

City of Alvin, Texas

Paul Horn, Mayor

Joel Castro, Mayor Pro-tem, At Large Pos. 2
Brad Richards, At Large Pos. 1
Martin Vela, District A
Adam Arendell, District B



Keith Thompson, District C
Glenn Starkey, District D
Gabe Adame, District E

ALVIN CITY COUNCIL AGENDA

THURSDAY, OCTOBER 15, 2020

7:00 P.M.

(Council Chambers)

Alvin City Hall, 216 West Sealy, Alvin, Texas 77511

Persons with disabilities who plan to attend this meeting that will require special services please contact the City Secretary's Office at 281-388-4255 or droberts@cityofalvin.com 48 hours prior to the meeting time. City Hall is wheel chair accessible and a sloped curb entry is available at the east, west, and south entrances to City Hall.

NOTICE is hereby given of a Regular Meeting of the City Council of the City of Alvin, Texas, to be held on **THURSDAY, OCTOBER 15, 2020**, at 7:00 p.m. in the Council Chambers at: City Hall, 216 W. Sealy, Alvin, Texas.

REGULAR MEETING AGENDA

1. CALL TO ORDER

2. INVOCATION AND PLEDGE OF ALLEGIANCE

3. PRESENTATIONS

- A. Alvin Municipal Court Departmental Update.
- B. Proclamation – Alvin Municipal Court Week November 2-6, 2020.

4. PUBLIC COMMENT

5. CONSENT AGENDA: CONSIDERATION AND POSSIBLE ACTION: An item(s) may be removed from the Consent Agenda for full discussion by the request of a member of Council. Item(s) removed will automatically become the first item up for discussion under Other Business.

- A. Consider approval of the October 1, 2020 City Council Regular meeting minutes.
- B. Acknowledge receipt of the quarterly Fiscal Year 2020 Capital Improvement Projects Report.
- C. Acknowledge receipt of the Quarterly Investment Report ending September 30, 2020.

6. OTHER BUSINESS

- A. Consider Ordinance 20-AA, authorizing the issuance of approximately \$17,740,000 City of Alvin, Texas, Water and Sewer System Revenue Bonds, Series 2020; approving related agreements; approving the preparation and distribution of an Official Statement; enacting other provisions relating thereto; and providing for the effective date thereof.
- B. Consider an agreement with Wells Fargo Bank to provide banking depository services for the City of Alvin effective January 1, 2021 through December 31, 2023 with (2) two optional one-year extensions, and authorize the City Manager to sign the agreement upon legal review.

- C. Consider an agreement with USA Shade & Fabric Structures through the BuyBoard Cooperative Purchasing Network in an amount not to exceed \$99,379.00 to provide and install six (6) replacement picnic pavilions and one (1) playground shade structure at Hugh Adams Park, and authorize the City Manager to sign the agreement upon legal review.
- D. Consider Resolution 20-R-28, designating one representative and one alternate representative to the Houston-Galveston Area Council (H-GAC) General Assembly for 2021.

7. REPORTS FROM CITY MANAGER

- A. Items of Community Interest and review preliminary list of items for next Council meeting.

8. ITEMS OF COMMUNITY INTEREST

Pursuant to 551.0415 of the Texas Government Code reports or an announcement about items of community interest during a meeting of the governing body. No action will be taken or discussed.

- A. Hear announcements concerning items of community interest from the Mayor, Council members, and City staff, for which no action will be discussed or taken.

9. ADJOURNMENT

I hereby certify that a copy of this notice was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website: www.alvin-tx.gov, in compliance with Chapter 551, Texas Government Code, on MONDAY, OCTOBER 12, 2020 at 4:00 P.M.

(SEAL)



A handwritten signature in blue ink, appearing to read "Dixie Roberts", is written over a horizontal line.

Dixie Roberts, City Secretary

Removal Date: _____

**** All meetings of the City Council are open to the public, except when there is a necessity to meet in Executive Session (closed to the public) under the provisions of Chapter 551, Texas Government Code. The Council reserves the right to convene into executive session on any of the above posted agenda items that qualify for an executive session by publicly announcing the applicable section of the Open Meetings Act, including but not limited to sections 551.071 (litigation and certain consultation with the attorney), 551.072 (acquisition of interest in real property), 551.073 (contract for gift to city), 551.074 (certain personnel deliberations), or 551.087 (qualifying economic development negotiations).**



MUNICIPAL COURT



City of Alvin – Departmental Update

COURT STAFF



STATISTICS



Statistics:

- 73 Assault Family Violence cases reported to Criminal Justice Information System (CJIS)
- New citations processed Current Fiscal Year 3,692
- Warrants processed current fiscal Year 1,870
- Warrants cleared current fiscal Year 1,303
- 588 Magistrate jail warnings issued
- 273 Bonds posted and processed

VIRTUAL COURT



- Tyler Technologies is the largest software company in North America focused exclusively on the public sector, with more than 21,000 successful installations across 10,000 sites. Tyler's client base includes public sector entities and K-12 schools throughout the U.S. and its territories, Canada, the Caribbean, Australia, and other international locations.
- Tyler virtual court allows the court to serve citizens without interruptions during pandemics and natural disasters such as hurricanes and flooding.
- Increases compliance
- Reduces the failure to appear rate by 60%
- Defendants can easily upload court orders & other documents
- Hearings can be conducted anywhere with internet access which includes cell phones, laptops, tablets, or computers any time

LIVE STREAMING COURT



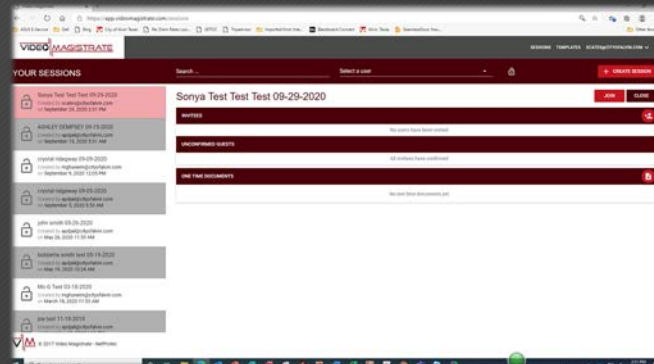
To remain in compliance with constitution requirements, the court and the IT department had the idea to livestream hearings to the city's website. We have partnered with ACC to broadcast hearings each week to avoid using YouTube as most other courts utilize.



VIDEO MAGISTRATE



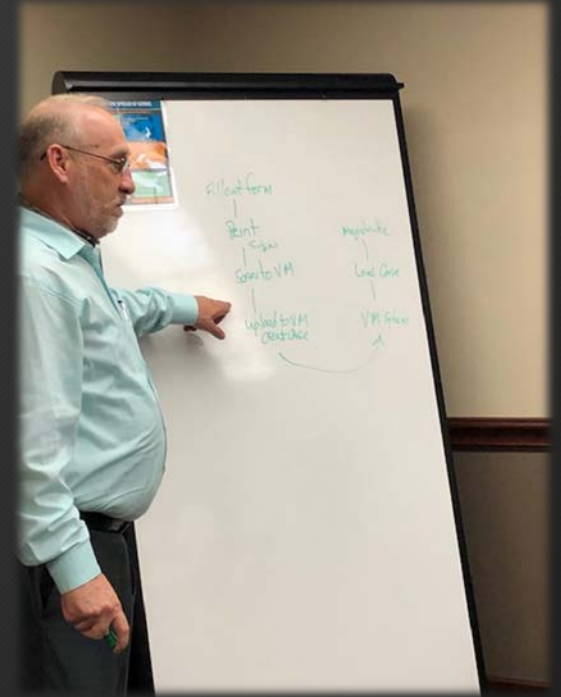
- Real-time
- Cost savings for travel, inmate transportation and security
- Magistrate from anywhere, anytime
- Reduced time spent on weekends, nights, and holidays
- Documents are stored to meet legal requirements
- Inmates are released from custody quickly



UPCOMING PROJECTS: TECH ENHANCEMENTS

- Warrant App- Judges to review and approve warrants remotely (TYLER)
- Court Notification- The court to notify defendants by email, phone, or text of missed court dates, pass due payments extensions, and other court orders (TYLER)
- Online Forms where defendants can request options such as Deferred, Driving Safety Course, and payment extensions. (SEAMLESS DOCS)

TEACHING/TRAINING



COVID-19



COURT CERTIFICATION



The Municipal Court Clerk Certification Program was established to encourage professional development and educational growth within the court clerk profession. It is sponsored by the Texas Court Clerks Association (TCCA), in cooperation with Texas Municipal Court Education Center (TMCEC), and Texas State University in San Marcos.

The court is proud to announce that Samantha Maddox has achieved both Level 1 Certification and Level 2 Certification within six months.

Currently, Maria Rodriguez is preparing for level one certification and will be testing soon.



MUNICIPAL TRAFFIC SAFETY INITIATIVES AWARD WINNER



MTSI is a grant, funded by the Texas Department of Transportation. The purpose is to educate the community about traffic safety and anti-impaired driving. Our goal is to continue our efforts to educate our citizens, defendants and children. This is a fifth win for the court!



2020 AMAZON WEB SERVICE AWARD & SOLUTION WINNER WITH TYLER



A program that recognizes partners with solutions and experience in delivering government, education, and non-profit customers missions around the world. Partner and Client award for Best Remote Work Solution for virtual court. This has been broadcasted around the world.

The court was also acknowledged in The National Center for State Courts technology bulletin that was released in May. <https://aws.events.cube365.net/pub-sec/2020-partner-awards>



CLERK OF THE YEAR AWARD



TEXAS MUNICIPAL COURT ASSOCIATION (TMCA)-Clerk of the Year

TMCA awarded Sonya Cates, Court Administrator, was nominated by her peers with Outstanding Clerk of the Year and selected for her outstanding contributions to the fair and impartial administration of justice. Sonya is the 29th clerk in the State of Texas to receive this prestigious award.



SPECIAL THANKS TO



- Mayor / Council
- Paul Salvo & Jordan Mouton
- Suzanne Hanneman
- Junru Roland
- Mike Merkel
- Greg Hill
- Ruben Solano / Bruce Trent-Bailiffs
- ACC- Jason Nichols
- Jail staff
- Tyler Technologies
- TMCA & TMCEC



We appreciate your support!





Office of the Mayor, City of Alvin, Texas

Proclamation

-
- WHEREAS,** municipal courts serve as the local justice center for the enforcement of local ordinances and state offenses that protect the peace and dignity of our community and play a significant role in preserving public safety and promoting quality of life; and
- WHEREAS,** more people, citizens and non-citizens alike, come in personal contact with municipal courts than all other courts combined; and
- WHEREAS,** the municipal judges and clerks continually strive to improve the administration of justice through participation in judicial education programs of the State of Texas and their professional organizations; and
- WHEREAS,** the Alvin Municipal Court continues to provide fair and impartial justice to our citizens.

NOW, THEREFORE, I, Paul A. Horn, as Mayor of the City of Alvin Texas and on behalf of the Alvin City Council do hereby proclaim the week of November 2-6, 2020 as

Municipal Court Week

in the City of Alvin and extend our appreciation to the Alvin municipal judges and court personnel for their exemplary service and dedication to our community.

WITNESS my hand and seal this
15th day of October 2020.

Paul A. Horn, Mayor

**MINUTES
CITY OF ALVIN, TEXAS
216 W. SEALY STREET
REGULAR CITY COUNCIL MEETING
THURSDAY OCTOBER 1, 2020
7:00 P.M.**

CALL TO ORDER

BE IT REMEMBERED that, on the above date, the City Council of the City of Alvin, Texas, met in Regular Session at 7:00 P.M. in the Council Chambers at City Hall, with the following members present: Mayor Paul A. Horn; Mayor Pro-Tem Joel Castro; Council members: Adam Arendell, Glenn Starkey, Brad Richards, and Martin Vela. Council member Gabe Adame entered meeting at 7:07 p.m.

Staff members present: Junru Roland, City Manager; Suzanne Hanneman, City Attorney; Dixie Roberts, City Secretary; Michael Higgins, Chief Financial Officer; Michelle Segovia, City Engineer; Dan Kelinske, Parks and Recreation Director; Brandon Moody; Director of Public Services; and Robert E. Lee, Chief of Police.

INVOCATION AND PLEDGE OF ALLEGIANCE

Council member Vela gave the invocation. Council member Richards led the Pledge of Allegiance to the American Flag, and Council member Castro led the Pledge to the Texas Flag.

PUBLIC COMMENT

CONSENT AGENDA: CONSIDERATION AND POSSIBLE ACTION

Consider approval of the September 17, 2020 City Council Regular meeting minutes.

Consider a final plat of Puryear Subdivision (located at 1101 County Road 47), a 10.99 acre, 2-lot subdivision located in the Day Land and Cattle Co. Survey, Abstract No. 604, Brazoria County, Texas.

On July 30, 2020, the Engineering Department received the final plat of Puryear Subdivision for review. The property is located in the City of Alvin's ETJ at 1101 County Road 47 (Angleton) and is being platted for conveyance of lot 2. The plat consists of 2 lots and complies with all requirements of the City's Subdivision Ordinance. The City Planning Commission unanimously approved the plat at their meeting on September 15, 2020. Staff recommended approval.

Consider Resolution 20-R-27, acknowledging and accepting a sidewalk easement located at 1610 Beauregard Street, granted to the City of Alvin by Rosalyn Hulett.

Pursuant to Sec. 21-42 - Sidewalks, ADA ramps, driveways and driveway approaches of the City's Code of Ordinances states that sidewalks, Americans with Disabilities Act (ADA) ramps, driveways and driveway approaches shall be required and shall be constructed in accordance with the city's design criteria. This means the builder/owner is required to install a sidewalk as part of the process. Once constructed, the City is responsible for the maintenance and repair of the sidewalk. This property is located at 1610 Beauregard Street, Alvin, Texas. This resolution formally acknowledges the City's acceptance of this sidewalk easement being granted to the City by Rosalyn Hulett. Staff recommended acceptance of the sidewalk easement.

Consider renewing the On-Call Professional Electrical Services Agreement with TDEC Inc. as the primary contractor, and an On-Call Professional Electrical Services Agreement with DM Electrical and Construction LLC, as the secondary contractor, to provide on-call professional electrical services for an additional term of one (1) year, and authorize the City Manager to sign the Agreements upon legal review.

A Request for Proposals (RFP) for on-call professional electrical services was advertised on August 12, 2018 and August 19, 2018. Responses to the RFP were received from three (3) electrical companies and both were reviewed by

staff. Both TDEC and DM Electrical are qualified to perform electrical services for the City. Staff would like to continue using TDEC, Inc. as the primary contractor, and DM Electrical and Construction LLC, as the secondary contractor, for on-call professional electrical services for the City.

Staff is recommending TDEC over DM Electrical due to the following:

- Fast response time in emergency and as needed basis – proven over the two past years
- All employees are residents of Alvin
- Cleanliness of work performed and job completion
- Community owned

The Electrical Services Agreements being considered will allow said companies to provide electrical services to Public Services Facilities (lift stations, WWTP, Water Wells), and to any other electrical needs of the City. Renewal of this agreement will ensure that electrical services can be provided to City facilities. Current contract states that this agreement may be renewed for two (2) successive one-year terms with the same terms and conditions. This is the second of two one-year renewals. Staff recommended approval.

Council member Arendell moved to approve the consent agenda as presented. Seconded by Council member Vela; motion carried on a vote of 6 Ayes.

OTHER BUSINESS

Consider an Agreement with MUSCO Sports Lighting, LLC, through the BuyBoard Cooperative Purchasing Network, to provide and install athletic field lighting for eight softball fields and one multi-purpose field located at Pearson Park, in an amount not to exceed \$1,472,115.28; and authorize the City Manager to sign the agreement upon legal review.

Pearson Park, located at 2200 Westpark Drive, is home to the Alvin Girls Softball Association and hosts many local and state tournaments. The current sport field lighting on eight softball fields and one multi-purpose field needs replacement. The current lighting system utilizes 1500-watt metal halide light fixtures mounted upon wooden poles. Many of the wooden poles are bending and twisting along with most pole mounted electrical components in need of replacement. This traditional sports lighting is very costly compared to new LED fixtures.

On February 3, 2020, the Park Board recommended and approved this project as part of the five (5) year parks capital improvement recommendations. Staff presented this project to City Council at the February 11, 2020 budget workshop. On February 20, 2020, City Council received the five (5) year parks capital improvement recommendations. August 6, 2020, City Council passed Ordinance 20-S, authorizing the issuance of Tax and Revenue Certificates of Obligation Bond, Series 2020 which included funding for this and other park projects.

Advantages of using BuyBoard cooperative purchasing network:

1. Competitive Bid Pricing
2. Streamlined Purchasing Process compliant with procurement laws
3. Lower procurement and administrative costs
4. Oversight thru BuyBoard which audits the accuracy of proposals
5. Member Rebates

Staff recommends MUSCO Lighting, LLC to replace the athletic field lighting at Pearson Park. MUSCO Lighting, LLC is a premier athletic field lighting provider whose product includes a twenty-five (25) year maintenance warranty. Representatives from MUSCO Sports Lighting, LLC were present at the City Council meeting to answer any questions.

Dan Kelinske presented this item before City Council for consideration.

Council member Arendell moved to approve an Agreement with MUSCO Sports Lighting, LLC, through the BuyBoard Cooperative Purchasing Network, to provide and install athletic field lighting for eight softball fields and one multi-purpose field located at Pearson Park, in an amount not to exceed \$1,472,115.28; and authorize the City Manager to sign the agreement upon legal review. Seconded by Council member Richards; motion carried on a vote of 6 Ayes.

Consider the purchase of a Vactor Trailer Jet machine from Kinloch Equipment and Supply, Inc., through the BuyBoard Cooperative Purchasing Network in an amount not to exceed \$61,326.00.

The Vactor Trailer Jet machine is utilized in the wastewater collection system for cleaning small diameter sewer pipes, removing debris from inside the pipes, and unclogging sewer stoppages. This machine has a high-pressure hose to blast water through the sewer lines. The combination of high-pressure and water makes for a very effective method to clean and clear any obstructions inside your pipes without causing damages. The City currently owns an O'Brien Trailer Jet machine that is eight (8) years old. The current unit is broken, has been taken out of service, and has served its useful life. Funding for this trailer will come from remaining bond proceeds from the 2015 Tax & Revenue Certificate of Obligations. Staff recommended approval of the purchase.

Brandon Moody presented this item before City Council for consideration.

Council member Martin Vela moved to approve the purchase of a Vactor Trailer Jet machine from Kinloch Equipment and Supply, Inc., through the BuyBoard Cooperative Purchasing Network in an amount not to exceed \$61,326.00. Seconded by Council member Arendell; motion carried on a vote of 6 Ayes.

Consider an award of bid to Tandem Services, LLC, for the 2020 Sidewalk Project in an amount not to exceed \$176,827.20, and authorize the City Manager to sign the contract upon legal review.

On August 4, 2020, bids were opened for the 2020 Sidewalk Project (B-20-09), and Tandem Services, LLC was the qualified bidder. This contractor has worked on a previous City of Alvin project and Staff was pleased with the quality of work performed. Engineering Staff has verified references for this contractor and all references were highly satisfied with the work performed. The low bidder, Total Plan Contractors, Inc., is not being recommended to receive the bid due to a very limited previous project history, never having worked for a public entity, and not providing any references.

Project Budget: \$250,000

Contract Amount: \$160,752.00

10% Contingency: \$ 16,075.20

Total Amount: \$176,827.20

This project is identified as project 2 on the Quarterly CIP Report and consists of the installation of concrete sidewalks to provide adequate pedestrian access in areas of the City where pedestrians are frequently observed. Specific project locations include: Pearson Road (new sidewalk, east side, between Johnson Street and FM 1462), Durant Street (new sidewalk, west side, between Adoue Street and Sealy Street), Dumble Street (south side, between College Street and Clark Street), and Clark Street (west side, between Dumble Street and Fairview Drive).

The project is scheduled to start in October and has a construction time of 90 calendar days. This project will be funded from the Sales Tax Fund. Staff recommended approval.

Michelle Segovia presented this item before City Council for consideration.

Council member Castro moved to approve an award of bid to Tandem Services, LLC, for the 2020 Sidewalk Project in an amount not to exceed \$176,827.20, and authorize the City Manager to sign the contract upon legal review. Seconded by Council member Richards; motion carried on a vote of 6 Ayes.

Consider an award of bid to Tandem Services, LLC, for the 2020 Concrete Pavement and Drainage Project in an amount not to exceed \$1,106,632.50, and authorize the City Manager to sign the contract upon legal review.

On August 4, 2020, bids were opened for the 2020 Concrete Pavement and Drainage Project (B-20-04), and Tandem Services, LLC was the qualified low bidder. Tandem Services has done work for the City in the past and Staff was pleased with the work performed. Engineering Staff has verified references for this contractor and all references were highly satisfied with the work performed.

Contract Amount: \$1,053,935.80

5% Contingency: \$ 52,696.79

Total Amount: \$1,106,632.50

The 2020 Concrete Pavement and Drainage Project consists of the total replacement of the concrete pavement, addition of sidewalks, and associated storm sewer improvements on Tracy Lynn Lane (Westfield Drive to South Street), Westfield Drive (Adams Street to the asphalt transition 125 feet east of Kings Lane), and Adams Street (the first 571 feet from Westfield Drive). These improvements were based on recommendations in the 2013 Concrete Pavement Assessment by JET Civil Consulting, LLC. More information on this project can be found in the Capital Improvement Program (CIP) Quarterly Report that was distributed to City Council on July 16, 2020. The project is scheduled to start in October and has a construction time of 120 calendar days. Funding for this project is from the Sales Tax Fund. Staff recommended approval.

Michelle Segovia presented this item before City Council for explanation.

Council member Castro moved to approve an award of bid to Tandem Services, LLC, for the 2020 Concrete Pavement and Drainage Project in an amount not to exceed \$1,106,632.50, and authorize the City Manager to sign the contract upon legal review. Seconded by Council member Starkey; motion carried on a vote of 6 Ayes.

Consider Ordinance 20-Z, releasing certain territory within Fort Bend County from the Extraterritorial Jurisdiction of the City of Alvin; providing for severability; and containing other provisions relating thereto.

The portion of the City's ETJ being released is shown on Exhibit A in green and originates from the 100' City Limit Strip that follows the Fort Bend/Brazoria County line at the north side and the Brazos River towards the south. This strip was approved in the early 1960's. Development is currently occurring along the east side of FM 521 north of Juliff-Manvel Road closest to Missouri City. There are three large residential subdivisions and a high school for Fort Bend ISD planned.

Section 42.043 of the Texas Local Government Code requires a city to provide its written consent and authorization to the reduction of its ETJ. This release of ETJ will benefit the City by reducing the burden on Staff of having to review numerous development plats and plans for property in this area. Not only are these reviews time consuming they are also challenging since Staff is not familiar with this area being that it is so far removed from the core City Limits. Staff recommended approval of Ordinance 20-Z.

Michelle Segovia presented this item before City Council for explanation.

Council member Adame moved to approve Ordinance 20-Z, releasing certain territory within Fort Bend County from the Extraterritorial Jurisdiction of the City of Alvin; providing for severability; and containing other provisions relating thereto. Seconded by Council member Arendell; motion carried on a vote of 5 Ayes; with Council member Vela voting No.

REPORTS FROM CITY MANAGER

Review preliminary list of items for the Council meeting of October 15, 2020 City Council Meeting
Mr. Roland reviewed items of community interest and potential items to be considered at the next meeting.

REPORTS FROM COUNCILMEMBERS

Council member Arendell congratulated the Alvin football team on the win.

Council member Starkey thanked Texas Pride on smooth transition.

Mayor Horn announced State of the City would be held on October 13, 2020 and also introduced Athlyn Allen as new CVB Coordinator.

ADJOURNMENT

Mayor Horn adjourned the meeting at 7:28 p.m.

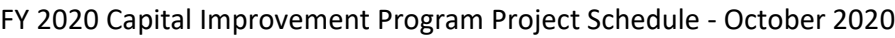
PASSED and APPROVED the 15th day of October 2020.

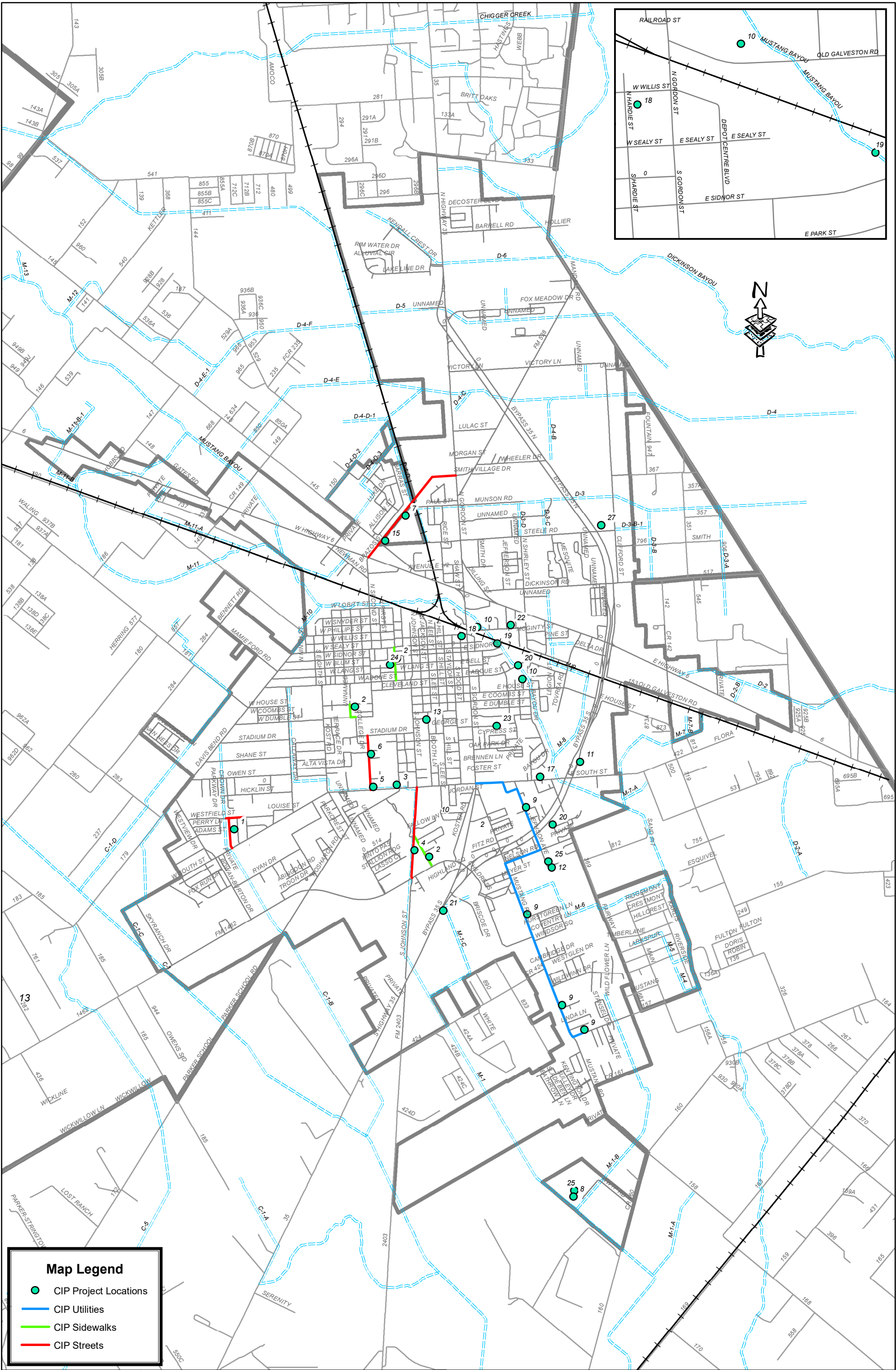
Paul A. Horn, Mayor

ATTEST: _____
Dixie Roberts, City Secretary

**Capital Improvement Program
Quarterly Report
October 2020**







FY 2020 CIP Project Location Map

Rev. Date 1/30/2020
Engineering Dept.



