

**LEBANON COMMUNITY SCHOOL DISTRICT  
SCHOOL BOARD MEETING  
April 26, 2018, 6:00 PM**

Santiam Travel Station

750 S. Third Street, Lebanon, OR 97355

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**MEETING AGENDA**

**1. WELCOME**

- A. Call to Order
- B. Flag Salute

**2. AUDIENCE COMMENTS**

This is a time for citizens to address the Board. The Chair will recognize speaker(s) at the designated time. All speakers shall identify themselves and state their name before speaking. Speakers are asked to provide their name, address and telephone number on the Speaker's Sign-in Sheet. Each speaker may address the Board for three minutes.

**3. LEBANON EDUCATION SUPPORT PROFESSIONALS ASSOCIATION 2018–2020 CONTRACT** **Action: Approval Requested**

**4. SCHOOL CONFIGURATION: CASCADES, GREEN ACRES** **Action: Approval Requested**  
(Page 4)

**5. CREATION OF LEBANON ACADEMY, A DEDICATED ALTERNATIVE EDUCATION SCHOOL** **Action: Approval Requested**  
(Page 5)

**6. AWARD OF BANKING SERVICES CONTRACT** **Action: Approval Requested**  
(Page 38)

**7. AWARD OF LEGAL SERVICES CONTRACT** **Action: Approval Requested**  
(Page 186)

**8. RESIGNATION OF ZONE 1 MEMBER RUSS MCUNE, TIMELINE TO FILL VACANCY** **Action: Approval Requested**  
(Page 196)

**9. GENERAL BUSINESS** **Action: Approval Requested**

Policies: Second Reading (Page 198)

Code	Title
CCC	Hiring of Licensed Administrators
CM	Compliance and Reporting on Standards
GBH/JECAC, also JECAC/GBH	Staff/Student/Parent Relations**
GBK/KGC, also KGC/GBK (previously GBK/ JFCG/KGC)	Prohibited Use, Distribution or Sale of Tobacco Products and Inhalant Delivery Systems, Version 2
IBDJA	Relations with Homeschooled Students**
IKA	Grading and Reporting
IKF	Graduation Requirements**, Version 2
IKF-AR	Graduation Requirements
JHFE-AR(1)	Reporting of Suspected Abuse of a Child
KBA-AR	Public Records

**10. CONSENT AGENDA**

**Action: Approval Requested**

- A. March 8, 2018 Work Session Summary (Page 226)
- B. March 8, 2018 Board Meeting Minutes (Page 230)
- C. March 19, 2018 Special Meeting Minutes (Page 240)
- D. 2018/19 School Year Calendar (Page 244)
- E. Health Curriculum, Grades 6 - 12 (Page 246)
- F. Hire: Michael Hillman, Interim Seven Oak Principal through June 30, 2018
- G. Approve Leave of Absence: Courtney Baeyen, Instructional Assistant, 2018/19 School Year

**11. FORMATION OF SCHOOL SAFETY AD HOC COMMITTEE**

**Action: Direction Requested**

**12. OPEN ENROLLMENT (Page 247)**

**Action: Discussion**

**13. DEPARTMENT REPORTS**

- A. Finance  
(Page 251)
- B. Operations
  - 1. Land Lab Timber Project
- C. Human Resources
  - 1. March 18 BeUndivided Event
  - 2. April 3 Job Fair

**14. COMMUNICATION**

- A. Board
- B. Superintendent
  - 1. 21st Century School Grant

**15. AUDIENCE COMMENTS**

This is a time for citizens to address the Board. The Chair will recognize speaker(s) at the designated time. All speakers shall identify themselves and state their name before speaking. Speakers are asked to provide their name, address and telephone number on the Speaker's Sign-in Sheet. Each speaker may address the Board for three minutes.

**16. ADJOURNMENT**

**FUTURE BOARD MEETINGS**

May 10, 2018 Regular Meeting (and Budget Committee Meeting, if needed)	6:00 PM	Santiam Travel Station
June 14, 2018 Regular Meeting and Budget Hearing	6:00 PM	Santiam Travel Station

The Lebanon Community School District Board of Directors welcomes you to our regular meeting. It is the Board's goal to hold an effective and efficient meeting to conduct the business of the District. In keeping with this goal, the Board provides a place for Audience Comments on each of its regular agendas. This is a time when you can provide statements or ask questions. The Board allows three minutes for each speaker. The language below discusses the Public Meetings Law and public participation in such meetings.

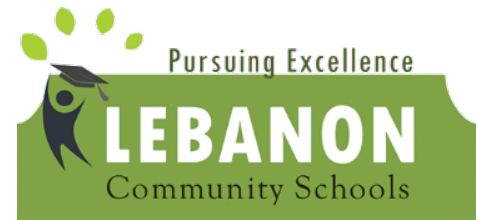
*"The Public Meetings Law is a public attendance law, not a public participation law. Under the Public Meetings Law, governing body meetings are open to the public except as otherwise provided by law. ORS 192.630 The right of public attendance guaranteed by the Public Meetings Law does not include the right to participate by public testimony or comment.*

*"Other statutes, rules, charters, ordinances, and bylaws outside the Public Meetings Law may require governing bodies to hear public testimony or comment on certain matters. But in the absence of such a requirement, a governing body may conduct a meeting without any public participation. Governing bodies voluntarily may allow limited public participation at their meetings."*

**Oregon Attorney General's Administrative Law Manual and Uniform and Model Rules of Procedure under the Administrative Procedures Act. Hardy Myers, Attorney General, March 27, 2000.**

# BOARD MEMORANDUM

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**To:** The Honorable Chair and Members  
Lebanon Community School District Board of Directors

**From:** Dr. Rob Hess, Superintendent

**Date:** April 6, 2018

**Meeting Date:** April 26, 2018

**Re:** School Configuration

**AGENDA ITEM 4**

## **Background**

At its March 19, 2018 Special Meeting, the Board directed staff to survey 5<sup>th</sup> grade parents at Cascades to determine their level of interest in having their students remain at the school for 6<sup>th</sup> grade. The Board indicated parental preference would be a key factor in their decision making process regarding school reconfiguration.

Based on parent and staff input following the March 19 meeting, Green Acres Administration also expressed a desire and capacity for two 6<sup>th</sup> grade classrooms; and Green Acres staff surveyed their 5<sup>th</sup> grade parents to determine interest.

During parent conferences, staff at Green Acres and Cascade distributed applications to families. At Cascades, approximately 32 families to date have submitted the application; and 37 families at Green Acres have completed the application for their child to stay at the school for 6<sup>th</sup> grade.

Based on this response, the district is prepared to implement two 6<sup>th</sup> grade classes at Cascades and two at Green Acres beginning with the 2018/19 School Year. This implementation will include resources to support elective options, advanced coursework, curriculum, and time for planning.

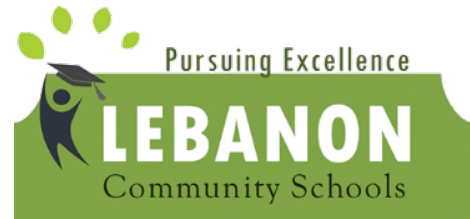
## **Recommendation**

I recommend the Board approve reconfiguration of Cascades and Green Acres Elementary Schools to Kindergarten through 6<sup>th</sup> grade effective with the 2018/19 School Year. This reconfiguration will alleviate overcrowding at Seven Oak by approximately 80 6<sup>th</sup> graders and make it possible to house the remaining 6<sup>th</sup> grade class in their own wing at Seven Oak. I believe this reconfiguration will also have a positive impact on 6<sup>th</sup> grade achievement and help students be better positioned for success at the 7<sup>th</sup> and 8<sup>th</sup> grade levels.



# BOARD MEMORANDUM

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**To:** The Honorable Chair and Members  
Lebanon Community School District Board of Directors

**From:** Dr. Rob Hess, Superintendent

**Date:** April 20, 2018

**Meeting Date:** April 26, 2018

## **AGENDA ITEM 5**

**Re: Formation of Lebanon Academy, a K-12 Alternative School**

### **Background**

It is with great excitement and anticipation that I bring forward this proposal to begin a K-12 Alternative School called Lebanon Academy. The attached Schedule, Curriculum Guide, and Student Handbook meet all of the Oregon Department of Education requirements to register an alternative school.

This school will bring multiple programs the District is already operating (GED, credit recovery, small group tutoring, Social and Emotion Learning, one-on-one tutoring, Beyond LHS, and homebound tutoring) under one umbrella (Lebanon Academy). The Academy will offer an additional program, Diploma Track, so that students have a pathway to earn a standard diploma at this school. In our current model, there is not enough time or support for students to earn a diploma.

In our current model, a majority of students in the programs we currently operate are attached to one of the district schools, which attaches data to schools they do not regularly attend. This arrangement makes our data less than accurate for the schools they are attached to, and tracking the data of the students in the programs must be done manually. Creating a school for students enrolled in these programs will give them a school identity, enable the District to track data more effectively, and the ability to offer students enrolled in these programs the opportunity for a longer school day.

### **Recommendation**

Since the deadline to apply to the Oregon Department of Education for a school identification number is May 1, 2018, I recommend the Board approve this proposal to form Lebanon Academy alternative school at its April 26, 2018 meeting.

RH/mk  
Attachments

# Lebanon Academy - Master Schedule

Monday through Friday, 8:00 AM to 2:00 PM

	Diploma Preparation	GED Preparation	Tutoring and Middle School Support
	Breakfast and Check-in	Students have access to breakfast	Students have access to breakfast
8:00am	Students have time to eat breakfast, access the counselor or registrar and collect their daily goal sheet and the resources they need. The goal sheet shows which courses, assignments, assessments, supports and resources they need for the day.	Coursework per individual plan	Coursework per individual plan
8:30am	Coursework Begins. Students go to the areas designate in their daily goal sheets.		
10:45am	Writing Groups: Every student is in a writing support group. All staff participate in the support		
11:00am		Break	Break
11:30am		Lunch Break	Lunch Break
11:45am	Lunch Break		
12:00pm			
12:30pm	Coursework begins. Students go to the areas designated in their daily goal sheets.	Coursework per individual plan	Coursework per individual plan
1:00pm			
1:30pm			
1:45pm	Checkout. Students return resources and goal sheets.		

# **Lebanon Academy**

**Personalized Learning  
for Student Success**



## **2018-2019 Curriculum Guide**

# **Lebanon Academy**

## ***Personalized Learning for Student Success***

485 S. Fifth Street  
Lebanon, Oregon 97355  
Telephone 541.XXX.XXXX  
Fax 541.XXX.XXXX

### VISION

Academic success based on  
individual student need and ability.

### MISSION

Providing alternative pathways for  
students who find success outside the traditional academic box.

## **Lebanon Community Schools**

### OUR VISION

Pursuing excellence  
for every student every day

### OUR MISSION

In partnership with the community, we provide exceptional opportunities to  
continuously and rigorously challenge all students to excel as learners,  
thinkers, and leaders.

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# School Information

Lebanon Academy is designed to meet the individual needs of students for whom the traditional academic path has not been successful. The multiple programs and supports available in our school allow the creation of an academic plan to fit each student.

This guide has been developed to assist in planning a high school program that meets State and District requirements for graduation and/or other certificates and supports a successful post-high school transition to training, college or the workforce. Students develop a plan upon acceptance into the school. Advisors meet with students regularly to ensure the students have the support they need to succeed.

Some of the courses described in this guide may not be offered every year.

## Vision and Mission

At the Lebanon Academy, we believe that all students can learn, grow, and succeed with the right support systems.

### VISION

Academic success based on individual student need and ability.

### MISSION

Providing alternative pathways for students who find success outside the traditional academic box.

## School Staff

Academy staff are a multi-disciplinary team of administration and support staff, counseling, Special Education, and certified teachers with multiple endorsements to provide a high-quality, multi-faceted academic program that is flexible and supportive of every student.

### Staffing:

- Administrator/Coordinator
- Registrar
- Counselor
- Behavior Specialist
- Special Education teacher
- Teachers certified in Language Arts, Math, Science, Social Science, Health, and Physical Education
- Tutors
- Instructional Assistants

## Programs

Lebanon Academy has six programs that serve different student populations depending on academic

or behavioral need. All placements, except Beyond LHS, are determined by a district Response to Intervention (RTI) Committee in coordination with students and parents.

### Lebanon Academy programs include

- The Diploma Preparation Program supports students who are short on credits, but who can complete a high school diploma within the given time restraints of their cohort or age.
- The GED Preparation Program prepares students to take and pass the exams required to complete the GED certificate.
- The Tutoring Resources Program serves students with extensive academic need, as well as students who have been expelled or have other restrictions.
- The Beyond LHS Program is available to Academy students, Lebanon High School (LHS) students, home school students and interdistrict transfer students. The application process and enrollment process are completed by the BLHS coordinator and are based on age, behavior, and academic ability. This program allows students to take courses at Linn-Benton Community College for dual credit.
- The Middle School Support Program supports 6<sup>th</sup> through 8<sup>th</sup> grade students with academic, social or emotional needs.
- Social and Emotional Learning Centers. In addition to tutoring programs, the Academy will support elementary students who have severe social and emotional learning needs to the degree that they cannot be met in the general education setting. These centers are staffed at a high ratio and include specially designed instruction around social and emotional learning.

## Response to Intervention (RTI) Committee

Response to Intervention is a nationwide system of addressing individual student needs. Academy enrollment is processed in the RTI Committee, which reviews academic progress, academic ability, attendance, behavior and other factors impacting the student and/or their ability to succeed in school. The Committee consists of administration, Special Education personnel, attendance personnel, and the truancy office. The Committee interviews and works with parents and each individual student to determine the best placement for the student.

## Special Designations

The Academy supports students with special designations such as Special Education, 504, or Talented and Gifted (TAG). All individual plans will address the supports needed for special designations.

## Transcripts

A transcript reflects Educational accomplishments during high school. This document is updated after completion of credits and requirements to reflect accomplishments and progress toward graduation. Students and parents may request an official transcript from the registrar.

## Honor Roll

The Academy acknowledges an Honor Roll each term. This information is posted in the school and also sent to local newspapers. Students must have a GPA of 3.5 or higher for that semester and must be enrolled in at least 2.5 credits of classes on the Academy campus to qualify for Honor Roll. Students who have incomplete grades do not qualify for honor roll. Credit Recovery, Beyond LHS LBCC classes, and Classes with P/NP grades do not calculate into the Honor Roll as they are on a three-term schedule.

## Academic Sports Eligibility

Athletes must have passed 2.5 credits the previous semester and be currently enrolled fulltime (a minimum of 2.5 credits) in the present semester.

## Athletic Requirements for Academic Eligibility

*Academic Eligibility.* Athletes must have passed 2.5 credits the previous semester (except for freshmen for fall and winter sports) and be currently enrolled fulltime (a minimum of 2.5 credits) in the present semester. In addition, sophomores must have completed 4.0 credits prior to the start of their 10<sup>th</sup> grade year; juniors must have completed 9.5 credits prior to the start of their 11<sup>th</sup> grade year; and seniors must have completed 16 credits prior to the start of their 12<sup>th</sup> grade year. Athletes will be checked weekly to ensure they are passing 2.5 credits. If they are not, they will be suspended from competition until they are once again passing 2.5 credits (with no more than one F).

*Attendance.* All athletes scheduled to participate in a sporting event must have all unexcused absences cleared through attendance for one week prior to the event. Also, an athlete must be in attendance for the last three periods of the day on the day of a sporting event unless cleared through the athletic director.

*Citizenship Eligibility.* Negative behavior by the athlete toward others in the school or community is cause for ineligibility as determined by the school administration and/or coach.

*Squad or group participation.* The decision to use (or not use) an otherwise eligible student participant in a contest or presentation is at the discretion of the coach, sponsor, or director of the activity. This decision will be based on the best interest of the individual, group, and school.

*Conduct Violations.* The coach, with the approval of the Athletic Director, will act on any negative conduct that is not specifically covered in the athletic policy.

## Grade Scale and Grade Point Average

All credited courses are used in computing Grade Point Average (GPA) except for courses that receive a Pass (P), No Pass (N), or No Grade (G). A grade of Pass earns no grade points and has no effect on GPA. All courses are weighted equally according to earned credit with no additional point value being awarded for Advanced Placement (AP) courses.

Percentage	Grade	Grade points
90-100	A	4.00
80-89	B	3.00
70-79	C	2.00
60-69	D	1.00
Below 60	F	0.00

### Other grades used in the Academy

No Grade	G
Pass	P
No Pass	N
Incomplete	I

Pass (P), No Pass (N) and No Grade (G) grades are not included in the GPA. A grade of Pass, No Pass or No Grade is given for the following: 1) the student has an Individualized Educational Plan (IEP) and Pass/Fail grading is stated in the student's plan; 2) it is a student aide class, peer tutor, or work-based learning credit; 3) student has extenuating circumstances; and 4) receives both teacher and administrative approval.

*Extenuating circumstances do not include protection of GPA or dissatisfaction with the current grade in a class.*

## Instruction and Curriculum

Lebanon Academy offers a variety of courses through multiple mediums. Each program has its own primary methods, but students may access the entire menu of options depending upon need. Direct instruction is aligned to state standards and delivered by highly qualified certified teachers.

### Lebanon Academy instruction includes

- Direct instruction from highly qualified teachers
- Tutoring
- Credit recovery (via Odyssey)

- Odyssey courses
- Work-based credit
- Proficiency credit
- Independent study
- Study skills (via Odyssey)

### Lebanon Academy curriculum includes:

- LCSD selected curriculum
- Odyssey courses
- Electives taught by qualified instructors in the area of expertise

## Odyssey Prescriptive Learning Paths

Using the Odysseyware diagnostic-prescriptive mode, students are assigned a pretest for each unit within SPARK, which focuses on a single skill. If a student fails the pretest, instructional content is assigned to the student, followed by a post-test. Teachers also have the option to assign additional practice material.

### Instructional Approach

Built on the Gradual Release of Responsibility model, students follow a scaffolded “I do, we do, you do” approach. Odysseyware lessons include explicit direct instruction and modeling, guided practice with scaffolds, and independent practice.

### Instructional Supports

Students have a variety of embedded instructional supports at their fingertips in every lesson, including literacy, fluency, and audio scaffolds. They also receive immediate feedback throughout lessons and assessments to guide their learning. Odysseyware lessons provide language-acquisition supports that give students, including English Language Learners (ELL) and SPED students, opportunities to listen, speak, read, and write in each content area with unique scaffolds to support social and academic language development, such as text-to-speech audio support, translation into 23 different languages, and vocabulary and reference support.

### Standards-based Reporting

Teachers receive real-time feedback on student performance of specific standards for ELA and math skills. Teachers can assess whether a student is struggling and actively remediate with targeted support.



# Diploma Preparation Program

Lebanon Academy Students can complete requirements for a high school diploma in the state of Oregon. All students have access to the curriculum, essential skills and career-related requirements and are able to participate in the commencement ceremony held at the end of the year if they complete the requirements.

## General Diploma Requirements

<b>Language Arts</b>	4 Credits
<b>Mathematics</b>	3 Credits
<b>Science (2 must be lab-based)</b>	3 Credits
<b>Social Sciences</b>	3 Credits
(Geography, World and US History, Government, Microeconomics/Personal Finance)	
<b>Health</b>	1 Credit
<b>Physical Education</b>	1 Credit
<b>CTE*, Foreign Language or Fine Arts</b>	3 Credits
<b>Electives</b>	6 Credits
<b>TOTAL</b>	<b>24 Credits</b>

To be eligible for Oregon School Activities Association (OSAA) athletics, students must be enrolled in a minimum of 2.5 credits and have passed 2.5 credits the previous semester.

\*CTE = Career and Technical Education: Business, Health Occupations, Agriculture, Construction, Culinary Arts, Engineering, Drafting, Welding, and Electronics

[http://www.ode.state.or.us/wma/teachlearn/testing/resources/es assessment-options all.pdf](http://www.ode.state.or.us/wma/teachlearn/testing/resources/es%20assessment-options%20all.pdf)

## Additional Diploma Requirements

Students must meet the state-required essential skill level in reading, writing and math, as well as learn career-related soft skills and knowledge.

## Essential Skills

In addition to meeting credit requirements, students must also demonstrate proficiency in essential skills in reading, writing and math as required by the State of Oregon. Grade 11 students are assessed on the Common Core Standards and will be tested once each year in the spring using a program called Smarter Balanced.

If the student does not meet the standards with the exam, they will work with teachers to demonstrate their ability via work samples. They must have two distinct passing samples in different areas for reading, writing and math. Work samples must be completed at school in a proctored environment as required by the Oregon Department of Education. IEP Students pursuing a modified diploma must meet the requirements determined by the IEP team.

## SMARTER BALANCED (SBAC) Achievement Standards for Demonstrating Proficiency in Essential Skills for a Diploma

Essential Skill	SMARTER BALANCED Assessment	Scores needed	Other Options
Reading	Reading/Literature	2515	Other approved standardized test; work samples
Writing	Writing Performance	2583	Work Samples
Apply Mathematics	Mathematics	2543	Other approved standardized test; Work Samples

## Other Methods for Demonstrating Proficiency

Skill	PSAT	SAT	Work Samples
Reading	24	24	2 Total – One of which must be informational
Writing	N/A	27	2 Total – One must be informative/explanatory/persuasive One in any of the approved types: informative, explanatory, persuasive, or narrative
Apply Mathematics	24.5	24.5	2 Total – One each for any two of the required content strands (algebra, geometry or statistics)

## Ed.al Plan and Profile, Career-related Learning Experiences, and Extended Application

**Ed. Plan and Profile.** The Ed. plan and profile assists students in pursuing their personal, Ed.al, and career interests and post-high school goals. The Ed. plan serves as a “road map” to guide

students' learning throughout school and prepare them for next steps after high school. The Ed. profile serves as a "compass" that documents students' progress and achievement toward their goals and helps them to stay on course. All students at the Academy will use a personal learning plan, along with daily, weekly, monthly, quarterly, and yearly goals to drive their learning progression.

*In the Academy we use the Oregon Career Information Systems (CIS) to develop the Plan and Profile. Students enter their courses in the "My Course Planner" section of CIS. This counts toward the Plan and Profile graduation requirement. CIS can be found at [www.oregoncis.uoregon.edu](http://www.oregoncis.uoregon.edu).*

**Career-Related Learning Experiences.** Career-related learning experiences are structured Ed.al experiences that connect learning to the world beyond the classroom. They are planned in the student's Ed. plan in relation to his/her career interests and post-high school goals. Experiences provide opportunities in which students apply academic, career-related and technical knowledge and skills and may also help students clarify career goals.

Communities small and large, rural and urban, can support quality career-related learning experiences. Partnerships with local employers and community organizations provide a variety of opportunities, building upon the community's strengths and resources. Beyond the local community, regional opportunities help increase the school's capacity, and technology offers expanding possibilities worldwide. Career-related learning experiences can take place in a variety of ways and places: in school, the workplace, or in the community. These experiences are about learning, rather than the type of experience or the place.

**Extended Application.** Extended application is the application of knowledge and skills in the

context of the student's personal and career interests and post-high school goals. Students use knowledge and skills to solve problems, create products, and make presentations in new and complex situations.

Extended application is based upon the principles of contextual teaching and learning and brain-based research. Extended application engages students in significant activities that help them connect academic studies to their context in real life situations. By making these connections, students see meaning and relevance in their schoolwork.

## **Planning for Graduation**

This guide will help students register for the next school year and plan for subsequent years. In planning the Ed.al program, carefully consider these points:

- Meeting graduation requirements
- Preparing for a successful transition to college, vocational or technical training, military service, or apprenticeship
- Academic interests and pursuing advanced learning in all subjects

Students should consider using the following resources prior to registering and while planning for graduation:

- Your Ed. Plan & Profile, found in Oregon CIS
- Your transcript and school records
- Your parents
- Your counselor
- Your teachers
- Your advisor

# University Admission Requirements

## Oregon University System Entrance Requirements

The following coursework is the minimum preparation required for entrance into the Oregon University System (OUS) – Oregon’s four-year public universities.

English (Language Arts)	4 Credits
Foreign Language (Requires completion of the second year of a foreign language)	2 Credits
Mathematics Requires completion of Algebra 2 or higher	3 Credits
Science Requires one year each in college prep science such as Biology, Chemistry, Physics or Physical Science or any advanced level science course	3 Credits
Social Studies	3 Credits

**All credits earned must be at a “C” level or higher.** Minimum GPA requirement for most universities in the OUS system is a 3.00. For GPA requirements for a specific university, please visit that university’s website.

### The following schools belong to the OUS:

- University of Oregon
- Oregon State University
- Portland State University
- Southern Oregon University
- Eastern Oregon University
- Western Oregon University
- Oregon Institute of Technology

## Community/Private College Requirements

The Oregon Public Universities Subject Requirements do not necessarily apply to community colleges or private colleges. Researching the requirements of various schools is recommended.

## PSAT/SAT/ACT Testing

Students planning on attending a two- or four-year college or university should plan to take one or both the national standardized tests; the SAT and/or the ACT. The SAT is offered free each October at Lebanon High School for seniors only. The PSAT is offered free each October for freshmen, sophomores and juniors. Dates, times and practice materials can be found at [www.collegeboard.org](http://www.collegeboard.org) or [www.actstudent.org](http://www.actstudent.org).

## How Colleges/Universities May Evaluate Your Application

When making an admission decision, universities may consider the following criteria, depending on their policies:

- Grades earned in college prep courses
- Strength of academic coursework
- Standardized test scores (SAT/ACT)
- Cumulative GPA
- Grade trend
- Class rank
- Senior-year course load
- Personal statements and application essays
- Letters of recommendation from teachers and/or high school counselor
- Extracurricular activities, including community service and leadership
- Demonstrated interest: participating in a college visit, talking with admission officers, applying for early decision, etc.
- Social media comments and pictures

# GED Preparation Program

This is an alternative program students attend from 8 AM to 12 PM working on GED preparation or a diploma track.

Attendance is vital and required to maintain a space in the program. Students have access to all Academy resources to strengthen and improve basic academic skills.

Students may also choose to pursue a diploma, as well as prepare for the GED.

This is a program for students preparing to take the GED tests. It emphasizes the skills and strategies necessary for students placing at beginning high school reading and math levels to successfully complete the four GED tests: Social Studies, Science, Reasoning through Language Arts, and Mathematical Reasoning. Students are expected to register for and take the official tests when ready.

## Tutoring Resources Program

Tutoring is provided to students in the following ways:

- One-to-one tutoring for special or extensive individual needs such as extreme learning disability, expulsion, restraining orders, etc.
- Small group tutoring for students with similar needs.
- Large group tutoring for instruction provided to support programs.
- Independent study for students who are not able to attend or participate in the regular programs due to scheduling or special needs. Teen parents, students who need to work to provide for themselves or others, and students whose medical situations make it impossible for them to attend regular school are examples of students who would be eligible for independent study.

### **Tutoring Small Group**

This is an alternative program where students work with a tutor and attend up to 15 hours per week, working toward credit recovery, GED preparation, or a diploma track.

### **Tutoring One-on-One**

This is an alternative program where students work with an individual tutor and attend up to five hours per week, working toward credit recovery, GED preparation, or a diploma track.

### **Homebound Tutoring**

Student need occasionally requires that the tutoring program be conducted in the student's home.

### **Fundamentals**

Support for learners who need to learn or re-learn basic reading, writing and math skills in order to meet work, Ed.al, or employment goals.

### **Mathematics**

Instruction covering a full spectrum of mathematics at every level. Topics include whole number operations, fractions, decimals, percentages, ratios, proportions, measurement, data analysis, metric units, square roots, exponents, introductory geometry and algebra.

### **Writing**

Courses in English grammar will help students develop basic writing skills for use in employment or higher education. Sentence structure, organization of paragraphs, and essay writing skills are covered.

### **Reading Improvement**

Courses in basic reading comprehension introduce the student to critical thinking and analysis of written text. Topics include making predictions, finding the main idea, drawing inferences, vocabulary development, identifying organizational patterns such as cause and effect, distinguishing fact from opinion, and reading charts and diagrams.

### **Social and Emotional Support**

Students who need specialized additional instruction in the area of social and emotional support may receive those supports through the tutoring program based upon their individual needs.

## **Beyond LHS Program**

Beyond LHS is an exciting opportunity for students to step into their future. The Beyond LHS program is a partnership with students, parents, and Linn-Benton Community College (LBCC) to provide a supported bridge between high school and the student's early college experience. The program is designed to smooth the transition between the two settings and increase the success of our students as they transition to college. Students must be capable of college-level work and behavioral expectations and be able to transport themselves to the learning site.

### **Expanded Options Program (EOP)**

EOP is for LHS Students who access LBCC classes prior to graduation. This program provides an opportunity for students to earn high school and college credit simultaneously. Admitted students may take 12 to 13 LBCC credits during the fall, winter and spring terms pending success in each course. All courses must apply toward the student's diploma plan, and regular attendance is monitored and mandatory. Students are required to submit four- and seven-week progress reports and follow through on all intervention plans established to ensure successful completion of the courses.

### **Alternative Learning Opportunities (ALO)**

ALO is for students coming to Oregon public school from a home-school setting.

### **Post-Graduate Scholars (PGS)**

PGS is for LHS graduates who meet the qualifications. Students who have completed their standard diploma requirements may apply to become post-graduate scholars and pursue an Expanded Diploma while they work toward an Associate's Degree.

Before students may apply for Post Graduate Scholars, they must apply for the Oregon Promise grant and complete a Free Application for Federal Student Aid (FAFSA) application. Students who have completed all of the requirements for their standard diploma and wish to attend LBCC fulltime to pursue their expanded diploma may apply to participate in the Post Graduate Scholars program. A minimum GPA requirement of 1.5 and a maximum GPA of 2.5 are the academic parameters. All students with more than a 2.5 GPA must utilize the Oregon Promise grant process. Students must enroll in at least 12 credits each term, including Destination Graduation in the first term. Four- and seven-week progress reports are required, as are any interventions deemed necessary by the advisors.

# Middle School Support Program

Middle school students have particular needs in order to prepare for entrance into high school. The Academy offers support for academic and behavioral barriers that students may be facing. Students are advised and guided toward entrance as a freshman at LHS and a diploma-track program.

**Lower Ability Content Resources.** Odyssey provides a full spectrum of instruction and support at the elementary and middle school levels that can be tailored to any level of ability.

<b>ASSESSMENTS, DIAGNOSTICS AND TEST PREPARATION RESOURCES</b>	
<b>Resource</b>	<b>Grade Levels</b>
SPARK Assessment and Remediation for Language Arts and Math	K-8
Core Placement Tests for History, Language Arts, Math, and Science	3-12
GED® Test Prep	9-12
ACT® Test Prep	9-12
TASC Test Assessing Secondary Completion™ Prep	9-12
HiSET® Test Prep	9-12
Essentials of Mathematics	9-12
Essentials of Language Arts	9-12
Skills and Diagnostic Tests for English Grammar and Mathematics	9-12
<b>SUPPORT CLASSES</b>	
<b>Class</b>	<b>Grade Levels</b>
<b>ENGLISH LANGUAGE ARTS</b>	
Spelling 300 - 600	3-6
Language Arts 300 - 800	3-8
Language Arts Fundamentals 600 - 800	6-8
English I-IV Fundamentals	9-12
English I-IV Resources	9-12
<b>MATHEMATICS</b>	
Mathematics 300 - 800	3-8
Math Fundamentals 600 - 800	6-8
Algebra I Fundamentals	9-12
Geometry Fundamentals	9-12
Algebra II Fundamentals	9-12
Mathematics 700-800 Resources	7-8
Algebra I Resources	9-12
Algebra II Resources	9-12
Geometry Resources	9-12
<b>SCIENCE</b>	
Science 300-800	3-8
<b>HISTORY/SOCIAL SCIENCES</b>	
History and Geography 300 - 800	3-8
World Civilizations	7-8
Civics	7-8

# Course Catalog

Courses are listed by subject or similarity. All courses are eligible for credit. The following subjects may be live-teacher courses, tutored courses, Odyssey courses or a combination of formats.

English I	9-12
English II	9-12
English III	9-12
English IV	9-12

Algebra I	9-12
Geometry	9-12
Algebra II	9-12
Pre-calculus	9-12
Probability & Stats	9-12
Coordinate Algebra	9-12
Analytic Geometry	9-12
Advanced Algebra	9-12
Consumer Math	9-12
Trigonometry	9-12

Biology	9-12
Chemistry	9-12
Earth Science	8-9
Environmental Science	9-12
Integrated Physics & Chemistry	9-12
Physics	9-12

Health Ed.	9-12
Personal and Family Living	9-12
Physical Ed.	9-12
Physical Fitness	9-12

U.S. History: Founders to Present	9-12
US History: Reconstruction to Present	9-12
World Geography	9-12
World History	9-12
Twentieth Century American History	9-12

Civil War	9-12
Economics	9-12
Government	9-12
Personal Financial Literacy	9-12
Psychology	9-12
Vietnam Era	9-12

French I	9-12
French II	9-12
Spanish I	9-12
Spanish II	9-12
Spanish III	9-12

Business Computer Information Systems	9-12
Essentials of Business	9-12
Essentials of Communication (Speech)	9-12
Technology and Research	9-12

Art History	9-12
Digital Arts	9-12
Media Studies	9-12
Music Appreciation	9-12
Music Theory	9-12

Career Explorations I	
Career Explorations II	
Career Explorations III	
Keyboarding and Applications	
Principles of Coding	

Introduction to Agriculture, Food, and Natural Resources	
Agribusiness Systems	
Animal Systems	

Environmental Service Systems	
Food Products and Processing Systems	
Natural Resources Systems	
Plant Systems	
Power, Structural, and Technical Systems	

Business Law	
Career Management	
Office 2010 Applications 1 Microsoft Word®, PowerPoint®, and Publisher®	
Office 2010 Applications 2 Microsoft Excel® and Access®	
Office 2013 Applications 1 Microsoft Word®, PowerPoint®, and Publisher®	
Office 2013 Applications 2 Microsoft Excel® and Access®	
Principles of Business and Finance	
Small Business Entrepreneurship	
Technology and Business	

Introduction to Careers in the Health Sciences	
Careers in Allied Health	
Forensics: Using Science to Solve a Mystery	
Nursing: Unlimited Possibilities and Unlimited Potential	
Physicians, Pharmacists, Dentists, Veterinarians, and Other Doctors	
Public Health: Discovering the Big Picture in Healthcare	

Scientific Discovery and Development
Therapeutics: The Art of Restoring and Maintaining Wellness

Introduction to Hospitality and Tourism Systems
Food and Beverage Management
Food Safety and Sanitation
Lodging Operations Management
Marketing and Sales for Tourism and Hospitality
Planning Meetings and Special Events
Sustainable Service Management for Hospitality and Tourism
Transportation and Tours for the Traveler

Introduction to Human Services
Counseling and Mental Health Services
Early Childhood Development and Services
Family and Community Services
Introduction to Consumer Services
Introduction to Human Growth and Development
Personal Care Services

Introduction to Information Technology
Fundamentals of Computer Systems
Fundamentals of Digital Media
Fundamentals of Programming and Software Development

Introduction to Information Technology Support and Services
Introduction to Network Systems
Network System Design
New Applications: Web Development in the 21st Century
Software Development Tools

Introduction to Law, Public Safety, Corrections, and Security
Corrections: Policies and Procedures
Fire and Emergency Services
Law Enforcement Field Services
Legal Services
Security and Protective Services

Introduction to STEM
Engineering and Design
Engineering and Innovation
Engineering and Product Development
Principles of Technology and Engineering
Science and Mathematics in the Real World
Scientific Research
STEM and Problem Solving

Introduction to Careers in Architecture and Construction
Construction Careers

Introduction to Careers in Arts, A/V Technology, and Communications
A/V Technology and Film Careers

Introduction to Careers in Ed. and Training
Teaching/Training Careers

Introduction to Careers in Finance
Banking Services Careers
Money Matters A
Money Matters B

Introduction to Careers in Government and Public Administration
National Security Careers

Introduction to Careers in Manufacturing
Careers in Manufacturing Processes

Introduction to Careers in Marketing
Careers in Marketing Research

Introduction to Careers in Transportation, Distribution, and Logistics
Careers in Logistics Planning and Management Services

Introduction to Information Technology
Fundamentals of Computer Systems
Fundamentals of Digital Media
Fundamentals of Programming and Software Development
Introduction to Information Technology Support and Services
Introduction to Network Systems
Network System Design
New Applications: Web Development in the 21st Century
Software Development Tools



# **Lebanon Academy**

**Personalized Learning  
for Student Success**



## **2018-2019 Student Handbook**

# **Lebanon Academy**

## ***Personalized Learning for Student Success***

485 S. Fifth Street  
Lebanon, Oregon 97355  
Telephone 541.XXX.XXXX  
Fax 541.XXX.XXXX

### **VISION**

Academic success based on  
individual student need and ability.

### **MISSION**

Providing alternative pathways for  
students who find success outside the traditional academic box.

## **Lebanon Community Schools**

### **OUR VISION**

Pursuing excellence  
for every student every day

### **OUR MISSION**

In partnership with the community, we provide exceptional  
opportunities to continuously and rigorously challenge all students to  
excel as learners, thinkers, and leaders.

# Student Handbook

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## **ATTITUDE AND EFFORT DETERMINE SUCCESS**

### **We will...**

- provide a positive, engaging and safe learning environment.
- provide each student with a solid foundation of basic skills to build upon.
- have high expectations of student achievement and conduct.
- strive to build a learning partnership with students and parents.
- care about each student. No student will be anonymous.

### **We expect students to...**

- positively contribute to our school and community.
- make each class better through their individual participation.
- actively participate in their own development.
- strive to achieve each and every day.
- develop positive attitudes and work habits that will allow them lifelong success.
- acquire a solid foundation of applying technology skills to everyday situations.

## **Personal Education Plan/Essential Skills/Career-related Learning Standards – Diploma Requirements**

The State of Oregon and Lebanon Community School District Policy IKF require the following for all students graduating in the class of 2010 and beyond:

- Develop an education plan and build an education profile
- Demonstrate and develop the required Career Related Learning Standards: personal management, teamwork, communication, problem solving, employment foundations, and career development.
- Demonstrate extended application through a collection of evidence.

## **Education Plan and Profile**

Students will develop an education plan and build an education profile based on the following:

- Describe personal, academic and career interests.
- Describe personal, education, and career goals (short-term and long-term).
- Identify “next steps”: (a two- or four-year college or university, career school, apprenticeship, workforce, military or other) following high school completion and actions for successful transitions.
- Identify a course of study to meet credit requirements and plan learning experiences related to interests and goals.
- Identify opportunities for meeting standards – academic, career-related learning and extended application – and participation in career-related learning experiences.
- Document progress and achievement toward academic, career-related learning and extended application standards; other graduation requirements and college entrance requirements.
- Record personal awards, accomplishments, experiences, skills, certifications, etc.
- Periodically reflect on progress toward meeting goals, standards and preparation for next steps.
- Students and parents should refer to the Curriculum Guide for more information.

## **GENERAL STUDENT EXPECTATIONS**

1. Students are to be present and engaged in learning during the school day.
2. No student will be allowed to negatively impact the educational opportunities of others.
3. Each student is expected to contribute to the overall success of all students.
4. Students will give their best effort consistently.
5. Students will treat others with respect and compassion.
6. When moving from one area to another, students will be appropriate and very quiet during transitions.
7. No electronic devices are permitted in class without teacher permission and only for academic purposes.
8. Students will respect the facilities, equipment, and resources of the Academy.

## **CODE OF CONDUCT**

### **Attendance**

To excuse an absence, the parent/guardian should email or call the Attendance Office at the email address or telephone number listed below. Parent/guardian may also send a note with their student to be delivered directly to the Attendance Office. All excuses must be submitted within 24 hours of the date of the absence.

**Attendance Office**  
**Email: [email@lebanon.k12.or.us](mailto:email@lebanon.k12.or.us)**  
**Telephone: 541. 451.XXXX**

### **Absences**

Lebanon Academy recognizes the following **as acceptable reasons for excused absences**:

- Illness and medical or dental appointments
- Serious illness or death in the immediate family
- Religious observances
- Absences approved **in advance** by school administration

Lebanon Academy **will not recognize** the following as acceptable reasons for excused absences:

- Truancy
- Oversleeping
- Missing the bus or car malfunction
- Shopping/haircut appointments
- Family vacations, hunting or fishing excursions not approved **in advance**
- Birthdays, family visiting, or other celebrations

When a student is absent, parent/guardian may desire their student's absence from school be excused. Those desiring an absence to be excused must call the Attendance Office or complete a written request for the absence to be excused. Adult students must also file a written request for their absences to be excused. To be considered for an excused absence, the request must include 1) the date of the request, 2) the date of the absence(s) for which an excuse is requested, 3) the reason the excuse is requested, and 4) the signature of the parent/guardian or adult student requesting the excused absence.

**Prearranged absence forms are available from the Attendance Office. The form must be completed by the student, signed by each teacher, and returned to the Attendance Office five days prior to the absence.**

### **Tardies**

Students are tardy if they are not in the classroom and prepared to learn when the bell starts to ring.

### **Release of Students from School**

A student shall not be released from school at times other than regular dismissal hours except with administrative permission or according to school sign-out procedures. Lebanon Academy office personnel will determine that permission has been granted before allowing the student to leave. A student will not be released to any person without the approval of his/her parent/legal guardian or as otherwise provided by law. **Students must sign out of school at the Attendance Office. Failure to do so may result in an unexcused absence.**

### **Withdrawal Procedures**

Students who withdraw from school must provide a parent/guardian authorization to Lebanon Academy Registrar's Office and follow the school's withdrawal procedure. After all fines, fees, and charges have been paid and textbooks returned, the student's balance, if any, will be sent to the parent or legal guardian.

### **Academic Cheating**

Students will not submit for academic credit any work that is not of their own creation and/or gained from another individual; unless the work is designed as a "group" assignment. Students caught cheating will receive an "F" for the assignment and/or discipline consequences.

### **Before and After School Supervision**

The school provides no direct student supervision before 7:15 AM or after 3:45 PM. The exception to this would be for students enrolled in "0" period classes and any scheduled after school activity.

### **Bicycles/ Skateboards/ Rollerblades/ Scooters**

All bicycles are to be parked in a bicycle stand and secured properly. Students park bicycles at their own risk. District Policy states the use of skateboards/rollerblades/scooters or similar

devices on district grounds are not allowed. Skateboards/rollerblades/scooters must be stored in designated areas on school grounds and should be locked. The district assumes no responsibility or liability for loss or damage to skateboards/rollerblades/scooters. Students who ride their skateboards/rollerblades/scooters on campus in violation of this policy will have them confiscated for parent/guardian retrieval.

### **Bus Conduct**

Students who ride buses to and from school or school-sponsored activities will be notified of the rules and regulations governing their conduct on buses. Violation of bus rules that jeopardize the health/safety of self and/or others may result in the loss of district-approved transportation services. Students found to be in violation of this policy may face disciplinary action up to and including suspension and expulsion. Law enforcement officials may be contacted.

### **Building Facilities**

Students using these areas during lunch and/or before or after school **must assume the responsibility for keeping the areas clean**. This includes returning trays, cleaning tables, picking up trash on the floor, etc. Failure to do this may result in loss of use and/or disciplinary action.

### **Change of Address**

For safety purposes, changes in address, telephone number or other contact information should be reported to the Registrar's Office. This information will be recorded on the student information card.

### **Computer and Internet Usage**

Network and Internet access is a privilege and, therefore, requires personal responsibility. To use a computer and/or the Internet students must:

- have a school assignment or other approved reason for using the computer lab.
- follow rules as written in the Lebanon Academy Usage Agreement.

Users of the network, which includes Internet, are responsible for their behavior and communications over the network just as they are in a classroom or in a school hallway. All users must comply with Lebanon Community School District standards at all times when accessing the District and school networks, including the sending and receiving of email or communicating on the Internet.

Network storage areas (files, folders, District email boxes and student accounts) will be treated in the same manner as student lockers. Network administrators may review files and communications to maintain system integrity and to ensure users are utilizing the system responsibly. **Users should not expect that files stored on district or school servers are private.** Accounts will be monitored, and system administrators may access and review files. Students are responsible for all information stored in their area of the network and the condition of the computer when they log out.

**Users shall adhere to the following procedures:**



Use of the Internet and computer network shall be for educational purposes consistent with Board Policies [IIBGA](#), [IIBGA-AR\(A\)](#), [IIBGA-AR\(B\)](#), and [IIBGA-AR\(C\)](#). Board policies and administrative rules may change from time to time, and the policy currently in force shall govern.

- Communications shall fully and accurately identify both sender and recipient.
- Communications shall be positive and constructive in tone.
- Users are responsible for all non-approved financial expenses incurred while online.
- Users are to log out correctly by exiting the program in use, then clicking on **Start** and then **Logoff**.
- Users must report any problem with or inappropriate condition of equipment before leaving the room.
- Students will save documents to a flash drive, or their H:\ drive. No files will be saved on the C:\ drive.
- Students are to put materials away and leave the workstation in a neat, clean condition.
- Student data may be purged over the summer or as server needs dictate.

**The following actions will NOT be permitted:**

- Sending offensive messages, pictures, or spamming (sending unsolicited messages to multiple addresses).
- Accessing the Internet during regular class without permission of the instructor.
- Accessing sites that contain objectionable information/images such as nudity or near nudity, sexual content, profanity, violence, etc., as well as any material that would not be acceptable as educational materials in the classroom.
- Using obscene language in messages or file names when saving documents.
- Harassing, insulting, or attacking others in messages, on web pages, etc.
- Damaging computers, servers, or files.
- Violating copyright laws.
- Tampering with defaults, settings, login scripts, backgrounds, screen savers, desktops or files.
- Opening pop-ups, simply exit these. Do NOT open them!
- Trespassing (hacking) into others folders, files, Internet sites, or violating others' privacy.
- Forwarding personal communications without the author's prior consent.
- Intentional waste of paper, toner, or diskettes (see printing instructions).
- Bringing CDs or earphones into the lab without specific permission of the instructor.
- Employing the network for unauthorized commercial purposes or financial gain.
- Employing the network for illegal activities.
- Employing the network for promoting the use of tobacco, alcohol, or other drugs.
- Knowingly spreading computer viruses.
- Attempting to degrade, disrupt, or monitor the content of transmissions.
- Use of Chat Platforms, Instant Messaging or Social Networks.
- Downloading and/or storing files on school computers or the network unless the instructor gives specific permission.
- Downloading games, playing games, accessing game sites, or printing game instructions without the instructor's permission.

- Printing without permission. Printing is allowed only for educational purposes. Students must have permission of the instructor to print, including the printing of information from the Internet.
- Sharing passwords, using the account of another person, or letting another person login under your name.
- Adding hardware or software to the network.
- Adding hardware or software to individual computers without permission of the instructor (speakers, for example).
- Damaging or altering any hardware or equipment (physical vandalism) including, but are not limited to, removing the tracking balls from the mouse; removing labels or other attachments; disconnecting wires from the computer; and carving or marking anything on the computer, monitor, keyboard, mouse and/or furniture.
- Accessing and/or responding to “classifieds” that include objectionable ads, descriptions, etc., such as Hotmail Classifieds.
- Unauthorized access of a government computer is a misdemeanor crime under Oregon statutes and the District will not hesitate to enforce this.

**Note to Students:** Please understand that the use of the Lebanon Community School District network is a privilege, and all students shall abide by the policies referenced above, as well as the procedures outlined in this Student Handbook. Students must understand the Internet contains materials inappropriate for school use and, therefore, students must take responsibility for materials found or acquired on the network. Further, any violation of the regulations and policies governing the use of Lebanon Community School District’s network is may constitute a criminal offense. If a student commits any violation, access privileges may be revoked, and appropriate school discipline or legal action may be taken.

### **Counseling**

Counseling services are available to every student. To see the counselor, sign up with your counselor before school, during lunch, or at breaks.

### **Discrimination/Complaints**

Lebanon Community School District prohibits discrimination and harassment on any basis protected by law, including but not limited to, an individual’s perceived or actual race, color, religion, sex, sexual orientation, national or ethnic origin, marital status, age, mental or physical disability or perceived disability, pregnancy, familial status, economic status, veterans’ status, or because of the perceived or actual race, color, religion, sex, sexual orientation, national or ethnic origin, marital status, age, mental or physical disability or perceived disability, pregnancy, familial status, economic status, veterans’ status of any other persons with whom the individual associates. If you feel you have been discriminated against, there are specific actions you should take. These actions are listed in [Board Policy AC-AR](#).

### **Dress and Grooming**

The Lebanon Academy dress code is established to promote appropriate grooming and hygiene, prevent disruption and avoid safety hazards. **Any** staff member has the authority to determine if clothing is disruptive or unsafe.

Students who represent the school in a voluntary activity may be required to meet additional dress and grooming standards approved by the principal and may be denied the opportunity to participate if those standards are not met.

The following are guidelines on clothing that is prohibited on campus:

- Obscene, disrespectful, lewd and/or suggestive statements or pictures on clothing or jewelry are considered disruptive. Wording on clothing with inappropriate double meanings are considered disruptive.
- Clothing that advertises or gives reference to alcohol, drugs, tobacco, violence or anarchy is prohibited.
- Clothing with insufficient covering such as jeans with holes in inappropriate places, short shorts, skirts, halter tops, crop tops, or bare midriffs are unacceptable when deemed inappropriate, disruptive, or unsafe.
- Pants are to be worn above the hips and are not allowed to sag.
- Shoes or sandals must be worn at school and school activities at all times.
- Examples of inappropriate clothing include hoods on head, muscle shirts, pajamas, spaghetti straps and undergarments showing. These are examples, and other items of clothing may be deemed inappropriate by district staff.

Dress and grooming standards may be upgraded to meet safety, program, transition or workplace expectations when approved by the principal. Students observed wearing inappropriate items will be asked to change or modify the clothing, or they may be sent home to change. Persistent violations of the dress code will be considered willful disobedience.

### **Driving and Parking**

Parking on district property is a privilege, not a right; and any vehicle parked on district property is under the jurisdiction of the district. As a condition of parking on district property, District officials may conduct searches of vehicles upon reasonable suspicion of a policy, rule or procedure violation. No student is to be in a parked car during school hours.

### **Drugs/Alcohol**

Pursuant to district Policy [JFCG/JFCH/JFCI](#), students shall not possess, use, distribute, or be under the influence of any narcotic drug, hallucinogenic drug, amphetamine, barbiturate, marijuana, alcoholic beverages, inhalants, or intoxicants of any kind. A student shall not possess drug paraphernalia or tobacco. Unlawful delivery of a controlled substance to a student or minor within 1,000 feet of district property is a Class A felony pursuant to ORS 475.999.

Students found to be in violation of this policy face disciplinary action up to and including suspension and expulsion. Law enforcement officials will be contacted. In an effort to ensure the safety of our students, periodic unannounced screenings of lockers and/or parking lots by trained police canines will/may occur.

## **Illness at School**

Students who are determined to be ill will be sent or taken to the health office. Health office personnel will notify parents/legal guardians according to information provided on emergency forms and submitted by parents/legal guardians to the school. Parents/legal guardians are encouraged to update this information as often as necessary. In emergency cases, students will be taken to the Emergency Room at Lebanon Community Hospital. Students leaving campus due to illness **must sign out at the Attendance Office**.

## **Medications at School**

Students may be permitted to take prescription or nonprescription medications at school or school-sponsored activities so long as certain requirements are met:

1. Request to administer medication must be made in writing by the parent/guardian. Forms are available in the school's health room.
2. Prescription medication must be in an appropriately labeled prescription container, which has the name of the student, the name of the medication, the dosage to be given, route of administration and the name of the prescribing physician.
3. All medication is stored in the health room in a designated locked cabinet and is administered only by trained Designated Medication Caregivers following state law and school board policy.
4. Permission for students to self-medicate and carry their own medication is allowed only in the following circumstances:
  - a. The student is in Grade 9, 10, 11 or 12; and the district has received written permission from the parent that self-medication is permitted. This self-medication may only occur for certain categories of medication and is limited to any drug that is to be taken for less than 10 school days.
  - b. Students in Grade 8 or below may carry certain medication needed for emergency use (inhalers or epinephrine) only if a special permission form is signed by the parent/guardian and the school nurse and is on file in the school health office.
5. Sharing or borrowing of medication with another student is strictly prohibited and will result in disciplinary measures.
6. School staff is prohibited from supplying any prescription or nonprescription medication to students, unless the parent/guardian has so authorized and has provided such medication.

## **Laser Pointers**

The Lebanon Community School District does not allow for the possession or use of any laser pens by students unless authorized by district personnel as part of the educational process. Laser pens/pointers may cause serious injuries to the eye. Consequences shall be in accordance with district policy and may include expulsion. Any person pointing a laser at a police officer is guilty of a Class A misdemeanor pursuant to ORS 163.709.

## **Personal Communication Devices**

Pursuant to [District Policy JFCEB](#), students may possess personal communication devices, such as cellular phones, personal digital assistants, and pagers on school property. A "personal

communication device” is a device that emits an audible signal, vibrates, displays a message or otherwise summons or delivers a communication to the possessor.

Students permitted to possess a personal communication device **are prohibited from having the device on active mode during the school day, with the exception of the lunch period.** Students found in violation of the personal communication device use and possession prohibitions of Board policy and rules will be subject to disciplinary action. **The device may be confiscated** and then released to the student’s parent/guardian. Teachers may grant permission to use such devices for class purposes only; this is at teacher discretion and does not apply to other classes.

Exceptions to this policy may be granted by building administration if circumstances warrant. When an exception is granted, the student will be issued a card indicating the conditions of the exemption. Failure to have this card in your possession may result in confiscation of the device.

### **Personal Contact**

Improper display of affection is not acceptable behavior during the school day, on the school bus, or at school sponsored events. Kissing, extended hugging, and inappropriate touching will not be tolerated and parent/legal guardian notification and subsequent discipline will occur. Personal intimate contact (**P**ublic **D**isplay of **A**ffection) in excess of holding hands and brief hugs is **NOT** allowed.

### **Profanity/Gestures/Obscene Materials**

The use of profane or obscene language or gestures in verbal, written, or any other form is prohibited on school grounds or at school activities. “Double meanings” or other implied use of such language is also prohibited. Students in violation of this policy are subject to discipline up to and including expulsion and/or referral to law enforcement officials.

### **Electronic Entertainment Devices/Radios/CD Players/Games**

Students are encouraged not to bring valuable personal belongings to school. The school assumes no responsibility if a student's personal belongings are destroyed or stolen during the school day. **Electronic entertainment devices will only be allowed for personal use before or after school or during lunch.**

### **Student Identification Cards/Associated Student Body Membership**

Each student will be issued a student identification card. The card contains a library identification number and is required for admission into any school-sponsored activity, including dances. It is also required to check out materials from the library and for access to the computer labs. If you do not have a student identification card, please see Main Office staff to obtain a card.

### **School Meals**

The district participates in the National School Lunch and National Breakfast Programs. Free breakfast is available to all students. Applications for free and reduced-price lunches are available in the school office.

## **Teacher-to-Student Assistance**

Teachers are normally available for student assistance. Please check with the teacher first. They may have meetings or be working in other areas of the school if they do not expect you. Additional assistance may be available through prior arrangements at other times during the day.

## **Tobacco**

Possession or use of tobacco or look-alike products is banned from all district property, buildings, and any school-sponsored event or within 1,000 feet of the Lebanon Academy campus. Students found to be in violation of [this policy](#) face disciplinary action up to and including suspension and expulsion. Law enforcement officials may be contacted.

## **Violent and Threatening Behavior**

### **EXTORTION**

Extortion is defined as demanding money or something of value from another person in return for protection from violence or threat of violence. Students found to be in violation of this policy face disciplinary action up to and including suspension and expulsion.

### **CYBERBULLYING**

The district prohibits any form of harassment, including harassment through electronic means, which is known as cyberbullying. A student may be subject to discipline up to and including expulsion, for a violation. A student may also be referred to law enforcement for a violation.

### **FIGHTING**

Fighting is strictly prohibited and will result in disciplinary action up to and including suspension and expulsion. At a minimum, disorderly conduct charges will be filed for a serious fight or when an injury occurs. A referral to the juvenile court will follow. In addition, either party may request the filing of criminal charges through law enforcement.

### **GANGS**

A gang is defined as any "unauthorized" group that identifies itself through the use of a name, unique appearance or language (including hand signs), the claiming of geographical territory, or the espousing of a distinctive belief system, that frequently results in disrespectful, intimidating, harassing, or criminal activity. Lebanon Academy is a gang-free zone and will not tolerate any type of gang behavior including but not limited to the following:

- Headwear that is considered gang related.
- Use any speech, either verbal or nonverbal (gestures, handshakes, etc.) signifying gang membership or affiliation.
- Wearing of clothing, bandanas, "do rags" or any other articles that identify gang affiliation.

- Displaying gang names or gang-related symbols.
- Gang graffiti on any school or student property.
- Flashing of gang signs or symbols.
- Any activity intended to intimidate, bully or harass.
- Hanging belts or belts longer than six inches beyond the belt buckle.
- Solicit other students for membership in any gangs nor commit any other illegal act or other violation of District policies.

