Administrator. Bank will give each Company Administrator and Administrator a token card and a PIN, known only by them individually and Bank. Self-Administration will also allow a Company Administrator or an Administrator to initiate a request to Bank to reassign an existing token card to another Company Administrator, Administrator or Operator.

**3.2.1.3 Self-Administration with Dual Control.** If you have requested Self-Administration with dual control, Bank will assign a Company ID code and will set up your first two Company Administrators by assigning each a personal ID code and password to be used when each first enters the CEO. All actions that can be performed by a Company Administrator or an Administrator in Section 3.2.1.2 will require that one Company Administrator (or Administrator with appropriate function access) initiate the action and a second Company Administrator (or Administrator with appropriate function access) approve the action.

**3.2.2 Token Cards.** Bank will assign a token card to each Operator. The token card generates a random and unique security code every minute. The code combines with a PIN to provide a unique password (the "Passcode") every minute. The PIN is set by each Operator individually upon first login. The Passcode must be presented with each request to access the Service and is used by Bank to authenticate the identity of Company and/or the person originating the request. Bank will verify each request to access the Service by determining if the Passcode is valid for the associated personal ID code for the Operator and if the personal ID code used by the person requesting access is the personal ID code of one of the persons you have designated in writing as being authorized such access. Bank has no obligation to confirm in any other way the identity of any person making such a request.

**3.2.3 Non-Repetitive Requests.** For domestic and international Non-Repetitive wire transfer requests, Operators who create/modify such requests additionally will be required to use a Password which is initially provided to the Operator by Bank, or by a Company Administrator or Administrator if you have Self-Administration, and is changed by the Operator upon first login.

### 3.3 Electronic Commerce/Payment Manager Services. (Check applicable box.)

**3.3.1 ☐ Password – File Transmission (Non-Encrypted).** This procedure requires that a unique eight-digit code separately agreed upon in writing by you and Bank be presented with your wire file. You may be required to change the code on a regular basis.

**3.3.2 ☐ Secure File Transport (Encrypted).** This procedure uses 128-bit SSL (Secure Sockets Layer) encryption and requires the use of a transmission ID and a transmission password. Use of a digital certificate is optional.

## Section 4 – Additional Provisions

**4.1 Separation of Operator Function.** Bank strongly recommends that you separate among Operators using the Wire Transfer Service the ability to create/modify and verify wire transfer requests in Order to reduce your risk of suffering a loss resulting from an unauthorized or fraudulent wire transfer.

**4.2 Additional Actions by Bank.** Any actions Bank takes to detect erroneous wire transfer requests, or any actions Bank takes beyond those described above in an attempt to detect unauthorized requests or instructions will be taken at Bank's sole discretion. No matter how many times Bank takes these actions they will not become part of Bank's standard procedures for attempting to detect such erroneous or unauthorized requests or instructions, and Bank will not in any situation be liable for failing to take or to correctly perform these actions.

**4.3 Protection of Passwords, PINs, etc.** It is your responsibility to ensure that the ID codes, passwords, token cards, PINs, and Passcodes are known to, and used only by, persons who have been properly authorized by you to use the Wire Transfer Service. Bank, in its sole discretion, may cancel or reissue any PIN it believes may have been compromised, including, without limitation, a PIN that has never been acknowledged as having been received and any PIN that has been used by anyone other than the intended authorized user.

*Complete the Customer Setup on page 3, including Banker & Customer signatures.*

Once the customer's approval/signature is received on the form, the Banker/Relationship Manager must approve/sign the form, then fax to 866-922-6202, Wire Implementation from a valid Wells Fargo Fax. File copies in your location's record-retention file.

Account Number

## Section 5 – Setup Information

**5.1 Account numbers used (list accounts that wires will debit.)** For *additional accounts* attach a signed listing with notation of Customer's name and the additional account numbers. Check the appropriate box for each account number to identify the account type. For multiple account setups the Tax ID number must be the same for all accounts listed. If not then a separate Wire Transfer Services Security Procedure Agreement and Customer Setup form must be completed for each Tax ID number.

1)	<input type="checkbox"/> DDA <input type="checkbox"/> G/L	2)	<input type="checkbox"/> DDA <input type="checkbox"/> G/L	3)	<input type="checkbox"/> DDA <input type="checkbox"/> G/L	4)	<input type="checkbox"/> DDA <input type="checkbox"/> G/L
----	--	----	--	----	--	----	--

**5.2 Alternate Account to be charged for wire fees**

List account only if wire fees are to be assessed to this account for the accounts listed above in section 5.1

<input type="checkbox"/> DDA <input type="checkbox"/> G/L
--

**5.3 Account Relationship Link**

To link accounts to the Master Account number (for Book Transfer pricing) enter the Master Account number

--

**5.4 Advice Information – Additional fees apply for these services.** For Fax or Email Notification on intraday wire activity use the InfoFax setup form.

Mail Advice for (if no choice is made will default as No Advice)

Mail Advice to (if different than address noted below in section 5.6)

☐ Debit Wires ☐ Credit Wires ☐ No Mail Advice

**5.5 Authorized Callers** List the people authorized to initiate wires. Special notes and instructions for the following columns:

**Caller \$ Limit** = Use "N" if unlimited. The limit applies to all functions unless noted otherwise.

**Initiation Type** = If no choice is noted for Wire Initiation we will set the individual up for both Repetitive and Non-Repetitive Wire Initiation. Complete by checking appropriate box:

R = Repetitive / B = Both Repetitive & Non-Repetitive.