2020 Concrete Pavement and Drainage Project

Project Number:	1
Project Type:	Streets
Strategic Plan:	Maintain Infrastructure
Funding:	Sales Tax Fund
Assigned:	City Engineer
Project Location:	Tracy Lynn Lane (Westfield Drive to South Street), Westfield Drive (Adams Street to the asphalt transition 125 feet east of Kings Lane), and Adams Street (first 571 feet from Westfield Drive). Project location identified as a number 1 on the CIP Project Location Map.
Project Description:	This project includes the removal and replacement of concrete pavement / curbs, the installation of storm pipe, manholes, inlets, and sidewalks.
Project Justification:	This project will replace the broken and uneven pavement and upgrade the storm system to allow for proper drainage.
Current Status:	Bids were opened on August 4, 2020 and Tandem Services, LLC. was the qualified low bidder. Council awarded the bid in the amount of \$1,106,632.50 to Tandem at their meeting on October 1, 2020.
Impact on Operating Budget:	No
Estimated Useful Life of Capital Investment:	25-30 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>					
<u>CONSTRUCTION</u>	\$1,000,000	\$1,106,633	\$1,000,000	2020	
<u>OTHER</u>					
<u>TOTAL:</u>	\$1,000,000	\$1,106,633	\$1,000,000		



2020 Sidewalk Project

Project Number:	2
Project Type:	Sidewalks
Strategic Plan:	Maintain Infrastructure
Funding:	Sales Tax Fund
Assigned:	City Engineer
Project Location:	Project locations identified as number 2 on the CIP project location map. <u>Pearson Rd.</u> (east side between Johnson St. and FM 1462), <u>Durant St.</u> (west side between Adoue St. and Sealy St.), <u>Dumble Street</u> (south side between College Street and Clark Street), and <u>Clark Street</u> (west side between Dumble St. and Fairview Dr.).
Project Description:	This project is intended to provide adequate pedestrian access throughout areas of Alvin where pedestrians are frequently observed. Concrete sidewalks will be installed in compliance with Americans with Disabilities Act (ADA) requirements.
Project Justification:	To provide adequate pedestrian access, and add sidewalks as proposed in the Comprehensive Plan.
Current Status:	Bids for this project were opened on August 4, 2020 and Tandem Services, LLC. was the qualified low bidder. Council awarded the bid to Tandem in the amount of \$176,827.20 at their meeting on October 1, 2020.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>					
<u>CONSTRUCTION</u>	\$250,000	\$176,827	\$250,000	2020	
<u>OTHER</u>					
<u>TOTAL:</u>	\$250,000	\$176,827	\$250,000		



Durant Detention Pond

Project Number:	3
Project Type:	Drainage
Strategic Plan:	Maintain Infrastructure
Funding:	Sales Tax Fund
Assigned:	City Engineer
Project Location:	Five acre City owned property at the northwest corner of the W. South Street and Durant Street intersection. Project location identified as number 3 on the CIP project location map.
Project Description:	This project includes the design and construction of a storm water detention pond on City owned property along Durant Street (5 acres). This is the second of several drainage improvement projects that were recommended in the M-1 Ditch Watershed Study that was completed in January 2011 by Dannenbaum Engineering.
Project Justification:	To improve drainage in the M-1 Ditch Watershed by providing detention storage for future storm sewer improvement projects along Durant Street, Moller Road, and Stadium Drive.
Current Status:	Project complete.
Impact on Operating Budget:	Yes
Estimated Useful Life of Capital Investment:	30+ years

PROJECT COST

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$107,000	\$122,593	\$122,593	2016	
<u>CONSTRUCTION</u>	\$677,000	\$351,473	\$315,000	2018	
<u>OTHER</u>					
<u>TOTAL:</u>	\$784,000	\$474,066	\$437,593		



Johnson Street Paving and Drainage Improvements Project

Project Number:	4
Project Type:	Streets
Strategic Plan:	Maintain Infrastructure
Funding:	Sales Tax Fund
Assigned:	City Engineer
Project Location:	South Johnson Street from South Street to FM 1462. Project location identified as number 4 on the CIP project location map.
Project Description:	This project involves the improvement of paving along Johnson Street from South Street to FM 1462. The project includes the construction of a concrete sidewalk from South Street to Pearson Road along the east side of Johnson Street.
Project Justification:	This project will make improvements and upgrades to Johnson Street.
Current Status:	Project complete.
Impact on Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$200,000	\$264,650	\$200,000	2018	
<u>CONSTRUCTION</u>	\$1,718,754	\$1,257,666	\$2,039,650	2019	
<u>GEO. STUDY</u>	\$30,000	\$28,700	\$30,000	2017	
<u>TOTAL:</u>	\$1,948,754	\$1,551,016	\$2,269,650		



Moller Road Storm Sewer and Pavement Improvements Phase 1

Project Number:	5
Project Type:	Streets
Strategic Plan:	Maintain Infrastructure
Funding:	Sales Tax Fund / Bond Funds
Assigned:	City Engineer
Project Location:	Moller Road near South Street. Project location identified as number 5 on the CIP project location map.
Project Description:	This project includes the design of the first of a three phase project to add a storm sewer system, concrete curb and gutter pavement, and sidewalk along Moller Road. This is the third of several drainage improvement projects that were recommended in the M-1 Ditch Watershed Study that was completed in January 2011 by Dannenbaum Engineering.
Project Justification:	To improve drainage in the M-1 Ditch Watershed by adding a storm sewer system along Moller Road.
Current Status:	Design is complete, Staff is currently coordinating with Texas New Mexico Power to have utilities relocated prior to project bid. Utility relocation is scheduled for October.
Impact on Operating Budget:	No
Estimated Useful Life of Capital Investment:	30+ years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$250,000	\$249,932	\$250,000	2018	
<u>CONSTRUCTION</u>	\$1,803,659		\$1,800,000	2019	Bond
<u>GEO. STUDY</u>					
<u>TOTAL:</u>	\$2,053,659	\$249,932	\$2,050,000		



Moller Road Storm Sewer and Pavement Improvements Phase 2 (Design)

Project Number:	6
Project Type:	Streets
Strategic Plan:	Maintain Infrastructure
Funding:	Sales Tax Fund
Assigned:	City Engineer
Project Location:	Moller Road near South Street. Project location identified as number 6 on the CIP project location map.
Project Description:	This project includes the design of the second of a three phase project to add a storm sewer system, concrete curb and gutter pavement, and sidewalk along Moller Road. This is the fourth of several drainage improvement projects that were recommended in the M-1 Ditch Watershed Study that was completed in January 2011 by Dannenbaum Engineering.
Project Justification:	To improve drainage in the M-1 Ditch Watershed by adding a storm sewer system along Moller Road.
Current Status:	Project design expected to start in January 2021.
Impact on Operating Budget:	No
Estimated Useful Life of Capital Investment:	30+ years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$250,000		\$250,000	2020	Bond
<u>CONSTRUCTION</u>	\$3,550,000		\$3,550,000	2020	Bond
<u>GEO. STUDY</u>					
<u>TOTAL:</u>	\$3,800,000	\$0	\$3,800,000		



FM 528 Extension (Design)

Project Number:	7
Project Type:	Streets
Strategic Plan:	Maintain Infrastructure
Funding:	Sales Tax Fund
Assigned:	City Engineer
Project Location:	Extension of FM 528 from Gordon Street to Highway 6. Project location identified as number 7 on the CIP project location map.
Project Description:	This project involves the construction of the extension of FM 528 from Gordon Street to Highway 6 along right-of-way that has been acquired in the last ten plus years.
Project Justification:	Completion of this project will help to relieve traffic congestion at the Gordon Street and Highway 6 intersection, as well as, provide a secondary evacuation route over the railroad tracks in the event that the railroad underpass along Highway 6 floods.
Current Status:	The Texas Department of Transportation submitted this project in HGAC's "Call for Projects" on October 31, 2018 in an attempt to obtain federal funding for construction through the TIP. This project was not selected for federal funding through the TIP. HDR was notified by TXDOT in June 2019 that they would not be able to advance funding for this project at this time. TXDOT has the project budgeted to start construction in 2024. Council approved an Advance Funding Agreement with TXDOT for their review of the plans for the project on 7/16/2020. HDR submitted the plans to TXDOT for review on 9/30/2020.
Impact on Operating Budget:	No
Estimated Useful Life of Capital Investment:	30-35 years

PROJECT COST

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$1,000,000	\$1,186,353.11	\$1,000,000	2018	
<u>CONSTRUCTION</u>	\$15,100,000				
<u>OTHER</u>					
<u>TOTAL:</u>	\$16,100,000	\$1,186,353.11	\$1,000,000		



Wastewater Treatment Plant Optimization Improvements Phase II

Project Number:	8
Project Type:	Sewer
Strategic Plan:	Maintain Infrastructure
Funding:	2015 Certificate of Obligation Bond Funds
Assigned:	City Engineer/Public Services Director
Project Location:	Wastewater Treatment Plant. Project location identified as number 8 on the CIP project location map.
Project Description:	Phase II of this project includes installation of a non-potable water system, belt press, rehabilitation of the aeration system, and rehabilitation of the digester tank as well as upgrades to the laboratory.
Project Justification:	Upgrade the WWTP to meet state and federal regulations.
Current Status:	Project complete.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>		\$766,500		2016	Bond
<u>CONSTRUCTION</u>		\$4,730,985		2016	Bond
<u>OTHER</u>					
<u>TOTAL:</u>	\$0	\$5,497,485	\$0		



Fairway and South Street Water Line Improvements

Project Number:	9
Project Type:	Water
Strategic Plan:	2015 Utility Master Plan - Water CIP Projects - 2020
Funding:	2018 Water and Sewer Bond Funds
Assigned:	City Engineer
Project Location:	Project location identified as number 9 on the CIP project location map.
Project Description:	New 12-inch water transmission line along South Street, Bowman Drive, Jephson Lane, Nelson Road, Mustang Road, and Verhalen Road to connect the Dyche Water Tower and the Verhalen Water Tower. New 10-inch water line along Fm 1462 and new 6-inch water line along Koster Road to replace existing 2.25-inch water lines.
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	Project complete.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$670,400	\$528,111	\$528,111	2018	Bond
<u>CONSTRUCTION</u>	\$3,352,000	\$1,228,796	\$1,228,796	2018	Bond
<u>OTHER</u>					
<u>TOTAL:</u>	\$4,022,400	\$1,756,907	\$1,756,907		



Lift Stations 14 and 17 Rehabilitation

Project Number:	10
Project Type:	Sewer
Strategic Plan:	2015 Utility Master Plan - Wastewater CIP Projects - 2020
Funding:	2018 Water and Sewer Bond Funds
Assigned:	City Engineer
Project Location:	Identified as project number 10 on the CIP project location map.
Project Description:	This project includes the rehabilitation of lift stations 14 and 17. The condition assessment results showed these lift stations to be in very poor condition.
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	Project complete.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$260,000	\$225,645	\$225,645	2018	Bond
<u>CONSTRUCTION</u>	\$1,300,000	\$867,673	\$867,673	2018	Bond
<u>OTHER</u>					
<u>TOTAL:</u>	\$1,560,000	\$1,093,318	\$1,093,318		



Lift Station 30 Expansion & HWY 35 Bypass Gravity Mains

Project Number:	11
Project Type:	Sewer
Strategic Plan:	2015 Utility Master Plan - Wastewater CIP Projects - 2020
Funding:	2018 Water and Sewer Bond Funds
Assigned:	City Engineer
Project Location:	Lift Station 30 Expansion and HWY 35 Bypass gravity mains. Project location identified as number 11 on the CIP project location map.
Project Description:	This project includes the expansion of lift station 30 from a firm capacity of 4.61 MGD to a firm pumping capacity of 11.5 MGD. This project includes a new 24 inch force main, and the upsizing of the gravity lines to 36 inches immediately upstream and downstream of lift station 30.
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	Bids were opened on August 4, 2020. Staff is currently working to complete the purchase of the property required for the expansion of the lift station prior to award of the bid.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$1,495,900	\$760,515	\$679,865	2018	Bonds
<u>CONSTRUCTION</u>	\$10,064,900	\$8,833,432	\$10,064,900	2019/2020	Bonds
<u>OTHER</u>					
<u>TOTAL:</u>	\$11,560,800	\$9,593,947	\$10,744,765		



54" Eastside Interceptor

Project Number:	12
Project Type:	Sewer
Strategic Plan:	2015 Utility Master Plan - Wastewater CIP Projects - 2020
Funding:	2018/2019/2020 Water and Sewer Bond Funds
Assigned:	City Engineer
Project Location:	Replacement 54" Eastside Interceptor. Project location identified as number 12 on the CIP project location map.
Project Description:	This project includes the construction of a 54 inch wastewater line from the 35 Bypass to the WWTP. The model showed the existing 27 inch and 33 inch wastewater lines do not have enough capacity to convey existing peak flows to the plant.
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	Staff is working with KDM Acquisition Services, Inc. to acquire the final utility easement that is required for the project. Once the easement has been acquired then the project will be ready to bid.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$2,165,300	\$2,076,000	\$2,076,000	2018	Bond
<u>CONSTRUCTION</u>	\$16,399,450		\$11,797,760	2019/2020	Bond
<u>OTHER</u>	\$89,865	\$89,865		2019	Bond
<u>TOTAL:</u>	\$18,654,615	\$2,165,865	\$13,873,760		



Water Line Improvements Phase 1

Project Number:	13
Project Type:	Water
Strategic Plan:	2015 Utility Master Plan - Water CIP Projects - 2020
Funding:	2018 and 2019 Water and Sewer Bond Funds
Assigned:	City Engineer
Project Location:	General project location identified as project 13 on the CIP project location map.
Project Description:	New 10-inch, 8-inch, and 6-inch water lines to connect and replace existing small water lines in the area bounded by Adoue Street, Gordon Street, South Park Drive, and Johnson Street.
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	Project complete.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$510,800	\$433,300	\$922,985	2018	Bond
<u>CONSTRUCTION</u>	\$2,553,800	\$1,590,645	\$2,005,595	2018/2019	Bonds
<u>OTHER</u>					
<u>TOTAL:</u>	\$3,064,600	\$2,023,945	\$2,928,580		



Northwest and Northeast Sanitary Sewer Basin Rehabilitation Project

Project Number:	14
Project Type:	Sewer
Strategic Plan:	2015 Utility Master Plan - Wastewater CIP Projects - 2020
Funding:	2018 Water and Sewer Bond Funds
Assigned:	City Engineer / Public Services Director
Project Location:	Northwest and Northeast Sanitary Sewer Basins in the northern portion of the City.
Project Description:	Utilities Master Plan recommended that a Sanitary Sewer Evaluation Survey be conducted throughout the Northeast and Northwest Basins to identify sources of Inflow and Infiltration. Once sources of I/I are found, the City should address them as required to reduce excess water from entering the wastewater system.
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	City Council awarded a bid to Mitchell Contracting, Inc. on September 17, 2020 in the amount of \$540,265.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$95,300	\$95,200	\$95,300	2018	
<u>CONSTRUCTION</u>	\$855,700	\$540,265	\$850,000	2020	
<u>OTHER</u>					
<u>TOTAL:</u>	\$951,000	\$635,465	\$945,300		



Water Plant #6 Tank Replacement

Project Number:	15
Project Type:	Water
Strategic Plan:	2015 Utility Master Plan - Water CIP Projects - 2020
Funding:	2018 Water and Sewer Bond Funds
Assigned:	City Engineer
Project Location:	Water Plant No. 6 Ground Storage Tank Replacement identified as project number 15 on the CIP project location map.
Project Description:	Decommission three existing 0.43 MG ground storage tanks and add new 1.5 MG ground storage tank at Water Plant No. 6
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	The Contractor is completing the underground piping to the tank and the site work.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$526,500	\$319,400	\$319,400	2018	Bond
<u>CONSTRUCTION</u>	\$2,632,500	\$2,446,526	\$2,446,526	2018	Bond
<u>OTHER</u>					
<u>TOTAL:</u>	\$3,159,000	\$2,765,926	\$2,765,926		



Wayfinding Signs Project

Project Number:	16
Project Type:	Wayfinding
Strategic Plan:	Planning for directional movement in the City to key locations.
Funding:	General Fund
Assigned:	Economic Development Director
Project Location:	Corporate City Limits
Project Description:	To develop a wayfinding signage system that will create a uniqueness about Alvin while also improving the economic vitality of lesser known parts of the City that tourists and visitors may not be aware of.
Project Justification:	By implementing wayfinding signage, visitors will be easily directed to key locations creating a more positive experience and it will encourage others to see what the City of Alvin has to offer beyond the visible elements on the main roadways.
Current Status:	Ongoing (10/5/20): The wayfinding master plan has been reviewed and approved by staff and the wayfinding signage stakeholders. On May 19, 2020 staff alerted National Sign Plazas (NSP) that the wayfinding master plan has been accepted and a milestone payment was issued for acceptance of the manual. The final step for the planning stage is for NSP to secure TXDOT approval for sign placement in TXDOT's right-of-way. Once TXDOT approval has been secured, a final milestone payment will be issued and the project will be ready to bid for sign fabrication and installation. On September 19, 2020 NSP informed the City of Alvin that TXDOT has received the manual and it is currently under review.
Impact on Operating Budget:	No
Estimated Useful Life of Capital Investment:	N/A

PROJECT COST

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$50,000	\$49,500	\$49,500	2019	
<u>CONSTRUCTION</u>	\$180,500	\$180,500	\$105,500	2020	
<u>OTHER</u>					
<u>TOTAL:</u>	\$230,500	\$230,000	\$155,000		



Fire/EMS Station

Project Number:	17
Project Type:	Facilities
Strategic Plan:	Planning for the replacement of aged facilities.
Funding:	General Projects Fund and Certificates of Obligations.
Assigned:	Rex W. Klesel
Project Location:	City owned 4.38 Acres at the corner of Bellaire Boulevard and South Street. Identified as project number 17 on the CIP project location map.
Project Description:	This project is to design and construct a new Fire and Emergency Medical Services (EMS) Station on the 4.36 acre property at the corner of Bellaire Boulevard and South Street that was purchased in December 2017.
Project Justification:	Compelling reasons to construct a new station include, but are not limited to expanding service coverage to the south and east quarters of the Fire Department response territory. Also, the two existing stations lack sufficient windstorm ratings and have inadequate sleeping quarters for staff.
Current Status:	Contractor is 65% complete with concrete, retaining wall is 90% complete, they are currently installing interior walls, electrical, and sprinkler system.
Impact on Operating Budget:	Once the construction of the facility is complete, there will be utility operational and maintenance costs associated with the new facility.
Estimated Useful Life of Capital Investment:	50+ Years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$1,754,743	\$1,754,743	\$1,210,743	2018	
<u>CONSTRUCTION</u>	\$14,300,000	\$11,673,900	\$14,170,600	2019	Bond
<u>OTHER</u>	\$310,000	\$310,000		2018	
<u>TOTAL:</u>	\$16,364,743	\$13,738,643	\$15,381,343		



Willis Street Downtown Parking Lot

Project Number:	18
Project Type:	Public Parking
Strategic Plan:	Maintain Infrastructure
Funding:	General Projects Fund
Assigned:	City Engineer
Project Location:	Project location identified as number 18 on the CIP project location map.
Project Description:	This project includes the installation of a concrete public parking lot on the City owned property at the southeast corner of the Willis and Hardie intersection.
Project Justification:	To create additional public parking in the downtown area.
Current Status:	Staff is currently waiting for Adams Surveying to send the final survey and complete the field staking that will identify the alley as being public.
Impact on Operating Budget:	No
Estimated Useful Life of Capital Investment:	30-40 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>					
<u>CONSTRUCTION</u>	\$120,000		\$120,000	2019	
<u>OTHER</u>	\$3,200	\$3,200	\$3,200	2019	Survey
<u>TOTAL:</u>	\$123,200	\$3,200	\$123,200		



Mustang Bayou Bank Repair

Project Number:	19
Project Type:	Park / Drainage
Strategic Plan:	Maintain Infrastructure
Funding:	General Fund
Assigned:	City Engineer / Parks Director / City Attorney
Project Location:	Two areas along the bank of Mustang Bayou that washed out during Hurricane Harvey. Project location identified as number 19 on the CIP project location map.
Project Description:	This project includes the design and repair of two locations along Mustang Bayou where the bayou side slope failed due to flood waters from Hurricane Harvey.
Project Justification:	This project is needed to restore the portion of the Hike and Bike Trail that was destroyed due to the side slope failure and to restore the bayou.
Current Status:	GC Engineering has completed the final plan set and the project is ready to bid.
Impact on Operating Budget:	No
Estimated Useful Life of Capital Investment:	20 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$156,408	\$156,408	\$156,408	2018	
<u>CONSTRUCTION</u>	\$302,126				
<u>OTHER</u>					
<u>TOTAL:</u>	\$458,534	\$156,408	\$156,408		



Hike and Bike Trail Phase III Design

Project Number:	20
Project Type:	Parks
Strategic Plan:	Extending the existing hike and bike trail as a key addition to the Alvin trail system for non-motorized transportation
Funding:	General Fund
Assigned:	Parks and Recreation Director
Project Location:	Identified on the CIP project location map as project number 20 . South Street to Mustang Road within the Corporate City Limits.
Project Description:	Design third phase of the existing Hike and Bike Trail adding approximately 1.6 miles of trail to the existing 1.7 miles.
Project Justification:	Provide non-motorized transportation from downtown Alvin to Alvin Community College.
Current Status:	Preliminary plan set completed June 2020. Final design/plan set is budgeted in FY 21. Construction of the 54" Eastside Interceptor will affect the timeline for this project.
Impact on Operating Budget:	Yes
Estimated Useful Life of Capital Investment:	20+ years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$100,000	\$150,000	\$150,000	2020/2021	
<u>CONSTRUCTION</u>	\$2,756,000				
<u>OTHER</u>					
<u>TOTAL:</u>	\$2,856,000	\$150,000	\$150,000		



Disc Golf Course

Project Number:	21
Project Type:	Disc Golf
Strategic Plan:	Promote Alvin's future Disc Golf Course as a regional amenity. (Parks Master Plan 4.2.2)
Funding:	Hotel Occupancy Tax Fund
Assigned:	Parks and Recreation Director
Project Location:	Approximately 38.45 acres south of Briscoe Park within the Corporate City Limits. Identified as number 21 on the CIP project location map.
Project Description:	Develop a lighted eighteen hole disc golf course with pedestrian walking path.
Project Justification:	Activate undeveloped city owned property and integrate into parks system to provide a regional attraction which promotes recreational tourism.
Current Status:	Project complete as of January 2020.
Impact on Operating Budget:	Yes
Estimated Useful Life of Capital Investment:	20+ years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>		\$30,600		2018	
<u>CONSTRUCTION</u>	\$275,000	\$787,531	\$300,000	2019	
<u>OTHER</u>					
<u>TOTAL:</u>	\$275,000	\$818,131	\$300,000		



Water Line Improvements Phase 2

Project Number:	22
Project Type:	Water
Strategic Plan:	2015 Utility Master Plan - Water CIP Projects - 2020
Funding:	2019 Water and Sewer Bond Funds
Assigned:	City Engineer
Project Location:	General project location identified as project 22 on the CIP project location map.
Project Description:	New 10-inch, 8-inch, and 6-inch water lines to connect and replace existing small water lines in the area bounded by State Highway 6, State Highway 35 Bypass, Sealy Street, and Second Street.
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	Bids for this project were opened on June 30, 2020 and there were ten bidders. City Council approved a bid award for this project to DL Elliot Enterprises, Inc. on July 16, 2020. Construction of this 210 day project started on October 5, 2020.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$422,000	\$396,250	\$422,000	2019	Bond
<u>CONSTRUCTION</u>	\$2,109,900	\$1,367,343	\$2,109,900	2019	Bond
<u>OTHER</u>					
<u>TOTAL:</u>	\$2,531,900	\$1,763,593	\$2,531,900		



Water Line Improvements Phase 3

Project Number:	23
Project Type:	Water
Strategic Plan:	2015 Utility Master Plan - Water CIP Projects - 2020
Funding:	2019 Water and Sewer Bond Funds
Assigned:	City Engineer
Project Location:	General project location identified as project 23 on the CIP project location map.
Project Description:	New 8-inch and 6-inch water lines to connect and replace existing small diameter water lines in the area bounded by House Street, Bayou Drive, South Street, and Gordon Street.
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	Design to start in December 2020.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$549,900		\$549,900	2021	Bond
<u>CONSTRUCTION</u>	\$2,728,092		\$2,728,092	2021	Bond
<u>OTHER</u>					
<u>TOTAL:</u>	\$3,277,992	\$0	\$3,277,992		



Water Plant #4 Tank Replacement

Project Number:	24
Project Type:	Water
Strategic Plan:	2015 Utility Master Plan - Water CIP Projects - 2020
Funding:	2020 Water and Sewer Bonds
Assigned:	City Engineer
Project Location:	Water Plant No. 4 Ground Storage Tank Replacement identified as project number 24 on the CIP project location map.
Project Description:	Decommission the existing 0.21 and 0.43 Million Gallon (MG) steel ground storage tanks and add a new 1.0 MG concrete ground storage tank at Water Plant #4.
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	Due to funding constraints this project has been moved to fiscal year 2022.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$351,000		\$351,000	2021	Bond
<u>CONSTRUCTION</u>	\$1,755,000		\$1,755,000	2021	Bond
<u>OTHER</u>					
<u>TOTAL:</u>	\$2,106,000	\$0	\$2,106,000		



Peak Flow Storage Basin

Project Number:	25
Project Type:	Sewer
Strategic Plan:	Maintain Infrastructure
Funding:	Water and Sewer Impact Fees
Assigned:	City Engineer/Public Services Director
Project Location:	Wastewater Treatment Plant. Project location identified as number 25 on the CIP project location map.
Project Description:	This project includes the construction of a 1.0 million gallon (MG) peak flow storage basin at the wastewater treatment plant.
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	Moved to 2023 due to an increase in estimated project cost.
Impact to Operating Budget:	No
Estimated Useful Life of Capital Investment:	30-35 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$800,000		\$214,500	2020	Impact fees
<u>CONSTRUCTION</u>	\$3,200,000		\$1,072,500	2020	Impact fees
<u>OTHER</u>					
<u>TOTAL:</u>	\$4,000,000	\$0	\$1,287,000		



2020 Asphalt Pavement Project (Contractor)

Project Number:	26
Project Type:	Streets
Strategic Plan:	Maintain Infrastructure
Funding:	Sales Tax Fund
Assigned:	City Engineer
Project Location:	Windsor Square, Oxford Road, Hurstgreen Lane, and Coventry Lane.
Project Description:	This project involves the rehabilitation of various asphalt streets within the City of Alvin. The project includes the reclamation, stabilization, and overlay of asphalt streets. The project locations will be determined based on recommendations from the 2014 Asphalt Pavement Assessment by JET Consulting.
Project Justification:	To improve existing infrastructure.
Current Status:	Staff has received the final geotechnical report for the project and has contracted with Wilson Survey Group, Inc. to complete the topographic survey work.
Impact on Operating Budget:	No
Estimated Useful Life of Capital Investment:	10-15 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>					
<u>CONSTRUCTION</u>	\$500,000		\$500,000	2020	
<u>OTHER</u>		\$35,000		2020	Geo./Topo.
<u>TOTAL:</u>	\$500,000	\$35,000	\$500,000		



Lift Station 23 Expansion Project (design)

Project Number:	27
Project Type:	Sewer
Strategic Plan:	2015 Utility Master Plan
Funding:	2015 Certificates of Obligation Bond Funds
Assigned:	City Engineer
Project Location:	Lift Station 23 Expansion. Project location identified as number 27 on the CIP project location map.
Project Description:	This project includes the expansion of lift station 23 from a firm capacity of 2.02 MGD to a firm pumping capacity of 9.0 MGD and elimination of lift stations 15 and 16. This project includes 7,000 feet of new 24 inch force main along Bypass 35, and the upsizing 14,720 feet of the gravity mains along Steele Rd., N. Gordon, Rice St., and Ave. E 1/2 ranging in size from 15-inch to 30-inch.
Project Justification:	Identified in the 2015 Utility Master Plan by Freese and Nichols, Inc. that was approved by the City Council on March 3, 2016.
Current Status:	LJA is currently working on the 90% design plans.
Impact to Operating Budget:	Yes
Estimated Useful Life of Capital Investment:	20-25 years

PROJECT COST					
	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>FUNDS BUDGETED</u>	<u>FISCAL YEAR</u>	
<u>DESIGN</u>	\$1,389,800	\$1,389,800	\$1,700,000	2015	Bonds
<u>CONSTRUCTION</u>	\$14,000,000				
<u>OTHER</u>					
<u>TOTAL:</u>	\$15,389,800	\$1,389,800	\$1,700,000		



AGENDA COMMENTARY

Meeting Date: 10/15/2020

Department: Administrative Svcs **Contact:** Michael Higgins, Dir. of Admin Services

Agenda Item: Acknowledge receipt of the Quarterly Investment Report ending September 30, 2020.

Type of Item: ☐Ordinance ☐Resolution ☐Contract/Agreement ☐Public Hearing ☐Plat ☐Discussion & Direction ☒Other

Summary: The City Charter requires the Chief Financial Officer to report on the financial condition of the City each quarter.

In 2013, the City of Alvin adopted the Public Funds Investment Act pursuant to Chapter 2256 of the Texas Government Code. The Code contains certain requirements for investing public funds and how those funds are to be administered. These requirements include annual reviews of the policy, training, internal controls, prudence, ethics, and reporting.

The City's investment policy states that the investment officer shall generate quarterly (investment) reports to the City Manager, Mayor, and City Council. Attached is the quarterly report for the period ending September 30, 2020.

In summary, the City of Alvin has an investment portfolio at September 30, 2020, of **\$83.2 million**, which consists of \$59.5 million invested in the Local Government Investment Pools, \$749,000 in Certificates of Deposits, and \$22.9 million in the City's bank depository accounts (i.e. checking accounts). Interest earned during the quarter was \$48,258. The City's yield for the quarter was .42% and the 90-day T-Bill was .10%.

Funding Expected: Revenue ☐ Expenditure ☐ N/A ☒ **Budgeted Item:** Yes ☐ No ☐ N/A ☒

Funding Account: _____ **Amount:** _____ **1295 Form Required?** Yes ☐ No ☒

Legal Review Required: N/A ☒ Required ☐ **Date Completed:** 10/12/2020 SLH

Supporting documents attached:

- Investment Report – Sept 2020

Recommendation: Move to acknowledge receipt of the Quarterly Investment Report ending September 30, 2020.

Reviewed by Department Head, if applicable ☐

Reviewed by City Attorney, if applicable ☐

Reviewed by Chief Financial Officer, if applicable ☒

Reviewed by City Manager ☒



City of Alvin
Quarterly Investment Report
9/30/20

City of Alvin
Investment Report Commentary
For the Quarter Ended September 30, 2020

The City of Alvin's investment portfolio at September 30, 2020, increased during the quarter by \$2.1 million, going from **\$81.1 million** at June 30, 2020 to **\$83.2 million**. The portfolio consists of \$59.5 million invested in the Local Government Investment Pools, \$749,000 in Certificates of Deposits, and \$22.9 million in the City's bank depository accounts (i.e. checking accounts). Interest earned during the quarter was **\$48,258**. During the previous quarter, total interest was **\$65,392**. We expect the portfolio value to increase during the next quarter as property tax collections will begin in November and there is a planned bond sale.

The City of Alvin earned a Weighted Average Yield-to-Maturity (WAM) rate of **.42%** during the current quarter. The market benchmark that is used as a comparison is the 90-day T-Bill which was **.10%** for the quarter. The City's yield was 42 basis points higher than the 90 day T-Bill rate. During the previous quarter, the city's Weighted Average Yield-to-Maturity rate was **.48%** and the 90-day T-Bill average was **.13%**, or 35 basis points more than the T-Bill rate.

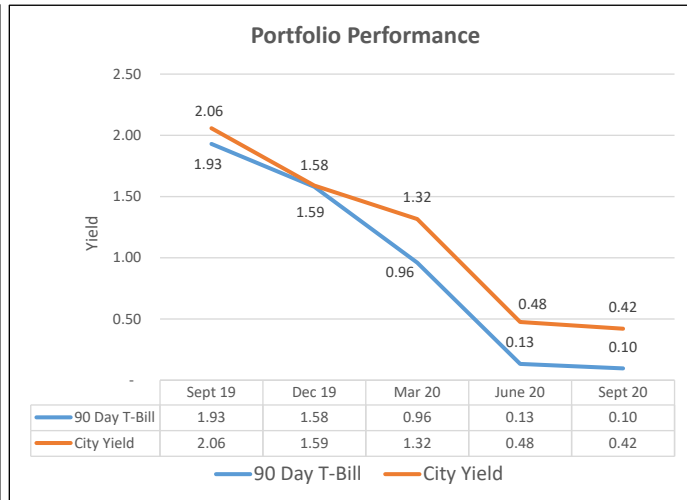
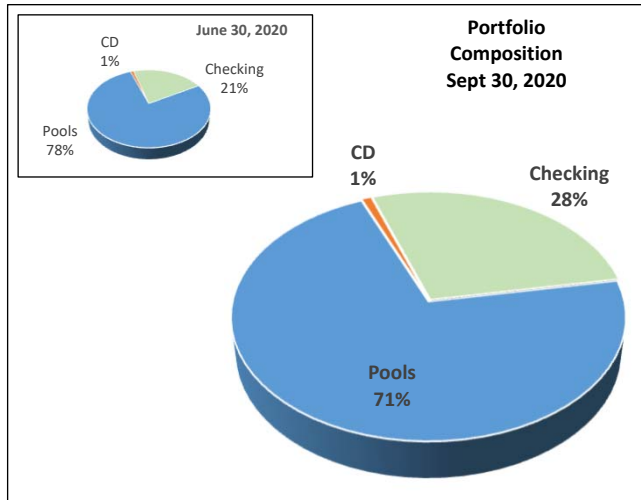
The overall Weighted Average Maturity (WAM in days) was **3.3 days** during the quarter, compared to **4.2 days** in the previous quarter. The WAM days are very low because 99% of the portfolio is invested in the 1 day maturities, primarily investment pools. The decrease in the WAM during this quarter was due to an increase in cash in the bank and the pools which are at the 1 day maturity level. The City's maximum allowable maturity days varies on the type of investment which can range from 30 days to 3 years.

As mentioned above, the City's benchmark rate at September 30, 2020, is the 90-day T-Bill, which was a .10% average for the quarter. The rate a year ago at September 30, 2019, was 1.93%. According to the Texstar's September 2020 performance report, "Improving macro data, a better than expected earnings season and a decline in virus cases buoyed equity and credit markets for much of the third quarter as markets waved off a lapse in fiscal stimulus, and rising tensions between the U.S. and China." Further discussion by Texstar indicates a the U.S Economy is on track for a historically large rebound, however the pace is being slowed by the pandemic.

The City of Alvin Finance Department will continue to monitor the market and the rates looking for the best options to increase our investment earnings, while remaining in a safe position. In addition, we plan to monitor our bank depository balances more closely as the earnings rate for the bank account is currently at .25%.

**City of Alvin
Investment Portfolio
September 30, 2020**

Asset type	CUSIP	Purchase Date	Maturity Date	Days to Maturity	Avg Yield for Qtr	June 30, 2020		Net Purchases & Disb During Qtr	Sept 30, 2020		Interest Earned During Qtr
						Book Value	Market Value		Book Value	Market Value	
Bank Depository/Demand Accounts			open	1	1.000%	17,198,812	17,198,812	5,743,678	22,942,490	22,942,490	13,709
Cert of Deposit - BMW Bank North Am.	05580AWS9	6/26/2020	6/27/2022	635	0.250%	249,000	248,315	-	249,000	249,522	153
Cert of Deposit - First Bank NC	31931TGF6	3/31/2020	12/31/2020	92	1.100%	248,000	249,215	-	248,000	248,654	688
Cert of Deposit - Wells Fargo	949763S56	1/29/2020	10/29/2020	29	1.700%	250,000	251,313	-	250,000	250,332	1,071
Investment Pool - Texstar			open	1	0.166%	51,787,682	51,787,682	(9,150,597)	42,637,085	42,637,085	19,403
Investment Pool - Texas Class			open	1	0.340%	1,964,109	1,964,109	5,503,032	7,467,141	7,467,141	9,032
Investment Pool - Texpool			open	1	0.177%	8,424,307	8,424,307	3,775	8,428,082	8,428,082	3,775
Investment Pool - Texpool (TIRZ#2)			open	1	0.177%	951,523	951,523	426	951,950	951,950	426
						\$81,073,433	\$81,075,277	\$2,100,315	\$83,173,748	\$83,175,255	\$48,258



	6/30/2020	9/30/2020
Book Value	81,073,433	83,173,748
Market Value	81,075,277	83,175,255
Change in MV		\$2,099,979
Weighted Avg Maturity (days)	4.2	3.3
Weighted Avg YTM	0.48%	0.42%
Avg Yield of 90 day T-Bill	0.13%	0.10%
Accrued Interest @ 9/30/20		\$153

Michael Higgins
Director of Administrative Services



AGENDA COMMENTARY

Meeting Date: 10/15/2020

Department: Administrative Services

Contact: Michael Higgins

Agenda Item: Consider Ordinance 20-AA, authorizing the issuance of approximately \$17,740,000 City of Alvin, Texas, Water and Sewer System Revenue Bonds, Series 2020; approving related agreements; approving the preparation and distribution of an Official Statement; enacting other provisions relating thereto; and providing for the effective date thereof.