Any student referred to the office due to gang-related clothing will be asked to change into appropriate clothing. If the student refuses or is repeatedly sent to the office for this offense, the student shall be referred to the school resource officer and or suspended pending a parent/guardian meeting. Students in violation of the [District gang policy](#) will be subject to discipline in accordance with the [District's Student Code of Conduct](#).

### **HARASSMENT**

Harassment includes language, behavior, electronic communications, and/or offensive physical contact that insults, ridicules, or torments another person. A student who is found to have harassed another student or staff member will face disciplinary action up to and including suspension and expulsion. Students who believe they have been the subjects of harassment are to report the incident to a staff member. Staff to whom an incident of alleged student harassment has been reported must report the incident to a building administrator, and the building administrator shall notify district office personnel.

### **INTIMIDATION/MENACING/THREATENING BEHAVIOR**

Intimidation, menacing, and threatening behaviors include the intentional, serious threat by word or act (including physical and/or verbal bullying/threatening), which places another person in fear of imminent serious physical injury. This includes, but is not limited to, words, target lists, or conduct directed toward another person because of their race, gender, color, religion, national origin or sexual orientation. Students who threaten, intimidate, coerce, or harass fellow students or school district employees face disciplinary action up to and including suspension and expulsion. Law enforcement officials may be contacted.

### **VANDALISM AND PROPERTY DAMAGE**

Students who willfully damage school property or unlawfully enter district property face disciplinary action, including suspension and expulsion. The student and the parent/guardian may be liable for damages. Law enforcement officials will be contacted.

### **WEAPONS**

Firearms and other weapons and replicas of weapons are forbidden on school district property, or property under the jurisdiction of the district, or at activities under the jurisdiction of the district. Disciplinary action will be taken against students who possess weapons and those students who assist possession of a dangerous weapon. Students face disciplinary action up to and including suspension and expulsion. Law enforcement officials will be contacted. According to [District Policy JFCJ](#), weapons include, but are not limited to, guns, chains, metal knuckles, knives, straight razors, poisons, etc. Please also refer to [District Policy JFC](#), Student Conduct.

## **BEHAVIOR/SCHOOL DISCIPLINE**

### **Detentions**

Detentions are consequences for minor disciplinary infractions. A student must serve detentions on the assigned day(s). When issued a detention, the student will receive a copy of the discipline action form describing the offense. Failure to serve a detention may result in an in-school suspension or an out-of-school suspension.

### **In-School Suspension**

An in-school suspension (ISS) may be issued by building administration for behavior infractions, unexcused absences, as well as students who have failed to fulfill their lunch detentions. Students serving ISS have the opportunity to complete work and receive credit/points for work assigned during a suspension. If you have been assigned ISS, you must bring work to complete while there. Strict rules are enforced in ISS. No talking is allowed; passes are not issued. In addition, there will be no food, drinks, headphones, radios, CD players, or games allowed. If you are in ISS, you will not have lunch with your peers. ISS that has been assigned must be fulfilled prior to returning to class. Failure to follow the rules of ISS will result in an out-of-school suspension. Students who have been assigned ISS for the entire day must bring work to complete while there. Parents/guardians will be notified of their students' ISS assignment and circumstance.

### **Out-of-School Suspension**

Students can be suspended out-of-school for up to 10 consecutive days for each violation. These offenses include, but are not limited, to the following:

- Fighting, Assault or Reckless endangering
- Bullying, Harassment, or Gang involvement
- Cyberbullying
- Defiance/Insubordination
- Removal from ISS
- Profanity directed at staff
- Possession or sale of Tobacco Products, Alcohol, Drugs or Inhalant Delivery Systems
- Arson, theft, vandalism, incendiary devices, or weapons/replicas
- Serious automobile misuse
- Serious repeated disorderly/disruptive conduct
- Extortion
- Serious lewd conduct
- Forgery
- Repeated trespass warning violations
- Chronic violation of the closed campus policy

Students serving out-of-school suspension (OSS) will be given the opportunity to complete work so their learning is not interrupted and receive up to full credit or points for work assigned during an OSS. Students serving an OSS will also be permitted to make up tests and projects that cover learning beyond the length of the suspension. Students on OSS may not attend any school activities such as dances, field trips, club activities or functions, any athletic practice or event, be present on any district property, nor participate in any activities



sponsored by the district until they have returned to school following completion of the OSS. Failure to observe these restrictions may result in arrest for trespassing.

### **Expulsion**

A student may be expelled for severe or repeated violations of [District Policy JFC](#), Student Conduct. Major violations or excessive disciplinary consequences or suspensions will result in a recommendation to the Superintendent for expulsion from school. Students may be expelled for up to one calendar year. Any student expelled from school may not attend any school activities such as dances, club activities or functions, any athletic event, be present on any district property, nor participate in any activities sponsored by the district until the term of their expulsion has expired. Failure to comply with this could result in arrest for trespassing.

## **CITING SOURCES**

Lebanon Academy uses the current MLA (Modern Language Association) format for documenting sources in a research paper. This is the format currently used in most university English, History, and other humanities departments.

Standard MLA format includes a bibliography of all sources used and **in-text citations** (in lieu of footnotes or endnotes) to identify the specific sources of all quotes, paraphrases, and facts/statistics used in a paper. **It is important to clearly explain the correct use of sources to avoid plagiarism.**

### **In-text Citations**

In-text citations are located immediately after the borrowed ideas (mid-sentence, if necessary). They are located before the period (or comma) and after the final quotation marks. In-text citations consist of the author's last name and the page number of the quote, paraphrase, etc., in parentheses.

### **Works Cited (Bibliography)**

The works cited (bibliography) is located at the end of the paper on a separate page. Sources are organized in alphabetical order. Each entry is single-spaced, double-spaced between entries. If the entry requires two or more lines, the second line of text is indented.

### **OSLIS (Oregon School Library Information System)**

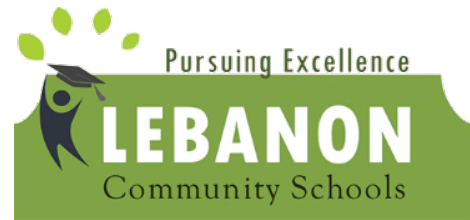
[OSLIS](#) is an excellent resource for creating a bibliography or regarding questions about how to cite a source.

*The material included in this Student Handbook is intended to reiterate and/or clarify school, district, and state policies or laws and is not intended to either enlarge or diminish any Board Policy, administrative regulation or negotiated agreement. Material contained herein may be superseded by applicable Board policies, administrative regulations, or negotiated agreements.*

*All information contained in this handbook is subject to unilateral revision or elimination from time to time without notice.*

# BOARD MEMORANDUM

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**To:** The Honorable Chair and Members  
Lebanon Community School District Board of Directors

**From:** Linda Darling, Business Director

**Date:** April 4, 2018

**Meeting Date:** April 26, 2018

**Re:** Contract for Banking Services

**AGENDA ITEM 6**

## **Background**

In January 2018, Albany Greater School District (GAPS), Harrisburg School District, Linn Benton Lincoln Education Service District (LBL ESD) and Lebanon Community School District issued a Banking Request for Proposals. Representatives from each of the groups reviewed and scored the proposals and conducted interviews of the five institutions that applied for one or more of the districts. Through the process, Umpqua Bank presented services and savings that will be very beneficial to GAPS, LBL ESD and the District.

The District is currently under contract with Wells Fargo until June 30, 2018.

## **Recommendation**

I recommend the Board award the contract for Banking Services (attached) to Umpqua Bank effective July 1, 2018, for five years, with the option to renew for two additional years.

# **LEBANON COMMUNITY SCHOOL DISTRICT #9 BANKING SERVICES AGREEMENT**

## **I. PARTIES**

This Agreement for Banking Services (the "Agreement") is made and executed this 26th day of APRIL, 2018, by and between the Lebanon Community School District #9 located at 485 South 5th Street, Lebanon, OR 97355 (hereinafter "DISTRICT"), and Umpqua Bank an Oregon state chartered bank with a place of business at 1 SW Columbia, Suite 1200, Portland OR 97258 (the "Bank").

## **II. RECITALS**

1. WHEREAS, the DISTRICT issued a Request for Proposals ("RFP") for certain products and services to be offered by Bank (the "Banking Services"); and
2. WHEREAS, the Bank was the successful bidder in response (the "Bid Response") to the DISTRICT'S Request for Proposal for Banking Services; and
3. WHEREAS, the DISTRICT desires to enter into an Agreement with the Bank for the performance of the Banking Services identified in the DISTRICT'S RFP; and
4. WHEREAS, the Bank is agreeable to performing such Banking Services for the DISTRICT in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual benefits to the DISTRICT and the Bank and in consideration of the terms and conditions specified below, the parties agree as follows:

## **III. SCOPE OF BANKING SERVICES**

The Bank shall furnish all labor, materials, and supplies necessary to perform the required Banking Services as stated in the Banking Services Proposal attached as Exhibit A and incorporated by this reference. All performance of Banking Services under this Agreement shall meet all applicable requirements of the state and federal law.

## **IV. TIME OF PERFORMANCE**

The Bank shall commence performance of the Banking Services for the DISTRICT on July 1, 2018 and this Agreement shall be in effect for a term of five (5) years. Prior to expiration of the term of this contract, the DISTRICT may exercise one (1) option to renew said Agreement for a period of two (2) additional years provided that:

1. the Bank is in compliance with the terms and conditions of the Agreement, and
2. sufficient funds have been appropriated by the DISTRICT in the Annual Budget for payment of the Banking Services to be performed by the Bank under the terms of this Agreement.

The total term of this Agreement shall not exceed seven (7) years.

## V. COMPENSATION

- A. The Bank shall be paid at the specified rate for each of the Banking Services required by the DISTRICT as set forth in Exhibit A.
- B. The Bank shall invoice the DISTRICT on a monthly basis for Banking Services rendered under this Agreement and in accordance with the compensation methods defined in Exhibit A. The Bank shall be compensated in accordance with the DISTRICT's usual procedures.

## VI. INDEPENDENT CONTRACTOR

The Bank is an independent contractor with respect to the Banking Services provided under this Agreement. Nothing in this Agreement shall create the relationship of employer and employee between the parties. Neither the Bank nor any employee of the Bank shall be entitled to any benefits accorded DISTRICT employees by virtue of the performance of Banking Services provided under this Agreement. The DISTRICT shall not, for any reason, be responsible for withholding or otherwise deducting federal income tax or social security or contributing to the State industrial insurance program, or otherwise assuming the duties of an employer with respect to the Bank, or any employee of the Bank.

## VII. INSURANCE

The Bank shall, at a minimum, maintain commercial general liability insurance appropriate to its industry and financial condition. All such insurance shall be primary over any coverage held by the DISTRICT. The Bank shall provide to the DISTRICT written verification of compliance acceptable to the DISTRICT prior to commencing performance of Banking Services under this Agreement, which verification shall be attached to this Agreement as Exhibit B. The Bank may self insure.

## VIII. TERMINATION

- A. Termination for Convenience: Either party may terminate this Agreement, with or without cause, upon ninety (90) days written notice to the other party at the notice address set forth in Section I. The DISTRICT shall pay the Bank only for the Banking Services completed by the Bank in accordance with this Agreement.
- B. Termination for Cause: If (1) either party materially breaches this Agreement, which breach is not cured within thirty (30) days by the breaching party, after written notice is given to the breaching party specifying the breach in reasonable detail, or (2) either party repeatedly breaches this Agreement within thirty (30) days after being given written notice specifying the breaches in reasonable detail, then the party not in breach may, by giving written notice thereof to the breaching party, terminate, as of an effective date specified in such notice of termination. The parties may also terminate any account or service agreements as otherwise may be provided therein.

## IX. GENERAL PROVISIONS

A. Integrated Agreement The DISTRICT acknowledges that it may be required to enter into separate standard account and service agreements regarding the Banking Services. The separate standard account and service agreements will contain terms and conditions specific to each Banking Service. The entire and integrated agreement between the DISTRICT and the Bank related to the Banking Services shall consist of this Agreement, the Bank's standard account and service agreements and any applicable service-level agreements in connection with the Banking Services (including their respective user documentation and set-up forms), the Bank's Bid Response and the DISTRICT'S RFP as modified by the Bid Response. In the event of conflict among any of the preceding documents, such documents shall govern in the following order of precedence: (1) the applicable account or services agreement and/or terms and conditions, (2) this Agreement, (3) the Bid Response and (4) the RFP. The integrated agreement supersedes all prior negotiations, representations, statements and agreements, whether written or oral, regarding the Services.

B. Assignment Except for assignment by Bank to a parent, subsidiary or affiliate of Bank ("Permitted Assignment"), neither party will assign any of its rights or obligations under this Agreement without the prior written consent of the other party.

C. Limitation of Liability EXCEPT FOR ANY DAMAGES ARISING WITH RESPECT TO DEATH OR PERSONAL INJURY, PROPERTY DAMAGE, NEITHER PARTY WILL BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES (e.g., LOST PROFITS), WITH RESPECT TO THIS AGREEMENT, EVEN IF THE PARTIES HAVE KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.

D. Bank Personnel Bank acknowledges that certain Bank personnel may be critical to providing certain Banking Services under an applicable account or service agreement ("Key Personnel"). Bank may change or add to Key Personnel from time to time without the DISTRICT's consent.

E. Waiver A waiver of any breach by either party shall not constitute a waiver of any subsequent breach.

F. Choice of Law All questions concerning the validity, interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Washington, and venue for any action in court for the interpretation of the terms of this Agreement shall lie in Spokane County, Washington.

G. Compliance with Laws Both parties shall comply with all applicable federal, state, local laws, regulations, and Linn County ordinances in the performance of the Banking Services for the DISTRICT under the terms of this Agreement.

H. Authorized Signatures. By their signatures below, each party represents that they are fully authorized to sign for and on behalf of the named principal above.

I. Notice. Any notice required to be served under this Agreement shall be in writing, in English, and shall be transmitted by overnight courier to the parties at the addresses in this Agreement (Section 1) or such other addresses as may be specified by such written notice.

J. Change. No amendment, modification, or supplement to this Agreement, nor any waiver of any term or breach of this Agreement, shall be valid unless in writing signed by an authorized representative of the party against whom it is to be enforced. No delay or failure in enforcing, or any partial enforcement of any right or remedy regarding this Agreement (whether through a course of dealing or otherwise) shall be deemed a modification or waiver of that or any other right or remedy, nor shall it preclude any enforcement or further enforcement of that or any other right or remedy.

K. Survival. The following parts of this Agreement shall survive any expiration or termination of this Agreement: Section IX (C) (Limitation of Liability) and Section VIII (Termination), as well as any other provisions of this Agreement or any Bank account or service agreement, by their nature, are naturally intended to survive an expiration or termination of this Agreement or any Bank account or service agreement.

L. CONFIDENTIALITY. The terms of this Agreement shall be subject to that certain Confidentiality and Nondisclosure Agreement dated April 26, 2018 and attached hereto as Exhibit C.

SIGNATURES APPEAR ON NEXT PAGE

Dated this 26th day of APRIL, 2018.

**LEBANON COMMUNITY SCHOOL  
DISTRICT #9**

\_\_\_\_\_

By: Tom Oliver

Title: Board Chair

Date: 4/26/18

**UMPQUA BANK**

\_\_\_\_\_

By: \_\_\_\_\_

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

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Robert T. Hess, Superintendent

\_\_\_\_\_  
Benjamin Lambert, VP Sr. Counsel

EXHIBIT A

RFP AND BANKING SERVICES PROPOSAL



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## **Banking Services Proposal for Intergovernmental Agencies**

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**Submitted by Umpqua Bank**  
333 SW Ellsworth Street 1<sup>st</sup> Floor  
Albany, OR 97321

Carol Bartel  
**Store Manager - Albany**

Jolene Watson  
**AVP, Store Manager - Lebanon**

Jennifer Blevins  
**VP, Public Deposit Relationship Manager**

Michaela Findley  
**Public Deposit Operations Team**

Kristin Bauer  
**VP, Treasury Management Consultant**

Diane Sellers  
**SVP, Public Deposit Team Manager**

**March 5, 2018**

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March 5, 2018

Ashley Netzel, Controller  
Greater Albany Public Schools  
718 Seventh Ave. SW  
Albany, OR 97321

Linda Darling, Director of Business Services  
Lebanon Community Schools  
485 South 5<sup>th</sup> Street  
Lebanon, OR 97355

Pam Strutz, Business Manager  
Harrisburg School District  
PO Box 208  
Harrisburg, OR 97446

Jackie Olsen, Chief Financial Officer  
Linn Benton Lincoln ESD  
905 4<sup>th</sup> Avenue SE  
Albany, OR 97321

Dear Ashley, Linda, Pam, and Jackie:

Umpqua Bank is the largest community bank in the Pacific Northwest and is recognized as one of the nation's strongest financial institutions. We are deeply committed to the communities, businesses and organizations we serve – providing both the financial and community support our neighborhoods need to grow.

Umpqua's approach to banking is to become a trusted advisor for our clients. We offer the same products and services you'll find at other banks, but our unique approach to servicing customers and building solid relationships distinguishes us in our industry. We truly want to be a resource for our clients – helping with overall financial strategy, introducing new solutions to maximize your organization's goals, or simply leveraging our vast experience working with the public segment.

We have a team of professionals that are ready to assist you in transitioning your banking services over to Umpqua Bank. This team is committed to making this move as seamless and painless as possible. Here are some of the highlights that you will discover as you read our proposal:

- Umpqua Bank's pricing proposal is predicated on the award of the banking services contract of all four entities. This will give all four entities very competitive pricing with a combined savings of \$1,875.85, per the month displayed.



- \$250 credit each, for Lebanon, Harrisburg and Linn Benton ESD, to purchase new check stock, deposit slips, stamps, poly bags, etc.
- \$500 credit, for Greater Albany, to purchase new check stock, deposit slips, stamps, poly bags, etc.
  - Going forward these charges can be offset through account analysis
- Earnings Credit Rate of 20bps over posted rate (20bps), for a current ECR of 40bps
- 90 Day Transition Waiver—in other words, we will waive your account analysis fees for the first 90 days as we assist your move over to Umpqua Bank
- Deposit Assessment Fee waived for the life of the contract
- Dedicated Public Funds Team knowledgeable about the Public segment
- Local Albany and Lebanon Store Associates
- Onsite product implementation team to assist with set up of Treasury Services

Our customized proposal provides detailed information that will help you manage the financial needs of your Agencies. Umpqua Bank is here to help you bank like you live and make it a reality. We welcome the opportunity to be your banking partner.

Sincerely,

Jennifer Blevins, AAP, NCP  
VP, Public Deposit Relationship Manager

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## MINIMUM QUALIFICATIONS

To be considered for selection, proposing banks must have at least the following minimum qualifications:

- a. Be a Federally or State of Oregon chartered financial institution, with banking facilities located within the City limits of the City of Albany and/or Lebanon or geographically near the districts to be served, which offer the full range of services, (or a comparable substitute) required by this proposal.  
*Agreed. Umpqua Bank is a State of Oregon chartered financial institution. Umpqua Bank has a store location in both Albany and Lebanon.*
- b. Be a member of the Federal Reserve System and have access to all services.  
*Agreed. Umpqua Bank is a member of the Federal Reserve System and has access to all services.*
- c. Be a member of the National Automated Clearing House Association.  
*Agreed. Umpqua Bank is a member of the National Automated Clearing House Association.*
- d. Be a full service bank in good standing among other comparable banks.  
*Agreed. Umpqua Bank meets this requirement.*
- e. Be a qualified depository for public funds under Oregon Revised Statutes.  
*Agreed. Umpqua Bank meets this requirement. Visit the website below to view evidence of designation as a qualified public depository:  
<http://www.oregon.gov/treasury/Divisions/Finance/LocalGov/Pages/Qualified-Depositories.aspx>*
- f. Maintain an account with the Oregon State Treasurer to facilitate transfers to and from the Local Government Investment Pool (LGIP).  
*Agreed. Umpqua Bank would provide EFT functions to facilitate Intergovernmental Agencies transfers to and from the Local Government Investment Pool.*
- g. Be insured by the Federal Deposit Insurance Corporation (FDIC).  
*Agreed. Umpqua Bank meets this requirement.*
- h. Agree to assign experienced and dedicated staff that are committed and capable of servicing each Agency's accounts. Such staff should be instrumental in working with the Agencies to recommend technological advancements and efficiencies that would be cost effective for the Agencies.  
*Agreed. Umpqua Bank meets this requirement.*
- i. Demonstrate a commitment to the local community and be in compliance and good standing with the Community Reinvestment Act.  
*Agreed. Umpqua Bank meets this requirement. Umpqua Bank holds a Satisfactory rating from the FDIC.*



- j. Be sufficiently capitalized to accommodate each Agency's cash/investment management needs. This will be demonstrable by an adjusted capital-to-asset ratio (including loan loss reserves) of not less than 6.0% for the last three fiscal years. Provide a letter of certification, current process and method of calculation.

This is to certify that Umpqua Bank meets the requirement of a capital to asset ratio of 6.0 or better for the past three fiscal years, 2015, 2016 and 2017. Below is a chart representing the numbers and calculation for the ratio. Fiscal year 2017 is unaudited as of the date of this certification and can be updated once the final audited statements are available.

Shareholders' Equity	4,015,764	3,916,795	3,849,334
Total Assets*	25,742,416	24,813,119	23,287,205
Capital to Asset Ratio	6.41	6.33	6.08
*adjusted for loan loss reserve	140,608	133,984	130,322

- k. Agree, for the duration of the contract, to furnish each Agency, updated issues of each quarterly call report (Schedule RC only) and annual audited financial statements for a holding company if the bank is part of a holding company.  
*Agreed. Umpqua Bank meets this requirement.*

- l. The Proposer certifies that they have not and will not discriminate against minority, women, or emerging small businesses in the awarding of any subcontracts in accordance with ORS 279A. 110 (4). The Proposer agrees not to discriminate on the basis of race, religion, sex, color, national origin, family status, marital status, sexual orientation, age, source of income, or mental or physical disability in the performance on this contract.  
*Agreed. Umpqua Bank meets this requirement*

- m. Provide three (3) Oregon references, for each Agency, comparable to the Agencies' sizes and financial needs that may be contacted. List the name of the reference, their address, telephone number, and a contact name.

**Central School District 13J**

Cecelia Koontz  
503.606.2263  
750 South 5<sup>th</sup> Street  
Independence, OR 97351

**Grants Pass School District No. 7**

Sherry Ely  
541.474.5703  
725 NE Dean Drive  
Grants Pass, OR 97526

**Douglas County School District No. 15**

Aletha Hemphill  
541.825.3296  
11381 Tiller Trail Hwy  
Days Creek, OR 97429

- n. Preference will be given to institutions that have established a branch or office in the district to be served, i.e. City of Albany.  
[Agreed. Umpqua Bank has a store location in both Albany and Lebanon.](#)
- o. The Financial Institution must be willing to sign a comprehensive contract with Agency for a term not less than five (5) years with fixed pricing for the term of the contract. One year prior to renewal, the contracts may be renewed for two-year renewals up to two additional renewal periods upon the mutual negotiation of the vendor and the participating Agencies.  
[Agreed. Umpqua Bank agrees to the contract terms outlined above.](#)

## REQUIRED SERVICES AND FORMAT FOR PROPOSAL

### GENERAL GUIDELINES

In order for Agencies to adequately compare and evaluate proposals objectively, all proposals must be submitted in accordance with the described format below. Other forms or formats will not be accepted. It is required that the proposal be completed in its entirety; i.e., all basic service requirements shall be met. If the Proposer cannot meet a service requirement, then the term “No Proposal” should be entered. In the case of a “No Proposal” response, the proposer must offer an alternative equivalent service. In the event that two or more of the Agencies may select one bank, the bank should provide details on more favorable pricing options to the extent that they would be available on Attachment G.

All proposals shall be based on unit costs. All interest and/or earnings credits shall be expressed as a specific amount or percentage. Rates quoted that are tied to future market conditions (i.e., 90 day T-Bill rate) must be recognized, published, and subject to independent verification by the Agency.

[Agreed. Umpqua Bank meets this requirement.](#)

### PROPOSAL FORMAT

**Title Page/Cover:** Maximum of one printed page, single spaced. It should include the name of the proposing bank, its principal business address where the relationship will be managed, and the local branch address that can meet each Agency’s daily banking needs.

[See page 1 of proposal packet.](#)

**Table of Contents:** Maximum of two printed pages, single spaced.

[See page 2 of proposal packet.](#)

**Transmittal Letter:** Maximum of two printed pages, single spaced. A transmittal letter shall be prepared. The letter must address the bank’s willingness and commitment, if selected, to provide the services, and why the Bank believes it should be selected. The letter is required to be signed by the Relationship Manager(s) assigned to each Agency’s accounts and addressed as follows:





Ashley Netzel, Controller  
Greater Albany Public Schools  
718 Seventh Ave. SW  
Albany, OR 97321

Linda Darling, Director of Business Services  
Lebanon Community Schools  
485 South 5<sup>th</sup> Street  
Lebanon, OR 97355

Pam Strutz, Business Manager  
Harrisburg School District  
PO Box 208  
Harrisburg, OR 97446

Jackie Olsen, Chief Financial Officer  
Linn Benton Lincoln ESD  
905 4<sup>th</sup> Avenue SE  
Albany, OR 97321

[See page 3 for transmittal letter.](#)

**Section I - Bank and Staff Profile:** Maximum four printed pages, single spaced.

Respond to the following sections:

*Overview:* Provide a corporate overview of your bank, and present the bank's Community Reinvestment Act programs. Also identify the number of branches within the city limits of each district included in this RFP that can meet each Agency's local service and immediate banking needs.

[Umpqua Bank Overview:](#)

[Umpqua Bank, chartered in the State of Oregon has a proud history spanning over 60 years. Originating in Canyonville, Oregon in 1953, the South Umpqua State Bank was created to provide banking services to the communities, businesses and individuals.](#)

[By 2000, the bank merged with the Valley of Rogue Bank and changed its name to Umpqua Bank. During the economic downturn, Umpqua Bank carefully managed its finances and took a conservative approach to lending that allowed the bank to emerge from the downturn as one of the few banks unscathed by the financial turmoil. We've never stopped investing in the health of the communities we serve, both financially through active lending to businesses and consumers, and with our time and resources. In April 2014, we completed our merger with Sterling Financial; broadening our network and our ability to serve our communities while remaining committed to community banking and customer service. Umpqua Bank has over 350 stores and ATMs with more than 4,500 associates located in five states \(California, Idaho, Nevada, Oregon and Washington\). With over \\$25 billion in assets, Umpqua Bank has the competitive advantage of being large enough to offer all of the products and services that you would find a large bank, but is small enough to provide personalized local service that Intergovernmental Agencies will value.](#)

## Community Reinvestment at Umpqua Bank:

### **Summary**

Umpqua Bank has a clear strategy and focus on community development that revitalizes urban cores and neighborhoods and provides tools and resources to households in need to help ensure their financial health. The bank has both an obligation and a vested interest in supporting and creating vibrant, resilient communities. It is the right thing to do. Umpqua Bank is proud of its community development efforts and holds a Satisfactory performance rating from the FDIC.

### **How does a bank comply with the Community Reinvestment Act?**

Banks are measured in three performance areas: lending, investment and service. It is Umpqua's commitment in all three performance areas to ensure diversity, inclusion, respect and engagement are fully integrated into the fabric of Umpqua.

### ***Lending***

Umpqua is committed to lending to all facets of a healthy community, including small business and LMI households and neighborhoods. Lending activity includes: creating/preserving affordable housing, supporting critical community services (financial literacy, technical services, food banks, etc.), financing small business growth and revitalizing distressed and/or underserved communities.

### ***Investment***

Umpqua invests in a variety of different vehicles that are aimed at improving the financial stability and health of LMI individual and geographies. This includes the purchase of low-income housing tax credits (LIHTC) that enables developers to create and/or rehabilitate properties that provide affordable housing. Among other things, Umpqua invests in: municipal bonds to support low-income schools, essential community infrastructure and housing authorities; Community Development Financial Institutions (CDFI) that provide financing to individuals and small businesses that may not qualify for "traditional" financial products; and purchasing mortgage-backed securities targeted to LMI homebuyers.

### ***Service***

Umpqua's Connect Volunteer Network™ provides associates with 40 hours of paid time off during work hours to volunteer. In 2017, 70 percent of Umpqua associates spent 48,567 hours volunteering at 2,221 organizations. Umpqua is proud to say the economic impact, according to the Independent Sector, is \$1,172,407! In addition, our Corporate Responsibility team invested in over \$3 million to 435 organizations across Umpqua's footprint towards educational attainment and economic opportunity grants.

Community development service includes both volunteerism and board service. To be qualified activity, associates must use their professional financial or work-related (such as marketing, IT, legal, etc.) skills to benefit LMI individuals or non-profits providing services to LMI individuals and/or neighborhoods.

For example, Umpqua associates helping in tax preparation, teaching financial literacy to young adults, sitting on a loan committee at a non-profit, serving as a treasurer and similar service all has the potential to be qualified CRA service. There are organizations that by their very nature are automatically CRA-eligible, however, some of the bank's volunteer organizations must be culled further to determine eligibility.

Umpqua Bank has 2 store locations that are in the city limits of Albany and Lebanon. These stores can assist the Agencies with their immediate banking needs or offer local service assistance when needed.

*Experience:* Describe the Bank's experience in providing services to the public sector. Include exclusive resources dedicated for the public sector. Provide three (3) Oregon references, for each Agency, comparable to the Agencies' sizes and financial needs that may be contacted. List the name of the reference, their address, telephone number, and a contact name.

Umpqua Bank's Public Deposit Team has been in existence for over 10 years. The Public Deposit Team consists of a Department Manager, a Relationship Manager in Oregon, and a team of three (3) Operations Associates. Public Deposit Team members regularly attend annual Municipal conferences to maintain up-to-date knowledge of industry standards and requirements for municipalities in the State of Oregon. Umpqua Bank is a State of Oregon qualified depository for public funds.

The Public Deposit Team includes a devoted Public Deposit Operations Department whose primary role is to assist our public clients. They can be reached via toll-free number 855-867-7826, or by email at [publicdeposits@umpquabank.com](mailto:publicdeposits@umpquabank.com). This dedicated staff is available Monday – Friday, 7:00 am – 5:00pm PT.

\*For a list of references, please refer to the **Minimum Qualifications letter m** above.

*Relationship Management:* Describe the team that will be assigned to service each Agency's relationship. Describe individual roles and responsibilities. Briefly detail credentials and related banking experience. Include the name and phone number of a local branch contact. Please note that the Agencies require notification of personnel changes five (5) business days prior to the change.

Your Umpqua Bank Relationship Management Team and Store Contacts:

**Carol Bartel – 541.967.4214**

Store Manager – Albany

*Carol Bartel manages Umpqua Bank's Albany store – Carol has 19 years banking experience. Carol along with her team will assist with the agencies deposits; cash and coin orders. Carol volunteers for activities in Albany, including iCelebrate for the Albany Schools Foundation, all grade level financial classes, Albany Boys and Girls Club, and board member of Fish of Albany which supplies snacks for packs for the Albany School District.*

**Jolene Watson – 541.258.7624**

AVP; Store Manager – Lebanon

*Jolene Watson has managed Umpqua Bank's Lebanon store for the past 10 years with over 37 years of banking experience. Jolene and her Lebanon team will also assist with the agencies deposits; cash and coin orders. She is Board Chairman for Lebanon Community Foundation; Board Member of Boys & Girls Club of the Greater Santiam and Lebanon Chamber of Commerce.*

**Michaela Findley - 208.889.6089**

Public Deposit Team Services Associate

*Michaela Findley is part of the Public Deposit Team that services the accounts for the Public Deposit sector. Michaela has been with Umpqua Bank since 2007 in various customer service capacities such as branch management, associate banking and most recently, the Public Deposit segment.*

**Jennifer Blevins, AAP, NCP – 360.975.6632**

VP; Public Deposit Relationship Manager

*Jennifer Blevins is a VP, Public Deposit Relationship Manager. Jennifer has 15+ years' experience in Treasury and Relationship Management. Jennifer covers the State of Oregon and SW Washington for all public entities and will be assigned Relationship Manager for the agencies. Jennifer has accreditations in both ACH and Check and was awarded the Frank E. Zima Award for Payments Advocacy in September 2016.*

**Kristin Bauer, CTP – 503.945.2132**

VP; Treasury Management Consultant

*Kristin Bauer joined Umpqua Bank in 2010 as a Treasury Management Consultant. Prior to that, her experience in the treasury management field was developed while internally leading the City of Salem and Port of Portland through the banking services RFP process. Kristin will be the Treasury Management Consultant for the agencies. Kristin currently serves as President of the AFP of Oregon & SW Washington (Association for Financial Professionals).*

**Diane Sellers, CTP – 425.921.3340**

SVP; Public Deposit Team Manager

*Diane Sellers, SVP, Public Deposit Manager, provides regional leadership and support of the municipal and government customers bank wide, for Umpqua Bank. Diane has been in banking over 30 years with leadership positions in Corporate Lending, International Banking and for the past 10 years in the municipal and government sector. Diane has attended and participated in the government conferences, kept informed of the changes within the segment and worked closely with the local Umpqua Bank associates to gain and maintain municipal and government relationships.*

**Compliance and Exceptions:** Include a statement to confirm your bank's compliance to our minimum qualifications. Also list any exceptions to required services.  
 Agreed. Umpqua Bank meets this requirement.

**Disaster Recovery Plan:** Briefly describe the bank's procedures to provide uninterrupted essential banking services.

**Please refer to Section XVIII: Disaster Recovery/Backup Procedure**



**Section II - Deposit Processing:** Maximum four printed pages, single spaced. Describe how the bank would accommodate the volume associated with each Agency's account. Indicate deposit options, including cash vault centers and desktop deposit scanners. The bank should have a centralized cash vault operation that can accommodate the security, deposit volume and change order demands associated with each Agency's accounts. Indicate if deposits will be processed locally or transferred to a central vault location in another city and timing of deposit postings. Each Agency will be given credit for all deposits made at your local bank on the day which the deposit is made. Indicate the time at which funds must be on deposit to be credited the same day. If all funds are not available for same day credit, indicate when such funds would become available.

Describe the bank's procedures for requesting change/currency orders.

*Greater Albany Public Schools* courier delivers bank deposits on a daily basis.

*Lebanon Community Schools* courier delivers bank deposits on a daily basis.

*Harrisburg School District* delivers bank deposits bi-monthly, unless there is more than \$250 in cash. If there is more than \$250 in cash, it is deposited on the day of receipt.

*Linn Benton Lincoln ESD* currently uses a desktop deposit scanner to process checks received under

\$1.5 million. If a check exceeds the \$1.5 million threshold, an LBL staff member must call the bank and arrange for deposit or physically take the check to the local branch for processing. If a check is unreadable by the scanner, a staff member will physically take the check to the bank. Usually LBL processes a miscellaneous deposit once a month. All other deposits are submitted electronically by Agencies.

Describe local branch customer service processing of these deposits for courier drop off. The deposits are in tamperproof and pre-numbered bags for fraud protection and require acceptance by bank staff. The volume of bags can be up to 25 bags at once on peak days. In addition, describe parking availability for courier truck parking at delivery time.

After review, Umpqua Bank finds that we are capable of handling the combined deposit and transaction volume generated from the intergovernmental entities represented in this RFP.

Umpqua Bank offers three alternatives for deposit processing.

- 1) **Store Deposits** – Customers prepare deposits (both cash and check) and present over the counter at one of our convenient locations. As an alternative, customers can also present deposits through the "night drop." Deposits can be presented through both channels in tamperproof pre-numbered bags. Over the counter deposits are processed and available the same business day, with exception of outstanding check float. Night drop deposits are processed the following business day, and available the same day they are processed, (again with consideration to check float). Deposits presented to an Umpqua Store would be processed locally. Deposits can be dropped off by a courier and bank staff is able to mail a deposit receipt to account holder. As an alternative, the courier may pick up deposit receipts on the following business day to take back to the respective entity. Couriers may also wait until deposit is processed to collect deposit receipt. If deposit volume is particularly high, it may be best to mail or pick up deposit receipt the following day. Deposits must be delivered to the bank by 3pm in order to receive same day credit.



Deposited checks drawn on Umpqua Bank accounts receive same day credit; all other checks are generally assigned 1-3 days float based on the location of the bank they are drawn on.

- 2) Cash Vault Deposits – Customers with large volumes of cash have an option to deposit directly to our Centralized Cash Vault. There are two vaults located in the State of Oregon, one in Portland and the other in Roseburg. Deposits directed to the vault must be presented by Armored Courier. Each Agency would need to contract directly with the armored carrier to secure transport service. Cash Vault deposits would be available the day following presentment to the vault. Cash vault deposit cutoff time is 7:30pm to receive next day credit.
- 3) Remote Deposit Capture – This service allows customers to scan and present checks for deposit directly from their desktop. Deposits scanned prior to 8:00pm each business day receive “same day” credit. Credit is visible the following business day as a back dated deposit, reflected on the day the deposited items were scanned through the system. Deposits via Remote Deposit Capture are subject to Umpqua Bank’s availability and float schedule.

Cash and coin orders can be completed through your local Umpqua Store upon request. Large requests would need to be made in advance. This request can be placed over the phone with a call to your local Umpqua Store. For large recurring cash/coin orders we recommend ordering directly from the Cash Vault. Cash Vault orders can be completed through the online ordering system. Orders through Cash Vault must be placed by 10:30am each day for receipt next business day. Cash/coin orders are available for pickup by armored carriers by 3:00pm each day.

- 1) Greater Albany Public Schools – Albany Store (2 miles)
- 2) Lebanon Community Schools – Lebanon Store (0.9 miles)
- 3) Harrisburg School District – Oakway Store – Eugene (18.5 miles)
- 4) Linn Benton Lincoln ESD – Albany Store (0.8 miles)

Parking is readily available at each of our Umpqua Bank stores and should not present a challenge for courier trucks.

**Section III - Stop Payments, Debit/Credit Adjustments, Returned Items and Non-Sufficient Funds Checks:** Maximum of three printed pages, single spaced. All stop payments, debit/credit adjustments, returned items, and non-sufficient funds checks charged to an Agency’s account must be followed-up with a written confirmation within five business days. The confirmation must clearly state why the action/adjustment was made and contain the related financial information in order for the Agency to trace the action/adjustment back to the original entry. Explain how any discrepancies on these adjustments will be handled on a customer service level. All non-sufficient funds checks shall be processed twice, with a minimum two-day delay between each processing, prior to being returned to the Agencies. Describe stop payment options as to how they may be placed, the effective length of the request and renewals.

Intergovernmental Agencies can place real time stop payment requests or cancel stop payment requests via Business Online Banking. IA can also setup individual or group stop payments on a series of checks. There is a stop payment report available to review active stop payments. Stop payments are unlimited and are in place for 12 months.





Customer adjustment details are included in an email or written notice sent to the customer within 5 business days per setup instructions. The details will include why the action/adjustment was made.

Deposited items returned unpaid are typically redeposited once, however customers may select from a variety of custom instructions for returned item processing. Returned items can be reported to Intergovernmental Agencies via secure email (to multiple addresses) or fax (to multiple fax numbers); the items can be charged back to the account either individually or in an aggregate charge.

**Section IV - Account Reconciliation and Reporting:** Maximum of three printed pages, single spaced. The bank must provide monthly account reconciliation reports, bank statements, account analysis statements, confirmations and other report related features, through the Internet. The statement period must be from the first through the last calendar day of each month. Describe your ability to provide various reports and statements including the monthly bank statement through secure Internet based reporting. In addition, address your ability to download data in various formats. Describe the account reconciliation services offered by the bank, including deposit reconciliation and location tracking, positive pay, checks cleared and outstanding. Describe cancelled check management options such as check imaging systems and software requirements. The Agencies require 60 days from the monthly statement date to report fraudulent events to the bank. Note that the Agencies require that monthly account statements be provided by the 5th working day of the following month.

Umpqua Bank has the ability to provide account reconciliation reports, bank statements, and account analysis statements through our Business Online Banking portal. In addition, we provide routine notifications and confirmations via online banking as well as email. The statement period is the first through the last calendar day of each month. Transaction detail can be accessed through the system to provide both current day and previous day information. Reports can be pulled to include transactions over three months at a time. History is maintained within online banking as a standard for up to six months, but can be customized to include up to 18 months of history. Monthly bank statements can be delivered online, by mail, or both. The primary online banking administrator for each organization has the ability to set statement preferences and also to allocate access to individual online banking users as necessary.

Business Online Banking's security is fortified with 128 bit encryption, anomaly detection, device profiling, and account and service level user permissions to provide employee access consistent to each entity's security policy. Umpqua Bank uses out of band verification to ensure users are authentic. This verification is deployed through a phone call or text message to predetermined authorized phone numbers for each unique user. Transaction data can be downloaded in the following formats: HTML – on screen, BAI2, CSV, QIF (Quicken Interchange Formatted File), Quickbooks, Quicken, and PDF.



Umpqua Bank offers a full suite of account reconciliation service options to include full reconciliation and partial reconciliation in concert or separately from our check positive pay service. If utilizing the service, each entitled online banking user would be able to pull a report at any time showing cleared and still outstanding checks. In addition, we have the ability to customize report transmissions meeting specific transaction and formatting guidelines. Custom file transmissions can be created and available securely via online banking on a daily, weekly, or monthly basis. As an alternative, transmissions can be sent via SFTP or secure email. Location tracking is also available to aid in reconciliation efforts. For deposits presented through an Umpqua Bank store, we would establish unique location codes for each entity. The location codes would be documented on customized deposit slips. Once deposits were posted to the account, the unique location code would be visible through online banking. With deposits presented via Cash Vault we would capture location codes with the use of customized deposit slips indicating specific location codes. Check deposits presented via Remote Deposit Capture can likewise be assigned location codes. Online banking users entitled to the Remote Deposit Service would have the ability to select which location and location code they would like to utilize when scanning a deposit. Likewise, the location code would populate within online banking once the deposit was posted to the account.

Umpqua Bank has several ways to provide cleared check images. Check images can most easily be accessed via Business Online Banking. Images are available as a standard for up to six months, but can be made available on an 18 month basis if desired. If a check image is needed outside of that storage timeline, our store associates would be more than happy to provide image copies. Cleared check images can also be provided on a monthly CD Rom. Lastly, cleared thumbnail check images can be provided along with the monthly account statements.

Technical requirements to view images via online banking include the use of Internet Explorer version 11 on a PC based computer system with operating system of Windows 8.1 or newer. On a MAC based computer system Safari 9 is the required browser, with operating system Mac OS X 10.9 or better. Please note Mac systems are not compatible for use with Remote Deposit Capture Service.

Images are also available in Business Online Banking for deposited checks (front and back) as well as deposit tickets. For deposits presented via Remote Deposit Capture, check images are available online for two years.

Regular account statements are available via online banking by the 5<sup>th</sup> business day of each month. Account analysis statements are available via online banking and via US Mail between the 10<sup>th</sup> and 15<sup>th</sup> of each month, with applicable charges debited on or about the 20<sup>th</sup> calendar day each month.

If the Agencies require a copy of a statement prior to its availability through Business Online Banking, the Public Deposit Operations Team can provide one.





**Section V - Electronic Money Transfers:** Maximum of two printed pages, single spaced. Describe the bank's incoming and outgoing electronic money transfer services via secure Internet based options. Include safeguards, security measures, and notification options offered by your service. Specifically, address the use of Agency-generated ACH charges to customer accounts to collect fees and ACH payments to external vendors, including technical requirements, additional software and costs. Also describe the method the bank utilizes for transfers to and from the Local Government Investment Pool. The Agencies require that they receive same-day credit for any incoming wire transfers until the close of the bank's wire transfer room. Specify the operating hours for the bank's wire transfer function.

Umpqua Bank provides access to wire transfer and ACH origination services via Business Online Banking. Umpqua Bank is pleased to offer the Agencies Business Online Banking, an intelligent, highly secure web-based platform for our suite of treasury management services. Business Online Banking provides many features, including current and prior day balance and transaction detail reporting (including check, deposits and deposited item images), account and deposit reconciliation reporting, account transfers, ACH and wire initiation, fraud prevention (both ACH and check Payee Positive Pay), stop payments, online bank statements, monthly account analysis statements and Remote Deposit. Umpqua Bank's Business Online Banking allows multiple users with different security levels, access to account information as designated by each Agency's Administrator(s).

Business Online Banking uses rigorous, advanced sign on authentication for each user session. In addition to using 3-point credentials (company ID, user ID and password), each user's device and network are evaluated for consistency with the user's typical behavior and any indications that fraud might be involved. If profiling detects abnormal activity, step-up authentication is activated in the form of out-of-band authentication, which uses a one-time security code delivered to the user by an automated voice call or text message to a pre-registered phone number before the user can gain further system access.

Business Online Banking's security is fortified with 128 bit encryption, anomaly detection, device profiling, and account and service level user permissions to provide employee access consistent with each Agency's security policy. There is no limit to the number of users. Technical requirements to view images via online banking include the use of Internet Explorer version 11 on a PC based computer system with operating system of Windows 8.1 or newer. On a MAC based computer system Safari 9 is the required browser, with operating system Mac OS X 10.9 or better. Please note Mac systems are not compatible for use with Remote Deposit Capture service.

A designated Primary Administrator, and, if desired, one or more Backup Administrators, are assigned by each entity at the time of service enrollment. The Primary Administrator has the greatest level of access and is able to establish and maintain users and assign permissions and transaction limits to all users, including the Backup Administrator. Additional security features include dual administrative setup and approval of sub user profiles. Dual controls can also be enforced for all outgoing ACH and wire transactions, wherein one user is required to initiate the transaction and another separate user is needed for its release to the bank. ACH and wire approvers are also required to input a one-time security code delivered via text or phone call as a final security precaution before funds are released from the account.

ACH and wire initiation deadlines are 5:00 p.m. PT and 2:00 p.m. PT, respectively.



To address the collections and payment activities of the Agencies executed via ACH transactions, Umpqua Bank can certainly provide service and technology required to support these functions. Umpqua Bank can accept unbalanced ACH files in standard NACHA format for submission via upload through Business Online Banking. Both ACH Debit and ACH credit files can be accepted. Accounting software for each Agency should be capable of this format. In addition, ACH templates can be created and stored securely via Business Online Banking for both ACH Debits and Credits. The templates can be used alone or in concert with uploading NACHA files. No additional software is necessary to support ACH origination. Notifications of Change, Returns, ACH payment reversals, ACH confirmations, and other ACH based notifications can be provided to individual online banking users through the Business Online Banking System or directly via email.

Dual control is Umpqua Bank's standard for clients with payment services and is highly recommended. When establishing payment templates, an approver with appropriate permissions would need to approve the template before it could be used. In addition, once the template is fully populated it must again be approved before payment can be released. Likewise, if a user is uploading a NACHA file for submission, it must be approved by a user with appropriate permissions before it can be released. Our standard ACH (5pm) deadline requires both submission and approval before the cutoff time. Standard ACH payments and collections can be originated with a minimum of one day in advance of desired settlement. For payroll transactions we still recommend a two day advance submission if possible. Lastly, we do offer same day ACH origination for ACH Credits with a submission cutoff time of 10:30am. Same day ACH is typically reserved for payroll transactions, and is limited to \$25,000 in payment to a single payee.

Umpqua Bank receives transactions from the Local Government Investment Pool via ACH transfer. Umpqua Bank can process wires until the end of the FED clearing window which is 2pm.



**Section VI - Balance Reporting:** Maximum of two printed pages, single spaced. The bank must have a secure Internet based reporting option which allows each Agency to receive, no later than 8:00 a.m. Pacific Standard Time, previous day balance and transaction information for each designated account. The system must also have secured Internet based features such as stop payment requests, checks cleared inquiry, positive pay issues, wire transfer, prior days activity retrieval, intra-day activity, etc. Describe the balance reporting system offered by the bank and its features, including user-friendliness. The report should include previous day's ending account balance, collected balance, one and two day float, total debits (detailed listing), total credits and debits (detailed listing), zero-balance account transfer amounts, and daily interest earnings amount and interest rate. Have available upon request access to sample of Internet features.

Umpqua Bank's Business Online Banking system provides secure online access to all functions and requirements detailed by the Agencies, with exception of interest earnings and interest rate on a daily basis. The balance reporting feature within Business Online Banking is very user friendly. It can provide simple transaction information delivery on a current or previous day basis, or can deliver information based on a specified date range (not to exceed three months of information at one time). Reports can be pulled for multiple accounts or a single account at a time. Users can create reports to customize the transactions they view. These can be specified by debits, credits, as well as drilled down further by type of credit or debit. Filtering can be done by transaction type description or transaction code. Likewise, report criteria can be saved to facilitate easy user access to frequently needed user defined report types. We would be happy to facilitate a demonstration of Business Online Banking functionality upon request.

**Section VII - Direct Deposit & Payroll Debit Cards:** Maximum of two printed pages, single spaced. The bank must have the capability to accommodate a wide range of electronic payment and deposit services. Greater Albany Public Schools, Lebanon Community Schools, Harrisburg School District, and Linn Benton Lincoln Education Service District utilize direct deposit services for their payroll. Approximately 1275 of Greater Albany Public Schools' 1540 total employees; 650 of the Lebanon Community Schools' 700 total employees, 145 of Harrisburg School District's total 200 employees, and 234 of Linn Benton Lincoln Education Service District's total 251 employees take advantage of the payment mechanism. Describe the bank's direct deposit services including the cutoff schedule for receiving data electronically to ensure that employee accounts are credited no later than 7:00 a.m. on the pay date as well as any new technologies such as payroll ATM cards in lieu of issuing a check. Lebanon Community Schools would like to implement payroll debit cards instead of paper checks. Currently 45 paper checks are processed monthly.

ACH and/or Direct Deposit Services are available to clients through the Business Online Banking portal. For payroll transactions we recommend submitting transaction data 1-2 business days prior to the desired settlement date. The daily submission cutoff time for ACH transactions is 5pm, and both file/template submission and final approval must be executed by agency staff before that cutoff time. Same day ACH can be utilized for payroll, with a submission and approval cutoff time of 10:30am. With a 1-2 day advance submission of payment instructions, typically employees receive payroll funds before 7:00am on the desired settlement date. While this is the typical model, timing of payment posting cannot be guaranteed by the originating bank, and is subject to the posting timetable of the receiving bank. Umpqua Bank also offers payroll cards to allow ACH payment to a card instead of a bank account. With the use of these cards, payments are posted no later than 9am Pacific Time.

The Payroll Card Service is an innovative way for business customers to distribute payroll to their employees, and a cost-effective alternative to issuing paper payroll checks. Participating Agencies would order a Reloadable Prepaid Payroll Card for each employee who wishes to use the program via the Payroll Card Employer Website. They would then use their current ACH Direct Deposit Service to submit the employee's paycheck electronically to their card through a Direct Deposit ACH file.

A payroll card itself is only eligible for loads via the Employer Payroll Direct Deposit. The card is a consumer use only product which is personalized with the cardholder's name. Payroll cards will be issued directly by the employer rather than the bank. Guidelines are outlined for employers to ensure appropriate documentation and collection of employees using the cards. There is a one-time setup charge for the Payroll Card program and a monthly charge to each Agency. There is no cost for issuing original card plastics. Replacement cards have an associated charge. Cardholder charges are outlined below, though there are "no cost" options for utilizing this program as a cardholder. In addition, each time payment is loaded on the card by the employer for payroll, the employee cardholder may withdraw funds free of charge at an Umpqua Bank location once per pay period.



All fees			Amount	Details
<b>Get started</b>				
Card purchase			\$0	
<b>Monthly usage</b>				
Monthly fee			\$0	
Paper Statement			\$3.00	Monthly fee is waived when you elect to receive paperless statements
<b>Add money</b>				
Direct deposit			\$0	
<b>Get cash</b>				
ATM withdrawal (in-network)			\$0	"In-network" refers to the Umpqua Bank ATM Network. Locations can be found at <a href="http://www.umpquabank.com">www.umpquabank.com</a> .
ATM withdrawal (out-of-network)			\$2.50	This is our fee. "Out-of-network" refers to all the ATMs outside of the Umpqua Bank ATM Network. You may also be charged a fee by the ATM operator, even if you do not complete a transaction.
Obtain Cash In-Store or at non-Umpqua location			\$5.00	Per transaction. First 2 transactions each month are free.

<b>Information</b>				
Customer service (automated)			\$0	No fee for calling our automated customer service line, including for balance inquiries.
Customer service (live agent)			\$0	No fee for calling our live agent customer service line.
ATM balance inquiry (in-network)			\$0	"In-network" refers to the Umpqua Bank ATM Network. Locations can be found at <a href="http://www.umpquabank.com">www.umpquabank.com</a> .
ATM balance inquiry (out-of-network)			\$2.50	This is our fee. "Out-of-network" refers to all the ATMs outside of the Umpqua Bank ATM Network. You may also be charged a fee by the ATM operator, even if you do not complete a transaction.
<b>Using your card outside the U.S.</b>				
International transaction			2.00%	Of the U.S. dollar amount of each transaction.
International ATM withdrawal			\$5.00	This is our fee. You may also be charged a fee by the ATM operator, even if you do not complete a transaction.
International ATM balance inquiry			\$5.00	This is our fee. You may also be charged a fee by the ATM operator.
<b>Other</b>				
Inactivity			\$5.00	You will be charged \$5.00 each month after you have not completed a transaction using your card for 12 months.
Rush Card Order			\$60.00	Per card.
Legal Processing Garnishment, levy or court order			\$125.00	Per order.



**Section IX - Business Credit Card:** Maximum of one printed page, single spaced. Describe the bank's issuance of credit/purchase cards for travel and expenses. Harrisburg School District currently has six MasterCards: five cards with a \$3,000 limit and one credit card with a \$5,000 limit. The latter one is used for Business Services. Umpqua Bank is proud to offer our own in house Commercial Card Program. This program can be utilized for travel and entertainment (employee expenses) as well as business to business purchasing needs. Underwriting is done by the relationship team and financial statements are necessary to complete this process. Credit is issued to the corporation or Agency as opposed to any single cardholder. Cardholders do not have any secondary liability for purchases. Cards are Visa branded, and can be issued to a department (generic name) or to a specific individual. For risk mitigation purposes, we strongly recommend issuing cards in the cardholder name. We are also able to issue Virtual Cards, where no plastic is generated. These are ideal for paying routine recurring transactions such as utilities, regular installments, or payments to preferred vendors. The program provides a monthly statement cycle of the 1<sup>st</sup> through 30<sup>th</sup> each month, with payment due on the 25<sup>th</sup> calendar day of the following month. Card balances must be paid in full each month by the end of the payment grace period.

Card program administrators have the ability to access the online system, which provides for ease of management. It also provides the ability to make updates in real time for many functions including card limit changes, adjusting merchant category code restrictions, canceling or freezing cards, requesting new virtual cards, and placing orders for new physical plastic cards. Individual cardholder transactions can be viewed by administrators for reporting purposes. Statements can be accessed online as well at the company or individual cardholder level. Cardholders have access to a separate yet related platform where they can also pull their own cardholder statement and view transactions. Payments can be made by administrators through the online system or executed by autopayment. Agencies would have the capacity to earn a rebate if annual spending thresholds are met.

Umpqua Bank also offers access to the related platform IntelliLink. This online platform functions as expense management software. Employee cardholders would have the ability to code their own expenses and submit for manager approval through the imbedded workflow system. Through a collaborative implementation process, Umpqua Bank would assist each entity with inputting the appropriate GL/Project/Job Codes that would map to each expense type. Receipt imaging is available where receipts can be photographed and uploaded to a receipt library and included with expense reports. Both the card management platform and IntelliLink are available at no cost! There is also not an associated cost for card issuance or any annual fee for the program!

Umpqua Bank can also offer a robust business to business system, Visa Payables Automation. This system would allow each entity the ability to submit a payment file to Umpqua Bank with card payment instructions to specified vendors. This can be discussed in greater detail if applicable for any or all Agencies.



## **Section X - Collected Balances, Earnings Allowance, and Daylight Overdraft**

**Protection:** Maximum of four printed pages, single spaced. Describe the bank's calculation of collected balances and calculation of charges for the use of uncollected funds. Describe the methodology that would be used to give credit to each of the Agencies for bank balances. If multiple options are available, describe the options and any recommendations based upon your understanding of each Agency. Describe how occasional overdrafts would be handled. In the rare event that checks are presented for which funds are not available; the Agencies require that the bank notify the primary contact, or designee, rather than fail to honor the check. Agency will immediately work to transfer funds to the bank to cure the overdraft. Also describe other availability issues, as related to each Agency's requirements for: same day availability for cash, items drawn on depository, wire transfers, ACH deposits, and items received from the State of Oregon or another municipality within the State of Oregon or the federal government or any of its Agencies. The Agencies also seek next day availability of funds for items drawn on local institutions and other items as provided for in the Federal Reserve schedule.

Please detail charges associated with the use of a daylight overdraft facility.

Daily collected balances are calculated by reducing the daily ledger balance by the dollar amount of any pending incoming or outgoing electronic transactions. Additionally, ledger balances are reduced by check float associated with deposited items. As customers utilize uncollected funds we do apply an uncollected funds usage charge. This is calculated on a daily basis and charged at the WSJ Prime Rate + 3.0%. The current rate is 7.5%.