Authorized Callers first & last name	\$ Limit	Phone Number including area code	Initiation Type <sup>√</sup> R B
	\$		<input type="checkbox"/> <input type="checkbox"/>
	\$		<input type="checkbox"/> <input type="checkbox"/>
	\$		<input type="checkbox"/> <input type="checkbox"/>
	\$		<input type="checkbox"/> <input type="checkbox"/>
	\$		<input type="checkbox"/> <input type="checkbox"/>
	\$		<input type="checkbox"/> <input type="checkbox"/>

NOTE: If the version of the Acceptance of Services includes the acceptance of the wire transfer security procedures, the customer is not required to complete section 5.6 below.

**5.6 Customer Approval – Signatures as required by Certificate of Authority or Signature Card.**

Legal Name as it appears on your account		Customer's Primary Phone No.	
Mailing address for PINs and mail advice including City, State, and zip code. (If blank, items will be mailed to address on primary statement mailing address.)			
Printed Name of Authorized Signer		Printed Name of Authorized Signer	
Signature	Date	Signature	Date
<b>X</b>		<b>X</b>	

**5.7 Bank Approval – Forms submitted without Customer and Banker signatures or older than 90 days will be returned to the Banker unprocessed.**

Customer's 1 <sup>st</sup> ID type, number, issued by State/Country & Expiration Date		Customer's 2 <sup>nd</sup> ID, type, number, issued by State/Country & Expiration Date	
Banker's/Officer's Printed Name	Bank MAC	Document Prepared by & phone # (in case of questions about this setup)	
Banker/Officer's Signature — Required	Date	Banker/Officer's Phone #	Banker/Officer's Fax #
<b>X</b>			
Banker's Wells Fargo email address for notification. A reasonable attempt will be made to contact the banker at the Wells Fargo email provided upon completion. Notifications will NOT be sent to any email address outside the Wells Fargo system.			

Once the customer's approval/signature is received on the form, the Banker/Relationship Manager must approve/sign the form, then fax to 866-922-6202, Wire Implementation from a valid Wells Fargo Fax. File copies in your location's record-retention file.

## TARGET BALANCE ACCOUNT SERVICE DESCRIPTION

The Wells Fargo logo, consisting of the words "WELLS" and "FARGO" stacked vertically in a white, sans-serif font inside a black square.

1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") Payment Authorization Service ("Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of Service.** If Company maintains multiple accounts at Bank, Company may designate in writing one such account as its "Principal Account" and one or more additional accounts as "Target Balance Accounts". For each Target Balance Account, Company will separately specify to Bank in writing the Ledger Balance or Collected Balance which Company wishes to maintain in such account (the "Target Balance"). At the end of each Business Day, Bank will determine the applicable balance on deposit in each Target Balance Account. If the applicable balance in a Target Balance Account exceeds its Target Balance, Bank will transfer from the Target Balance Account to the Principal Account such funds as are necessary to bring the applicable balance to the Target Balance. If the applicable balance is less than the Target Balance, Bank will transfer from the Principal Account to the Target Balance Account such funds as are necessary to bring the applicable balance to the Target Balance. Bank may, but will not be required to, transfer funds if the transfer would create an overdraft or exceed the Collected Balance then on deposit in the Principal Account.



**WELLS FARGO  
RESPONSE TO ADDITIONAL QUESTIONS  
RFP #114739  
GENERAL BANKING SERVICES**

Below are answers to your written questions and questions we noted during our presentation with the City of Portland:

**1. Is there an ability to schedule reports in CEO?**

Yes, the new Autolink service enables clients to automate the download of information services data. This service works in conjunction with the Treasury Information Reporting (TIR) module on the Commercial Electronic Office web portal. With this service, you are able to set up and schedule tasks to automatically download TIR reports on your computer. Reports can also be manually generated at any time. Price of this service is \$175 per month for an unlimited number of users.

**2. Does Event Messaging for wires include the Fed reference number?**

No, the Fed reference number is provided on the Wire Detail report or Intraday Detail report.

**3. FDIC Living Will**

We have been working with the FDIC on our Living Will plan and are not required to submit our plan until July 2013. We will submit our living will plan as required by the Dodd-Frank financial reform law. We expect our plan to be on the FDIC website in October 2013.

**4. Wells Fargo Portland metropolitan area residential mortgage loan portfolio**

**Please provide data for each of the items below for year-end 2009, 2010, and 2011, and through September 30, 2012. For each item, provide the number, dollar amount and as-specific a geographic break-out as possible:**

- **how many residential mortgage loan applications you received**  
This information is not currently available
- **how many loans were originated**

Below is information currently available for Wells Fargo Home Mortgage -

<b>Year</b>	<b>No. of Residential Loans</b>	<b>Total Loan Volume</b>	<b>Rank(1)</b>
2009	15,910	\$3.65 billion	1
2010	24,283	\$7.4 billion	1
2011	12,466	\$2.6 billion	1
2012	11,709	\$2.6 billion	2

(1) by number of loans closed locally -

Sources: Portland Business Journal – Various Years

- **the delinquency performance of these loans**

This information is not currently available

- **describe the loan modification programs offered to delinquent borrowers**

The attached sheet provides information about our agreements with the Attorneys General and several federal agencies addressing mortgage servicing, foreclosure and origination issues.

- **success rates of each modification program**

This information is not currently available

- **how many loans were charged off and how many were transferred to foreclosure**

This information is not currently available