Type of Item: ☒Ordinance ☐Resolution ☐Contract/Agreement ☐Public Hearing ☐Plat ☐Discussion & Direction ☐Other

Summary: In February 2014, the City engaged the services of Freese and Nichols to draft a Utility Master Plan. The adopted Utility Master Plan was completed in April 2016, and identified approximately \$92 million in utility projects to be completed over the next 20 years. These improvements are necessary to provide for future growth, replace aging infrastructure, improve efficiency, and keep the City in compliance with TCEQ regulations. Projects for the first 5 years are needed to address the existing water and wastewater system problems and are needed to serve anticipated growth within the next 5 years that the existing system does not have the capacity to currently serve.

Projects to be funded from the proceeds of the 2020 Water & Sewer System Revenue Bonds are listed below:

Project Name	Project Costs	Description of project
54" East Side Interceptor <i>Projected Construction Cost: \$18,475,450</i> <i>\$2,076,000 bonds issues in 2018</i> <i>\$6,251,200 bonds issued in 2019</i> <i>\$10,148,250 bonds to be issued in 2020</i>	\$10,148,250	This proposed 54" wastewater pipeline serves the entire City and transports sewer to the wastewater treatment plant to be treated and discharged. The current interceptor is nearing its useful life and not large enough to handle the existing peak wastewater flows. Constructing a single 54" line in place of the two undersized lines (27" and 33") will allow for easier system operations and less maintenance.
Lift Station 30 Expansion & Hwy 35 Bypass Gravity Main <i>Projected Construction Cost: \$10,744,765</i> <i>\$679,865 bonds issued in 2018</i> <i>\$5,777,300 bonds issued in 2019</i>	\$4,287,600	The Utility Master Plan showed that this lift station has reached its useful life and is not large enough to handle the future wastewater flows as the City grows. This project will increase the gravity sewer lines to 36", increase the lift station capacity from 4.1 MGD to 11.7 MGD, and increase the force main

\$4,287,600 bonds to be issued in 2020		capacity to 24" so that the City can serve existing and future development.
Water Improvements Phase III	\$3,303,900	These water improvements consist of replacing water lines that will increase available fire flow capacity, improve water quality and provide better water system connectivity. New 8" and 6" water lines will be installed to connect and replace existing small diameter water lines in the area bounded by House Street, Bayou Drive, South Street, and Gordon Street.
Total:	\$17,739,750	

City staff participated in ratings call with Standard & Poor's on September 15, 2020. Standard & Poor's affirmed the City's Revenue Bond rating of "A+/Stable" on the Series 2020 Water & Sewer System Revenue Bonds.

The Series 2020 Water and Sewer System Revenue Bonds are scheduled to be competitively bid at 10:00 a.m. on October 15, 2020. Thereafter, staff will know the exact dollar amount of bonds that will need to be issued to cover the project costs as well as other bond issuance costs. The City's Financial Advisors will be at the City Council meeting to present the results of the sale and ask City Council to approve Ordinance 20-AA, authorizing the bond sale. Should City Council authorize the issuance of the Series 2020 Water & Sewer System Revenue Bonds, the bonds are expected to close, with funds deposited into the City's accounts on November 17, 2020.

Funding Expected: Revenue ☐ Expenditure ☐ N/A ☐ **Budgeted Item:** Yes ☐ No ☐ N/A ☐

Funding Account: _____ **Amount:** Approx. \$17.4M **1295 Form Required?** Yes ☐ No ☒

Legal Review Required: N/A ☐ Required ☒ **Date Completed:** 10/12/2020 SLH

Supporting documents attached:

- Ordinance 20-AA
- Standard and Poor's Rating Summary

Recommendation: Move to approve Ordinance 20-AA, authorizing the issuance of \$17,740,000 City of Alvin, Texas, Water and Sewer System Revenue Bonds, Series 2020; approving related agreements; approving the preparation and distribution of an Official Statement; enacting other provisions relating thereto; and providing for the effective date thereof.

Reviewed by Department Head, if applicable ☐

Reviewed by City Attorney, if applicable ☒

Reviewed by Chief Financial Officer, if applicable ☐

Reviewed by City Manager ☒

CITY OF ALVIN

**ORDINANCE NO. 20-AA
AUTHORIZING THE ISSUANCE OF**

**CITY OF ALVIN, TEXAS
WATER AND SEWER SYSTEM
REVENUE BONDS
SERIES 2020**

Adopted: [October 15, 2020]

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Exhibit A – Form of the Bonds

ORDINANCE NO. 20-AA

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF ALVIN, TEXAS, WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2020; APPROVING RELATED AGREEMENTS; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

WHEREAS, City Council of the City of Alvin, Texas (the “City Council”) finds and determines that the City of Alvin, Texas (the “City”) is authorized by Chapter 1502, Texas Government Code, as amended (the “Act”) to issue bonds payable from the net revenues of its water and sewer system to provide funds to acquire, purchase, construct, improve, renovate, enlarge or equip such system; and

WHEREAS, the City hereby finds and determines that the issuance and delivery of the bonds hereinafter authorized is necessary and in the public interest and the use of the proceeds in the manner herein specified constitutes a valid public purpose; and

WHEREAS, the City Council finds and determines that it is necessary and in the best interest of the City and its citizens that its bonds shall be issued for the purpose of (i) paying costs related to acquiring, constructing, improving, equipping and extending the System (as hereinafter defined), and (ii) paying the cost of issuing the Bonds (as hereinafter defined), which the City Council hereby determines to be necessary and feasible, all in accordance with the Constitution and general laws of the State of Texas, particularly the Act; and

WHEREAS, the meeting at which this Ordinance is being considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act; now, therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ALVIN, TEXAS:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.1 Findings and Determinations. It is hereby found and determined that the findings and recitations set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

Section 1.2 Approval and Authorization. The City Council approves the following provisions and authorizes the Mayor or Mayor Pro Tem, the City Manager, the Chief Financial

Officer, the City Secretary and other appropriate officials of the City to execute all necessary documents relating thereto or in furtherance thereof.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.1 Definitions. In this Ordinance, the following terms shall have the following meanings, unless the context clearly indicates otherwise:

“Act” means Chapter 1502, Texas Government Code, as amended.

“Additional Parity Obligations” means all Parity Obligations hereafter issued or incurred by the City pursuant to Article VII.

“Annual Debt Service Requirements” means, for any fiscal or calendar year, an amount equal to the Debt Service of the particular Parity Obligations for which computation is being made, which will become due and payable during such annual period.

“Authorized Officer” means the City Manager or the Chief Financial Officer of the City (or the person performing the duties of the City Manager or Chief Financial Officer), who is authorized to act on behalf of the City in selling and delivering the Bonds, or such other officers of the City as designated in writing.

“Average Annual Debt Service Requirements” means the quotient obtained by dividing (i) the sum of the Debt Service of the particular Parity Obligations for which computation is being made which, on the date of such computation, are Outstanding within the meaning of this Ordinance from the date of computation to the date such Parity Obligations are to be paid by (ii) the number of years (or fractions thereof) from the interest payment date next preceding the date of computation to the date of final maturity of such Parity Obligations.

“Balloon Obligations” means Parity Obligations of a particular issue or series of Parity Obligations of which 25% or more of the principal or maturity amount of the same issue or series matures in the same year and is not required to be amortized below such percentage by payment or redemption prior to that year. An ordinance authorizing the issuance of Parity Obligations to be treated as Balloon Obligations shall designate such Parity Obligations as Balloon Obligations. Parity Obligations that include a put feature, a stepped-up interest rate and call right, or other similar obligation or right and incentive to refund may be treated as Balloon Obligations maturing in the year of the put, stepped-up interest rate, or other incentive if such Parity Obligations are designated as Balloon Obligations in the ordinance authorizing their issuance.

“Blanket Issuer Letter of Representations” means the Blanket Issuer Letter of Representations between the City, the Paying Agent/Registrar and DTC.

“Bond” or “Bonds” means the City of Alvin, Texas, Water and Sewer System Revenue Bonds, Series 2020 authorized by Section 3.1 of this Ordinance.

“Bond Counsel” means Bracewell LLP.

“Business Day” means any day which is not a Saturday, Sunday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to close.

“City” means the City of Alvin, Texas or the City Council of the City acting in its official capacity.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Dated Date” means June 1, 2019.

“Debt Service” means, for any given period, the principal of, premium, if any, interest and other payments on the Parity Obligations scheduled to become due and payable during such period subject to the following special rules:

(a) Debt Service shall exclude interest which has been capitalized or for which amounts have been set apart in a dedicated fund or account;

(b) Interest accruing on Parity Obligations issued as capital appreciation bonds or capital appreciation notes shall be treated as principal payable at maturity of such bonds or notes;

(c) Interest (other than on capital appreciation bonds or notes) shall be deemed to accrue monthly and principal also shall be deemed to accrue monthly but only during the twelve months immediately preceding any scheduled principal payment (or during such shorter periods as may be appropriate if principal payments are more frequent than every twelve months);

(d) Debt Service shall be calculated on the assumption that no Parity Obligations will cease to be Outstanding except by reason of payment on their scheduled payment dates, unless the City has affirmatively elected to prepay such obligations, and any demand features or put features exercisable by the holders of Parity Obligations or Parity Notes prior to scheduled payment dates shall not be taken into account in computation of Debt Service;

(e) Debt Service on Parity Obligations which bear interest at variable or adjustable rates such that future rates cannot be ascertained, shall be calculated using a rate which shall be estimated and certified by the Chief Financial Officer (or the officer of the City performing the duties of the Chief Financial Officer) as that rate which would have been borne by such Parity Obligations if on the date of certification they had been issued as twenty-five year obligations bearing a fixed rate of interest, but such interest rate shall not be less than the following: (i) if interest is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Bond Buyer “Revenue Bond Index” (or comparable index if no

longer published) plus fifty (50) basis points or (ii) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus fifty (50) basis points;

(f) If any of the Parity Obligations constitute Balloon Obligations, then such amounts shall be treated as if such Obligations are refunded through the issuance of Parity Obligations having a twenty-five year level amortization bearing interest at the rates provided by paragraph (e) above, on the date of the earliest permitted exercise of the put feature, stepped-up interest rate and call feature or similar obligation or right and incentive to refund as further set forth in the ordinance authorizing a series of Balloon Obligations or the final maturity date of such Balloon Obligations, as the case may be;

(g) Debt Service on Parity Notes, so long as their payment is secured by a Parity Credit Agreement or issued under a Parity Credit Agreement that established a direct purchase note program or similar short-term or interim borrowing program during the term of such Parity Credit Agreement, shall be computed on the assumption that the principal amount of such Parity Notes shall be financed and refinanced as if such principal amount were to be refinanced in the next ensuing fiscal year through the issuance of Parity Obligations having a twenty-five year level amortization bearing interest at the rates provided in paragraph (e) above;

(h) Parity Credit Agreements shall not be deemed to impose any additional Debt Service by reason of the repayment or reimbursement obligations that they impose, but any periodic payments they require for the continued availability of the Parity Credit Agreement shall be included within the computation of Debt Service;

(i) Debt Service on Parity Contract Obligations shall mean all amounts scheduled to be paid thereunder by the City other than for purposes that would qualify as Maintenance and Operation Expenses.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar, the Designated Payment/Transfer Office as designated in the Paying Agent/Registrar Agreement, or at such other location designated by the Paying Agent/Registrar, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means such fiscal year of the City as shall be set from time to time by the City Council.

“Gross Revenues” means while any Outstanding Parity Obligations are Outstanding, all revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the System and the interest income from the investment or deposit of money in the Revenue Fund, the Interest and Sinking Fund and the Reserve Fund and any other revenues hereinafter pledged to the payment of all Parity Obligations. When used with reference to the Bonds and any Additional Parity Obligations hereafter issued, Gross Revenues shall not include any of the following:

(a) utility deposits and other funds collected by the City to which a third party holds a contractually based reversionary interest or other legal or equitable ownership interest;

(b) payments received from the federal government, unless the City first receives an opinion from nationally recognized bond counsel to the effect that such payments, if included in Gross Revenues, would not adversely affect the excludability of the interest on any Parity Obligations the interest on which is otherwise excludable from gross income for federal income tax purposes;

(c) the proceeds of any Parity Obligations;

(d) any monies received as grants, appropriations, or gifts unless they are designated by official action of the City Council at the time of receipt as being included as part of Gross Revenues; and

(e) the revenue or income derived from a contract or contracts with persons, corporations, municipal corporations, political subdivisions, or other entities that are pledged for the requirements of the obligations issued to finance Special Projects or the revenue or income derived from the operation of such Special Projects, unless otherwise provided by City Council.

“Initial Bond” means the Initial Bond authorized by Section 3.4(d) of this Ordinance.

“Initial Purchaser” means the initial purchaser of the Bonds identified in Section 9.1 of this Ordinance.

[“Insurer” means _____.]

“Interest and Sinking Fund” means the interest and sinking fund for payment of principal of and interest on the Bonds described in Section 6.5 of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 1 and August 1 of each year, commencing on February 1, 2021.

“Maintenance and Operation Expenses” means the reasonable and necessary expenses of operation and maintenance of the System, including all salaries, labor, materials, repairs and extensions necessary to provide efficient service (but only such repairs and extensions as, in the

judgment of the governing body of the City, are necessary to (i) keep the System in operation and provide adequate service to the City and its residents, or (ii) respond to a physical accident or condition which would otherwise impair the System), which expenses include payments to the City's general fund or other funds for expenses, salaries, materials and labor associated with the operation and maintenance of the System, and all payments under contracts now or hereafter defined as operating expenses by the Legislature of the State of Texas. Maintenance and Operation Expenses shall specifically exclude the following:

(a) any allowance for depreciation, property retirement, depletion, or obsolescence;

(j) other items not requiring an outlay of cash;

(k) so long as payments received from the federal government are excluded from Gross Revenues, an amount of expenses that would otherwise constitute Maintenance and Operation Expenses for such period equal to the payments received from the federal government for such period to the extent that the payments received from the federal government are used to pay such expenses; and

(l) so long as monies received as grants, appropriations or gifts are excluded from Gross Revenues, an amount of expenses that would otherwise constitute Maintenance and Operation Expenses for such period equal to such grants, appropriations or gifts to the extent that they are used to pay such expenses.

"Maximum Annual Debt Service" means the maximum Annual Debt Service Requirements calculated for any future Fiscal Year.

"MSRB" means the Municipal Securities Rulemaking Board.

"Net Revenues" means all Gross Revenues remaining after deducting the Maintenance and Operation Expenses.

"Ordinance" means this bond ordinance and all amendments hereof and supplements hereto.

"Outstanding" when used with respect to Parity Obligations means, as of the date of determination, all Parity Obligations authenticated and delivered under this Ordinance, except:

(a) Parity Obligations theretofore canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(m) Parity Obligations for whose payment or redemption money or securities authorized for that purpose under Texas law shall have theretofore been deposited with the Paying Agent/Registrar or any paying agent or escrow agent for such Parity Obligations in trust for the Owners of such Parity Obligations pursuant to this Ordinance; provided, that, if such Parity Obligations are to be redeemed, notice of such redemption has been duly given or waived pursuant to this Ordinance or irrevocable provision for the giving of such notice satisfactory to the Paying Agent/Registrar has been made pursuant to this Ordinance; and

(n) Parity Obligations upon transfer of or in exchange for or in lieu of which other Parity Obligations have been authenticated and delivered pursuant to this Ordinance.

“Owner” when used with respect to any Bond, means the person or entity in whose name such Bond is registered in the Register. Any reference to a particular percentage or proportion of the Owners mean the Owners at the particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then Outstanding under this Ordinance, exclusive of Bonds held by the City.

“Parity Bonds” means the Bonds, the Series 2018 Bonds, the Series 2019 Bonds, and each series of Additional Parity Obligations from time to time hereafter issued, but only to the extent such Parity Bonds remain Outstanding.

“Parity Contract Obligations” means capitalized lease obligations, installment purchase agreements, purchase contracts or other contract agreements to acquire, purchase, improve or install facilities of the System, other than goods and services that are acquired in the ordinary course of business, that are shown on the liability side of the balance sheet under generally accepted accounting principles and are secured by a first lien on and a pledge of Net Revenues.

“Parity Credit Agreements” means all Parity Credit Agreements to which the City is a party as permitted in Section 7.4.

“Parity Notes” means all Parity Notes issued by the City from time to time pursuant to Section 7.3.

“Parity Obligations” means any Parity Bonds, Parity Notes, Parity Contract Obligations and Parity Credit Agreements issued or incurred by the City.

“Paying Agent/Registrar” means initially Zions Bancorporation, National Association, Amegy Bank Division, or any successor thereto as provided in this Ordinance.

“Paying Agent/Registrar Agreement” means the Paying Agent/Registrar Agreement between the Paying Agent/Registrar and the City relating to the Bonds.

“Record Date” means the fifteenth day of the month next preceding an Interest Payment Date.

“Register” means the books of registration kept by the Paying Agent/Registrar, in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Reserve Fund” means the Reserve Fund established by Section 6.3 of this Ordinance and further described in Section 6.6 of this Ordinance.

“Reserve Fund Participant Account” means the account described and so named in Section 6.6 of this Ordinance.

“Reserve Fund Participants” means, with respect to Parity Obligations, any series of Parity Obligations designated by a resolution authorizing the issuance of such Parity Obligations as “Reserve Fund Participants” and secured by a lien on the Reserve Fund Participant Account of the Reserve Fund.

“Reserve Fund Surety Obligation” means (i) any surety bond or insurance policy having a rating in one of the three highest generic rating categories by one of Moody’s Investors Service, Inc., Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, or Fitch Ratings, Inc. (or if such entities are no longer in existence, by comparable services), issued to the City for the benefit of the Owners of the Parity Obligations (or a particular issue or series of Parity Obligations) to satisfy any part of the Reserve Fund Requirement, if any, for such Parity Obligations (or a particular issue or series of Parity Obligations); and (ii) to the extent allowed by law, a letter or line of credit issued by any financial institution, provided that a rating agency having an outstanding rating on the Parity Obligations would rate the Parity Obligations in one or its three highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the series of Parity Obligations and the interest thereon.

“Reserve Fund Requirement” means the amount, if any, specified in a resolution authorizing Parity Obligations as the Reserve Fund Requirement or, if not so specified, \$0.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Series 2018 Bonds” means the City’s Water and Sewer System Revenue Bonds, Series 2018.

“Series 2019 Bonds” means the City’s Water and Sewer System Revenue Bonds, Series 2019.

“Series 2020 Project Fund” means the separate fund of the City established in Section 9.3 of this Ordinance.

“Special Project” means, to the extent permitted by law, any waterworks or sanitary sewer system property, improvement or facility declared by the City not to be part of the System and substantially all of the costs of acquisition, construction, and installation of which is paid from proceeds of a financing transaction other than the issuance of bonds payable from ad valorem taxes or Gross Revenues or Net Revenues of the System, and for which all maintenance and operation expenses are payable from sources other than Gross Revenues or Net Revenues of the System.

“System” means all properties, facilities, improvements, equipment, interests, and rights constituting the water and sanitary sewer system of the City, including all future extensions, replacements, betterments, additions, and improvements to the System. The System shall not include any Special Project.

Section 2.2 Interpretations. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. Whenever in the Ordinance an office or officer of the City is named or referred to by title, it shall be deemed to include any office or officer of the City succeeding to the principal functions and powers of the named office or officer of the City, including an individual serving in that capacity on an interim basis. The titles and headings of the articles and sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Parity Obligations and the validity of the lien on and pledge of the Net Revenues to secure the payment of the Parity Obligations.

ARTICLE III

TERMS OF THE BONDS

Section 3.1 Authorization and Authorized Amount. The Bonds shall be issued, pursuant to the Act, in fully registered form in the principal amount of [\$_____] for the purpose of (i) paying costs related to acquiring, constructing, improving, equipping and extending the System, and (ii) paying the cost of issuing the Bonds, which the City Council hereby determines to be necessary and feasible, all in accordance with the Constitution and general laws of the State of Texas, particularly the Act.

Section 3.2 Designation, Date, and Interest Payment Dates. The Bonds shall be designated as “City of Alvin, Texas, Water and Sewer System Revenue Bonds, Series 2020,” and shall be dated the Dated Date. The Bonds shall bear interest at the rates set out in Section 3.3 of this Ordinance from the later of the Issuance Date, or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable on each Interest Payment Date until maturity or earlier redemption.

Section 3.3 Principal Amounts and Interest Rates; Numbers and Denominations.

(a) The Bonds shall be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof and shall be numbered specifically from R-1, upward, except for the Initial Bond, which shall be numbered I-1. The Bonds may be transferred and exchanged as set out in this Ordinance. Bonds delivered on transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

(b) The Bonds shall mature, subject to prior redemption in accordance with this Ordinance, on February 1 in each of the years and in the amounts set out in the following schedule.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2021	\$	%	2031	\$	%
2022			2032		
2023			2033		
2024			2034		
2025			2035		
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		

Section 3.4 Execution of Bonds; Seal. (a) The Bonds shall be signed on behalf of the City by the Mayor or Mayor Pro Tem and countersigned by the City Secretary, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) If any officer of the City whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Paying Agent/Registrar's Authentication Bond substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. In lieu of the executed Paying Agent/Registrar's Authentication Bond described above, the Initial Bond delivered at the Closing Date shall have attached hereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, the Initial Bond, being a single bond representing the entire principal amount of the Bonds, payable in stated installments to the Initial Purchaser or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and the City Secretary of the City, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the Initial Purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver definitive Bonds to DTC.

Section 3.5 Payment of Principal and Interest. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The interest on each Bond shall be payable on each Interest Payment Date, by check mailed by the Paying Agent/Registrar on or before the Interest Payment Date to the Owner of record as of the Record Date.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

Section 3.6 Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for 30 days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be 15 days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

Section 3.7 Ownership; Unclaimed Principal and Interest. The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

Section 3.8 Registration, Transfer, and Exchange. So long as any Bonds remain Outstanding, the Paying Agent/Registrar shall keep the Register at its Designated Payment/Transfer Office, and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Ordinance.

Each Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized

representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within three Business Days after such presentation, a new Bond or Bonds registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar, for a Bond or Bonds of like maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The City or the Paying Agent/Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

Section 3.9 Mutilated, Lost, or Stolen Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authorize and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding.

The City or the Paying Agent/Registrar may require the Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar. The City or the Paying Agent/Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

- (i) furnish to the City and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (ii) furnish such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;
- (iii) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and

(iv) meet any other reasonable requirements of the City and the Paying Agent/Registrar.

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Bond, authorize the Paying Agent/Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.10 Cancellation of Bonds. All Bonds paid in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be cancelled and destroyed upon the making of proper records regarding such payment. The Paying Agent/Registrar shall furnish the City with appropriate certificates of destruction of such Bonds.

Section 3.11 Book-Entry System. (a) The Initial Bond shall be registered in the name of the Representative. Except as provided in Section 3.12 hereof, all other Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective

attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payments of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Ordinance with respect to interest checks being mailed to the Owner of record as of the Record Date, the phrase "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

Section 3.12 Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City in its sole discretion, determines that the beneficial owners of the Bonds be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.13 Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations.

ARTICLE IV

REDEMPTION PROVISIONS

Section 4.1 Optional Redemption.

(a) The City has reserved the right to redeem at its option the Bonds maturing on and after February 1, 2030, in whole or from time to time in part, before their respective scheduled maturity dates, on February 1, 2029, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption.

(b) The City, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption and of the principal amount of Bonds to be redeemed.

Section 4.2 Mandatory Sinking Fund Redemption.

(a) The Bonds designated as “Term Bonds” in the form of Bond attached hereto as Exhibit A (“Term Bonds”), are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Debt Service Fund, on the dates and in the respective principal amounts as set forth in the form of Bond contained in Exhibit A.

(b) Prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.4.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3 Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.1 hereof, the City shall determine the maturity or maturities (or mandatory sinking fund redemption amount with respect to Term Bonds) and the principal amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot, or other customary method that results in random selection, the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(b) Principal amounts may be redeemed only in integral multiples of \$5,000. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.8 hereof, shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity, Issuance Date, and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Section 4.4 Notice of Redemption.

(a) Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least 30 days prior to the date fixed for redemption by sending written notice by first class mail, postage prepaid, to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register.

(b) Notice shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds Outstanding of a particular

maturity are to be redeemed, the numbers of the Bonds or portions thereof of such maturity to be redeemed.

(c) The City reserves the right to give notice of its election or direction to redeem Bonds under Section 4.1 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding.

(d) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

ARTICLE V

FORM OF BOND; BOND INSURANCE

Section 5.1 Form of Bond.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State to accompany the Initial Bond, the Certificate of the Paying Agent/Registrar, and the Assignment form which shall accompany, appear on or be attached or affixed to each of the Bonds, (i) shall be substantially in the form attached hereto as Exhibit A, with such appropriate insertions, omissions, substitutions, and other variations as may be necessary or desirable and not prohibited by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any legend relating to bond insurance for the Bonds or reproduction of an opinion of counsel) as, consistently herewith, may be determined by the Authorized Officer or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) The definitive Bonds may be produced by any customary method, as determined by the officers executing such Bonds, as evidenced by their execution thereof. The Initial Bond submitted to the Attorney General of the State may be typewritten and photocopied or otherwise reproduced.

Section 5.2 CUSIP Numbers. The City may secure identification numbers through the CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Global Market Intelligence, or another entity that provides securities identification numbers for municipal securities, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds or any errors or

omissions in the printing of such number shall be of no significance or effect in regard to the legality thereof and neither the City nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 5.3 Legal Opinion. The approving legal opinion of Bond Counsel may be attached to or printed on the reverse side of each Bond.

Section 5.4 Bond Insurance. The Initial Purchaser has obtained bond insurance from the Insurer and the Bonds may bear an appropriate legend as provided by the Insurer.

ARTICLE VI

SECURITY AND SOURCE OF PAYMENT FOR ALL PARITY OBLIGATIONS

Section 6.1 Pledge and Source of Payment.

(a) The City hereby covenants and agrees that all Gross Revenues of the System shall be deposited and paid into the special funds established for the Parity Obligations, as provided in this Ordinance, and shall be applied in the manner set out herein, to provide for the payment of all Maintenance and Operation Expenses and to provide for the payment of principal, interest and any redemption premium of the Parity Obligations and all expenses of paying, securing and insuring the same. The Parity Obligations shall constitute special obligations of the City that shall be payable solely from, and shall be equally and ratably secured by a first lien on, the Net Revenues, as collected and received by the City, from the operation and ownership of the System, which Net Revenues shall, in the manner herein provided, be set aside for and pledged to the payment of the Parity Obligations in the Interest and Sinking Fund. For the additional benefit of the owners of the Parity Obligations that are Reserve Fund Participants, the City hereby further grants a lien on the Reserve Fund Participant Account of the Reserve Fund, as and to the extent provided in the a subsequent ordinance authorizing such Parity Obligations. For the additional benefit of the owners of the Parity Obligations that are not Reserve Fund Participants, the City may create one or more additional separate accounts within the Reserve Fund and grant a lien on such accounts for the benefit of the Owners of such series of Parity Obligations, all as more particularly described in Section 6.6 of this Ordinance. Except with respect to the Reserve Fund Participant Account or the other separate accounts of the Reserve Fund described in this Section or applicable ordinance authorizing the issuance of Parity Obligations, all Parity Obligations shall be in all respects on a parity with and of equal dignity with one another.

(b) The Bonds, together with any Additional Parity Obligations, are special obligations of the City, payable solely from the Net Revenues. The Owners of the Parity Obligations shall never have the right to demand payment out of any funds raised or to be raised by taxation.

(c) The Net Revenues hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or any further act, and the lien of this pledge shall be valid and binding as against all parties of any kind having a claim of any kind in tort, contract or otherwise against the City, irrespective of whether such parties have notice thereof.

Section 6.2 Rates and Charges. So long as any Parity Obligations remain Outstanding, the City shall fix, charge and collect rates and charges for the use and services of the System which are fully sufficient to produce Net Revenues in each fiscal year at least equal to 115% of the Annual Debt Service Requirements for such fiscal year on all Parity Obligations then Outstanding, plus an amount equal to the sum of all deposits required to be made to the Reserve Fund in such fiscal year; but in no event shall Net Revenues ever be less than the amount required to maintain the Interest and Sinking Fund and the Reserve Fund as hereinafter provided, and, to the extent that funds for such purpose are not otherwise available, to pay all other outstanding obligations payable from the Net Revenues of the System, as and when the same become due.

The City will not grant or permit any free service from the System except for public buildings and institutions operated by the City.

Section 6.3 Special Funds.

(a) The following special funds are hereby created, established and confirmed, and such funds shall be maintained and accounted for as hereinafter provided, so long as any Parity Obligations remain Outstanding:

- (i) Water & Sewer System Operational Fund (the “Revenue Fund”);
- (ii) Water and Sewer System Revenue Bonds Interest and Sinking Fund (the “Interest and Sinking Fund”); and
- (iii) Water and Sewer System Revenue Bonds Reserve Fund (the “Reserve Fund”).

The Revenue Fund shall be maintained as a separate account on the books of the City. The Interest and Sinking Fund and the Reserve Fund shall be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City and shall constitute trust funds which shall be held in trust for the benefit of the Owners of the Parity Obligations and the proceeds of which shall be and are hereby pledged to the payment of the Parity Obligations. All of the Funds named above shall be used solely as provided in this Ordinance so long as any Parity Obligations remain Outstanding.

(b) The City reserves the right to establish additional accounts and subaccounts within any fund as necessary or desirable in furtherance of the intents, and purposes of the City. Each such account or subaccount within a fund shall be designated in a manner that indicates the identity of such fund and that distinguishes such account or subaccount from all other accounts and subaccounts established under this Master Resolution.

(c) The City reserves the right to establish one or more additional funds or accounts for such purposes as the City may determine from time to time, including, but not limited to the purposes of providing for the issuance of obligations that are secured by a lien on the Net Revenues of the System that are subordinate to that securing the Parity Obligations and the creation of reserves for any lawful City purpose.

Section 6.4 Flow of Funds. All Gross Revenues of the System (except for interest and earnings on investments in the Reserve Fund and the Interest and Sinking Fund) shall be deposited as collected into the Revenue Fund. Money from time to time on deposit in the Revenue Fund shall be applied as follows in the following order of priority:

- (a) First, to pay Maintenance and Operation Expenses.
- (b) Second, to make all deposits into the Interest and Sinking Fund required by this Ordinance and any ordinance authorizing the issuance of Additional Parity Obligations.
- (c) Third, on a pro rata basis to the Reserve Fund Participant Account, if any, and each debt service reserve fund account of the Reserve Fund created by any ordinance authorizing the issuance of Parity Obligations, when and in the amounts required by this Ordinance and any ordinance authorizing Additional Parity Obligations.
- (d) Fourth, to make deposits to any funds and accounts designated for subordinate lien obligations by future action of the City Council.
- (e) Fifth, for (i) the payment of any certificates of obligation or general obligation bonds or refunding bonds issued for a System purpose or secured by a pledge of System Revenues that is not on parity with the Parity Obligations or any future obligations with a pledge of revenues superior to that securing such obligations, including, without limitation the City's Outstanding Tax and Revenue Certificates of Obligation Series 2015, (ii) the payment of a franchise fee or similar charge for the benefit of operating the System as established by the City Council from time to time, (iii) the redemption prior to maturity of any Outstanding Parity Obligations or other obligations secured by or payable from revenues of the System, or (iv) any lawful System purpose.