### Uncollected Funds Calculation

Uncollected Funds Charge = Average Negative Available Balance for the month x 7.5% / 365 x Days of Average Negative Available Balance

As all agencies would be required to utilize analyzed checking accounts, each entity would generate an earnings credit based on monthly average available balances. Earnings credit would be generated based on the average monthly available balance. Umpqua's Earnings Credit Rate is currently 0.4%. This is a managed rate which the bank determines based on market conditions.

### Earnings Credit Calculation

Earnings Credit = Average monthly available balance x 0.4% / 365 x Number of days in the month

The standard settlement cycle for charges is monthly. Each month charges are debited from customer accounts on or about the 20<sup>th</sup> of the month. Charges are for the previous month's activity. Given the Agencies activity and balances an exception could be granted for an alternative settlement structure. Settlement on a quarterly basis is available if desired. With this model, fees and earnings credit would be aggregated over a three month calendar quarter period.

For management of daylight overdrafts, we would recommend potentially establishing a reserve account with Umpqua Bank (DDA or Money Market) which could be debited in the event of an overdraft. This is commonly referred to as "overdraft protection." In the event of



an overdraft necessary funds would be transferred from the reserve account to the account with a deficit in increments of \$100. Each time an overdraft transfer occurs a \$10 charge would apply. A daylight overdraft facility could be made available. Overdraft protection charges would apply as detailed with a reserve account, though specific rates and fees would be dependent on each entities characteristics and the amount of the facility.

Special instructions can be established to generate a phone call to agency staff in the event of an overdraft. Thus, this would allow the agency to cure the overdraft and allow for pending items to post.

Cash deposits presented to Umpqua Bank stores through the teller window will be granted same day credit to your account. Nigh drop deposits would be granted next day credit. Remote Deposit Capture deposits submitted prior to 8:00pm would be credited to the customer account same day. Checks presented for deposit to Umpqua Bank which were drawn on Umpqua Bank will also receive same day funds availability (depending on the submission method). The agencies would also expect to receive same day credit for any incoming wire transfers (presented before the cutoff time), incoming ACH transactions, or electronic transactions from the State or other agencies. Umpqua Bank can also offer next day availability of funds for items drawn on local institutions and other items as provided for in the Federal Reserve schedule. Charges for daylight overdrafts would be calculated just as uncollected funds.



**Section XI - Pricing Schedule, Terms, and Conditions:** Maximum of three printed pages, single spaced. Provide in this section, using each Agency's pro-forma (Attachment A), and the pricing for services proposed by the bank. Include the bank's proposed contract (if applicable), and method by which fees are collected and pricing adjustments will be calculated. Identify all implementation and/or one-time set-up fees. Also complete the pro-forma pricing matrix (Attachment D) for multiple-agency pricing if the Agencies would receive more favorable pricing options by a joint award of proposal.

<b>GAPS Proforma Pricing</b>			
<b>SERVICE</b>	<b>Estimated Monthly Qty</b>	<b>Cost per Unit</b>	<b>Total Cost</b>
<b><i>General Account Services:</i></b>			
Maintenance	4	\$3.00	\$12.00
ZBA Concentration Account	1	\$5.00	\$5.00
ZBA Subsidiary Accounts	1	\$5.00	\$5.00
Keynav Corp Banking Statement	4	\$0.00	\$0.00
Keynav Analysis Statement	1	\$0.00	\$0.00
Electronic Analysis Statement	1	\$0.00	\$0.00
<b><i>Depository Services:</i></b>			
Branch Deposited Cash	83,315	\$0.0015	\$124.97
Std. Night Bag Fee	1	\$0.00	\$0.00
Deposits Branch/Night Drop	22	\$0.30	\$6.60
Deposits Key Capture Ticket	21	\$0.30	\$6.30
Electronic Item Clearing Fee	1,819	\$0.05	\$90.95
Check Charge Backs	4	\$1.50	\$6.00
Keynav Return Item Report	1	\$0.00	\$0.00
Return Advice Image Inquiry	1	\$0.00	\$0.00
Deposit Error Service Charge	3	\$0.00	\$0.00
RDC Monthly Fee	1	\$25.00	\$25.00
<b><i>Paper Disbursement Services:</i></b>			
CDA Admin Fee	1	\$10.00	\$10.00
Checks/Debits Paid	85	\$0.10	\$8.50
CDA Checks/Debits	571	\$0.10	\$57.10
RDC Scanned Items	1819	\$0.03	\$54.57
<b><i>General ACH Services</i></b>			
ACH Monthly Fee	1	\$5.00	\$5.00
Same Day ACH Monthly Maintenance	1	\$0.00	\$0.00
Original ACH Credit Via Kn Ft	1610	\$0.05	\$80.50
Originated ACH Credit Via Kn	4	\$0.05	\$0.20
Same Day ACH Cr Org Via Upload	89	\$0.20	\$17.80
ACH Item Min Per File (<250)	7	\$0.05	\$0.35
Originated Late File Surcharge	6	\$0.00	\$0.00
Incoming ACH Debit Item	18	\$0.05	\$0.90
Incoming ACH Credit Item	75	\$0.05	\$3.75
ACH Received Addenda	18	\$0.01	\$0.18
CAR, Noc, Rtn Report via E-mail	3	\$0.00	\$0.00
ACH Data Transmission	8	\$0.00	\$0.00
CAR Report Via Keynav IR	0	\$0.00	\$0.00
Acct Protection W/Upic	1	\$0.00	\$0.00
ACH Direct EPA Authorization	3	\$0.00	\$0.00
EPA Admin Fee W/ACH Direct	3	\$0.00	\$0.00
ACH Noc	1	\$1.50	\$1.50
ACH Direct Monthly Maintenance	1	\$0.00	\$0.00
Keynav ACH Monthly Base Fee	1	\$0.00	\$0.00
<b><i>EDI Payment Services</i></b>			
Keynav EDI Remittance Report	1	\$10.00	\$10.00

<b>GAPS Proforma Pricing</b>			
<b>SERVICE</b>	<b>Estimated Monthly Qty</b>	<b>Cost per Unit</b>	<b>Total Cost</b>
<i><b>Wire &amp; Other Funds Transfer Service:</b></i>			
Keynav Domestic Repeat	1	\$6.00	\$6.00
CDA Batch Wire Funding	21	\$0.00	\$0.00
Incoming Domestic Wire Stop	4	\$7.50	\$30.00
Keynav Wire Maintenance	1	\$10.00	\$10.00
<i><b>Information Services:</b></i>			
Keynav File Transfer Base Fee	0	\$0.00	\$0.00
Keynav Previous Day Report	3	\$0.00	\$0.00
Keynav Intraday Report	3	\$0.00	\$0.00
Keynav Account Services	0	\$0.00	\$0.00
Keynav Previous Day Detail Items	279	\$0.00	\$0.00
Keynav Intraday Detail Items	0	\$0.00	\$0.00
Long-Term Image Access	4	\$0.00	\$0.00

<b>Lebanon Proforma Pricing</b>			
<b>SERVICE</b>	<b>Estimated Monthly Qty</b>	<b>Cost per Unit</b>	<b>Total Cost</b>
<b><i>General Account Services:</i></b>			
Zero Balance Master Account Maint	1	\$5.00	\$5.00
Account Maintenance-Chester	3	\$3.00	\$9.00
Zero Balance Monthly Base	1	\$5.00	\$5.00
Debits Posted	29	\$0.05	\$1.45
Credits Posted	0	\$0.05	\$0.00
<b><i>Depository Services:</i></b>			
Deposited Checks - On Us	0	\$0.03	\$0.00
Deposited Checks - Regional	507	\$0.03	\$15.21
Deposited Checks - Transit	36	\$0.03	\$1.08
Cash Dep/\$1 Ver at Teller Window	3	\$0.0015	\$0.00
Return Item-Chargeback	3	\$1.50	\$4.50
Return Item Redeposited	8	\$0.00	\$0.00
<b><i>Paper Disbursement Services</i></b>			
Stop Payment-Online	1	\$5.00	\$5.00
Online Image View <90 Days-Item	25	\$0.00	\$0.00
DDA Checks Paid	522	\$0.10	\$52.20
CEO Search	52	\$0.00	\$0.00
<b><i>General ACH Services</i></b>			
ACH CEO Subscription-Account	3	\$5.00	\$15.00
Electronic Credits Posted	49	\$0.05	\$2.45
ACE CEO Return Subscription-Account	2	\$0.00	\$0.00
ACH Originated-Addenda Rec	2	\$0.01	\$0.02
ACH Received Item	33	\$0.05	\$1.65
ACH Return/NOC Item-FAX Advice (through BO	5	\$1.50	\$7.50
ACH Return/NOC Item-Info Reporting Advice	1	\$10.00	\$10.00
ACH FAX Service	4	\$0.00	\$0.00
Internet ACH One Day Item	5	\$0.05	\$0.25
Internet ACH Two Day Item	1169	\$0.05	\$58.45
Internet ACH Base Fee	2	\$0.00	\$0.00
Internet ACH Batch Release	5	\$0.00	\$0.00
ACH CEO Fraud Filter Review MD Base	3	\$5.00	\$15.00
ACH Delete/Reverse-Batch/File	1	\$5.00	\$5.00
<b><i>Wire &amp; Other Funds Transfer Service</i></b>			
Wire In Domestic	1	\$7.50	\$7.50
<b><i>Information Services</i></b>			
Ceo Search	6	\$0.00	\$0.00
CEO Prev Day Reporting Maintenance	3	\$0.00	\$0.00
CEO Prev Day Reporting Items Loaded	523	\$0.00	\$0.00
CEO Event Messaging Service-Email	96	\$0.00	\$0.00
CEO Basic Banking- Monthly Base	1	\$0.00	\$0.00
CEO Basic Banking Additional Account- Monthl	2	\$0.00	\$0.00

<b>LBL ESD Proforma Pricing</b>			
<b>SERVICE</b>	<b>Estimated Monthly Qty</b>	<b>Cost Per Unit</b>	<b>Total Cost</b>
<b><i>General Account Services:</i></b>			
Cont Disb Credits Posted-OH	23	\$0.10	\$2.30
Desktop Deposit- Deposit Credited	4	\$0.30	\$1.20
Zero Balance Master Account Maint	1	\$5.00	\$5.00
Account Maintenance	3	\$3.00	\$9.00
Zero Balance Monthly Base	1	\$5.00	\$5.00
Debits Posted	51	\$0.05	\$2.55
<b><i>Depository Services:</i></b>			
Branch Deposit	1	\$0.30	\$0.30
Deposited Checks	1	\$0.03	\$0.03
Deposited Checks - On Us	2	\$0.03	\$0.06
Desktop Deposit- Deposited Item On Us	2	\$0.03	\$0.06
Desktop Deposit-Deposited Item	11	\$0.03	\$0.33
Cash Deposited in WF Branch	81	\$0.0015	\$0.12
Currency Furnished by WF Branch	125	\$0.0015	\$0.19
<b><i>Paper Disbursement Services:</i></b>			
Positive Pay Exceptions- CEO Image	6	\$0.00	\$0.00
Pynt Auth Max Check Mthly Base	1	\$0.00	\$0.00
Check Cashing Threshold MO Base	1	\$0.00	\$0.00
OTC Debit block Monthly Base	1	\$5.00	\$5.00
Checks pay to Indiv. Block Mo Base	1	\$0.00	\$0.00
Positive Pay Exceptions- Item	10	\$0.01	\$0.10
Positive Pay Monthly Base	2	\$25.00	\$50.00
Positive Pay Checks with No Issue	10	\$0.00	\$0.00
Wellslmage Paid Check Monthly Base	1	\$0.00	\$0.00
Cont. Disb. Account Maint. W/CXSTR	1	\$10.00	\$10.00
Cont. Disb Checks Paid	143	\$0.10	\$14.30
CEO Cont Disb Subscription Base	1	\$0.00	\$0.00
DDA Checks Paid	32	\$0.10	\$3.20
Wellslmage Paid Check Per CD	1	\$0.00	\$0.00
Payee Validation Standard-Item	143	\$0.00	\$0.00
WF Check Cashed for Nonaccount Holder	1	\$0.00	\$0.00
Wellslmage Paid Check Per Item	141	\$0.10	\$14.10
<b><i>Paper Disbursement Recon Services:</i></b>			
CEO Check Issues- Item	1	\$0.01	\$0.01
ARP Monthly Base-Full, see line description			
Cont. Disb Account Maint w/CXSTR	2		\$0.00
ARP Full Recon-Item	172	\$0.10	\$17.20
ARP Aged Issue Records on File-Item	104	\$0.00	\$0.00
ARP Statement Monthly Base CEO	2	\$0.00	\$0.00
<b><i>General ACH Services:</i></b>			
ACH CEO Subscription-Account	4	\$0.00	\$0.00
Electronic Credits Posted	21	\$0.05	\$1.05
ACH CEO Return Subscription-Account	4	\$0.00	\$0.00
ACH Monthly Base	2	\$5.00	\$10.00

<b>LBL ESD Proforma Pricing</b>			
<b>SERVICE</b>	<b>Estimated Monthly Qty</b>	<b>Cost Per Unit</b>	<b>Total Cost</b>
ACH Two Day Item	402	\$0.05	\$20.10
ACH Originated-Addenda Rec	1	\$0.01	\$0.01
ACH Received Item	24	\$0.05	\$1.20
ACH Payment Online Batch Release	1	\$0.00	\$0.00
ACH Transmission Charge	3	\$0.00	\$0.00
ACH Payments One Day Item	2	\$0.05	\$0.10
ACH Payments Two Day Item	1	\$0.05	\$0.05
ACH Payment Base Fee	1	\$0.00	\$0.00
ACH CEO Fraud Filter Review MO Base	3	\$5.00	\$15.00
ACH CEO Fraud Filter Review - Item	5	\$0.00	\$0.00
<b>Information Services:</b>			
Desktop Deposit Monthly Base	1	\$25.00	\$25.00
Infofax Wire Monthly Base	1	\$10.00	\$10.00
CEO Search	4	\$0.00	\$0.00
CEO Prev Day Reporting Maintenance	2	\$0.00	\$0.00
CEO Prev Day Reporting Items Loaded	101	\$0.00	\$0.00
CEO Event Messaging Service-Email	180	\$0.00	\$0.00

<b>Harrisburg Proforma Pricing</b>			
<b>SERVICE</b>	<b>Estimated Monthly Qty</b>	<b>Cost Per Unit</b>	<b>Total Cost</b>
<b><i>Balance &amp; Compensation Information:</i></b>			
Recoupment Monthly	142.09	\$0.00	\$0.00
<b><i>General Account Services:</i></b>			
Payee Valid Non Acct Hldr-Check Cash	0	\$0.00	\$0.00
Zero Balance Master Account Maint	1	\$5.00	\$5.00
Account Maintenance-Chexstor	2	\$3.00	\$6.00
Zero Balance Monthly Base	1	\$5.00	\$5.00
Debits Posted	57	\$0.05	\$2.85
Credits Posted	0	\$0.05	\$0.00
Cont Disb Credits Posted-OH	0	\$0.10	\$0.00
<b><i>Depository Services:</i></b>			
CEO Retn Item Subscription Per Acct	0	\$0.00	\$0.00
CEO Retn Item Subscription Per Acct	0	\$0.00	\$0.00
Deposited Checks - On Us	0	\$0.03	\$0.00
Deposited Checks - Local Clearing	0	\$0.03	\$0.00
Deposited Checks - Regional	0	\$0.03	\$0.00
Deposited Checks - Transit	0	\$0.03	\$0.00
Cash Dep/\$1 Ver at Teller Window	0	\$0.00	\$0.00
Cash Dep/\$1 Ver in Store	0	\$0.00	\$0.00
CEO Return Item Service Mthly Base	1	\$0.00	\$0.00
Return Item-Chargeback	0	\$1.50	\$0.00
Return Item Special Instructions	0	\$0.00	\$0.00
Return Item Special Inst Mthly Base	0	\$0.00	\$0.00
<b><i>Paper Disbursement Services:</i></b>			
Positive Pay Exception-CEO Image	1	\$0.00	\$0.00
Positive Pay Exceptions-Item	4	\$0.00	\$0.00
POS Pay Check Verification Call	1	\$0.00	\$0.00
Positive Pay Monthly Base	2	\$25.00	\$50.00
Positive Pay Checks with No Issue Record	4	\$0.00	\$0.00
DDA Checks Paid	162	\$0.10	\$16.20
Payee Validation Standard-Item	162	\$0.00	\$0.00
WF Chk Cashed for Nonacct Holder	2	\$0.00	\$0.00
<b><i>Paper Disbursement Recon Services:</i></b>			
ARP Monthly Base-Full	2	\$10.00	\$20.00
ARP Full Recon-Item	727	\$0.01	\$7.27
ARP Aged Issue Records on File-Item	17518	\$0.01	\$175.18
Positive Pay Exceptions-Item	0	\$0.00	\$0.00
ARP Statement Monthly Base CEO	0	\$0.00	\$0.00

### Harrisburg Proforma Pricing

<b>SERVICE</b>	<b>Estimated Monthly Qty</b>	<b>Cost Per Unit</b>	<b>Total Cost</b>
<b><i>General ACH Services:</i></b>			
ACH CEO Subscription-Account	0	\$0.00	\$0.00
ACH CEO Return Subscription-Account	0	\$0.00	\$0.00
ACH CEO Subscription-Account	0	\$0.00	\$0.00
Electronic Credits Posted	24	\$0.05	\$1.20
ACH Monthly Base	2	\$5.00	\$10.00
ACH CEO Return Subscription-Account	0	\$0.00	\$0.00
ACH CEO Return Subscription-Items	0	\$0.00	\$0.00
ACH One Day Item	181	\$0.05	\$9.05
ACH Two Day Item	0	\$0.05	\$0.00
ACH Originated-Addenda Rec	1	\$0.01	\$0.01
ACH Received Item	46	\$0.05	\$2.30
ACH Return/NOC Admin-Electronic	1	\$1.50	\$1.50
ACH Return/NOC Item-Info Reporting Advice	0	\$10.00	\$0.00
ACH Transmission Charge	8	\$0.00	\$0.00
ACH Reversal - Item	0	\$5.00	\$0.00
ACH FAX Service	2	\$0.00	\$0.00
ACH Special Investigation	0	\$0.00	\$0.00
ACH CEO Fraud Filter Review MO Base	2	\$5.00	\$10.00
ACH CEO Fraud Filter Review - Item	1	\$0.00	\$0.00
ACH Delete/Reverse-Batch/File	0	\$5.00	\$0.00
<b><i>Wire &amp; Other Funds Transfer Service:</i></b>			
Wire In Domestic	2	\$7.50	\$15.00
Wire-Outgoing Domestic-CEO	0	\$6.00	\$0.00
<b><i>Information Services:</i></b>			
CEO Prev Day Reporting Maintenance	2	\$0.00	\$0.00
CEO Prev Day Reporting Items Loaded	217	\$0.00	\$0.00
CEO Event Messaging Service-Email	86	\$0.00	\$0.00
CEO Event Messaging Service-Fax	1	\$0.00	\$0.00
Electronic Window Extended Store 30	0	\$0.00	\$0.00



<b>Multiple Entity Pricing Matrix</b>						
SERVICE	LBLESD	Lebanon	GAPS	Harrisburg	TOTAL	Cost Per Unit
<b><i>Balance &amp; Compensation Information</i></b>						
Dep Insurance Assessment Monthly					0	\$0.00
<b><i>General Account Services:</i></b>						
Cont Disb Credits Posted-OH	23				23	\$0.10
Desktop Deposit- Deposit Credited	4				4	\$0.30
Zero Balance Master Account Maint	1	1		1	3	\$5.00
Account Maintenance	3	3		2	8	\$3.00
Zero Balance Monthly Base	1	1		1	3	\$5.00
Debits Posted	51	29		57	137	\$0.05
Credits Posted					0	
<b><i>Depository Services:</i></b>						
Branch Deposit	1				1	\$0.30
Deposited Checks	1				1	\$0.03
Deposited Checks - On Us	2	0			2	\$0.03
Deposited Checks - Local Clearing		0			0	\$0.03
Deposited Checks - Regional		507			507	\$0.03
Deposited Checks - Transit		36			36	\$0.03
Cash Deposited at Teller Window		\$ 3.00			3	\$0.0015
Desktop Deposit- Deposited Item On Us	2				2	\$0.03
Desktop Deposit-Deposited Item	11				11	\$0.03
Cash Deposited in WF Branch	81				81	\$0.0015
Currency Furnished by WF Branch	125				125	\$0.0015
CEO Return Item Service Mthly Base				1	1	\$0.00
Return item- Chargeback		3			3	\$1.50
Return Item- Redpostied		8			8	0
<b><i>Paper Disbursement Services:</i></b>						
Positive Pay Exceptions- CEO Image	6			1	7	\$0.00
Pymt Auth Max Check Mthly Base	1				1	\$0.00
Check Cashing Threshold MO Base	1				1	\$0.00
OTC Debit block Monthly Base	1				1	\$5.00
Checks pay to Indiv. Block Mo Base	1				1	\$0.00
Positive Pay Exceptions- Item	10			4	14	\$0.01
POS Pay Check Verification Call				1		\$0.00
Positive Pay Monthly Base	2			2	4	\$25.00
Positive Pay Checks with No Issue	10			4	14	\$0.00
Stop Payment- Online		1			1	\$5.00
Online Image View < 90 Days- Item		25			25	\$0.00
WellsImage Paid Check Monthly Base	1				1	\$0.00
Cont. Disb. Account Maint. WICXSTR	1				1	\$10.00
Cont. Disb Checks Paid	143			162	305	\$0.10
CEO Cont Disb Subscription Base	1				1	\$0.00
DDA Checks Paid	32	522			554	\$0.10





### Multiple Entity Pricing Matrix

SERVICE	LBLESD	Lebanon	GAPS	Harrisburg	TOTAL	Cost Per Unit
WellImage Paid Check Per CD	1				1	\$0.00
Payee Validation Standard-Item	143			162	305	\$0.00
WF Check Cashied for Nonaccount Holder	1			2	3	\$0.00
CEO Search		52			52	\$0.00
WellImage Paid Check Per Item	141				141	\$0.10
<b>Paper Disbursement Recon Services:</b>						
CEO Check Issues- Item	1				1	\$0.01
ARP Monthly Base-Full	2			2		\$0.00
ARP Full Recon-Item	172			727	899	\$0.10
ARP Aged Issue Records on File-Item	104			17518	17622	\$0.00
ARP Statement Monthly Base CEO	2				2	\$0.00
<b>General ACH Services:</b>						
ACH CEO Subscription-Account	4	3			7	\$0.00
Electronic Credits Posted	21	49		24	94	\$0.05
ACH CEO Return Subscription-Account	4	2			6	\$0.00
ACH Monthly Base	2			2	4	\$5.00
ACH One Day Item				181		\$0.05
ACH Two Day Item	402				402	\$0.05
ACH Originated-Addenda Rec	1	2		1	4	\$0.01
ACH Received Item	24	33		46	103	\$0.05
ACH Return Item- FAX Advice		2				\$1.50
ACH Return Admin- Electronic				1		\$1.50
ACH Return Item- Info Reporting Advice		1				\$10.00
ACH FAX Service		4		2		\$0.00
Internet ACH One Day Item		5				\$0.05
Internet ACH Two Day Item		1169				\$0.05
Internet ACH Base Fee		2				\$0.00
Internet ACH Batch Release		5				\$0.00
ACH Payment Online Batch Release	1				1	\$0.00
ACH Transmission Charge	3			8	11	\$0.00
ACH Payments One Day Item	2				2	\$0.05
ACH Payments Two Day Item	1				1	\$0.05
ACH Payment Base Fee	1				1	\$0.00
ACH CEO Fraud Filter Review MO Base	3	3		2	8	\$5.00
ACH NOC-FAX Advice		3				\$1.50
ACH NOC-Info Reporting Advice		1				\$10.00
ACH Delete/Reverse-Batch/File		1				\$5.00
ACH CEO Fraud Filter Review - Item	5			1	6	\$5.00
<b>Information Services:</b>						
Desktop Deposit Monthly Base	1				1	\$25.00
Infotax Wire Monthly Base	1				1	\$10.00
CEO Search	4	6				\$0.00
CEO Prev Day Reporting Maintenance	2	3		2	7	\$0.00

### Multiple Entity Pricing Matrix

SERVICE	LBLESD	Lebanon	GAPS	Harrisburg	TOTAL	Cost Per Unit
CEO Prev Day Reporting Items Loaded	101	523		217	841	\$0.00
CEO Event Messaging Service-Email	180	96		86	362	\$0.00
CEO Event Messaging Service- Fax				1		\$0.00
CEO Prev Day Subscription Mthlybase		1				\$0.00
CEO Prev Day Subscription Detl Item						\$0.00
Positive Pay Exceptions-Item					0	\$0.00
<b>Wire &amp; Other Funds Transfer Service:</b>						
Wire In Domestic		1		2	3	\$7.50

**Section XII - Investment Services:** Maximum of three printed pages, single spaced. The Harrisburg School District investment portfolio averages \$2.5 million. The Linn Benton Lincoln ESD investment portfolio averages \$13 million. Describe investment services offered by the bank.

Umpqua Bank would first review the investment policies for each entity to ensure that the investment services that we are promoting are within the stated investment policy. With that said, here is a general description of what we offer and what we would advise:

Umpqua Bank offers Public CDs in a variety of terms and are priced based on the market at the time of the CD acquisition. In addition, we offer a Public Money Market Account that is also market priced and a description of this account follows. See Attachment E for Money Market disclosure. Finally, what we would advise based upon the portfolio size, is an account with the Oregon Local Government Investment Pool. The LGIP has outperformed most short term investments and would be a good fit with the limit of \$47 million.

**Section XIII - Automating Electronic Payments (Bank Drafting):** The bank shall describe the method and format for transferring data to implement monthly auto pays as well as related costs.

Umpqua Bank expects that monthly automatic payments for each entity are executed by ACH or Bill Payment.

Both ACH and Bill Payment transactions are executed through Business Online Banking. As this is a self-administrated system, we would offer each entity training with instruction and support as needed to establish recurring ACH templates within the system. For Bill Payment services, vendor origination and payment scheduling must be handled on an individual vendor basis, thus a vendor upload process is not available at this time.

As an alternative, Umpqua Bank would recommend shifting monthly recurring payments to a Commercial Card payment method. This can be achieved most simply with assigning an individual vendor or group of vendors a specific Commercial Card account. The vendor or vendors would be able to charge the card as they would be provided with the card number and information to process payment. Additionally, the Visa Payables Automation system could provide a benefit in this case. Management controls are present to enforce compliance, allow for transparency, and provide protection against fraud. Overall moving to Commercial Card for recurring transactions provides a method to pay vendors quickly without the need to issue a physical check or collect account and routing information from the vendor receiving payment.

**Section XIV - Access to Records and Cooperation:** Upon authorization from the Agency's primary financial officer, the bank shall allow reasonable access to bank records by the Agency's Financial Officers, the independent auditors, and, where state or federal assistance is involved, to state and federal auditors, to examine records relating to the use of funds. The bank shall also cooperate in any prosecution for misuse of checks and misappropriation of funds.

Agreed. Umpqua Bank meets this requirement.



**Section XV - New Accounts:** If any of the Agencies develops a need for additional accounts or services during the life of the depository agreement, those new accounts or services shall be provided with the same conditions that apply to existing accounts at the time. If the Federal Reserve, Depository Institution's Deregulation Committee or other regulatory bodies provide for the establishment of new accounts or other regulations, which are favorable to the Agencies, the bank shall make those new services available to the Agencies.

[Agreed. Umpqua Bank meets this requirement.](#)

**Section XVI - Interest Earnings on Account Balances:** Currently the Agencies vary on how the end of day account balances are managed. Lebanon Community Schools, Harrisburg School District, and Linn Benton Lincoln Education Service District have peg balances with the remainder swept into an overnight investment as outlined in each of our account description sections. Lebanon Community Schools targets a \$25,000 daily cash balance in the general purpose account, Harrisburg School District targets a \$25,000 daily cash balance in the general purpose account, and the Linn Benton Lincoln Education Service District targets a \$50,000 daily cash balance in the general-purpose account with a resulting interest earnings credit. The interest earnings rate required is the Effective Federal Funds Rate in any proposed formulas. Describe the various options the bank has to manage end of day balances. Ensure the current two methods are addressed.

[The agencies may allow available balances to remain in the operating/general account at the close of business each day. This would allow for earned credit to be paid monthly based on the average daily available funds held in the account. Given the current rate environment, our earnings credit rate of 0.4% is higher than many other short-term investment options, though the Local Government Investment Pool provides a higher rate of interest. Our recommendation is to retain balances in each agency's general account in the amount necessary to fund commitments and expected activities on a daily basis. If additional balances are available in excess of the balance needed to cover monthly account analysis charges, we can offer an overnight sweep function to move funds to an interest-bearing checking account.](#)

[Our money market sweep product would also allow for PEG balances to be established and maintained. Effectively, balances in excess of a predetermined limit would be swept out of the corresponding analyzed checking account and into an interest-bearing money market deposit account each day. Likewise, funds would sweep from the money market account to maintain the established PEG balance in the corresponding checking account if needed. The current rate for a money market sweep account is 0.01%. We would also be glad to offer a standalone money market account \(no sweep\) to assist with funds management. We are able to offer a rate of 1.3% within this account type. Excess daily balances could be transferred to this account to maximize interest earned. Interest is earned daily and credited monthly.](#)

**Section XVII - Customer Service:** Maximum of one printed page, single spaced. Describe your bank's customer services philosophy and the organization structure to implement it. Describe how the local branch provides service to the Agencies and keeps Agencies informed of key management contacts. Describe how inquiries regarding research, adjustments, information and problem resolution are handled. Describe average turnaround times for services. Provide a toll-free telephone number that the Agencies can use for these types of inquiries.

Umpqua's approach to banking is to become a trusted advisor for our clients. We offer a robust suite of products and services and our unique approach to servicing customers and building solid relationships distinguishes us in our industry. We truly want to be a resource for our clients—helping with overall financial strategy, introducing new solutions to maximize your organization's goals, or simply leveraging our vast experience working with the public segment.

Umpqua Bank and the Public Deposit team are dedicated to providing products and services that address the banking needs of public entities. In addition to the Public Deposit team, the Agencies can visit our local Albany and Lebanon store locations to make deposits, request change orders, place stop payments etc.

At Umpqua, we take great pride in resolving any issue as quickly as possible. Regardless of what the answer is, we will have an update to the issue in question by the end of the day. Our team is extraordinarily dedicated to your cause, and regardless of where the issue is initiated, we will all be involved and delegate appropriately.

For all account inquiries including research requests, problem resolution and adjustments, we have a dedicated Public Deposit Operations Department to assist the Agencies. They can be reached via toll-free number 855-867-7826, or by email at [publicdeposits@umpquabank.com](mailto:publicdeposits@umpquabank.com). This dedicated staff is available Monday – Friday, 7:00 am – 5:00pm PT.

**Section XVIII - Disaster Recovery/Backup Procedures:** Maximum of one printed page, single spaced. Describe your bank's disaster recovery and the backup procedures in place to protect the Agencies in the event of disaster to either the Agency, bank or both.

Business Continuity Planning (BCP) is part of Umpqua's strategy to provide exceptional service to our customers. BCP focuses on creating plans that will allow services to recover and to minimize impact from any business interruption, whatever the size or cause. The BC program strategy includes corporate and business line planning to support our most critical functions. Criticality is determined during a business impact analysis and accompanied by a risk assessment to determine likely threats and the extent of their impact. The BC program is subject to annual audits and tests to ensure compliance with FFIEC guidance. Audit and test results are incorporated into the planning process. Additionally, audit and test results are shared with the executive team and board of directors. Associates are required to take annual training and critical vendors/suppliers are subject to annual risk reviews.



Umpqua Bank has multiple data centers throughout Oregon, Washington and California. We maintain a Disaster Recovery data center for immediate use if a disaster is declared, and the DR Plan is invoked to recover Umpqua Bank's hosting environments. The majority of Umpqua Bank's systems are virtualized and configured for failover using a software product called Site Recovery Manager (SRM). In the event of a declared disaster, SRM can be activated to quickly restore our internally hosted systems and data based on criticality tiers defined in our Disaster Recovery Standard. Umpqua's Restore Time Objective (RTO) for critical \*Tier 0 and \*Tier 1 applications is four (4) hours. The most critical functions of the bank, referred to as "Core Services & Applications", are outsourced to Fidelity Information Services (FIS). Fidelity maintains six (6) data centers and compute campuses throughout the United States. Multiple redundancies are in place to failover between FIS facilities. Umpqua Bank has successfully participated in annual DR exercises with this vendor as recently as September of 2016. With an upcoming DR exercise of March 25, 2018.

\*Tier 0 application/infrastructure definition: The base layer of the IT Infrastructure without which no other service or tier could operate. Includes base infrastructure and network components; services used to protect the security of the environment; services used to manage and monitor the environment; services used to restore the environment; services that enable real-time and batch integrations, critical database infrastructures.

\* Tier 1 application definition: Applications and supporting infrastructure used by an Umpqua customer or by the public; customer transactional based applications used by either one department or multiple stores or departments to initiate financial transactions on behalf of current customers.

If the Agency were to experience an emergency that prevents operations from their own facilities, the Agency should contact a member of their banking relationship team for assistance.

**Section XIX – Compliance with Debarment and Suspension:** The bank warrants and certifies that neither it nor any of its principal employees is currently listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs (the "List"). Bank further warrants and certifies that, if either it or any of its principal employees becomes listed on the List during the performance of the contract to be awarded pursuant to this RFP, then the bank shall immediately inform the Agencies in writing.

Agreed. Umpqua Bank meets this requirement.

**Section XX – Conflict of Interest:** By filing a proposal, each bank thereby certifies that no officer, agent, or employee of the Agencies has a pecuniary interest in its proposal or has participated in contract negotiations on behalf of the Agencies; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other bank for the same request for proposals; the bank is competing solely on its own behalf without connection with, or obligation to, any undisclosed person or firm.

Agreed. Umpqua Bank meets this requirement.

## EXHIBITS TO BE INCLUDED IN PROPOSAL

**Exhibit A - Contract Samples:** Include contracts or agreement samples for banking services that are specific to the services represented in this RFP.

The following legal documents/agreements are attached to the end of our proposal:

- Signature Card Template
- Remote Request Agreement for wires along with Appendix A
- Treasury Management Services Agreement
- Treasury Management Terms & Conditions

**Exhibit B - Financial Statements and Ratings:** Provide audited financial statements, or annual reports for the bank or bank holding company for the last three fiscal years, as well as the last three quarterly call reports (Schedule RC only). Also include your most current Standard & Poors and Moody's credit ratings.

Approval was granted by Intergovernmental Agencies to accept Umpqua's Fitch credit rating electronically – please visit the link below to view audited financial statements, annual reports, quarterly call reports along with our current Fitch rating:

<https://www.umpquabank.com/investor-relations/>

**Exhibit C - Account Analysis:** Provide a sample of your bank's account analysis and a user guide for the account analysis.

See attachment H for Account Analysis Statement samples along with a user guide.

**Exhibit D - Conversion Plan:** Two printed pages maximum per Agency. Describe the overall plan and timeline your bank would coordinate to ensure a smooth transition from the current provider. The bank must also provide on-site training to each Agency's personnel for the operation and use of the bank's services and automated systems for all areas of service.

Umpqua Bank understands that transitioning banking relationships is a large undertaking. Our approach to implementation includes a high level of cooperation and communication between the Treasury Management team, Public Deposit Operations team, Store Associates and the Agency. At our first meeting, we will meet with the Agency to determine specific setup needs and refine our tailored implementation plan. Given finalization of the selected services and service specifics, we will be able to generate the appropriate contractual documents for Agency approval. Once the appropriate documents are signed and returned, the real process begins. Umpqua Bank and the Agency will exchange data files to facilitate testing (i.e. ACH NACHA file or Check Positive Pay Issue file). Online users will receive customized training from knowledgeable Treasury Management staff.

We are optimistic that the Agency's desired Treasury Management services can be fully implemented by the target date with both groups meeting the expected timeline. At the same time, we understand the pressure associated with orchestrating a banking services implementation, and are more than happy to adjust the timeline to accommodate the Agency's needs.



Your Umpqua Bank Relationship Team will provide unlimited in person meetings, conference calls and on-site visits necessary to establish the relationship, including opening accounts, implementing services, training and aiding in all aspects of the banking relationship.

A sample conversion schedule is provided below:

**Estimated Target Start Date = July 2018**

<u>Time</u>	<u>Task</u>	<u>Responsibility</u>	<u>Completed</u>
<b>April 2018</b>	Contract Award	Agency	<input type="checkbox"/>
	Schedule Consultation with Agency	Bank/Agency	<input type="checkbox"/>
<b>Week One</b>	Gather required information for bank documents	Bank	<input type="checkbox"/>
	Prepare Treasury Management (TM) agreements	Bank	<input type="checkbox"/>
	Circulate TM agreements for signatures	Bank/Agency	<input type="checkbox"/>
	Circulate Umpqua Bank signature card for signatures	Bank/Agency	<input type="checkbox"/>
	Return all signed agreements to bank	Agency	<input type="checkbox"/>
	Order checks, supplies (i.e. deposits slips, endorsement stamps)	Bank	<input type="checkbox"/>
<b>Week Two</b>	TM Discussion surrounding all services needed by Agency. Review training schedule of services to ensure adequate amount of time is allotted	Bank/Agency	<input type="checkbox"/>
<b>Week Three</b>	Notify electronic transaction originators of new accounts	Agency	<input type="checkbox"/>
<b>Week Four</b>	On-site training Online Banking– Wire Transfers / ACH / Positive Pay / Remote Deposit	Bank/Agency	<input type="checkbox"/>

**Exhibit E - Custody Services:** Describe custody services offered by the bank including systems capabilities and standard reporting package. Please see each individual Agency's information section for specific data on their portfolios and security transactions.

No proposal.

Umpqua Bank recommends Intergovernmental Agencies utilize the custody services through Statewide Contract negotiated by Oregon State Treasurer's Office.



**Exhibit F - Service Enhancements:** Three printed pages maximum. Based upon information presented in this RFP and your bank's knowledge of the public sector, describe any enhancements, technological or otherwise, that each Agency should consider to improve operational or cash management efficiencies, purchasing cards and management reports for use by Agency staff in small dollar purchases. Address options that may assist the Agencies if the Local Government Investment Pool goes to next day availability of funds.

In terms of managing cash the objective is to of course maximize interest earnings, while ensuring adequate funds are available to support operations. This can be a challenge. As a result, many organizations (public and private) have elected to utilize a Commercial Card Program to expand working capital without the need to maintain the same degree of liquidity in depository accounts. The Commercial Card program allows for close management control over the merchant types allowed for card use, card limits, and quick dispute management. With the use of the associated IntelliLink system expense approvals can be implemented in an automated fashion, which would likely reduce staff time in collecting receipts and expense reports from employees. As these services are free of charge, this also presents an opportunity to reduce bank charges associated with other forms of payment (check, ACH or Wire origination). Specific card types like Virtual Cards and Declining Balance cards are also great tools to manage certain expense types. Declining Balance cards are loaded with a finite spending limit, once the limit allocated to the card has been reached there can be no additional spending on the card. These may be a good tool for the Agencies to use for small dollar purchases.

In terms of next day funding availability for transfers from the Local Government Investment Pool, we understand this can be a challenge. For this reason we offer a standalone money market account to act as a cash reserve account for each agency. The rate offered on this account is 1.3%, and while less than the LGIP, this still provides a preferred rate of return on reserve funds held with Umpqua Bank. We recommend maintaining enough liquidity in this account to support one to two days of operational expenses.

**Exhibit G - Bidder Residency Statement:** One printed page. All proposers must complete **Attachment C**

and return it with their submission.

[See Attachment A](#)

**Exhibit H - Proposal Preparer Identification:** One printed page. All proposers must complete **Attachment D**

and return it with their submission.

[See Attachment B](#)

**Exhibit I - Additional Information:** Four printed pages maximum. Describe any other information not previously mentioned that the bank believes should be given consideration.

Umpqua Bank would recommend all Agencies utilize ACH & Check Positive Pay Services to protect against electronic & paper fraud. Both services are accessible through our Business Online Banking portal & can be customized, by user profile. Training will be offered to each Agency that sets up these services, in addition to Business Online Banking training.





## ATTACHMENT A: BIDDER RESIDENCY STATEMENT

The 1987 Oregon Legislative Assembly enacted a reciprocal preference law, which states, in part:

In determining the lowest responsible bidder, a public contracting Agency shall, for the purpose of awarding the contract, add a percent increase on the bid of a nonresident bidder equal to the percent, if any, of the preference given to that bidder in the state in which the bidder resides.

“Resident bidder” means a bidder that has paid unemployment taxes or income taxes in this state during the 12 calendar months immediately preceding submission of the bid, has a business address in this state, and has stated in the bid whether the bidder is a “resident bidder”...

“Nonresident bidder” means a bidder who is not a “resident bidder” as defined...

1. Check One:

- ☐ A resident bidder  
☐ A nonresident bidder

2. If a resident bidder, enter your Oregon business address:

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3. If a nonresident bidder, please indicate state of residency: \_\_\_\_\_

Bidder certifies that the information provided above is true and accurate.

---

Name

---

Signature

---

Firm

---

Telephone

---

Date



---

## **ATTACHMENT B: PROPOSAL PREPARER IDENTIFICATION**

Bank: \_\_\_\_\_

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

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

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

City/State/Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_

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

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT C: COMMUNITY INVOLVEMENT



Our local Albany store associates have volunteered for the following organizations in the Albany area:

- Albany Boys and Girls Club
- FISH of Albany
- Heart of Albany
- Jackson Street Youth Services
- Safe Haven
- Albany Schools
- Rotary
- Albany Chamber of Commerce
- Lions Club of Albany



## ATTACHMENT D: SIGNATURE CARD TEMPLATE

Signature Card/Account Agreement		Date: 03/05/2018				
<b>Store Name &amp; Address</b> <div style="text-align: right;">             Umpqua Bank              333 SW Ellsworth Street 1st Floor              Albany, OR . 97321           </div>		<b>Account Title &amp; Address</b> Agencies Legal Name Agencies Address				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">Product Name</th> <th style="width: 50%;">Account #</th> </tr> <tr> <td>Public Funds Analyzed Checking</td> <td></td> </tr> </table>			Product Name	Account #	Public Funds Analyzed Checking	
Product Name	Account #					
Public Funds Analyzed Checking						
<b>Opening Date</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">03/05/2018</td> <td style="width: 50%;"></td> </tr> </table>		03/05/2018				
03/05/2018						
<b>Beneficiary Designation</b> <input type="checkbox"/> Pay-on-Death (P.O.D.)		<b>Ownership of Account</b>  <b>Required Approval</b>  _____ (Initials) Approval – Secondary ID Waived (when required) _____ (Initials) Approval – Minor Joint Owner _____ (Initials) Approval – Minor ID _____ (Initials) Approval – Minor Debit Card _____ (Initials) Approval - Other, explain: _____				
<b>Beneficiary Name(s), Address(es), and SSN(s)</b> <div style="height: 150px; border: 1px solid black;"></div>						
<b>Backup Withholding Certifications</b> <i>(If not a "U.S. Person," certify foreign status separately.)</i> <b>TIN:</b> _____ <input checked="" type="checkbox"/> <b>Taxpayer I.D. Number (TIN)</b> - The number shown above is my correct taxpayer identification number. <input checked="" type="checkbox"/> <b>Backup Withholding</b> - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding. <input type="checkbox"/> <b>Exempt Recipients</b> - I am an exempt recipient under the Internal Revenue Service Regulations. <b>I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).</b>  X _____ (Date)						
<b>Signature(s)</b> <p>IMPORTANT ACCOUNT OPENING INFORMATION: Federal law requires us to obtain sufficient information to verify your identity. In some instances, we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and Federal law.</p> <p>The undersigned authorize(s) Umpqua Bank to investigate ChexSystems history. Except as otherwise provided by law or other documents, each of the undersigned is authorized to make withdrawals from the account(s). The undersigned personally and as, or on behalf of, the account owner(s) agree to the terms of, and acknowledge receipt of copy(ies) of Terms and Conditions, Electronic Funds Transfers, Funds Availability Policy, overdraft Disclosure, What Does Umpqua Bank do with your Personal Information, Privacy Choice Notice (as applicable by state), Other Services &amp; Fee Schedule, Truth In Savings (TIS) disclosure, and Overdraft Service Decision Notice. These documents, along with any other document that we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us.</p> <p>If the undersigned will scan a copy of this signature card agreement to Umpqua Bank, the undersigned acknowledges that the scan is a true copy of the original signature card agreement and the undersigned's signature is his or her own.</p>		<div style="border: 1px solid black; padding: 5px;">             [ X _____ ]              Signer # 1           </div> <div style="border: 1px solid black; padding: 5px;">             [ X _____ ]              Signer # 2           </div> <div style="border: 1px solid black; padding: 5px;">             [ X _____ ]              Signer # 3           </div> <div style="border: 1px solid black; padding: 5px;">             [ X _____ ]              Signer # 4           </div> <div style="border: 1px solid black; padding: 5px;">             [ X _____ ]              Signer # 5           </div>				



Signer Information 1		Signer Information 2	
Name		Name	
Title		Title	
Physical Address		Physical Address	
Home Phone		Home Phone	
Work Phone		Work Phone	
Mobile Phone		Mobile Phone	
E-Mail		E-Mail	
Date of Birth		Date of Birth	
Social Security Number		Social Security Number	
Primary ID (ID Type, ID Number, Issued By Date, & Expiration Date)		Primary ID (ID Type, ID Number, Issued By Date, & Expiration Date)	
Secondary ID (ID Type, ID Number, Issued By Date, & Expiration Date)	/	Secondary ID (ID Type, ID Number, Issued By Date, & Expiration Date)	/

Signer Information 3		Signer Information 4	
Name		Name	
Title		Title	
Physical Address		Physical Address	
Home Phone		Home Phone	
Work Phone		Work Phone	
Mobile Phone		Mobile Phone	
E-Mail		E-Mail	
Date of Birth		Date of Birth	
Social Security Number		Social Security Number	
Primary ID (ID Type, ID Number, Issued By Date, & Expiration Date)		Primary ID (ID Type, ID Number, Issued By Date, & Expiration Date)	
Secondary ID (ID Type, ID Number, Issued By Date, & Expiration Date)	/	Secondary ID (ID Type, ID Number, Issued By Date, & Expiration Date)	/

Signer Information 5		Non-Individual Owner Information	
Name		Name	
Title		EIN	
Physical Address		Phone	
Home Phone		Physical Address	
Work Phone			
Mobile Phone			
E-Mail			
Date of Birth			
Social Security Number			
Primary ID (ID Type, ID Number, Issued By Date, & Expiration Date)			
Secondary ID (ID Type, ID Number, Issued By Date, & Expiration Date)	/		

Owner Non-Signer Information	
Name	
SSN	
Date of Birth	
Physical Address	

## ATTACHMENT E: PUBLIC FUNDS MONEY MARKET DISCLOSURE

### Public Funds Money Market



Umpqua Bank is committed to providing the information you need to manage your account. An overview of key policies and pricing that apply to your account is provided below. For a comprehensive list of terms and policies please refer to the Umpqua Bank Rules & Regulations and Other Account Services Disclosures.

Account Opening and Usage	Minimum Amount Required to Open Account	\$1,000	
	Monthly Maintenance	\$10	
	Requirement to Avoid Monthly Maintenance	\$2,500	Minimum daily balance
	Rolled Coin Deposit and/or Purchased	\$0.10	Per roll
	Coin Bag Deposit	\$7.50	Per bag
	Excess Deposited Item	\$0.25	Per check after 25 checks per monthly cycle
	Excess Withdrawal Activity	\$10	For each withdrawal or transfer out of this account after the first 6 restricted transactions  Note: You may only make 6 transfers out of your account each calendar month, including but not limited to: Bill Payments, Telephone Transfers, ACH Payments, Drafts, Checks and Point-of-Sale Transactions. ATM and In-Store Withdrawals are unlimited.
ATM & Debit Card Services	Umpqua Bank ATM	\$0 per transaction	Deposit, withdrawal, transfer or balance inquiry
	Non-Umpqua Bank ATM	\$2.50 per transaction	Deposit, withdrawal, transfer or balance inquiry. ATM-Owner fees will apply.
	International Transaction	2.00% of transaction	Transactions made outside the U.S., in either foreign currency or U.S. dollars, using an Umpqua Bank card.
	ATM Mini Statement	\$1 per statement	
Overdraft & Insufficient Funds Services	Overdraft Items/Insufficient funds may be created by check, debit card point-of-sale (POS), in-person withdrawal, transfer or other electronic means.		
	Overdraft Paid Item	\$35 per item	
	NSF Returned Item	\$35 per item	ATM and everyday debit card transactions will be declined at no cost to you. Checks and electronic transfers will be returned for insufficient funds and the NSF Returned Item fee will be assessed. We may also pay recurring debit card transactions and the standard overdraft fee will be assessed.
	Minimum Amount Required to Trigger an Overdraft Paid Item/NSF Returned Item Fee	We will not charge for an Overdraft Paid Item if your ending account balance at the end of the business day is overdrawn by \$5.00 or less.	
	Overdraft Transfer	\$10 per transfer	Transfers from another linked deposit account or line of credit will automatically cover overdrafts up to the amount available in the funding account.





## Public Funds Money Market



Processing Policies	Transaction Posting Order (the order in which deposits and withdrawals are processed)	Transactions we receive each business day will generally be processed in the following order (see the Rules & Regulations Disclosure for more specific details): 1. Deposits will be posted before withdrawals during nightly processing. 2. Customer initiated, non-check withdrawals and checks received over the counter at one of our stores will be processed by transaction type in date/time order, based on the date and time associated with each transaction, if date and time are the same, we post lowest to highest dollar amount. 3. All other paper checks will be posted from lowest dollar amount to highest dollar amount for each customer account.	
	Funds Availability Policy (when funds deposited to your account are available)	Cash Deposit at a Store or ATM	Same Day
		Direct Deposit or Wire Transfer	Same Day
		Check Deposit at a Store or ATM	Depending on the item, funds are generally available the next business day
		<ul style="list-style-type: none"><li>• A 'business day' is a non-holiday weekday. The end of a business day varies by store, ATM location or mail processing center.</li><li>• If we place a hold on a check, the first \$200 will generally be available the next business day. The remaining balance will generally be available no later than 7 business days after the date of your deposit.</li><li>• We will notify you of the hold and when the funds will be made available to you, and in some cases it will be after your deposit is made.</li></ul>	
Dispute Resolution	If you have questions or would like more information, please visit any of our stores or call us at 1-866-4UMPQUA (1-866-486-7782). Please refer to the Rules & Regulations Disclosure for complete account details.		
Additional Account Features	Paid Interest	Yes	
	Card Access	ATM Card, or link as secondary account on Debit Card	
	Umpqua Bank Commercial Credit Card	Available (subject to credit approval)	
	Business Online Banking & Mobile Access	\$0 Single User Access Only	
		\$0 Mobile Access with Mobile Deposit	
\$20 Per Expedited Bill Payment			







## ATTACHMENT F: REMOTE REQUEST AGREEMENT FOR WIRES

### Umpqua Bank Remote Request Agreement (For customers requesting Wires and/or Cashier's Checks)

This Remote Request Agreement ("Agreement") is dated as of [REDACTED] 20 [REDACTED], and is entered into between [REDACTED] ("Customer") whose taxpayer identification number (TIN) is [REDACTED], and Umpqua Bank ("Bank") in the State of [REDACTED]. This Agreement is made to set out the terms under which Customer may transfer funds and/or request Cashier's Check(s) from Customer-designated accounts. For purposes of this Agreement, the word "store" means a branch of Bank and the words "Authorized Agent" or "Authorized Agents" mean one or more persons designated by Customer in the Umpqua Bank Remote Request Agreement Customer Resolutions or any applicable document that constitutes a part of this Agreement, as that document may be amended by Bank and Customer from time to time and at any time,

Bank and Customer agree as follows:

**Funds Transfer and/or Cashier's Check Requests.** Customer may submit requests for funds transfer, payment orders, or Cashier's Checks ("Requests") in accordance with the terms and conditions of this Agreement, and Bank will execute Requests received by Bank in the name of Customer. Unless otherwise specifically agreed in writing, Customer must come in person, telephone, fax, e-mail or use the Bank's online banking system to deliver Requests to Bank; Bank is not obligated to execute Requests received otherwise from Customer. Funds must be available in accordance with Bank's funds availability policy in the account specified in the Request at the time the Request is received. For funds transfers, the Bank may choose the funds transfer mechanism (for example, Fedwire, correspondent bank transfer, internal transfer, letter) to be used when acting upon a Customer's Request. A Request is deemed received by Bank only when actually received by Bank, in the form and content specified by Bank.

**Security Procedures to Verify a Request.** Bank will use the following security procedures to verify the authenticity of Customer's Requests:

- (i) Requests delivered in person will be authenticated by Bank by asking Customer to present identification satisfactory to Bank;
- (ii) Requests delivered by telephone to a local store of Bank will be authenticated by Bank calling the Customer at the telephone number in Bank's records that was designated by Customer prior to Bank's receipt of the Request by telephone and not at the telephone number provided in the Request, if any, and by Bank asking the caller to identify herself or himself and then once the caller has identified herself or himself, then Bank will check the name given against the names listed as Customer or Authorized Agents and the accompanying security passcodes associated with the caller identified issued by Bank to Customer for purposes of delivering one or more Requests;
- (iii) Requests delivered by using facsimile to a local store of Bank will be authenticated by Bank calling Customer or Authorized Agent at the telephone number in Bank's records that was designated by Customer prior to Bank's receipt of the Request by facsimile and not at the telephone number provided in the Request, if any, and by Bank asking the recipient to identify herself or himself and then once the recipient has identified herself or himself, Bank will check the name given against the names listed as Customer or Authorized Agents and the accompanying security passcodes associated with the recipient identified issued by Bank to Customer for purposes of delivering one or more Requests;
- (iv) Request delivered by e-mail to a local store of Bank will be authenticated by Bank calling Customer or Authorized Agent at the telephone number in Bank's records that was designated by Customer prior to Bank's receipt of the Request by e-mail and not at the telephone number provided in the Request, if any, and by Bank asking the recipient to identify herself or himself and then once the recipient has identified herself or himself, Bank will check the name given





against the names listed as Customer or Authorized Agents, if applicable, and the accompanying security passcodes associated with the recipient identified issued by Bank to Customer for purposes of delivering one or more Requests;

(v) Requests delivered by using facsimile to the wire room of Bank will be authenticated by Bank waiting for the Customer to call Bank's wire room, and only when Customer calls Bank's wire room, and by Bank asking the caller to identify herself or himself and then once the caller has identified herself or himself, Bank will check the name given against the names listed as Customer or Authorized Agent and the accompanying ID and Password associated with the caller identified issued by Bank to Customer for purposes of delivering one or more Requests; and

(vi) Requests delivered by using the Bank's online banking system will be authenticated by Bank pursuant to the terms and conditions of this Agreement and the applicable online banking agreement which requires the use of codes and credentials, including but not limited to, User ID, Password, challenge questions, secret codes shared only between Bank and Customer, supervisory or administrator controls for Customer to have check and balances in place for initiating and approving Requests and any other additional authentication tools or methods Bank may require at any time and from time to time.

Customer agrees that the security procedures are not designed to and are not for the purpose of detecting error. Customer agrees that it has reviewed the security procedures set forth above and that they are commercially reasonable for Customer, taking into consideration the type, size and frequency of Requests anticipated by Customer. Customer agrees periodically to review the security procedures in light of Customer's actual Requests and usage, to confirm that the security procedures remain commercially reasonable. Customer acknowledges that Customer may change the security procedures at any time by written notice to Bank, and Customer agrees to do so when and if needed to ensure that the security procedures are and continue to be commercially reasonable for the type, size and frequency of Requests delivered by Customer to Bank.

If Bank accepts a Request in the name of Customer in compliance with the security procedures, then Customer will be obligated on the Request and it will be treated as Customer's Request, whether or not the Request was authorized by Customer or by any Authorized Agent.

If a Request received by Bank was transmitted or authorized by Customer, Customer will be obligated on the Request whether or not Bank complied with the security procedures, whether or not the Request was erroneous in any respect, and whether or not error would have been detected if Bank had complied with such security procedures.

Customer is responsible for maintaining the confidentiality of the security procedures, including any security passcodes, codes or credentials. Customer will implement a comprehensive security program that includes administrative, technical and physical safeguards. Customer will notify Bank immediately in the event Customer suspects that any security procedure has been or may be compromised or rendered ineffective.

Bank may, but is not obligated to, record electronically any telephone calls between Bank and persons acting on Customer's behalf, and may keep these recordings for as long as Bank wishes. Customer must obtain the consent of its Authorized Agents to such recording. Customer agrees that these recordings, and any other messages (including telecopier or facsimile messages) received by Bank, will be treated as writings signed by Customer, and will control in the event of any difference with the records of Customer.

Payment to Bank. Unless otherwise agreed to in writing, Customer must pay Bank the amount of any funds transfer and/or Cashier's Check, plus any applicable fee, including but not limited to, the fees



set forth in the Commercial Services Fee Schedule, International Banking Schedule of Fees and any other applicable service and fees schedules (collectively the "Fee Schedules"), before Bank will execute the Request. Bank's funds transfer and/or Cashier's Check fees and other related fees are subject to change. Bank is authorized to debit any one of Customer's accounts for fees and charges in connection with the services contemplated in this Agreement. If an intermediary bank is needed to fulfill the Request and Customer fails to specify an intermediary bank, Customer agrees and acknowledges that Customer's Request also constitutes Customer's instruction to Bank to choose an intermediary bank. Customer agrees that Bank has no control over other banks, and accordingly that Bank will have no liability if an intermediary or beneficiary bank imposes fees and charges by reducing the Payment Order or credit to a beneficiary. When Bank selects the intermediary bank, a fee may be deducted by the intermediary bank and a portion of that fee may be shared with Bank.

Acceptance and Execution of Requests. A Request is considered executed when Bank executes it.

- **Funds Transfers:** Unless provided otherwise in this Agreement, a Request must be received by Bank prior to Bank's cut-off hour (or, deadline) for Requests, currently 2:00 p.m. local time. However, a Request for payment of federal taxes must be received by 1:00 p.m. local time of the store of Bank receiving the Request. A request received after the cut-off hour, or on a non-Business Day, may be executed by Bank on the next Business Day. If a Request does not specify a date on which funds are to be transmitted, Bank may transmit the funds and execute the Request on the Business Day following the Business Day of receipt of the Request; however, Bank will normally execute the Request on the Business Day of receipt of the Request, provided that Bank receives the Request prior to the applicable cut-off hour. For purposes of this Agreement, the Bank's "Business Days" are Monday through Friday, excluding Saturday or Sunday, any Bank holiday, or any other day that the Bank is authorized or required to be closed.
- **Cashier's Check:** A Request received after store hours or on a non-Business Day, may be executed by Bank on the next Business Day. If a Request does not specify a date on which a Cashier's Check is requested, Bank may execute the Request on the Business Day following the Business Day of receipt of the Request; however, Bank will normally execute the Request on the Business Day of receipt of the Request, provided that Bank receives the Request prior to store closure. In some cases, we may delay your ability to withdraw funds beyond the first business day. Then, the funds will generally be available by the seventh business day after the day of deposit. For purposes of this Agreement, the Bank's "Business Days" are Monday through Friday, excluding Saturday or Sunday, any Bank holiday, or any other day that the Bank is authorized or required to be closed. If a request is made to place a stop payment on a Cashier's Check the purchaser must request the stop payment and sign an *Indemnity Agreement Lost Instrument* form. Verbal requests will not be accepted. If the *Indemnity Agreement Lost Instrument* form is faxed or sent via email the signature of the customer must be authenticated. Compare the customer's signature on the *Agreement Lost Instrument* form to the customer's signature on the *Signature Card Agreement*, prior to the stop payment being placed.

Bank may reject a Request for any reason or for no reason, including insufficient available funds in the account specified in the Request (the "Account") or a Request containing a telephone number for Customer that differs from the telephone number in Bank's records that was designated by Customer prior to Bank's receipt of the Request, inability to verify the authenticity of the Request in accordance with applicable security procedures, amount of Request exceeds the amount authorized by Customer, or otherwise. Bank will seek to notify Customer by mail or phone if Bank rejects a Request.



Bank shall notify Customer of a returned Request no later than the next Business Day after receipt. Bank is under no obligation to re-execute a Request.

Customer may not be able to amend or cancel a Request after the Request has been received by Bank. Bank may at its discretion use reasonable efforts to act on Customer's request for amendment or cancellation, but will not be liable if it does not do so. Furthermore, Customer will indemnify and hold Bank harmless from any and all liabilities, costs and expenses, including the Bank's reasonable attorneys' fees, Bank may incur in its amendment or cancellation efforts. Customer agrees to execute an indemnity and hold harmless agreement in a form satisfactory to Bank if requested to do so by the bank.

**Transfer Requests:** When a Request contains a name and account number, payment may be made by Bank and/or by other banks to which a Request is forwarded based solely on the account number even if the account number identifies a beneficiary different from the beneficiary named by Customer. Customer acknowledges that Bank and other banks to which a Request is forwarded may rely on any bank identification number supplied by Customer as a means to identify any other bank, even if the identification number is different than the bank named by Customer. Customer's obligation to pay the amount of the funds transfer to Bank is not excused in such circumstances.

Customer acknowledges that any Request executed by Bank will be subject to rules and regulations applicable to payment orders, including record-keeping and information transmittal requirements under the federal Bank Secrecy Act and its implementing regulations. Customer acknowledges and agrees that Bank may capture and transmit information regarding Customer (for example, Customer's name, address and account number) and regarding any beneficiary (for example, beneficiary's name, address, other beneficiary identifiers, and beneficiary's account number) as part of the processing of a payment order. Customer agrees to assist Bank in connection with any requirements imposed on Bank in fulfilling Bank's obligations in this regard.

**Transfer Requests only: Foreign Currency Requests.** Subject to the terms and conditions of this Agreement, when Bank offers foreign currency Requests sent to foreign countries, Customer agrees to the following:

- (i) Customer may use the services contemplated under this Agreement to send a Request to a foreign country by having Customer's Account debited in an amount that represents the U.S. dollar equivalent of the foreign currency needed to send the Request to the foreign country at the exchange rate determined by Bank and agreed to by Customer at the time Customer delivers the Request to Bank;
- (ii) If, for any reason the Request is returned, then the refund will be in U.S. dollars or in foreign currency, as received by Bank; however, Customer's Account will be credited in U.S. dollars;
- (iii) If the returned Request is received in U.S. dollars, then one or more sending banking may have engaged in currency conversions and Customer will get the amount of U.S. dollars after the conversion of the foreign money, whether based on the buying rate of the bank(s) converting the currency to U.S. dollars on the date of the refund, or based on the Bank's current conversion rate and less any charges and expenses incurred by Bank; and
- (iv) The exchange rates used for processing Requests may be a rate selected by Bank or other intermediaries from a range of rates available in prevailing foreign exchange markets or at the Bank's or other intermediaries' discretion.

**Designation of Funds Transfer System and/or Intermediary Bank.** In the event Customer does not specify a funds payment system or an intermediary bank when initiating a particular Request, Bank may





use one or more of the following: Fedwire System, Society for World-Wide Interbank Financial Telecommunications, an intermediary bank identified by the foregoing systems or bank as a correspondent bank of the beneficiary's bank, or any other payment system or intermediary bank which Bank deems reasonable under the circumstances. Customer agrees to be bound by the rules of the funds transfer system utilized. Account Reconciliation. All funds transfers and/or requests for Cashier's Checks will be reflected on Customer's periodic statement. Customer agrees to notify Bank promptly of any discrepancy between Customer's records and the information shown on any such statement or report. If Customer fails to notify Bank of any such discrepancy within 30 days of receipt of a statement or report containing such information, Customer agrees that Bank shall not be liable for any losses or damages, including, but not limited to, the principal amount of or loss of interest with respect to the unauthorized or erroneous Request, resulting from Customer's failure to give notice of any such discrepancy. If Customer fails to notify Bank of any such discrepancy within 30 days of receipt of such statement or report, Customer will be precluded from asserting any claim to any interest loss damages for any discrepancy against Bank. For purposes of this section, Customer will be deemed to have "received" a periodic statement at the earlier of the time that (a) Bank first makes it available to Customer for pick-up by Customer; or (b) the statement or information contained in the statement is made available to Customer electronically or by means of electronic banking systems.

Funds Transfer Delays or Cashier's Check Request Failures. Bank will not be responsible for failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, war, terrorism, pandemic event (which includes the fear of contracting an illness), emergency conditions or other Act of God or circumstances beyond Bank's control. In addition, Bank shall be excused from failing to accept, execute or settle with respect to a Request if: (a) to do so would result in Bank's having exceeded any limitation upon its intra-day net funds position established pursuant to present or future Federal Reserve guidelines or in Bank otherwise violating any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other U.S. or state governmental regulatory authority; or (b) Bank reasonably and in good faith believes that any legal process may limit or otherwise affect Bank's actions. For purposes of the foregoing, Bank shall be entitled to accept as valid all documents presented to Bank without investigation and shall not be charged with knowledge of any defect in a document based solely on Customer having challenged the legitimacy of a document (or the process by which it was served).

Liability. Bank will exercise reasonable care in processing Requests. Customer will exercise reasonable care in observing security procedures, examining statements and records, and initiating Requests. Customer is responsible for ensuring the accuracy of Requests, and Bank has no duty to verify the accuracy of a Request, nor will it be liable for any losses or damages arising out of Requests that contain erroneous information.

In no event shall Bank be liable for any consequential, special, punitive or indirect loss or damage which Customer may incur or suffer in connection with this Agreement, including without limitation loss or damage from subsequent wrongful dishonor resulting from Bank's acts or omissions pursuant to this Agreement. This limitation shall apply whether or not the likelihood of such losses or damages was known by either Bank or Customer.

Bank will be liable for Customer's lost interest if Bank fails to exercise ordinary care, calculated as follows:

- (i) On analyzed accounts, through a credit to the account to reflect the applicable value date or otherwise through an adjustment to recalculate earnings credits;
- (ii) On non-interest bearing, non-analyzed accounts, at a rate equal to the average of the federal funds rate set by the Federal Reserve Bank of San Francisco, less reserves, for the period in question; and



(iii) On interest bearing, non-analyzed accounts, at the rate applicable to the account.

Customer will be liable for any losses or damages resulting from Customer's breach of this Agreement or to which Customer's negligence contributed, or which resulted from unauthorized, fraudulent or dishonest acts by Customer's current and/or former Authorized Agents (including instances where an Authorized Agent acted to the detriment of Customer). Customer agrees to indemnify, defend and hold Bank, its agents and employees harmless from and against any and all damages, liabilities, actions, claims, and expenses, including the Bank's reasonable attorneys' fees, which result, directly or indirectly, in whole or part, from negligence or fraud of Customer or any agent or employee of Customer.

**Compliance With Laws.** Customer acknowledges that the services contemplated under this Agreement may not be used in violation of, and that Requests initiated by Customer must comply with the laws of the United States, including sanctions laws administered by the Office of Foreign Asset Controls.

**Amendments.** From time-to-time, Bank may amend any of the terms and conditions contained in this Agreement, including without limitation, any cut-off time, and any Business Day. Such amendments shall become effective upon receipt of notice by Customer or such later date as may be stated in Bank's notice to Customer.

**Notices, Instructions, Etc.** Bank shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an Authorized Agent of Customer, and any such communication shall be deemed to have been signed by such person. The names and signatures of Authorized Agents are set forth in Umpqua Bank Remote Request Agreement Customer Resolutions. Customer may add or delete any Authorized Agent by written notice to Bank in form and substance satisfactory to Bank. Such notice shall be effective on the second Business Day following the day of Bank's receipt thereof, unless otherwise specifically agreed to by Bank.

Except as otherwise expressly provided herein, any written notice or other written communication required or permitted to be given under this Agreement shall be delivered, or sent by United States registered or certified mail, postage prepaid, or by express carrier, and,

if to Bank, addressed to:	and, if to Customer, addressed to:
Umpqua Bank	(customer's name) _____
(store/dept. mailing address) _____	(mailing address) _____
(city, state, ZIP) _____	(city state, & ZIP) _____
Attn: Store/Dept. Manager	Attn: _____

unless another address is substituted by notice delivered or sent as provided in this Agreement. Except as otherwise expressly provided in this Agreement, any such notice shall be deemed given when received.

**Term and Termination.** The term of this Agreement shall begin on the day a copy of the Agreement signed by Customer is delivered to and executed by Bank. Unless otherwise terminated by either party as set forth below, this Agreement shall remain in effect including any amendments thereto from time to time and at any time. Customer may terminate this Agreement upon 10 days advance written notice delivered to the address set forth above for notices to Bank. Such termination shall be effective on the second Business Day following the day of Bank's receipt of written notice of such termination (unless Bank otherwise specifically agrees to earlier termination) or such later date as is specified in that notice. Bank reserves the right to terminate this Agreement immediately upon providing notice of such termination to Customer.





**Entire Agreement.** This Agreement, together with the agreement governing the Account, Fee Schedules, Appendix A, the terms and conditions related to business online banking, the Rules and Regulations of Account, and any other applicable documents, as one or more may be applicable (the "Account Agreement"), is the complete and exclusive statement of the agreement between Bank and Customer with respect to the subject matter hereof and supersedes any prior agreement(s) between Bank and Customer with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and the Account Agreement, the terms of this Agreement shall govern. Customer agrees that any requirement in an Account Agreement limiting access to funds in an account maintained by Customer at Bank shall not apply to Requests, to the extent of any inconsistency. Customer agrees that all requests from an Account at Bank will remain subject to and limited by any limitations on the number of transfers to or from that Account, as set forth in the Account Agreement.

**Governing Law.** This Agreement and Requests shall be construed in accordance with Regulation J of the Federal Reserve Bank and the state laws of the state in which this Agreement is executed in, to the extent not preempted by federal law. Funds Transfer Request: In the event a Request is a non-domestic Request, the Request will also be construed in accordance with applicable foreign laws and laws applicable to the correspondent bank handling the Request, as they may be changed from time to time. If there is an issue relating to this Agreement or the Requests, Customer and Bank agree that the location of the court proceeding will occur in the state where you opened the Card account and that county will be chosen by us in our sole discretion.

**Jury Waiver.** Unless otherwise prohibited by applicable law, Bank and Customer hereby waive trial by jury in any judicial proceeding involving directly or indirectly, any matter (whether in tort, contract, or otherwise) in any way arising out of, related to or connected to this Agreement or the services offered under this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized officers.

CUSTOMER\*

UMPQUA BANK

Authorized Representative's Signature\*

Bank Official's Signature

Signer's Name and Title (Please Print or Type)

Signer's Name and Title (Please Print or Type)

Customer Business Name (Please Print or Type)

Store/Department Name (Please Print or Type)

\*If the undersigned will scan a copy of this Remote Request Agreement form to Umpqua Bank, the undersigned acknowledged that the scan is a true copy of the original Remote Request Agreement form and the undersigned's signature is his or her own.



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**UMPQUA BANK**  
**REMOTE REQUEST AGREEMENT CUSTOMER RESOLUTIONS**

Business Customer: \_\_\_\_\_

Account #(s): \_\_\_\_\_

I, the undersigned, hereby certify to Umpqua Bank that: I am the \_\_\_\_\_ (title) (unless otherwise designated, Secretary or Assistant Secretary) and designated keeper of the records and minutes of the Business Customer identified above; I have full authority to make representations set forth in these Resolutions on behalf of the Business Customer; and that the following is a true and correct copy of Resolutions duly adopted by the Board of Directors (if a corporation), an Administrative Order (if a city or municipality), partners (if a partnership), members/managers (if a limited liability company), proprietor (if a sole proprietorship) or other governing authority of the Business Customer at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at which a quorum was present and acting throughout, or adopted by the written consent of a majority of those entitled or required to act to bind the Business Customer, and that such Resolutions are in full force and effect and have not been amended or rescinded. If the undersigned is a city or municipality then such authority was provided pursuant to an Administrative Order dated \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

- Resolved, that the persons shown below as "Authorized Agents" are authorized, on behalf of Business Customer and in its name, to execute and deliver the following agreements (collectively, the "Agreements") and to bind the Business Customer to the Agreements, as amended from time to time: (A) Umpqua Bank Wire Transfer and/or Cashier's Check Request Agreement; (B) Appendix A (C) business online banking terms and conditions; and (D) any other contract, agreement or document determined by an Authorized Agent as necessary or appropriate in connection therewith;
- Resolved, that the Authorized Agents are authorized to negotiate terms and conditions to the Agreements, amendments or supplements to the Agreements, and to enter into such other agreements as any Authorized Agent may find necessary or appropriate, including amendments or supplements without limitation to designation of other Authorized Agents. If there is more than one Authorized Agent, any one of them acting alone or together, may bind the Business Customer. All such acts and deeds are the acts and deeds of the Business Customer;
- Resolved, that the foregoing Resolutions shall remain in full force and effect and the authority herein given to all of said persons shall remain irrevocable as far as Bank is concerned until three (3) business days after Bank is notified in writing of the revocation of such authority and that receipt of such notice shall not affect any action taken by Bank prior thereto; and
- Resolved, that this authorization shall remain in force and effect notwithstanding any subsequent change in such specific or general account resolution, signature card or related documentation.

**AUTHORIZED AGENTS:**

Name	Signature	Title
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

I certify under penalty of perjury that the foregoing is true and correct, of my own personal knowledge.

\_\_\_\_\_  
 Title \_\_\_\_\_ Date: \_\_\_\_\_  
 Signature of Secretary / Assistant Secretary, or other appropriate authorized representative  
 If the undersigned will scan a copy of this Remote Request Agreement form to Umpqua Bank, the undersigned acknowledged that the scan is a true copy of the original Remote Request Agreement form and the undersigned's signature is his or her own.



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## Appendix A

Accompaniment to Umpqua Bank Remote Request Agreement.

For Customers Requesting Wires and/or Cashier's Checks Other than In Person

☐ New ☐ Amendment (supersedes all previous versions)

### Customer Information

Account Title (as shown on IRS Insight):		Taxpayer identification number (TIN):	
Address (as shown on IRS Insight):		City:	State: Zip:
Account(s):			

\* All accounts listed on this form must have the same taxpayer identification number (TIN).

### Authorization to initiate remote Wires and/or Cashier's Check requests

The individual(s) listed below are being authorized to initiate remote Wires and/or Cashier's Check requests when the request is not made in person.

Name of Authorized Agent	Phone Number (including area code)	Authorized Amt. Per Cashier's Check and/or Wire	Initiate Request <sup>1</sup> Y N	Confirm Request <sup>1</sup> Y N
		<input type="checkbox"/> CC <input type="checkbox"/> Wire <input type="checkbox"/> Both \$	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
		<input type="checkbox"/> CC <input type="checkbox"/> Wire <input type="checkbox"/> Both \$	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
		<input type="checkbox"/> CC <input type="checkbox"/> Wire <input type="checkbox"/> Both \$	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
		<input type="checkbox"/> CC <input type="checkbox"/> Wire <input type="checkbox"/> Both \$	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
		<input type="checkbox"/> CC <input type="checkbox"/> Wire <input type="checkbox"/> Both \$	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
		<input type="checkbox"/> CC <input type="checkbox"/> Wire <input type="checkbox"/> Both \$	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

<sup>1</sup> If the Initiate and/or Confirm Y/N boxes are not checked for an agent, Umpqua Bank assumes agent may initiate remote Wires and/or Cashier's Check requests on your behalf. If no dollar amount is assigned, Umpqua Bank assumes the agent may request up to the available balance in the account.

### Confirmation Code

Revised Confirmation Code: <sup>2</sup>	Customer's Initials authorizing change to Confirmation Code:
Date of Revision:	Bank Associate's Initials:

<sup>2</sup> Confirmation Code may be revised one time only on this form. Subsequent changes to Confirmation Code require that a new Appendix A be completed.

### \*\*\*For CBC Approved Customers Only\*\*\*

\*Confirmation Code & Initials:

\*Upon receipt of fully completed Appendix A from customer, Umpqua Bank Associate handwrites Confirmation Code and Initials.

Except as otherwise noted herein, services are provided subject to the Umpqua Bank Remote Request Agreement, as may be amended from time to time. By signing below, Customer agrees and acknowledges that Customer is in receipt of, has read and agrees to the Umpqua Bank Remote Request Agreement, which is incorporated into this document by this reference, as it may be amended from time to time. Customer also agrees and acknowledges that these services are provided subject to the limitations on liability and indemnification provided to Umpqua Bank under the Umpqua Bank Remote Request Agreement.

### Customer Authorization\*

X

Signature

Date

### Bank Authorization

X

Signature

Name and Title (Please print or type)

Name and Title (Please print or type)

\*If the undersigned will scan a copy of this Appendix A form to Umpqua Bank, the undersigned acknowledged that the scan is a true copy of the original Appendix A form and the undersigned's signature is his or her own.



## ATTACHMENT G: TREASURY MANAGEMENT SERVICES AGREEMENT



### Umpqua Bank Treasury Management Services Agreement (TMSA) (Single Entity)

Customer Name:   
 Tax ID Number:   
 Effective Date:

#### Authorization and Agreement

Umpqua Bank's ("Umpqua") Treasury Management Services ("Services") are described in several documents that together form the legally binding contract and agreement ("Agreement") as defined in the Treasury Management Services Terms and Conditions ("Terms & Conditions") between Umpqua and Customer ("Customer") that will govern Customer's use of the Services. By signing this Treasury Management Services Agreement ("TMSA"), Customer agrees to the Agreement, including this TMSA and any associated documentation ("Associated Documentation") including applicable fee schedules, User Documentation ("User Documentation") or Account Agreements ("Account Agreements") governing any associated deposit or other accounts. The Terms and Conditions and each other Associated Document is incorporated by reference into this TMSA and is made a part of the Agreement between Umpqua and Customer.

When you add a new Service, Umpqua will send you a Service Confirmation and any Associated Documentation. Receiving the Documents and using the Service will confirm your request, and constitute your acceptance of the Service's Terms and Conditions.

#### Eligible and Indirect Accounts

Customer will at all times maintain with us one or more Eligible Accounts ("Eligible Accounts") in Customer's entity name. You agree to maintain available balances sufficient to pay or reimburse us for all items, orders of payment, fees, and other amounts paid on your behalf or chargeable to you in connection with any Service. Eligible Accounts and any other Accounts that you maintain with us shall be subject to the terms and provisions of the Account Agreements, as they may be amended from time to time. Accounts not held in Customer's entity name, but otherwise controlled by Customer in which Customer is a service provider acting in a fiduciary capacity for another entity or individual ("Indirect Accounts"), will be authorized for Services in accordance with this Agreement and the applicable Account Agreements.

*Requests to add Indirect Accounts for the purpose of providing Services will require Customer to provide and maintain an "Indirect Accounts List" providing details of the accounts including: Account titles, Account numbers and Tax Identification numbers. The addition of any Indirect Accounts for the purpose of providing Services is subject to prior validation and approval by Umpqua, and must be in accordance with the Account Agreements governing said accounts, including any Master Depository Agreements ("Master Depository Agreements").*

#### Security Interest

Customer grants to Umpqua a contractual security interest in all Customer's deposit accounts housed at Umpqua to secure Customer's performance of and obligations under (a) the Agreement (as defined in the Terms and Conditions), and (b) any other agreement between Customer and Umpqua. This security interest shall be supplemental to and not in lieu of any other security interest or rights held by Umpqua or granted Umpqua under law. This security interest and all Umpqua's rights and Customer's obligations associated with that interest shall survive termination of the Agreement or of any one or more (or all) of the Associated Documents or of the applicable other agreement between Customer and Umpqua.

#### Certification and Authority

If Customer is a corporation, partnership, limited liability company or other group or entity, Customer represents, warrants and certifies that (a) the undersigned individuals have been and are (acting separately or together) duly authorized by law or by Customer's board of directors, managers or partners, as appropriate, to execute and deliver (i) this TMSA and the Agreement (as defined in the Terms and Conditions) and (ii) such other documents or agreements as may be necessary or appropriate for the purpose of obtaining the Service(s); and (b) that all such acts and deeds of the undersigned (acting separately or together) are the acts and deeds of the Customer. Customer shall supply to Umpqua written evidence of the foregoing if requested by Umpqua.



**Umpqua Bank**  
**Treasury Management Services Agreement (TMSA)**  
**(Single Entity)**

In addition, in his or her individual capacity, each person signing below represents, warrants and certifies under penalty of perjury he or she is so authorized by Customer, and that the Agreement and any such other document(s) or agreement(s), when duly executed by him or her as a representative of Customer (whether acting separately or together) and by Umpqua, will be a legal, valid and binding obligation of Customer.

**Guidelines for completion:**

- Customer, Authorized Person(s) and Umpqua to sign TMSA.
- Customer to receive Terms and Conditions and any other Associated Documents applicable to those Services to which Customer has subscribed.
- Receiving the Documents and using a Service will confirm Customer's request and constitute acceptance of the Service's Terms and Conditions.

**If customer is a:**

**Who must sign:**

Corporation	Any authorized officer (unless two are required)*
Limited Liability Company (LLC)	All LLC members, or any authorized officer*
Partnership (general or limited)	Any general partner*
Limited Liability Partnership	The managing partner*
Sole Proprietorship	The sole proprietor
Governmental entity	The Treasurer*

\*Includes any individual authorized under Customer's charter or organizational or constituent documents. The legal name of any member, managing member, manager or general partner who is signing and who is not an individual must appear in the signature block.

**Authorized Persons**

The below Authorized Person(s) certify and warrant that they have taken all action required by the organizational documents of the Customer to act on behalf of the Customer (each, an "Authorized Person") in all actions taken under the Agreement. Customer agrees that each Authorized Person is empowered in the name of and on behalf of the Customer to enter into all transactions contemplated in the Agreement including, but not limited to, selecting Services, appointing Agents to act on behalf of the Customer in the delivery of Services, signing additional documentation necessary to implement the Services and giving instructions to Umpqua with regard to any Service, including without limitation, wire transfers, ACH transfers, and any other electronic or paper transfers from or to any account the Customer may maintain with Umpqua. Customer may update Authorized Persons from time to time by executing a TMSA Addendum. In no event shall Umpqua process any transactions contemplated in the Agreement unless such transactions are initiated by an Authorized Person.

Umpqua may, at its discretion, require Customer to execute additional documentation to implement or amend certain Services. In such cases, documentation necessary to implement or amend such Services shall be signed by at least one of the Authorized Persons. Customer further acknowledges and agrees that Umpqua may implement or amend Services based on the verbal, written, facsimile, voice mail, email or other electronically communicated instructions that it believes in good faith to have been received from an Authorized Person. Umpqua is entitled to act in reliance upon the authorization in this Agreement until it receives written notice of revocation of such authorization and has a reasonable opportunity to act thereon.

<b>Authorized Person (please print or type):</b>	<b>Title:</b>
<input type="text"/>	<input type="text"/>
<b>Signature:</b>	<b>Date:</b>
X	



**Umpqua Bank**  
**Treasury Management Services Agreement (TMSA)**  
**(Single Entity)**

Authorized Person (please print or type): _____	Title: _____
Signature: X	Date: _____

Authorized Person (please print or type): _____	Title: _____
Signature: X	Date: _____

Authorized Person (please print or type): _____	Title: _____
Signature: X	Date: _____

**Agreement and Acceptance**

IN WITNESS WHEREOF, Umpqua and Customer have caused this TMSA (and thus the Agreement) to be duly executed by their respective officers or representatives. This Agreement is dated for reference purposes and is effective as of the Effective Date shown above (if an effective date is noted).

Customer acknowledges that acceptance of Agreement is subject to final evaluation by Umpqua.

**Customer**

By: \_\_\_\_\_  
 (Signature: Customer Authorized Signer)

Printed name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Contact Information:**

\_\_\_\_\_  
 Attn: \_\_\_\_\_  
 Street address 1: \_\_\_\_\_  
 Street address 2: \_\_\_\_\_  
 City, State, ZIP Code: \_\_\_\_\_  
 Contact phone: \_\_\_\_\_ ext. \_\_\_\_\_  
 Email address: \_\_\_\_\_  
 Fax number: \_\_\_\_\_

**Umpqua Bank**

By: \_\_\_\_\_  
 (Signature: Umpqua Authorized Signer)

Printed name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Contact Information:**

Umpqua Bank  
 Attn: Treasury Management  
 PO Box 1820  
 Roseburg, OR 97470  
 Mail stop: OR0148-14  
 Customer service: 1-866-563-1010



Umpqua Bank  
Treasury Management Services Agreement (TMSA)  
(Single Entity)

Bank Use Only (Verification of Signing Authority for Customer)			
Verification performed by (print name / title): <input type="text"/>			
Signature: <input type="text"/>		Date verified: <input type="text"/>	
Store of Account / Other: <input type="text"/>		(Location of source documents)	



## ATTACHMENT H: TREASURY MANAGEMENT SERVICES TERMS & CONDITIONS



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### Treasury Management Services Terms and Conditions

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Rev 10/16

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## Introduction

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

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

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

"Customer," "you" and "your," refer to each authorized signer who receives treasury management Services from any Umpqua entity.

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

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

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

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

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



## General Provisions: Terms and Conditions applicable to all Treasury Management Services

### Proprietary Information

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

### Representations & Warranties

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

### Financial Review

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

### Fees

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

### Accounts

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

### Security Interest

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



other rights, including any rights granted under any security interest that you may have granted to us. The grant of this security interest shall survive termination of these Services.

#### Authorized Users

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

#### Security Procedures

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

1. **Access.** Customer shall be solely responsible for designating individuals authorized to access Services and shall be liable for all transactions initiated through the Services, including overdrafts. Access to the Services will be controlled through the use of names, identification numbers and/or passwords for Authorized Users ("Credentials"). All information disseminated and transactions initiated with the appropriate Credentials shall be presumed to have been disseminated and/or initiated by Authorized Users. Customer is solely responsible for maintaining its own security and agrees to use the utmost care in selecting any individual given access to use one or more of Services or access to any information concerning one or more of Services. Customer is solely responsible for removing previously Authorized Users that it desires not to have access to Services. Customer shall be solely responsible for any future dated transactions initiated by an Authorized User, even when Customer removes access of that User before the occurrence of a stored future dated transaction. Customer is responsible for maintaining the security and confidentiality of all Credentials and other security devices issued to or by Customer (collectively, "Customer's Internal Security Devices"). Customer shall not permit unauthorized individuals to use Customer's Internal Security Devices to access any Services. Customer is responsible for the actions of any individuals using Customer's Internal Security Devices to access any Service. Customer shall immediately notify Umpqua by telephone and confirm such verbal notification in writing to Umpqua in 24 hours if the security of Customer's Internal Security Devices has been compromised. Customer shall indemnify and hold Umpqua harmless against all losses, liabilities, damages, claims, demands, obligations, actions, suits, judgments, penalties, costs or expenses, including, but not limited to, attorneys' fees, (collectively, "Losses and Liabilities") relating, directly or indirectly, to Customer's failure to maintain the security and confidentiality of Customer's Internal Security Devices, Credentials or the unlawful use of any Services by Customer or any person who obtains access to Services using Customer's Internal Security Devices.
2. **Confidentiality.** Customer and Umpqua represent, warrant and mutually agree that all confidential information concerning the other party or parties that comes into its possession in connection with any

Services including security procedures or any security codes, keys, online Credentials, identification numbers, digital certificates/signatures or template numbers ("Codes"), will be maintained in strictest confidence and shall not be used or divulged to any third party except in the proper performance of the TMS Agreement or as required by applicable law or regulation. Customer is solely responsible for establishing and maintaining procedures to assure the confidentiality of its own security procedures, security devices and Codes and assumes all risk of accidental disclosure or inadvertent use of any security device by any party whatsoever, whether such disclosure or use is due to Customer's negligent or deliberate acts or otherwise. If Customer or its agents have reason to believe that any security procedures or Codes have or may become known by unauthorized persons (whether or not employed by Customer), Customer shall immediately notify Umpqua by telephone and confirm such verbal notification in writing to Umpqua within 24 hours. Umpqua will replace the security procedures and Codes in accordance with Umpqua's security procedures. Customer shall be solely responsible for wire transfer instructions and other communications initiated before Umpqua received Customer's notice and had a reasonable time to act on such notice. Umpqua reserves the right to change any or all of the security procedures or Codes by giving verbal or written notice to Customer.

3. **Verbal and/or Written Instructions.** For some Services, Umpqua may choose to honor Customer's request to give Umpqua verbal or written instructions regarding Services. Customer agrees that Umpqua may in good faith rely on such verbal or written instructions that purport to come from an Authorized User without independent verification by Umpqua.
4. **System Requirements.** Customer shall at all times use an Internet web browser that supports the level of encryption used by Umpqua as part of its security procedures. Umpqua reserves the right to supplement or change its security procedures from time to time upon reasonable notice to Customer, which Customer acknowledges may be less than a day's notice. Umpqua reserves the right to reject any transaction or Service request that is not made in accordance with its security procedures.
5. **Risks of Using the Internet.** Customer understands and agrees that, while Umpqua and Umpqua's Service providers have established certain security procedures, such as firewalls and data encryption designed to prevent unauthorized access to Customer's accounts or transactions, there can be no assurance that inquiries or transaction activity will be completely secure. Customer acknowledges and agrees to maintain adequate security measures for its systems so as to prevent unauthorized access. Customer also understands and agrees that access to the Service will not be free from delays, malfunctions, or other inconveniences generally associated with this electronic medium. Customer agrees that Umpqua is not responsible for any such unauthorized access, delays or malfunctions, or the acts of third parties.
6. **Customer Administrator.** Customer shall designate one or more Customer Administrators. Umpqua is authorized to direct all passwords, codes, program updates and System changes to the Customer Administrator. Umpqua is authorized to receive instructions from the Customer Administrator regarding requested changes to Services. The Customer Administrator shall be responsible for setting up online Services and for establishing internal security procedures related to such online Services, including accepting delivery of software, system-wide configuration of Umpqua accounts, establishing authority levels, establishing authorization requirements, and distributing online Credentials, Umpqua administered security devices, and other internal security devices related to the online Services. Customer's designation of the Customer Administrator may be amended or revoked from time to time upon written notice to Umpqua. Umpqua shall have a reasonable time to act on any such notice.

#### Online Services – Restricted Transactions

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

- Credit, or the proceeds of credit, extended to or on behalf of such other person (including credit extended through the use of a credit card);

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

**Equipment & Software**

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

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

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

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

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

**License**

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

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

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



## Treasury Management Services – Terms and Conditions

Umpqua Bank

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

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

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

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

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

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

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

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

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

Customer will maintain a complete and accurate list of all locations where Customer has loaded and maintains the Umpqua Software and its documentation, and make such lists available to Umpqua upon Umpqua's request.

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

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

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

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

#### **Service Unavailability**

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

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

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

#### **Solicitation of Online Credentials**

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

#### **Accounts at Other Banks**

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

#### **Telephone Recording**

Customer consents on behalf of itself and its agents that Umpqua may monitor and record telephone conversations in which Umpqua is a party at any time without further notice to the other parties to such

conversations. The decision to record any such conversation shall be solely at Umpqua's sole discretion, and Umpqua shall have no liability for monitoring or recording or for failing to do so.

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

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

#### Customer-initiated Transactions and Instructions

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

- Exceeds Customer's collected or available funds, on deposit with Umpqua, available through overdraft protection (available through Online Banking only), or otherwise;
- Umpqua has reason to believe may not be authorized by Customer;
- Involves funds subject to a hold, dispute or legal process preventing their withdrawal;
- Violates any law or regulation, or
- Umpqua has reasonable cause not to honor, for the protection of either Umpqua or Customer, or on any other good faith grounds.

Umpqua may elect, at its sole discretion, but shall not be obligated, to verify the authenticity or content of any instruction, transmission, or requested transaction by placing a call or electronic communication to any Authorized User or to any other person designated by Customer for such purpose, or by any other means in Umpqua's sole discretion. Umpqua may deny access to any Services or deny the processing of any instruction, transmission, or requested transaction without prior notice if Umpqua is unable to confirm to its satisfaction any such authenticity or content or if Umpqua believes such denial is appropriate for security reasons or on other good faith grounds, all in Umpqua's sole discretion and without any liability to Umpqua in relation to such denial.

#### Customer Records

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

#### Review Period

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

#### Training

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



**Indemnity of Umpqua by Customer**

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

**Limitation of Umpqua's Liability**

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

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

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

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

- Umpqua's maximum liability for loss of interest shall be calculated using a rate equal to the average Federal Funds rate at the Federal Reserve Bank of New York for the period involved.
- Notwithstanding the foregoing, Umpqua shall not be liable for any Losses and Liabilities caused, directly or indirectly, in whole or in part, (i) by the action or inaction of Customer, or of any agent or employee of Customer, whether or not such action or inaction constitutes negligence or a breach of this Agreement. (ii) by any inaccuracy or incompleteness in the input of any instruction or other communication by Customer; or (iii) by any modification, change or cancellation (or attempted modification, change or cancellation) by Customer of an Instruction.
- Umpqua shall not be liable for any Losses and Liabilities or delay caused by accident, strike, fire, flood, war, riot, act of terrorism, equipment breakdown, electrical or mechanical failure, acts of nature, legal constraint, interruption of transmission or communication facilities, pandemic event (which includes the fear of contracting an illness), emergency

conditions or other act of God, or any other cause which is attributable to a third party and is reasonably unavoidable or beyond Umpqua's reasonable control.

- Umpqua's Third Party Service Providers are expressly recognized as third-party beneficiaries.

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

Customer agrees that in addition to other limitations on Umpqua's liability herein, Umpqua will not be liable for any Losses and Liabilities arising, directly or indirectly, in whole or in part from the following:

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

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

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

#### Warranty Disclaimer

The TMS Agreement is a Service agreement. OTHER THAN ANY EXPRESS REPRESENTATIONS AND WARRANTIES THAT MAY BE MADE IN WRITING BY UMPQUA NOW OR IN THE FUTURE, UMPQUA DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO CUSTOMER OR TO ANY OTHER PERSON OR ENTITY, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, FREEDOM FROM ERROR, TIMELINESS, OR NON-INTERRUPTION OF SERVICE, OR ANY IMPLIED WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, USAGE OF TRADE, OR OTHERWISE REGARDING ANY SERVICES OR ANY GOODS PROVIDED INCIDENTAL TO THE SERVICES.

#### Imputation

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



### Dispute Resolution

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

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

### Governing Law and Jurisdiction.

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

### Attorney's Fees

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

### Adverse Claims

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

### Relationship Between Parties

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

### Third Party Service Providers

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

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

**Force Majeure**

No party shall be liable for any default or delay in the performance of its obligations or otherwise under the TMS Agreement if and to the extent such default or delay is caused, directly or indirectly, by: (i) fire, flood, elements of nature, or acts of God; (ii) any outbreak or escalation of hostilities, war, riot, terrorist act, or civil disorders in any country; (iii) any act or omission of the other party or any government authority; or (iv) failures or fluctuations in telecommunications or other equipment. In any such event, the non-performing party shall be excused from any further performance and observance of the obligations so affected only for as long as such circumstances prevail and such party continues to use commercially reasonable efforts to recommence performance or observance as soon as practicable. Notwithstanding the foregoing, nothing shall affect your payment obligations for Services we provide to you before such default or delay in the performance of our obligations under the TMS Agreement. Umpqua shall have no responsibility for transmitting Entries that would result in Umpqua: (a) exceeding its limitation on intra-day net funds position established by the Federal Reserve System; or (b) otherwise violating any provision of any present or future risk control program of the Federal Reserve System or any law or regulation of any other governmental or regulatory authority.

**Notices**

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

**Severability**

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

**Waiver**

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

**Assignment**

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

**Amendments**

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

**Survival**

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

**Compliance with Laws**

Customer will comply with all applicable laws, rules and regulations

**Construction**

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

**Counterparts**

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

**Termination**

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



## **Terms & Conditions applicable to specific Treasury Management Services**

### **Account Reconciliation Services**

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

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



## Automated Clearing House (ACH)

### 1. General Terms and Compliance

Customer may initiate credit or debit Automated Clearing House transactions for payments (Credit Entries) and/or collections (Debit Entries) on Business Days to Customer's accounts or the accounts of others ("Receivers"). Umpqua will act as an ODFI regarding such Entries. Umpqua may process Entries directly, through an ACH Operator, or through another mechanism selected by Umpqua. Customer shall not initiate any Entry in violation of NACHA Rules or any applicable law or regulation, including Regulation E promulgated by the Federal Reserve Board and regulations promulgated by OFAC. A copy of the Corporate Edition of the NACHA Rules can be purchased from NACHA at [www.NACHA.org](http://www.NACHA.org). Customer agrees to obtain a copy, to understand and be familiar with the NACHA Rules, and to be responsible for keeping up to date with changes in the NACHA Rules. Customer agrees that information or advice received by Customer from Umpqua as to the NACHA Rules (including Part III A, B or C) or the operation of the NACHA Rules is not legal advice and is not a substitute for Customer's obligation independently to understand and comply with the NACHA Rules. If any provision of this TMS Agreement is inconsistent with the NACHA Rules, Customer shall comply with any applicable NACHA Rule(s) to the extent of the inconsistency and shall immediately notify Umpqua of that fact.

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

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

Customer may not originate Entries using Standard Entry Class Codes other than CCD, CTX and PPD without prior written notice to and approval by Bank. Bank may require an application in form and content acceptable to Bank, and execution by Customer of such supplemental schedules, agreements and other documents as Bank may require, as a condition precedent to Customer's use of other Standard Entry Class Codes. By way of example, the foregoing restrictions and requirements may apply to Customer's use of Represented Check Entry (RCK), Automated Enrollment Entry (ENR), Accounts Receivable Entry (ARC), Back Office Conversion Entry (BOC), Customer Initiated Entry (CIE), Point-of-Purchase (POP), Internet-Initiated Web (WEB), International ACH Transactions (IAT), or Telephone-Initiated Entry (TEL) Standard Class Codes. If Customer is originating same day Entries, Customer will not submit Entries with the same Effective Entry Date, to any single transit routing and account number exceeding \$25,000.00. If Entries exceed \$25,000.00 to any account, the Entries will be converted to next available Business Day settlement.

### 3. Content

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

### 4. Transmittal of Entries by Customer

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

The total dollar amount of Customer's Entries shall not exceed the applicable limits as Umpqua may establish from time to time. Such limits may vary depending on various factors, including: (a) whether the Entries are credit or debit Entries; (b) the Standard Entry Class Code (as defined by the NACHA

Rules) for the Entries; and (c) whether Customer's account is required to be pre-funded. Limits may be established for daily amounts and across other time lines. Limits may be amended, reduced, modified or otherwise changed at any time, with or without cause or prior notice to Customer. Limits, and any changes to them, will be communicated by Umpqua to Customer via a communication, which may be electronic or paper.

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

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

#### **6. Settlement**

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

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

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

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

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

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

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

**10. ACH Redeposit Service**

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

**11. International ACH Transactions ("IATs")**

Umpqua will facilitate IAT Credit or Debit Entries to Receivers located in foreign countries approved and facilitated by the ACH Operator. Customer acknowledges that the completion of Credit or Debit Entries to or through a foreign country may or may not occur and the results of such Entries may be different from those experienced through the domestic system and Customer accepts those risks. Customer specifically bears the risk for any fluctuation in foreign exchange rates and any fees that may be imposed in or by the foreign country. Customer also bears the risk of returned Entries for a period of twelve (12) months from the Settlement Date. Customer also agrees that IAT entries may not be dishonored, reversed, or settled upon a specific date, and that the return of non-settled Entries from foreign countries are subject to the laws and regulations within that country and NACHA Rules. Umpqua is not responsible for the transmission or settlement of Entries on foreign holidays or other days in which foreign countries may not process Entries. IAT Credit or Debit Entries are not eligible for same day ACH processing. Customer is responsible for complying with OFAC regulations regarding payments to and from individuals and entities.

**12. Health Savings Accounts**

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

**13. Pre-notification**

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

**14. Prefunding ACH Entries**

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

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

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

Receiver authorizations shall authorize Umpqua to transmit corrective entries to Receiver's accounts to correct a prior Entry and shall authorize Customer to release to Umpqua all information concerning its Receivers that is required by Umpqua to recover such Entries. Customer shall immediately cease initiating Entries upon receiving actual or constructive notice of the termination or revocation of a



Receiver's authorization. Customer will retain each authorization received by Customer for such period of time as may be required by NACHA Rules or applicable law or regulation and shall provide Umpqua with copies of such authorizations upon request. Umpqua may reject any Entry that is not initiated in accordance with the TMS Agreement. If an Entry is rejected, or returned by an ACH Operator, for any reason whatsoever, it shall be Customer's responsibility to remake the Entry. Umpqua is authorized to debit or credit the account for Entries that are returned to Umpqua. Customer shall not be entitled to interest on the amount of any returned Entry debited from the account. A Receiver may, in some cases, have the right to have an unauthorized or erroneous Debit Entry credited to its account. Umpqua may deduct the amount owing to the Receiver from Customer's account upon Umpqua's receipt of proper notice of such crediting from the Receiver. Umpqua may charge back against Customer any Debit Entry that is returned or reversed. Except for rejected Entries that are resubmitted to Umpqua in compliance with the TMS Agreement, Umpqua shall have no obligation to retransmit a rejected or returned Entry.

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

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

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

If an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by Umpqua to the RDFI might be made by the RDFI (or by Umpqua in the case of an On-Us Entry) on the basis of the account number even if it identifies a person or entity different from the named Receiver, and Customer's obligation to pay the amount of the Entry to Umpqua shall not be excused in such circumstances. Customer shall indemnify and hold Umpqua harmless against all Losses and Liabilities relating, directly or indirectly, to the processing by an RDFI of an Entry in which the Receiver is described inconsistently by name and account number.

**18. Indemnification**

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



## Automated Clearing House (ACH) Blocks and Filters

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

### 1. ACH Blocks

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

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

### 2. ACH Filters

If applicable, Umpqua is hereby authorized to permit those entities identified by the Customer on the Service Application to access Customer's deposit account for purposes of ACH transactions, both debits and credits. Customer hereby grants permission and authorizes Umpqua to update any and all information on the ACH Filter Service for items that are generated internally by Umpqua. Except for an obligation to report ACH activity to Customer, Umpqua shall have no liability or other obligation to Customer regarding such permitted ACH activity in Customer's deposit account. Customer understands and agrees that, as between Customer and Umpqua, it is Customer's sole responsibility to notify Umpqua, in writing, of any change to the ACH transactions Customer has requested Umpqua to list as authorized. Customer further understands and agrees that, by using the ACH Filter Service, any ACH transactions received from an originator, whether a debit or credit to Customer's account, that does not meet the transaction criteria identified herein, or the criteria of any "Authorized" ACH transactions Customer has previously requested be added to the authorized profile, which have not expired, and those which may hereafter be added to the authorized profile, will be automatically returned to the originator.

## Cash Vault Services

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

### 1. Independent Contractor

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

### 2. Packaging of Shipments

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

### 3. Effect of Delivery to Courier

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

### 4. Deposits

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

### 5. Currency and Coin Orders

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

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

### 6. Duty to Cooperate

In the event of delay, loss, damage, destruction or reconstruction of any shipment, Customer shall fully assist and cooperate with Bank and its agents in all ways related to recovery of any loss or damage

and, to the extent reasonable, shall invoke all legal rights and use diligent efforts to reconstruct the documents. Upon payment of any loss hereunder, Bank or its insurance agent shall become entitled by subrogation to all rights and remedies, if any, of the parties with respect to such loss or damage.

**7. Location**

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

**8. Customer Type Exclusions**

The following customer types are not permitted to enroll in or use Cash Vault Services without enhanced due diligence and Umpqua's written approval:

- Adult entertainment businesses
- Dating/Escort Businesses
- Bearer Share Corporations
- Card clubs
- Casinos
- Check cashing businesses
- Correspondent Bank Accounts (foreign and domestic)
- Credit Repair or Facilitators of Credit Repair Services
- Debt Consolidation/Assistance Companies/ Student Loan Assistance Companies
- Foreign Politically Exposed Persons
- Consulates
- Embassies
- Foreign Shell Banks
- Foreign exchange houses including, without limitation, casas de cambio
- Fourth-party transactions
- Gun Trusts
- High Risk Third Party Processors
- Virtual Currency Exchangers or Administrators
- Internet gambling businesses
- Jewelry stores or gold/precious gem dealers
- Loan or finance companies

- Tier I and Tier II Marijuana businesses
- Money service businesses (MSBs): money or wire remitters/transmitters; currency dealers or exchange houses; sellers or redeemers of travelers checks, money orders or stored value cards
- Pawn shops
- Securities and commodities firms
- Shell or nominee companies

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

### InstaVault<sup>SM</sup> Service

Umpqua offers its InstaVault<sup>SM</sup> Service in connection with Umpqua's Cash Vault Services. The customer utilizes a smart safe to manage currency deposits at its sites. The deposit activity is transmitted to bank for further credit to the customers designated account.

#### 1. Provisional Expedited Credit Deposit

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

#### 2. Independent Contractor

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

#### 3. Deposit Verification

If the aggregate amount of the items processed and verified for a Safe Report is less than that reported for such Safe Report, Umpqua may debit the applicable Customer account without notice to Customer. If such Customer account has insufficient funds to cover the debit, Umpqua may debit any of Customer's other accounts with Umpqua for the difference, and Customer agrees to promptly reimburse Umpqua for the difference (or any portion thereof) upon demand by Umpqua, without setoff or counterclaim. If the aggregate amount of the items processed and verified for a Safe Report is more than that reported on such Safe Report, Umpqua will credit the applicable account for the difference without notice to Customer. In addition, if Customer's Vendor Agreement provides any guarantees or



other protection for the contents of the Equipment including but not limited to cash deposited through the currency acceptors, Umpqua reserves the right to require Customer to file a claim with such vendor before making any claim against Umpqua .



## Controlled Disbursement Services

### 1. Background

Umpqua offers controlled disbursement Services to enable Customer to automate disbursement and fund only the amount needed for that day's disbursements. Checks drawn on the Controlled Disbursement Account are presented for payment through the Federal Reserve System early each day. Umpqua receives a transmission of the Check information through the Federal Reserve System and then extracts the necessary data to provide Customer with notification of the disbursement amount for the day.

### 2. Disbursement Account

If requested by Customer and agreed to by Umpqua, Customer will open and maintain a demand deposit account ("Disbursement Account") at a financial institution specified by Umpqua ("Disbursing Bank"), which may be Umpqua or another financial institution, and a primary funding account ("Funding Account") at Umpqua. The Disbursing Bank may be a financial institution that is unaffiliated with Umpqua, a subsidiary or affiliate of Umpqua or Umpqua itself. Umpqua reserves the right to require Customer to use Umpqua's Positive Pay Service in conjunction with the use of a Disbursement Account. The Funding Account and the Disbursement Account shall be governed by the TMS Agreement regardless of whether or not the Disbursing Bank is affiliated with Umpqua. Customer hereby authorizes and directs Umpqua to act on its behalf and as its agent, as Umpqua in its sole discretion deems advisable, in performing any of the controlled disbursement Services and related Services. If the Disbursing Bank is not a Umpqua subsidiary or affiliate, Customer expressly authorizes Umpqua to obtain access, from time to time, to all records of the Disbursement Account from the Disbursing Bank. Customer hereby authorizes Umpqua to disclose to Disbursing Bank such information concerning Customer as Umpqua may deem appropriate. The Funding Account and the Disbursement Account (if at Umpqua or a Umpqua subsidiary or affiliate) shall also be governed by the Account Agreements. Any inconsistency between the TMS Agreement and the Account Agreements shall be governed by the TMS Agreement, but only regarding the subject treasury management Services.

### 3. Report of Incoming Debits

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

### 4. Funding Procedures

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

### 5. Daily Dollar Limit

A daily dollar limit ("Dollar Limit") may be established from time to time by Umpqua regarding the Disbursement Account in Umpqua's sole discretion. Disbursing Bank shall have no obligation to pay Items in excess of the Dollar Limit. Umpqua may, in Umpqua's sole discretion, at any time, either verbally or in writing, notify Customer of any change made by Umpqua in the Dollar Limit. Establishment of the Dollar Limit should not be interpreted as any commitment by Umpqua to provide any credit or

loans, nor as a commitment to debit the Funding Account when doing so would create a negative balance therein.

**6. Unavailable Funds**

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

**7. Special Circumstances**

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

**8. Action Affecting Accounts**

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

**9. Return of Items Unpaid**

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

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

**10. Stop Payment Orders**

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

## Courier Services

Courier Services are offered by Umpqua for Customers who require ground transportation for the pick-up, transportation and delivery of non-cash Banking transactions to Umpqua locations other than a cash vault. Umpqua will provide a third party courier to provide the transportation Services on Customer's behalf.

### 1. Prohibited Tenders

Customer acknowledges that Courier Services are not an armored delivery Service and agrees to tender check-only deposits to the courier. Customer shall not tender any currency, securities, documents, items, or other things which cannot be reconstructed or duplicated. Customer agrees to assume any and all risk of loss associated with tendering through the Courier Service cash or anything else that cannot be reconstructed or duplicated.

### 2. Agents

Umpqua may, from time to time, use any third party or agent to receive Customer's tenders and to deliver them to Umpqua. Umpqua will provide Customer with instructions for contacting the courier to arrange receipt and delivery of Customer's tenders to Umpqua designated locations.

### 3. Packaging

Customer shall place all deposits in a clear poly deposit bag with appropriate security features, securely sealed, and properly addressed, with the completed deposit slip on top.

### 4. Deposit Processing

Umpqua is authorized to open the bag and process the contents in accordance with Umpqua's normal procedures and any applicable availability schedules. All deposits shall be subject to verification and adjustment by Umpqua. Umpqua's verification shall be deemed correct and binding upon Customer absent manifest error. If Umpqua discovers a discrepancy between the contents of the bag and the deposit slip, Umpqua will process and deposit the contents, and complete an adjustment ticket, which will be sent to Customer. Customer will maintain an account at Umpqua for the receipt of deposits in accordance with the TMS Agreement, the Account Agreement, and any other applicable agreement between Customer and Umpqua.

### 5. Reconstruction

Customer shall maintain a complete and accurate listing of the tenders. Customer shall cooperate with Umpqua and/or any courier in the notification, identification, and replacement of any damaged, lost or destroyed tenders, including requests by Customer to the makers of checks to issue duplicates. Customer shall notify Umpqua of any damaged, lost or destroyed tenders no later than sixty (60) days following the day they were tendered to the courier. Umpqua shall have no obligation to research any damaged, lost or destroyed tenders if Customer fails to notify Umpqua within the prescribed time.

### 6. Delivery of Deposits

Deposits delivered by the courier after Umpqua's deadline for the receipt of deposits, may, at Umpqua's sole discretion, be held and credited to Customer's account, the next Business Day.



## Lockbox Services

### Lockbox Service Requirements

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

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

#### 1. Relation to Deposit Account

Customer understands and agrees that the Agreement covers the Lockbox Service and does not cover the handling or the processing of checks drawn on any accounts Customer may have with Umpqua. Except as modified by the Agreement, Remittances processed through the Lockbox remain subject to the terms and conditions of the Deposit Agreement. (For example, Customer remains subject to its obligations on Remittances to the same extent as would be the case if checks were delivered by Customer to Umpqua for direct deposit to an account with Umpqua, and items returned to Umpqua or a Provider after Lockbox processing may be charged against Customer's account in the same manner as set forth in that Deposit Agreement.)

#### 2. User Documentation and Access Agreement for Electronic Images

If approved by Umpqua, Customer may access electronic images of Remittances received at the Lockbox.

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

#### 3. Confidentiality

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

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

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

**4. Processing Remittances and Remittance Materials**

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

Umpqua shall process Remittances in accordance with following procedures:

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

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

**5. Proprietary Rights**

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

**6. Collections**

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

**7. Reconciliation**

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

**8. Statements; Notice of Discrepancy**

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

## Online Banking

### Business Online Banking Business Online Statements Business Bill Pay

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

#### 1. Customer Administrator

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

#### 2. Solicitation of Online Credentials

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

#### 3. Information Reporting and Transaction Services

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

- **Information Reporting**

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

- **Manuals, Documentation, and Training Materials**

Umpqua will provide Customer with documentation in paper or electronic format that will set forth the applicable System's policies and procedures with which Customer agrees to comply. Umpqua may, without prior notification, make amendments to any document. Umpqua owns or has obtained all proprietary rights to the documents and Customer agrees not to duplicate, distribute or



otherwise copy Umpqua's documents without Umpqua's prior written consent. Any document will at all times remain the property of Umpqua and Umpqua reserves the right to request Customer to return all printed copies of such manual within thirty (30) days of termination of the Services.

• **Customer Responsibilities**

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

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

**4. Accuracy and Timeliness of Information**

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

**5. Electronic Mail**

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

**6. Electronic Transmissions and Instructions**

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

**7. Disclaimers**

UMPQUA PROVIDES ALL INTERNET SERVICES ON AN "AS IS," "AS AVAILABLE" BASIS AND MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE INTERNET SERVICES OR THE CONTENT OR SECURITY OF ANY WEBSITE. UMPQUA DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING THE FOREGOING, UMPQUA DOES NOT WARRANT THAT THE OPERATION OF ANY WEBSITE WILL BE UNINTERRUPTED OR ERROR FREE. CUSTOMER IS RESPONSIBLE FOR TAKING APPROPRIATE PRECAUTIONS AGAINST DAMAGE TO ITS OPERATIONS WHICH COULD BE CAUSED BY INTERRUPTIONS OR MALFUNCTIONS OF ANY WEBSITE AND ASSUMES THE RISK OF SUCH OCCURRENCES.

**8. ACH Services Agreements**

Umpqua has a program wherein it initiates credit and debit entries pursuant to the NACHA Rules (the "ACH Services"). In order to be eligible to utilize ACH Services, Customer must execute a supplemental ACH Service Application. All inconsistencies between the completed ACH Service Application and this Agreement shall be resolved in favor of this Agreement. Further, Customer acknowledges that the completed ACH Service Application is modified to the extent necessary to clarify that those individuals authorized to act include all Authorized Users.