Whenever the total amounts on deposit to the credit of the Interest and Sinking Fund and the Reserve Fund shall be equivalent to the sum of the aggregate principal amount of all Outstanding Parity Obligations plus the aggregate amount of all interest accrued and to accrue thereon, no further payments need be made into the Interest and Sinking Fund or the Reserve Fund and such Parity Obligations shall not be regarded as being Outstanding except for the purpose of being paid with money on deposit in such Funds.

Section 6.5 Interest and Sinking Fund. On or before the last Business Day of each month so long as any Parity Obligations remain Outstanding, after making all required payments and provision for payment of Maintenance and Operation Expenses, there shall be transferred into the Interest and Sinking Fund from the Revenue Fund, such amounts as will be sufficient, when added to amounts already on deposit therein, to equal the aggregate amount of (i) Debt Service on all Parity Obligations accrued through such date, plus (ii) all charges and other costs and expenses relating thereto accrued through such date.

Money deposited to the credit of the Interest and Sinking Fund shall be used solely for the purpose of paying principal (at maturity or prior redemption or to purchase Parity Obligations issued as term bonds in the open market to be credited against mandatory redemption requirements), interest, any redemption premium and other amounts due on the Parity Obligations, plus all bank charges and other costs and expenses relating to such payment. On or before each

payment date on the Parity Obligations, the City shall transfer from the Interest and Sinking Fund to the paying agent for the Parity Obligations amounts sufficient to make such payment.

Section 6.6 Reserve Fund.

(a) The City reserves the right to establish and maintain as hereinafter provided a balance in the Reserve Fund Participant Account or other subaccount within the Reserve Fund equal to the Reserve Fund Requirement for Parity Obligations that are secured thereby as established in an ordinance authorizing such Parity Obligations. The City may establish and maintain a balance in the Reserve Fund Participant Account of the Reserve Fund equal to the Reserve Fund Requirement for the Parity Bonds that are secured thereby. Alternatively, within the Reserve Fund, subaccounts may be established pursuant to an ordinance authorizing a particular series of Parity Bonds into which the applicable Reserve Fund Requirement for the particular series of Parity Bonds that are not Reserve Fund Participants may be deposited. The City is not obligated to establish a Reserve Fund Requirement or utilize the Reserve Fund in connection with the issuance of any future series of Parity Obligations.

(b) The establishment of or any increase in the Reserve Fund Requirement resulting from the issuance of any Parity Obligations shall be specified in the ordinance authorizing the issuance of such Parity Obligations. The Reserve Fund Requirement shall, as provided in the resolution authorizing such Parity Obligations, be satisfied by depositing to the credit of the Reserve Fund Participant Account (in the case of Additional Parity Obligations that are Reserve Fund Participants) or such other designated accounts, as applicable, (in the case of Additional Bonds that are not Reserve Fund Participants) of the Reserve Fund (i) after making required transfers from the Revenue Fund into the Interest and Sinking Fund, transfers into the Reserve Fund from the Revenue Fund, in approximately equal monthly installments made on or before the last Business Day of each month following the month of delivery of such Parity Obligations, amounts sufficient to accumulate within sixty (60) months the Reserve Fund Requirement; (ii) proceeds of such Parity Obligations or other lawfully available funds in not less than the amount which, together with investment earnings thereon as estimated by the City, will be sufficient to fund fully the Reserve Fund Requirement by no later than the end of the period of time for which the payment of interest on such Parity Bonds has been provided out of proceeds of such Additional Parity Obligations or investment earnings thereon as estimated by the City or from other lawfully available funds other than Net Revenues; or (iii) a Reserve Fund Surety Obligation that is in an amount equal to the amount required to be funded. Any downgrade of an issuer of a Reserve Fund Surety Obligation shall have no effect on the value of such instrument for the purposes of meeting the Reserve Fund Requirement and the City shall have no obligation to supplement or replace such Reserve Fund Surety Obligation or make additional cash contributions to the Reserve Fund as a result of such downgrade. The City further expressly reserves the right to substitute at any time a Reserve Fund Surety Obligation for any funded amounts in the Reserve Fund and to apply the funds thereby released for any lawful purpose, including without limitation any purpose for which Parity Obligations may be issued or in order to pay debt service on Parity Obligations (and with respect to funds on deposit in the Reserve Fund that are proceeds of the Parity Obligations, such released funds may only be used for any purpose for which Parity Obligations may be issued or in order to pay debt service on the Parity Obligations). The City also reserves the right to provide for the use of a Reserve Fund Surety Obligation in relationship to a series-specific debt service

reserve requirement as may be required under any ordinance authorizing the issuance of Parity Obligations.

(c) In any month in which any account of the Reserve Fund contains less than the applicable Reserve Fund Requirement (or so much thereof as shall then be required to be therein if the City has elected to accumulate the Reserve Fund Requirement for any series of Bonds as above provided), then on or before the last Business Day of such month, after making all required transfers to the Interest and Sinking Fund, there shall be transferred on a pro rata basis into the Reserve Fund Participant Account (in the case of Parity Obligations that are Reserve Fund Participants) and such other designated accounts, as applicable, (in the case of Parity Obligations that are not Reserve Fund Participants) of the Reserve Fund from the Revenue Fund, such amounts as shall be required to permit the City to pay all obligations under Reserve Fund Surety Obligation allocable to the Reserve Fund Participant Account or such other designated accounts, as applicable, within a twelve (12) month period and such additional amounts as shall be sufficient to enable the City within a twelve (12) month period to reestablish in the Reserve Fund Participant Account or such other designated accounts within the Reserve Fund, as applicable, the Reserve Fund Requirement for the Parity Obligations secured thereby; provided, however, that in the event that such monthly transfer requirements ever exceed one-twelfth (1/12th) of the Maximum Annual Debt Service Requirements scheduled to occur in any future Fiscal Year on all Parity Obligations then Outstanding, any remaining required transfers shall be accomplished pursuant to Section 6.7 below. After such amounts have been accumulated in the Reserve Fund Participant Account and such other designated accounts (as described above), and so long thereafter as such accounts contain the Reserve Fund Requirement, no further transfers shall be required to be made into the Reserve Fund Participant Account or such other designated accounts within the Reserve Fund, and any excess amounts in such accounts shall be transferred to the Interest and Sinking Fund or such other Funds as may be permitted by federal tax law. But if and whenever the balance in the Reserve Fund Participant Account or such other designated accounts is reduced below the applicable Reserve Fund Requirement, monthly transfers to such accounts shall be resumed and continued in such amounts as shall be required to restore the Reserve Fund Participant Account or such other designated accounts within the Reserve Fund, as applicable, to such amount within a twelve (12) month period.

(d) The Reserve Fund Participant Account shall be used to pay the principal of and interest on the Parity Bonds that are Reserve Fund Participants at any time when there is not sufficient money available in the Interest and Sinking Fund for such purpose (with the requirement that all cash and investments on deposit in such account be depleted before drawing upon any Reserve Fund Surety Obligation, unless provided otherwise in each of the Reserve Fund Surety Obligations allocable to the Reserve Fund Participant Account) and to repay amounts drawn under any Reserve Fund Surety Obligation allocable to such Reserve Fund Participant Account for such purpose, together with interest thereon, in accordance with the terms of the City's reimbursement obligations incurred in connection with such Reserve Fund Surety Obligation. The Reserve Fund Participant Account may also be used to make the final payments for the retirement or defeasance of all Parity Obligations then Outstanding that are secured thereby.

(e) With respect to any Series of Parity Obligations that are not Reserve Fund Participants (such as the Bonds), any account created within the Reserve Fund for the benefit of such series of Parity Obligations shall be used to pay the principal and interest on such series of

Parity Obligations at any time when there is not sufficient money available if the Interest and Sinking Fund for such purpose (with the requirement that all cash and investments on deposit in such account be depleted before drawing upon any Reserve Fund Surety Obligation, unless provided otherwise in each of the Reserve Fund Surety Obligations allocable to such account) and to repay amounts drawn under any Reserve Fund Surety Obligation allocable to such account for such purpose, together with interest thereon, in accordance with the terms of the City's reimbursement obligations incurred in connection with such Reserve Fund Surety Obligation. Any such account shall also be used to make the final payments for the retirement and defeasance of the series of Parity Obligations then Outstanding that are secured thereby.

(f) The City directs and requires the Paying Agent/Registrar for any series of bonds benefitting from a Reserve Fund Surety Obligation to ascertain the necessity for claim or draw upon the applicable Reserve Fund Surety Obligation, and to provide notice to the issuer thereof in accordance with its terms and to make such claims or draws thereon as may be necessary to provide for the timely payment of principal of and interest on the Parity Obligations to which it pertains.

(g) The Bonds are not a Reserve Fund Participant. No account has been established within the Reserve Fund for the benefit of the Bonds, and there is no Reserve Fund Requirement for the Bonds.

Section 6.7 Deficiencies in Funds. If in any month there shall not be deposited into any Fund maintained pursuant to this Article the full amounts required herein, amounts equivalent to such deficiency shall be set apart and paid into such Fund or Funds from the first available and unallocated money in the Revenue Fund, and such payment shall be in addition to the amounts otherwise required to be paid into such Funds during the succeeding month or months. To the extent necessary, the rates and charges for the System shall be increased to make up for any such deficiencies.

Section 6.8 Investment of Funds; Transfer of Investment Income.

(a) Money in the Revenue Fund, the Interest and Sinking Fund and the Reserve Fund may, at the option of the City, be invested as permitted by law (including through a guaranteed investment contract authorized by section 2256.015 of the Texas Government Code); provided that all such deposits and investments shall be made in such manner that the money within each Fund will be available at the proper time or times, and provided further that in no event shall such deposits or investments of money in the Reserve Fund mature later than the final maturity date of the Parity Obligations. Any obligation in which money is so invested shall be kept and held in the Fund from which the investment was made. All such investments shall be promptly sold when necessary to prevent any default in connection with the Parity Obligations.

(b) All interest and income derived from such deposits and investments shall be credited as received to the Fund from which the investment was made.

ARTICLE VII

ADDITIONAL PARITY OBLIGATIONS

Section 7.1 Additional Parity Obligations Generally. The City reserves the right to issue, for any lawful purpose (including the refunding of any previously issued Parity Obligations or any other bonds, notes, or obligations of the City issued in connection with or payable from the revenues of the System), one or more series of Additional Parity Obligations payable from and secured by a first lien on the Net Revenues of the System on a parity with the Bonds and any then Outstanding Parity Obligations. Additional Parity Obligations may mature on any date in any of the years in which they are scheduled to mature.

Section 7.2 Conditions Precedent to the Issuance of Additional Parity Obligations. The City may issue Additional Parity Obligations if the following conditions have been met:

(a) The Interest and Sinking Fund and the accounts within the Reserve Fund each contain the amount of money then required to be on deposit therein;

(b) For either the preceding fiscal year or any consecutive 12-month period out of the 18-month period immediately preceding the month in which the ordinance authorizing such Additional Parity Obligations is adopted (the “Base Period”), either:

(i) Net Revenues of the System were equal to at least 115% of the Average Annual Debt Service Requirements on all Parity Obligations that will be Outstanding after the issuance of the series of Additional Parity Obligations then proposed to be issued, as certified by the City’s Chief Financial Officer (or the officer of the City performing the duties of the Chief Financial Officer) or by an independent certified public accountant or firm of independent certified public accountants; or

(ii) Net Revenues of the System, as adjusted to give effect to any rate increase for the System that has been in effect for at least 60 days prior to the adoption of the ordinance authorizing the issuance of the series of Additional Parity Obligations then proposed to be issued, to the same extent as if such rate increase had been in effect for the entire Base Period, would have been at least equal to the amount required in paragraph (1) above, as certified by an independent consulting engineer or independent firm of consulting engineers;

provided, however, that this requirement shall not apply to the issuance of any series of Additional Parity Obligations for refunding purposes that will have the result of reducing the Average Annual Debt Service Requirements on Parity Obligations or for the purpose of providing permanent financing for funds borrowed under a commercial paper program or a direct purchase note program.

(c) Provision is made in the bond ordinance authorizing the Additional Parity Obligations then proposed to be issued for appropriate additional or larger payments to be made into the Interest and Sinking Fund in such additional amounts as are required by the payment of all principal of and interest on the Additional Parity Obligations, as the same comes due.

Section 7.3 Parity Notes. The City reserves the right to issue, for any lawful purpose for which it may issue Parity Obligations, Parity Notes payable from and secured by a first lien on and pledge of Net Revenues; provided, however, that no Parity Notes may be issued unless:

- (a) Each of the requirements contained in Section 7.2 has been satisfied; and
- (b) The payment of principal of and interest on the Parity Notes is guaranteed by or comparably secured by a Parity Credit Agreement or the Parity Notes are issued under a Parity Credit Agreement that establishes a direct purchase note program or similar short-term or interim borrowing program.

Section 7.4 Parity Credit Agreements. To the extent permitted by law, the City reserves the right to enter into Parity Credit Agreements for the purpose of contracting with financial institutions to issue letters of credit, insurance policies, surety bonds, guarantees or other instruments to further secure Parity Obligations, Parity Notes and Parity Contract Obligations with respect to a letter of credit, issuance policy, surety bond, guarantee or similar instrument to further security Parity Obligations, Parity Notes or Parity Contract Obligations. The City may enter into Parity Credit Agreements for such purpose and secure its obligations under such Parity Credit Agreements, including its obligations to repay and reimburse the issuers of such Parity Credit Agreements for any advances or payments that they make, by a first lien on and pledge of the Net Revenues, on a parity with the other Parity Obligations; provided, however, that the City shall not enter into any Parity Credit Agreements unless:

- (a) The Chief Financial Officer of the City (or the officer of the City performing the duties of the Chief Financial Officer) certifies in writing with respect to a letter of credit, issuance policy, surety bond, guarantee or similar instrument to further secure Parity Obligations, Parity Notes or Parity Contract Obligations that the acquisition and entering such Parity Credit Agreement will reduce the overall costs to the City with respect to the Parity Obligations, Parity Notes or Parity Contract Obligations to be secured by such Parity Credit Agreement; provided, however, that such a finding shall not be required in connection with a note purchase agreement that establishes a direct purchase note program or similar short-term or interim borrowing program; and
- (b) The Parity Credit Agreement and all contracts and proceedings related thereto are approved by the Attorney General of Texas to the extent required by law.

Section 7.5 Parity Contract Obligations. To the extent permitted by law, the City reserves the right to incur Parity Contract Obligations or enter into credit agreements or contractual obligations for any lawful purpose for which it may issue Parity Obligations and Parity Notes payable from and secured by a first lien on and pledge of Net Revenues; provided, however, that no Parity Contract Obligations may be incurred unless:

- (a) Each of the requirements (a) through (c) contained in Section 7.2 has been satisfied; and
- (b) The Parity Contract Obligation and all procedures related thereto are approved by the Attorney General of Texas to the extent required by law.

Section 7.6 Subordinate Lien Bonds. The City reserves the right to issue, for any lawful purpose, bonds, notes or other obligations secured in whole or in part by liens on the Net Revenues that are junior and subordinate to the lien on the Net Revenues securing payment of the Parity Obligations. Such subordinate lien obligations may be further secured by any other source of payment lawfully available for such purpose.

Section 7.7 Special Project Bonds. The City reserves the right to issue revenue bonds secured by liens on and pledges of revenues and proceeds derived from Special Projects.

ARTICLE VIII

COVENANTS AND PROVISIONS RELATING TO ALL PARITY OBLIGATIONS

Section 8.1 Punctual Payment of Parity Obligations. The City will punctually pay or cause to be paid the interest on and principal of all Parity Obligations according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this Ordinance and in any ordinance authorizing the issuance of Additional Parity Obligations.

Section 8.2 Maintenance of System. So long as any Parity Obligations remain Outstanding, the City covenants that it will at all times maintain the System, or within the limits of its authority cause the same to be maintained, in good condition and working order and will operate the same, or cause the same to be operated, in an efficient and economical manner at a reasonable cost and in accordance with sound business principles. In operating and maintaining the System, the City will comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or orders of any governmental, administrative, or judicial body promulgating same, noncompliance with which would materially and adversely affect the operation of the System.

Section 8.3 Sale or Encumbrance of System. So long as any Parity Obligations remain Outstanding, the City will not sell, dispose of or, except as permitted herein, further encumber the System; provided, however, that this provision shall not prevent the City from disposing of any portion of the System which is being replaced or is deemed by the City to be obsolete, worn out, surplus or no longer needed for the proper operation of the System. Any agreement pursuant to which the City contracts with a person, corporation, municipal corporation or political subdivision to operate the System or to lease and/or operate all or part of the System shall not be considered as an encumbrance of the System.

Section 8.4 Insurance. The City further covenants and agrees that it will keep the System insured with insurers of good standing against risks, accidents or casualties against which and to the extent customarily insured against by political subdivisions of the State of Texas operating similar systems, to the extent that such insurance is available at a reasonable cost. The cost of all such insurance together with any additional insurance, shall be a part of the Maintenance and Operation Expenses. All net proceeds of such insurance shall be applied to repair or replace the insured property that is damaged or destroyed, or to make other capital improvements to the System, or to redeem Parity Obligations.

Section 8.5 Accounts, Records, and Audits. So long as any Parity Obligations remain Outstanding, the City covenants and agrees that it will maintain a proper and complete system of records and accounts pertaining to the operation of the System in which full, true and proper entries will be made of all dealings, transactions, business and affairs which in any way affect or pertain to the System or the Gross Revenues or the Net Revenues thereof. The City shall after the close of each of its fiscal years cause an audit report of such records and accounts to be prepared by an independent certified public accountant or independent firm of certified public accountants.

Section 8.6 Competition. To the extent it legally may, the City will not grant any franchise or permit for the acquisition, construction, or operation of any competing facilities which might be used as a substitute for the System and will prohibit the operation of any such competing facilities.

Section 8.7 Pledge and Encumbrance of Net Revenues. The City covenants and represents that it has the lawful power to create a lien on and to pledge the Net Revenues to secure the payment of the Parity Obligations and has lawfully exercised such power under the Constitution and laws of the State of Texas.

Section 8.8 Bondowners' Remedies. This Ordinance shall constitute a contract between the City and the Owners of the Parity Obligations from time to time Outstanding (including any bond insurers of Parity Obligations) and shall remain in effect until the Parity Obligations and the interest thereon shall be fully paid or discharged or provision therefor shall have been made as provided herein (including payments of any amounts due to bond insurers of Parity Obligations). In the event of a default in the payment of the principal of or interest on any of the Parity Obligations or a default in the performance of any duty or covenant provided by law or in this Ordinance, the Owner or Owners of any of the Parity Obligations may pursue all legal remedies afforded by the Constitution and laws of the State of Texas to compel the City to remedy such default and to prevent further default or defaults. Without in any way limiting the generality of the foregoing, it is expressly provided that any Owner of any of the Parity Obligations may at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance of all duties required to be performed by the City under this Ordinance, including the making and collection of reasonable and sufficient rates and charges for the use and services of the System, the deposit of the Gross Revenues into the special funds herein provided, and the application of the Gross Revenues and the Net Revenues in the manner required in this Ordinance.

Section 8.9 Federal Income Tax Exclusion.

(a) General. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with the Bonds.

(b) No Private Activity Bonds. The City covenants that it will use the proceeds of the Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Bonds will not be "private activity bonds" within the meaning of section 141 of the Code. Furthermore, the City will not take a deliberate action (as defined in

section 1.141-2(d)(3) of the Regulations) that causes the Bonds to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

(c) No Federal Guarantee. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) Bonds Are Not Hedge Bonds. The City covenants not to take any action or omit to take action that, if taken or omitted, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No-Arbitrage Bonds. The City covenants that it will make such use of the proceeds of the Bonds (including investment income) and regulate the investment of such proceeds of the Bonds so that the Certificates will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) Required Rebate. The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, be rebated to the United States.

(g) Information Reporting. The City covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Bonds in accordance with section 149(e) of the Code.

(h) Record Retention. The City covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Bonds is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

(i) Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

(j) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the City’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest on the Bonds from gross income for federal income tax purposes.

(k) Official Intent. For purposes of section 1.150-2(d) of the Regulations, to the extent that an official intent to reimburse has not previously been adopted by the City, this Ordinance serves as the City’s official declaration of intent to use proceeds of the Bonds to reimburse itself from proceeds of the Bonds issued in the maximum amount for certain expenditures paid in connection with the projects set forth herein. Any such reimbursement will only be made (i) for an original expenditure paid no earlier than 60 days prior to the date hereof and (ii) not later than

18 months after the later of (A) the date the original expenditure is paid or (B) the date of with the project to which such expenditure relates is placed in service or abandoned, but in to event more than three years after the original expenditure is paid.

ARTICLE IX

PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF BONDS

Section 9.1 Sale of Bonds; Official Statement.

(a) The sale and delivery of the Bonds, having been duly advertised and offered for sale at competitive bid, are hereby sold and awarded to [_____] (the “Initial Purchaser”) for a purchase price equal to the principal amount thereof plus a cash premium in the amount of [\$_____,] being the bid which produced the lowest true interest cost, subject to the approving opinion as to the legality of the Bonds of the Attorney General of the Texas and the opinion of Bond Counsel.

(b) The form and substance of the Preliminary Official Statement, including any addenda, supplement or amendment thereto, as approved by the City Manager is hereby ratified and approved. The City Council hereby authorizes the preparation of a final Official Statement. The Official Statement, as approved by an Authorized Officer of the City and the Initial Purchaser, may be used by the Initial Purchaser in the public offering and sale of the Bonds. The use and distribution of the Preliminary Official Statement, and the preliminary public offering of the Bonds by the Initial Purchaser, is hereby ratified, approved and confirmed.

Section 9.2 Control and Delivery of Bonds.

(a) The Mayor is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Initial Purchaser under and subject to the general supervision and direction of the Authorized Officer of the City, against receipt by the City of all amounts due to the City under the terms of sale.

Section 9.3 Series 2020 Project Fund.

(a) The City hereby establishes a separate fund to be known as the “Series 2020 Project Fund” in order to provide for the efficient administration of the proceeds of the Bonds. The earnings on the investment of the proceeds deposited in the Series 2020 Project Fund shall remain in such fund to accomplish the purposes of the Bonds. The monies in such fund shall be secured and invested in the manner required by law, including specifically the Public Funds Investment Act, and the City’s investment policy, including through a guaranteed investment contract as authorized by Section 2256.015 of the Government Code; provided that all such investments shall

be made in such a manner that the money required to be expended from the Series 2020 Project Fund will be available at the proper time or times.

(b) All officers of the City are authorized to execute such documents, certificates and receipts as they may deem appropriate in order to consummate the delivery of the Bonds in accordance with the terms of sale therefor. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1% of the principal amount of the Bonds or (ii) \$9,500).

(c) The obligation of the Initial Purchaser identified in subsection (a) of this Section to accept delivery of the Bonds is subject to the Initial Purchaser being furnished with the final, approving opinion of Bond Counsel, which opinion shall be dated and delivered the Closing Date.

Section 9.4 Use of Proceeds. Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as follows:

(a) the amount of [\$_____], consisting of [\$_____] principal amount of Bond proceeds plus premium received from the sale of the Bonds in the amount of [\$_____] shall be deposited in the Series 2020 Project Fund and used for the purposes specified in Section 3.1;

(b) premium received from the sale of the Bonds in the amount of [\$_____] shall be used to pay the costs of issuing the Bonds; and

(c) any amounts remaining following the payment of the costs of issuing the Bonds shall be deposited into the Series 2020 Project Fund for the Bonds.

ARTICLE X

PAYING AGENT/REGISTRAR

Section 10.1 Appointment of Initial Paying Agent/Registrar. Zions Bancorporation, National Association, Amegy Bank Division, or its successor, is hereby appointed as the initial Paying Agent/Registrar for the Bonds. The Paying Agent/Registrar agreement is hereby approved, and the Mayor is hereby authorized to execute and deliver such agreement.

Section 10.2 Qualifications. Each Paying Agent/Registrar shall be a commercial bank, trust company organized under the laws of the State of Texas, or other entity duly qualified and legally authorized to serve as, and perform the duties and services of, paying agent and registrar for the Bonds.

Section 10.3 Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are Outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 10.2 of this Ordinance. The Mayor is hereby authorized and directed to execute, and the City Secretary to attest, an agreement (the "Paying Agent/Registrar Agreement"), in the form presented at this meeting, with the Paying Agent/Registrar specifying the duties of the City and the Paying Agent/Registrar.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 10.4 Termination. The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the City (i) giving notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided, that, no such termination shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Certificates.

Section 10.5 Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 10.6 Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 10.7 Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

Section 10.8 Paying Agents May Own Parity Obligations. The paying agents for the Parity Obligations, in their individual or any other capacity, may become holders or pledgees of the Parity Obligations with the same rights they would have if they were not paying agents.

ARTICLE XI

CONTINUING DISCLOSURE

Section 11.1 Annual Reports.

(a) The City shall provide annually to the MSRB, (i) within six (6) months after the end of each Fiscal Year of the City ending in or after 2020, financial information and operating data with respect to the City of the general type included in the Official Statement Tables numbered

1 through 12, and including financial statements of the City if audited financial statements of the City are then available, and (ii) if not provided as part of such financial information and operating data, audited financial statements when they become available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in the notes to the financial statements for the most recently concluded Fiscal Year, or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

(b) If the City changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document, including an official statement or other offering document, if it is available from the MSRB, that theretofore has been provided to the MSRB or filed with the SEC.

Section 11.2 Material Event Notices.

(a) The City shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of the holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;

- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;

Note to paragraph (xii): For the purposes of the event identified in paragraph (xii) of this section, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note to paragraphs (xv) and (xvi): For purposes of the events identified in paragraphs (xv) and (xvi) of this section and in the definition of Financial Obligation in Section 2.1, the City intends the words used in such paragraphs to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018 (the “2018 Release”) and any further written guidance provided by the

SEC or its staff with respect with respect to the amendments to the Rule effected by the 2018 Release.

(b) The City shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the City to provide required annual financial information in accordance with Section 11.1 above. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Section 11.3 Limitations, Disclaimers, and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any bond calls and any defeasances that cause the City to be no longer an “obligated person”.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any

amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. The provisions of this Article may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 11.1 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

ARTICLE XII

AMENDMENTS

Section 12.1 Amendments. This Ordinance shall constitute a contract with the Owners, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section. The City may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of the Owners of the Bonds holding a majority in aggregate principal amount of the Bonds then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

ARTICLE XIII

DISCHARGE

Section 13.1 Discharge. The Bonds may be defeased, discharged or refunded in any manner now or hereafter allowed by law.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Changes to Ordinance. Bond Counsel is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section 14.2 Further Proceedings. The Mayor or Mayor Pro Tem, the City Manager, the Chief Financial Officer, the City Secretary, and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Ordinance.

Section 14.3 No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

Section 14.4 Parties Interested. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Paying Agent/Registrar and the Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance shall be for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Owners of the Bonds.

Section 14.5 Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 14.6 Open Meeting. It is hereby officially found and determined that the meeting at which this Ordinance was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

Section 14.7 Effective Date. This Ordinance shall take effect upon its passage.

PASSED, PROVED AND EFFECTIVE APPROVED this 15th day of October, 2020.

City Secretary,
City of Alvin, Texas

Mayor,
City of Alvin, Texas

[SEAL]

APPROVED AS TO FORM:

City Attorney
City of Alvin, Texas

EXHIBIT A

FORM OF THE BONDS

(a) Form of Bonds.

REGISTERED

No. _____

REGISTERED

\$ _____

United States of America

State of Texas

County of Brazoria

CITY OF ALVIN, TEXAS

WATER AND SEWER SYSTEM REVENUE BOND

SERIES 2020

INTEREST RATE:

_____ %

MATURITY DATE:

February 1, 20__

CLOSING DATE:

November 17, 2020

CUSIP NO.:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The City of Alvin, Texas, a municipal corporation duly incorporated under the laws of the State of Texas (herein the "City") for value received, promises to pay, but solely from certain Net Revenues as hereinafter provided, to the registered owner identified above or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond to Zions Bancorporation, National Association, Amegy Bank Division (the "Registrar"), at its principal payment office in Houston, Texas, the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of debts due the United States of America, and to pay, solely from such Net Revenues, interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Closing Date of the Bonds, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on February 1 and August 1, beginning on February 1, 2021, mailed to the registered owner of record as of the close of business on the fifteenth day of the month preceding each interest payment date.

THIS BOND is dated November 1, 2020 and is one of a duly authorized issue of Bonds, aggregating [\$_____] (the "Bonds"), issued for the purpose of (i) paying costs related to acquiring, constructing, improving, equipping and extending the System (as defined in the Ordinance), and (ii) paying the cost of issuing the Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapters 1502, Texas Government Code, as amended, and pursuant to an ordinance adopted by the City Council (the "Ordinance").

THE CITY RESERVES THE RIGHT to redeem the Bonds maturing on February 1, 2030, in whole or from time to time in part, in integral multiples of \$5,000, on February 1, 2029, or any date thereafter at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. Reference is made to the Ordinance for complete details concerning the manner of redeeming the Bonds.

[BONDS MATURING on February 1, 20__ (the "Term Bonds") are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

<u>\$ Term Bonds Maturing February 1, 20__</u>	
<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
February 1, 20__	\$
February 1, 20__ (maturity)	\$

The Paying Agent/Registrar will select by lot or by any other customary method that results in a random selection the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.]

THE CITY RESERVES THE RIGHT, in the case of an optional redemption, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Registrar instructing the Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the principal payment office of the Registrar in Houston, Texas, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his or her authorized representative, subject to the terms and conditions of the Ordinance.

THE BONDS ARE EXCHANGEABLE at the principal payment office of the Registrar in Houston, Texas, for Bonds in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

THIS BOND AND THE SERIES OF WHICH IT IS A PART are special obligations of the City that are payable from and are equally and ratably secured by a first lien on the revenues of the City's waterworks and sewer system remaining after deduction of the operation and maintenance expenses of that system (the "Net Revenues"), as defined and provided in the Ordinance, which Net Revenues are required to be set aside and pledged to the payment of the Bonds, and all additional obligations issued on a parity therewith, in the Interest and Sinking Fund and the Reserve Fund maintained for the payment of all such bonds, all as more fully described and provided for in the Ordinance. This Bond and the series of which it is a part, together with the interest thereon, are payable solely from such Net Revenues and do not constitute an indebtedness or general obligation of the City. This Bond is not a Reserve Fund Participant and there is no Reserve Fund requirement for the Bonds. The holder of this obligation is not entitled to demand payment of this obligation out of any money raised by taxation.

THE CITY HAS RESERVED THE RIGHT to issue additional parity revenue obligations, subject to the restrictions contained in the Ordinance, which may be equally and ratably payable from, and secured by a first lien on and pledge of, the Net Revenues in the same manner and to the same extent as this Bond and the series of which it is a part. The City has also reserved the right to issue bonds or other obligations secured in whole or in part by liens on the Net Revenues junior and subordinate to the lien on the Net Revenues securing the Bonds.

IT IS HEREBY DECLARED AND REPRESENTED that this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Bonds do not exceed any statutory limitation; and that provision has been made for the payment of the principal of and interest on this Bond and all of the Bonds by the creation of the aforesaid lien on and pledge of the Net Revenues.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Mayor and countersigned with the manual or facsimile signature of the City

Secretary, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

City Secretary
City of Alvin, Texas

Mayor
City of Alvin, Texas

[SEAL]

(b) Form of Authentication Certificate.

CERTIFICATE OF REGISTRAR

This is one of the Bonds referred to in the within mentioned Ordinance. The series of Bonds of which this Bond is a part was originally issued as one Initial Bond which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, AMEGY BANK DIVISION,
as Paying Agent/Registrar

Date: _____ By: _____

(c) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print
or typewrite name, address and zip code of transferee):

(Social Security or other identifying number: _____) the within Bond and all
rights hereunder and hereby irrevocably constitutes and appoints
_____ attorney to transfer the within Bond on the books kept for
registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Registrar.

(d) [Form of Statement of Insurance.

The Bonds shall bear a Statement of Insurance in the following form:

STATEMENT OF INSURANCE

[Add applicable statement of insurance, if any.]]