**9. Account Reconciliation**

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

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

**10. Wire Transfers**

- Funds Transfer (Wire) Agreement**

Pursuant to the separate Wire Transfer section of this Agreement, Customer authorizes Umpqua to transfer funds of Customer between any accounts of Customer at Umpqua when requested to do so in an instruction by Customer or any Authorized User to Umpqua. Any such transfer shall be in an amount not to exceed any limit established by Umpqua from time to time. To the extent of any inconsistency between the Funds Transfer (Wire) Agreement and this Agreement, this Agreement shall govern.

- Procedures**

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

- Priority**

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

- Multiple Transfers**

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

**11. Stop Payments**

- Customer may maintain certain deposit accounts with Umpqua on which it draws paper-based payment orders ("Checks"). From time to time, Customer may request, as a part of the Services, Umpqua to stop payment of a Check ("Online Stop"). Customer will initiate stop payment in accordance with the specifications established by Umpqua. *Customer acknowledges and*

*understands that the stop payment procedure outlined herein does not apply to payments made pursuant to the Business Online Banking Business Bill Payment Service.*

- **Stop Payment Orders**

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

- **Customer Responsibilities**

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

- **Umpqua's Responsibilities**

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

## 12. Inactivity

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

## Online Banking

### Business Online Statements

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

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

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

#### 1. System and Hardware Requirements

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

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

#### 2. Eligibility

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

#### 3. Frequency

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

#### 4. Content

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

#### 5. Notification

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

#### 6. E-mail Address

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



**7. History**

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

**8. Fees**

Online Statements Service with Check images is provided free of charge to applicable Online Banking Customers.

**9. Line of Credit**

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

**10. Legal Notices**

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

**11. Closed Accounts**

If Customer closes an account, the account will no longer be available for viewing online, and your final account statement will be produced via paper and mailed to Customer at the address of record. Customer may request a copy of a current or previous statement be mailed to Customer at the applicable fee.

## Online Banking

### Business Bill Pay

*The following terms and conditions apply to the Business Bill Pay Service ONLY. The Business Bill Pay Service is made available through Business Online Banking.*

#### 1. Payment Scheduling

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

#### 2. Service Guarantee

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

#### 3. Payment Authorization and Payment Remittance

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

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

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

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

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

**4. Payment Methods.**

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

**5. Payment Cancellation Requests**

You may cancel or edit any Scheduled Payment (including recurring payments) by following the directions within the application. There is no charge for canceling or editing a Scheduled Payment. Once the Service has begun processing a payment it cannot be cancelled or edited, therefore a stop payment request must be submitted.

**6. Stop Payment Requests**

The Service's ability to process a stop payment request will depend on the payment method and whether or not a check has cleared. The Service may also not have a reasonable opportunity to act on any stop payment request after a payment has been processed. If you desire to stop any payment that has already been processed, you must contact Customer Care at 800-850-7141. Although the Service will make a reasonable effort to accommodate your request, the Service will have no liability for failing to do so. The Service may also require you to present your request in writing within fourteen (14) days. The charge for each stop payment request will be the current charge for such Service as set out in the applicable fee schedule.

**7. Prohibited Payments**

Payments to Payees outside of the United States or its territories are prohibited through the Service.

**8. Exception Payments**

Tax payments and court ordered payments may be scheduled through the Service; however such payments are discouraged and must be scheduled at your own risk. In no event shall the Service be liable for any claims or damages resulting from your scheduling of these types of payments. The Service Guarantee as it applies to any late payment related charges is void when these types of payments are scheduled and/or processed by the Service. The Service has no obligation to research or resolve any claim resulting from an exception payment. All research and resolution for any misapplied, misposted or misdirected payments will be the sole responsibility of you and not of the Service.

**9. Bill Delivery and Presentment**

This feature is for the presentment of electronic bills only and it is your sole responsibility to contact your Payees directly if you do not receive your bills. In addition, if you elect to activate one of the Service's electronic bill options, you also agree to the following:

**Information provided to the Payee** - The Service is unable to update or change your personal information such as, but not limited to, name, address, phone numbers and e-mail addresses, with the electronic Payee. Any changes will need to be made by contacting the Payee directly. Additionally it is your responsibility to maintain all user names and passwords for all electronic Payee sites. You also agree not to use someone else's information to gain unauthorized access to another person's bill.

**Activation** - Upon activation of the electronic bill feature the Service may notify the Payee of your request to receive electronic billing information. The presentment of your first electronic bill may vary from Payee to Payee and may take up to sixty (60) days, depending on the billing cycle of each Payee. Additionally, the ability to receive a paper copy of your bill(s) is at the sole discretion of the Payee. While your electronic bill feature is being activated it is your responsibility to keep your accounts current. Each electronic Payee reserves the right to accept or deny your request to receive electronic bills.

**Notification** - The Service will use its best efforts to present all of your electronic bills promptly. In addition to notification within the Service, the Service may send an e-mail notification to the e-mail address listed for your account. It is your sole responsibility to ensure that this information is accurate. If you do not receive notification, it is your responsibility to periodically sign on to the Service and check on the delivery of new electronic bills. The time for notification may vary from Payee to Payee. You are responsible for ensuring timely payment of all bills.

**Cancellation of electronic bill notification** - The electronic Payee reserves the right to cancel the presentment of electronic bills at any time. You may cancel electronic bill presentment at any time. The timeframe for cancellation of your electronic bill presentment may vary from Payee to Payee. It may take up to sixty (60) days, depending on the billing cycle of each Payee. The Service will notify your electronic Payee(s) as to the change in status of your account and it is your sole responsibility to make arrangements for an alternative form of bill delivery. The Service will not be responsible for presenting any electronic bills that are already in process at the time of cancellation.

**Non-Delivery of electronic bill(s)** - You agree to hold the Service harmless if the Payee fails to deliver your bill(s). You are responsible for ensuring timely payment of all bills. Copies of previously delivered bills must be requested from the Payee directly.

**Accuracy and dispute of electronic bill** - The Service is not responsible for the accuracy of your electronic bill(s). The Service is only responsible for presenting the information we receive from the Payee. Any discrepancies or disputes regarding the accuracy of your electronic bill summary or detail must be addressed with the Payee directly.

These Terms and Conditions do not alter your liability or obligations that exist between you and your Payees.

**10. Service Fees and Additional Charges**

Any applicable fees as shown in an applicable fee schedule or otherwise will be charged regardless of whether the Service was used during the billing cycle. There may be a charge for additional transactions and other optional Services. You agree to pay such charges and authorize the Service to deduct the calculated amount from your designated Billing Account for these amounts and any additional charges that may be incurred by you. Any fees associated with your standard accounts will continue to apply. You are responsible for any and all telephone access fees and/or Internet Service fees that may be assessed by your telephone and/or Internet Service provider.

**11. Failed or Returned Transactions**

In using the Service, you are requesting the Service to make payments for you from your Payment Account. If we are unable to complete the transaction for any reason associated with your Payment Account (for example, there are insufficient funds in your Payment Account to cover the transaction), the transaction will not be completed. In some instances, you will receive a return notice from the Service. In such case, you agree that:

- You will reimburse the Service immediately upon demand the transaction amount that has been returned to the Service;
- For any amount not reimbursed to the Service within fifteen (15) days of the initial notification, a late charge equal to 1.5% monthly interest or the legal maximum, whichever rate is lower, for any unpaid amounts may be imposed;
- You will reimburse the Service for any fees imposed by your financial institution as a result of the return;
- You will reimburse the Service for any fees it incurs in attempting to collect the amount of the return from you; and,
- The Service is authorized to report the facts concerning the return to any credit reporting agency.

**12. Address or Banking Changes**

It is your sole responsibility to ensure that the contact information in your user profile is current and accurate. This includes, but is not limited to, name, address, phone numbers and email addresses. Changes can be made either within the application or by contacting Customer Care. Any changes in your Payment Account should also be made in accordance with the procedures outlined within the application's Help files. All changes made are effective immediately for scheduled and future payments paid from the updated Payment Account information. The Service is not responsible for any payment processing errors or fees incurred if you do not provide accurate Payment Account or contact information.



**13. Service Termination, Cancellation or Suspension**

If the Service is terminated by you or by Umpqua, any payment(s) the Service has already processed before the termination will be completed by the Service. All Scheduled Payments including recurring payments will not be processed once the Service is terminated. We may terminate or suspend Service to you at any time. No termination or suspension shall affect your liability or obligations under these Terms and Conditions.

**14. Payee Limitation**

The Service reserves the right to refuse to pay any Payee to whom you may direct a payment. The Service will notify you promptly if it decides to refuse to pay a Payee designated by you. This notification is not required if you attempt to make a prohibited payment or an exception payment under these Terms and Conditions.

**15. Returned Payments**

In using the Service, you understand that Payees and/or the United States Postal Service may return payments to the Service for various reasons such as, but not limited to, Payee's forwarding address expired; Payee account number is not valid; Payee is unable to locate account; or Payee account is paid in full. The Service will use reasonable efforts to research and correct the returned payment and return it to your Payee, or void the payment and credit your Payment Account. You may receive notification from the Service.

## Payroll Card Services

Umpqua's Payroll Card Services allow Customer access to and use of the Employer Card website for the purpose of setup, issuance, loading, and management of Cards to be issued to participating Customer employees ("Participating Employees") to receive compensation for work performed by Participating Employees of the Customer, in lieu of Customer's issuance of paper payroll checks to Participating Employees.

**References to Card Usage** include references to such usage whether through physical presentment at a Point of Sale ("POS") or Automated Teller Machine ("ATM"), providing the card number over the phone, through the internet or otherwise, and/or using the Card's Personal Identification Number ("PIN") , whether such usage is made by you or someone you allow to make such usage.

### 1. Acceptance

By accessing or using the Service, you agree to be bound by these Terms and Conditions, as well as any other agreements, disclosures, rules, or notices relating to the Service as may be posted on the Bank's website or otherwise made available to you, as applicable, and as amended from time to time. If you do not agree to be so bound, you must not access or use the Service. Use of the Card after the effective date of any such agreement, disclosure, rules, or notices constitutes acceptance of the same.

### 2. Ownership

The Service is property of Umpqua. We may revoke your right to use the Service at any time, with or without cause and with or without notice.

### 3. Use of the Service

Subject to the Agreement, Umpqua will provide the Service to Customer and Customer may offer the Card to each of its employees. Customer shall not require any employee to use the Card if such requirement is legally prohibited. To each Participating Employee, the Bank will issue a Visa-branded Card, per the instructions provided by the Customer in accordance herewith, through which Customer may transfer funds to the Participating Employee as provided herein.

### 5. Customer Warranties

Customer warrants to Umpqua as follows.

- At the time of each Participating Employee's enrollment, Customer will provide to each Participating Employee a Bank-specified registration package containing Bank's Cardholder Agreement, Privacy Disclosure and such other documents as Umpqua may specify. Such materials must be prepared by Umpqua or, if prepared by or on behalf of Customer, must be approved in writing by Umpqua in advance.
- At the time of each Participating Employee's enrollment, Customer will obtain from each Participating Employee a signed enrollment form, in the form originally provided by or approved in writing by Umpqua, and will ensure that all of the information requested on the enrollment form has been provided and is correct. Customer shall retain the completed enrollment form, together with any other documents or information required by Bank to verify the identity of the Participating Employee, for as long as the Participating Employee retains a Card and for seven (7) years thereafter.
- At the time of each Participating Employee's enrollment and/or in conjunction with Customer's administration of its Human Resources policies, Customer has correctly identified each Participating Employee, and each employee's participation is in compliance with all laws, including, without limitation, all laws relating to money laundering or the prevention of terrorism.
- Customer will not designate as Participating Employees, nor maintain as Participating Employees, any persons who are not Customer's bona fide current employees.
- Customer understands that the Service is a funds distribution Service only. Customer is solely responsible for compliance with all applicable federal, state and local laws, rules and regulations relating to payroll, compensation and employment matters, including, without limitation, as applicable (A) federal and state wage and hour laws; (B) proper withholding and timely remittance

of any and all taxes related thereto (e.g., local, state and federal income, payroll or social security taxes); and (C) delivery of pay stubs and similar payroll information to Participating Employees.

- Customer will appropriately segregate duties between individuals responsible for ordering cards for Participating Employees and individuals responsible for submitting ACH payroll files.

#### 6. Issuance of Cards

Customer will enroll its Participating Employees via the Service or by such other method as may be mutually agreed between Customer and Umpqua in writing. On the basis of such entry, Umpqua will issue a Card to each Participating Employee. Bank reserves the right, in its sole discretion, to decline to issue a Card to any of Customer's employees, or to suspend or revoke any Card at any time. If Umpqua issues a Card to any of Customer's Participating Employees who is a minor, customer will be responsible for any losses that Bank may incur as a result of that Participating Employee's asserting his or her minority as a defense in order to avoid paying any amounts due to Umpqua with respect to the Card.

#### 7. Delivery of Card with Cardholder Agreement

Each Card issued to a Participating Employee will be accompanied by a URL link to the Bank's website where the most recent version of the Cardholder Agreement (including, without limitation, the fee schedule) governing the Participating Employee's use of the Card is available. Umpqua may change the Cardholder Agreement, including, without limitation, the fees to be imposed on Participating Employees, at any time, as provided in these Terms and Conditions. Umpqua generally will deliver each Card directly to the Participating Employee by mail based on the delivery information for the Participating Employee supplied by Customer Card. If Umpqua is unable to deliver a Card to any Participating Employee, Umpqua will notify Customer of the non-delivery and Customer shall obtain current delivery information from the Participating Employee and provide such current information immediately upon Customer's receipt of it. Customer shall be responsible for any Losses and Liabilities Umpqua may incur as a result of Customer's failure to originally or subsequently provide Umpqua with accurate delivery information on any Participating Employee.

#### 8. Transfer of Funds

Umpqua shall not be responsible to Customer or to any Participating Employee if Umpqua is unable to complete a requested ACH transfer of funds to or from any Participating Employee at the time or in the manner Customer requested as a result of Customer's failure to supply Umpqua with the funds, transfer instructions or any other information required to complete the requested transfer, or if Umpqua does not complete a requested transfer after Customer is no longer authorized to use the Service or after a Participating Employee is no longer employed by Customer.

#### 9. Confirmation of Participating Employee Receipt of Card

Customer must confirm receipt of the requested Card with each Participating Employee before initiating any funds transfer to that Participating Employee's Card. If Customer fails to confirm this receipt of the Card, Customer will be responsible for the Participating Employee's inability to access any funds transferred to the Card and for all fraud or other Losses and Liabilities that Bank incurs in connection with any unauthorized use of funds transferred to that Card.

#### 10. Use of Cards

Each Participating Employee may access or use the funds available on his or her Card at ATM terminals owned by Bank or owned by a network in which Umpqua is a participant and at the teller of any bank displaying the VISA logo. Customer agrees that (i) funds loaded onto a Participating Employee's Card become the property of that Participating Employee and are maintained by Umpqua in a Bank pooled account established for the purpose of receiving transfers from its Card customers to fund their employee Card, and will be accounted for in a limited-purpose, stored-value subaccount for each Participating Employee; (ii) neither Customer nor any Participating Employee will be paid interest on funds that are loaded onto a Participating Employee's Card; and (iii) Umpqua is authorized to transfer funds from each Participating Employee's Card subaccount in accordance with any instructions received from the terminals or any bank displaying the VISA logo, and to pay the amount of any such transfer, plus any fees charged in connection with the transfer, to the appropriate party or parties. Bank will not be responsible for any Participating Employee's inability to access funds on a Card at any time when the Card's balance is temporarily subject to reissuance and/or transfer to another card or account due to Customer no longer being authorized to use the Service or due to Participating Employee no longer being employed by Customer.



**11. Customer's Use of Third-Party Payroll Processing Vendor**

If Customer has entered or enters into an agreement with a third party vendor providing a payroll processing Service ("Vendor"), Customer will entrust Customer employee payroll information to be used in connection with the Cards to Vendor, and Umpqua is entitled to conclusively rely on any such information provided to it by Customer's Vendor, as if it were provided directly to Umpqua by Customer. Customer shall maintain sufficient collected funds in a designated payroll account to cover its net payroll obligations for the Cards ("Payroll Account"). Customer authorizes Umpqua to transfer funds from time to time from Customer's Payroll Account to Umpqua's Card pooled account to correspond with the amount to be loaded onto the Cards of Customer's Participating Employees, as directed by Customer or by Vendor on behalf of Customer. Umpqua's Card pooled account shall be the internal account at Umpqua from which Cards, including Cards issued to employees of Umpqua customers other than Customer, will be paid. Bank may charge any of Customer's accounts with Bank if, for any reason, the funds transferred from Customer's Payroll Account to Umpqua's Card pooled account are insufficient to cover Customer's Card payroll as reported by Customer or by Vendor on Customer's behalf. Umpqua's sole obligation to Customer or any third party for any claims arising out of errors or omissions in the Services rendered by Umpqua shall be to attempt, in good faith, to have Customer or Vendor furnish correct payroll information, reports or other data, and to notify Customer or Vendor, as the case may be, to correct its computer data files, provided that Customer or Vendor on Customer's behalf, advises Umpqua of any error or omission prior to Customer's next regular Card payroll processing. Customer acknowledges that Umpqua will have no obligation to maintain records or other means whereby it can reproduce Customer's payroll, reports or data.

Customer is responsible to ensure that only its Authorized Representatives have access to the Service and that those persons use it only in the manner authorized by Customer. Umpqua shall incur no liability for any damages caused by any unauthorized use. Customer is also responsible for ensuring that all Card payroll transfer information related to the amounts to be loaded on Customer's Cards contain accurate information, including, without limitation, the accurate name to which the payroll transfer is payable, the Card number or Bank Card pooled subaccount number and the exact amount of the payroll transfer.

**12. Bank's Duties**

The extent of Umpqua's duties under this Service is, subject to the limitations of liability and other terms hereof, to transfer funds from time to time from Customer's Payroll Account to Umpqua's pooled Card account to be loaded on to the Cards of Customer's Participating Employees pursuant to the information and authorization from Customer or Vendor as set forth above. Umpqua shall not be responsible for the accuracy of any information produced by either Customer or Vendor or for the accuracy of the completed transfers to (loading of) Cards based on information provided by Customer or Vendor. Nothing contained herein shall be deemed to relieve Customer of any duty that may be imposed by state or federal law on Customer, including, without limitation, any laws requiring Customer to maintain records regarding its employees and their employment. Nothing contained herein shall be construed to imply that a joint venture or partnership is created between Customer, Umpqua and/or any other person or entity, including, without limitation, any Vendor.

**13. Lost, Stolen or Destroyed Card**

If Customer becomes aware that a Card has been lost, stolen or destroyed, Customer shall advise the affected Participating Employee to report the lost, stolen or destroyed Card to Umpqua in accordance with the procedures set forth in the Cardholder Agreement. After the Participating Employee reports the loss, theft or destruction of his or her Card in accordance with the Cardholder Agreement, a "hot card" designation will be placed against the lost, stolen or destroyed Card, the Participating Employee's balance will be transferred to a new Card subaccount, and a replacement Card will be issued to the Participating Employee, provided, however, Umpqua may condition the issuance of a replacement Card upon its receipt of any affidavits, declarations or other documents Bank determines are reasonable in order to verify or confirm that the Card has actually been lost, stolen or destroyed. Customer may also contact Umpqua to report a lost, stolen or destroyed Card it becomes aware of but, until the affected Participating Employee reports the loss, theft or destruction of his or her Card in accordance with the Cardholder Agreement, the Customer's report will result only in the placement of a "hot card" designation on the Card in question and the transfer of the Participating Employee's balance out of the lost, stolen or destroyed Card subaccount, but not the issuance of a replacement Card.

Upon receipt of any report from Customer and/or an affected Participating Employee of a lost, stolen or destroyed Card, Umpqua will exercise good faith and ordinary care in implementing policies and procedures described above. If Umpqua inadvertently permits a withdrawal or a transaction on the affected Card after a proper report by the affected Participating Employee, but prior to its termination and replacement, or fails to correct or reverse an ACH transfer properly requested by Customer, Customer is required to prove that a direct loss has been suffered by it and, if so, the amount of such loss, before Customer shall be entitled to receive a credit to its Payroll Account. If Umpqua determines that it is legally obligated to credit the Customer's Payroll Account, and in fact does so, Bank shall have all of Customer's rights and remedies against the Cardholder and Customer agrees to cooperate and assist Umpqua in its effort to collect the amount of the withdrawal or transaction.

#### 14. Transfers From Customer Payroll Account to Bank Prepaid Card Pooled Account

- Customer authorizes Umpqua to transfer funds of Customer from the designated Payroll Account of Customer at Umpqua when requested to do so in an instruction by Customer to Umpqua.
- Funds will be transferred in accordance with mutually-agreed upon security procedures. Such procedures are solely for the purpose of verifying the origination (but not errors in transmission or content) of funds transfer orders. Customer agrees that any such procedures are commercially reasonable. If a funds transfer order received by Umpqua purports to have been transmitted or authorized by Customer and Umpqua has acted in compliance with such procedures, then such funds transfer order shall be deemed effective, and Customer shall be obligated with respect thereto.
- Umpqua in its sole discretion may execute funds transfers in any order convenient to Bank. Umpqua shall not be liable for failure to execute any funds transfer order for which Customer has not provided Bank with complete information or which would violate these Terms and Conditions or any other agreement between Customer and Umpqua or any applicable law. Customer shall submit funds transfer orders to Umpqua prior to the daily cut-off time established by Umpqua from time to time. Any funds transfer order received by Umpqua after its daily cut-off time may be processed on the next banking day. Customer assumes responsibility for verifying availability of funds at the time of funds transfer orders.
- If more than one funds transfer is made at or about the same time and the available funds in the applicable Card Payroll Account do not cover all of such funds transfer orders, Umpqua at its option may execute as many of such funds transfer orders as possible within the dollar limits of such available funds, in any order convenient to Umpqua.

#### 15. ACH Funds Transfers

- If agreed to by Umpqua, Customer may initiate ACH Credit Entries to its Payroll Account in accordance with Umpqua's security procedures, and other relevant provisions of the Agreement, including, without limitation, all of the provisions regarding the ACH Services.
- If Customer initiates ACH Credit Entries through a Vendor or other third-party provider, such Vendor or other third-party provider is the agent of Customer and not of Umpqua. If Customer uses a Vendor or other third-party provider, Customer shall be deemed to have authorized Umpqua to follow the instructions of such Vendor or other third-party provider to the same extent and under the same conditions as would apply if the instructions came direct from Customer and Customer shall be responsible for insuring that such Vendor or other third-party provider and Customer fully comply with the ACH Rules, as now existing or hereafter amended, applicable to third-party providers, including "third-party senders," and with these Terms & Conditions. Umpqua is not responsible for the acts or omissions of any such Vendor or other third-party provider and Customer agrees to be liable for and hold Umpqua harmless from, any Losses and Liabilities caused by the acts or omissions of the Customer's Vendor or other third-party provider.
- Customer is responsible for any transfers initiated by Customer or a Vendor, including, without limitation, any underpayment, overpayment, or disputed amount.

## Positive Pay Services

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

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

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

### 1. Format Specifications

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

### 2. Information

Customer will provide Umpqua with a file of all outstanding Items before activation of the Positive Pay Services. On each day that an Item is written against an account, Customer shall supply Umpqua with all required Item information before the deadline established by Umpqua, which deadline may be changed by Umpqua from time to time, including the account number, the issue date, the Item number, and the face amount of the Item. All information provided to Umpqua by Customer hereunder shall be provided electronically in accordance with the TMS Agreement and any other applicable agreement between Customer and Umpqua, including any online Banking agreement. Customer shall be responsible for the accuracy and completeness of all information provided to Umpqua. In reliance on the information provided by Customer, Umpqua shall create a master issue file for each designated account ("Issued Item File"). Excluding valid stop payment orders and issue records voided at Customer's request, all Items that match by serial number and amount to Umpqua's Issued Item File will be deemed properly payable and Umpqua is authorized to pay such Items.

### 3. Exception Items

Each Business Day, Umpqua shall make reasonable efforts to report to Customer any Item serial numbers that do not match the Issued Item File for that day's presentment. Unless otherwise agreed to in writing by Umpqua, Umpqua is authorized to return or reject any digitized image of an item in its sole discretion, with or without cause, including any item that Umpqua determines to be ineligible for the Service (each, an "Exception Item"), including, without limitation, electronic images of paper items drawn on banks located outside of the United States, electronic images that are illegible, electronic images of items previously converted to Substitute Checks, and electronic images with unreadable MICR information, unless Customer instructs Umpqua to pay an Exception Item before the established deadline. Umpqua may rely on any instructions received from Customer that Umpqua reasonably believes to be genuine. Umpqua shall have no responsibility for any liability, loss or damage resulting from any payment in accordance with the TMS Agreement of any Exception Item that is altered or unsigned or which bears the forged or unauthorized signature of Customer, return of any Excepted Item to the depository Umpqua in accordance with the TMS Agreement, or Customer's failure to meet the deadlines for the Positive Pay Services. Customer may be required to place a stop payment order on



any Exception Item, which shall be subject to Umpqua's customary stop payment fee. Umpqua's failure to report a discrepancy will not discharge Customer's obligation regarding any Item, and shall not obligate Umpqua to return any Item if it is otherwise properly payable.

#### 4. Teller Positive Pay

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

#### 5. Payee Positive Pay

If Customer selects this option, Customer's Item stock will be subject to testing to ensure it meets Umpqua's requirements for payee name readability. Customer shall identify to Umpqua all accounts subject to Payee Positive Pay. In addition to the issued item information provided by Customer for the Positive Pay Service as described in Section 2 above, Customer shall supply Umpqua with the payee name for each item issued by Customer. Customer shall be responsible for the accuracy and completeness of the payee information provided to Umpqua. In reliance on the payee information provided by Customer, each Business Day, Umpqua shall make reasonable efforts to report to Customer any payee names that do not match the Issued Item File for that day's presentment. Customer acknowledges that Umpqua will not be able to validate payee information for electronically converted items presented to Umpqua for payment. Umpqua may, in its sole discretion, impose variable parameters for which the payee information will not be reviewed or for certain items processed through the back office. If such parameters are imposed, Umpqua agrees to assume the risk of loss for an item that would have been identified and reported to Customer as an exception item solely on the basis of the payee information.

#### 6. Reverse Positive Pay

**Paid File.** Customer shall identify to Umpqua all Accounts subject to Reverse Positive Pay. Prior to the designated time, Umpqua will provide to Customer a listing of items presented for payment against an identified account. Information in the reporting will include, without limitation, the Account number, check number, and the amount of the presented item (the "Paid File"). By electing Reverse Positive Pay, Customer assumes all fraudulent and other risks associated with teller-cashed items.

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

#### 7. ACH Positive Pay

ACH Positive Pay allows Customers to view ACH exceptions and make decisions to pay or return them. Customer shall identify to Umpqua all Accounts subject to ACH Positive Pay. ACH transactions are compared against conditions, called payment rules ("Payment Rules"), which determine whether they



will be charged to the designated account or blocked. If a transaction matches the condition criteria set by Customer, it will be processed and charged to the Customer's designated account. Blocked transactions will be presented to Customer to make a decision whether to pay or return them. Information in the reporting of blocked transactions will include, without limitation, the Account number, the name of the originating company, the amount, and the effective date of the transaction. Customer can create new payment rules based on exceptions you decide to pay, which will prevent future exceptions from being generated for the same originating companies. If no decision is made by Customer to pay or return exception items by the deadline established by Umpqua, the blocked items will be returned.

## Remote Deposit

Umpqua offers Remote Deposit for the electronic clearing of Checks, which enables Customer to convert Checks to electronic Items and to transmit those Items electronically for deposit into Customer's account at Umpqua.

1. **Software and Equipment.** Except as otherwise provided herein, Umpqua will deliver to Customer, or otherwise provide Customer with access to, the software to be used for this Service ("Software") under a license as described in the General Provisions hereof. Customer shall use only equipment authorized by Umpqua for this Service ("Authorized Equipment"). If agreed to by the parties in writing, Umpqua may provide Authorized Equipment to Customer for a use fee ("Umpqua Provided Authorized Equipment"), which shall remain Umpqua property, or through a sale, which shall become Customer's property. If Customer uses Umpqua Provided Authorized Equipment, Customer shall pay Umpqua the applicable equipment use fees (or the applicable Remote Deposit Service fees if the equipment use fees are bundled therein), and shall abide by all usage terms as set by Umpqua, as may be modified from time to time by Umpqua. If Customer uses Umpqua Provided Authorized Equipment and later decides to use its own Authorized Equipment, Customer must return to Umpqua the Umpqua Provided Authorized Equipment and must purchase new replacement Authorized Equipment from Umpqua or else obtain new or used Authorized Equipment from another source.
2. **Communication.** Unless an alternate form of communication is agreed upon by Umpqua and Customer, Umpqua will communicate to Customer by way of e-mail for system updates, system downtime, and all other system related information.
3. **Deposits.** Umpqua will accept for deposit to the designated account digitized images of Checks that are transmitted to Umpqua in compliance with the TMS Agreement. Digitized images shall be deemed received upon confirmation by Umpqua of the successful receipt of images that are complete, usable, and adhere to the data specifications of the TMS Agreement. If the digitized images are not complete, are not useable, or do not adhere to such data specifications, the images may not be processed by Umpqua or its agents, in which event, Customer will be notified and Customer's deposit will be adjusted.
4. **Account Crediting.** Customer's digitized images will be processed after Umpqua has received Customer's transmission of the digitized images. Umpqua will use commercially reasonable efforts to present Image Exchange Items and Substitute Checks for collection. Unless Umpqua notifies Customer otherwise, Umpqua will provide same day credit to the account for all Items transmitted by Customer and received by Umpqua in accordance with the requirements of the TMS Agreement, and within the timelines established by Umpqua.
5. **Returned Items.** If a Check is returned to Umpqua for any reason, Umpqua may charge the account for such returned Item, whether or not the return is timely and proper, and may either return the Item to Customer, or re-present it to the Payor Financial Institution before returning it to Customer. Items may be returned as Image Exchange Items, rather than Substitute Checks. If a Payor Financial Institution, drawee of a Check or other third party makes a claim against Umpqua or seeks a re-credit regarding any Check processed hereunder, Umpqua may provisionally freeze or hold aside a like amount in the account pending investigation and resolution of the claim.
6. **Suspension of Services.** Umpqua may immediately suspend Services or the processing of any Check or corresponding Digitized Item if Umpqua has reason to believe that there has been a security breach, fraud, or any uncertainty as to the authorization or accuracy of Digitized Items. Umpqua reserves the right at any time to process Digitized Items on a collection basis.
7. **Non-waiver.** Umpqua's processing of any non-conforming Items, including any Items that do not meet the definition of "Check" hereunder, shall not constitute a waiver by Umpqua or obligate it to process such non-conforming Items in the future. Umpqua may discontinue processing of non-conforming Items at any time, without cause or prior notice.
8. **Umpqua's Right of Refusal.** Umpqua reserves the right to refuse to process any and all non-imageable Items, including: Items in carrier documents, including forward Items, return Items and savings bonds; photocopies in lieu; notice in lieu of return; foreign Items; mutilated or altered Items,



## Treasury Management Services – Terms and Conditions

Umpqua Bank

Checks payable to a third party, Checks that are irregular in any way (e.g., where the numerical and written amounts are different), Checks that are postdated or more than 6 months old, Checks payable to cash, any Checks that exceed the transaction limitations that Umpqua established from time to time, or Items out of compliance with MICR standards for Check printing and MICR line requirements.

9. **No Drafts.** Customer acknowledges and agrees that drafts are ineligible for deposit or processing under these Services.
10. **Equipment.** Customer may use only Authorized Equipment in connection with the Software. Customer, and not Umpqua, shall be solely responsible for maintaining and repairing all Authorized Equipment that is not Umpqua Provided Authorized Equipment. Umpqua will provide repair or replacement Service for Umpqua Provided Authorized Equipment. In either case, Customer, and not Umpqua, shall be solely responsible for purchasing all supplies and consumables necessary to operate the Authorized Equipment (i.e. whether such equipment is the Customer's own Authorized Equipment or it is Umpqua Provided Authorized Equipment).
  - a. Customer will use the Authorized Equipment and the Software in compliance with the TMS Agreement and will not bypass, override or disable any security mechanisms in the Authorized Equipment or Software.
  - b. Customer will ensure the Authorized Equipment is clean and operating properly, and inspect and verify that the digitized images of Checks are legible for all posting and clearing purposes.
11. **Duplicate Presentment Prohibited.** Customer will ensure that no financial institution (depository, collecting or payor), drawee, drawer or endorser regarding a Check processed by Customer will receive presentment or return of, or otherwise be charged for, any Item that has already been paid, whether the Item is a Check (including the Original Check and/or Substitute Check), corresponding Electronic Item, and/or other paper or electronic representation of the Check.
12. **Retention Requirements.** Customer will provide Umpqua with the Original Checks that are still within Customer's possession (or copies of the front and back of the Check) within five (5) Business Days of Umpqua's request. Customer will retain each check for a reasonable period of time, but in no event fewer than 14 days and a maximum of sixty days, and will then destroy the check using commercially accepted practices for document destruction. Once Umpqua confirms its receipt of Check, Customer agrees that Customer will not attempt, directly or indirectly, to negotiate, deliver, transfer or deposit the Original Checks (or a copy of such Check, whether in paper or electronic form) with Umpqua or others. Customer agrees to adopt commercially reasonable security procedures in connection with the storage and destruction of original Checks and any copies of such Checks.
13. **Records.** Customer will retain all information about its digitizing of Checks as created by the Software. In the event of lost, mistaken, incomplete or unusable Electronic Items, or in the event of claims of fraud, alteration, counterfeit or otherwise, Customer shall cooperate with Umpqua in providing information, including access to such records.
14. **Ineligible Items.** Except as otherwise agreed in writing by Umpqua and Customer, Customer will not use the Services to deposit or otherwise process Non-cash Items, Items for which Customer is not a holder-in-due-course, or Substitute Checks, except those which have been returned to Customer for any reason. If Customer captures for processing a digital image of a previously truncated and reconverted Substitute Check returned to Customer by Umpqua, Customer will ensure that no information has been deleted or degraded from such Substitute Check as returned by Umpqua. If Customer captures for processing a digital image of any other previously truncated and reconverted Substitute Check, Customer shall ensure that such Substitute Check meets the requirements for legal equivalency under Regulation CC and the identifications of previous truncating and reconvert Umpqua's (as such terms are defined in Regulation CC) are preserved.
15. **Errors and Adjustments.** If Umpqua finds a discrepancy between the amount collected or paid on a Check and the amount credited or debited in Customer's account, Umpqua will make the appropriate adjustments and notify Customer thereof by mail. Umpqua security procedures are not designed for the detection of errors (e.g., duplicate transmissions of Check images or errors in information that

Customer provides to Umpqua). Umpqua will not be obligated to detect errors by Customer, even if Umpqua can take certain actions from time to time to do so.

- 16. Customer Representations.** Customer makes the following representations and warranties regarding each Check processed by Customer hereunder and the corresponding Digitized Item: the Digitized Item is a digitized image of the front and back of the Check and accurately represents all of the information on the front and back of the Check as of the time Customer converted the Check to a Digitized Item; the Digitized Item contains all endorsements applied by parties that previously handled the Check in any form for forward collection or return; and all encoding, transfer and presentment warranties otherwise made under applicable laws, regulations and the account Agreement, including all applicable warranties under Regulation CC and under the Uniform Commercial Code shall apply as if the Check were an "Item" thereunder.
- 17. Customer Audits.** After initially determining Customer's suitability for Remote Deposit Services, Umpqua reserves the right to periodically evaluate Customer's operational controls including, but not limited to, separation of duties, implementation of dual controls, endorsement of items to prevent redeposit, and secure storage and disposal of original checks on-site; assessing how Customer's employees responsible for depositing items will be trained; and reviewing the physical and logical security measures surrounding Customer's implementation of the Remote Deposit Service. Umpqua may request self-evaluations from Customer or, at Umpqua's discretion, choose to perform such evaluations during on-site visits.
- 18. Hours of Operation.** Services may be utilized 24 hours a day, seven days a week, except when Umpqua's system is unavailable due to needed maintenance or system outages. Deposit information received on or after Umpqua's Service cutoff hour (which Umpqua may change from time to time) or on a Saturday, Sunday, or Banking holiday, may be deemed received by Umpqua as of the next Business Day. Please refer to the applicable user documentation for more information. Umpqua is not responsible for the unavailability of Service or any damages that may result from its unavailability. If Service is not available for any reason, Customer may deposit its Checks directly at any Umpqua branch.
- 19. Availability.** If Umpqua confirms its receipt of Customer deposit information on a Business Day before the cutoff hour as noted in the applicable user documentation, Umpqua will consider that day to be the day of deposit. Umpqua will make funds from Customer Check deposits available to Customer in the timeframes, amounts, and otherwise as specified in the Account Agreement. If a Payor Financial Institution, drawee of a Check or another third party makes a claim against Umpqua or seeks a re-credit regarding any Check processed through Service; Umpqua may provisionally freeze or hold aside a like amount in Customer account pending Umpqua's investigation and resolution of the claim. Umpqua may also charge Customer account for any Check that is returned, whether or not the return is timely or proper.

## Remote Image File Deposit

Umpqua offers Remote Image File Deposit for the electronic clearing of Checks, which grants the ability to electronically submit image files via a Umpqua-provided, secure FTP server for deposit into Customer's account at Umpqua.

1. Customer will be provided with system access information and file specifications. Customer shall comply with the specifications provided by Umpqua. The system access information and/or the file specifications may change from time to time. Umpqua shall provide Customer with Credentials to allow access to Umpqua's FTP server. Customer is solely responsible to assure the confidentiality of the Credentials and for Customer's own security procedures, security devices and codes and assumes all risk of accidental disclosure or inadvertent use of the Credentials, whether or not such disclosure or use is on account of Customer's negligent or deliberate acts or otherwise. If Customer or its agents have reason to believe that any Credentials or security feature has or may become known by unauthorized persons (whether or not employed by Customer), Customer shall immediately notify Umpqua by telephone and confirm such verbal notification in writing to Umpqua within twenty-four (24) hours. Umpqua reserves the right to change the Credentials by giving verbal or written notice to Customer.
2. Customer agrees to use its own equipment and software to create Remote Image Deposit files according to the required specifications provided by Umpqua, including X9.37 IQA requirements, X9.37 Record Type Descriptions, and X9.37 Record Type Breakdown.
3. Umpqua will communicate to Customer by way of e-mail unless an alternative form of communication is agreed upon by both Umpqua and Customer for system updates, system downtime, or all other system related information.
4. Umpqua will maintain and support an FTP ("File Transfer Protocol") server to support the file transmission protocol as reasonably necessary to permit Customer's processing of Checks through the Service. Customer will transmit the data file to the FTP server. Such maintenance and support shall include corrections, work-a-rounds and bug fixes, such modifications, enhancements and updates as Umpqua elects to make generally available to its Customers including telephone support to Customer during Umpqua's regular business hours.
5. Umpqua will accept for deposit to the designated account digitized images of Checks that are transmitted to Umpqua in compliance with these Terms & Conditions. Digitized images shall be deemed received upon confirmation sent by Umpqua to Customer of the successful receipt such images that are complete, usable, and adhere to the data specifications of the TMS Agreement. If the digitized images are not complete, are not useable, or do not adhere to such data specifications, the images may not be processed by Umpqua or its agents, in which event Customer will be notified and Customer's deposit will be adjusted.
6. Customer's digitized images will be processed after Umpqua has received Customer's transmission of the digitized images. Umpqua will use commercially reasonable efforts to present Image Exchange Items and Substitute Checks for collection. Unless Umpqua notifies Customer otherwise, Umpqua will provide same day ledger credit to the account for all Items transmitted by Customer and received by Umpqua in accordance with the requirements of the TMS Agreement, and within the timelines established by Umpqua.
7. If a Check is returned to Umpqua for any reason, Umpqua may charge the account for such returned item, whether or not the return is timely and proper, and may either return the Item to Customer, or represent it to the Payor Financial Institution before returning it to Customer. Items may be returned as Image Exchange Items, rather than Substitute Checks.
8. Umpqua may immediately suspend the Services or the processing of any Check or corresponding Digitized Item if Umpqua has reason to believe that there has been a breach in the security of the Service, fraud involving Customer's account or such Check, or any uncertainty as to the authorization or accuracy of Digitized Items. Umpqua reserves the right at any time to process Digitized Items on a collection basis.



9. Umpqua's processing of any non-conforming Items, including, any Items that do not meet the definition of "Check" hereunder, shall not constitute a waiver by Umpqua or obligate it to process such non-conforming Items in the future. Umpqua may discontinue processing of non-conforming Items at any time, without cause or prior notice.
10. Umpqua reserves the right to refuse to process any and all non-imageable Items, including: (i) Items in carrier documents, including forward Items, return Items and savings bonds; (ii) photocopies in lieu; (iii) notice in lieu of return; (iv) foreign Items; (v) mutilated or altered Items, (vi) Checks payable to a third party, (vii) Checks that are irregular in any way (e.g., where the numerical and written amounts are different), (viii) Checks that are postdated or more than 6 months old, (ix) Checks payable to cash, (x) any Checks that exceed the transaction limitations that Umpqua established from time to time or (xi) Items out of compliance with MICR standard for Check printing and MICR line requirements.
11. Customer acknowledges and agrees that drafts are ineligible for deposit or processing under these Terms & Conditions.
12. Customer will use the transmission method, including for entering, processing and transmittal of Items, in accordance with the TMS Agreement, including all security procedures described in the documentation that is part of the TMS Agreement, and will not bypass, override or disable any security mechanisms.
13. Customer shall comply with Umpqua's format and data transmission standards for the Service. Customer agrees to transmit images in the file in accordance with Umpqua's specifications and will change file format when requested to do so by Umpqua.
14. Customer will ensure that no financial institution (depository, collecting or payor), drawee, drawer or endorser regarding a Check processed by Customer will receive presentment or return of, or otherwise be charged for, any Item that has already been paid, whether the Item is a Check (including the Original Check and/or Substitute Check), corresponding Digitized Item, and/or other paper or electronic representation of the Check.
15. Customer will retain each Check for the period specified in the TMS Agreement. Customer will provide Umpqua with the Original Checks that are still within Customer's possession (or copies of the front and back of the Check) within five (5) Business Days of Umpqua's request. After sixty (60) days, Customer will immediately destroy the Original Check, unless Umpqua advises Customer otherwise in writing. Once Umpqua confirms its receipt of Check, Customer agrees that Customer will not attempt, directly or indirectly, to negotiate, deliver, transfer or deposit the Original Checks (or a copy of such Check, whether in paper or electronic form) with Umpqua or others. Customer agrees to adopt commercially reasonable security procedures in connection with the storage and destruction of Original Checks and any copies of such Checks.
16. Customer will retain all information about its digitizing of Checks as created by their Software system. In the event of lost, mistaken, incomplete or unusable Digitized Items, or in the event of claims of fraud, alteration, counterfeit or otherwise, Customer shall cooperate with Umpqua in providing information, including access to such records.
17. Except as otherwise agreed by Umpqua and Customer, Customer will not use the Services to deposit or otherwise process Noncash Items, Items for which Customer is not a holder-in-due-course, or Substitute Checks, except those which have been returned to Customer for any reason. If Customer captures for processing a digital image of a previously truncated and reconverted Substitute Check returned to Customer by Umpqua, Customer will ensure that no information has been deleted or degraded from such Substitute Check as returned by Umpqua. If Customer captures for processing a digital image of any other previously truncated and reconverted Substitute Check, Customer shall ensure that such Substitute Check meets the requirements for legal equivalency under Regulation CC and the identifications of previous truncating and reconverting Umpqua's (as such terms are defined in Regulation CC) are preserved.

## Treasury Management Services – Terms and Conditions

Umpqua Bank

18. If Umpqua finds a discrepancy between the amount collected or paid on a Check and the amount credited or debited in Customer's account, Umpqua will make the appropriate adjustments and notify Customer thereof by mail. Umpqua security procedures are not designed for the detection of errors (e.g., duplicate transmissions of Check images or errors in information that Customer provides to Umpqua). Umpqua will not be obligated to detect errors by Customer, even if Umpqua can take certain actions from time to time to do so.
19. Customer is required to scan the Original Check and create a deposit file. The deposit file is then transmitted to Umpqua. Umpqua will confirm receipt of the deposit file. After Customer receives the electronic confirmation, it is recommended that Customer rescan the Original Check in a manner so that the front of the Original Check is Franked with the words "Item Electronically Processed" (hardware permitting). Once the Original Check is franked, the Item must be securely stored in accordance with these Terms & Conditions.
20. Each time Customer transmits a Digitized Item or any other information to Umpqua, Customer warrants that Umpqua's security procedures are commercially reasonable (based on the normal size, type, and frequency of Customer's transactions). Customer agrees to be responsible for any transmission Umpqua receives through the Service, even if it is not authorized by Customer, provided it includes Customer's password or is otherwise processed by Umpqua in accordance with the security procedures provided herein.
21. Customer makes the following representations and warranties regarding each Check processed by Customer hereunder and the corresponding Digitized Item: the Digitized Item is a digitized image of the front and back of Check and accurately represents all of the information on the front and back of Check as of the time Customer converted Check to an Digitized Item; the Digitized Item contains all endorsements applied by parties that previously handled Check in any form for forward collection or return; and all encoding, transfer and presentment warranties otherwise made under applicable laws, regulations and the account Agreement, including all applicable warranties under Regulation CC and under the Uniform Commercial Code shall apply as if Check were an "Item" thereunder.
22. The Services may be utilized 24 hours a day, seven days a week, except when Umpqua's system is unavailable due to needed maintenance or system outages. Deposit information received on or after Umpqua's Service cutoff hour (which Umpqua may change from time to time) or on a Saturday, Sunday, or Banking holiday, may be deemed received by Umpqua as of the next Business Day. Please refer to the Additional Information disclosure for more information. Umpqua is not responsible for the unavailability of the Services or any damages that may result from its unavailability. If the Service is not available for any reason, Customer may deposit its Checks directly at any Umpqua branch.
23. If Umpqua confirms its receipt of Customer deposit information on a Business Day before the cutoff hour as noted in the Additional Information disclosure, Umpqua will consider that day to be the day of deposit. Umpqua will make funds from Customer Check deposits available to Customer in the timeframes, amounts, and otherwise as specified in the Account Agreement. If a Payor Financial Institution, drawee of a Check or another third party makes a claim against Umpqua or seeks a re-credit regarding any Check processed through the Service; Umpqua may provisionally freeze or hold aside a like amount in Customer account pending Umpqua's investigation and resolution of the claim. Umpqua may also charge Customer account for any Check that is returned, whether or not the return is timely or proper.
24. Umpqua will not be liable to Customer for any of the following: any damages, costs or other consequences caused by or related to Umpqua's actions that are based on information or instructions that Customer provides to Umpqua; any unauthorized actions initiated or caused by Customer or its employees or agents; the failure of third persons or vendors to perform satisfactorily, other than persons to whom Umpqua has delegated the performance of specific obligations provided in these Terms & Conditions; any refusal of a Payor Financial Institution to pay an Digitized Item or Substitute Check for any reason (other than the breach of contract, gross negligence or willful misconduct of Umpqua), including that Check, Digitized Item or Substitute Check was allegedly unauthorized, was a counterfeit, had been altered, or had a forged signature; any lack of access to the Internet or inability to transmit or receive data; failures or errors on the part of Internet Service providers, telecommunications providers or any other party's own internal systems, actions by third parties, such as the introduction of a virus, that delay, alter or corrupt the transmission of an Digitized Item to Umpqua; or any of the matters described in Section 8 above.



25. Umpqua's liability for errors or omissions regarding the data transmitted or printed by Umpqua will be limited to correcting the errors or omissions. Correction will be limited to reprinting and/or re-presenting Substitute Checks or Digitized Items to the Payor Financial Institution.



## Special Depository Services

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

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

All funds deposited into the DP Account are transferred to Customer's Umpqua account.

All checks deposited into the DP Account will be drawn and payable only to Customer.

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

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

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

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

## Sweep Services

### Cash Management Repurchase Agreement (“Investment Sweep”)

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

1. **Description of Automatic Investments.** Regarding the DDA Transaction Account (“Transaction Account”), Customer and Umpqua shall agree upon an amount (“Target Balance”) of collected funds in the Transaction Account (“Collected Balance”).

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

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

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

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

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

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

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

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

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

4. **REPURCHASE OBLIGATION FUNDS ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ("FDIC") OR ANY OTHER GOVERNMENT AGENCY. THIS OBLIGATION IS NOT A SAVINGS ACCOUNT OR A DEPOSIT. REPURCHASE OBLIGATIONS INVOLVE THE SALE AND PURCHASE OF SECURITIES. THEY ARE SUBJECT TO INVESTMENT RISK, INCLUDING WITHOUT LIMITATION POSSIBLE LOSS OF PRINCIPAL. PAST PERFORMANCE OF AN INVESTMENT SHOULD NOT BE CONSIDERED AS A GUARANTEE OF FUTURE RESULTS.**
5. **Confirmation and Periodic Statements.** Umpqua will confirm in writing the specific Securities that it will sell to Customer under the TMS Agreement at the end of each Business Day that a transaction occurs. As and to the extent required by law, the confirmation shall describe the purchased securities (including CUSIP number, if any), identify Buyer (Customer) and Seller (Umpqua), and the purchase date, market price, redemption value applicable to the transaction, and any additional terms of the transaction not inconsistent with the TMS Agreement. The confirmation, together with the TMS Agreement, shall constitute conclusive evidence of the terms agreed between Buyer and Seller regarding the transaction to which the confirmation relates, unless a confirmation-specific objection is made promptly after receipt thereof. Regarding any inconsistency between such confirmation and the TMS Agreement, the TMS Agreement shall prevail.
6. **No Assignment.** The TMS Agreement is not negotiable and not assignable by Customer. Umpqua reserves the right to modify the TMS Agreement, or any portion thereof, upon written notice to Customer.
7. **Notice Regarding Swept Funds.** Until completion of the sweep, funds swept out of the Transaction account in payment for Customer's purchase from Umpqua of Securities under the TMS Agreement will be Deposits. Upon completion of the sweep, they will no longer be Deposits and Customer will have no interest in them if Umpqua fails, but rather will be the legal owner of the Securities thus purchased. Until completion of the sweep, funds swept back into the account as a result of Umpqua's repurchase of Securities from Customer, under the TMS Agreement, will not be Deposits and Customer will have no interest in them if Umpqua fails, but rather will continue to be the legal owner of the Securities. Upon completion of the sweep, the swept funds will be Deposits again and Customer will no longer have an interest in the Securities thus repurchased.

For purposes of this notice, "Deposits" means (a) deposits within the meaning of 12 U.S.C. 1813(l) if the financial institution is FDIC insured, and (b) credit union or other depository shares or deposits if it is not.

## Loan Sweep

1. **Introduction.** If Customer is granted a Revolving Line of Credit by Umpqua, Customer will request and authorize Umpqua to advance available funds on the Line of Credit and then transfer those funds from the Line of Credit Note ("Note") and deposit them in Customer's checking account ("Checking Account") to pay Checks or other Items or charges presented daily for payment and to maintain the ("Target Balance") in the Checking Account.
2. **Overdrafts.** In the administration of the Loan Sweep Service ("Service"), no advance of principal will be made against the Note, for deposit into the Checking Account or otherwise, unless Customer has complied with the TMS Agreement including the requirement that any advance would not cause the loan balance to exceed the permitted amount of the Note or credit availability based on eligible collateral. Any item in excess, in part or in whole, of the available credit will be an overdraft under the applicable Account Agreement. Umpqua reserves the right, in its sole discretion, to either pay or not pay the Items creating an overdraft. The Checking Account will then be subject to all charges normally assessed by Umpqua for paying overdraft items or returning the Checks or other Items. The availability of credit under the Note for advances to the Checking Account is subject at all times to the terms of the Note, the TMS Agreement, and the Account Agreement, and any other agreement between Customer and Umpqua, and may not be available if Customer is in default under any of the foregoing.
3. **Umpqua's Right of Refusal.** No advances may be made if the Line of Credit has matured, and has not been renewed by Umpqua, or if Customer is in default of any provision of the Note, any other document or instrument executed and delivered in connection with the Note and Line of Credit, or other debts or obligations owed to Umpqua, or any other agreement with Umpqua, and Umpqua reserves the right to suspend or cancel the loan sweep Service, without prior notice to Customer in the event of any such default. Loan Sweep Service is only available to Customers with risk quality and credit standing that is acceptable to Umpqua. If Customer's risk quality or credit standing becomes unacceptable to Umpqua, the loan sweep Service may be suspended or cancelled until Customer's risk quality or credit standing returns to levels acceptable to Umpqua.
4. **Excess Balances.** Select balances in excess of the Target Balance will be applied on a daily basis to the outstanding balance of the Note, to be applied in accordance with the terms thereof.
5. **Authority.** Customer acknowledges and understands that access to funds available to be drawn under the Note may be gained by any person with signing authority on the checking account. Customer shall indemnify and hold Umpqua harmless against all Losses and Liabilities relating, directly or indirectly, from any unauthorized use of this Service.
6. **Cash Management Repurchase Account.** If Customer is also a party with Umpqua to a Cash Management Repurchase Agreement applicable to the Checking Account, then (1) balances in the Checking Account shall be applied first to the Note as provided herein, to the extent of any balance, before being swept as described in the Cash Management Sweep Repurchase Agreement, and (2) the fee(s) for the use of both Services shall be defined in the current schedule of fees as amended from time to time.
7. **NOTICE OF SWEEP FUNDS**  

We have established a target balance for the deposit accounts at Umpqua. When the balance falls below the established target in your deposit account, funds are swept from your loan account with Umpqua into your designated deposit account. When funds are available in the deposit account (i.e. after a deposit), funds will be swept back to the loan account. If it becomes necessary to apply FDIC insurance, the FDIC will allow the regularly scheduled sweeps to occur. Funds swept from the loan account to the deposit account will be FDIC insured (up to the established limits for FDIC insurance). Funds swept from the deposit account to the loan account will reduce the amount you owe Umpqua. The funds remaining in the deposit account after a sweep to the loan will be insured under the applicable FDIC Insurance limits.



## Zero Balance Transfer Account (ZBA)

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

- 1. Designated Lead and Subsidiary Accounts.** On the relevant Service Application, Customer will designate a Lead Account and at least one Subsidiary Account to be subject to the ZBA Service. Customer may change the designated Lead and Subsidiary Accounts and may add or delete a Subsidiary Account by providing Umpqua with verbal or written notice conforming to Umpqua's security procedures. Umpqua will make requested changes within a reasonable time following Umpqua's receipt of such notice.
- 2. Account Activity; Order of Payment and Rejection of Items.** Customer may draw Checks and other Items on Customer's ZBA Service Subsidiary Accounts, provided the aggregate amount of such Checks and other Items do not overdraw Customer's Lead Account. Customer agrees not to issue any Checks or other debit Items on the Lead Account or any Subsidiary Account if the aggregate amount of all such items would exceed the combined available balance of collected funds on deposit in the Lead Account and/or the applicable Subsidiary Account.