(e) The Initial Bond shall be in the form set forth in paragraphs (a) and (c) above, except for the following alterations:

(i) immediately under the name of the Bond, the headings “INTEREST RATE” and “MATURITY DATE” shall both be completed with the words “As Shown Below” and the word “CUSIP” deleted;

(ii) in the first paragraph of the Bond, the words “on the Maturity Date specified above” and “at the rate shown above” shall be deleted and the following shall be inserted at the end of the first sentence “..., with such principal to be paid in installments on February 1 in each of the years and in the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:”

(iii) the Initial Bond shall be numbered I-1; and

(iv) the following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas and that this Certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

[SEAL]

Comptroller of Public Accounts of
the State of Texas

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF BRAZORIA §

We, the undersigned officers of the City Council of Alvin, Texas, hereby certify as follows:

1. The City Council of Alvin, Texas convened in a regular meeting on the 15th day of October, 2020, at the regular meeting place thereof within said City and by video conference pursuant to the March 16, 2020 action by the Governor of the State of Texas under Section 418.016 of the Texas Government Code suspending certain provisions of the Texas Open Meetings Act. The duly constituted officers and members of said City Council, to wit, were as follows:

Paul Horn	Mayor
Brad Richards	Council Member At Large 1
Joel Castro	Mayor Pro Tem and Council Member At Large 2
Martha Vela	Council Member, District A
Adam Arendell	Council Member, District B
Keith Thompson	Council Member, District C
Glenn Starkey	Council Member, District D
Gabe Adame	Council Member, District E

and all of said persons were present, except for the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDINANCE NO. 20-__

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF ALVIN, TEXAS,
WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2020;
APPROVING RELATED AGREEMENTS; APPROVING THE PREPARATION
AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND ENACTING
OTHER PROVISIONS RELATING THERETO; AND PROVIDING FOR THE
EFFECTIVE DATE THEREOF

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said ordinance be adopted; and, after due discussion, said motion, carrying with it the adoption of said ordinance, prevailed and carried by the following vote:

_____ Member(s) shown present voted "Aye."

_____ Member(s) shown present voted "No."

2. A true, full and correct copy of the aforesaid ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said

ordinance is on file in the City Council's minutes of said meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; that each of the officers and members of the City Council was duly and sufficiently notified, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said ordinance would be introduced and considered for adoption at said meeting; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act.

SIGNED AND SEALED this 15th day of October, 2020.

City Secretary
City of Alvin, Texas

[SEAL]

Rating Action

S&P Global Ratings assigned its 'A+' long-term rating to Alvin, Texas' series 2020 water and sewer system revenue bonds. At the same time, we affirmed our 'A+' rating on the city's revenue debt outstanding. The outlook is stable.

Credit overview

Net revenues of the water and sewer system secure the approximately \$17.855 million series 2020 bonds. After this issuance, Alvin will have just over \$43.6 million in outstanding revenue debt. Officials intend to use series 2020 bond proceeds to construct several improvements to the system. Officials indicate they have not entered into any direct-purchase bank debt. We consider bond provisions credit neutral. In our opinion, the rating reflects very strong enterprise and financial risk profiles. Management has to date been successful in maintaining a multiyear capital plan, strong historic all-in coverage levels, and a very strong liquidity position.

The enterprise risk profile reflects our opinion of system's:

- Service area participation in the broad and diverse Houston-The Woodlands-Sugar Land metropolitan statistical area (MSA) economy with just below-average income metrics and higher unemployment rate as a result of the recent economic downturn;
- Diverse and stable customer base with no significant concentration;
- Affordable rates with a low county poverty rate of roughly 9%; and
- Good operational management practices and policies under our Operational Management Assessment (OMA) methodology.

The financial risk profile reflects our opinion of system's:

- All-in debt service coverage (DSC) with which has remained at levels which we consider extremely strong in the previous three fiscal years;
- Very strong unrestricted liquidity, which has risen from 712 to 814 days' cash on hand during the past three audited fiscal years;
- Adequate debt position with a debt-to-capitalization ratio of 58% when including the series 2020 revenue bonds; and
- Good financial management practices and policies under our Financial Management Assessment (FMA) methodology.

Environmental, social, and governance factors

Overall, we believe that management has mitigated most of its governance-related risk by adopting, adhering to, and adjusting operating and financial policies and procedures. We believe that Alvin is exposed to elevated environmental risk due to its proximity to the Gulf Coast. The area is susceptible to high winds, heavy rain, and flooding caused by rain events, hurricanes, tropical storms, and other tropical disturbances. A weather-related event that caused significant damage to all or part of the improvements in the city could weaken revenues or capital needs. We believe that Alvin is exposed to elevated social risk resulting from the COVID-19 pandemic. While we believe it's possible the utility's revenues could experience some declines for fiscal 2020, ultimately, our expectation is that management will continue to manage the system to

maintain sound coverage levels. The utility also has over 420 days' cash on hand, which we believe provides a meaningful cushion against short-term disruptions. While we continue to monitor events related to COVID-19, we do not currently expect it to affect the utilities' ability to maintain budgetary balance and pay debt service costs. For more information, see our article "[The U.S. Economy Reboots, With Obstacles Ahead](#)" (published on Sept. 24, 2020, on [RatingsDirect](#)).

Stable Outlook

The stable outlook reflects our opinion that management of revenues, and growth will allow Alvin to maintain stability in its financial risk profile at levels that we consider stable despite some expected slowdowns as a result of anticipated economic contraction.

Downside scenario

The rating could come under pressure should there be a sustained drop in the system's all-in coverage metrics or liquidity below the recent levels, or if the economic fundamentals of the service area deteriorate as a result of the economic slowdown. Another source of pressure could reflect an over-reliance on utility surplus net revenues by other major operating funds.

Upside scenario

We could raise the rating should the city's coverage metrics remain extremely strong through the period of elevated capital needs, coupled with sustained stability and growth in the city's liquidity profile and the maintenance of a very strong enterprise risk profile.

Credit Opinion

Bonds provisions are credit neutral and include:

- That we understand that no reserve fund will be included for this issuance;
- A rate covenant that stipulates maintaining rates at a minimum of 1.15x annual debt service; and
- The city's additional bonds test calls for net revenues to cover average annual debt service of all debt, including proposed debt, by at least 1.15x.

Enterprise risk

Alvin, with a population of about 26,000, is 25 miles southeast of Houston and within the Houston-Woodlands-Sugarland MSA. It benefits from its access to Johnson Space Center, Houston, the Houston Medical Center Complex, and the area's petrochemical industry. The city's water and wastewater system serves over 8,600 customers. According to officials, Alvin is experiencing steady growth and development within the short-to-medium term. Income

indicators are what we consider adequate, with median household effective buying income (MHHEBI) equal to 92% of the national average. Current unemployment levels are about 9.1%, which has over doubled in past year as a result of the economic downturn. The city owns and operates five well sites and three water plants. The total pumping capacity of the wells is 5,700 gallons per minute combined or a total plant capacity of 8 million gallons per day (mgd). The average daily capacity is approximately 2.6 mgd and the peak is 4.3 mgd. The city is a member of the Brazoria County Groundwater Conservation District. The customer base is diverse and there is no concentration.

For residential customers, based on the city's actual average billing rates, the monthly combined water and sewer bill is just under \$72.00. As a percentage of MHHEBI, the average bill is under 1.8%, which we consider low in relation to regional peers and local income metrics. The city maintains a comprehensive rate model with an emphasis on sustainable water rates without weakening revenues. Furthermore, its rate model takes future needs into account when suggesting increases to council on an annual basis. The city's council has rate autonomy and can raise rates anytime.

Based on our OMA, we view the water enterprise to be a '2' on a six-point scale, with '1' being the strongest. This indicates, in our view, that operational and organizational policies are comprehensive. The OMA of good includes good asset management programs for monitoring existing infrastructure and the availability of future capacity needs, coupled with the ability to make rate adjustments and the availability of an official succession plan, as well as comprehensive drought and disaster management plans, if needed.

Financial risk

The city's all-in coverage metrics have been extremely strong in the previous three years. Historically, the system's all-in coverage metrics have been slightly volatile. When considering all obligations, DSC in fiscal years 2017, 2018, and 2019 was 1.55x, 1.88x, and 1.99x, respectively. All-in coverage is S&P Global Ratings' adjusted DSC metric that treats certain recurring financial obligations as if they were debt; in Alvin's case, we incorporate the utility's support of the general obligation (GO) bonds issued on the system's behalf. We also make an adjustment to include transfer payments to the general fund for administrative costs since we view them as a recurring use of utility revenues. However, we expect Alvin's all-in coverage metrics to be somewhat lower as the city continues to leverage up to fund its capital improvement needs.

Liquidity remains an identified strength of the system. Unrestricted cash and investments have remained stable, rising from about \$9.3 million in fiscal 2017 to about \$10.7 million in fiscal 2019. Unrestricted cash and investments at fiscal year-end stood at the equivalent of 814 days'

cash on hand. In relation to the city's capital improvement plan (CIP), these amounts may fluctuate slightly. However, based on management's indications, we expect the unrestricted liquidity position to remain very strong through the management of the city's CIP.

We consider the system's debt-to-capitalization ratio somewhat high at approximately 58%, with just over \$43.6 million of debt outstanding after including this issuance. The city maintains a comprehensive multiyear CIP. The current CIP calls for an additional approximately \$37 million for various improvement projects and expansions associated with the system from 2021 through 2025. Management indicated the city's rate model addressed this uptick in debt with regular annual suggested rate increases.

Based on our FMA, we view the city as a '2' on a six-point scale, with '1' being the strongest. We also assigned a FMA of good, indicating we consider financial practices strong and mostly comprehensive. The city maintains a conservative annual capital budget. The city council receives semi-annual updates regarding the system's budget and any deviations from projected norms are analyzed. The adherence to a comprehensive CIP, long-term projections, and audits that comply with generally accepted accounting principles (GAAP), as well as detailed and codified investment and liquidity policies, are also considered credit positives.

Related research

- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020



AGENDA COMMENTARY

Meeting Date: 10/15/2020

Department: Administrative Services

Contact: Michael Higgins

Agenda Item: Consider an agreement with Wells Fargo Bank to provide banking depository services for the City of Alvin effective January 1, 2021 through December 31, 2023 with (2) two optional one-year extensions, and authorize the City Manager to sign the agreement upon legal review.

Type of Item: ☐Ordinance ☐Resolution ☒Contract/Agreement ☐Public Hearing ☐Plat ☐Discussion & Direction ☐Other

Summary: The current City depository agreement with Wells Fargo was signed on August 20, 2015, as a three-year agreement through December 31, 2018. There were two (2) one-year optional renewal extensions, each approved by the Alvin City Council allowing the agreement to remain active until December 31, 2020. No more extensions were allowed per the terms of the agreement.

On August 2, 2020, and August 9, 2020, the City of Alvin advertised RPF 20-05, Banking Services and Depository Services RFP. The deadline for proposal submittals was September 22, 2020. The term of this contract is a three-year term with two (2) one-year optional extensions starting January 1, 2021. The only bidder to provide a response to the RFP was the city's current bank depository vendor, Wells Fargo Bank. There were local depositories who were notified of the RFP, of which the concerns for not bidding were market conditions and timing. In addition, the RFP expanded the range of banks from 10 miles to 20 miles outside the city limits.

The current bank depository services are adequate to meet the City's needs. The proposed RFP services are also adequate. There are various new services that were included in the RFP that staff is considering, but these may or may not be implemented as they need to be tested and verified to determine if they can meet our current system requirements and processes. The proposed bank fees are comparable to the current fees that the City is charged, with a few increasing slightly and few decreasing slightly. We expect the fees to meet our budgetary expectations.

Staff anticipates that although we are not recommending a change in depositories, time may be needed for legal review of the contract by both the City and Wells Fargo. The optional services can be implemented at any time during the contract so there is no deadline to implement prior to the start of the agreement.

Staff recommends Wells Fargo Bank to provide the City's banking and depository services.

Funding Expected: Revenue ☐ Expenditure ☒ N/A ☐ **Budgeted Item:** Yes ☒ No ☐ N/A ☐

Funding Account: _____ **Amount:** _____ **1295 Form Required?** Yes ☒ No ☐

Legal Review Required: N/A ☐ Required ☒ **Date Completed:** 10/12/20 SH

Supporting documents attached:

- Wells Fargo RFP proposal

Recommendation: Move to approve an agreement with Wells Fargo Bank to provide banking depository services for the City of Alvin effective January 1, 2021 through December 31, 2023 with (2) two optional one-year extensions, and authorize the City Manager to sign the agreement upon legal review.

Reviewed by Department Head, if applicable ☐

Reviewed by City Attorney, if applicable ☒

Reviewed by Chief Financial Officer, if applicable ☒

Reviewed by City Manager ☒

City of Alvin

Wells Fargo Response to Request for Proposal for Bank Depository Services

September 22, 2020

Submitted by:

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Wells Fargo Bank, N.A.
12650 N. Featherwood Dr.
Houston, TX 77034
wellsfargo.com

September 22nd, 2020

Dixie Roberts, City Secretary
City of Alvin
216 West Sealy
Alvin, TX 77511

Dear City of Alvin,

Wells Fargo Bank is pleased to provide to your Request for Proposal (RFP) for Bank Depository Services RFP. We have thoroughly reviewed the due diligences material you provided and we are prepared to continue to serve as City of Alvin's (the City) banking partner.

From treasury management to investments and credit, we are integral partners in helping our customer's succeed financially.

We welcome the opportunity to provide treasury management services to build our relationship with you. We envision our role not only as a partner, but also as a true strategic advisor, offering our vast experience and creative solutions to help you prepare for and overcome challenges in the future. To support your current and long-term goals. Wells Fargo combines the right people, products and processes.

Why Wells Fargo?

Incentives and pricing given in this response to the City are valid from the due date of September 22, 2020 for 180 days.

- Earning Credit Rate that is currently 0.25%, this rate can be used to offset fees and will be monitored periodically
- One time credit of \$5,000 for supplies (deposit tickets and bags)
- Your relationship team will frequently work with the City to implement the most beneficial investment solution for excess funds held at the bank
- Complimentary vendor review for Wells Fargo commercial card program
- Complimentary Business Process Review – a review completed by our treasury management team to increase efficiencies within the finance department of the City
- Free membership banking for all City employees (*Wells at Work*)

Next steps

We've attached highlights of our core banking products and services that you requested in your RFP. After your RFP period has closed, it would be my pleasure to speak with you.

Sincerely,

Ann Battaglia
Relationship Manager
ann.battaglia@wellsfargo.com

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IV. Financial institution qualifications

The proposal must include a response to each question in this Section.

1. Creditworthiness

In order to fulfill the City's fiduciary responsibility to protect public funds, each bank, submitting proposals shall provide, in response to this item:

- a. **Provide an audited annual financial statement for the most recent fiscal period. The financial statements may be submitted as a link on the internet. The bank will be required to submit an audited statement to the City each year of the contract period, as soon as it is available. Confirm agreement to this requirement.**

Wells Fargo acknowledges and confirms agreement to this requirement.

You can locate Wells Fargo & Company's most recent annual report through the following site: wellsfargo.com/invest_relations/annual.

You can locate Wells Fargo Bank, N.A.'s last four quarterly call reports through the following site: <https://cdr.ffiec.gov/public/ManageFacsimiles.aspx> by using the Wells Fargo Bank, National Association FDIC Certificate No. 3511.

- b. **Provide certification of the bank's Community Reinvestment Act (CRA) rating by the rating agency. The bank will be required to notify the City of any change in this rating during the contract period, as soon as it is available. Confirm agreement to this requirement.**

Wells Fargo acknowledges and confirms agreement to this requirement.

You can find our most recent Community Reinvestment Act (CRA) performance evaluation at the following link:

wellsfargo.com/about/community/wfcra/perf_evaluation

- c. **Provide the bank's current senior and subordinate debt ratings. An independent rating agency such as Highline (Thompson Financial), Veribanc, or comparable agency is acceptable. If not available, provide the most recent rating from a bank rating firm such as Veribanc. The bank will be responsible for notifying the City within thirty (30) days of any change in these ratings during the entire contract period. Please confirm agreement to this requirement.**

Wells Fargo acknowledges and confirms agreement to this requirement.

Wells Fargo subscribes to Fitch, Moody's, Standard & Poor's, and DBRS ratings agencies.

We have among the highest debt ratings of any financial services company, as shown in the following table.*

Wells Fargo & Company	Fitch	Moody's	Standard & Poor's	DBRS
Long-term Issuer Rating	A+	A2	A-	AA (low)
Short-term Issuer Rating	F1	P-1	A-2	R-1 (middle)
Senior Unsecured	A+	A2	A-	AA (low)
Subordinated Preferred Stock	A	A3	BBB+	A (high)
	BBB-	Baa2	BBB-	A (low)
Wells Fargo Bank, N.A.	Fitch	Moody's	Standard & Poor's	DBRS
Long-term Issuer Rating	AA-	Aa2	A+	AA
Short-term Issuer Rating	F1+	P-1	A-1	R-1 (high)
Bank Deposits	AA	Aa1	A+	AA
Senior Unsecured	AA-	Aa2	A+	AA
Subordinated	A	Aa3	A-	AA (low)

*Ratings as of February 2020.

The information provided can be found on our Investor Relations site (wellsfargo.com/invest_relations/debt) and is provided for informational purposes only. We do not guarantee the accuracy or completeness of information on or available through this site, and we are not responsible for inaccuracies or omissions in that information or for actions taken in reliance on that information. Please read Legal Disclaimers (wellsfargo.com/invest_relations/legal) before using or relying on information on or available through this site. Potential investors in our securities should seek professional advice before they invest.

2. Customer service

Service will be a focus of the evaluation. Describe the bank's philosophy and approach to satisfying this need.

- a. How many individuals does the bank have in the local bank? How will the bank provide relationship support for banking services? What approach or service program functions will be instituted to provide the best service?**

We have approximately 261,000 team members globally.*

*As of September 2019.

Your relationship manager and the treasury management sales consultant are part of our Government Banking group, a team of seasoned professionals dedicated exclusively, to serving the unique banking needs of the public sector. This team provides consultative, analytical, and qualitative service — your needs are our first priority.

Our relationship-focused approach to our diversified set of products and services helps ensure you have solutions that are right for you — at the right time. We are your advocate, and our goal is to exceed your expectations and establish a collaborative relationship.

Our quality improvement plan

Quality is one of our primary concerns. We've implemented a multipoint plan to help ensure our services deliver the consistent quality our customers require.

Our quality review committee, comprised of key representatives from Operations and Treasury Management, meets regularly to review the performance of each operating area. If a performance measure does not meet minimum standards, we review it in detail and implement corrective measures.

We set operational performance measures — some mirror industry standards, and others are internal standards that represent measures relevant to the success of our products.

Centralized tracking and resolution

When a problem is identified, providing a prompt resolution is important, and so is identifying the root cause. By identifying the root cause — whether it's procedural, personnel-related, or technology-driven — we can implement a resolution that helps prevent the same problem from happening again. We strive to improve our quality management process and the level of service we provide.

We deliver consistently

Treasury Management Client Services meets our expected resolution time nearly 99% of the time.*

*As of December 2019

Customer input

Since 2004, we've managed formal Customer Advisory Councils. These groups, comprised of about 70 current customers and 650 alumni members from multiple industries and geographic regions, help us candidly assess our products and services, and the methods we use to deliver them.

Council members can participate in product pilots, usability studies, and focus groups. Their feedback helps ensure our customers have input in both our product development efforts, and our delivery and communication methods.

We review the information with our senior management to assess and prioritize our product initiatives.

b. How is local service and overall contract performance monitored at the bank and holding company levels?

We track performance indicators for customer service calls made to Treasury Management Client Services. We track the number of calls, the time it takes us to answer and complete the calls, and the time it takes us to resolve issues. Results are tracked daily and reported internally as part of a quarterly business review.

If results fall short of our goals, leadership debriefs on potential causes, then creates an action plan to assist our teams in meeting goals next quarter.

The following table shows our most recent annual performance averages*.

Performance indicators	2020*	2019	2018
Calls	95,389	528,575	757,540
Average wait time (minutes)	3:16	1:20	1:12
Average handle time (minutes)	11:22	11:39	11:21
Inquiries resolved within expected resolution time	96.73%	99%	99%
Percentage of cases resolved same day	82.43%	88%	90%
Percentage of cases resolved within three days	95.26%	97%	98%

*As of February 28, 2020

c. How do the local employees and bank support the community and the City?**Philanthropy****Charitable contributions**

Wells Fargo is one of America's largest financial contributors to nonprofits. In 2018, we invested \$444 million to 11,000 nonprofits. **We have the largest workplace employee giving campaign in the U.S. for the tenth consecutive year**, based on 2018 donations to United Way Worldwide.

Neighborhood LIFT

We view homeownership as a pathway to financial success, a source of stability for communities, and a key driver of the U.S. economy. In collaboration with the national nonprofit NeighborWorks® America, its local affiliates, and city officials, the NeighborhoodLIFT program launched in February 2012, in the wake of the housing crisis to help communities recover.

We initially introduced the LIFT programs to help housing communities stabilize neighborhoods deeply affected by the foreclosure crisis through a commitment to home lending, homebuyer education, and homebuyer support. Today, the program has evolved to help address affordability challenges for low- and moderate-income homebuyers.

Through the LIFT programs, we have committed more than \$430 million of down payment assistance, housing counseling, and homebuyer support and education to create sustainable homeownership. The NeighborhoodLIFT program is the single largest corporate philanthropic effort of its kind in Wells Fargo's history.

In 2018, NeighborhoodLIFT expanded with a \$75 million commitment that includes special attention for military service members and veterans, teachers, law enforcement officers, firefighters, and emergency medical technicians, in recognition of the service they provide to their communities.

Diverse Community Capital Program

The Wells Fargo Works for Small Business® Diverse Community Capital Program (DCC) takes an innovative approach to address challenges diverse small business owners face when starting or growing their businesses. The DCC program is a collaboration between Wells Fargo and Opportunity Finance Network (OFN), a national network of Community Development Financial Institutions (CDFIs), to respond to issues identified in a national Gallup Survey that revealed that diverse small businesses were challenged accessing the credit they needed to launch or grow their business.

The DCC program launched in 2015 with an initial, three-year, \$75 million commitment to increase capital and technical assistance available to diverse small businesses that might not qualify for conventional bank loans. As of December 2018, Wells Fargo fulfilled its \$75 million commitment and 88 CDFIs have received DCC awards serving small businesses in 37 states. To continue to expand the program, we have pledged another \$100 million through 2020.

Additionally, in March of 2020, we announced that we plan to invest up to \$50 million in African American Minority Depository Institutions to support economic growth in African American communities.

Team member volunteers

One of the most important contributions our team members can make is using their professional skills and knowledge to help nonprofits with business and organizational projects, such as building a website, managing a large project, or training volunteers. Thousands of team members are serving on nonprofit boards, which is how we often find out about projects and organizations that need funding or other support. It's a critical part of our grassroots community-giving strategy. **In 2019, our team members volunteered more than 1.9 million hours.**

Investing in our communities is a way for us to help create future economic growth and prosperity in the communities where we live and work. We invest financial capital and, more importantly, human and social capital, thanks to thousands of caring team members who are local community leaders and volunteers.

For specific information about where we give in your community, please visit wellsfargo.com/about/corporate-responsibility/community-giving/.

Community Reinvestment Act (CRA)

The Community Reinvestment Act (CRA) of 1977 requires banks to meet the credit needs of all the communities where they do business. In its most recent CRA examination, which covers the years 2012-2018, the Office of the Comptroller of the Currency (OCC) gave Wells Fargo an “**Outstanding**” rating. This was due to our strong performance on the exam's components and the company's proven commitment to serving low- to moderate-income communities.

Our commitment

Wells Fargo maintains a strong commitment to each community it serves. We will continue to promote economic growth, sustainable homeownership and neighborhood stability in low- to moderate-income communities, and everywhere else we do business.

d. What is distinctive about the bank's approach to its automation on services? Are there any new services planned which may impact the City?

We put our customers at the center of every decision we make. We keep these key points in mind as we enhance our services:

- Focus on the customer
- Stay current with technology
- Keep things simple
- Make them easy to implement
- Help customers keep pace globally

Through ongoing conversations, we hear what customers want from their treasury services — and how they want to use and access them. Advisory councils and ethnographic research help us gather feedback that shapes our existing and future products.

Many organizations have growing global needs. To keep pace with our customers' international business, we work to help ensure that our products and services support their international customers or vendors, or in-country operations.

Our recently developed services and future enhancements are varied.

Treasury management APIs

Our treasury management application programming interface (API) solutions support your ability to offer services online and on demand. APIs create **fast and easier** communication between software, so that you **use your own system** to:

- Initiate banking transactions on demand
- Receive real-time responses with banking data and payment status
- Originate time-sensitive payments at any time, so that you supplement batch processing

We provide access to the specific API(s) you require along with detailed documentation on our developer portal. The City's developers will create the exact back office workflow and customer portal environment that you envision. Your developers will review the reference guide(s) and have access to our simulated, sandbox environment to start their design and development effort to integrate Wells Fargo's API(s).

Do business more **easily**, operate in near **real time**, and **reduce the cost and amount of time** associated with reconciling your accounts and figuring your cash position.

Our payment and receivables services supported by APIs support your ability to initiate payments by same-day ACH, wire, push to card, and credit transfer on the *RTP*® payment system,* no matter the time of day or volume. Offering faster payments to your customers, you can possibly achieve a competitive advantage. Our data and reporting services supported by APIs help you to set a schedule to receive account and transaction data more easily. The City can view balances, check images, and transaction status as often as you want, customizing your reconciliation and cash positioning efforts.

* *RTP*® is a registered service mark of The Clearing House Payments Company L.L.C. Our *RTP* Services are available subject to applicable product eligibility.

Remote deposit

We're developing the ability for you to access our remote deposit service from additional operating systems and browsers.

Mobile deposit enhancements

Mobile deposit service users with scan and balance authorizations can deposit checks* from a camera-enabled iPhone, iPad, or Android smartphone† through the downloadable *CEO Mobile*™ app available from the Apple App Store and Google Play Store.

*One check per deposit.

†Requires an iPhone, iPad, or iPad Mini running iOS version 10.1 or higher, or an Android device with version 7.0 or higher.

Commercial card

Make it easier for your suppliers to receive payments

With our Straight Through Processing* solution, you can make it easier for your suppliers to do business with you. Suppliers can arrange to receive your card payments in their bank accounts instead of processing the payments themselves.

The City sends us a payment file from your treasury workstation, ERP, or accounts payable system, and we'll send the payment to your supplier's merchant acquirer. The merchant acquirer authorizes your payment and deposits funds directly into your supplier's deposit account. Your supplier receives an email notification with payment details. To help you reconcile, we'll send

you a remittance detail file that you can upload to your accounting system. Our solution helps you maintain control of your AP process while easing payment processing and reconciliation.

*Our Straight Through Processing solution is currently in pilot. This is future functionality, which is subject to development, change, or cancellation. Wells Fargo makes no representation about when the functionality will go to market. Additional fees apply.

e. Is the bank offering any transition or retention incentives? Describe fully and quantify completely.

Yes. We are committed to helping the City and helping support your employees with enhanced benefits.

Wells Fargo incentives for the City

- Earning Credit Rate that is currently 0.25%, this rate can be used to offset fees and will be monitored periodically
- One time credit of \$5,000 for supplies (deposit tickets and bags)
- Your relationship team will frequently work with the City to implement the most beneficial investment solution for excess funds held at the bank
- Complimentary vendor review for Wells Fargo commercial card program
- Complimentary Business Process Review – a review completed by our treasury management team to increase efficiencies within the finance department of the City
- Free membership banking for all of the City's employees (*Wells Fargo At Work*SM)

Enhanced employee benefits for the City

Our *Wells Fargo At Work* program is offered at no cost to you, the program brings engaging financial workshops, tools, resources, and options to your workplace. Your employees will have access to financial resources that can help them and your company. Our program helps you enhance your financial wellness benefits for your employees by providing:

- Financial wellness workshops delivered at your locations
- Customized materials to help promote the City's program benefits
- Support for company initiatives to help increase participation, such as encouraging direct deposit or retirement savings
- Options to help your employees keep their financial priorities on track
- Online, mobile, phone, and in-person access*

*Your mobile carrier's message and data rates may apply. Availability may be affected by your mobile device's coverage area.

Your *Wells Fargo At Work* program representative helps to implement the program, and serves as your single point of contact.

Financial education for your employees

In person

A distinct advantage of our program is our dedicated team of program representatives. Our team members work with you to provide financial workshops, consultations, and support for your employees, conveniently delivered at the City's locations.

Complimentary on-site financial workshop topics include:

- Budgeting and saving
- Managing your credit

- Paying for college
- Buying a home
- Monitoring your financial information

Online and mobile

We also provide online and mobile access to our financial wellness services, 24 hours a day, 7 days a week. We describe these services in the following paragraphs.

My Financial Guide

This guide offers a variety of articles, videos, and tips to help answer your employees' financial questions and help them plan for their goals. The content is available in English and Spanish. You can visit wellsfargo.com/financial-education for more information.

Financial health microsite

This website helps your employees start or make further progress on their journey to financial security. It shows how changing “one little thing” in their spending habits can lead to a positive impact on their overall financial situation. You can visit wellsfargo.com/financial-health for more information.

Hands on Banking®

This free, public service offered by Wells Fargo is a non-commercial financial education program. It provides relevant and engaging content for children, young adults, adults, entrepreneurs, seniors, military service members, and veterans. The youth curriculum aligns with the Common Core State Standards Initiative. You can visit handsonbanking.org for financial education modules for each target audience. The website also offers tools and resources that may help your employees and their families make smarter financial decisions.*

*The Hands on Banking program is a free public service provided by Wells Fargo Foundation. An account or business relationship is not required for use or access.

Additional resources for the City's employees banking with us

Financial health conversations

Your employees can help improve their financial well-being and build confidence by speaking with a Wells Fargo Financial Health Banker. This complimentary service is offered Monday through Saturday, from 8:00 a.m. until 6:00 p.m. CT. The conversations are focused on helping with the following:

- Find new ways to reduce spending and build savings
- Take control of debt, and pay bills with confidence
- Make credit work for you, not against you

Steps to Better Banking

We welcome new checking customers with email, online, and ATM communications on how to use key services and maximize account benefits. The step-by-step series includes videos and tips, such as how to set up alerts and bill pay, make a mobile deposit, and pay friends and family.

My Money Map

Our online money management tools can help your employees map their own financial plan and see their finances in a new way. With one click, the tools help track their spending, budget, and

savings activities – displayed in easy-to-understand charts. Transactions from Wells Fargo deposit and credit accounts are automatically updated, so you can monitor your progress and adjust as needed.

- f. **What support will the bank be able to offer the City in a disaster situation to maintain stable banking functions? Focus on systems, telecommunications and power, operational facilities, and transportation.**



We have formal **teams dedicated to managing our ongoing disaster recovery and business continuity planning efforts**. Our Enterprise Business Continuity Planning office sets the standards for our organization. Each line of business, in conjunction with operational risk management partners, helps ensure preparedness and compliance at the organizational levels.

Disaster Recovery

Standard elements of our programs include:

- Annual plan review, testing, and maintenance
- Identification of alternate strategies and recovery procedures
- Identification of internal and external dependencies
- Identification of potential risks and controls for mitigation
- Prioritization of business functions and technology
- Procedures for communication with customers, suppliers, and essential staff
- Recovery of technology and data

Enterprise general program elements

Testing recoverability

We update and test disaster recovery procedures regularly, with the frequency and timing varying by business function or application. We exercise essential line of business recovery procedures at least annually. We also exercise critical systems at least twice a year.

Critical functions

After a disruption, we **prioritize restoring and maintaining normal service levels for our critical functions**. We have teams on call 24 hours a day, 7 days a week, ready to respond to a disruption.

**Teams on call
24 hours a
day, 7 days a
week, ready
to respond.**

Components of our recovery plans vary based on the potential business disruption, such as a loss of facility, loss of technology, or significant reduction to our staff. We've identified the main areas most commonly affected, and provide our general approach to each in the following paragraphs.

Data centers

We quickly engage our technology teams when we detect a disruption at a primary data center. Our technology teams assess the situation and determine next steps based on the nature of the disruption. If we need to shift processing to an alternate data center, we can because we maintain redundant platforms for our business critical services. All alternate sites have sufficient capacity to maintain processing for an extended period.

In most situations, we can restore service at a primary data center for critical services within 0-12 hours.*

We've strategically dispersed our data centers across multiple locations to minimize potential disruption within a specific geographic region.

*This does not guarantee that certain events will not affect Wells Fargo systems or that we will achieve specific recovery times in the event of a disruption.

Operation centers

If a disaster occurs at one of our primary operation centers, we use an identified backup site to take over day-to-day processing and support. We use our backup site until the primary site returns to normal conditions.

We've strategically dispersed our operation centers across multiple locations to minimize potential disruption within a specific geographic region.

Treasury management-specific program elements

In addition to our enterprise general program elements, we've incorporated the following treasury management-specific elements into our disaster recovery and business continuity plans.

Communication

We offer the following notification methods to inform you of a service disruption, including:

- Phone calls or emails from your relationship team
- Front-end messages advising the City about system issues; available when you contact Treasury Management Client Services through our toll - free number
- System status alerts displayed on the homepage of our online banking portal

The method we use to communicate with you depends on the nature of a disruption.

If a disruption prevents you from accessing your information, your relationship team or Treasury Management Client Services can help. They have access to bank systems and can provide you with the account information, balances, and other data you need to continue operating.

Backup strategies for online channels

Online banking portal

If the online banking portal experiences a disruption, we'll use our backup environment or invoke product recovery plans as needed. We maintain a duplicate environment of our online

banking portal in a separate location. We actively monitor the readiness of the alternate site by using it to deploy code enhancements and enact disaster preparedness simulations.

Mobile service*

We have a backup environment for our mobile platform in the event of a system outage. Our mobile service and online banking portal channels use different web addresses and user interfaces. This means that, depending on the nature and root cause of an outage, users may be able to access services through the mobile service if our online banking portal is disrupted.

Additionally, our mobile token feature allows users to use their mobile device in place of a physical token to access secure services. This can be helpful in instances where users are separated from their physical token by a disaster event.

*Requires iOS version 10.1 or higher, or Android version 7.0 or higher.

Backup strategies for core services

ACH

If we invoke a disaster recovery or business continuity plan, processing will divert to the backup site as necessary. Our primary and backup sites are in different geographies to minimize potential disruption in one location. All sites (primary and backup) are staffed and operational, using redundant systems as appropriate. We conduct regular testing of our ACH direct origination capabilities to maintain optimal reliability and effectiveness.

Although we have geographically dispersed backup sites and processes for automatic processing of ACH transactions, manual workarounds may become necessary, depending on the nature and severity of a specific disaster or emergency. For example, we can reprocess your last payroll file if you're unable to transmit it through your usual channel. If manual workarounds do become necessary, we'll work with you on a case-by-case basis to determine the most effective way to process files.

ACH Fraud Filter

Business disruptions can create opportunities for fraud. It's important that during a disruption you can continue to view details and make decisions on your ACH transactions. You can access our ACH Fraud Filter service online, through our mobile service, or you can obtain ACH information by calling Treasury Management Client Services.

Lockbox

If we invoke a disaster recovery or business continuity plan, lockbox processing at the affected site diverts to a backup site, as needed. The specific location of the backup site will depend on the impact of the disruption. Alternative processing may include diverting mail delivery from the affected primary site to the backup site.* In such a case, after we receive mail at the backup site, we'll follow customer-specific instructions to process checks, capture accounts receivable data, and image checks and invoices. We'll notify customers and couriers (as appropriate) about their impacted processing site or procedures.

*Depending on the severity of a disaster, delayed mail delivery may affect processing time, which could impact normal service level agreements.

Cash vault

If a primary cash vault site is unable to accept, deliver, or process cash, we'll divert functions to an identified backup site as needed. Receipt or delivery of cash may be delayed due to the transportation distance between you and the backup site. If such an event occurs, we will take

reasonable action to resume our normal cash delivery service levels as soon as possible, given available transportation options.

Wires

When we invoke a disaster recovery or business continuity plan, processing diverts to a backup site. Each backup site has the ability to accept transferred workloads (including telephone calls).

We maintain redundant connections to two different Federal Reserve Banks in order to minimize potential disruption within a geographic region. We conduct comprehensive joint testing with the Federal Reserve Bank on a quarterly basis.

You can also enroll in a backup wire transfer channel. For example, you can choose from telephone-initiated wires or our mobile service to access select functions of our wire transfer service.

Check outsourcing

Our facilities, employees, and business functions are geographically disbursed, and if one site is unable to function, we'll move check printing to our other site. The sites mirror each other and operate in the same way, making it easy to transition print jobs from one site to another. On a regular basis, we move work back and forth for BCP testing and to accommodate special needs.

Foreign exchange online

If you are unable to complete a foreign exchange transaction through our online banking portal, you can call or email a foreign exchange specialist. He or she can help complete your transaction.

Account reconciliation plans and positive pay

If you're unable to access our online banking portal or send files using data transmission because of a business interruption, you can still key small-volume issues, cancellations, and voids through our mobile service.

Remote deposit

We automatically store checks that you scan using our remote deposit service on our servers. If a power outage or other disruption prevents you from completing a deposit, it remains in a pending deposit status. It will remain in this status until you can access the system again. You'll have the opportunity to review the deposit before submission to the bank to help ensure the inclusion of all your checks. As a backup, you can make deposits using our mobile deposit service* or take your deposit to a Wells Fargo branch.

*Supported devices include iPhone, iPad, and Android.

Transmission service

We have a backup environment for our browser-based transmissions service. It includes an alternate website in case our online banking portal is unavailable. As a best practice, we recommend that customers leverage URLs if using automation scripts and not IP addresses, which are subject to change.

Commercial card

We routinely back up our card data. Additionally, we partner with Total System Services, Inc. (TSYS) because of the comprehensive plans they have in place for commercial card disaster recovery. In most situations, we can restore commercial card processing within 12 to 24 hours of disaster declaration.

Keeping current

To keep current with changes in the business continuity and disaster recovery industry, we're active in forums that discuss and share best practices.

The forums include:

1. Disaster Recovery Journal
2. Disaster Recovery Institute International
3. Global Continuity
4. Business Continuity Institute

g. The City requires the right to use a third party auditor to review the City's accounts and transactions and the bank's records regarding the City and its transactions at any reasonable time. Confirm agreement with this condition.

The City may reserve a right to inspect financial books and records in Wells Fargo's possession that are related only to services provided by Wells Fargo to the City, provided that such inspections are conducted in accordance with Wells Fargo's reasonable security requirements. Notwithstanding the foregoing, Wells Fargo does not grant the City any right to examine, inspect, or physically visit any Wells Fargo data center.

We retain records for varying lengths of time based on need. We have an established enterprise-wide Records Management program that addresses the legal, technical, and operational issues affecting our information assets. Our process includes classifying records and assigning a record retention period to each record. Our policy requires the tracking of records from inception to destruction, with appropriate approvals prior to destroying any records.

h. The Depository will be requested to review the City's Investment Policy and certify to that review in accordance with the Texas Local Government Code 2256. Confirm agreement with this requirement.

Wells Fargo acknowledges the City's requirements listed above and confirms that we can meet the City's requirements.

3. Depository agreement and service agreements

Provide a copy of all depository and service agreements which will be required to be executed under the contract for services rendered (including depository and collateral agreements). Any changes required on the agreements will be discussed and agreed upon before award of the contract is made by the City.

We include copies of all documents, agreements, and service terms in the Appendix section of our proposal.

4. References

List references from at least three comparable public clients. For each reference, include the length of time under contract, a client contact, title, and email address.

Based on our current understanding of your needs, we have chosen references with services that most closely resemble the setup we have proposed for the City. We provide contact information for these references in the following table.

References*

Alka B. Shah
Chief Accountant
City of Sugarland

281-275-2700
ashah@sugarlandtx.gov

2700 Town Center Blvd. N.
Sugarland, TX 77479

Rhonda G. Boskas, CPA,
CGFO
Deputy Director of
Administrative Services -
Finance
City of Friendswood

281-996-3216
281-482-6491
rbloskas@friendswood.com

910 S. Friendswood Dr.
Friendswood, TX 77546

John McCarter
Interm Director of Finance
City of Pearland

281-652-1650
jmccarter@pearlandtx.gov

3519 Liberty Dr.
Pearland, TX 77581

*Reference information is confidential.

5. Implementation timeline

Provide the proposed, detailed timeline for implementation of the contract including the activities required by both parties and assignment of responsibilities during implementation.

- **Note any provisions or requirements and when the implementation of services could or would be scheduled. (Specific information for lockbox implementation will be required below.)**
- **Denote any limitations.**

Default in promised delivery of services, without acceptable reasons, or failure to meet the terms or conditions of the depository contract without remedy, shall result in the City having the right to terminate the contract, but the exercising of such right to terminate the contract does not limit any other remedies the City may have for damages or other relief under the law.

The implementation lead time represents the length of time it takes to make the service available to the City once your implementation consultant gathers all of the necessary information from you and any internal sources, and once the City has returned the signed required agreements to Wells Fargo.

Sample implementation schedule

Online banking portal and information reporting		
Approximate time frame*	Wells Fargo actions	Your action
9-day lead time to establish services in online banking portal 7-day lead time to establish information reporting service	▪ Review and confirm services ▪ Coordinate training ▪ Set up online administration for reports, and related services	▪ Review and confirm services ▪ Attend training ▪ Review and sign forms
*The implementation time can be shorter (or longer), depending on the products being implemented.		
Account opening		
Approximate time frame	Wells Fargo actions	Your action
1-day lead time	▪ Identify all accounts to be opened ▪ Provide account numbers ▪ Provide MICR specifications ▪ Order deposit tickets, check stock, and other supplies ▪ Validate setup	▪ Identify all accounts to be opened ▪ Order deposit tickets, check stock, and other supplies

ACH direct transmission

Approximate time frame*	Wells Fargo actions	Your action
13-day lead time*	▪ Review and confirm services ▪ Provide file layout specifications ▪ Determine transmission method and issue IDs ▪ Issue transmission ID ▪ Review test file format ▪ Perform transmission testing (additional time may be needed for outbound transmission testing, such as for a returned item) ▪ Move transmission IDs into production ▪ Validate and finalize setup	▪ Review and confirm services ▪ Determine transmission method and issue IDs ▪ Create test file ▪ Perform transmission testing (additional time may be needed for outbound transmission testing, such as for a returned item)

*The implementation time can be shorter (or longer), depending on transmission testing.

ARP and Positive Pay

Approximate time frame	Wells Fargo actions	Your action
36-day lead time*	▪ Review and confirm services ▪ Coordinate training ▪ Provide file layout specifications ▪ Issue transmission ID ▪ Perform transmission testing ▪ Move transmission ID into production ▪ Validate and finalize setup ▪ Activate Positive Pay	▪ Review and confirm services ▪ Complete training ▪ Perform transmission testing

*The implementation time can be shorter (or longer), depending on transmission testing. Also, adding ARP or Positive Pay to an existing account is cycle dependent and can only be done at the beginning of a statement cycle.

Payee Validation

Approximate time frame	Wells Fargo actions	Your action
30-day lead time*	▪ Review and confirm services ▪ Share manual review fee with the City† ▪ Share key implementation requirements, guidelines, and video tour ▪ Request customer limits check stock order ▪ Confirm checks are ready to monitor ▪ Set up for production ▪ Begin monitoring test checks	▪ Review and confirm services ▪ Acknowledge understanding of requirements ▪ Request customer limits check stock order ▪ Confirm checks are ready to monitor ▪ Begin monitoring test checks ▪ Review check stock and monitor issue file for three weeks ▪ Address any issue file corrections ▪ If checks pass three weeks of testing, there is no further follow-up

	▪ Review check stock and monitor issue file for three weeks ▪ Address any issue file corrections ▪ If checks pass three weeks of testing, there is no further follow-up ▪ Validate and finalize setup	▪ If checks fail testing, the City has 60 days to fix issues†
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*Dependent upon results of check stock monitoring.

†If checks still fail, the manual review fee will be assessed.

ACH Fraud Filter

Approximate time frame	Wells Fargo actions	Your action
9-day lead time*	▪ Review and confirm services ▪ Coordinate training ▪ Set up service on ACH platform ▪ Set up optional 30-day review (before considering stop option) ▪ Implement stop option if needed	▪ Review and confirm services ▪ Complete training ▪ Identify default decisions and preauthorizations

*This service becomes active after users complete training. The City's responsiveness will affect the implementation lead time; delays in completing training can increase the implementation time frame.

Bank Administration Institute (BAI) transmissions

Approximate time frame	Wells Fargo actions	Your action
27-day lead time	▪ Review and confirm services ▪ Determine transmission method ▪ Issue transmission ID ▪ Perform transmission testing ▪ Move transmission ID into production ▪ Validate and finalize setup	▪ Review and confirm services ▪ Develop capacity to receive and parse BAI file and data ▪ Perform transmission testing

Cash Flow Analysis

Approximate time frame	Wells Fargo actions	Your action
9-day lead time*	▪ Review and confirm services ▪ Coordinate training ▪ Complete administrator setup ▪ Validate setup	▪ Review and confirm services ▪ Complete worksheet of information required for setup of Cash Forecasting and Journal Entry modules† ▪ Complete training and administrator setup
*This time frame is for implementing our standard offer of Cash Positioning. The timeframe to implement other modules begins once you complete the required worksheet. The implementation time can be shorter (or longer), depending on Data Exchange dependencies, if applicable. †Setup and training may take approximately two hours per additional module.		

Controlled disbursement

Approximate time frame	Wells Fargo actions	Your action
9-day lead time without intraday transmission 30-40 day lead time with an intraday transmission*	▪ Review and confirm services ▪ Assign account numbers ▪ Provide MICR specifications and ARP documentation as applicable ▪ If transmission testing is required, testing must be completed before finalizing setup ▪ Perform check testing (MICR and image) ▪ Validate first live file and finalize setup	▪ Review and confirm services ▪ If transmission testing is required, testing must be completed before finalizing setup ▪ Provide test checks
*The implementation time can be shorter (or longer), depending on transmission testing. Wells Fargo cannot open the accounts until sample checks pass testing and transmission testing is complete.		

Remote deposit

Approximate time frame	Wells Fargo actions	Your action
13-day lead time	▪ Review and confirm services ▪ Order supplies ▪ Complete and validate setup ▪ Send fulfillment package	▪ Review and confirm services

Remote deposit with detail reporting

Approximate time frame	Wells Fargo actions	Your action
21-day lead time	▪ Review and confirm services ▪ Provide transmission specifications ▪ Set up transmission and test connectivity ▪ Issue transmission ID ▪ Provide test results ▪ Move transmission ID into production ▪ Monitor live files ▪ Validate setup	▪ Review and confirm services ▪ Review and approve forms ▪ Send test file

*A Deposit Detail Report can be set up for both our remote deposit and image cash letter services. The timeframe for either requires at least a 21-day lead time to establish, create, and test IDs for transmission.

Image cash letter

Approximate time frame	Wells Fargo actions	Your action
33-day lead time*	▪ Review and confirm services ▪ Establish bank-defined limits ▪ Provide transmission specifications ▪ Issue transmission ID ▪ Provide test results ▪ Move transmission ID into production ▪ Monitor live files ▪ Validate setup	▪ Review and confirm services ▪ Review and approve forms ▪ Send test file

*The implementation time can be shorter (or longer), depending on transmission testing.

Image File Import (non-lockbox)

Approximate time frame	Wells Fargo actions	Your action
20-day lead time*	▪ Review and confirm services ▪ Provide reference guide ▪ Determine transmission method ▪ Issue transmission ID ▪ Send live files ▪ Validate and finalize setup	▪ Review and confirm services ▪ Download test file and confirm connectivity and format

*The implementation time can be shorter (or longer), depending on transmission method and testing.

Perfect Receivables®		
Approximate time frame	Wells Fargo actions	Your action
16-day lead time	▪ Review and confirm services ▪ Complete setup form ▪ Issue transmission ID ▪ Send outbound file ▪ Move transmission ID into production ▪ Confirm and test layout received ▪ Coordinate production install date	▪ Review and confirm services ▪ Confirm and test layout received ▪ Coordinate production install date
Returned Items		
Approximate time frame	Wells Fargo actions	Your action
11-day lead time	▪ Review and confirm services ▪ Issue transmission IDs ▪ Implement instructions ▪ Validate setup	▪ Review and confirm services ▪ Send test file
*The implementation time can be shorter (or longer), depending on transmission testing.		
Sweep accounts		
Approximate time frame	Wells Fargo actions	Your action
7-day lead time	▪ Review and confirm services ▪ Implement sweep ▪ Establish sweep statement access ▪ Validate setup	▪ Review and confirm services

WellsImage® Media		
Approximate time frame	Wells Fargo actions	Your action
13-day lead time*	▪ Review and confirm services ▪ Provide MICR check specifications ▪ Perform check testing (MICR and image) ▪ Finalize setup	▪ Review and confirm services ▪ Provide test checks
*The implementation time can be shorter (or longer) depending on check testing. It is also cycle dependent and can only be added at the beginning of a statement cycle if adding WellsImage Media to an existing account.		
Wholesale Lockbox		
Approximate time frame	Wells Fargo actions	Your action
46-day lead time	▪ Review and confirm services ▪ Perform coupon and envelope testing ▪ Provide results of coupon and envelope testing ▪ Provide lockbox number and live date ▪ Coordinate training ▪ Finalize setup	▪ Review and confirm services ▪ Provide 50–100 samples of remittance coupons and envelopes ▪ Complete training
Wholesale Lockbox with transmission		
Approximate time frame	Wells Fargo actions	Your action
46-day lead time*	▪ Review and confirm services; complete setup form ▪ Provide file layout specifications ▪ Issue transmission ID ▪ Perform coupon and envelope testing ▪ Provide results of coupon and envelope testing ▪ Perform transmission testing ▪ Provide lockbox number and live date ▪ Move transmission ID into production† ▪ Finalize setup ▪ Coordinate training	▪ Review and confirm services; complete setup form ▪ Provide 50–100 samples of remittance coupons and envelopes ▪ Perform transmission testing ▪ Complete training
*The implementation time can be longer, depending on transmission testing. Lockbox can begin receiving deposits 10 business days after the lockbox number is assigned; however, we cannot provide remittance details electronically until transmission testing is complete. †The City agreement is required to move any transmission services into the production environment.		

Zero balance account		
Approximate time frame	Wells Fargo actions	Your action
7-day lead time	▪ Review and confirm services ▪ Implement zero balance account ▪ Validate setup	▪ Review and confirm services
Consolidated receivables service		
Approximate timeframe	Wells Fargo actions	Your action
14- to 42-day lead time*	▪ Complete setup forms ▪ Begin setup of all treasury management-related products ▪ Finalize setup ▪ Test transmission ▪ Move services into production ▪ Coordinate training	▪ Complete training
*The implementation time can be shorter (or longer), depending on transmission testing		
Consolidated payables service		
Approximate time frame	Wells Fargo actions*	Your action
48-day lead time	▪ Review and confirm services ▪ Determine use of manual or automation process and method of transmission ▪ Provide user guides and coordinate training, if using Payment Manager Online (PMOL) ▪ Develop statement of work ▪ Approve and sign statement of work ▪ Validate SIT/UAT test files ▪ Add any additional accounts ▪ Move services into production ▪ Transmit and monitor production files ▪ Verify and finalize setup	▪ Review and confirm services ▪ Determine use of manual or automation process and method of transmission ▪ Establish automation connection ▪ Validate SIT/UAT test files ▪ Add any additional accounts ▪ Transmit and monitor production files
*The times for all action items can vary depending on your choice of a standard or custom format and the availability of your internal resources for development and testing.		

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V. Required banking services

The proposal must include a response to each of the questions in this Section and all associated fees must be detailed on Attachment A.

We include all pricing information in the Appendix section of our response.

1. Account structure

Under this contract the City anticipates utilizing the same account structure with a master ZBA and one subsidiary ZBA account. When a sweep is feasible the master would be swept daily to an SEC registered government money market mutual fund striving to maintain a \$1 NAV.

a. Describe the bank’s ability to provide a ZBA structure.

Gain greater control over your cash position with our zero balance account (ZBA) service. When you maintain multiple accounts, making cash management decisions and transferring funds between accounts can be time consuming. A ZBA arrangement helps you control, manage, and maintain your cash balances automatically.

Control, manage, and maintain your cash balances automatically

How it works

You’ll have one parent account with multiple child accounts linked to it. At the end of each business day, we automatically transfer funds to or from your parent account to bring all child account balances to zero, or some other target amount you select.

Because funds are concentrated in the parent account, you’ll only need to look at one account balance when making cash management decisions or determining if you have adequate balances to fund disbursements.

In addition, because the ZBA service automatically transfers funds to and from your child accounts, you don’t need to initiate manual transfers to fund disbursements or concentrate deposits.

You set the structure

The City can structure your ZBA arrangement to meet your specific needs.

Decide how you’ll use child accounts

You may want to limit your accounts to certain types of activity.

You can set up child accounts for the following uses:
Disbursements only
Collections only
Multipurpose (collections and disbursements)

Include multiple account tiers

The service supports up to nine tiers of accounts with an unlimited number of accounts at each tier.

- b. Can the bank provide a sweep to a money market fund? Is the sweep from the master account or can it be swept directly from individual accounts.**



Sweep accounts provide you with an **automated solution for optimizing funds and earning interest** on balances invested overnight. Because investments are either overnight or short-term, the City has daily access to your money.

We also offer a credit sweep service that allows you to use bank account balances to pay down a line of credit. You can use the line of credit to fund a bank account that has fallen below a target balance amount. You can also choose to tie an investment sweep to the credit sweep account structure.

Once you determine a target amount (which can be zero), we sweep excess collected balances over the target amount from your checking account to an investment. Alternately, we sweep excess collected balances over the target amount to pay down a line of credit, depending on your cash flow needs.

Benefits

Automated investment of funds

By sweeping automatically each night, our service **eliminates the need for costly and time-consuming manual funds movement** to and from investment accounts.

Accuracy of funds transfer

Sweep transfers occur after all the day's debits and credits post to your account. This **helps ensure that the sweep won't accidentally overdraw** your account.

Consolidated reporting

With all of our sweep options, you receive a **monthly statement that includes information on your balances and the interest paid on your investment**. We offer daily confirmations with our Preferred and Repurchase Agreement options. Our confirmations provide you with sweep transaction activity and daily rates. You can monitor your sweep activity online using our information reporting service. We can also deliver your statements and notifications electronically.

Sweep options

The City can choose from three automated sweep investments that include our Preferred, Repurchase Agreement, and Money Market Mutual Fund options.

Money Market Mutual Fund Option

Our Money Market Mutual Fund Option* automatically sweeps excess collected balances into one of our Wells Fargo Money Market Mutual Funds:

- Government Money Market Fund
- Treasury Plus Money Market Fund
- 100% Treasury Money Market Fund

Because funds stay invested until you need them, you can generate earnings without sacrificing access to your cash.

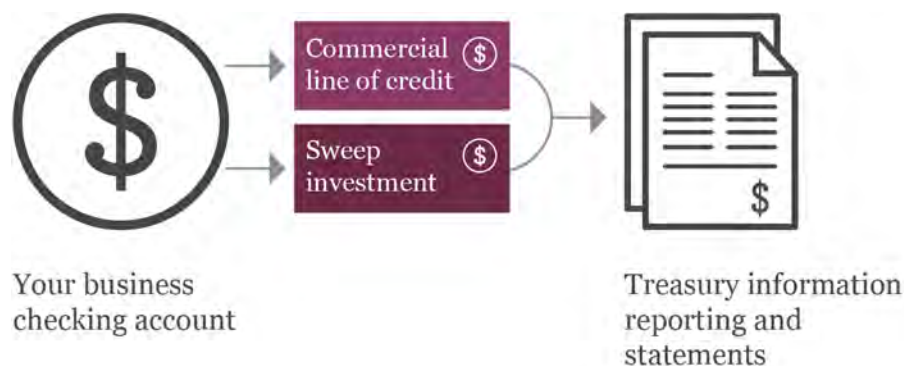
If your checking account balance is above your target balance at the end of the day, we'll automatically sweep the excess balance from your account into a Federal Deposit Insurance Corporation (FDIC)-insured omnibus account† at the bank. At the beginning of the **next business day**, we transfer the funds to the money market mutual fund custodian. The custodian invests funds in a non-FDIC insured, non-bank guaranteed money market mutual fund.‡

† Funds transferred to the omnibus account are eligible for FDIC insurance up to the allowable limit. Additionally, government deposits remain collateralized in accordance with state or federal law. We hold funds in the City's name until released for investment the following business day.

‡This is just a summary. For complete information, please see the *Wells Fargo Stagecoach Sweep®* Service Description and the current prospectus for the *Wells Fargo Funds®*. Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for *Wells Fargo Funds*. Other affiliates of Wells Fargo & Company provide sub advisory and other services for the Funds. The Funds are distributed by Wells Fargo Funds Distributor, LLC, Member NASD/SIPC, and affiliate of Wells Fargo & Company. Your investment in a money market mutual fund will be pooled with funds belonging to other investors in an omnibus investment account in the name of Wells Fargo as agent on behalf of all its customers invested in the money market mutual fund. An investment in a money market mutual fund is not insured by the FDIC or any other government agency. Although the mutual funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market mutual fund. In addition, mutual funds are not guaranteed by Wells Fargo and may lose value. For more information regarding the money market mutual fund investment sweep option, obtain a current prospectus for the money market mutual fund by visiting wellsfargofunds.com, by calling 1-800-260-5969, or by contacting your Wells Fargo relationship manager. Consider the investment objectives, risks, charges, and expenses of the investment carefully before investing. This information can be found in a current prospectus. Please read it carefully before investing.

***Not FDIC insured, no bank guarantee, and may lose value.**

How it works



e. Will interest from the sweeps be applied at the master or account level?

Our sweep services automatically sweeps your excess cash so you don't have to estimate available balances and make phone calls to your staff to transfer excess funds.

We describe our sweep process in the following paragraphs.

Investment and redemption

Our Money Market Mutual Funds Option^{1, 4} is a next-day sweep service. This means that at the end of each business day, we automatically sweep excess collected funds into a Federal Deposit Insurance Corporation (FDIC)-insured omnibus account.^{2, 3} We then invest these funds the next morning when the market opens. Funds remain invested until your checking account drops below your target balance (which can be zero). If this occurs, we redeem shares and transfer funds to your checking account at the beginning of the following business day.

1. This is just a summary. For complete information, please see the Wells Fargo Stagecoach Sweep[®] Service Description and the current prospectus for the Wells Fargo Funds. Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for Wells Fargo Funds. Other affiliates of Wells Fargo & Company provide sub advisory and other services for the Funds. The Funds are distributed by Wells Fargo Funds Distributor, LLC, Member FINRA/SIPC, an affiliate of Wells Fargo & Company. Your investment in a money market mutual fund will be pooled with funds belonging to other investors in an omnibus investment account in the name of Wells Fargo as agent on behalf of all its customers invested in the money market mutual fund. An investment in a money market mutual fund is not insured by the FDIC or any other government agency. Although the mutual funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market mutual fund. In addition, mutual funds are not guaranteed by Wells Fargo and may lose value. For more information regarding the money market mutual fund investment sweep option, obtain a current prospectus for the money market mutual fund by visiting www.wellsfargofunds.com/html/mmf/sweep.htm, by calling 1-800-260-5969, or by contacting your Wells Fargo relationship manager. Consider the investment objectives, risks, charges, and expenses of the investment carefully before investing. This information can be found in a current prospectus. Please read it carefully before investing.

2. Funds transferred to the omnibus account are eligible for FDIC insurance up to the allowable limit

3. Government deposits will continue to be collateralized in accordance with state or federal law and held in the City's name until released for investment the following business day.

4. **Not FDIC insured, no bank guarantee, and may lose value.**

Principal and interest credits

Our sweep service automatically credits principal to your checking account the day after we redeem your shares.

You can receive dividend payments to your checking account on the first day of the following month or we can automatically reinvest it.

We must credit your principal to the same account we debited, but we can credit your dividends payments to a different account.

Posting

Principal and dividend payments credit your checking account separately.

f. Are funds swept at end of day or next day? If next day, how are funds collateralized overnight – especially when balances are being swept to zero?

Our Money Market Mutual Funds Option^{1, 4} is a next-day sweep service. This means that at the end of each business day, we automatically sweep excess collected funds into a Federal Deposit Insurance Corporation (FDIC)-insured omnibus account.^{2, 3} We then invest these funds the next morning when the market opens. Funds remain invested until your checking account drops below your target balance (which can be zero). If this occurs, we redeem shares and transfer funds to your checking account at the beginning of the following business day.

1. This is just a summary. For complete information, please see the Wells Fargo Stagecoach Sweep® Service Description and the current prospectus for the Wells Fargo Funds. Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for Wells Fargo Funds. Other affiliates of Wells Fargo & Company provide sub advisory and other services for the Funds. The Funds are distributed by Wells Fargo Funds Distributor, LLC, Member FINRA/SIPC, an affiliate of Wells Fargo & Company. Your investment in a money market mutual fund will be pooled with funds belonging to other investors in an omnibus investment account in the name of Wells Fargo as agent on behalf of all its customers invested in the money market mutual fund. An investment in a money market mutual fund is not insured by the FDIC or any other government agency. Although the mutual funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market mutual fund. In addition, mutual funds are not guaranteed by Wells Fargo and may lose value. For more information regarding the money market mutual fund investment sweep option, obtain a current prospectus for the money market mutual fund by visiting www.wellsfargofunds.com/html/mmf/sweep.htm, by calling 1-800-260-5969, or by contacting your Wells Fargo relationship manager. Consider the investment objectives, risks, charges, and expenses of the investment carefully before investing. This information can be found in a current prospectus. Please read it carefully before investing.
2. Funds transferred to the omnibus account are eligible for FDIC insurance up to the allowable limit
3. Government deposits will continue to be collateralized in accordance with state or federal law and held in the City's name until released for investment the following business day.
4. **Not FDIC insured, no bank guarantee, and may lose value.**

Principal and interest credits

Our sweep service automatically credits principal to your checking account the day after we redeem your shares.

You can receive dividend payments to your checking account on the first day of the following month or we can automatically reinvest it.

We must credit your principal to the same account we debited, but we can credit your dividends payments to a different account.

Posting

Principal and dividend payments credit your checking account separately.

- g. Provide the prospectus for the offered fund if proposing a sweep for use during the contract. A AAA-rated, SEC registered government fund should be utilized for the sweep and it must strive to maintain a \$1 NAV.**

Our Money Market Mutual Funds Option has a prospectus and annual report; we've attached them in the Appendix section of our proposal.

- h. For interest bearing and money market accounts indicate any index/basis used to set the rate on the account.**

Money Market Mutual Funds Option

Earns a daily-compounded dividend based on the fund's rate and the sweep investment balance.

***Not FDIC insured. Not guaranteed by the bank. May lose value.**

i. Will FDIC fees be charged to the account? On the analysis?

There is no fee for FDIC insurance. However, we do charge a recoupment fee* to recover a portion of an assessment from the FDIC. The monthly rate may change on a quarterly basis.

The charge is the monthly rate per \$1,000 of your positive average ledger balance for the month. Your account analysis statement will detail this fee as an individual charge.

*The FDIC charges each insured bank a fee to cover its share of the cost of providing deposit insurance to depositors. The FDIC does not charge a bank's depositors for deposit insurance or require banks to pass the cost of deposit insurance on to their depositors. The FDIC does, however, permit a bank to recoup the cost of deposit insurance from its depositors, so long as the fee the bank charges its depositors does not reveal information that could be used to determine the bank's confidential supervisory ratings or mislead depositors by implying the FDIC is charging the fee. Bank assesses this recoupment fee to partially recover insurance premiums it pays to the FDIC for deposit insurance. The amount of the recoupment fee appears on the periodic statement or client analysis statement for your account and is based on the monthly average ledger balance the City maintains in its account. The recoupment fee is subject to change by Bank at any time without notice. For questions about the recoupment fee, you may contact your relationship manager at Wells Fargo.

Neither offshore accounts nor repurchase agreements are acceptable as a sweep vehicle. The City may be required or may desire to open additional accounts or change accounts during the contract period. Any new accounts shall be charged at the same contracted amount.

Acknowledged.

2. Automated cash management information access

The City requires web-based, automated cash management services and prior day balance reporting for timely access to balance information and transactions on all accounts. It requires a high degree of automation within the various service areas.

Imaging of all checks and image retention is required. Imaging of deposit slips and deposit items is preferred. Preferably statements and account analyses will be available in electronic form.

Minimum online services should include balance reporting, stop pays, positive pay exceptions, account transfers, and wire transfers. Daily balance reporting should include detail on all transactions with summary reporting on closing ledger and collected balances along with one-day float, at a minimum.