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

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

## Tax Payment Services

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

### 1. EFTPS Prerequisite

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

### 2. Tax Payment Service

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

### 3. Deadlines and Settlement

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

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

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

### 4. Security

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

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

### 5. Communication Expense and Risk

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



## Wire (Funds) Transfer

1. **Authorized Account.** An "Authorized Account" as used in this Section is a deposit account Customer has with Umpqua that has been designated as a source of payment orders that Customer issues to Umpqua. The account or accounts is/are defined in the applicable Service Application, which is hereby incorporated by reference.
2. **Communication of Order and Security Procedures.** Customer's security procedures and communication methods for payment orders are denoted in the Service Application, which is hereby incorporated by reference.
3. **Authorization.** The persons named in the Service Application, incorporated herein by reference, are authorized by Customer to issue payment orders in the name of Customer, subject to any limitations stated in this document or the Service Application to be paid from the Authorized Account. These authorized persons are granted the authority by Customer to perform any act that they deem advisable for the effective exercise of their power to issue payment orders. This authorization remains effective until Umpqua receives (and has reasonable opportunity to act on) written notification of revocation thereof.
4. **Acceptance and Execution of Payment Orders.** Umpqua may accept payment orders from Customer who orders wire transfers of funds from Customer to beneficiaries at Umpqua or at other financial institutions. If Customer maintains a deposit account with Umpqua, Umpqua is authorized and directed to debit such Authorized Account for the amount of the payment order and the amount of the fees associated with such payment order separately.
  - Customer may only issue payment orders on Umpqua's Business Days, excluding any Banking holidays. Payment orders also must be issued and received by Umpqua before any wire transfer cut-off times established by Umpqua. Umpqua may change its wire transfer cut-off times at any time at its sole discretion.
  - Umpqua may execute payment orders in any order convenient to Umpqua. Customer's cancellation or amendment of payment orders shall be treated as payment orders for purposes of the TMS Agreement. Umpqua shall make reasonable attempts to cancel or amend any wire transfers at Customer's request, but Customer acknowledges that some wire transfers may not be canceled or amended and Customer shall remain liable to Umpqua regarding such transfers. Furthermore, Customer will indemnify and hold Umpqua harmless from any and all liabilities, costs and expenses Umpqua may incur in its cancellation or amendment efforts.
  - Umpqua shall not be obligated to make any wire transfer, and Umpqua may reject a payment for any reason in its sole discretion. Additionally, Umpqua shall have no obligation to execute a transfer request if there are not sufficient available funds in Customer's Authorized Account.
5. **Confirmation of Payment Orders.** Upon Customer's request, Umpqua may provide confirmation of delivery of a payment order ("Confirmation") via any reasonable means, including telephone, regular mail, facsimile, or unencrypted e-mail. Confirmation may include the account information, payment order amount, recipient and other Customer information. Customer consents to receipt of the Confirmation by any of the above described methods and assumes all risk of and agrees to hold Umpqua harmless from any and all damages (whether actual or consequential) caused by interception of the Confirmation by third-parties whether such interception is caused by Umpqua's gross negligence, misconduct or otherwise.
6. **Content of Payment Orders.** Umpqua, the beneficiary's bank and any intermediary bank may rely on any account number in the payment order (whether a Umpqua account number or an account number at another institution) and pay the account identified by such number. Payments made to the account identified by the number shall be deemed properly made even if the number and the name in the payment order or assigned to the account are different and even if the number refers to a nonexistent, unidentifiable, or fictitious person. If an intermediary bank is needed to fulfill the payment order and Customer fails to specify an intermediary bank, Customer agrees and acknowledges that Customer's payment order also constitutes Customer's instruction to Umpqua to choose an intermediary Umpqua. Customer agrees that Umpqua has no control over other Umpqua's, and accordingly that Umpqua will have no liability if an intermediary or beneficiary bank imposes fees and charges by reducing the

payment order or credit to a beneficiary. When Umpqua selects the intermediary bank, a fee may be deducted by the intermediary bank and a portion of that fee may be shared with Umpqua. We are not liable for the actions of any intermediary, regardless of whether or not we selected the intermediary.

7. **Payment of Customer's Order.** If Umpqua accepts a payment order, Umpqua may receive payment by automatically deducting from any Authorized Account the amount of the payment order plus the amount of any expenses and charges for Umpqua Services in execution of Customer's payment order. Umpqua is entitled to payment on the payment or execution date. Unless Customer's payment order specifies otherwise, the payment or execution date is the wire's transfer date Umpqua receives the payment order. The wire's transfer is completed upon acceptance by the beneficiary's bank. Customer's obligation to pay the payment order is excused if the wire's transfer is not completed, but Customer is still responsible to pay Umpqua any expenses and charges for Umpqua's Services. However, if Customer requested Umpqua to route the wire transfer through an intermediate bank and Umpqua is unable to obtain a refund because the intermediate bank that Customer designated has suspended payments, then Customer is still obligated to pay Umpqua for the payment order. Customer will not be entitled to interest on any refund Customer receives because the beneficiary's bank does not accept the payment order.
8. **Foreign Currency Conversion.** If the payment order is expressed in U.S. Dollars, payment may be made in the currency of the foreign country to which the funds are transferred at the buying rate of the institution effecting payment. If the payment order is expressed in foreign currency, Umpqua shall attempt to exchange U.S. Dollars at the rate specified in the payment order. If payment is not made in a foreign country as requested, any refund shall be made subject to any foreign or domestic law or regulation then applicable after confirmation of the cancellation of the payment order. In no event shall any foreign currency refund amount be in excess of Umpqua's buying rate for the foreign currency at the time of refund. The exchange rates used for processing outbound or return payment orders may be a rate selected by Umpqua or other Umpqua (s) from a range of rates available in prevailing foreign exchange markets for interbank trading or at Umpqua's or the other Umpqua (s)' discretion. Customer acknowledges and agrees that the exchange rates used in processing foreign currency denominated payment orders may vary from the rate Umpqua and the other intermediaries themselves receive, or the government-mandated rate (if any) in effect, and that the rates used by Umpqua or other Umpqua (s) for Customer's payment orders may not be the lowest available to Customer, or to Umpqua or to the other Umpqua (s).
9. **Notice of Credit.** If Umpqua receives a payment order to credit an account that Customer has with Umpqua, Umpqua is not required to provide the Customer with any notice of the payment order or the credit.
10. **Provisional Credit.** Customer agrees to be bound by the ACH rules that provide that payments made to Customer, or originated by Customer by wire transfer through ACH are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code.

#### 11. Drawdown Wire Request Service

##### Authorized Debits

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

##### Drawdown Wire Funding

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

(v) Umpqua has reasonable cause not to honor for the protection of Umpqua or Customer. The Requesting Bank will be notified by Fedwire 1033 if any Drawdown Wire Transfer Request is rejected by Umpqua.

**Information**

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

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

**Recordation**

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

**Wire Transfer Numbers**

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



## Glossary

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

**ACH** means Automated Clearing House, a secure electronic network for transferring funds between financial institutions.

**ACH Entries** means Credit Entries or Debit Entries.

**ACH Operator** means the organizations that process transactions between ACH originators and receivers. The Federal Reserve System and Electronic Payments Network ("EPN") are currently the only two ACH Operators.

**Agent** means any director, officer, employee, representative, affiliate, third-party vendor or any other person acting on behalf of the Customer with actual, implied or applied authority of Customer. Umpqua may rely on any grant of authority until it receives written notice of its revocation and is given a reasonable amount of time to act upon such notice.

**Application** means any Service-specific applications or account related application as executed by Customer and submitted to Umpqua and, if accepted by Umpqua, becomes part of the TMS Agreement.

**Authorized Equipment** means equipment that has been approved by Umpqua for use with a Service, including scanners used for Remote Deposit and any other related equipment that captures digitized images of Checks.

**Authorized Users** means each person authorized (through a document or online instruction of a format required by Umpqua for such authorization purpose) to act as the Customer's agent regarding the applicable Service, as well as each person who Umpqua in good faith believes is such an agent.

**Bank or Umpqua** means Umpqua Bank and its successors and assigns.

**Bill Pay Account** means a checking account that is associated with the Bill Pay Service.

**Billing Account** is the checking account from which all Service fees will be automatically debited.

**Business Day** means each day of which the Umpqua or Umpqua office providing or facilitating the applicable Service is open for business related to that Service and generally excludes Saturdays, Sundays or holidays.

**Card** means a reloadable prepaid card issued through the Bank. There is a limited purpose, prepaid subaccount associated with the Card in which the funds loaded to the Card and Card transactions are tracked. Participating Employee may only access the funds in this prepaid subaccount with their Card in accordance with the Cardholder Agreement ("Cardholder Agreement").

**Card Association** means VISA, MasterCard Worldwide, American Express, Discover Financial Services, card associations related to or affiliated with the foregoing, and any other association for the processing of Card Services.

**Card Services** means the processing of transaction data (including credit and debit transactions initiated using a card or other access device) through a Card Association's payment system.

**Card Services Provider** means the third party (for example, merchant banks, independent sales organizations and third party providers, among others) that provides Card Services to you. Umpqua is not the Card Services Provider.

**Check** means a draft that is payable on demand, drawn on or payable through or at an office of a United States Financial Institution, whether negotiable or not, and payable or endorsed to Customer, and includes Original Checks and Substitute Checks. Such term does not include Noncash Items or items payable in a medium other than United States money.

**Controlled Disbursement Account** (also Disbursement Account) means Customer's account at Umpqua against which Checks designated for controlled disbursement and transmitted electronically will be debited.

**Credit Entries** are ACH transactions that deposit funds to an account and have the meaning provided in the NACHA Rules.

**Customer Administrator** means Customer's designated person who is authorized to appoint Authorized Users for the applicable Services.

**Customer Marks** means the Marks of the Customer.

**Database** means data regarding Customer's accounts and transactions, or otherwise relating to Customer, on the computers of Bank or made available to Customer under a Service. Customer's Database would include, for example, account balances, items paid or deposited to Customer's accounts and other transactions.

**Debit Entries** are ACH transactions that withdraw funds from an account and have the meaning provided in the NACHA Rules.

**Digitized Item** means a digitized image of a Check, an Image Exchange Item, or any other electronic version of a Check or other Electronic Item (such as items processable through the automated clearinghouse system) approved by Umpqua for processing through the applicable Service.

**Drawdown Wire** means those funds being remitted under a Drawdown Wire Transfer Request.

**Drawdown Wire Transfer Request** means a request that has been sent by a Requesting Bank to Umpqua requesting funds be remitted via wire transfer.

**Due Date** is the date reflected on your Payee bill for which the payment is due. It is not the late date or grace period.

**EFTPS** means Electronic Federal Tax Payment Service.

**Effective Entry Date** means the date on which the ODFI expects settlement of an Entry to occur.

**Electronic Item** means a digitized image of a Check, an Image Exchange Item, or any other electronic version of a Check or other electronic item (e.g., items processed through ACH) approved by Umpqua for processing through the applicable Service.

**Entries** have the meaning provided in NACHA Rules and shall also mean the data received from Customer hereunder from which Umpqua prepares Entries.

**Federal Reserve System** is the central Banking system of the United States. Regional Federal Reserve Bank, located in major cities throughout the nation, act as fiscal agents for the U.S. Treasury. Regarding Controlled Disbursement, Umpqua receives the report of incoming debits from the Federal Reserve System.

**Fedwire** is the funds transfer system owned and operated by the United States Federal Reserve Bank, but excludes the system for making ACH transfers.

**Fedwire 1031** means an incoming Drawdown Wire Transfer Request.

**Fedwire 1032** means the response to an accepted Drawdown Wire Transfer Request.

**Fedwire 1033** means a denied Drawdown Wire Transfer Request.

**Image Exchange Item** means a digitized image of a Check cleared and settled directly with a Payor Financial Institution without conversion to a Substitute Check.

**Image Replacement Document or Substitute Check** means a paper reproduction of a Check that satisfies the requirements and definition of "substitute check" provided in Regulation CC.

**Indirect Customer** means a person who seeks to pay you for goods or services provided by you to that person. An Indirect Customer may be a natural person or a legal entity such as a corporation, partnership or limited liability corporation.

**Item(s)** means all debits, including Checks, Image Exchange Items, and Image Replacement Documents, that may be presented to Umpqua for payment or collection.

**Mark(s)** means the trademarks, service marks, trade names, logos, slogans or other identifying text or graphics.

**NACHA** means the National Automated Clearing House Association and its successor.

**NACHA Rules** mean the rules and regulations, system manuals, procedures guidelines, requirements, releases, interpretations thereof, and other requirements (whether contractual or otherwise) imposed or adopted by the NACHA or Electronic Payments Association® or card associations, and any applicable law governing the processing of ACH transactions, as any of the foregoing may be amended from time to time. As to a particular Entry, NACHA Rules shall be those in effect as of the date of such Entry. If NACHA fails or ceases to publish its rules, the NACHA Rules shall mean a substitute set of operating procedures adopted by Umpqua.

**Non-cash Item** means an item that would otherwise be a Check, except that: (i) a passbook, certificate or other document is attached; (ii) it is accompanied by special instructions, such as a request for special advice of payment or dishonor; (iii) it consists of more than a single thickness of paper, except a Check that qualifies for handling by automated check processing equipment; or (iv) it has not been preprinted or post-encoded in magnetic ink with the routing number of the Payor Financial Institution.

**Notification of Change** shall have the meaning provided in NACHA Rules.

**ODFI** means an Originating Depository Financial Institution.

**OFAC** means Office of Foreign Asset Control and any successor.

**On-Us Entry** means an Entry received for settlement to an account maintained with Umpqua.

**Original Check** means the first paper Check issued with respect to a particular payment transaction.

**Payee** is the person or entity to which you wish a bill payment to be directed or is the person or entity from which you receive electronic bills, as the case may be.

**Payment Instruction** is the information provided by you to the Service for a bill payment to be made to the Payee (such as, but not limited to, Payee name, Payee account number, and Scheduled Payment Date).



**Payment Account** is the checking account from which bill payments will be debited.

**Payor Financial Institution** means the United States Financial Institution ordered in a Check to make payment to the payees named on the Check.

**Providers** means third parties, vendors and their subcontractors that Bank uses to provide the Services to Customer.

**Regulation CC** means 12 C.F.R. Part 229, as it may be amended from time to time.

**RDFI** means a Receiving Depository Financial Institution.

**Requesting Bank** means that United States Financial Institution that has made a Drawdown Wire Transfer Request.

**Reversals** mean data for reversing ACH Entries.

**Scheduled Payment Date** is the day you want your Payee to receive your bill payment and is also the day your Payment Account will be debited, unless the Scheduled Payment Date falls on a non-Business Day in which case it will be considered to be the previous Business Day.

**Scheduled Payment** is a payment that has been scheduled through the Service but has not begun processing.

**Settlement Date** means the date an exchange of funds with respect to an Entry is reflected on the books of the Federal Reserve Bank and/or a Correspondent Bank.

**Software** means that portion of a software developed, licensed and/or provided by Umpqua and its licensors for operation of a Service, that Umpqua delivers or provides to Customer hereunder.

**Substitute Check** means is a paper reproduction of an original paper check as defined in the 21st Century Act and 12 CFR 229.

**Umpqua Authorized Equipment** means equipment that has been provided by Umpqua for use with a Service, including Remote Deposit related scanners and any other related equipment that captures digitized images of Checks.

**United States Financial Institution** means: (i) any person, located in the United States, engaged in the business of Banking; (ii) a Federal Reserve Bank ; (iii) a Federal Home Loan Bank and (iv) to the extent it acts as a payor, the U.S. Treasury, the U.S. Postal Service, or a State or local government.

**User Documentation** means any written information we provide you, including information in an electronic format, as amended from time to time, which contains detailed instructions regarding the use of a Service, as provided by a particular Banking center or office. User Documentation may vary from one jurisdiction to another. Current User Documentation is available upon your request.

**Visa®** is a registered trademark of Visa® USA, Inc.



## ATTACHMENT I: SAMPLE ACCOUNT ANALYSIS STATEMENTS & USER GUIDE



### Account Analysis Relationship Summary September 2012

Account Number	00123456789
Settlement Period Ends	September 2012
Statement Date	October 11, 2012
	Page 1 of 2

For Questions Regarding Your Statement, Contact:  
Your Banker

ABC CORPORATION  
123 STREET AVE  
SPOKANE, WA 98765

1 (552) C 00123456789 201209

#### Relationship Summary

Account Number	Account Name	Investable Balance	Excess/ (Deficit) Balance
(552) D 00123456789	ABC CORPORATION	\$68,094.27	(\$339,385.73)
(552) D 00234567891	ABC CORP II	\$36,352.89	(\$59,051.11)
	<b>Total</b>	<b>\$104,447.16</b>	<b>(\$398,436.84)</b>

#### Balance Summary

Average Ledger Balance	\$116,052.40
Less Average Float	\$0.00
Average Collected Balance	\$116,052.40
Average Negative Collected Balance	\$0.00
Average Positive Collected Balance	\$116,052.40
Average Positive Collected Balance	\$116,052.40
Less Federal Reserve Requirement at 10.00% of Positive Collected Balance	\$11,605.24
Investable Balance	\$104,447.16
Investable Balance	\$104,447.16
Less Balance Required for Services	\$502,884.00
Excess/(Deficit) Balance	(\$398,436.84)

#### Results Summary

##### Analyzed Results

Earnings Credit at 0.20% of Investable Balance	\$17.12
Less Total Analyzed Fees	\$82.44
Net Analyzed Results	(\$65.32)
Results Transferred In	(\$65.32)
Total Analyzed Results	(\$65.32)

The Total Deficit Analyzed Result of \$ 65.32 will be Charged to Account 00123456789 on 10/17/12.



## Account Analysis Relationship Summary September 2012

Account Number	00123456789
Settlement Period Ends	September 2012
Statement Date	October 11, 2012
	Page 2 of 2

### Service Detail

Service Description	Volume	Unit Price	Total Fee	Balance Required
<b>General Account Services</b>				
Maintenance Fee	2	15.0000	\$30.00	\$183,000.00
Subtotal:			\$30.00	
<b>Disbursement Services</b>				
Checks Paid	29	0.1600	\$4.64	\$28,304.00
Subtotal:			\$4.64	
<b>ACH Services</b>				
ACH Monthly Maintenance	1	20.0000	\$20.00	\$122,000.00
ACH Credit	27	0.1200	\$3.24	\$19,784.00
ACH Debit	4	0.1200	\$0.48	\$2,928.00
ACH Origination	34	0.1200	\$4.08	\$24,888.00
Subtotal:			\$27.80	
<b>Information Services</b>				
Business Net Banking	1	20.0000	\$20.00	\$122,000.00
Subtotal:			\$20.00	
<b>Total Analyzed Fees</b>			<b>\$82.44</b>	<b>\$502,884.00</b>

\$6,100.00 in Investable Balances Offset \$1.00 of Total Fees for all Analysis Based Services.

### Historical Summary

Month	Average Ledger Balance	Average Positive Collected Balance	Investable Balance	Excess/ (Deficit) Balance	Earnings Credit Amount	Analysis Based Fees	Fee Based Fees	Analyzed Results
January	88,874	88,874	79,987	(402,425)	14	82	0	(68)
February	93,604	93,604	84,244	(434,718)	13	82	0	(69)
March	107,229	107,229	96,506	(385,906)	16	82	0	(65)
April	90,818	90,818	81,736	(411,388)	13	81	0	(67)
May	93,801	93,801	84,420	(406,256)	14	83	0	(69)
June	85,619	85,619	77,057	(384,591)	13	76	0	(63)
July	87,456	87,456	78,711	(425,189)	13	85	0	(72)
August	97,391	97,391	87,652	(390,982)	15	81	0	(66)
September	116,052	116,052	104,447	(398,437)	17	82	0	(65)
October								
November								
December								
<b>Average</b>	<b>95,649</b>	<b>95,649</b>	<b>86,084</b>	<b>(404,432)</b>	<b>14</b>	<b>82</b>	<b>0</b>	<b>(67)</b>

\*Amounts shown in the Analyzed Results column in (parenthesis) are amounts due. Amounts not shown in parenthesis are excess earnings credits.



## How to Read an Account Analysis Statement

### Key Definitions

(for internal use only)

**UMPQUA**  
B · A · N · K

## Account Analysis Relationship Summary September 2012

Account Number  
Settlement Period Ends  
Statement Date

00123456789  
September 2012  
October 11, 2012  
Page 2 of 2

### Service Detail

Service Description	Volume	Unit Price	Total Fee	Balance Required
<b>General Account Services</b>				
Maintenance Fee	2	15.0000	\$30.00	\$183,000.00
Subtotal:			\$30.00	
<b>Disbursement Services</b>				
Checks Paid	29	0.1600	\$4.64	\$28,304.00
Subtotal:			\$4.64	
<b>ACH Services</b>				
ACH Monthly Maintenance	1	20.0000	\$20.00	\$122,000.00
ACH Credit	27	0.1200	\$3.24	\$19,784.00
ACH Debit	4	0.1200	\$0.48	\$2,526.00
ACH Origination	34	0.1200	\$4.08	\$24,888.00
Subtotal:			\$27.80	
<b>Information Services</b>				
Business Net Banking	1	20.0000	\$20.00	\$122,000.00
Subtotal:			\$20.00	
<b>Total Analyzed Fees</b>			<b>\$82.44</b>	<b>\$502,884.00</b>

\$6,100.00 in Investable Balances Offset \$1.00 of Total Fees for all Analysis Based Services.

### Historical Summary

Month	Average Ledger Balance	Average Positive Collected Balance	Investable Balance	Excess/ (Deficit) Balance	Earnings Credit Amount	Analysis Based Fees	Fee Based Fees	Analyzed Results
January	66,674	66,674	79,987	(402,425)	14	82	0	(66)
February	93,904	93,904	84,244	(434,712)	13	82	0	(69)
March	107,229	107,229	96,906	(385,606)	16	82	0	(65)
April	90,818	90,818	81,736	(411,388)	13	81	0	(67)
May	93,801	93,801	84,420	(406,256)	14	83	0	(69)
June	86,619	86,619	77,057	(384,591)	13	78	0	(63)
July	67,450	67,450	78,711	(425,169)	13	85	0	(72)
August	97,391	97,391	87,692	(390,862)	15	81	0	(66)
September	116,052	116,052	104,447	(396,437)	17	82	0	(85)
October								
November								
December								
<b>Average</b>	<b>95,649</b>	<b>95,649</b>	<b>86,084</b>	<b>(404,432)</b>	<b>14</b>	<b>82</b>	<b>0</b>	<b>(67)</b>

\*Amounts shown in the Analyzed Results column in parenthesis are amounts due. Amounts not shown in parenthesis are excess earnings credits.

## Key Definitions

### 4 Service Detail

**Service Description** – Itemization of the services used during the analysis period.

**Volume** – Number of units of the service used during the analysis period.

**Unit Price** – The per unit price for a single transaction.

**Total Fee** – The total charge for each analyzed service used. This is calculated by multiplying the number of units by the per unit price.

**Balance Required** – The balance required to be maintained in the account(s) to cover the cost of each individual service. This amount may change each analyzed cycle and is determined by the Earnings Credit Rate applied for the analysis period.



## How to Read an Account Analysis Statement

### Key Definitions

*(for internal use only)*

**Average Float (also called Uncollected Funds)** – The sum of the daily dollar amount of deposited items (check deposits) in process of collection (i.e. uncollected) divided by the number of days in the statement cycle.

**Average Collected Balance** – The average balance less the average float.

**Average Negative Collected Balance** – The sum of the negative daily ending collected balances divided by the number of days in the Settlement Period. The daily ending collected balance is calculated by adding the daily balance of the account less any check deposits in the process of collection. If there is an average negative balance, the business is charged a Negative Average Collected Balance charge in the Results Summary section. The charge is calculated by multiplying the Average Negative Collected Balance by the Negative Collected Balance Interest Rate. Divide this sum by 365 and multiply by the number of days in the cycle.

**Average Positive Collected Balance** – The sum of the daily ending balances in the account less any checks in process of collection divided by the number of days in the cycle.

**Investable Balance Calculation** – The Investable Balance is the balance on which the earnings credit is calculated and equals the Average Positive Collected Balance minus Reserves. The Earnings Credit can only be calculated on the portion of the account balance which is not used to satisfy the bank's reserve requirements.

**Reserve(s)** – The reserve requirement sets the minimum fraction of customer deposits and notes that a commercial bank must hold as reserves. These required reserves are normally held in the form of cash, and can be stored physically in a bank vault or deposited with the Federal Reserve Bank.

**Balance Required For Services** – The Average Collected Balance required to be maintained in the account in order to cover the cost of all services as listed in the section labeled Service Detail.

**Excess/ (Deficit) Balance** – Calculated by subtracting the balance required to cover services from the Investable Balance. If the balance is positive the customer has an excess balance that could be used to cover additional services. If the balance is negative, the customer's Investable Balance was not sufficient enough to cover the services used.

### 3 Results Summary: Analyzed Results

**Earnings Credit Calculation** – The Investable Balance is multiplied by the Earnings Credit Rate (ECR) equaling the total credit that can be used to offset service charges incurred during the analysis cycle. It is calculated by multiplying the Earnings Credit Rate for the period (which is the Earnings Credit Rate divided by 365 days multiplied by the number of days in the cycle) by the Investable Balance.

**Earnings Credit Rate** – The rate used to calculate the Earnings Credit for analyzed accounts. The rate is set monthly by Sterling's Deposit Pricing Committee.

**(Less) Total Analyzed Fees** – The total amount of charges assessed in the Service Detail section of each account in the analysis relationship. In a consolidated relationship, the net charge from all of the accounts is usually assessed as a single charge to the main account.

**Net Analyzed Results** – The net of the Total Analyzed Fees subtracted from the Earnings Credit. If the amount is positive, the customer's balances were sufficient to offset the service fees due. If the amount is negative, balances were not sufficient to offset the service fees due.

**Results Transferred In** – This amount is usually the Net Analyzed Result described above, unless an excess credit from a previous analysis period is being transferred to the current analysis. With appropriate approval, analysis credits or debits can be accumulated on a quarterly, semi-annual or annual basis.

**Total Analyzed Result** – The net of the Net Analyzed Result plus or minus any Results Transferred In from a previous analysis period. If the result is positive, the customer owes nothing. If the result is a deficit, this will be the amount the customer is charged for the analysis period.

- The amount, account to be charged, and the date the account will be debited are detailed for the customer.





## How to Read an Account Analysis Statement

### Key Definitions

(for internal use only)

# Account Analysis

## Relationship Summary

### September 2012

Account Number	00123456789
Settlement Period Ends	September 2012
Statement Date	October 11, 2012
	Page 2 of 2

#### Service Detail

Service Description	Volume	Unit Price	Total Fee	Balance Required
<b>General Account Services</b>				
Maintenance Fee	2	15.0000	\$30.00	\$183,000.00
Subtotal:			\$30.00	
<b>Disbursement Services</b>				
Checks Paid	29	0.1600	\$4.64	\$28,304.00
Subtotal:			\$4.64	
<b>ACH Services</b>				
ACH Monthly Maintenance	1	20.0000	\$20.00	\$122,000.00
ACH Credit	27	0.1200	\$3.24	\$19,794.00
ACH Debit	4	0.1200	\$0.48	\$2,626.00
ACH Origination	34	0.1200	\$4.08	\$24,888.00
Subtotal:			\$27.80	
<b>Information Services</b>				
Business Net Banking	1	20.0000	\$20.00	\$122,000.00
Subtotal:			\$20.00	
Total Analyzed Fees			\$82.44	\$502,884.00

\$6,100.00 in Investable Balances Offset \$1.00 of Total Fees for all Analytic Based Services.

#### Historical Summary

Month	Average Ledger Balance	Average Positive Collected Balance	Investable Balance	Excess/ (Deficit) Balance	Earnings Credit Amount	Analysis Based Fees	Fee Based Fees	Analyzed Results
January	88,674	88,674	79,987	(402,425)	14	82	0	(88)
February	93,604	93,604	84,244	(434,718)	13	82	0	(89)
March	107,229	107,229	95,906	(385,808)	16	82	0	(85)
April	90,818	90,818	81,738	(411,388)	13	81	0	(87)
May	93,801	93,801	84,420	(408,256)	14	83	0	(89)
June	85,819	85,819	77,057	(384,591)	13	78	0	(83)
July	87,456	87,456	78,711	(425,189)	13	85	0	(72)
August	87,361	87,361	87,652	(380,882)	15	81	0	(86)
September	116,052	116,052	104,447	(398,437)	17	82	0	(85)
October								
November								
December								
Average	95,649	95,649	86,084	(404,432)	14	82	0	(87)

\*Amounts shown in the Analyzed Results column in parenthesis are amounts due. Amounts not shown in parenthesis are excess earnings credits.

## Key Definitions

### 4 Service Detail

**Service Description** – Itemization of the services used during the analysis period.

**Volume** – Number of units of the service used during the analysis period.

**Unit Price** – The per unit price for a single transaction.

**Total Fee** – The total charge for each analyzed service used. This is calculated by multiplying the number of units by the per unit price.

**Balance Required** – The balance required to be maintained in the account(s) to cover the cost of each individual service. This amount may change each analyzed cycle and is determined by the Earnings Credit Rate applied for the analysis period.





## How to Read an Account Analysis Statement

### Key Definitions

*(for internal use only)*

**Total Analyzed Fes** – The total of all service charges that can be offset by earnings credit.

**Total Balance Required** – The Average Collected Balance required to be maintained in the account to cover the cost of all services. This amount may change each analyzed cycle and is determined by the Earnings Credit Rate applied for the analyzed period and the calculation of the total charge for services used.

#### 5 Historical Summary

- Provides a 12-month rolling summary of key analysis results at the relationship level.
- Deficit balances are shown in ( ).

#### Additional Analysis Information and Options

**Consolidated Analysis** – Sometimes referred to as an Analysis Composite. The analysis statement can combine balances and activity for multiple accounts into one analysis statement. The relationship is displayed as a whole and balances held in multiple accounts can be used to offset the combined service charges. A combined analysis statement will display the accounts included in the analysis, and the net service charge is debited from the main account number as designated by the business.

**Quarterly, Semi-Annual or Annual Settlement** – Service charges are usually settled on a monthly basis, however, other settlement options include quarterly, semi-annual or annual. Non-standard settlement options require special approval.

**Earnings Credit Carried Forward** – An account on quarterly, semi-annual or annual analysis settlement will accumulate excess earnings credits each month until the month of settlement. Results Transferred In on the analysis statement is the sum of excess earnings credit for each month since the last settlement.

#### ? Questions

For questions regarding Account Analysis statements, please contact your Treasury Management Sales Consultant or Business Product Support.



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## **Disclosures**

### **Statement of Confidentiality**

This proposal contains detailed information about the capabilities of Umpqua Bank including systems, prices, and pricing strategy. These elements are essential to our business, and therefore confidentiality is usually requested. We understand that by submitting this proposal we agree to the proposal being subject to public disclosure.

The quoted terms, conditions, and pricing are firm for **90 days** from the date of this proposal<sup>1</sup>. Prices were established assuming volumes and services remain consistent with those given by Intergovernmental Agencies. We reserve the right to review the bid if not accepted within **90 days**, or if volumes and/or services vary from those noted in our proposal.

### **Maintaining our Operational Strength**

Umpqua Bank is continuously reviewing its operational platforms to ensure that we are providing the foremost technologies and processes. This allows us to focus on maintaining high quality, dependable, value-priced services. One of our main goals is to continue streamlining our operations so that we can direct both our money and talent in delivering the best services. We will communicate in a timely and comprehensive manner any changes to our services that materially affect our proposed recommendations and solutions to Intergovernmental Agencies.

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<sup>1</sup> We are unable to give indemnities with respect to third-party claims growing out of treasury management services we provide to our clients. We are unable to provide treasury management services without an appropriate service agreement. We are unable to provide services without acceptable termination provisions.

EXHIBIT B

INSURANCE COMPLIANCE VERIFICATION

In Process

## EXHIBIT C

This **Confidentiality and Nondisclosure Agreement** ("Agreement") is made between Umpqua Bank ("**Umpqua**"), and the Lebanon Community School District #9 (the "**DISTRICT**") (the "Parties").

WHEREAS, Umpqua and DISTRICT contemplate exchanging certain confidential information in order to evaluate and undertake the provision of products or services to Umpqua (the "Purpose"); and

WHEREAS, Umpqua is legally obligated to maintain the confidential nature of certain types of information, which may include the information that Umpqua will provide to DISTRICT, or DISTRICT's agents, subcontractor and representatives.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

### 1. Confidential Information Defined.

1.1 "**Confidential Information**" of a party disclosing such information (the "**Disclosing Party**") to the other party (the "**Receiving Party**") means all information relating to the Disclosing Party's and/or its affiliates' actual or potential, present or future business (whether or not designated as such by the Disclosing Party). The Parties agree that all information disclosed by Disclosing Party and/or its affiliates is Confidential Information unless the Disclosing Party states in writing that it is not Confidential Information. Such information does not lose its status as Confidential Information merely because it is known by a limited number of persons or entities outside of the Disclosing Party or because it was not originated by the Disclosing Party. Confidential Information includes, but is not limited to, the following:

- a. Information, whether written, electronic, oral or otherwise, pertaining to the present or future operation, data, technology, developments, transactions, designs, policies, procedures, finances, vendors, customers, marketing, or any other aspect of the Disclosing Party's business;
- b. information marked as confidential or similarly marked, or otherwise identified as confidential, orally or otherwise, at the time of disclosure, or information that the Receiving Party should, in the exercise of reasonable judgment, recognize as confidential;
- c. information protected by copyright, whether registered or unregistered (including derivative works), patents or pending patent applications, "know how", trade secrets, and any other intellectual property rights of the Disclosing Party;
- d. information regarding the Disclosing Party's employees, including, without limitation, their names, positions, contact information, salary and benefit information; and
- e. notes, reports, memoranda, analyses, compilations, studies, proposals and other documents, whether prepared by the Disclosing Party or the Receiving Party or others, which contain or otherwise reflect Confidential Information of the Disclosing Party.

1.2 **“Customer/Consumer Information”** means all information relating to any customer, consumer or prospective or former customer or consumer of Umpqua or of any of Umpqua’s affiliates (whether an individual, business entity, governmental unit, or otherwise), and including without limitation: (i) any and all non-public personal information of consumers or customers (within the meaning of Title V of the Gramm-Leach-Bliley Act and its implementing regulations), (ii) any information covered by Section 628

of the Fair Credit Reporting Act and any regulations or guidelines adopted thereunder and any amended or successor legislation, (iii) any information from which a customer or consumer’s identity can be ascertained, either from the information itself or by combining the information with information from other sources, and (iv) any information arising out of DISTRICT’s compliance with any of Umpqua’s applicable policies and procedures. Customer/Consumer Information is Confidential Information.

1.3 Except with respect to Customer/Consumer Information which is always deemed Confidential Information, Confidential Information does not include information that:

- a. is or becomes publicly available other than by a breach of this Agreement;
- b. is acquired by the Receiving Party from a third party that has the lawful right to disclose such information to the Receiving Party;
- c. was known to the Receiving Party prior to the date of this Agreement; or
- d. is developed independently by the Receiving Party without use of or reference to any Confidential Information.

The Receiving Party bears the burden, by clear and convincing documentary evidence, of demonstrating the applicability of any of the above four exclusions.

2. **Restrictions.** The parties agree, with respect to any Confidential Information to which either is a Receiving Party, to:

- a. Protect and keep such Confidential Information secret and secure from disclosure with the same degree of precautions and safeguards it uses to protect and keep its own Confidential Information of a similar nature, but in no case with less than reasonable care;
- b. Comply with all laws, rules and regulations regarding the sharing of Confidential Information, including but not limited to all applicable privacy laws.
- c. Disclose such Confidential Information only to its employees, subcontractors and/or agents who have both: (i) a need to know such information in furtherance of the Purpose, and (ii) a written contractual, fiduciary or other legal duty, at least as restrictive as this Agreement, to maintain the confidentiality of the information they receive. The Receiving Party shall not disclose such Confidential Information to any third party without the Disclosing Party’s prior written authorization;
- d. Not use or disclose, or permit any of its employees, subcontractors and/or agents to use or disclose, any such Confidential Information for any reason other than the Purpose, and

in no event will the Receiving Party disclose or use such Confidential Information in any manner that is or has the potential to be adverse or detrimental to the interests of the Disclosing Party; and

- e. Not decompile, disassemble, decode, reproduce, redesign, reverse engineer, reverse design, duplicate in whole or part, replicate, develop derivatives of or copy the design of, or manufacture any hardware, software, products, equipment, samples, prototypes, material or other tangible objects that embody Confidential Information provided by the disclosing Party without the express prior written authorization from the Disclosing Party.
3. **Required Disclosure.** The Receiving Party may disclose Confidential Information as may be required by law, statute, rule or regulation, including any subpoena or other similar form of process. Prior to such disclosure, the Receiving Party shall provide the Disclosing Party with prompt written notice (so long as such notice is not prohibited by law), so that the Disclosing Party may object to the request and/or seek appropriate protective relief.
4. **Imputed Responsibility.** The Receiving Party is responsible for any and all negligent or intentional acts or omissions of its employees and agents or the breach of this Agreement by its employees or agents, and such negligent or intentional acts or omissions or breach shall be imputed to the Receiving Party. The Receiving Party agrees to indemnify, defend and hold the Disclosing Party harmless for any damages, loss, or expense (including, but not limited to reasonable attorneys fees) with respect to any acts or omissions of its employees or agents resulting in the disclosure or use of the Confidential Information in breach of this Agreement. The Receiving Party shall immediately notify the Disclosing Party in writing if the Confidential Information is disclosed or used in a manner not authorized under this Agreement.
5. **No Rights Granted.** All Confidential Information shall be and remain at all times the sole and exclusive property of the Disclosing Party. Nothing in this Agreement shall be construed to create or grant to the Receiving Party any license or other right, title or interest of any nature whatsoever in the Disclosing Party's Confidential Information.
6. **Irreparable Harm.** Each party, as a Receiving Party, recognizes the confidential nature of the Disclosing Party's Confidential Information and acknowledges that in the event of a breach or threatened breach of the Receiving Party's obligations set forth in this Agreement, the Disclosing Party may suffer irreparable harm. Accordingly, the Disclosing Party shall be entitled to seek preliminary and permanent injunctive relief in the event of a breach or threatened breach of this Agreement, as well as all other applicable remedies at law or in equity.
7. **Term and Termination; Survival.** This Agreement shall commence upon the date of the parties' signature below and remain in effect for a period of two (2) years, unless earlier terminated by either party with thirty (30) days prior written notice. The obligations of the Receiving Party shall survive the expiration or earlier termination of this Agreement for a period of five (5) years, except with respect to any Confidential Information that is a trade secret or Customer/Consumer Information, for which the Receiving Party's obligations shall survive indefinitely. Copyrights, patents, and other intellectual property rights that exist separate and independent from this Agreement shall be unaffected by any termination of this Agreement.



8. **Return or Destruction.** Upon termination of this Agreement, or if earlier requested by the Disclosing Party in writing, the Receiving Party shall within ten (10) business days, at the Disclosing Party's option, destroy or return all Confidential Information in original or duplicate, or as part of any other document or other compilation of information, or in any other form, including, but not limited to, hardcopy (paper, micro film, photo, etc.) or softcopy (electronic, optical, or magnetic media such as computer or disk storage, tape recording, e-mail, voicemail, etc.); provided, however, that the Receiving Party may keep copies if it is necessary solely for compliance with legal or regulatory obligations, subject to the continuing confidentiality obligations set forth in this Agreement. Upon request, an officer of the Receiving Party shall promptly provide the Disclosing Party with written certification of such destruction or return.
9. **Warranty.** The Disclosing Party represents and warrants that it has the authority to disclose the Confidential Information to the Receiving Party. All other warranties are disclaimed. The Confidential Information is provided AS IS and does not constitute any representation warranty, assurance, or guarantee by the Disclosing Party to the Receiving Party with respect to the quality or accuracy of the Confidential Information.

**10. General Terms.**

- a. Each party agrees to comply with all applicable laws, statutes, rules and regulations.
- b. This Agreement, and any dispute regarding the terms, enforceability or validity of this Agreement, shall be governed by the laws of the State of Washington without giving effect to its conflict-of-laws principles. In the event of any litigation or other proceedings regarding the construction or breach of this Agreement, the non-prevailing party shall pay reasonable attorneys fees and expenses of the prevailing party incurred therein.
- c. The rule of construing ambiguities against the drafter shall not apply. If any part of this Agreement is held invalid, then it shall be deemed modified to the extent necessary to make it valid and as best to advance the spirit of the Agreement, and any such invalidity or modification shall not affect any other part of this Agreement.
- d. Both parties acknowledge that the signing of this Agreement does not create a commitment by either party to enter into any transaction.
- e. This Agreement constitutes the sole and complete agreement between the parties relating to its subject matter, and terminates and supersedes any and all prior or contemporaneous agreements, arrangements, representations, and understandings, oral or written, between the parties as to such subject matter.
- f. Any modification, waiver, restatement or supplement of this Agreement is effective only if in writing and executed by duly authorized representatives of each party.

- g.** No partial exercise of any right or power shall preclude any further exercise of that or any other right or power.
- h.** No act or omission shall be deemed a waiver of any right hereunder or the waiver of any breach hereof, except if such waiver is memorialized in a writing signed by the Party against whom it is to be enforced.
- i.** This Agreement will be enforceable by and against the Parties, their successors and permitted assigns. Neither party may assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld.
- j.** Each party shall be deemed an independent contractor of the other party, and nothing in this Agreement shall constitute or create a joint venture, partnership or formal business organization of any kind.
- k.** Umpqua makes no commitments, express, implied or otherwise, that the exchange of information pursuant to this Agreement will result in any future business transactions with Umpqua.
- l.** This Agreement may be executed in counterparts. Copies, faxed, electronic, or scanned signatures shall be as valid as originals in all respects.
- m.** The parties shall execute and deliver such additional documents, and shall perform such additional acts, both now and in the future, as may be appropriate to effectuate this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the 12 day of, April, 2018:

DISTRICT

UMPQUA BANK

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Tom Oliver

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

Title: Board Chair

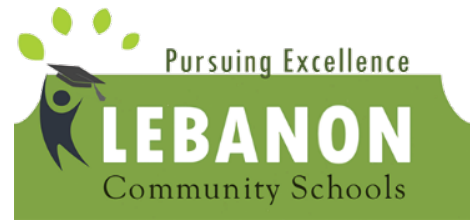
Title: \_\_\_\_\_

DISTRICT: Lebanon Community School  
District #9

Umpqua Bank

# BOARD MEMORANDUM

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**To:** The Honorable Chair and Members  
Lebanon Community School District Board of Directors

**From:** Linda Darling, Business Director

**Date:** April 18, 2018

**Meeting Date:** April 26, 2018

**Re:** Award of Legal Services Contract

**AGENDA ITEM 7**

## **Background**

In January 2018, the District published a Request for Proposals (RFP) for legal services. Six firms responded to the RFP, and representatives from the District reviewed and scored the proposals. Interviews were then conducted with the three highest scoring firms. The interview panel was comprised of two Board Members and three District staff. The firm of Garrett Hemann Robertson PC (ghr) was deemed most qualified to meet the District's needs.

The District intends to enter into a one-year agreement with ghr. Upon the mutual consent of both parties, the agreement may be extended on an annual basis for up to four additional one-year periods. Thus, the District may retain the services of ghr for up to five years. The legal services contract is being developed and will be presented to the Board in the near future.

Attached is information regarding ghr and the legal team assigned to the District. The firm currently represents 64, K-12 school districts in Oregon. Mr. Paul A. Dakopolos will be the primary contact for our District.

The District remains under contract with The Hungerford Law Firm, LLP through June 30, 2018.

## **Recommendation**

I recommend the Board award the contract for Legal Services to Garrett Hemann Robertson, effective July 1, 2018 for one year, with the option to renew for four additional one-year periods.



GARRETT HEMANN ROBERTSON P.C.

## **CIVIL LITIGATION**

The trial lawyers in our firm are creative and competitive. While some cases require a conciliatory approach others must be aggressively advocated through trial. Our lawyers are experienced negotiators who understand this difference; they know when to work for a prompt and reasonable resolution of a dispute, but have the commitment and knowledge required to vigorously take cases through trial when settlement is not appropriate. We understand cases must be handled efficiently and economically.

We regularly serve the litigation needs of individuals, small businesses, large corporations, insurance companies and governmental entities in a wide variety of cases that range from small claims to multi-million dollar cases and class actions. Our attorneys regularly appear in trial and appellate proceedings in state and federal courts, and before administrative and regulatory agencies. We represent clients in disputes relating to professional liability, commercial and complex civil litigation, property and casualty, products liability, defamation, civil rights, wrongful discharge, and workers' compensation.

## **REAL ESTATE TRANSACTIONS AND DEVELOPMENT**

Our real estate practice embraces all aspects of real estate law – our attorneys handle commercial, agricultural and residential real estate transactions, including tax-free exchanges. Public and private landowners, developers and builders are assisted with negotiations, contracts, leases and zoning issues. Lawyers counsel property owners and managers regarding land-use regulations and civil rights laws affecting their property, including the Fair Housing Act and the Americans With Disabilities Act. The firm also represents general contractors, subcontractors and owners in negotiating construction contracts and resolving construction-related claims.

## **SCHOOL AND PUBLIC ENTITY LAW**

The firm maintains a distinguished reputation in all areas of school law, representing over 90 education service districts, community colleges and public school districts throughout Oregon. All legal matters affecting schools are addressed, including personnel, civil rights, business management practices, labor issues, public contracting, local government relations and legislative processes.

## **INSURANCE DEFENSE**

Insurance and self-insured companies and businesses, large and small, rely on our lawyers for general advice and for representation in state and federal courts. We regularly represent our clients in trials and in appellate courts and before regulatory and administrative agencies. Our attorneys provide legal representation and advice in a broad range of cases. These include professional liability, casualty, product liability, civil rights, defamation, and wrongful discharge.

## **FAMILY LAW**

Our domestic relations attorneys represent clients in all areas of family law, including marriage dissolution and cases involving child custody, support, parental rights and visitation. Clients are counseled regarding division of property and investments, complex asset division, and tax-related implications. The firm also represents clients in adoption proceedings.

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GARRETT HEMANN ROBERTSON P.C.

## **BUSINESS AND CORPORATE LAW**

The firm assists clients in the formation and legal maintenance of corporations, partnerships, sole proprietorships and limited liability companies. Our attorneys counsel clients on the acquisition or sale of businesses and on issues relating to the changing of business structures. We represent clients in negotiations, agreements and dispute resolution with other companies and governmental agencies.

Family business clients are assisted with issues that are unique to the family business, such as succession planning and family leadership. Our attorneys assist clients in developing business and tax strategies necessary to meet family goals.

## **ESTATE PLANNING, TRUSTS AND PROBATE**

Our lawyers assist clients with developing estate plans and trusts, conservatorships or guardianships, and give advice about tax implications affecting their estates. We understand that elder law issues confronting seniors require sensitivity to the impact of legal proceedings on families and heirs. Estate planning options are carefully reviewed with clients and their families to arrive at the most appropriate solutions.

## **TAX LAW**

We provide comprehensive legal services for both corporate and non-corporate clients in the areas of tax, pension and retirement planning. Clients receive tax advice in connection with business transactions, including general and limited partnerships, limited liability companies, real estate transactions, mergers and acquisitions and other types of business and personal transactions. Our attorneys counsel individuals regarding income tax matters, and assist them with structuring assets to achieve the best tax advantages. Clients are also assisted with residential, commercial and industrial property tax and valuation matters.

## **EMPLOYMENT AND LABOR LAW**

Our employment law attorneys assist owners and managers in designing business plans, employee benefit packages, and personnel policies and manuals. We have a strong presence in the defense of workers' compensation cases. We represent clients before government agencies and in the courts in civil rights and individual employment cases, wage and hour disputes, and issues surrounding employee benefit claims.

The firm represents both public and private employers in all areas of labor law, from at-the-table collective bargaining negotiations to contract administration and the handling of grievances, fact-finding and arbitrations. Our attorneys also handle human resource management issues. We represent employers in unfair labor practice complaints, wrongful termination, sexual harassment, discrimination cases, cases involving the Americans With Disabilities Act, and other employment matters.

## **BANKRUPTCY AND CREDITORS' RIGHTS**

Our creditors' rights practice emphasizes the representation of secured and unsecured creditors in foreclosure, receivership and bankruptcy proceedings in state and federal courts. Our insolvency and bankruptcy practice includes negotiation of workouts and loan restructuring, as well as serving as counsel to selected debtors-in-possession in reorganization proceedings under Chapter 11.

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GARRETT HEMANN ROBERTSON P.C.

## PAUL A. DAKOPOLOS

Attorney at Law

### ***Principal Areas of Practice***

*School & Public Entity Law, Employment and Labor Law, Disability Law  
Human Resource Consultation*



Paul Dakopolos represents school districts, education service districts, private schools and private employers in employment and civil litigation matters. In addition, he has significant experience in advising public entities on civil rights and disability discrimination matters and cases involving Section 504, the Americans with Disabilities Act (ADA), and the Individuals with Disabilities Education Act (IDEA). He represents school districts throughout Oregon as general counsel and employment matters involving labor relations and arbitrations, as well as employment civil rights cases. He has been a featured speaker on these topics for many years.

After graduating from the University of Idaho, Mr. Dakopolos studied archeology and ancient languages in Athens, Greece. While attending Willamette University College of Law, he received the American Bar Association's Urban Law Award. After practicing law in Portland, Mr. Dakopolos served as Deputy District Attorney in Lincoln County, Oregon from 1985 - 1987. He distinguished himself there by prosecuting more than one hundred criminal jury trials in two years. He joined the firm in 1987 and became a shareholder in 1990.

### ***Education & Admissions***

*Willamette University College of Law, J.D., 1984*

*University of Idaho, B.A., 1981*

*Oregon State Bar, 1985*

*United States District Court for the District of Oregon, 1985*

*United States Court of Appeals, Ninth Circuit, 1999*

### ***Professional Distinctions, Affiliations & Experience***

*Oregon State Bar – House of Delegates*

*National School Boards Association*

*NSBA Council of School Attorneys*

*Salem Chamber of Commerce – Executive Leadership Council*

*Episcopal Diocese of Oregon, Chancellor*

*Oregon Law Conference, frequent Presenter*

*Salem-Keizer Education Foundation's Awesome 3000, Volunteer*

*Lincoln County District Attorney's Office, former Deputy District Attorney*

*Garrett Hemann Robertson P.C., former Managing Officer*

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GARRETT HEMANN ROBERTSON P.C.

## KELLY D. NOOR

Attorney at Law

### *Principal Areas of Practice*

*School & Public Entity Law, Human Resource Consultation, Employment & Labor Law  
Special Education, Labor Negotiations*



Kelly Noor represents public entity clients, including school districts and education service districts in Oregon. Her practice is dedicated to school law. She has a depth of experience in the legal areas of special education, human resources, public contracting, labor negotiations, and administrative law.

Ms. Noor has been sharing her legal training and experiences with students as an attorney coach for the West Salem High School's mock trial team since 2004. Kelly is a shareholder in the firm.

### *Education & Admissions*

*University of Utah, J.D., 1997*

*Eastern Washington University, B.A., summa cum laude, 1987*

*Oregon State Bar, 1997*

*United States District Court for the District of Oregon, 2003*

*United States District Court of Appeals, Ninth Circuit, 2003*

*ACR Certified Family Law Mediation, 2007*

### *Professional Distinctions, Affiliations & Experience*

*Marion County Bar Association*

*Marion Polk Legal Aid Service, former attorney*

*West Salem High School's Mock Trial Team, Coach*

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GARRETT HEMANN ROBERTSON P.C.

**REBEKAH R. JACOBSON**  
Attorney at Law

***Principal Areas of Practice***

*School & Public Entity Law, Human Resource Consultation, Employment & Labor Law*



Rebekah R. Jacobson provides counseling and litigation services to school districts, ESDs, and community colleges on a wide range of matters including employment and labor issues, and constitutional and personal injury claims.

Ms. Jacobson provides training on topics such as misuse of technology, transgender issues, accommodating disabilities, staff-student inappropriate relationships, sexual harassment and public meetings. She is experienced in addressing requirements related to educational employee sexual misconduct, as well as being versed in investigations surrounding workplace discrimination claims and parent complaints.

Before Ms. Jacobson joined the firm, she worked as an attorney for the Oregon School Boards Association and was a Legislative Assistant to U.S. Congressman Blumenauer. During law school, she was an Associate Editor for the *Oregon Law Review*, and was published in *Journal of Environmental Law and Litigation*. Ms. Jacobson joined the firm as an associate in 2010 and became a shareholder in 2014.

***Education & Admissions***

*University of Oregon School of Law, J.D., 2006*

*Willamette University, B.A., 2001*

*Oregon State Bar, 2006*

*United States District Court for the District of Oregon, 2006*

*United States Court of Appeals for the Ninth Circuit, 2014*

***Professional Distinctions & Affiliations***

*Oregon State Bar Association*

*Marion County Bar Association*

*Council of School Attorneys*

*Oregon Super Lawyers' Rising Star - 2014*

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GARRETT HEMANN ROBERTSON P.C.

**KIM E. HOYT**  
Attorney at Law

***Principal Areas of Practice***

*Civil Litigation, Employment & Labor Law, Civil Sex Abuse Defense, and Professional Negligence Defense*



Kim Hoyt represents individuals, regional and national corporations, insurance companies, and public entities throughout Oregon in state and federal court. Presently, Ms. Hoyt focuses on litigation with a focus on employment, civil rights, civil sex abuse defense, and professional negligence defense.

Ms. Hoyt believes in a creative approach to resolving cases, recognizing the importance of an appropriate and effective defense. Often engaged in defending complex claims, Ms. Hoyt recognizes the real impact of litigation on any business or organization and works with her clients to allow them to maintain their focus on the importance of their business, be it providing professional services or educating our youth.

Ms. Hoyt merged her practice with this firm in 1998 and became a shareholder in 2000.

***Education & Admissions***

*Willamette University College of Law, J.D., 1991*

*Oregon State University, B.A., 1988*

*Oregon State Bar, 1991*

*United States District Court for the District of Oregon, 1992*

*United States District Court of Appeals, Ninth Circuit, 1992*

***Professional Distinctions & Affiliations***

*Marion County Bar Association*

*Marion County Bar Judicial Selection Committee*

*Oregon Association of Defense Counsel*

*American Board of Trial Advocates*

*Oregon Super Lawyers – 2015*

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GARRETT HEMANN ROBERTSON P.C.

## LUKE W. REESE

Attorney at Law

### *Principal Areas of Practice*

*Employment & Labor Law, Civil Litigation, Human Resource Consultation*



Luke Reese focuses his litigation practice on defending employers in state and federal courts throughout Oregon. He helps his clients achieve cost effective results through trial and, when appropriate, alternative forms of dispute resolution. Mr. Reese also provides human resource consultation to all sizes of employers to help prevent employee lawsuits.

In addition to representing private employers, Mr. Reese defends public entities from all types of tort and constitutional claims. This includes defending school districts in suits brought under Section 1983, Title IX, the IDEA and other claims filed by students and teachers.

Mr. Reese is a Board Member with the Boys & Girls Club of Salem, Marion and Polk Counties and volunteers with the local YWCA. In 2009 he was recognized as an Oregon Super Lawyer Rising Star. Mr. Reese joined the firm as an associate in 2007, and became a shareholder in 2012.

### *Education & Admissions*

*Willamette University College of Law, J.D., 2007*

*Santa Clara University, B.A., cum laude, 2004*

*Oregon State Bar, 2007*

*United States District Court for the District of Oregon, 2007*

*United States District Court of Appeals, Ninth Circuit, 2007*

### *Professional Distinctions & Affiliations*

*Oregon State Bar Association*

*Marion County Bar Association*

*Boys & Girls Club of Salem, Marion and Polk Counties, Board Member*

*Make-A-Wish Oregon Ambassador, Board Member*

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GARRETT HEMANN ROBERTSON P.C.

**JAMES M. HEALY**  
Attorney at Law

***Principal Areas of Practice***

*Civil Litigation, Employment and Labor Law, Professional Negligence Defense,  
Construction Law*



James Healy provides civil litigation services to businesses, school districts, city and county governments, fire districts and non-profit organizations throughout the Pacific Northwest. While his practice focuses mainly on assisting in the defense of unlawful employment practices and professional negligence claims, he also assists clients with construction defect claims and contract disputes. In addition, Mr. Healy's practice necessarily involves guiding clients through the litigation process before administrative agencies and in state and federal courts.

Before joining Garrett Hemann Robertson, Mr. Healy was a court-certified law clerk for the Oregon Department of Justice while he attended Willamette University College of Law. At the Department of Justice Mr. Healy gained valuable experience appearing before various County Courts throughout Oregon. Also, during his time at the DOJ Mr. Healy was tasked with co-authoring a section wide DOJ law clerk manual, which was subsequently implemented throughout the state.

In addition to clerking during law school, Mr. Healy was a member of the Willamette Law Review, a teaching assistant Willamette's Legal Research and Writing professor, a Student Admissions Representative, and a College of Law Student Mentor.

***Education***

*Willamette University College of Law, J.D., cum laude, 2012*  
*Southern Oregon University, B.S. in Business Administration, 2008*

***Professional Affiliations & Distinctions***

*Salem Area Chamber of Commerce, Young Professionals, 2013*  
*Oregon State Bar, 2012*  
*U.S. District Court, District of Oregon, 2013*  
*Marion County Bar Association, 2013*  
*Willamette Valley Inn of Court, 2013*

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GARRETT HEMANN ROBERTSON P.C.

## HANK STEBBINS

Attorney at Law

### ***Principal Areas of Practice***

*School & Public Entity Law, Employment and Labor Law,  
Civil Litigation, Government Relations*



Hank Stebbins assists in the representation of school districts, ESDs, community colleges, private schools and private employers. He provides legal advice on issues facing employers in navigating the myriad of regulations that affect the day-to-day operations of entities.

While in law school, Mr. Stebbins won several awards, including International Academy of Trial Lawyers Award for Excellence in Trial Advocacy, 1st place ABA Don Turner National Trial Competition, 1st place ABA National Negotiation Competition. He was editor of *WUCL Recent Developments in Alternative Dispute Resolution Journal*, 2014-15. He also worked as an assistant soccer coach at Oregon State University while completing his law degree.

Before joining Garrett Hemann Robertson in November 2015, Mr. Stebbins was a legal extern for a law firm in Coos Bay, Oregon. He prepared pleadings and memoranda focused on private and municipal land-use issues.