- a. Fully describe the bank's online service capabilities. List system capabilities (i.e. balance reporting, wires, positive pay, stop pay, etc.).**

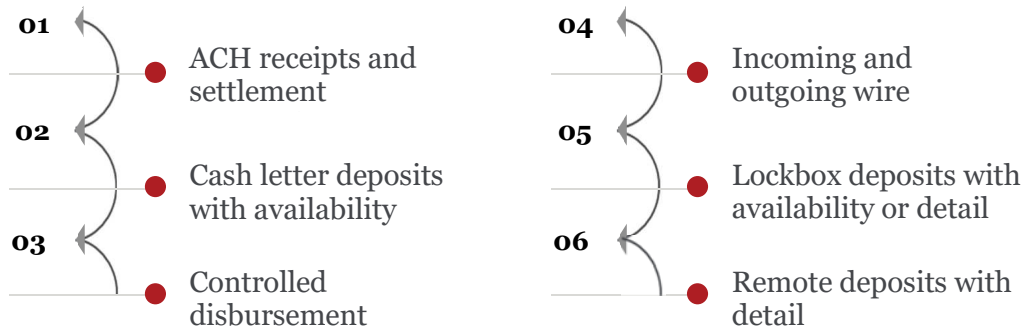
Information reporting

Our Treasury Information Reporting service delivers customizable information reporting for all your account activity. You can access your information both online and through our mobile service. With our service, you can view, print, or download your balances and transactions — and view check images on select reports.

You can choose from a number of standard reports that provide current and previous day information, including comprehensive balance, summary, and transaction details, as well as reports on specific transaction types.

You can download reports, as needed, into your accounting, treasury workstation, ERP, or systems of record. View and download options vary by report, but include HTML, PDF, Excel, CSV, and BAI V2.

Our current day (intraday) reporting includes balance information transaction details such as:



Our standard data storage provides access to seven calendar days of transaction history. We also offer optional* extended storage of 30, 60, or 90 calendar days.

We update current day information multiple times throughout the day. The exact times depend on the specific transaction. We report transactions that post, and we update current ledger and available balances on a near real-time basis.

*Additional fees may apply.

Available reports

Intraday reports	With this report you can:
ACH Origination	View ACH-originated transactions and confirm that Wells Fargo received and processed them.
ACH Receive	View timely information for all received ACH transactions that will post to your account at the end of the current day.
ACH Return/NOC	Get detailed information for all ACH transactions that were returned for any reason, as well as notification of change (NOC) information for items that processed successfully, but may require additional action.
Controlled Disbursement Detail	Provides check details for each of your controlled disbursement accounts.
Controlled Disbursement Summary	Helps you identify excess funds by offering a summary of the current day presentment and adjustment activity.

Available reports	
Intraday reports	With this report you can:
Deposit Detail	View your electronic deposits for the day, including the items in each deposit and whether the items were processed as checks or converted to electronic transactions.
E-Box®	Review and post payments that originate through an online bill pay service. View information needed to match payments to your accounts receivables.*
EDI Payment Detail	Obtain detailed ACH and EDI payment data with addenda translations from your trading partners in a comprehensive format.
Intraday Composite	Get a comprehensive view of intraday information, including balances, transaction summaries, and transaction details.
Intraday Position	View total balances across multiple accounts with summarized debit and credit information, to help determine your intraday cash position, and make daily investment and borrowing decisions.
Intraday Return Item Detail	Access details of returned paper items before your account is charged for the returns.
Lockbox Availability	Determine your funds availability for all lockbox deposits.
Lockbox Detail	See detailed information about received lockbox payments from your customers. You can also view images from each deposit, including checks and remittance documents.
Wire Transfer Detail	Get complete details for all outgoing and incoming wire transfers, including book transfers, domestic U.S. wires, and cross-border wires.

*Standard report storage is 60 days. We do not offer extended storage for this report.

Previous day

Our previous day reporting includes all transaction types that post to your accounts. Our standard data storage provides access to seven calendar days of history. We also offer optional* extended storage of 30, 60, 90, or 120 calendar days for balances and transaction details.

We update previous day information by 5:30 a.m. CT Tuesday through Friday, and by 7:30 a.m. CT on Saturday, though it is often available sooner.

*Additional fees may apply.

Available reports	
Previous day reports	With this report, you can:
ACH Customer Activity	Access ACH settlement information and adjustment details by account, as well as a summary of return activity so you can make more informed decisions about managing your accounts.
Express Balance	Get a quick snapshot of your previous day account balance information as well as your current available balance.
Loan Manager	Receive a consolidated view of your asset-based loan activity, including summarization of operating account, collateral account, and loan activity.
Month-to-Date Balance	View a daily summary of account balances, including averages, aggregate float, and total transactions posted to your account for month-to-date, prior month, or a specific date range.
Previous Day Posting Status	Check this report throughout the day to see when your accounts' previous day information is available. This report can include information for Wells Fargo accounts and accounts at other financial institutions.
Previous Day Composite	Get a comprehensive view of previous day posted account information, including balances, transaction summaries, and transaction details. You can also view images of each check transaction, and view full detail for wire transfers or received ACH transactions.
Previous Day Return Item	View details of paper returns after they are charged to your account. You can also view images of each returned item.
Sweep Account Position*	Monitor your line of credit, view your investment position for the next day, see how sweep activity impacts your line of credit, and track dividend accruals.

*For Money Market Mutual Fund *Stagecoach Sweep*® and Credit Sweep customers only. Investment products are not FDIC insured, are not deposits of or guaranteed by the bank, and may lose value. Deposit and credit products are offered by Wells Fargo Bank, N.A. Member FDIC.

Reconciliation reports and statements

Our reconciliation reports and statements allow you to reconcile your account with your internal accounting records. These reports may also help you detect and reduce check fraud on your accounts.

Available reports

Reconciliation reports and statements

With this report, you can:

ARP Statements and Optional Reports¹

Access your ARP statements as well as 14 optional ARP reports, or choose only the data you want to see before you download your ARP statements and off-cycle optional reports in CSV or Excel format.

ARP Off-Cycle Reports¹

ARP File Posting Confirmation²

View a summary of your account reconciliation activity by date, including check issues, cancels, voids, and stop payment requests, releases, and renewals.

ARP Data Query Report³

Perform queries on your ARP account information, and download the results in CSV or Excel.

DDA Cycled Statement⁴

View your electronic statement of checking activity the day after your statement cycle closes.

1. Standard storage is 13 months.

2. Standard storage is 45 calendar days.

3. Standard storage is 90 calendar days.

4. Standard storage is five cycles with a daily cutoff or three cycles with all other cutoffs.

Online transaction search

Available through both our online banking portal and mobile service, the Transaction Search service enables you to:

- **Search for a variety of transactions**
- **View and print images**
- **Manage stop payments**
- **Request ACH deletes and reversals**
- **Access activity reports**



Search

With the search function, you can search for transactions across multiple accounts and ACH IDs. You can search for:

- Deposits, paid checks, and other account activity for the previous seven years
- Originated ACH transaction history for up to 180 days – or 13 months with our extended storage option
- Stop payment information for as long as the stop remains in effect

- Extended detail for wire, RTP payment, and received ACH transactions for up to 180 days
- Expanded Account Reconciliation Plan (ARP) information for cancelled and voided checks for the current statement cycle and two previous statement cycles; outstanding check information remains available until the item is dispositioned

Images

You can view images online and download them in PDF or RTF formats. Eligible items include:

Deposit tickets	Deposit checks	Paid checks
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Images are available by 8:00 a.m. CT the business day after posting. Some images may also be available on an intraday basis. Images are available for seven years.

Stop payments

You can place a stop payment for a single check or a list or range of up to 50 checks. Our service automatically verifies if the check posted within the last 180 days, including intraday memo post activity. If you try to place a stop on a check that already has one, our service displays the existing stop payment with expiration date.



Stop payments are **effective immediately** when successfully initiated through the Transaction Search service.

ACH

Deletes and reversals

Authorized users can submit a request to either delete or reverse an originated ACH transaction.

Request	
Delete	You can request to delete an ACH transaction before we distribute the transaction to the ACH operator. Delete requests must be received before 3:00 p.m. CT on either the day the original file was submitted or two business days prior to the item's posting date, whichever is later. For same-day transit items, we must receive your deletion request by 7:00 a.m. CT. If you submit a deletion request after the deadline, we process the item as a reversal. Per Nacha guidelines, you must notify the receiver of the reversal.
Reversal	You can request to reverse an ACH transaction after we have distributed the transaction to the ACH operator. Reversal requests must be received before 3:00 p.m. CT by the fourth business day after the settlement date of the original item. Per Nacha guidelines, you must notify receivers of any reversals.

Re-initiate

If you use a check conversion service, you'll have the ability to reverse, re-initiate, or reverse and re-initiate ACH converted check transactions with a new dollar amount.

Activity reports

Authorized users can access 180 days of Transaction Search user activity related to image retrieval and stop payment activity. Activity reports are available in HTML.

Why Wells Fargo

In the following paragraphs, we describe the information reporting features that differentiate our service.

Report customization and sharing options

Your users can have near real-time access to the information they need to make critical business decisions. Users can save up to 100 custom reports. To save time for all your users, you can share saved reports among similarly authorized users. Our service allows customers to share up to 200 reports at the company level, and each user can share up to 50 reports.

Customize
reports,
share data,
and access
your
information
**24 hours
a day, 7
days a
week.**

Data exchange

Our data exchange reporting service allows you to combine the information from your accounts at Wells Fargo and other banks for a complete look at your financial position. Incoming Data Exchange sends intraday or previous day account balance and transaction details to Wells Fargo from participating financial institutions worldwide.

Mobile access

When you need to view reports while you are on the go and away from your desk, we offer our mobile service as an extension of our online banking portal. Through our mobile service, you'll be able to access the same reports that you access through our online banking portal.

Automated downloads



With our optional automated downloading service, you can reduce the amount of time you spend on routine tasks like report retrieval. Our service can generate reports at any time, or you can schedule them to run daily, weekly, or monthly, and have them automatically delivered to your printer, email, or system of record.

Optional alerts

Our optional* Alerts service complements our information reporting service. If you subscribe to this service, you can receive critical information alerts by email and text about account activities, including:

- ACH received or return activity
- Controlled disbursement totals
- Incoming and outgoing wires
- Intraday balances

- Positive pay exception activity and unauthorized ACH transactions
- Returned checks

Based on your preferences, we can notify you immediately, once every hour, once every two hours, once a day, or twice a day.

Our online banking portal is available 24 hours a day, 7 days a week, providing you with single sign-on access to account information and a wide range of financial services. By customizing your online banking portal home page, you can view account balances and transaction information, at a glance.

You can also consolidate your reporting and payment capabilities to obtain a complete view of your global cash position.

The following table lists the services you can access through our online banking portal.

Online services

Treasury Management

ACH Payments
Alerts
Basic Banking
Cash Vault
Deposit Maintenance
Desktop Deposit[®]
E-Box[®] Decisioning
Electronic Document Delivery
Fraud Manager

- Positive Pay
- Check Issues²
- ACH Fraud Filter

Healthcare Claims Payments
Healthcare Supplier Payments
Lockbox
Payment Manager[®]
Payment Manager[®] File
Validation Tool
Retail Lockbox Image Archive
Returned Item services
Reverse Positive Pay
SAFE Transmission
CEO[®] Administration
Statements & Notices
Sweep Statements and Confirmations
Transaction Search

- Search Transaction History

International Services¹

Canadian Treasury Services
Foreign Exchange
CEO[®] Trade

- Export Services
- Import Services
- MIS and Images

Credit, Loan, and Finance

Asset Based Lending
Business Credit Services
Credit Management
Fed Funds Online
Global Fed Funds
Interest Rate Management
Loan Document Templates
Mortgage Information Reporting
Receivables Financing
Supply Chain Finance
Warehouse Lending Finance
WFBCI Customer Reporting

Trust and Investment³

Fed Funds
Institutional Investing: Reporting
Institutional Investing: Trading
Market Linked Investment Offerings
Mutual Fund Reporting
Mutual Fund Trading
Prime Services

▪ Images	Retirement Plan Payments
▪ ACH Deletes and Reversals	Retirement Professionals
▪ Stop Payments	Workstation
Treasury Information Reporting	Retirement Solutions
▪ Cash Flow Analysis	Securities Lending Reporting
▪ Pooling and Intercompany Loans	Security Valuations
WellsTax® payments	Trust Analytics
Wire Transfer	Trust Information Delivery
Prepaid Card Solutions	Trust Portfolio Reporting
CEO® Recognition Card	Trust Transaction Management
Purchasing	Wells Capital Management
Commercial Card Expense Reporting	Wells Fargo Advantage Funds
	Wells Fargo Securities – Fixed Income Sales

¹Deposits held in non-U.S. branches are not FDIC insured.

²Add new checks, cancel existing checks, or place stop payments.

³Investment products are not FDIC-insured, are not deposits of or guaranteed by the bank, and may lose value. Deposit and credit products are offered by Wells Fargo Bank, N.A. Member FDIC.

You can initiate a full range of transactions, including:

- U.S. and global ACH transactions
- Wire transfers
- Stop payments
- Foreign exchange
- Trade, credit, and trust transactions

b. Are all reporting processes and services web-based?

Our Treasury Information Reporting service delivers customizable information reporting for all your account activity. You can access your information both online and through our mobile service. With our service, you can view, print, or download your balances and transactions — and view check images on select reports.

c. Detail the availability of prior day and intra-day detail and summary reporting. When is prior day information available? What is included? Is intra-day information real-time or delayed? Specify.

The City can access prior day information through our online reporting service, mobile service, and by transmission.

Online and mobile information reporting

We update previous day information by 5:30 a.m. CT on business days, and by 7:30 a.m. CT on Saturday.

If there is a service interruption, we update the system as soon as possible, typically within 15 minutes, post updates to describe the problem, and provide expected availability.

Our previous day reporting includes all transaction types that post to your account. The following table includes a description of our previous day reports and the information they provide.

Available reports	
Previous day reports	With this report, you can:
ACH Customer Activity	Access ACH settlement information and adjustment details, by account, as well as a summary of return activity, to help you make more informed account management decisions.
Express Balance	Get a quick snapshot of your previous day account balance information, as well as your current available balance.
Loan Manager	Receive a consolidated view of your asset-based loan activity, including summarization of operating account, collateral account, and loan activity.
Month-to-Date Balance	View a daily summary of account balances, including averages, aggregate float, and total transactions posted to your account, for month to date, prior month, or a specific date range.
Previous Day Posting Status	Check this report throughout the day to see if previous day information is available for your accounts. This report can include information for Wells Fargo accounts and accounts at other financial institutions.
Previous Day Composite	Get a comprehensive view of previous day information, including balances, transaction summaries, and transaction details. You can also view images of checks.
Previous Day Return Item	View details of paper returns after we charge them to your account. You can also view images of each returned item.
Sweep Account Position*	Monitor your line of credit, view your investment position for the next day, see how sweep activity impacts your line of credit, and track dividend accruals.

*For Money Market Mutual Fund *Stagecoach Sweep*® and Credit Sweep customers only. Investment products are not FDIC-insured, are not deposits of or guaranteed by the bank, and may lose value. Deposit and credit products are offered by Wells Fargo Bank, N.A. Member FDIC.

Transmission

Previous day BAI, SWIFT, and ISO 20022 XML files are available to the City for downloading by 5:30 a.m. CT Tuesday through Friday, and by 7:30 a.m. CT on Saturday, though it is often available sooner.

We are unable to notify you in advance if a scheduled download is unavailable. If a scheduled download does not occur, you can contact Treasury Management Client Services for information and expected resolution time.

Each file includes all balance, summary, and transaction details for each account.

Report samples

Please refer to the Appendix section of our proposal for previous day report samples.

We update current day (intraday) information, including ledger and available balances, on a real-time basis.

d. Define the image and history retention features available.

We capture images of paid items and provide them through three delivery channels:

- Online
- On a disk
- In an image transmission

Online and mobile information reporting

As a standard, our information reporting service provides access to seven calendar days of history. You can customize reports to show activity by date, or by date range. For an additional fee, the City can choose extended storage for 30, 60, or 90 calendar days for current day reports, and 30, 60, 90, or 120 calendar days for previous day reports.

Please see the Appendix section of our proposal for sample reports.

You will determine your history retention during implementation and choose from the retention periods listed in the previous paragraph. You can download previous and current day reports in PDF, BAI V2, CSV, and Excel formats.

Online transaction search

Through our online transaction search, we maintain online records of posted transactions for seven years. You can search by date range. History retention is determined by our system and cannot be changed. You can download images of paid and deposited checks in either PDF or RTF formats. We also maintain originated ACH transaction information for up to 180 days or 13 months with our extended storage option.

e. Can customized reports draw across reporting modules and activities (cross functionality)? Describe and detail.

Yes. The City has the option of customizing reports for one-time use, and saving custom reports for reuse. Users can save up to 100 customized reports and edit them at any time. Our service allows customers to share up to 200 reports, at the organizational level, and each user can individually share up to 50 reports. To save time, you can share reports among similarly authorized users.

f. Describe back-up procedures for use by the City with any interruption in the automated system delivery of information.

Our disaster recovery plans consist of multiple strategies for each core line of business, function, product, and service. If a disruption occurs, we make every attempt to restore and maintain normal service levels as soon as possible.

Our core recovery procedures are consistent for a wide variety of system failures or disasters. However, components of our plan may vary based on the nature of an event. We've identified the main areas most commonly affected, and provide our general approach to each in the following paragraphs.

Data centers

We engage our technology teams immediately when we detect a disruption at a primary data center. Our technology teams assess the situation and determine next steps based on the nature of the disruption. If we need to shift processing to an alternate data center, we can because we maintain redundant platforms for our business critical services. All alternate sites have sufficient capacity to maintain processing for an extended period.

Operation centers

If a disaster occurs at one of our primary operation centers, we use an identified backup site to take over day-to-day processing and support. We use our backup site until the primary site returns to normal conditions.

Communication

We offer several notification methods to inform you of a service disruption, including:

- Phone calls from your relationship team
- Emails from your relationship team
- Front-end messages advising the City about system issues are available when you contact Treasury Management Client Services through our 1-800 number
- System status alerts are displayed on the homepage of our online banking portal

The method we use to communicate with you depends on the nature of a disruption.

If a disruption prevents you from accessing information, your relationship team can help. They have access to bank systems and can provide you with the account information, balances, and other data you need to continue operating.

g. Describe the security protocol for online services. How is authentication and authorization provided? How is the administration of the security module established and maintained?

We describe the security features of our online banking portal and mobile service in the following paragraphs.

Encryption and browser requirements

We encrypt all account and transaction information from the moment it leaves your computer or mobile device to the time it enters our systems — through both our online banking portal and mobile service. Our services only support browsers that adhere to our encryption standards.

Automatic sign off

We automatically sign you off from your online or mobile banking session after a period of inactivity. This helps reduce the risk of others accessing your information from an unattended computer or mobile device.

Internal access violations

We record operating system logins and access violations, and monitor system logs for exceptions and suspicious activity. We investigate these activities and take appropriate actions as necessary to protect your banking information.

Virus detection

Our security policies require that we deploy and maintain virus detection software on our servers, email gateways, desktops, laptops, and other devices.

Security audits and assessments

Wells Fargo Audit Services performs regular reviews of our online banking portal and issues findings and audit summaries. Our management and technical partners review each finding. If changes are necessary, management prioritizes and schedules them for implementation. Audit Services tracks and monitors findings and completed changes.

We use internal resources to perform penetration testing on our online banking portal and mobile service on a regular basis. In addition, we leverage external resources to perform penetration testing on a periodic basis. Management reviews the results and makes appropriate changes to strengthen our existing security controls.

We use multiple levels of authentication to communicate with customers through our online banking portal and mobile service.

Online banking portal

All users must enter a company ID, user ID, and password to access our online banking portal.

In order to access money movement or user administration services through our online banking portal, authorized users must enter a passcode made up of a user-created PIN and six-digit token code.

Mobile service

Mobile service users can choose to sign on to the service through biometric authentication* or by entering their user ID and password. Mobile users who authenticate through our biometric eyeprint feature don't need to enter a passcode to access money movement or user administration services.

*Requires iOS version 10.1 or higher, or Android version 7.0 or higher.

Encryption

We conduct user sign-ons and all session activities using 256-bit Secure Hash Algorithm (SHA) encryption. During sign-on or when accessing services that require a token, the system masks passwords and passcodes.

h. What are the hours of available technical support? How is it provided?

In most cases, client service officers can diagnose your problem and provide a solution on the first call. However, if there's a problem that our client service representatives can't resolve, they act as your liaison to escalate the issue to our Technical Services group.

Hardware and software issues

While we can't provide support for the City's hardware and software, we will assist in any way we can. For instance, we can help to troubleshoot an issue with a scanner, but won't troubleshoot an area that your IT department is more suited to support; we won't put your systems at risk.

Transmissions issues

Our Wholesale Transmissions department focuses primarily on communication issues related to data transmission. Customers who exchange information with Wells Fargo using our data transmission service will also have the help of dedicated support staff.

Hours

Treasury Management Client Services representatives are available Monday through Friday from 6:00 a.m. to 9:00 p.m. CT and Saturday from 8:00 a.m. to 6:00 p.m. CT.

Our Technical Services group is available during the same hours as our Treasury Management Client Services team: from 6:00 a.m. to 9:00 p.m. CT and Saturday from 8:00 a.m. to 6:00 p.m. CT.

Again, client services representatives contact Technical Services on your behalf and communicate the issue back to you.

- i. **Submit samples of major screens and reports available or preferably provide a website link/demo along with sign-on information for an online review of all the services, if available. If not available, submit screen prints**

Please refer to the Appendix section for sample reports.

The following table details report availability through our online information reporting service.

Previous day reports	Availability (CT)
Express Balance	Tuesday – Friday: 5:30 a.m. Saturday: 7:30 a.m.
Month-to-Date Balance	Tuesday – Friday: 5:30 a.m. Saturday: 7:30 a.m.
Previous Day Posting Status	Tuesday – Friday: 5:30 a.m. Saturday: 7:30 a.m.
Previous Day Composite	Tuesday – Friday: 5:30 a.m. Saturday: 7:30 a.m.
Previous Day Returned Item Detail	Tuesday – Friday: 5:30 a.m. Saturday: 7:30 a.m.
Sweep Account Position	Tuesday – Friday: 5:30 a.m. Saturday: 7:30 a.m.
Intraday reports	
Controlled Disbursement Detail	Philadelphia Monday – Friday: 8:30 a.m. and 9:30 a.m.
Controlled Disbursement Summary	Philadelphia Monday – Friday: 9:00 a.m.
Deposit Detail	Monday – Friday:

	We update throughout the day, approximately four hours after you submit your electronic deposit.
E-Box®	Monday – Friday: We update throughout the day from 12:30 a.m. through 8:30 p.m.
EDI Payment Detail	Monday – Friday: Data is available at 7:30 a.m., 12:00 p.m., and 5:00 p.m.
	Payments received after 4:00 p.m. will show on the report the next day.
Intraday Composite	Monday – Friday: We receive feeds from various systems throughout the day, from 12:30 a.m. through 8:30 p.m.
Intraday Position	Monday – Friday: We receive feeds from various systems throughout the day, from 12:30 a.m. through 8:30 p.m.
Intraday Returned Item Detail	Monday – Friday: Intraday file: 5:30 a.m. Updated intraday file: 6:00 p.m.
Lockbox Availability	Monday – Friday: Approximately two hours after your lockbox deposit deadline(s).
	Updates then occur every 15 minutes between the hours of 8:15 a.m. and 3:30 p.m.
	We do not report lockbox deposits with a deadline after 3:30 p.m. on an intraday basis.
Lockbox Detail	Monday – Friday: Every 15 minutes from 8:15 a.m. to 3:30 p.m.
Wire Transfer Detail	Monday – Friday: Available in real time from 7:00 a.m. to 7:30 p.m.
ACH reports	Availability (CT)
ACH Customer Activity	Monday – Friday: 11:30 a.m.
ACH Origination	60 – 90 minutes after the ACH system creates the file.*
ACH Receive	Monday – Friday: 60 – 90 minutes after the ACH system processes the transactions.
ACH Return/NOC	Monday – Friday: 1:00 a.m., 5:00 a.m., 1:00 p.m., 5:00 p.m., and 9:00 p.m.†

Statements

ARP statement and reports Monday – Friday: 8:00 a.m.

We generate statement and report data based on the cycle you select.

DDA Cycled Statement Monday – Friday: 5:30 a.m.

*The ACH system runs 24 hours a day from 5:00 p.m. Sunday to end-of-day Friday.

†We distribute reports up to five times a day. You can choose the distributions that best meet your needs.

j. Are check deposit slips and other images available online? How long are images available online?

We provide access to images of checks and documents, including paid items, returned items, and adjustment images through our online banking portal.

Images

Paid and deposited items

With our Transaction Search service, you can search for and retrieve images of paid checks and deposited checks. You can view images online and download them in PDF or RTF formats.

Images are available by 8:00 a.m. CT the business day after posting. Some images may also be available on an intraday basis. Images are available for seven years.

Returns

Images of returned items are available through our online Returned Items service and our Image File Import service. You can view images online and download them in PDF or RTF formats. We provide archive-ready files and PDF files through our Image File Import transmission service.

We maintain online images of returned items for 180 days. After 180 days, you can request returned item images from Treasury Management Client Services for a period of seven years.

Adjustments

You'll access deposit adjustment information that includes the adjustment reason and transaction details. When available, images of corrected checks are included with the notice. You can view images online and download them in PDF format.

Adjustment notices are available through our Statements and Notices service for 180 days. After 180 days, you can request a copy from Treasury Management Client Services for a period of seven years.

Image transmission service

Our Image File Import service provides data and images for paid checks, deposited items, and returned items for those customers who need to maintain an image archive. Your Treasury Management Consultant can provide additional information.

Hardware and software requirements

To use our online image services, all you need is a computer with internet access and a supported browser that is compatible with our online banking portal. Our online services offer you the advantage of not having to install and maintain any separate software applications.

Third-party vendors

We do not use third-party vendors to deliver our image services.

k. Is a monthly CD provided? What is on the CD? When is it available?

We do not offer historical information reporting data on CD-ROM. However, you can access available historical information reporting through our online reporting service. You can also internally maintain an archive of the historical information reporting you received by direct file transfer.

l. How are images charged? Are they changed when created, viewed, or one time?

Please refer to the Appendix section for a detailed pricing proposal.

3. Collection and deposit services

Standard deposit services and remote deposit services are required. The City processes daily deposits by staff. Deposits are made individually by departments (programs). The City does not encode all checks.

All deposits received by the bank's established deadline should be processed same day. The bank shall guarantee immediate credit on all incoming wire transfers, on-us items, and U.S. government securities maturities and coupons. All other checks clearing will be based on the bank's published availability schedule. Failure to credit the account will require payment reimbursement to the City at the then-current Fed Funds rate. Returned items are to be re-deposited automatically.

a. What is the bank's daily cut-off time to assure same day ledger and, pending availability, collected credit at (a) banking center, (b) branch, and (c) via remote?

Remote Deposit Service

You will receive same-day ledger credit for deposits you submit by 9:00 p.m. CT; we do not offer a later deadline. Deposits you submit after our deadline receive ledger credit on the next business day.

Standard Deposit Service

Our cutoff times for same-day ledger credit vary based on how you make your deposit.

Branch deposit services

- **Deposit-enabled ATM**— ATM deposits made before 9:00 p.m. local time will be posted on the same business day. You receive credit the next business day for deposits you make after the deadline, on weekends, and on federal holidays.

- **Night depository** — Once we process your deposit, you receive same-day credit for cash and check deposits made prior to the cutoff time.
- **Teller line** — You receive same-day ledger credit for both cash and check deposits made by branch closure, local time.

Proximity study of branch depository services

The table below notes the deposit deadlines for bank credits on the same day of deposit for the branch(es), night depository location(s), and deposit-enabled ATM(s) that are closest to you.

Your location	Branch	Branch deposit deadline (local time)*	Night deposit deadline (local time)*	ATM deposit deadline (local time)*	Distance
City of Alvin 216 West Sealy Alvin, TX 77511	Alvin 2900 S. Gordon St. Alvin, TX 77511 281-585-7070	Mon-Fri: 5:00 p.m.	Mon-Fri: 5:00 p.m.	Mon-Fri: 9:00 p.m.	2.21 miles
City of Alvin 216 West Sealy Alvin, TX 77511	Friendswood Parkwood 200 W. Parkwood Ave. Friendswood, TX 77546 281-993-0685	Mon-Fri: 5:00 p.m.	Mon-Fri: 5:00 p.m.	Mon-Fri: 9:00 p.m.	7.14 miles
City of Alvin 216 West Sealy Alvin, TX 77511	Friendswood 830 S. Friendswood Dr. Friendswood, TX 77546 281-993-3130	Mon-Fri: 5:00 p.m.	Mon-Fri: 5:00 p.m.	Mon-Fri: 9:00 p.m.	8.47 miles

*The bank will credit deposits made after deadlines, on weekends, and on federal holidays, on the next business day.

Deadlines for cash vault service

Different deadlines apply for cash only, check only, and mixed deposits of cash and checks. The following table lists deadlines by deposit type and location, in local time.¹

Cash vault site	Deposit deadlines			Order deadlines	
	Cash-only	Check-only	Mixed	Touch tone	Online
Texas					
Austin ² (San Antonio)	10:00 a.m.	10:00 a.m.	10:00 a.m.	11:00 a.m.	10:30 a.m.
Beaumont					
Dallas	4:00 p.m.	3:30 p.m.	3:30 p.m.	11:00 a.m.	10:30 a.m.
El Paso	5:00 p.m.	5:00 p.m.	4:00 p.m.	11:00 a.m.	10:30 a.m.
Houston	5:00 p.m.	5:00 p.m.	3:00 p.m.	12:00 p.m.	11:30 a.m.
Lubbock	5:00 p.m.	5:00 p.m.	4:00 p.m.	11:00 a.m.	10:30 a.m.
Pharr	2:00 p.m.	2:00 p.m.	2:00 p.m.	11:00 a.m.	10:30 a.m.
San Antonio	3:30 p.m.	3:30 p.m.	3:30 p.m.	11:00 a.m.	10:30 a.m.
Waco ² (Dallas)	3:00 p.m.	3:00 p.m.	3:00 p.m.	11:00 a.m.	10:30 a.m.
	9:30 a.m.	9:30 a.m.	9:30 a.m.	11:00 a.m.	10:30 a.m.

1. Cash Vault Locations, Deadlines, and Touch-Tone Quick Reference Guide, as of June 2020. Your relationship manager can provide this guide. You may also download it from our online banking portal, in the cash vault service section.
2. This site is a designated Wells Fargo collection and distribution point with armored courier transportation to the nearby full-service cash vault site indicated in parenthesis. If a cutoff time is not noted in the table, your treasury management consultant can provide the information.
3. Change Order Deadlines are earlier than the published cutoff for specific armored courier transportation to this market.

b. Does the bank require, or prefer, strapping and rolling? Are there cost benefits/requirements for separating cash and checks? Coin and check?

Standard Deposit Services

Cash vault

Yes. You can deposit both loose and rolled coin in any amount.

Branch

Yes. You can deposit loose coin in amounts less than \$10 at all branches.

Most branches accept rolled coin for deposit amounts between \$10 and \$50. You should use FED standard coin bags for amounts greater than \$50.

Your treasury management sales consultant will work with you to identify a location that meets all your needs.

Night depository

Yes. You can deposit loose coin in amounts less than \$10.

Pricing

We've included fees associated with coin deposits in the pricing section of our Appendix.

c. Is there any limit to the number of deposits in one bag? Are these handled as separate advices?

Remote Depository Services

Yes. You can include up to 1,000 checks in a single deposit. You'll need to create multiple deposits if you have more than 1,000 checks to deposit. There are no limits on the number of deposits you can make in a day.

Standard Depository Services

We accept only one deposit ticket in each deposit bag.

If your internal procedures require that you include multiple deposit tickets with your deposit, your treasury management sales consultant will work with you to identify a workable solution for your needs.

d. Do you offer a courier service to provide pick up of daily deposits? If so, what are the terms?

The City should contract directly with, and pay fees directly to, an armored courier of your choosing from our approved list of courier companies.

We will assist you in identifying local ones.

e. When are credit/debit advices sent to the City from the various deposit location types? Are these advices sent electronically? Are originals or images of originals provided with each advice?

Yes. The ARP Deposits by Location report lists deposit activity by individual location — and it includes deposit summary activity for all locations.