### ***Education***

*Willamette University College of Law, JD 2015*

*University of Indianapolis, BA, Political Science and History, 2009*

### ***Professional Affiliations***

*Oregon State Bar Association*

*Marion County Bar Association*

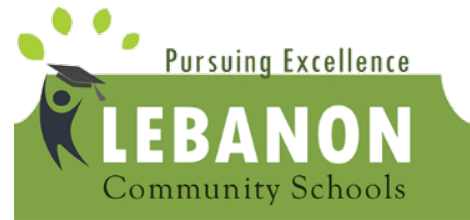
*Multnomah County Bar Association*

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# BOARD MEMORANDUM

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**To:** The Honorable Chair and Members  
Lebanon Community School District Board of Directors

**From:** Dr. Rob Hess, Superintendent

**Date:** April 6, 2018

**Meeting Date:** April 26, 2018

**Re:** Zone 1 Board Vacancy Created by  
the Resignation of Russ McUne

**AGENDA ITEM 8**

## **Background**

As the Board is aware, Zone 1 Member Russ McUne resigned his position effective March 21, 2018. I am very grateful for Mr. McUne's 10 years of service to the Lebanon Community School District – the Board; myself; and our students, families, teachers and staff.

District Policy BBE, Vacancies on the Board (attached), defines the process for filling the Zone 1 vacancy by Board appointment.

## **Recommendation**

I recommend the Board approve one of the following timelines to fill the current Zone 1 vacancy:

1. Advertise the vacancy in accordance with Policy BBE and interview, appoint and seat the new Zone 1 member at the June 14, 2018 Board meeting.
2. Advertise the vacancy in accordance with Policy BBE and interview, appoint and seat the new Zone 1 member at the July 2018 Board reorganization meeting (date to be determined).

RH/mk  
Attachment

# Lebanon Community Schools

Code: **BBE**  
Adopted: 6/15/98  
Readopted: 2/4/10  
Orig. Code(s): BBE

## Vacancies on the Board

Vacancies will be filled through Board appointment. The Board appointee must be a legally registered voter and a resident within the district for one year immediately preceding the appointment and a resident of the zone from which the vacancy has occurred. If the vacancy occurs in a zone, the Board shall advertise for a 20-day period to find an eligible resident from the same zone. If an eligible zone resident cannot be found, the Board shall appoint one of the eligible residents from the district.

Board elections are held every odd-numbered year which for the purposes of this policy are termed “election” years. The appointee:

1. Will serve until June 30 following the next “election,” at which time the individual elected in May of that year will fill the remaining portion of an unexpired term or, if applicable, serve a full four year term; or
2. Will serve until June 30 of a subsequent “election” year if the vacancy occurs after the filing date in an “election” year.

A Board member so elected as a replacement will serve the remaining year(s) of the term of office of the Board member being replaced.

In the event of multiple vacancies, the position vacated first will be filled first.

Upon appointment by the Board, the newly appointed Board member(s) will be sworn and seated immediately.

If the offices of a majority of Board members are vacant at the same time, the directors of the Linn-Benton-Lincoln Education Service District shall appoint persons to fill the vacancies from qualified district voters.

END OF POLICY

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### Legal Reference(s):

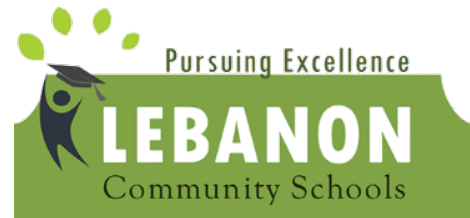
[ORS 249.865 - 249.877](#)  
[ORS 255.245](#)  
[ORS 255.335](#)

[ORS 332.030](#)  
[ORS 332.122](#)  
[ORS 332.124](#)

### Cross Reference(s):

BBBA - Board Member Qualifications  
BBC - Board Member Resignation  
BBD - Board Member Removal from Office

# BOARD MEMORANDUM



**To:** Board of Directors

**From:** Jennifer Meckley, Director  
Human Resources and Community Relations

**Date:** April 6, 2018

**Meeting Date:** April 26, 2018

## AGENDA ITEM 9

**Re:** Policy Recommendations – SECOND READING/ADOPTION

These policy changes were presented to the Board for First Reading at the March 8, 2018 meeting.

The policy recommendations summarized below and attached to this memorandum are recommended for final adoption by the Board.

Code	Title
CCC	Hiring of Licensed Administrators
CM	Compliance and Reporting on Standards
GBH/JECAC, also JECAC/GBH	Staff/Student/Parent Relations**
GBK/KGC, also KGC/GBK (previously GBK/JFCG/KGC)	Prohibited Use, Distribution or Sale of Tobacco Products and Inhalant Delivery Systems, Version 2
IBDJA	Relations with Homeschooled Students**
IKA	Grading and Reporting
IKF	Graduation Requirements**, Version 2
IKF-AR	Graduation Requirements
JHFE-AR(1)	Reporting of Suspected Abuse of a Child

JM/mk  
Attachments

# Lebanon Community Schools

Code: CCC  
Adopted: 6/16/09  
Readopted: 3/4/10  
Orig. Code(s): CCC

## Hiring of Licensed Administrators

When administrative vacancies occur, transfer within the existing district administrative staff or other qualified staff may occur.

Except in those instances when a transfer of administrators or other qualified staff within the school system is determined by the superintendent, the following procedure shall be followed in the selection of all administrative personnel below the rank of superintendent:

1. Openings in administrative positions may be announced prior to the first interview, giving ample time for all interested parties to submit applications;
2. Complete applications shall be submitted in accordance with district requirements in order for the applicant to be considered for the position;
3. A screening committee shall be appointed by the superintendent to review the applications and select those applicants who will proceed to the personal interview phase;
4. Selected applicants shall be granted a personal interview; ~~following the deliberations of the screening committee;~~
5. ~~Upon completion of all interviews by the screening committee, this group shall make a recommendation for the position under consideration to the superintendent.~~ Building level finalists shall participate in a public process as defined by the superintendent.

Following completion of the activities outlined above, The-the superintendent's final recommendation will ~~then~~ be presented to the Board for appointment.

An administrator shall serve a probationary period of three years, unless the administrator and the district mutually agree to a shorter time period.

END OF POLICY

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### Legal Reference(s):

[ORS 332.505](#)  
[ORS 342.845](#)

**NEW**

## **Compliance and Reporting on Standards**

The superintendent will prepare an annual report that represents the district's compliance with the standards adopted by the State Board of Education and submit that report to the Board.

The district's annual report will be presented at a public Board meeting by February 1 of each school year. This report will be posted on the district's web page by February 1 of each school year. The Board will acknowledge receipt of the report prior to its submission to the Oregon Department of Education (ODE).

The district will report on its compliance with state standards to ODE by February 15 each year on a form provided by ODE.

END OF POLICY

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### **Legal Reference(s):**

[ORS 329.095](#)  
[ORS 329.105](#)

[OAR 581-022-2260](#)  
[OAR 581-022-2305](#)

# Lebanon Community Schools

Code: **GBH/JECAC**  
Adopted: 8/20/09  
Readopted: 9/16/10, 7/12/17  
Orig. Code(s): GBH/JECAC

## Staff/Student/Parent Relations\*\*

The Board encourages parents to be involved in their student's educational activities and, unless otherwise ordered by the courts, an order of sole custody on the part of one parent shall not deprive the other parent of the following authority as it relates to:

1. Receiving and inspecting their student's education records and consulting with school staff concerning the student's welfare and education, to the same extent as provided the parent having sole custody;
2. Authorizing emergency medical, dental, psychological, psychiatric or other health care for the student if the custodial parent is, for practical reasons, unavailable.

It is the responsibility of the parent with sole custody to provide any court order that curtails the rights of the noncustodial parent at the time of enrollment or any other time a court order is issued.

~~Noncustodial parents will not be granted visitation or telephone access to the student during the school day. The student will not be released to the noncustodial parent unless allowed by court order. Unless provided by court order or a parental plan, a student shall not be released to the noncustodial parent nor shall the noncustodial parent be granted visitation or phone access during the school day.~~

In the case of joint custody, the district will adhere to all conditions specified and ordered by the court. The district may request in writing any special requests or clarifications in areas concerning the student and the district's relationship and responsibilities.

The district will use reasonable methods to identify and authenticate the identity of both parents.

END OF POLICY

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### Legal Reference(s):

[ORS 107.101](#)  
[ORS 107.102](#)  
[ORS 107.106](#)[ORS 107.154](#)  
[ORS 109.056](#)  
[ORS 163.245 - 163.257](#)

Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g (2006); Family Educational Rights and Privacy, 34 C.F.R. Part 99 (2008).  
Protection of Pupil Rights, 20 U.S.C. § 1232h (2006); Student Rights in Research, Experimental Programs and Testing, 34 C.F.R. Part 98 (2006).



## Prohibited Use, Possession, Distribution or Sale of Tobacco Products and Inhalant Delivery Systems (Version 2)

~~The Board recognizes its responsibility to promote the health, welfare and safety of students, staff and others on district property and at school-sponsored activities. The Board wishes to establish~~ a school and working environment that is free of smoke, aerosols and vapors containing inhalants. ~~Student possession, use, distribution or sale of tobacco products or inhalant delivery systems, including any smoking or use of an inhalant delivery device, on district premises, at school-sponsored activities on or off district premises, in district-owned, rented or leased vehicles, on all district grounds, including parking lots or otherwise, while a student is under the jurisdiction of the district, is prohibited.~~

~~Use~~The use, distribution or sale of tobacco products or inhalant delivery systems by staff on district property, including parking lots, at district-sponsored events, in district-owned, rented or leased vehicles or otherwise while on duty on or off district premises is prohibited. Use, distribution or sale of tobacco products or inhalant delivery systems by all others on district property, in district vehicles or at district-sponsored events, on or off district premises, on all district grounds, including parking lots, is prohibited. Staff and/or all others authorized to use any private vehicles to transport district students to school-sponsored activities are prohibited from using tobacco products or inhalant delivery systems in those vehicles while students are under their care.

For the purpose of this policy, “tobacco products” is defined to include, but not limited to, any lighted or unlighted cigarette, cigar, pipe, bidi, clove cigarette, and any other smoking product, spit tobacco, also known as smokeless, dip, chew, or snuff, in any form.

For the purpose of this policy “inhalant delivery system” means a device that can be used to deliver nicotine or cannabinoids in the form of a vapor or aerosol to a person inhaling from the device or a component of a device; or a substance in any form sold for the purpose of being vaporized or aerosolized by a device whether the component or substance is sold or not sold separately. This does not include products that are US Food and Drug Administration- USFDA-approved for sale as tobacco cessation products ~~or other therapy products or for any other therapeutic purpose if marketed~~ and sold solely for the approved purpose:

Clothing, bags, hats and other personal items used by staff ~~and students~~ to display, promote or advertise tobacco products or inhalant delivery systems products are prohibited on all district grounds, including parking lots, at school-sponsored activities or in district vehicles. Advertising is prohibited in all school-sponsored publications, in all school buildings, on district grounds, including parking lots, and at all

school-sponsored events. District acceptance of gifts or funds from the tobacco products and inhalant delivery system industries is similarly prohibited.

~~Student violations of this policy will lead to disciplinary action up to and including expulsion. Students may also be subject to removal from any or all extracurricular activities and/or denial or forfeiture of school honors or privileges (e.g., valedictorian, salutatorian, student body, class or club office positions, field trips, senior trip, prom, etc.). School and/or community service may be required. A referral to law enforcement shall be made. Parents shall be notified of all violations involving their student and action taken by the school.~~

~~When considering disciplinary action for a child with disabilities, the district must follow the requirements of Board policy JGDA/JGEA—Discipline of Students with Disabilities, including those involving functional behavioral assessment, change of placement, manifestation determination, and an interim alternative educational setting.~~

Staff violations of this policy will lead to disciplinary action up to and including dismissal.

Violations by all others will result in appropriate sanctions as determined and imposed by the superintendent or the Board.

Information about community resources and/or cessation programs to help staff ~~and students will~~may be provided.

~~The district will promote cessation resources and other positive alternatives to discipline. Tobacco use cessation programs may be established at district schools. Attendance or completion of tobacco use cessation programs by students may be allowed as a substitute to, or as a part of student discipline for possession, use, distribution or sale of tobacco products or inhalant delivery systems at the discretion of the principal. Attendance at cessation programs not offered by the district is voluntary and related costs are the individual responsibility of the staff member, student and his/her parent and private health care system.~~

~~As part of the district's tobacco use prevention activities, the superintendent shall ensure that tobacco use instructional programs as recommended by the Oregon Department of Human Services, Health Services, Tobacco Prevention and Education Program and the Oregon Department of Education, are an integral part of its drug and alcohol prevention curriculum. Programs must be integrated within the health education program and age and developmentally appropriate instruction provided at every level, pre-kindergarten through grade 12, with particular emphasis on grades 6 through 8. It is the expectation of the Board that prevention concepts will be integrated into the instruction of other subject areas as practicable.~~

~~Staff responsible for teaching prevention will be encouraged to collaborate with agencies and groups that conduct prevention education and to participate in ongoing professional development activities that provide basic knowledge about the effects of use of tobacco products, effective instructional techniques and program specific activities.~~

The superintendent shall consult with local officials to promote enforcement of law that prohibits the use or possession of tobacco products or inhalant delivery systems by ~~minors~~ persons under 21 years of age on or off district grounds or at district-sponsored activities

This policy shall be enforced at all times. The superintendent will develop administrative regulations~~guidelines~~ as necessary to implement this policy, including provisions for notification of the district's policy, through such means as ~~student/parent and~~ staff handbooks, newsletters, inclusion on school event programs, signs at appropriate locations; disciplinary consequences; and procedures for filing and handling complaints about violations of the district's policy.

~~The superintendent shall ensure that the district's prevention program, policies, curricula, training and cessation programs are evaluated at regular intervals. The input of students, staff, parents and others from the community will be encouraged.~~

END OF POLICY

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**Legal Reference(s):**

~~ORS 167.400~~  
~~ORS 332.107~~  
~~ORS 336.222~~  
~~ORS 336.227~~  
~~ORS 339.240~~  
~~ORS 339.250~~  
ORS 339.883  
ORS 431.840  
ORS 433.835 to -433.990

~~OAR 581-021-0050 to -0075~~  
OAR 581-021-0110  
~~OAR 581-022-0413~~  
OAR 581-053-0015  
OAR 581-053-0230(9)(s)  
OAR 581-053-0330(1)(m)  
OAR 581-053-0430(12)  
OAR 581-053-0531(11)  
~~OAR 581-053-0630~~

Pro-Children Act of 1994, 20 U.S.C. §§ 6081-6084 (~~2006~~2017).  
6/25/15 | PH

# Lebanon Community Schools

Code: **IBDJA**  
Adopted: 9/05/00  
Readopted: 12/16/10  
Orig. Code(s): IBDJA

## Relations with Home-~~Schooled~~ schooled Students\*\*

The Board recognizes the rights of parents to teach their students at home and acknowledges the education services district's role in registering and monitoring test results for students who are being taught at home.

Further, the Board is willing to assist parents in this endeavor if a request is made through the superintendent. The district will furnish basic course descriptions, state standards for elementary and secondary education.

Students may, upon parent request, be allowed to participate in district programs such as physical education programs, instrumental and vocal music programs, or other selected options if space and materials are available. Such students must then adhere to regular attendance procedures as established by the school and must avoid disruption of said programs. Parents are responsible for transportation for students attending selected school offerings.

The Board reaffirms its prerogative not to accept home instruction course credit toward graduation requirements.

Home schooled students may participate in available interscholastic activities if the following ~~criteria~~ requirements are met:

1. The student can meet the district eligibility requirements except the district or class attendance requirements;
2. Students need not meet class requirements of the voluntary association administering the interscholastic activities;

3. The student must meet one of the following:

- a. 3. The student ~~can~~ must achieve the minimum score on an examination from the list adopted by the State Board of Education. ~~The minimum composite test score that a student must achieve shall place~~ the student at or above the 23rd percentile based on national norms. The examination shall be taken at the end of each school year. The parent or guardian shall submit the examination results to the district. ~~(Students~~ The student may participate while awaiting test results or);
- b. 4. ~~The parent shall submit the examination results to the district; or~~ The district may adopt alternative requirements, in consultation with the parent or guardian, that a student must meet to participate in interscholastic activities, including, but not limited to, a requirement that a student submit a portfolio of work samples to the district for review to determine whether a student is eligible to participate in interscholastic activities.



## Lebanon Community Schools

**NEW**

### **Grading and Reporting**

Lebanon Community School District believes that grades serve a valuable instructional purpose by helping students, parents/guardians, school staff, and postsecondary institutions (as applicable) to identify a student's achievement, areas of strength, and areas needing improvement. Parents/guardians and students have the right to receive course grades that represent an accurate evaluation of the individual student's achievement of academic standards. Assessment of a student's progress will be indicated through a letter grade, symbol, or number score following the district's reporting methods.

Grades should be based on objective, consistent observation of the quality of student work and student mastery of course content and academic standards, including state and district standards. Though attendance, effort and behavior are reported separately, the district recognizes that these factors can influence a student's academic grade.

The district's grading and reporting system shall be administered in a uniform manner based on standards that apply to all students in that course and grade level. Principals and teachers shall ensure that students' grades conform to this system. Teachers shall inform students and parents/guardians in advance how student achievement will be evaluated in the classroom. Lebanon Community Schools will work to provide equal access to a standards-based curriculum, quality instruction, and academic support.

END OF POLICY

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#### **Legal Reference(s):**

[ORS 329.485](#)

[OAR 581-021-0022](#)

[OAR 581-022-2270](#)



# Lebanon Community Schools

Code: **IKF**

Adopted: 5/20/10

Readopted: 12/16/10, 5/19/11, 12/5/13,  
3/10/16, 6/9/16, 10/12/17,  
1/11/18

## **Graduation Requirements\*\* (Version 2)**

The Board will establish graduation requirements for the awarding of a high school diploma, a modified diploma, an extended diploma and an alternative certificate which meet or exceed state requirements. A student may satisfy graduation requirements in less than four years. The district will award a diploma to a student fulfilling graduation requirements in less than four years if consent is given by the student's parent or guardian or by the student if he/she is 18 years of age or older or emancipated.

If the district requires diploma requirements beyond the state requirements, the district shall grant a waiver for those requirements to any student who, at any time from grade 9 to 12, was:

1. A foster child<sup>1</sup>;
2. Homeless;
3. A runaway;
4. A child in a military family covered by the Interstate Compact on Educational Opportunity for Military Children;
5. A child of a migrant worker; or
6. Enrolled in the Youth Corrections Education Program or the Juvenile Detention Education Program.

For any student identified above, the district shall accept any credits earned by the student in another district or public charter school, applying those credits toward the state requirements for a diploma if the credits satisfied those requirements in that other district or public charter school<sup>2</sup>.

The district will ensure that students have onsite access to the appropriate resources to achieve a diploma, a modified diploma, an extended diploma or an alternative certificate at each high school. The district will provide age-appropriate and developmentally appropriate literacy instruction to all students until graduation.

### **Essential Skills**

The district will allow English Language Learner (ELL) students to demonstrate proficiency in the Essential Skills of Apply Mathematics in a variety of settings, in the student's language of origin for those ELL students who by the end of high school:

<sup>1</sup>As defined in ORS 30.297.

<sup>2</sup>For a high school diploma awarded on or after January 1, 2018.

1. Are on track to meet all other graduation requirements; and
2. Are unable to demonstrate proficiency in the Essential Skills in English.

The district will allow ELL students to demonstrate proficiency in Essential Skills other than Apply Mathematics in a variety of settings, in the student's language of origin for those ELL students who by the end of high school:

3. Are on track to meet all other graduation requirements;
4. Are unable to demonstrate proficiency in the Essential Skills in English;
5. Have been enrolled in a U.S. school for five years or less; and
6. Have demonstrated sufficient English language skills using the English Language Proficiency Assessment for the 21st Century (ELPA21)<sup>3</sup>.

The district will develop procedures to provide assessment options as described in the *Essential Skills and Local Performance Assessment Manual*, in the ELL student's language of origin for those ELL students who meet the criteria above, and will develop procedures to ensure that locally scored assessment options administered in an ELL student's language of origin are scored by a qualified rater.

The district may not deny a student, who has the documented history of an inability to maintain grade level achievement due to significant learning and instructional barriers, or of a medical condition that creates a barrier to achievements, the opportunity to pursue a diploma with more stringent requirements than a modified diploma or an extended diploma for the sole reason the student has the documented history.

The district may award a modified diploma or an extended diploma to a student only upon the written consent of the student's parent or guardian. The district shall receive the written consent during the school year in which the modified diploma or the extended diploma is awarded. A student who is emancipated or has reached the age of 18 at the time the modified diploma or the extended diploma is awarded may sign the consent.

A student shall have the opportunity to satisfy the requirements for a modified diploma, an extended diploma or an alternative certificate in either four years after starting the ninth grade, or until the student reaches the age of 21, if the student is entitled to a public education until the age of 21 under state or federal law.

A student may satisfy the requirements for a modified diploma, an extended diploma or an alternative certificate in less than four years but not less than three years. In order to satisfy the requirements for a modified diploma, an extended diploma or an alternative certificate in less than four years, the student's parent or guardian or a student who is emancipated or has reached the age of 18 must provide written consent which clearly states the parent, guardian or student is waiving the fourth year and/or years until the student reaches the age of 21. A copy of the consent will be forwarded to the district superintendent who will annually report to the Superintendent of Public Instruction the number of such consents.

<sup>3</sup>This criteria does not apply to students seeking a diploma in 2017-2018.

Beginning in grade five when a student is taking an alternative assessment or after a documented history to qualify for a modified diploma, an extended diploma or an alternative certificate has been established, the district will annually provide to the parents or guardians of the student, information about the availability and requirements of a modified diploma, an extended diploma and an alternative certificate.

A student who qualifies to receive or receives a modified diploma, an extended diploma or an alternative certificate shall have the option of participating in a high school graduation ceremony with the student's class.

A student who receives an extended diploma or an alternative certificate shall have access to individually designed instructional hours, hours of transition services and hours of other services that equals at least the total number of instructional hours that is required to be provided to students who are attending a public high school, as determined by the individualized education program (IEP) team.

A student who qualifies to receive a modified diploma but has not yet been awarded the modified diploma shall continue to have access to individually designed instructional hours, hours of transition services and hours of other services that are designed to meet the unique needs of the student.<sup>4</sup>

The district will award to students with disabilities a document certifying successful completion of program requirements. No document issued to students with disabilities educated in full or in part in a special education program shall indicate that the document is issued by such a program. When a student who has an IEP completes high school, the district will give the student an individualized summary of performance.

Eligible students with disabilities are entitled to a Free Appropriate Public Education (FAPE) until the age of 21, even if they have earned a modified diploma, an extended diploma, an alternative certificate or completion of a General Education Development document. The continuance of services for students with disabilities for a modified diploma, an extended diploma or an alternative certificate is contingent on the IEP team determining the student's continued eligibility and special education services are needed.

Students and their parents will be notified ~~by grade five~~ of graduation and diploma requirements.

The district will review graduation requirements biennially in conjunction with the secondary school improvement plan. Graduation requirements may be revised to address student performance.

The district may not deny a diploma to a student who has opted-out of the statewide assessments if the student is able to satisfy all other requirements for the diploma. Students who opt-out will need to meet the Essential Skills graduation requirement using another approved assessment option.

The district will issue a high school diploma, upon request and pursuant to Oregon law (ORS 332.114), to a person or a representative of a deceased person who served in the U.S. Armed Forces<sup>5</sup> and the person was discharged or released under honorable conditions.

<sup>4</sup>A student who received a modified diploma prior to July 1, 2018 shall continue to have access to instructional hours, hours of transition services and hours of other services that are designed to meet the unique needs of the student.

<sup>5</sup>The policy applies to any person who:

1. Served in the Armed Forces of the U.S. at any time during:
  - a. World War I;
  - b. World War II;

The district shall establish conduct and discipline consequences for student-initiated test impropriety. “Student-initiated test impropriety” means student conduct that is inconsistent with the *Test Administration Manual* or accompanying guidance; or results in a score that is invalid.

END OF POLICY

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**Legal Reference(s):**

<a href="#">ORS 329.095</a>	<a href="#">ORS 343.295</a>	<a href="#">OAR 581-022-2025</a>
<a href="#">ORS 329.451</a>	<a href="#">OAR 581-022-1910</a>	<a href="#">OAR 581-022-2030</a>
<a href="#">ORS 329.479</a>		<a href="#">OAR 581-022-2115</a>
<a href="#">ORS 332.107</a>	<a href="#">OAR 581-022-2000</a>	<a href="#">OAR 581-022-2120</a>
<a href="#">ORS 332.114</a>	<a href="#">OAR 581-022-2010</a>	<a href="#">OAR 581-022-2505</a>
<a href="#">ORS 339.115</a>	<a href="#">OAR 581-022-2015</a>	
<a href="#">ORS 339.505</a>	<a href="#">OAR 581-022-2020</a>	

*Test Administration Manual*, published by the OREGON DEPARTMENT OF EDUCATION (FEBRUARY 4, 2016).  
*Essential Skills and Local Performance Assessment Manual*, published by the OREGON DEPARTMENT OF EDUCATION (MARCH 17, 2016)

- c. The Korean Conflict; or
- d. The Vietnam War;
- 2. Served in the Armed Forces of the U.S. and was physically present in:
  - a. Operation Urgent Fury (Grenada);
  - b. Operation Just Cause (Panama);
  - c. Operation Desert Shield/Desert Storm (Persian Gulf War);
  - d. Operation Restore Hope (Somalia);
  - e. Operation Enduring Freedom (Afghanistan); or
  - f. Operation Iraqi Freedom (Iraq);
- 3. Served in the Armed Forces of the U.S. in an area designated as a combat zone by the President of the U.S.

## Graduation Requirements

### Diploma

A high school diploma will be awarded to students in grades 9 through 12 who complete a minimum of 24 credits depending upon when the student first enrolled as a freshman which include at least:

1. Four credits of English (shall include the equivalent of one unit in written composition);
2. Three credits of mathematics (shall include one unit at the Algebra I level and two units that are at a level higher than Algebra I);
3. Three credits of science;
4. Three credits of social sciences (including history, civics, geography and economics (including personal finance));
5. One credit in health education;
6. One credit in physical education; and
7. Three credits in career and technical education, the arts or world language (units shall be earned in any one or a combination).

The district shall offer students credit options provided the method for obtaining such credit is described in the student's personal education plan and the credit is earned by meeting requirements described in Oregon Administrative Rule (OAR) 581-022-2025.

To receive a diploma, in addition to credit requirements as outlined in OAR 581-022-2000, a student must:

1. Demonstrate proficiency in the Essential Skills of Reading, Writing and Apply Mathematics;
2. Develop an education plan and build an education profile;
3. Demonstrate extended application through a collection of evidence; and
4. Participate in career-related learning experiences outlined in the education plan.

### Essential Skills Appeal

The district will follow Board policy KL - Public Complaints in the event of an appeal for the denial of a diploma based on the Essential Skills graduation requirement. The district will retain student work

samples and student performance data to ensure that sufficient evidence is available in the event of an appeal.

### **Oregon University System High School Course Requirements for Fall 2012 (Informational Only)**

Applicants must satisfactorily (grade of C- or above) complete at least 14 units<sup>1</sup> (one year equal to one unit) of college preparatory work in the following areas. Graduates of Oregon high schools may also use the Proficiency-based Admission Standards System (PASS) option to substitute for English, mathematics, science, social science and second language subject requirements.

English	4 units
Mathematics	3 units
Science	2 units
Social Studies	3 units
Second Language	2 units

Source: [www.ous.edu/stucoun/prospstu/files/Admission%20policy%202011-12%Board%20Final.pdf](http://www.ous.edu/stucoun/prospstu/files/Admission%20policy%202011-12%Board%20Final.pdf)

### **Modified Diploma**

A modified diploma will be awarded only to students who have demonstrated the inability to meet the full set of academic standards adopted by the State Board of Education for a high school diploma even with reasonable modifications and accommodations. A modified diploma may only be awarded to a student who meets the eligibility criteria listed below:

1. Has a documented history of an inability to maintain grade level achievement due to significant learning and instructional barriers; or
2. Has a documented history of a medical condition that creates a barrier to achievement.

Having met the above eligibility criteria, a modified diploma will be awarded to students who, while in grade nine through completion of high school, complete 24 credits which shall include:

1. Three credits in English;
2. Two credits in mathematics;
3. Two credits in science;
4. Two credits in social sciences (which may include history, civics, geography and economics (including personal finances));

<sup>1</sup> Minimum requirements for admission to UO include these 14 units. For automatic admission, students must complete two additional approved units in any of the five subject requirements.



5. One credit in health education;
6. One credit in physical education; and
7. One credit in career technology, the arts or a world language (units may be earned in any one or a combination).

In addition to credit requirements as outlined in OAR 581-022-2010, a student must:

1. Develop an education plan and build an education profile; and
2. Demonstrate extended application through a collection of evidence.

A student must also demonstrate proficiency in the Essential Skills with reasonable modifications and accommodations.

Districts may make modifications to the assessment for students who seek a modified diploma when the following conditions are met:

3. For a student on an individualized education program (IEP), any modifications to work samples must be consistent with the requirements established in the IEP. Modifications are changes to the achievement level, construct or measured outcome of an assessment. This means that IEP or school teams responsible for approving modifications for a student's assessment may adjust the administration of the assessment and/or the assessment's achievement standard.
4. For a student not on an IEP, any modifications to work samples must have been provided to the student during his/her instruction in the content area to be assessed, and in the year in which the student is being assessed, and modifications must be approved by the school team that is responsible for monitoring the student's progress toward the modified diploma.

Students not on an IEP or a Section 504 Plan may not receive a modified Smarter Balanced assessment.

A student's school team shall decide that a student should work toward a modified diploma no earlier than the end of grade six and no later than two years before the student's anticipated exit from high school. A student's school team may decide to revise a modified diploma decision.

A student's school team may decide that a student who was not previously working towards a modified diploma should work towards one when the student is less than two years from anticipated exit from high school if the documented history has changed.

Beginning in grade five when a student is taking an alternate assessment, the district shall annually provide to the parents or guardians of the student, information about the availability and requirements of a modified diploma.

## **Extended Diploma**

An extended diploma will be awarded only to students who have demonstrated the inability to meet the full set of academic content standards adopted by the State Board of Education for a diploma while receiving modifications and accommodations. To be eligible for an extended diploma, a student must:

1. While in grade nine through completion of high school, complete 12 credits, which may not include more than six credits in a self-contained special education classroom and will include:
  - a. Two credits of mathematics;
  - b. Two credits of English;
  - c. Two credits of science;
  - d. Three credits of history, geography, economics or civics;
  - e. One credit of health;
  - f. One credit of physical education;
  - g. One credit of the arts or a world language.
2. Have a documented history of:
  - a. An inability to maintain grade level achievement due to significant learning and instructional barriers;
  - b. A medical condition that creates a barrier to achievement; ~~or~~ and  
~~b.c. Participating in an alternate assessment no later than grade six and lasting for two or more assessment cycles; or~~  
~~c.d. A change in the student's ability to participate in grade level activities as a result of a serious illness or injury that occurred after grade eight.~~

Beginning in grade five when a student is taking an alternate assessment, the district shall annually provide to the parents or guardians of the student, information about the availability and requirements of an extended diploma.

### Alternative Certificates

Alternative certificates will be awarded to students who do not satisfy the requirements for a diploma, a modified diploma or an extended diploma if the students meet minimum credit requirements established by the district. Alternative certificates will be awarded based on individual student needs and achievement.

Beginning in grade five when a student is taking an alternate assessment, the district shall annually provide to the parents or guardians of the student, information about the availability and requirements of an alternative certificate.

### Assessment

Students may opt-out of the Smarter Balanced or alternate Oregon Extended Assessment by completing the Oregon Department of Education's Opt-out Form<sup>2</sup> and submitting the form to the district.

<sup>2</sup>[www.ode.state.or.us](http://www.ode.state.or.us); or navigate to Teaching & Learning > Testing - Student Assessment > Smarter Balanced

# Lebanon Community Schools

Code: **JECAC/GBH**

Adopted: 8/20/09

Readopted: 9/16/10; 1/20/11, 7/12/17

Orig. Code(s): GBH/JECAC

## Staff/Student/Parent Relations\*\*

The Board encourages parents to be involved in their student's educational activities and, unless otherwise ordered by the courts, an order of sole custody on the part of one parent shall not deprive the other parent of the following authority as it relates to:

1. Receiving and inspecting their student's education records and consulting with school staff concerning the student's welfare and education, to the same extent as provided the parent having sole custody;
2. Authorizing emergency medical, dental, psychological, psychiatric or other health care for the student if the custodial parent is, for practical reasons, unavailable.

It is the responsibility of the parent with sole custody to provide any court order that curtails the rights of the noncustodial parent at the time of enrollment or any other time a court order is issued.

~~Noncustodial parents will not be granted visitation or telephone access to the student during the school day. The student will not be released to the noncustodial parent unless allowed by court order. Unless provided by court order or a parental plan, a student shall not be released to the noncustodial parent, nor shall the noncustodial parent be granted visitation or phone access during the school day.~~

In the case of joint custody, the district will adhere to all conditions specified and ordered by the court. The district may request in writing any special requests or clarifications in areas concerning the student and the district's relationship and responsibilities.

The district will use reasonable methods to identify and authenticate the identity of both parents.

END OF POLICY

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### Legal Reference(s):

[ORS 107.101](#)

[ORS 107.102](#)

[ORS 107.106](#)

[ORS 107.154](#)

[ORS 109.056](#)

[ORS 163.245 - 163.257](#)

Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g (~~2006~~[2017](#)); Family Educational Rights and Privacy, 34 C.F.R. Part 99 (~~2008~~[2017](#)).

Protection of Pupil Rights, 20 U.S.C. § 1232h (~~2006~~2017); Student Rights in Research, Experimental Programs and Testing, 34 C.F.R. Part 98 (~~2006~~2017).

**Cross Reference(s):**

GBH/JECAC - Staff/Student/Parent Relations

## Reporting of Suspected Abuse of a Child

### Reporting

Any district employees having reasonable cause to believe that any child with whom the employee comes in contact has suffered abuse, or that any person with whom the employee comes in contact has abused a child, shall orally report or cause an oral report to be immediately made by telephone or otherwise to the local office of the Oregon Department of Human Services (DHS) or to a law enforcement agency within the county where the person making the report is at the time of his/her contact. The district employee should also immediately inform his/her supervisor, principal or superintendent.

If known, such report shall contain the names and addresses of the child, and the child's parents or other persons responsible for the child's care, the child's age, the nature and extent of the suspected abuse, the explanation given for the suspected abuse, any other information which the person making the report believes might be helpful in establishing the possible cause of the suspected abuse and the identity of a possible perpetrator.

A written record of the abuse report shall be made by the employee suspecting the abuse of a child. The written record may be made using the Lebanon Community School District's abuse reporting form which includes at a minimum:

1. The name and position of the person making the report;
2. The names, and addresses of the child, and of the parents of the child or other persons responsible for the child's care and the age of the child;
3. The name and position of any witness to the report;
4. A description of the nature and extent of the abuse, including any information which could be helpful in establishing cause of abuse and identity of the abuser;
5. A description of how the report was made (i.e., phone or other method);
6. The name of the agency and individual who took the report;
7. The date and time that the report was made; and
8. The names of persons who received a copy of the written report.

The written record of the abuse report shall not be placed in the student's educational record. A copy of the written report shall be retained by the employee making the report and a copy shall be provided to the employee's supervisor and/or superintendent or designee.

When the district receives a report of suspected abuse of a child by one of its employees, and the superintendent or designee determines that there is reasonable cause to support the report, the district shall place the district employee on paid administrative leave until ~~the Department of Human services~~ the DHS or a law enforcement agency either: 1) determines that the report is unfounded or that the report will not be pursued; or 2) determines that the report is founded and the education provider takes the appropriate disciplinary action against the district employee. If ~~the Department of Human services~~ the DHS or a law enforcement agency is unable to determine whether the abuse of a child occurred the district may either reinstate the employee or take disciplinary action at the district's discretion.

The written record of each reported incident of abuse of a child, action taken by the district and any findings as a result of the report shall be maintained by the district.

### **Definitions**

1. Oregon law recognizes these types of abuse:
  - a. Physical;
  - b. Neglect;
  - c. Mental injury;
  - d. Threat of harm;
  - e. Sexual abuse and sexual exploitation.
2. Child means an unmarried person who is under 18 years of age.

### **Confidentiality of Records**

The name, address and other identifying information about the employee who made the report are confidential and are not accessible for public inspection.

The disciplinary records of a district employee or former district employee convicted of a crime listed in Oregon Revised Statute (ORS) 342.143 are not exempt from disclosure under ORS 192.501 or 192.502. Therefore, if a district employee or former employee is convicted of a crime listed in ORS 342.143, the district that is or was the employer of that employee when the crime was committed shall disclose the disciplinary records of the employee to any person upon request. However, prior to the disclosure of a disciplinary record the district shall remove any personally identifiable information from the record that would disclose the identity of a child, a crime victim or a district employee who is not the subject of the disciplinary record.

### **Failure to Comply**

Any district employee who fails to report a suspected abuse of a child as provided by this policy and the prescribed Oregon law commits a violation punishable by law. A district employee who fails to comply with the confidentiality of records requirements commits a violation punishable by the prescribed law. If



an employee fails to report suspected abuse of a child or fails to maintain confidentiality of records as required by this policy, the employee will be disciplined.

### **Cooperation with Investigator**

The district staff shall make every effort in suspected abuse of a child cases to cooperate with investigating officials as follows:

1. Any investigation of abuse of a child will be directed by the ~~Oregon Department of Human Services~~DHS or law enforcement officials as required by law. When an administrator is notified that the ~~Department of Human Services~~DHS or law enforcement would like to interview a student at school, the administrator must request that the investigating official ~~demonstrate that he/she has a warrant, court order, exigent circumstances or parental consent to interview the student~~fill out the appropriate form. Failure to ~~meet one of these criteria~~complete the appropriate form may result in the administrator's refusal to allow the student interview on school property. If the student is to be interviewed at the school, the principal or representative shall make a conference space available. The principal or representative of the school may at the discretion of the investigator, be present to facilitate the interview. Law enforcement officers wishing to interview or remove a student from the premises shall present themselves at the office and contact the principal or representative. The officer shall sign the student out on a form to be provided by the school;
2. When the subject matter of the interview or investigation is identified to be related to suspected –abuse of a child, district employees shall not notify parents;
3. The principal or representative shall advise the investigator of any conditions of disability prior to any interview with the affected child;
4. District employees are not authorized to reveal anything that transpires during an investigation in which the employee participates, nor shall the information become part of the student's education records, except that the employee may testify at any subsequent trial resulting from the investigation and may be interviewed by the respective litigants prior to any such trial.

**Lebanon Community School District  
Child Abuse Report Form**

Oregon Revised Statute (ORS) 418.750 requires that “any public or private official having reasonable cause to believe that any child with whom the official comes in contact in an official capacity has suffered abuse, or that any person with whom the official comes in contact in an official capacity has abused a child shall report or cause a report to be made...” Public officials include all school employees.

**Information on Abuse Victim**

Name of Child: \_\_\_\_\_ SS#: \_\_\_\_\_

Parent or Guardian: \_\_\_\_\_

Address/City/Zip: \_\_\_\_\_

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

Child's birth date: \_\_\_\_\_ Age: \_\_\_\_\_ Grade: \_\_\_\_\_

Date and time of alleged abuse occurrence: \_\_\_\_\_

Nature and extent of alleged abuse: \_\_\_\_\_

\_\_\_\_\_

Identity of alleged perpetrator (if known): \_\_\_\_\_

**Record of Report**

Report to Services to Child and Families phone number: \_\_\_\_\_

Employee making the report: \_\_\_\_\_

Person taking the report: \_\_\_\_\_

Date of report: \_\_\_\_\_ Time: \_\_\_\_\_

\_\_\_\_\_  
Signature of person completing this report

\_\_\_\_\_  
Date

**Do not file in child's school file**

Copy: Personnel Office if alleged perpetrator is an employee

Copy: Superintendent's Office

Copy: Building Principal

## **Suspected Child Abuse Reporting and Follow Up Procedures Notice**

1. All district employees having reasonable cause to believe that any child with whom he/she has come into contact has suffered abuse or neglect, as defined in state law, or that any adult with whom he/she is in contact has abused a child, will immediately notify the ~~Services to Children and Families~~Department of Human Services or the local law enforcement agency.
2. The district employee shall also inform his/her immediate supervisor and the district superintendent or designee as the person designated to receive child abuse reports.
3. The superintendent or designee, upon receiving a suspected child abuse report, shall initiate the following procedures:
  - a. Determine that the appropriate report has been filed with the designated agency.
  - b. If the alleged abuser is a district employee, determine whether there is reasonable cause to support the report and if so, place the employee on paid administrative leave.
  - c. Establish contact with the designated agency to determine disposition of the case.
  - d. As appropriate, conduct or cause to be conducted an investigation of the alleged abuse.
  - e. Determine whether to reinstate the employee and/or take disciplinary action against the employee.
  - f. Notify the person who initiated the report of action taken on the report.

This notice is to be posted in all school buildings.

# Lebanon Community Schools

Code: **KGC/GBK/JFCG**

Adopted: 8/1/05

Readopt: 9/16/10, 5/19/11, 09/10/15

Orig. Code(s): GBK/JFCG/KGC

## **Prohibited Use, Possession, Distribution or Sale of Tobacco Products and Inhalant Delivery Systems (Version 2)**

~~The Board recognizes its responsibility to promote the health, welfare and safety of students, staff and others on district property and at school-sponsored activities.~~ The Board ~~wishes to~~ establish a school and working environment that is free of smoke, aerosols and vapors containing inhalants. Student possession, use, distribution or sale of tobacco products or inhalant delivery systems, including any smoking or use of an inhalant delivery device, on district premises, at school-sponsored activities on or off district premises, in district-owned, rented or leased vehicles, on all district grounds, including parking lots or otherwise, while a student is under the jurisdiction of the district, is prohibited.

~~Use~~The use, distribution or sale of tobacco products or inhalant delivery systems by staff on district property, including parking lots, at district-sponsored events, in district-owned, rented or leased vehicles or otherwise while on duty on or off district premises is prohibited. Use, distribution or sale of tobacco products or inhalant delivery systems by all others on district property, in district vehicles or at district-sponsored events, on or off district premises, on all district grounds, including parking lots, is prohibited. Staff and/or all others authorized to use any private vehicles to transport district students to school-sponsored activities are prohibited from using tobacco products or inhalant delivery systems in those vehicles while students are under their care.

For the purpose of this policy, “tobacco products” is defined to include, but not limited to, any lighted or unlighted cigarette, cigar, pipe, bidi, clove cigarette, and any other smoking product, spit tobacco, also known as smokeless, dip, chew or snuff in any form.

For the purpose of this policy “inhalant delivery system” means a device that can be used to deliver nicotine or cannabinoids in the form of a vapor or aerosol to a person inhaling from the device or a component of a device; or a substance in any form sold for the purpose of being vaporized or aerosolized by a device whether the component or substance is sold or not sold separately. This does not include ~~products that are (US Food and Drug Administration- (USFDA)-approved~~ for sale as a tobacco cessation ~~products or other therapy products marked and sold solely for the approved purpose~~ for any other therapeutic purpose, if marketed and sold solely for the approved purpose.

Clothing, bags, hats and other personal items used by staff ~~and students~~ to display, promote or advertise tobacco products or inhalant delivery systems ~~products~~ are prohibited on all district grounds, including parking lots, at school-sponsored activities or in district vehicles. Advertising is prohibited in all school-sponsored publications, in all school buildings, on district grounds, including parking lots, and at all

school-sponsored events. District acceptance of gifts or funds from the tobacco products and inhalant delivery system industries is similarly prohibited.

~~Student violations of this policy will lead to disciplinary action up to and including expulsion. Students may also be subject to removal from any or all extracurricular activities and/or denial or forfeiture of school honors or privileges (e.g., valedictorian, salutatorian, student body, class or club office positions, field trips, senior trip, prom, etc.). School and/or community service may be required. A referral to law enforcement shall be made. Parents shall be notified of all violations involving their student and action taken by the school.~~

~~When considering disciplinary action for a child with disabilities, the district must follow the requirements of Board policy JGDA/JGEA—Discipline of Students with Disabilities, including those involving functional behavioral assessment, change of placement, manifestation determination, and an interim alternative educational setting.~~

Staff violations of this policy will lead to disciplinary action up to and including dismissal.

Violations by all others will result in appropriate sanctions as determined and imposed by the superintendent or the Board.

Information about community resources and/or cessation programs to help staff and students will be provided.

~~The district will promote cessation resources and other positive alternatives to discipline. Tobacco use cessation programs may be established at district schools. Attendance or completion of tobacco use cessation programs by students may be allowed as a substitute to, or as a part of student discipline for possession, use, distribution or sale of tobacco products or inhalant delivery systems at the discretion of the principal. Attendance at cessation programs not offered by the district is voluntary and related costs are the individual responsibility of the staff member, student and his/her parent and private health care system.~~

~~As part of the district's tobacco use prevention activities, the superintendent shall ensure that tobacco use instructional programs as recommended by the Oregon Department of Human Services, Health Services, Tobacco Prevention and Education Program and the Oregon Department of Education, are an integral part of its drug and alcohol prevention curriculum. Programs must be integrated within the health education program and age- and developmentally appropriate instruction provided at every level, pre-kindergarten through grade 12, with particular emphasis on grades 6 through 8. It is the expectation of the Board that prevention concepts will be integrated into the instruction of other subject areas as practicable.~~

~~Staff responsible for teaching prevention will be encouraged to collaborate with agencies and groups that conduct prevention education and to participate in ongoing professional development activities that provide basic knowledge about the effects of use of tobacco products, effective instructional techniques and program specific activities.~~

The superintendent shall consult with local officials to promote enforcement of law that prohibits the use or possession of tobacco products or inhalant delivery systems by ~~minors~~ persons under 21 years of age on or off district grounds or at district-sponsored activities

This policy shall be enforced at all times. The superintendent will develop ~~administrative regulations~~ guidelines as necessary to implement this policy, including provisions for notification of the district's policy, through such means as ~~student/parent and~~ staff handbooks, newsletters, inclusion on school event programs, signs at appropriate locations; disciplinary consequences; and procedures for filing and handling complaints about violations of the district's policy.

~~The superintendent shall ensure that the district's prevention program, policies, curricula, training and cessation programs are evaluated at regular intervals. The input of students, staff, parents and others from the community will be encouraged.~~

END OF POLICY

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**Legal Reference(s):**

~~ORS 167.400~~  
~~ORS 332.107~~  
~~ORS 336.222~~  
~~ORS 336.227~~  
~~ORS 339.240~~  
~~ORS 339.250~~  
ORS 339.883  
~~ORS 431.840~~  
ORS 431A.175  
ORS 433.835 to -433.990

~~OAR 581-021-0050 to -0075~~  
~~OAR 581-021-0110~~  
~~OAR 581-022-0413~~  
OAR 581-053-0015  
OAR 581-053-0230(9)(s)  
OAR 581-053-0330(1)(m)  
OAR 581-053-0430(12)  
OAR 581-053-0531(11)  
~~OAR 581-053-0630~~

Pro-Children Act of 1994, 20 U.S.C. §§ 6081-6084 (~~2006~~ 2017).



**LEBANON COMMUNITY SCHOOL DISTRICT  
SCHOOL BOARD WORK SESSION  
March 8, 2018, 5:00 PM**

Santiam Travel Station

750 S. Third Street, Lebanon, OR 97355

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**AGENDA ITEM 10A**

**WORK SESSION SUMMARY**

Tom Oliver, Chair  
Nick Brooks, Vice Chair  
Richard Borden, Director  
Mike Martin, Director  
Russ McUne, Director

Dr. Rob Hess, Superintendent  
Bo Yates, Assistant Superintendent  
Jennifer Meckley, Human Resources and  
Community Relations Director  
Linda Darling, Business Director  
Jan Sansom, Special Education Director

Audience members included school principals, teachers and district staff, among others.

**1. WELCOME**

Chair Tom Oliver called the work session to order at 5:05 PM.

**2. DISCUSSION: 2018/19 SCHOOL CONFIGURATION**

Superintendent Rob Hess indicated the purpose of this work session is for the Board to obtain principal, teacher and staff input regarding the options contained in Hess' March 2, 2018 school configuration memorandum. The Board would also like to have the principals discuss the community feedback obtained through forums and various electronic surveys, which indicates strong interest in kindergarten through 6<sup>th</sup> grade at all in-town schools.

Cascades Principal Tami Volz believes we need to ensure there is equity for all students as the Board considers school reconfiguration.

Riverview Principal Joe Vore indicated that adding 6<sup>th</sup> grade would result in 480 students at the school next year. The space required for 6<sup>th</sup> grade classrooms would displace music and reduce preparation time. It would also require adding three more teachers, space, and schedule sections. Four fewer music sections would be available, and Riverview is already close to the minimum number of sections. Accommodating 150 students in the cafeteria is not feasible. Riverview would need to add another recess and another lunch.

Richard Borden asked about the overall space at Riverview. Vore indicated maximum capacity was 500 when the school was designed, but the school is actually substantially overcrowded at that level.

Principal Geno Bates noted Hamilton Creek experienced a similar problem two years ago. Schedules were very tight, and teachers needed to transition from space to space. Music on a cart can be done, but it was not a positive experience for staff or students.

Mike Martin asked about Special Education (SPED) being expanded for additional 6<sup>th</sup> graders. Hess advised that an additional SPED teacher would be part of any reconfiguration, as this need had already been identified in budget planning for 2018/19.

Green Acres Principal Amanda Plummer reported many of the school's parents are in favor of 6<sup>th</sup> grade. This is overwhelmingly the case for their Latino families. She pointed out that Green Acres houses most of the district's programs. Adding 6<sup>th</sup> grade would create space issues, but they do have some options, particularly if some of the district programs currently housed there are relocated to other school buildings. Russ McUne asked what would be needed in terms of teachers and modular buildings. Plummer advised two modular buildings, an additional restroom, and more staff would be required.

Oliver acknowledged that more classroom space is needed at Green Acres. Three classrooms are being used for life skills programs. Life skills and English Language Learner programs may also affect space availability. Oliver asked about space for two modular buildings at Green Acres. Plummer advised she had reviewed section planning. If there is no preschool at Green Acres, they would have space for 6<sup>th</sup> grade, but it would be tight because Green Acres houses many programs. Regarding the equity discussed by Principal Volz, Plummer stressed that we do not want to create barriers to the opportunities that are very important to families.

Pioneer Principal Tonya Cairo advised that the school is already a K-6. She confirmed the challenges being discussed by the other principals, including scheduling, overlapping recess, and combining groups. She noted that difficult behaviors are not generally seen in 6<sup>th</sup> graders. At Pioneer, the 6<sup>th</sup> graders are school leaders, and they serve as mentors for the lower grades. Pioneer has a leadership class based on Seven Habits of Highly Effective Teens. Cairo noted that one challenge they face is advanced classes, particularly math. Seven Oak uses a different curriculum that is not accessible at Pioneer. Oliver noted that if we remove 6<sup>th</sup> grade from Seven Oak, those 6<sup>th</sup> graders would lose that advanced track for math and language arts. Cairo confirmed that her 6<sup>th</sup> grade advance math group is at a disadvantage over the 6<sup>th</sup> grade advanced math students at Seven Oak.

Oliver asked the group whether 6<sup>th</sup> grade at all four in-town schools is the right approach – is it the best configuration for our students? High School Principal Brad Shreve noted that barriers faced by 6<sup>th</sup> graders show up in the transition from 8<sup>th</sup> to 9<sup>th</sup> grade. He emphasized that configurations must include equity.

Cairo pointed out that more teachers using advance math would provide opportunities for collaboration during professional development.

Hess confirmed the district would need to provide increased support for schools with new 6<sup>th</sup> grade. Electives, band, and leadership curriculum would all require space.

Oliver indicated Riverview is the greatest challenge, since they would need three classrooms. Vore advised they would need to eliminate the computer lab, although it does get used. There is currently no band at Riverview, but they do have in-classroom music three days per week. The remaining two days are used for SMART (Specific, Measurable, Attainable, Results-oriented, Time-bound) goals.

Oliver asked Vore what would be needed to make 6<sup>th</sup> grade work at Riverview. Vore cited a need for equity for staff, as well as additional SPED staff. It would, however, result in fewer preparation sections being available.

Martin pointed out that, technically, Seven Oak can accommodate the projected 6<sup>th</sup> grade population. If modular buildings were added, 6<sup>th</sup> graders would be self-contained. Acting Principal Jordon Ford pointed out that locker space and cafeteria capacity are issues. These would also be problematic at Riverview.

Borden asked whether the district has considered rolling back open enrollment. Hess advised that 15 to 20 percent of families utilize open enrollment. The Board has not previously considered eliminating this policy, but it is something to consider. Borden noted that elimination of the open enrollment policy would help mitigate overcrowding. If that action was taken, current open enrolled families could be grandfathered into their current schools. Martin asked how those who have already made connections at schools would be handled. Oliver indicated families would need to be grandfathered in, since it could be detrimental if their open enrollment was revoked. Moving forward, however, this process needs to become more restrictive, particularly at the schools that are enrollment challenged. Ultimately, we need to eliminate open enrollment entirely.

Cascades could add 6<sup>th</sup> grade with its current facilities, but staffing is the challenge. Volz would want to maintain the music room and keep their computer room. Oliver asked whether Volz wanted 6<sup>th</sup> grade at Cascades. Volz advised she has not experienced 6<sup>th</sup> grade at the elementary level it, but research indicates the model works.

Jan Sansom noted that the Social and Emotional Learning (SEL) program also needs more space. Ford indicated that including space for Alternative Education programs at Seven Oaks would be a positive.

Ford said he enjoys the 6<sup>th</sup> – 8<sup>th</sup> grade model. When the 6<sup>th</sup> graders were in their own wing, it was successful. With increased numbers and fewer staff, however, 6<sup>th</sup> graders are all over the school. If the school operated with the 7<sup>th</sup> – 8<sup>th</sup> grade model, they could maintain the elective programs they have been building. A student population of less

than 500 is much more manageable for the size of the building. The environment feels better. Ford noted that if the 6<sup>th</sup> graders had their own wing and 6<sup>th</sup> grade enrollment was capped at 150 to 180, the grade 6 through 8 model would work at Seven Oak.

Jordon pointed out that licensure may be an issue with staff movement. Teachers must be appropriately licensed to teach dedicated 6<sup>th</sup> grade classes.

Shreve also noted the urgent need for a true alternative education school from which students can graduate and receive an actual diploma.

The Board expressed their appreciation to the principals, teachers, and staff for their input regarding the very important issue of school reconfiguration.

### **3. ADJOURNMENT**

The Work Session was adjourned at 6:00 PM.

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Tom Oliver, Board Chair

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Rob Hess, Superintendent

**LEBANON COMMUNITY SCHOOL DISTRICT  
SCHOOL BOARD MEETING  
March 8, 2018, 6:00 PM**

Santiam Travel Station

750 S. Third Street, Lebanon, OR 97355

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**AGENDA ITEM 10B**

**MEETING MINUTES**

A regular School Board meeting was held on March 8, 2018. Those present included the following:

Tom Oliver, Chair	Dr. Rob Hess, Superintendent
Nick Brooks, Vice Chair	Bo Yates, Assistant Superintendent
Richard Borden, Director	Jennifer Meckley, Human Resources and
Mike Martin, Director	Community Relations Director
Russ McUne, Director	Linda Darling, Business Director

Meeting minutes were recorded by Maura Kwiatkowski, Executive Secretary.

**1. WELCOME**

A. Chair Tom Oliver called the meeting to order at 6:11 PM.

**2. GOOD NEWS/COMMUNITY COMMUNICATIONS**

A. Kris Latimer, Executive Director of the Boys & Girls Clubs of the Greater Santiam (B&GC), updated the Board about the East Linn County Pipeline, Training Teens for Tomorrow, and the 2018 Classroom to Career Expo.

East Linn County Pipeline. The Pipeline is a multiyear project funded by the Ford Family Foundation to provide opportunities for students to learn about pathways to jobs in area industries that do not require a four-year college degree. The program began three years ago as a partnership of mostly manufacturing businesses with the Albany Area Chamber of Commerce; current partners include the Albany Chamber, Linn Benton Community College (LBCC), and area school districts. About one year ago, the group approached East Linn school districts and the B&GC about expanding to this area. The goal is to expose high school students to manufacturing and other careers and Linn Benton Community College's (LBCC's) technical certificate programs. The initiative includes funding for field trips and opportunities to get school personnel out into the industries so they can see and understand industry employee needs.

Training Teens for Tomorrow is a 14-week prevention and employment program in which youth have access to academic and post-secondary educational support, volunteer service opportunities, and paid work experience. This two-days-per-week, after-school program began was implemented at Lebanon High School three years ago, and students are referred by guidance counselors. Students complete the following five phases of learning and activities:

1. individual planning and life skills;
2. career exploration and job skills training;

3. employability and skills building (working as part of a team, being a good employee, dealing with challenges on job, etc.);
4. volunteer service projects – doing volunteer service work around the community (The Oaks, Veterans Home, B&GC, and Safe Haven, among others); and
5. a three-week work experience that complements the student's areas of interest – construction trade, culinary and restaurant, etc. Individual planning is also done with each student. College may not be the goal, but getting a high school diploma is critical. Industry leaders meet with the students to discuss the characteristics of a good employee.

Students receive a \$550 stipend for the 14-week program, as well as a half-credit for work-based learning.

The program is also adding a youth entrepreneurial component in partnership with the small business development center (the B&GC hot dog cart, for example.) Program participants will also attend an Angel Funding Conference in Eugene.

The 2018 East Linn County Classroom to Career Expo will be held on September 14. The Expo is a hands-on event and provides opportunities for students in Grades 8 through 12 to operate machinery and equipment, as well as use simulators. Participating industries include 1) emergency services and response; 2) construction trades, including electrical; medical services; transportation and warehousing; and manufacturing. Over 1,000 Lebanon and Sweet Home students participated last year, and similar attendance is expected this year. Industry participation is also expected to increase from last year's 32 firms.

### **3. GENERAL BUSINESS**

#### **A. Piper Jaffray Bond Presentation**

Business Director Linda Darling introduced Lauren McMillan from Piper Jaffray, the district's bond sales agent.

McMillan noted that Piper Jaffray works with a number of school districts. The firm is a resource for the district as the possibility of a General Obligation (GO) bond is explored. There are many factors to consider, and it is helpful to gather general information to determine whether the district will place a bond question on the ballot and seek matching funds from the state.

McMillan provided an overview of the bond process and how bonds are useful tools for financing major capital projects. GO bonds are secured by the property tax levy, and their issuance must be approved by the voters.

McMillan reviewed the district's tentative timeline based on a September 2019 application submittal for matching funds via the Oregon School Capital Improvement Matching Program (OSCIM) and a May 2020 election. She indicated this scenario would likely result in favorable financing rates. If the district moves forward with a bond, we would borrow \$4.7 million and request a \$4.7 million match from the state. The \$4.7 million bond would result in a 20-cent increase in the property tax rate, but it would not change Lebanon Community School District's (LCSD's) position as compared to the levy rates of other school districts.



Oliver asked McMillan whether the tax rate table included Greater Albany's recent bond issue. She indicated Greater Albany's projected rate for next year will include their new issue, and new rate information will be available this fall.

McMillan suggested a bond would likely have a better chance of passing in May than November. However, voters did approve six of last the seven bond questions on the November 2017 ballot with the OSCIM grant attached.

LCSD received approval for the three grants discussed at the February 8, 2018 Board meeting for 1) a facilities assessment, 2) a long-range facilities plan, and 3) a seismic assessment. Timing for completion of these activities ranges from 6 to 9 to 12 months. Once these activities are complete, the district will form a bond committee (approximately Summer 2019) and determine the amount and cost of any bond to be presented to the voters. This process will occur over several months and meetings.

The OSCIM grant application would be due in September 2019, and the ballot information would be filed in February 2020 for a May 2020 election. If approved, the bonds would be sold within six months of the election as is required to receive OSCIM grant funds.

McMillan noted that the first biennium funding process was looser, and the passage rate was low. Many districts rushed the process. It is important to allow an appropriate amount of time to plan and to engage with the community to secure voter buy-in for the bonds.

LCSD is in a flexible position given the three grants planning grants. Although it will take up to one year to complete the planning, the plans are valid for four years.

Russ McUne asked when the district would be notified of the state's the decision regarding award of an OSCIM grant. McMillan indicated the turnaround is quite fast; we should receive a decision within two weeks of application submittal.

McMillan noted the formula for grants was revised based on poverty and property value changes, and the matching funds available to the LCSD is greater than the \$4 million generally available to other districts. New funding decisions will be made in February 2019, however, and the district's match amount could change at that time.

#### **4. AUDIENCE COMMENTS**

- A. Glenn Hensley addressed the Board regarding recent school shootings and school safety. He stated that prevention is not realistic, and school resource officers cannot cover all potential scenarios. He indicated a need for immediate discussion for defensive program development for district personnel. Hensley encouraged the Board and superintendent to begin polling district personnel about their thoughts on this issue.
- B. Jim Justus indicated he shared Mr. Hensley's position. He has done some research about potentially having such a program with little cost to the district. At a recent veteran's meeting, he asked for volunteers to provide all-day security at local schools. Of the 20 people present, at least half indicated they would volunteer. Justus also contacted several companies that offer firearms training and threat assessment training. He believes a guard is needed at every door of every school. Current district policy is that schools are gun-free zones. Justus noted the

average shooting time is three minutes, with a six-minute response time from law enforcement. Response would be almost immediate if highly-trained volunteers were in the schools. He asked that the Board follow up on this proposal.

- C. Mika Smith also spoke about school safety. He stated that 98 percent of mass casualty events have occurred in gun-free zones. There are many volunteers willing to train school staff. He recently conducted a free, four-hour training class. He believes school staff must be the first line of defense. Smith advised the Board he would volunteer his time to train school staff, and he would appreciate the Board's serious consideration of his offer. Smith noted the Sweet Home District has approved staff firearms carry. Our teachers, bus drivers, and custodial staff should be allowed to carry firearms if they wish to do so.
- D. Melody Antones informed the Board she is an instructional assistant at the high school and has been in the district for 21 years. She has served in the military and stated that schools are the more dangerous of the two. Antones urged the Board not to train staff to carry firearms. She advocated for smaller classes so that teachers get to know students and hiring additional support staff, as well as more counselors and school resource officers. She also suggested the Board consider some facility remodeling to limit access points. In some other districts, the front door is the only entrance, and visitors must be buzzed in by the school secretary.

**\*\*\*RETURN TO REGULAR AGENDA, ITEM 3, GENERAL BUSINESS\*\*\***

**3. GENERAL BUSINESS**

**B. Grade Configuration**

Chair Tom Oliver requested that Superintendent Rob Hess present the content of his March 2, 2018 Board Memorandum regarding this subject.

Hess reported the district held five forums at district schools in February to receive community input, and 196 attendees signed up to receive additional information. An online Thought Exchange had 95 participants and 134 thoughts. A Survey Monkey survey received responses from 50 percent of district staff and 961 of 2,800 parents. Several community members also participated in this survey. A 6<sup>th</sup> grade interest survey was also conducted at Cascades, Riverview and Green Acres. All of the input activities show a strong desire for four K-6 schools in town. Other ideas that surfaced, which were not part of the original options, include a pre-K to K center in town and making Pioneer a K-8 school, but these approaches will not solve the Seven Oak overcrowding issue for 2018/19. Hess noted that whatever configuration is selected for next year will require substantial planning to implement.

Nick Brooks asked what a pre-k/k center would look like. Hess indicated all pre-k and kindergarten students would be at one location, and the other elementary schools would be Grades 1 through 6 if such a center was developed. Hess noted behavior issues have emerged with kindergarteners that were not present in the past, such as a lack of sharing skills and understanding turn taking. These skills now need to be taught in kindergarten.

McUne indicated the need to address two primary issues: 1) alleviation of overcrowding at Seven Oak and 2) improving academic achievement; and none of the discussions of overcrowding address the achievement issues. Oliver agreed. We can add space at Seven Oak and try to make it work.

Adding 6<sup>th</sup> grade at Riverview would be difficult. McUne noted that the push to do something may not give us the best result. Oliver agreed but pointed out that we heard from community, and the K-6 model is desired. Can we phase in, using an equitable method, two K-6 schools and two K-5 schools? McUne pointed out the cost factor and indicated the configuration must be equitable for students, teachers, and staff. Oliver stressed the need for due diligence. What is the cost for the very best scenario? How much can we accomplish next year? With the potential for bond funding and the upcoming facilities planning grant, perhaps we elect not to resolve the problem all at once. Richard Borden said the Board should look at overcrowding and potential solutions, as well as longer-term goals. He agreed with McUne; we should not make a decision in haste just to make a decision. Oliver noted that whatever choice is made now should not preclude the longer-term plan.

McUne pointed out we do not necessarily need to move all 6<sup>th</sup> graders from Seven Oak. Brooks expressed the need to work toward equity for all in-town schools. As the Board has heard from the principals, piecemealing the different schools is unfair and affects performance. We need to provide consistency now and work our way through the challenges. Martin agreed, stating that consistency and equality are major factors. This is particularly apparent in the current imbalance between schools relative to music and physical education (PE). Martin stated the Board needs to demonstrate leadership and find the funding to achieve equality.

Brooks suggested additional dialogue with stakeholders regarding any decision. He favors implementing the pre-k/k model within three to four years, and grades 1 through 6 in the elementary schools. Seven Oak could then be remodeled with bond funds. In the meantime, short-term options include module buildings at Seven Oak, keeping Seven Oak 6<sup>th</sup> graders separate, and developing a solution to the locker rooms problem.

McUne said it is impossible to be completely equitable. We must also look at test scores. Will equity hurt some successful programs? We need to move the high test score skills to the schools where improvement is needed.

Borden acknowledged that music and PE need to be fair for everyone. Martin pointed out that we need to provide consistency first; consistency should be our defining purpose.

Hess noted that as recently as the 1990s, there were nine area school districts with their own boards. It has just been 20 years since we have had one unified school district, and perfect consistency is difficult to obtain. We need to prioritize what we will be consistent about. If our goal is more students receiving diplomas, we must consistently have students entering high school, ready for high school. Seven Oak is a large middle school, and learning is more challenging in larger schools. Most stakeholders prefer the grades 7 and 8 junior high school model. Another priority is an alternative school where a diploma can be earned, and we currently do not have this available.

Brooks asked that staff develop cost estimates for the most feasible options, i.e., every 6<sup>th</sup> grader at Seven Oak, all in-town elementary schools become through K-6, and a hybrid that is somewhere in the middle.

Oliver suggested staff prepare for the Board, for consideration at the March 19 meeting, cost and practicality analyses for the following options: 1) in town K-6 schools and grades 7 and 8 only at Seven Oak with the same opportunities for all; and 2) management of the two-year enrollment bubble by containing 6<sup>th</sup> graders at Seven Oak. McUne would like to hear more about what the

principals think. It would be helpful to have three or four options to consider at the March 19 meeting.

Brooks would like to see what we are doing at each school. Who attends? What does each school look like, and how does each fit into the whole? PE and music also need to be balanced. He believes it can be accomplished, and the Board must budget to provide resources for improvement.

Oliver noted that for ELL and special programs, the district must utilize the space we have, wherever it is available. Martin noted that ELL and life skills programs need more resources, since severe behavior issues regarding more staff time and involvement.

#### C. Policies: First Reading

<b>Code</b>	<b>Title</b>
CCC	Hiring of Licensed Administrators
CM	Compliance and Reporting on Standards
GBH/JECAC, also JECAC/GBH	Staff/Student/Parent Relations**
GBK/KGC, also KGC/GBK (previously GBK/ JFCG/KGC)	Prohibited Use, Distribution or Sale of Tobacco Products and Inhalant Delivery Systems, Version 2
IBDJA	Relations with Homeschooled Students**
IKA	Grading and Reporting
IKF	Graduation Requirements**, Version 2
IKF-AR	Graduation Requirements
JHFE-AR(1)	Reporting of Suspected Abuse of a Child
KBA-AR	Public Records

Human Resources (HR) Director Jennifer Meckley reviewed the first reading policy summary. Many of the policy changes are simply clarifications of language. Tobacco use policies are now separated between staff and students.

McUne requested that the Board not require a vote to remove a policy from First Reading, although the Oregon School Board Association recommends such. Board members generally agreed that if one Board member requests discussion of an item, it will be removed from First Reading for discussion.

#### D. Policies: Second Reading

<b>Code</b>	<b>Title</b>
DJFA	Credit Purchase Cards
DN	Disposal of District Property
DN-AR	Disposal of District Property (information only)
KL:	Public Complaints
KL-AR	Public Complaint Procedure
GBM	Staff Complaints
GBM-AR	Staff Complaints (delete)
BDDH	Public Comment
AC	Nondiscrimination
AC-AR	Discrimination Complaint Procedure

<b>Code</b>	<b>Title</b>
IGBBC: Talented and Gifted	Programs and Services
JGAB	Use of Restraint and Seclusion
KL-AR(2)	Appeal to Deputy Superintendent of Public Instruction (new)
LGA	Compliance with State Standards (delete)
LGA-AR(1)	Public Appeals and Complaints about Alleged Violations of State Standards (delete)
LGA-AR(2)	Direct Appeals to the State Superintendent of Public Instruction about Alleged Violations of Standards (delete)

Meckley advised that the new staff complaint policy directs staff to the district's HR Department. Oliver confirmed that staff should use internal HR procedures and that HR staff is charged with developing an appropriate internal form for such complaints. Oliver requested removal of the word "public" from the titles and footers of KL and KL-AR, as well as anywhere within GBM and GBM-AR that removal of the word "public" is appropriate.

Upon motion, duly seconded the Board voted to approve all Second Reading Policies, with revisions to GBM, GBM-AR, KL and KL-AR as noted.

#### E. Proposed 2018/19 School Calendar

Hess noted there was one error on the 2018/19 Proposed Calendar: October 12, 2018 is not a Snow Makeup Day. May 24, 2019 is the noncontract day designated as a Snow Makeup Day. The Board requested that the calendar be corrected and presented to the Board for Second Reading at its April 12, 2018 meeting.

#### F. Superintendent's Recommendation for Renewal and Nonrenewal

Hess presented the Renewal and Nonrenewal Recommendations for 2018/19. McUne reported that his sister-in-law was among those in the Certified group.

Upon motion, duly seconded, the Board unanimously approved the Superintendent's Recommendation for Renewal and Nonrenewal for 2018/19.

#### G. February 22, 2018 Snow Day Makeup

Hess advised that no snow days were included in the 2017/18 calendar, but a snow day was called on February 22. Last year, six snow days required makeup. The district is currently above our instructional minimums even with the February 22 snow day.

Mike Martin indicated that staff does not want to add days at end of school year.

A motion was made and duly seconded that a snow makeup day would not be added to the 2017/18 calendar.

Borden noted he was in favor of the motion, but he was concerned Certified and Classified staff are not treated the same. Meckley advised that Classified and Certified staff are both are paid for snow day. Hess indicated all school-based employees are treated the same. Kim Grousbeck pointed out that if the day is made up, 12-month employees must make up the day or use a day of leave. If they reported for work on a snow day, there is no makeup. If the day is not made up, no one is required to use a day of leave. Those who worked a snow day that is not made up will receive time compensatory time.

The motion was unanimously approved by the Board.

Board Member Martin departed the meeting at 8:13 PM.

## **5. DEPARTMENT REPORTS**

### **A. Finance**

#### **1. Finance Report**

Business Director Linda Darling presented the Finance Report.

- a. Darling advised the Ending Fund Balance is \$411,400 greater than the February 2018 estimate due to greater than anticipated local tax revenues.
- b. Darling presented an overview of the P-Card program, which was implemented in 2012. Since implementation, the district has received over \$96,000 in transaction rebates and avoided processing more than 22,000 checks.
- c. The Request for Proposals (RFP) for legal services has closed, and six firms submitted proposals. Darling recommends the district interview three firms and asked that one or two board members participate in the interviews. Oliver and Brooks indicated they would participate.
- d. The banking services RFP has closed, and three firms submitted proposals, which are currently being reviewed.
- e. The district was awarded grants for 1) a facilities assessment, 2) a long-term facilities plan, and 3) a seismic assessment. The grants will not cover all of the costs; we will have some financial outlay. Based on procurement law and the estimated cost of the assessments, an RFP is not required, and the district may simply obtain three quotes.

#### **2. Comparability Data**

Darling presented the comparability data. She indicated the district's Special Education (SPED) count is higher (approximately 720) than the 627 reported on the December 2016 census, which is the measurement used for funding. The data used for comparison is that currently available from the Oregon Department of Education. The district's actual enrollment activity is as shown for 2017/18. Hess noted that if a student is on a half-day schedule, the district does not receive funding for them. Regarding the 890 school, the district is only paid for the hours the student attends. This is the detrimental result of not having a comprehensive alternative school. Alternative school students are not getting the hours they need, and we are not getting the funding we need for them.

Darling also presented economic/enrollment and ethnicity comparison data. Fifty-three percent of LCSD's students are enrolled in the free/reduced lunch program. Darling asked that she be able to forego presenting comparability data for the next few months due to budget preparation requirements and special projects assigned by the Board. The Board agreed to defer comparability data reporting for the time being.

### **B. Operations**

Hess reported that Board members Oliver and Brooks participated in a land lab visit and visioning. It is important that we develop a strategic thinning plan to maximize the educational potential of



the property, including CTE activities. Oliver noted we need to promote the health of the property and generate revenue for programs.

C. Human Resources

Meckley reported that HR staff is preparing for the recruiting season. The Portland Job Fair will occur on April 3, and a Regional Job Fair is scheduled for April 12 at South Albany High School for all local districts. LCSD has an extensive recruiting process that includes screenings and interviews at jobs fairs and Superintendent interviews on district visitation days. Timing of this year's job fairs is favorable to hire very qualified candidates. The Board's reconfiguration decision will impact staffing and recruiting, and the positions necessary to implement will be determined based on the Board's direction.

## 6. COMMUNICATION

A. Board

None

B. Superintendent

1. 2020 Reflection. Hess presented his progress memorandum for Items 21 through 25 (of 25) of the 2020 Vision. The report includes the vision, evidence of progress, and next steps, which will be incorporated into the strategic plan. The strategic plan progress update and superintendent evaluation will be addressed by the Board in June. Oliver would like to see these updates on a regular basis.
2. School Safety. Hess reported that the district has active school safety committees, regular drills, and evacuation protocols. We do need to re-examine the strategies we are using to keep our schools safe, and the districtwide safety committee is leading this effort. Hess asked whether the Board would like to receive a presentation on this topic. Oliver said yes; we need to address community concerns around school safety.
3. Executive Team Resource/Coach. Hess reported that he and the district's Leadership Team are working with an executive coach to help improve the team's functionality. Executive Coach Denise Downs will observe a variety of meetings and conduct individual meets with Leadership Team members and others as appropriate.

## 7. CONSENT AGENDA

A. February 8, 2018 Board Meeting Minutes

B. Health Curriculum, Kindergarten through Grade 5

C. Hiring

Avilez, Catherine	Third Grade Teacher, Riverview	Temporary, 2017/18 School Year
Brammer, Evan	Science Teacher, Hamilton Creek	Temporary, 2017/18 School Year
Liska, Elizabeth	Fifth Grade Teacher, Riverview	Temporary through May 14, 2018
Williams, Vicki	Kindergarten Teacher, Cascades	Temporary, 2017/18 School Year

D. Leave of Absence

Ashley Yoder, Elementary Teacher, 2018/19 School Year

- E. Addendum 1, Reclassification  
Krista Thorpe: Secretary to Administrative Secretary

Upon motion, duly seconded, the Board unanimously approved the Consent Agenda.

## **8. AUDIENCE COMMENTS**

- A. Theresa Peltier expressed appreciation to the Board and district staff for all of the hard work and diligence regarding school safety. She stressed that our district is not immune from this type of situation. She believes it is time to implement preventative measures beyond drills. If the Board conducts meetings regarding school safety and receives favorable feedback for preventative measures, she will help to fundraise to purchase safety equipment. The Board should consider metal detectors for the schools and encouraged the Board to reach out to the community for help. Peltier also encouraged the Board and district to be open-minded about grade configuration. If a new solution presents itself, please consider it. The Lacombe and Hamilton Creek K through 8 model is working.
- B. Maureen Twomey, LHS teacher. Twomey emphasized that she was not speaking on behalf of the Equity Team of which she is a member. She has compiled some concerns about school configurations and how English Language Learning (ELL) and other programs may be factors in the decision. How would the district be meeting the needs of some students if they were distributed to their neighborhood school versus attending their magnet school? Not all teachers with ELL want to be teaching that in their classrooms. The levels of training for all staff need to be managed. Given that 98 percent of teachers identify as ethnically White, how will we deal with diversity? We have only one translator. Will the district expand the support team for translation if configurations change? Additional bilingual instructional assistants will also be needed. Positives of a potential grade configuration may be the removal of transportation barriers and increased community involvement in schools. Concerns include removing critical mass from school like Green Acres and isolating students from community support. Families would need to learn a new system at their neighborhood school. ELL students would not continue to be identified as ELD after they have demonstrated proficiency. The configuration question has many moving parts, and Twomey encouraged the Board to consider these issues. Hess asked Twomey if the Equity Team had a recommendation. Twomey indicated the team met one time after the presentation, but they did not develop a formal recommendation. A full turnout of Equity Team is necessary to make a recommendation.

## **9. ADJOURNMENT**

There being no further business before the Board, the meeting was adjourned at 8:47 PM.

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Tom Oliver, Board Chair

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Rob Hess, Superintendent

**LEBANON COMMUNITY SCHOOL DISTRICT  
SCHOOL BOARD SPECIAL MEETING  
March 19, 2018, 7:00 PM**

Santiam Travel Station

750 S. Third Street, Lebanon, OR 97355

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**AGENDA ITEM 10C**

**MEETING MINUTES**

**1. WELCOME**

A. Chair Tom Oliver called the meeting to order at 7:00 PM.

**2. AUDIENCE COMMENTS.**

Ms. Dana Riggle, parent of a Pioneer student and an instructional assistant at Cascades, informed the Board about the ALICE (Alert, Lockdown, Inform, Counter, Evacuate) training program for active shooter situations. Ms. Riggle hopes the Board will consider implementing this program and making it mandatory for all school building staff. Staff is currently not receiving training about how to respond after a situation, such as if a room is breached. She also asked the Board to consider assigning a school resource officer to every school.

**3. SCHOOL CONFIGURATIONS**

Chair Oliver asked Superintendent Hess to present his memorandum regarding school configurations. Prior to discussing the options contained in the memorandum, Hess advised the Board that the Open Enrollment policy should be reconsidered, since it is counterproductive to consistent school configuration. Currently, 15 to 20 percent of the district's students are open enrolled. Nick Brooks noted that we would need to grandfather existing open enrolled students if the policy is eliminated.

Hess presented the following three options to address the overcrowding at Seven Oak Middle School:

- Option 1: All in-town elementaries become k-6 schools beginning in the fall of 2018
- Option 2: Grow the K-6 model at the elementary schools through parent choice
- Option 3: Keep the same school configurations

Hess discussed his reasoning for recommending the Board approve Option 2. This option would allow the district to manage the next two years of large 6<sup>th</sup> grade classes and at the same time continue to pilot the K-6 model. It will also give us time to incorporate our long-range facilities plan into future decisions regarding school facilities.

Tom Oliver noted that at the March 8 meeting, the Board discussed elementary school consistency. Option 1 offers a start toward consistency; but as school staff pointed out, there are many challenges, as well as significant cost.

Option 2, which is recommended by Hess, moves the district toward the K-6 model, but at a lower cost. It is driven by parent choice, although there is still some concern about how it would work.

Another challenge to consider is varying enrollment at the elementary schools. The district would lose some control over student placement, and there is some risk associated with that. The process would need to be very deliberate.

Option 3 would keep all elementary schools configured as they are currently, with additional resources provided at Seven Oak Middle School. However, this is an expensive option for a temporary solution, particularly when the district will be conducting a facilities assessment planning process.

Mike Martin noted that the facilities assessment activity and corresponding grant is something of a shadow over all three options. The facilities assessment is the tool that will give us our direction. Oliver pointed out that before we conduct the facilities planning exercise, we need to determine the configuration model that is best for the students and the district.

In response to a question from Brooks, Hess confirmed that implementing Option 2 would move about 80 students out of Seven Oak. Ideally, there would be no more than 150 6<sup>th</sup> grade students at Seven Oak, so even removing only 40 to 60 students would achieve that goal.

If the Board chose Option 2, Brook asked where the four teachers would be added. Hess advised that the teachers follow the students in order to stay in front of class size. The new Special Education teacher position would be split between two buildings; the other three teachers would be placed where needed.

Martin asked if the Board could delay its decision until the district surveys each 5<sup>th</sup> grade parent for their preferred 6<sup>th</sup> grade location. Borden agreed this would be a good idea. Oliver noted this is his challenge with Option 2, not just for the coming school year, but onward. Martin indicated his preference for the Board to reach a consensus on the final configuration the district wants to achieve so that any short-term decision complements that model.

Russ McUne asked whether we could add the four fulltime equivalent (FTE) positions to Seven Oak without adding any modular buildings. Hess advised that Seven Oak was built for 300 students. The remodeling project expanded libraries, for example; but the project did not increase the size of cafeterias or locker rooms. Thus, adding teachers without adding space would not solve the overcrowding problem.

Oliver asked the Board to consider where the district wants to be in five years.

Brooks indicated he hears from the community the desire is to move to K-6 elementary schools. He said this is not an easy move right now and believes it is more of a four- or five-year transition. He also pointed out the estimated cost is not an every year cost.

McUne noted that we will eventually need another middle school.

Hess advised that a new, fourth option came from two teachers at Cascades, who indicated they would like to have two 6<sup>th</sup> grade classrooms there. With this scenario, the district would not need to purchase modular facilities for either Cascades or Seven Oak. We would still add the new proposed staff. Brooks indicates we could add one modular at Seven Oak, which was acceptable to McUne. Then, over the next two years, the district could complete its long-term planning.

Oliver asked what the district would do if there is no interest from 5<sup>th</sup> grade parents at Cascades. Brooks noted we need to reach out to parents with this option; and if there is no interest, their student may still attend Seven Oak. Hess pointed out that if there is no parental interest, the message is that the community is not committed to the K-6 elementary school model.

Bo Yates stated that the Option 2 scenario would result in two K-6, two K-5, two K-8 and one self-contained 6<sup>th</sup> grade wing at Seven Oak. The Seven Oak 6<sup>th</sup> graders need to be in their own wing. Brooks asked if we move 50 students from Seven Oak to Cascades, would we eliminate the need for modular buildings. Yates said, yes, since it would be easier to manage fewer 6<sup>th</sup> grade students. There will, however, be more students overall at Seven Oak in 2019/20. After 2019/20, the school population is expected to decrease somewhat.

Yates pointed out that if the Board is leaning toward using modular buildings in 2018/19, the decision must be made soon. Oliver agreed, noting that construction of the units takes time. Yates noted that time must also be allotted for completion of the infrastructure necessary for the modular to be functional.

Martin asked whether there will be sufficient classrooms, teachers and sections at Seven Oak to provide for the 7<sup>th</sup> graders coming in from Pioneer and the 6<sup>th</sup> graders from the other schools. Yates indicated an appropriate amount of time would be necessary to develop a workable schedule and to reduce the negative impact of a higher number of students.

The Board generally agreed Options 1 and 3 are not feasible due to cost versus value received. Option 2 and the newly proposed fourth option are similar in cost.

Oliver suggested the new Option 4 (6<sup>th</sup> grade at Cascades) include the following staff components:

- Four additional teachers: two at Cascades, one additional Special Education teacher, and a fourth to float up to 7<sup>th</sup> and 8<sup>th</sup> grades.
- One additional counselor
- One and one-half food assistants at Cascades

Option 4 would cost \$480,000. Most of this cost is for staffing and teachers, which is best for the students.

Oliver asked, with 6<sup>th</sup> graders at many schools, how will we ensure they have the appropriate access to electives, music, physical education, and advanced classes? We are currently doing some advanced classes at Pioneer; can we use that model at other locations? Hess noted that consistency is better achieved if teachers are not traveling from building to building. We would need to provide band for 6<sup>th</sup> graders across the system, as well as advanced math. Oliver asked if advanced math is a fifth position we should be adding anyway, regardless of the school configuration decision. Hess advised we could include an additional teacher or do the advanced math classes electronically. Brooks requested the Board keep this a separate question from the configuration decision.

McUne noted that we have a good chance of keeping 6<sup>th</sup> graders at Cascades, but he is still concerned about having to turn away some students if the response is too great. What do we do if everyone wants to stay at Cascades, which would be 68 students? Conversely, if interest from Cascades parents is low, how would incoming 6<sup>th</sup> graders at other schools be selected to attend Cascades? Hess indicated there will be only two 6<sup>th</sup> grade classrooms at Cascades, and any open space would be

offered to students at other schools. Student selection would be done by lottery if interest exceeds the space available.

McUne asked if district staff could quickly survey parents to get a clearer picture of actual interest. Brooks agreed staff should poll the parents and compile the results for Board review. Hess confirmed the surveys will be conducted and that he would present the data to the Board at their April 12 meeting.

Upon motion, duly seconded, the Board voted to generally accept Option 4 to add two 6<sup>th</sup> grade classrooms at Cascades Elementary School pending receipt on April 12, 2018 of data confirming parental interest.

#### **4. ADJOURNMENT**

There being no further business before the Board, the meeting was adjourned at 7:53 PM.

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Tom Oliver, Board Chair

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Rob Hess, Superintendent



# Lebanon Community Schools 2018/19 Calendar

D=Staff Development  
P=Preparation  
Shaded = Non Contract  
H=Holiday  
C=Parent Conferences  
S=Semester  
Q=Quarter

AUG 2018						
S	M	T	W	H	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	D22	D23	P24	25
26	P27	28*	29	30	31	

Class: 4  
Other: D= 2 P= 2

SEP 2018						
S	M	T	W	H	F	S
						1
2	3H	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Class: 19  
Other: H= 1

OCT 2018						
S	M	T	W	H	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	Q30	P31			

Class: 21  
Other: P= 1

NOV 2018						
S	M	T	W	H	F	S
				C1	C2	3
4	5	6	7	8	9	10
11	12H	13	14	15	16	17
18	19	20	21	22H	23	24
25	26	27	28	29	30	

Class: 16  
Other: C= 2 H= 2

DEC 2018						
S	M	T	W	H	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25H	26	27	28	29
30	31					

Class: 15  
Other: H= 1

JAN 2019						
S	M	T	W	H	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21H	22	23	S24	P25	26
27	P28	29	30	31		

Class: 16 S1-13/S2-3  
Other: H= 1 P= 2

FEB 2019						
S	M	T	W	H	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18H	19	20	21	22	23
24	25	26	27	28		

Class: 19  
Other: H= 1

MAR 2019						
S	M	T	W	H	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Class: 16  
Other: 0

APR 2019						
S	M	T	W	H	F	S
	1	2	3	4	5	6
7	8	9	Q10	P11	12C	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Class: 20  
Other: C= 1 P= 1

MAY 2019						
S	M	T	W	H	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27H	28	29	30	31	

Class: 21  
Other: H= 1

JUN 2019						
S	M	T	W	H	F	S
						1
2	3	4	5	6	S7*	8
9	P10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Class: 5  
Other: P= 1

Class	P	C	D	H	Contract
23	2	0	2	1	28
52	1	2	0	3	58
51	2	0	0	1	54
46	2	1	0	1	50
172	7	3	2	7	191

**ALL SUBJECT TO BARGAINING CONTRACT**

Adoption Date:

# Lebanon Community Schools 2018/19 Calendar

August 22 - August 24, 2018	Staff Preparation Days
August 27, 2018	Staff Preparation Day
August 28, 2018	SCHOOL BEGINS
September 3, 2018	Holiday - Labor Day - NO SCHOOL
October 12, 2018	Non-Contract Day
October 30, 2018	End of Quarter
October 31, 2018	Staff Preparation Day - NO SCHOOL
November 1, 2018	Parent Conference - NO SCHOOL
November 2, 2018	Parent Conference - NO SCHOOL
November 12, 2018	Holiday - Veterans' Day - NO SCHOOL
November 21, 2018	Non-Contract Day - NO SCHOOL
November 22, 2018	Holiday - Thanksgiving Day - NO SCHOOL
November 23, 2018	Non-Contract Day - NO SCHOOL
December 24, 2018	Non-Contract Day - Winter Break - NO SCHOOL
December 25, 2018	Holiday - NO SCHOOL
December 26, 2018 - January 4, 2019	Non-Contract Day - Winter Break - NO SCHOOL
January 7, 2019	Classes Resume
January 21, 2019	Holiday - Martin Luther King Jr. Day - NO SCHOOL
January 24, 2019	End of the Semester
January 25, 2019	Staff Preparation Day - NO SCHOOL
January 28, 2019	Staff Preparation Day - NO SCHOOL
February 18, 2019	Holiday - Presidents' Day - NO SCHOOL
March 25 - March 29, 2019	Non-Contract Days - Spring Break - NO SCHOOL
April 10, 2019	End of Quarter
April 11, 2019	Staff Preparation Day - NO SCHOOL
April 12, 2019	Parent Conference - NO SCHOOL
May 24, 2019	Non-Contract Day (Snow Day Make-up)
May 27, 2019	Holiday - Memorial Day - NO SCHOOL
May 31, 2019	Strawberry Fair - EARLY DISMISSAL
June 4, 2019	High School Graduation
June 7, 2019	Classes End
June 10, 2019	Preparation Day

\* Some students may begin school later due to incoming student orientation. More information will be provided by the school.

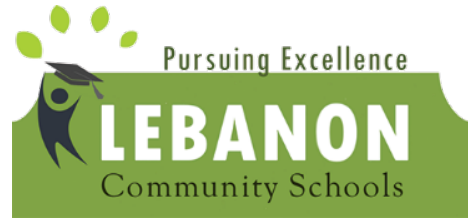
*Early Release Collaboration Days will be every Wednesday beginning September 5 for **ALL** schools.*

## **ALL SUBJECT TO BARGAINING CONTRACT**

Adoption Date:

# BOARD MEMORANDUM

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**To:** Board of Directors

**From:** Dawn Baker, Federal Programs Director

**Date:** April 6, 2018

**Meeting Date:** April 26, 2018

**Re:** Sixth through Twelfth Grade Health Curriculum **AGENDA ITEM 10E**

## **Background**

Oregon state law requires that school districts adopt health curricula for its students.

A team of 6th through 12th grade Health teachers analyzed the state's standards alignment review and recommendation. Of the state-approved curricula, the team recommends that Lebanon Community School District adopt Teen Health for Middle School and Glencoe Health by McGraw-Hill. This will complete the district's health adoption with K-12 all deciding on the same publisher.

## **Recommendation**

Staff recommends the Board adopt Health and Wellness by McGraw-Hill for the 6th through 12th grade Health Curriculum.

DB/mk

# BOARD MEMORANDUM

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**To:** The Honorable Chair and Member  
Lebanon Community School District Board of Directors

**From:** Dr. Rob Hess, Superintendent

**Date:** April 6, 2018

**Meeting Date:** April 26, 2018

**Re:** Open Enrollment

## **AGENDA ITEM 12**

Language to support Open Enrollment was first introduced during Lebanon Community School District's period of "Signature Schools" in 2003. During this period, schools were encouraged to develop unique programs to attract families to their schools. Open Enrollment was established so parents could easily access these schools and programs even if they did not live within the school's boundary.

As a district, we no longer support the concept of "Signature Schools." This concept was not supported during the 2020 Vision Process that began in 2009, and we no longer allow schools to adopt standalone curricula. We believe in pursuing collective excellence with a goal of all our students graduating from high school with a plan for a successful future.

It is my recommendation the Board consider removing the following language from the School Admission and Open Enrollment policy supporting the notion of signature schools and permitting open enrollment:

*"The Board recognizes that the educational goals of the district can best be attained through educational programs as diverse as students' needs within a pluralistic society. Therefore, the Board encourages the development of a variety of school options through the cooperative efforts of educators, parents, students, and/or community resources."*

*Students have a right to attend the neighborhood school which is within the attendance boundaries of which they are also resident. The district will consider parent or guardian applications for open enrollment outside their neighborhood attendance area in accordance with district regulations. Parents may apply for more than one school by priority order."*

*When open enrollment applications are approved by the district, the student may continue at the transferred school until the student completes the highest level of instruction in the school; the student's parent requests that the open enrollment be rescinded; or administrators revoke the open enrollment for reasons such as erratic attendance, excessive tardiness, or other unsatisfactory performance."*

Though it may be problematic to eliminate Open Enrollment this late in the school year, I do recommend the Board review the policy and discuss whether it is a practice we wish to continue in the future and how it aligns with the current vision and mission of the District.

RH/mk  
Attachment

# Lebanon Community Schools

Code: **JEC**

Adopted: 4/15/10

Readopted: 1/20/11, 3/10/16, 4/28/16  
4/27/17, 1/11/18

Orig. Code(s): JEC

## **School Admission and Open Enrollment**

The Board is committed to providing an educational program for all students living in the district. The Board believes all students living in the district who have not completed 12 years of education should regularly attend a public full-time school and be included in the available educational programs.

State law considers a child to be six years of age if the sixth birthday of the child occurred on or before September 1 and a child is considered to be five years of age if the fifth birthday of the child occurred on or before September 1. The district considers a child five years of age to be eligible for kindergarten enrollment.

All new students must register in the office of the school of residence. Registration requirements include immunization records, as required by law, and proof of the student's birth date (e.g. a birth certificate, a hospital record, a baptismal record or a signed affidavit). Students admitted to any grade must show evidence of completing the prior school years.

Students enrolled in the district shall comply with Oregon laws related to age, residence, health, attendance and immunization.

Students located in the district shall not be excluded from admission solely because the student does not have a fixed, regular and adequate nighttime residence or solely because the student is not under the supervision of a parent.

Students located in the district shall not be excluded from admission where they are otherwise eligible, not receiving special education, and they have not yet attained the age of 19 prior to the beginning of the current school year.

The district may admit an otherwise eligible person who is not receiving special education and who has not yet attained 21 years of age prior to the beginning of the current school year if the person is shown to be in need of additional education in order to receive a high school diploma or a modified diploma.

Students who attend a district school on an interdistrict transfer or non-resident open enrollment are considered residents of the district.

Students living in the district who have attained the age of majority are considered residents of the district.

Minor students living with a parent or guardian who resides in the district are considered residents of the district.

Students who are wards of the court and who are placed in the district are residents of the district.



The Board recognizes that the educational goals of the district can best be attained through educational programs as diverse as students' needs within a pluralistic society. Therefore, the Board encourages the development of a variety of school options through the cooperative efforts of educators, parents, students, and/or community resources.

Students have a right to attend the neighborhood school which is within the attendance boundaries of which they are also resident. The district will consider parent or guardian applications for open enrollment outside their neighborhood attendance area in accordance with district regulations. Parents may apply for more than one school by priority order.

When open enrollment applications are approved by the district, the student may continue at the transferred school until the student completes the highest level of instruction in the school; the student's parent requests that the open enrollment be rescinded; or administrators revoke the open enrollment for reasons such as erratic attendance, excessive tardiness, or other unsatisfactory performance.

## END OF POLICY

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### Legal Reference(s):

<a href="#">ORS 327.006</a>	<a href="#">ORS 339.134</a>
<a href="#">ORS 336.092</a>	<a href="#">ORS 433.267</a>
<a href="#">ORS 339.010</a>	<a href="#">OAR 581-022-2220</a>
<a href="#">ORS 339.115</a>	
<a href="#">ORS 339.125</a>	
<a href="#">ORS 339.133</a>	

Illegal Immigration and Immigration Reform Act of 1996, 8 U.S.C. §§ 1101, 1221, 1252, 1224, 1363, 1367 (2017).  
McKinney-Vento Homeless Assistance Act, Subtitle VII-B, reauthorized by Title IX-A of the Every Student Succeeds Act (ESSA), 42 U.S.C. §§ 11431, 11434a (2017).

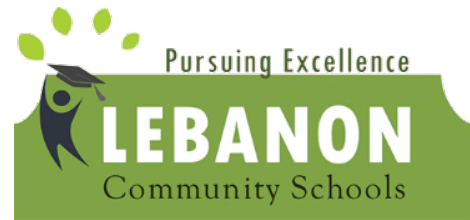
### Cross Reference(s):

JECB - Admission of Nonresident Students  
JECBD - Homeless Students

9/28/17 | RS

# BOARD MEMORANDUM

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**To:** The Honorable Chair and Members  
Lebanon Community School District Board of Directors

**From:** Linda Darling, Business Director

**Date:** April 5, 2018

**Meeting Date:** April 26, 2018

**Re:** Financial Report

## **AGENDA ITEM 13A**

The 2017-2018 Financial Board report included in this packet reflects all revenues and expenditures for 2014-2018, along with the budgeted and spent or encumbered amounts for 2017-2018. The Ending Fund Balance (EFB) for 2016-2017 is \$3,310,041. The projected EFB for 2017-2018 is \$5,045,372, which is an increase of \$492,572 from the March Report.

The major factor for this increase is State School Fund (SSF) updated estimate for 2017-2018 and preliminary estimate for the 2016-2017 SSF reconciliation. Between these two factors, the increase is \$587,272 in revenue anticipated.

The higher EFB in 2017-2018 will help, since we have the same funding in 2018-2019, a result of 50/50 funding for the biennium. There are many factors that impact this projected EFB, including staffing changes, contract conditions, and items required for district operations.

## 2017-2018 General Fund Summary Report

	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Budget	4-3-18 YTD & Enc	4-3-18 Balance	17/18 Project 4/3/2018
<b>General Fund - Revenue</b>							
SSF Formula	34,926,096	36,112,627	37,261,330	37,574,000	33,565,067	4,008,933	39,633,272
SSF Adjustment	48,134	(330,463)	261,223	-	-	-	50,000
Interest	62,596	91,245	156,492	70,000	151,952	(81,952)	200,000
Third Party Billing	25,179	45,178	102,447	80,000	71,545	8,455	95,000
TMR	154,930	149,514	208,252	175,000	104,839	70,161	209,000
JROTC	64,220	66,034	73,726	65,000	46,218	18,782	69,900
Other	379,017	297,128	299,398	420,000	301,028	118,972	359,700
Interfund Transfer	60,000	60,000	60,000	645,000	61,930	583,070	65,000
BFB	3,162,455	3,932,387	3,024,733	3,100,000	3,310,041	(210,041)	3,310,000
<b>Total</b>	<b>38,882,628</b>	<b>40,423,650</b>	<b>41,447,600</b>	<b>42,129,000</b>	<b>37,612,620</b>	<b>4,516,380</b>	<b>43,991,872</b>
	=====	=====	=====	=====	=====	=====	=====
<b>General Fund - Expenses</b>							
Salaries	16,263,399	17,884,343	18,826,313	19,519,650	18,702,903	19,519,650	19,182,500
Benefits	10,020,660	10,645,144	10,952,659	13,242,597	11,736,163	13,242,597	12,034,400
P. Services	5,112,768	5,027,111	4,332,849	4,819,956	3,298,439	4,819,956	4,465,000
Supplies	1,477,643	1,380,753	1,337,164	1,652,163	1,173,592	1,652,163	1,471,000
Capital Outlay	6,779	20,047	65,034	52,900	77,104	52,900	132,000
Other Objects	308,993	286,294	442,882	421,734	296,652	421,734	326,600
Transfers	1,760,000	2,155,225	2,180,656	1,335,000	1,299,820	1,335,000	1,335,000
Contingency	-	-	-	1,085,000	-	1,085,000	-
<b>Total</b>	<b>34,950,241</b>	<b>37,398,917</b>	<b>38,137,559</b>	<b>42,129,000</b>	<b>36,584,674</b>	<b>42,129,000</b>	<b>38,946,500</b>
	=====	=====	=====	=====	=====	=====	=====
<i>Projected Ending Fund Balance</i>							5,045,372

## 2017-2018 General Fund Revenue Report

	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Budget	4-3-18 YTD	4-3-18 Balance	17/18 Project 4/3/2018
SSF Formula							
Taxes	8,234,812	8,533,160	9,048,901	8,750,000	9,169,022	(419,022)	9,681,000
Federal Forest Fees	264,679	205,708	23,160	150,000	-	150,000	-
Common School	409,884	492,013	502,314	500,000	205,424	294,576	410,000
State Timber	405,152	181,382	137,286	150,000	89,354	60,646	120,000
School Support Fund	25,578,283	26,623,971	27,420,195	28,024,000	24,101,267	3,922,733	29,222,272
Adjustments to SSF Payments							
Adj for Prior Year payments	-	-	-	-	-	-	50,000
Adj for HC Disability Grant	33,286	76,394	129,474	-	-	-	200,000
Adj for 11/12 payment	-	-	-	-	-	-	-
Adj for 12/13 payment	-	-	-	-	-	-	-
Adj for 13/14 payment	48,134	-	-	-	-	-	-
Adj for 14/15 payment	-	(330,463)	-	-	-	-	-
Adj for 15/16 payment	-	-	261,223	-	-	-	-
Total SSF Formula	34,974,231	35,782,164	37,522,552	37,574,000	33,565,067	4,008,933	39,683,272
Interest of Investments	62,596	91,245	156,492	70,000	151,952	(81,952)	200,000
Third Party billing - Medicaid	25,179	45,178	102,447	80,000	71,545	8,455	95,000
TMR	154,930	149,514	208,252	175,000	104,839	70,161	209,000
JROTC reimbursement	64,220	66,034	73,726	65,000	46,218	18,782	69,900
Other							
Rental Fees	27,828	10,474	9,114	10,000	4,963	5,038	7,500
Fees Charged to Grants	-	800	-	30,000	-	30,000	-
Miscellaneous	282,468	202,944	213,437	300,000	228,059	71,941	284,200
E-Rate reimbursement	68,721	82,910	76,847	80,000	68,007	11,993	68,000
Interfund Transfer - Athletics	60,000	60,000	60,000	645,000	61,930	583,070	65,000
Beginning Fund Balance	3,162,455	3,932,387	3,024,733	3,100,000	3,310,041	(210,041)	3,310,000
<b>Total</b>	<b>38,882,628</b>	<b>40,423,650</b>	<b>41,447,600</b>	<b>42,129,000</b>	<b>37,612,620</b>	<b>4,516,380</b>	<b>43,991,872</b>
	=====	=====	=====	=====	=====	=====	=====

# 2017-2018 General Fund Expenditure Report

									4/3/2018
Obj	Description	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Budget	4-3-18 YTD	4-3-18 Encumb	4-3-18 Balance	17/18 Project
111	Certified salaries	9,311,147	10,161,648	10,831,007	11,132,090	6,423,689	4,505,639	202,762	10,939,000
112	Classified salaries	4,164,521	4,545,055	4,757,666	5,127,319	3,251,043	1,776,255	100,021	4,987,000
113	Administrative salaries	1,464,907	1,648,330	1,614,127	1,513,354	1,178,771	393,352	(58,769)	1,600,000
114	Managerial - classified	94,714	178,755	187,797	187,797	140,848	46,949	-	188,000
116	Retirement stipends	76,123	51,134	35,621	27,364	14,735	2,677	9,952	17,500
119	Confidential salaries	125,785	84,504	131,698	150,061	116,580	49,085	(15,604)	166,000
121	Certified subs	373,350	432,293	446,157	438,935	227,405	-	211,530	400,000
122	Classified subs	148,818	155,004	150,074	166,100	100,727	-	65,373	161,000
123	Temp certified	62,030	73,949	133,971	83,000	111,448	-	(28,448)	135,000
124	Temp classified	982	-	-	500	8,672	-	(8,172)	13,000
127	Student helpers salaries	11,768	7,895	6,544	7,000	16,654	-	(9,654)	19,000
132	Compensation time	23,861	25,767	37,764	34,600	11,376	-	23,224	42,000
133	Extra duty	254,381	324,897	286,017	422,268	173,648	22,293	226,327	300,000
134	Classified extra hrs	142,975	185,048	192,566	207,662	118,600	-	89,062	189,000
135	Vacation Payoff	4,377	6,938	12,246	16,200	10,432	-	5,768	23,000
136	Mentor teacher pay	990	609	-	-	449	-	(449)	1,000
137	Personal Leave Payout	75	-	-	-	-	-	-	-
138	Department Head Extra Duty	2,159	1,613	1,556	4,000	644	-	3,356	1,000
142	Taxable Meal Reimbursement	436	903	1,503	1,400	931	-	469	1,000
	<b>Total Salaries</b>	<b>16,263,399</b>	<b>17,884,343</b>	<b>18,826,313</b>	<b>19,519,650</b>	<b>11,906,653</b>	<b>6,796,250</b>	<b>816,747</b>	<b>19,182,500</b>
								-	
210	PERS	3,976,407	4,187,401	4,442,519	5,744,620	3,199,164	1,835,807	709,649	5,218,400
220	Social Security	1,207,537	1,328,140	1,385,595	1,497,051	878,196	496,714	122,141	1,411,600
231	Worker's Comp	136,822	173,370	196,943	232,028	153,625	72,795	5,608	229,700
241	Employee Ins - Admin	177,948	212,862	208,912	232,321	157,432	53,172	21,716	214,000
242	Employee Ins - Certified	2,307,416	2,328,554	2,370,817	2,779,702	1,493,954	1,056,459	229,289	2,548,000
243	Employee Ins - Classified	1,874,827	2,137,321	2,102,847	2,516,049	1,369,369	793,839	352,841	2,162,000
244	Employee Ins - Other	20,700	7,731	27,124	38,826	28,809	12,412	(2,395)	41,000
245	Employee Ins - Retired	276,090	228,774	195,821	190,000	112,717	-	77,283	188,000
247	TSA	42,912	40,991	22,082	12,000	15,400	6,300	(9,700)	21,700
	<b>Total Benefits</b>	<b>10,020,660</b>	<b>10,645,144</b>	<b>10,952,659</b>	<b>13,242,597</b>	<b>7,408,664</b>	<b>4,327,499</b>	<b>1,506,434</b>	<b>12,034,400</b>

# 2017-2018 General Fund Expenditure Report

									4/3/2018
Obj	Description	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Budget	4-3-18 YTD	4-3-18 Encumb	4-3-18 Balance	17/18 Project
311	Instructional Services	152,856	157,581	110,051	164,000	63,057	-	100,943	110,000
312	Instr Prog Improve Service	43,468	36,748	39,424	52,000	40,341	-	11,659	45,000
319	Other Instr-Prof-Tech SVCS	21,870	9,745	23,110	15,000	14,596	-	404	25,000
322	Repairs & Maintenance	163,270	168,482	173,295	146,050	134,537	31,813	(20,300)	195,000
323	Radio Service	-	7,767	38,310	10,900	6,425	1,575	2,900	8,000
324	Rentals	135,308	104,777	102,560	132,975	91,931	12,484	28,561	105,000
325	Electricity	467,896	473,758	466,093	518,000	342,812	-	175,188	469,000
326	Fuel	177,759	187,899	223,740	231,500	148,561	-	82,939	204,000
327	Water & Sewer	139,255	121,239	150,725	156,800	93,546	-	63,254	137,000
328	Garbage	86,324	96,811	95,095	99,700	56,975	-	42,725	97,000
329	Other Property Services	13,001	19,246	34,726	20,000	8,062	6,520	5,418	22,300
330	Reimb. Student Transportation	6,950	-	1,589	5,200	-	-	5,200	5,000
340	Travel	114,592	140,225	178,985	177,976	81,580	3,019	93,377	127,000
343	Travel - Student - Out of Dist.	-	-	2,916	8,255	3,456	-	4,799	6,000
346	Meals/Transportation	104	48	99	200	-	-	200	200
348	Staff Tuition	49,577	44,768	71,830	55,000	70,145	145	(15,290)	75,000
351	Telephone	82,642	70,529	39,486	80,200	35,313	1,959	42,928	47,000
353	Postage	23,607	21,909	14,712	26,650	14,224	-	12,426	19,000
354	Advertising	4,416	3,551	1,087	4,300	437	-	3,863	3,000
355	Printing & Binding	68,861	48,223	51,996	46,050	10,142	-	35,908	12,000
360	Charter School Payments	2,064,403	1,961,788	1,866,943	2,005,000	1,554,939	-	450,061	2,100,000
371	Tuitions Payments to Other Dist.	40,570	29,701	29,536	85,000	-	-	85,000	-
373	Tuition Pay Private School	-	-	-	5,000	-	-	5,000	-
374	Other Tuition	605,954	625,503	162,192	203,000	45,708	-	157,292	180,000
381	Audit Services	27,650	25,150	27,700	30,000	20,150	-	9,850	30,000
382	Legal Services	2,028	5,288	11,261	35,000	33,653	-	1,347	50,000
384	Negotiation Services	5,934	13,784	8,590	15,000	510	-	14,490	2,000
386	Data Processing SVCS	59,787	76,794	75,380	89,500	62,470	120	26,910	77,000
388	Election Services	4,565	-	1,573	-	-	-	-	-
389	Other Non_instr Pro/Tech	515,889	539,114	292,488	358,100	261,239	14,151	82,710	281,000
391	Physical Exams - Drivers	2,380	3,168	4,193	3,700	1,860	2,140	(300)	4,000
392	Drug Tests Drivers	1,110	635	1,255	3,000	965	1,035	1,000	1,000
393	Child Care Services	22,000	22,000	22,000	25,000	6,968	9,447	8,585	18,000
394	Sub calling service	5,559	7,489	6,464	8,000	6,764	-	1,236	7,000
396	Criminal History checks	2,546	2,928	3,179	2,900	2,724	-	176	3,000
398	Fingerprinting	639	462	266	1,000	(59)	-	1,059	500
<b>Total P. Services</b>		<b>5,112,768</b>	<b>5,027,111</b>	<b>4,332,849</b>	<b>4,819,956</b>	<b>3,214,031</b>	<b>84,408</b>	<b>1,521,517</b>	<b>4,465,000</b>

# 2017-2018 General Fund Expenditure Report

									4/3/2018
Obj	Description	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Budget	4-3-18 YTD	4-3-18 Encumb	4-3-18 Balance	17/18 Project
406	Gas Oil & Lubricants	152,805	103,868	115,426	193,700	98,206	78,608	16,886	145,000
410	Supplies & Materials	457,671	419,096	486,014	555,341	388,670	30,130	136,542	475,000
413	Vehicle repair parts	50,201	48,980	44,746	55,500	30,733	19,759	5,009	43,000
414	Transportation operations	5,674	6,060	8,776	6,000	5,931	3,534	(3,465)	9,000
420	Textbooks	240,685	131,379	83,687	193,800	47,580	-	146,220	84,000
430	Library Books	9,934	8,588	5,880	12,794	3,684	-	9,110	8,000
440	Periodicals	6,012	1,937	5,354	3,640	4,299	1,914	(2,573)	7,000
460	Equipment under 5K	125,632	212,514	184,119	205,618	141,580	9,782	54,256	250,000
470	Computer software	173,513	195,888	181,289	229,850	170,261	23,150	36,439	200,000
480	Computer hardware	255,516	252,444	221,873	195,920	113,575	2,198	80,147	250,000
	<b>Total Supplies &amp; Materials</b>	<b>1,477,643</b>	<b>1,380,753</b>	<b>1,337,164</b>	<b>1,652,163</b>	<b>1,004,517</b>	<b>169,075</b>	<b>478,571</b>	<b>1,471,000</b>
540	Equipment	6,779	20,047	65,034	52,900	22,274	3,330	27,296	65,000
564	Bus Replacement	-	-	-	-	51,500	-	(51,500)	67,000
	<b>Total Capital Outlay</b>	<b>6,779</b>	<b>20,047</b>	<b>65,034</b>	<b>52,900</b>	<b>73,774</b>	<b>3,330</b>	<b>(24,204)</b>	<b>132,000</b>
621	Regular Interest	-	-	-	500	-	-	500	-
640	Dues & Fees	92,488	67,655	178,632	172,034	61,171	850	110,013	86,500
650	Insurance & Judgments	216,456	218,639	230,250	249,000	234,631	-	14,369	240,000
659	Settlements	-	-	34,000	-	-	-	-	-
670	Taxes & Licenses	49	-	-	200	-	-	200	100
	<b>Total Other Objects</b>	<b>308,993</b>	<b>286,294</b>	<b>442,882</b>	<b>421,734</b>	<b>295,802</b>	<b>850</b>	<b>125,082</b>	<b>326,600</b>
707	Transfer - Vocational House Fund	-	-	-	80,000	80,000	-	-	80,000
710	Transfer - Technology	175,000	200,000	225,000	-	-	-	-	-
711	Transfer - Classroom Furniture	50,000	50,000	25,000	-	-	-	-	-
712	Transfer - Textbook Adoption	350,000	350,000	300,000	50,000	50,000	-	-	50,000
713	Transfer - Capital Improvement	225,000	250,000	250,000	250,000	250,000	-	-	250,000
714	Transfer - Track and Turf Fund	110,000	110,000	10,000	10,000	10,000	-	-	10,000
715	Transfer - Athletic Fund	365,000	365,000	405,000	415,000	415,000	-	-	415,000
716	Transfer - Bus Replacement	250,000	250,000	250,000	250,000	250,000	-	-	250,000
717	Transfer - Unemploy Ins	25,000	15,000	25,000	95,000	95,000	-	-	95,000
718	PERS Reserve	150,000	500,000	500,000	-	-	-	-	-
719	Transfer - Food Service	50,000	65,225	90,656	50,000	14,820	-	35,180	50,000
730	Transfer - Debt Service	-	-	100,000	135,000	135,000	-	-	135,000
731	Transfer - Academic Achievemer	10,000	-	-	-	-	-	-	-
	<b>Total Transfers</b>	<b>1,760,000</b>	<b>2,155,225</b>	<b>2,180,656</b>	<b>1,335,000</b>	<b>1,299,820</b>	<b>-</b>	<b>35,180</b>	<b>1,335,000</b>
810	Reserve/Contingency	-	-	-	1,085,000	-	-	1,085,000	-
	<b>Grand Total</b>	<b>34,950,241</b>	<b>37,398,917</b>	<b>38,137,559</b>	<b>42,129,000</b>	<b>25,203,260</b>	<b>11,381,414</b>	<b>5,544,326</b>	<b>38,946,500</b>