DDA statements

You can also access your account statements online in PDF format, or you can subscribe to our DDA Cycled Statement report that's available through our online reporting service in HTML, BAI V2, CSV, and Excel formats.*

*While DDA statements include activity for all locations, the location numbers are not printed on the statement.

f. Do daily reports include activity by account and location?

The ARP Deposits by Location report lists deposit activity by individual location — and it includes deposit summary activity for all locations.

DDA statements

You can also access your account statements online in PDF format, or you can subscribe to our DDA Cycled Statement report that's available through our online reporting service in HTML, BAI V2, CSV, and Excel formats.*

*While DDA statements include activity for all locations, the location numbers are not printed on the statement.

g. Are all deposits designated by location and tracked as such through the reporting?

Yes. The ARP Deposits by Location report lists deposit activity by individual location — and it includes deposit summary activity for all locations.

Simplify the administration of your depository network with our subaccounting service. The solution uses individual subaccounts to identify automatically all transactions within a single demand deposit account.

How it works

Account structure

The account structure includes one parent account linked to multiple subaccounts — one for each of your locations. We'll associate the subaccounts with your internal location codes and names. You'll use the subaccount numbers on deposit tickets and for electronic transactions.*



*You cannot issue checks drawn on subaccounts. However, you can issue checks drawn on the parent account.

Transaction identification by location

The service automatically identifies nearly all transactions by location, including:

- Adjustments
- Change orders
- Deposits
- Electronic transactions (ACH debits and credits, merchant card transactions)
- Returned items

Funds flow

You'll use your subaccounts for all transaction activity; however, the transactions won't post to the subaccounts. At the end of the processing day, we automatically post each individual transaction to your parent account.

Reporting

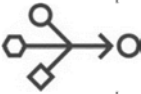
You can view all previous day account activity at the parent account level. The reports clearly indicate the location code and location name associated with each transaction. Intraday reports are set up at the subaccount level.

You can also choose to use deposit location reporting, which works in conjunction with our account reconciliation service. The service provides sorting and subtotaling of deposits by location.



h. Does the bank offer deposit location tracking and deposit reconciliation?

If you want to use **one checking account** to **consolidate deposit activity** and need to identify deposits, returned items, and deposit adjustments from various locations, then add our deposit location reporting service to your account. It’s available with our partial and full account reconciliation (ARP) services.



Use one checking account to consolidate deposit activity and identify deposits, returned items, and deposit adjustments from various locations.

How it works

The service **sorts and subtotals deposits** by location and includes the location name on your ARP statement and optional ARP reports, letting you more easily reconcile your account. You can access the reports by electronic transmission, view and save them in PDF format, download them in Excel or CSV formats, or receive paper reports.

Report options	
Deposit Detail report	Lists individual deposits, returned items, and adjustments for the statement period. Credit, debit, and total activity are subtotaled for each location.
Return Detail report	Lists returned items, subtotaled by location, for the period.
Deposit Recap report	Summarizes all deposit-related activity (credits and debits) by date and subtotaled by location, for the period.
No Activity report	Lists locations for which no activity posted during the statement cycle.

Identifying your locations

There are variations to how we identify your locations when you use our subaccounting service versus when you use a standard demand deposit account.

Subaccounting helps ensure accuracy

With subaccounting, each of your locations will have a unique subaccount number linked to a single parent account. You’ll provide your internal location codes and names that we will associate with the subaccounts.

You’ll use the subaccount numbers on deposit tickets and for electronic transactions, so we can easily identify and report nearly all transactions (such as deposits, returned items, adjustments, ACH debits and credits, and merchant transactions) for each location.

Use encoded deposit tickets for regular accounts

To identify the location making the deposit, you’ll use numbers — of up to 10 digits — in the on-us auxiliary or serial number field of a deposit ticket’s MICR line.*

*To serialize deposit tickets by location, a portion of the 10 digits must be available for the serial number. We suggest using two to six digits for your location number with a maximum of 10 digits for the entire location and serial number.

i. How does the bank handle discrepancies in deposit amounts? What settlement process is followed?

We provide deposit adjustment notices that you can view online through our Statements & Notices service. You access updates Monday through Friday on our online portal* at 1:00 p.m., 5:00 p.m. and 10:00 p.m. CT.

If you prefer, we can send notices to you by mail.

*You can receive email, fax, or text message notifications that let you know when deposit adjustment notices are available for viewing.

j. How and when does notification of return items take place? List the notification elements (date, status of return, reference number, account numbers and routing number, amount, etc.)

We process returned items, including remote deposit items, based on instructions you provide during implementation. You'll tell us whether you want to follow our standard processing instructions for depository items, or whether you want to set up special instructions.*

Standard instructions

Our standard returned item processing instructions are:

- Mail standard notices by U.S. mail to the statement address on our system
- Post all returned items to the depository account in one lump sum per day (per deposit location)
- Debit the depository account for chargebacks
- Automatically redeposit non-Wells Fargo items of less than \$300 that are returned unpaid for either nonsufficient funds (NSF) or uncollected funds (UCF); we cannot redeposit items returned for any other reason at any time

*Additional fees may apply for special instructions.

ACH converted items

You can choose to automatically redeposit your ACH converted items that are returned for nonsufficient or uncollected funds. This helps you increase the likelihood that you will collect those funds without any additional involvement by your staff.

You can customize our redeposit service to:

- Redeposit items once or twice
- Redeposit items within a dollar range you establish
- Delay the posting date for first and second redeposits up to nine days after the original return date
- Schedule redeposits for a specific day of the week or month

Redeposited items post to your account with all of your return activity. You can receive notification of your redeposit items through our online reporting service, by transmission, or by fax.

k. What type deposit bags are used or required? Are these available from the bank? At cost?

We are offering a one-time credit of \$5,000 toward deposit slips and bags. You can purchase deposit bags and other supplies such as deposit tickets, cash straps, and coin wraps through our supply order desk.

Fees for supplies vary. We'll provide you with our fee schedule after we confirm your specific deposit requirements and type of bag you'd like to use. When ordered, we'll debit your account to handle fees for deposit supplies.

Post verification and night depository deposit bags must be secure plastic, tamper-evident, dual-pouch deposit bags.

Deposit bags processed in our cash vault must be secure plastic, clear, and tamper-evident. We do not require dual-pouch bags for processing at our cash vault.

l. Differentiate between immediate and post verification.

We verify the cash either at the branch or at one of our cash vaults. Where we verify a deposit depends on the branch's proximity to the cash vault.

Procedures and security measures

Branch

When you submit your deposit, we will scan the bag then provide you with a receipt that indicates the deposit amount. For deposits verified at the branch, we use dual custody when opening deposit bags. Two employees sign off on the verified amount.

Cash vault

Several team members work together and are under observation by multiple closed-circuit TV surveillance cameras.

Additional security measures include:

- Alarm systems
- Armed guards
- Bullet-proof doors, bullet-proof glass, and metal detectors
- Mantraps (These interlocking doors separate a non-secured area from a secured area. They limit the number of people who enter a vault at any one time.)

m. Are any deposits or credits delayed for any reason?

Cash verification could be delayed with the use of our post verification process. You will receive a receipt for the amount listed on the deposit ticket and provisional credit at the time the deposit is handed to the teller.

We typically verify deposits same day, although some deposits may be verified next day.

n. How much advance notice is required on coin and currency orders? Can orders be placed online? Is there any minimum purchase requirement? What is the turn-around time on orders?

You can place coin and currency orders through automated methods. We debit your account the day that we fill your orders and include your location numbers (if applicable) on your electronic reports and statements.

Deposit and change order procedures

Telephone

On a single phone call, you can place multiple orders for one or more locations, up to your daily limit. You can place orders up to 180 days in advance. You'll enter your location ID and password and then the bank's automated system guides you through the ordering process. The City will receive a confirmation number at the conclusion of placing the order.

To ask about the status of an order, change an order, or cancel an unfilled order, you'll use the confirmation number to initiate the request.

Security feature

The City can establish a maximum order limit per location, which can help keep your account secure.*

*The maximum number of orders per delivery day cannot exceed 10 orders per location or profile.

Online banking portal

When you use our online banking portal, you can place orders for up to 10 locations at a time, up to 30 days in advance. You sign on with your company ID, user ID, and password; enter the amount of currency and coin you need; and then verify and submit your order.

We provide a confirmation number. You'll use it to view, edit, or delete an order. We accept edits and deletes until 10:00 p.m. local time,* the night before your armored courier picks up the order.

You can use our batch process to place up to 1,000 cash orders at one time. You'll download and fill out our spreadsheet template and then upload the file to our cash vault. Once our system verifies the file, it immediately sends you a file transfer confirmation message and number. Within 30 minutes, the City will see the status of your order on the Cash Vault Announcements page on the online banking portal.

*Large orders may require advance notice to process.

Security features

The bank's secure, online banking portal features:

- Account lockout — our system will lock out a user account, if there are too many invalid password attempts
- Authentication — we require multiple sign on identifiers
- Timed log off — our system will automatically log off users during periods of inactivity

Online cash vault deposit order tracking portal

DTSConnex® — a third-party offering from International Financial Services (IFS)—enables the City to create, track, and manage cash deposits and change orders online across multiple banks. This broad scope assists you in monitoring armored courier performance.

Using this service, you'll see what will post to your account the day before you see the actual credit posting.

Security features

The DTSConnex® solution features:

- Account lockout — the system will lock out a user account, if there are too many invalid password attempts
- Password expiration — the system requires users to update their password every 90 days
- Timed log off — the system will automatically log off users during periods of inactivity

Standing order

During your cash vault service implementation, you can provide details to receive change orders on a predetermined delivery schedule. As a security measure, standing orders eliminate the need to place an order manually, which can reduce the chance of inaccurate or fraudulent orders.

Deadlines for cash vault service

Different deadlines apply for cash only, check only, and mixed deposits of cash and checks.

Purchase requirements for change orders

There are no minimum or maximum purchase requirements for cash vault or branch change orders. You can order currency in loose, nonstandard quantities or in straps of 100 notes. You can order coin by the roll or in standard, full or half boxes.

No. We do not offer a discount for purchasing standard amounts or for using standard change orders.

For cash vault only, strapped currency and standard full boxes of rolled coin are less expensive than nonstandard options.

Cash vault settlement option

We charge your account when the order desk fills the order.

Branch settlement option

You can pay using a check drawn on your Wells Fargo account or cash.

o. Include a list of all the bank's deposit locations in the City.

The following table shows the closest depository site to each of your locations:

Your location	Branch	Deposit deadline (local time)*	Distance
City of Alvin 216 West Sealy Alvin, TX 77511	Alvin 2900 S. Gordon St. Alvin, TX 77511 281-585-7070	Mon-Fri: 5:00 p.m.	2.21 miles
City of Alvin 216 West Sealy Alvin, TX 77511	Friendswood Parkwood 200 W. Parkwood Ave. Friendswood, TX 77546 281-993-0685	Mon-Fri: 5:00 p.m.	7.14 miles

*Please discuss and confirm deposit deadlines with your treasury management consultant. We may modify branch hours in response to the ongoing COVID-19 situation. Our ATM and banking locations search tool at wellsfargo.com/locator provides temporary branch closure alerts.

- p. Price the total fees which would apply to the following sample deposit as outlined below. (This does not reflect a normal City deposit and is used for comparison purposes only.) The cost would be \$ 67.99 .**

SAMPLE DEPOSIT:

The sample deposit would be made (a) in four (4) deposit bags, (b) with bundled but un- strapped currency, (c) with coins that are not rolled, (d) with tapes attached to bundled but not endorsed checks. The breakdown on the deposit is:

Currency Denom.	#Straps	Loose \$	Total \$	
\$100	5	\$300	\$20,300	
\$50	6	\$600	\$15,600	
\$20	4	\$340	\$4,340	
\$10	9	\$70	\$4,570	
\$5	22	\$175	\$5,675	
\$1	50	\$14	\$2,514	\$52,999
Coins				
\$.25			\$427	
\$.10			\$114	
\$.05			\$10	
\$.01			\$2	\$553
Checks				
280 checks			\$140,252	<u>\$140,252</u>
				<u>\$193,794</u>

Please refer to the Appendix section for a detailed pricing proposal.

4. Disbursing services and commercial card

Standard disbursing capability for all accounts is required. The City requires positive pay services for all its checks and accounts and prefers payee verification.

The City has a mandatory direct deposit policy for its employees. Currently pay cards are not used. Pay cards are discussed in a separate section of this RFP.

- a. When is daily check clearing information available online through intra-day reporting?**

Front and back paid check images can be requested and received promptly through our online Transaction Search service. Images are available by 8:00 a.m. CT the business day after posting. Some images may also be available on an intraday basis.

When processing paper items, check truncation is our standard service. We image these items, and store them onsite. After 10 days, items captured in Operations are destroyed. Items captured in our branches are destroyed after 20 days.

b. Does the bank image all checks? When is the image available and how long it is retained online?

We capture images of paid items and provide them through three delivery channels:

- Online
- On a disk
- In an image transmission

Front and back paid check images can be requested and received promptly through our online Transaction Search service. Images are available by 8:00 a.m. CT the business day after posting. Some images may also be available on an intraday basis.

When processing paper items, check truncation is our standard service. We image these items, and store them onsite. After 10 days, items captured in Operations are destroyed. Items captured in our branches are destroyed after 20 days.

c. What level of reporting on received items is included? (check number, dollar amounts, value dates, transaction codes, etc.)

You can view all electronic transactions, as well as all paper-document deposit information through our online information reporting service.

Information reporting

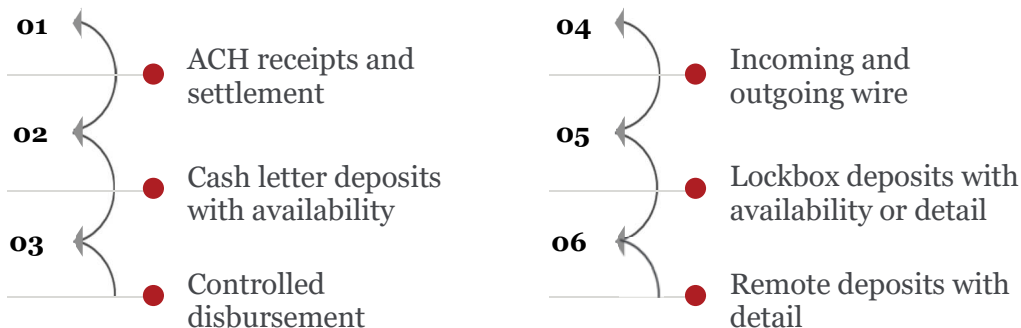


Our Treasury Information Reporting service delivers customizable information reporting for all your account activity. You can access your information both online and through our mobile service. With our service, you can view, print, or download your balances and transactions — and view check images on select reports.

You can choose from a number of standard reports that provide current and previous day information, including comprehensive balance, summary, and transaction details, as well as reports on specific transaction types.

You can download reports, as needed, into your accounting, treasury workstation, ERP, or systems of record. View and download options vary by report, but include HTML, PDF, Excel, CSV, and BAI V2.

Our current day (intraday) reporting includes balance information transaction details such as:



Our standard data storage provides access to seven calendar days of transaction history. We also offer optional* extended storage of 30, 60, or 90 calendar days.

We update current day information multiple times throughout the day. The exact times depend on the specific transaction. We report transactions that post, and we update current ledger and available balances on a near real-time basis.

*Additional fees may apply.

Available reports	
Intraday reports	With this report you can:
ACH Origination	View ACH-originated transactions and confirm that Wells Fargo received and processed them.
ACH Receive	View timely information for all received ACH transactions that will post to your account at the end of the current day.
ACH Return/NOC	Get detailed information for all ACH transactions that were returned for any reason, as well as notification of change (NOC) information for items that processed successfully, but may require additional action.
Controlled Disbursement Detail	Provides check details for each of your controlled disbursement accounts.
Controlled Disbursement Summary	Helps you identify excess funds by offering a summary of the current day presentment and adjustment activity.
Deposit Detail	View your electronic deposits for the day, including the items in each deposit and whether the items were processed as checks or converted to electronic transactions.
E-Box®	Review and post payments that originate through an online bill pay service. View information needed to match payments to your accounts receivables.*
EDI Payment Detail	Obtain detailed ACH and EDI payment data with addenda translations from your trading partners in a comprehensive format.
Intraday Composite	Get a comprehensive view of intraday information, including balances, transaction summaries, and transaction details.
Intraday Position	View total balances across multiple accounts with summarized debit and credit information, to help determine your intraday cash position, and make daily investment and borrowing decisions.
Intraday Return Item Detail	Access details of returned paper items before your account is charged for the returns.

Available reports

Intraday reports	With this report you can:
Lockbox Availability	Determine your funds availability for all lockbox deposits.
Lockbox Detail	See detailed information about received lockbox payments from your customers. You can also view images from each deposit, including checks and remittance documents.
Wire Transfer Detail	Get complete details for all outgoing and incoming wire transfers, including book transfers, domestic U.S. wires, and cross-border wires.

*Standard report storage is 60 days. We do not offer extended storage for this report.

Previous day

Our previous day reporting includes all transaction types that post to your accounts. Our standard data storage provides access to seven calendar days of history. We also offer optional* extended storage of 30, 60, 90, or 120 calendar days for balances and transaction details.

We update previous day information by 5:30 a.m. CT Tuesday through Friday, and by 7:30 a.m. CT on Saturday, though it is often available sooner.

*Additional fees may apply.

Available reports

Previous day reports	With this report, you can:
ACH Customer Activity	Access ACH settlement information and adjustment details by account, as well as a summary of return activity so you can make more informed decisions about managing your accounts.
Express Balance	Get a quick snapshot of your previous day account balance information as well as your current available balance.
Loan Manager	Receive a consolidated view of your asset-based loan activity, including summarization of operating account, collateral account, and loan activity.
Month-to-Date Balance	View a daily summary of account balances, including averages, aggregate float, and total transactions posted to your account for month-to-date, prior month, or a specific date range.
Previous Day Posting Status	Check this report throughout the day to see when your accounts' previous day information is available. This report can include information for Wells Fargo accounts and accounts at other financial institutions.

Available reports

Previous day reports

With this report, you can:

Previous Day Composite

Get a comprehensive view of previous day posted account information, including balances, transaction summaries, and transaction details. You can also view images of each check transaction, and view full detail for wire transfers or received ACH transactions.

Previous Day Return Item

View details of paper returns after they are charged to your account. You can also view images of each returned item.

Sweep Account Position*

Monitor your line of credit, view your investment position for the next day, see how sweep activity impacts your line of credit, and track dividend accruals.

*For Money Market Mutual Fund *Stagecoach Sweep*® and Credit Sweep customers only. Investment products are not FDIC insured, are not deposits of or guaranteed by the bank, and may lose value. Deposit and credit products are offered by Wells Fargo Bank, N.A. Member FDIC.

Reconciliation reports and statements

Our reconciliation reports and statements allow you to reconcile your account with your internal accounting records. These reports may also help you detect and reduce check fraud on your accounts.

Available reports

Reconciliation reports and statements

With this report, you can:

ARP Statements and Optional Reports¹

Access your ARP statements as well as 14 optional ARP reports, or choose only the data you want to see before you download your ARP statements and off-cycle optional reports in CSV or Excel format.

ARP Off-Cycle Reports¹

ARP File Posting Confirmation²

View a summary of your account reconciliation activity by date, including check issues, cancels, voids, and stop payment requests, releases, and renewals.

ARP Data Query Report³

Perform queries on your ARP account information, and download the results in CSV or Excel.

DDA Cycled Statement⁴

View your electronic statement of checking activity the day after your statement cycle closes.

1. Standard storage is 13 months.

2. Standard storage is 45 calendar days.

3. Standard storage is 90 calendar days.

4. Standard storage is five cycles with a daily cutoff or three cycles with all other cutoffs.

Why Wells Fargo

In the following paragraphs, we describe the information reporting features that differentiate our service.

Report customization and sharing options

Your users can have near real-time access to the information they need to make critical business decisions. Users can save up to 100 custom reports. To save time for all your users, you can share saved reports among similarly authorized users. Our service allows customers to share up to 200 reports at the company level, and each user can share up to 50 reports.

Customize
reports,
share data,
and access
your
information
**24 hours
a day, 7
days a
week.**

Data exchange

Our data exchange reporting service allows you to combine the information from your accounts at Wells Fargo and other banks for a complete look at your financial position. Incoming Data Exchange sends intraday or previous day account balance and transaction details to Wells Fargo from participating financial institutions worldwide.

Mobile access

When you need to view reports while you are on the go and away from your desk, we offer our mobile service as an extension of our online banking portal. Through our mobile service, you'll be able to access the same reports that you access through our online banking portal.

Automated downloads



With our optional automated downloading service, you can reduce the amount of time you spend on routine tasks like report retrieval. Our service can generate reports at any time, or you can schedule them to run daily, weekly, or monthly, and have them automatically delivered to your printer, email, or system of record.

Optional alerts

Our optional Alerts service complements our information reporting service. If you subscribe to this service, you can receive critical information alerts by email and text about account activities, including:

- ACH received or return activity
- Controlled disbursement totals
- Incoming and outgoing wires
- Intraday balances
- Positive pay exception activity and unauthorized ACH transactions
- Returned checks

Based on your preferences, we can notify you immediately, once every hour, once every two hours, once a day, or twice a day.

- d. Does the bank agree to cash all non-account holder City payroll checks without fee to the check presenter or the City?**

Checks drawn on Wells Fargo

We will cash — without charge — checks drawn on Wells Fargo.

Checks drawn on other banks

With the exception of some accounts, we will cash — without charge — checks drawn on other banks, if the payee is a Wells Fargo customer.

Check cashing agreement

We don't require a check cashing agreement. At your request, we can enroll the City in our check cashing service specifically for non-bank customers and checks drawn not on Wells Fargo.

Requirements

Using our Off-Us Check Cashing service, the City will be required to indemnify Wells Fargo for any losses that the bank might suffer as a result of cashing checks drawn on the City's accounts with other banks where the payee is not a Wells Fargo customer.

Fees

We charge a per-check fee for cashing checks drawn on other banks when the payee is not a Wells Fargo customer. The City can arrange to pay the fee on behalf of the payee through your account analysis.

In addition, there is a monthly charge for cashing checks drawn on other banks.

Minimizing check fraud

If the payee is not a Wells Fargo account holder, we may still cash the check. The payee must enter a bank lobby to do the transaction. We require a fingerprint and two forms of identification.*

The City has three service options that can help minimize fraud for checks drawn on Wells Fargo.

*Identifications can be a government-issued ID, such as a driver's license, REAL ID, or passport and a debit or credit card with the payee's name on the card.

Positive pay

Our Positive Pay service identifies checks that may be fraudulent or unauthorized by matching those presented against your account to your check issue file.* Available at the teller line of every Wells Fargo branch, the service can help:

- Discover unauthorized items earlier in the process
- Identify and correct MICR-encoding errors
- Allow for exception image viewing and downloading

*Check issue information includes check dollar amounts and serial numbers for checks drawn on Wells Fargo.

Payee Validation

When you combine Positive Pay and our optional Payee Validation service, you'll include payee names with your check issue information.

Our tellers will validate payee names on all checks drawn on Wells Fargo presented for encashment* at teller windows and on deposited checks above the threshold dollar amount. Payee matches are paid and payee mismatches are reported through our online fraud management tool for your pay or return decision.

*If the payee is not a Wells Fargo customer, he or she will be charged a check cashing fee when a check is presented for cash at a Wells Fargo location. Alternatively, the City has the option to pay the check cashing fee as part of your account analysis.

Payment Authorization

Our Payment Authorization service helps prevent unauthorized check cashing by:

- Placing dollar limits on specific transactions
- Preventing the encashment of checks by individuals at the teller line

e. **Does the bank offer a commercial card program? Does the bank offer a Commercial Card Expense Reporting Module online? If so, what features are provided in the module? Describe payment schedules, controls, and liabilities.**

One card, one workflow

Maximize convenience, efficiency, and control with **one card and one platform that easily handles your employee spending, travel, general procurement, accounts payable disbursements, and more.**

When you consolidate your expenses under one program, the City gains access to comprehensive information for smart decision-making. You can realize significant savings in time, transaction-processing costs, and internal resources required to support the program. A single-card platform integrates multiple processes and creates a solid foundation for future growth.



Additionally, you'll have a partner with the experience and knowledge to make your program successful.

Accepted almost everywhere

We issue both Visa® and Mastercard®, with both platforms boasting the highest global acceptance rates — more than 40 million merchants worldwide. This means your employees can make purchases almost everywhere cards are accepted, as applicable. We'll help you determine which issuer best meets your needs.



Corporate liability: A best practice

More organizations are choosing a corporate liability program because it can help you:

- Decrease costs, losses, and risk
- Increase visibility of spending across the entire organization
- Eliminate individual liability and unnecessary burdens on employees

Corporate liability also means that your earned revenue share doesn't depend on cardholder reconciliation, giving you the potential to earn more. The card industry considers corporate liability a best practice, and our program uses this approach.

Online program management

For low IT burden and flexibility, manage your program through our online expense reporting service, which offers self-administration functionality and customizable components. There is no need to install hardware or software on your system. Our service allows you to:

- Manage cards in real time
- Obtain comprehensive standard and custom reports
- Customize transaction fields
- Establish automatic, precise cost allocations

You can upload expense data from the application to most ERP or treasury workstation platforms, which eliminates any manual data entry to your general ledger.

Your employees can use our online expense reporting service to:

- Review and approve transactions
- View and upload receipts
- Input out-of-pocket expenses
- Reclassify line items to multiple cost centers

Because our service is entirely online, cardholders can begin reconciliation, well before the end of the statement cycle.

Automate your invoice payments

The City can achieve significant time and cost savings by moving more of your accounts payable expenditures from paper-based processes to our commercial card. Moving a single transaction to your commercial card can save an average of \$90 in processing costs and eliminates approximately 10 days cycle time.*

*RPMG Research Corporation, 2017 Purchasing Card Survey Results.

Accounts payable control service

When you authorize a payment using our Accounts Payable Control (AP Control) service, we'll assign a virtual account number to it. Then, we send that number and the transaction details to your supplier by secure email. Use an electronic transaction detail file to close transactions within your accounting system. For added control and ease of reconciliation, you can even limit payments to an exact dollar amount, or make it available for a limited time.

With our Straight Through Processing* solution, you can make it easier for your suppliers to do business with you. They can receive payments just as they normally do, but without manual input of credit card information on their part. Instead, suppliers arrange to have their merchant acquirers process your credit card payments for them.

*Our Straight Through Processing Service is currently in pilot and would be sold in conjunction with our Accounts Payable Control service. Functionality is subject to development, change, or cancellation. Full rollout is to be determined. Additional fees and restrictions apply.

Send one consolidated payment file

To simplify your payables process even further, send us an electronic payment file directly from your treasury workstation, ERP, or accounts payable system. **You can consolidate multiple payment types — check, ACH, wire transfer, and commercial card transactions —**

in a single file. Upon receipt of the file, we'll separate payments by type and process them accordingly, sending traditional or human-readable remittance information to the payee.

We'll help get your suppliers on board

Our experienced Supplier Analysis & Onboarding team can help strengthen your supplier trading partner relationships through a single program that covers both commercial card and ACH payments. We use proprietary analysis tools to analyze your supplier base and create a customized strategy and targeted outreach campaign specific to your needs.

Handle tasks on the go

Quickly, easily, and securely handle critical tasks when you're away from your desk. Your program administrators can change credit limits, adjust merchant category code strategies, and view declined transactions, in real time. This saves them time and provides greater convenience to cardholders. Your cardholders can use smartphones* to view balances and available credit, upload receipts, and enter out-of-pocket expenses as transactions occur, improving the accuracy of your expense reports.



To help keep accounts secure, cardholders can receive text alerts† when a transaction is completed or when nearing their card limit. They can set notifications by dollar threshold.

*Requires iOS version 10.1 or higher, or Android version 7.0 or higher.

†Your mobile device's coverage area can affect availability. Your mobile carrier's message and data rates may apply.

Protect yourself from fraud

You want to make sure that you have the best fraud protection for your cardholders and accounts. We use proprietary fraud mitigation technology, customized transaction monitoring, and offer convenient reconciliation tools to help keep your cardholders and accounts safe. Enhanced fraud alerts are just one of the capabilities we use to fight fraud. We'll send your cardholders alerts by email or text* when we identify a suspicious purchase. They can confirm whether the transaction is fraudulent by simply responding to our email or text. This helps us detect and prevent fraud almost instantly.



*Your mobile device's coverage area can affect availability. Your mobile carrier's message and data rates may apply.

Additionally, our commercial card adheres to the rigorous security protections of the Visa and Mastercard networks. In 2018, **Visa recognized us with the Global Service Quality award for having a high authorization approval rate.** This award demonstrates our commitment to customer service while controlling risk.



Liability protection through Visa and Mastercard

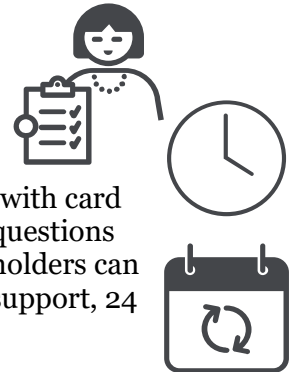
Each commercial card program is eligible for a liability waiver offered through Visa and Mastercard up to \$100,000. This waiver can help protect your organization from certain employee misuse or other unauthorized charges.

Full implementation support

We approach implementation as a partnership. We commit our own full-time resources and experienced members of our commercial card team to guide the design, installation, and rollout of your program.

Dedicated account manager

We'll assign a dedicated account manager to your card program who provides ongoing guidance and support. He or she meets with you regularly to track program statistics and measure them against your key goals. In addition to reviews of benchmarking and program information, your account manager updates you on industry developments and best practices that promote card use.



Support available around the clock

We have three commercial card service centers, within the U.S., dedicated exclusively to serving our commercial card customers. Our representatives help with card maintenance services, such as reporting a card as lost or stolen, and answering questions about charges on cardholder statements. Your program administrator and cardholders can have peace of mind knowing they can call our award winning* service team for support, 24 hours a day, 7 days a week.

*2017 Customer Service Team of the Year, American Business Awards by the Stevie Awards

Our online expense reporting service provides you with the information, control, and flexibility you need to manage your commercial card program.

Control employee spending

The City has the flexibility to make changes to your employee spending controls online, in real time. You don't need to spend time calling a representative to make changes. You set cardholder parameters including credit limits, merchant restrictions, and daily transaction thresholds — all through a single application. You can set credit limits and merchant restrictions at the organization, department, or individual card level. You can also generate emails from the application to quickly communicate with cardholders or approvers.

One-stop expense reporting

Cardholders and authorized managers can perform the following functions through our site, 24 hours a day, 7 days week:

- Review and approve transactions
- View receipts online with receipt imaging
- Input out-of-pocket expenses, such as mileage
- Reclassify activity to multiple cost centers

Cardholders can also manage their expenses while traveling using our mobile service. They can upload receipt images, manage charges and expenses, and view available credit and declines.

Automated out-of-pocket reimbursement

The City can set up business rules to automate reimbursement, eliminating the time you spend processing employee reimbursements for out-of-pocket expenses. After cardholders and non-cardholders enter expenses online, our online expense reporting service generates an ACH origination file. This file directly deposits approved funds to employees' checking or savings accounts.

Comprehensive reporting

Our commercial cards capture robust data for easy access to enhanced detail and summary reporting. Using a single sign-on, you can track employee spending, monitor policy compliance, and identify spending trends with frequently used merchants. You'll have access to card data the day after the transaction posts — no waiting for printed statements to identify anomalies. You can also create custom data fields for data you need to associate with an account, transaction, or user.

You can view reports online, or download card activity for upload to your general ledger. You can choose standard reports or create custom reports. Simply select from multiple data fields to display only what you want to view.

Schedule reports

Our online expense reporting service lets you automate recurring reports. This helps improve productivity and decision-making by allowing your staff to focus on analysis — not data entry or report creation. You select the frequency and data you need from merchant details to declined cards. Our system automatically generates information based on the preferences you specify.

Precise cost allocation

Our online expense reporting service improves the accuracy of your general ledger (GL) postings and reduces time-consuming manual reclassifications. Cardholders and approvers can allocate any transaction to multiple cost centers or GL accounts during online reconciliation. Or, the City can decide to have certain transaction types default to specific GL accounts. You can also create custom fields to include additional data for statement charges and out-of-pocket expenses (such as a project ID, department code, or building number).

Pay supplier invoices electronically

You can use your card to make traditional accounts payable payments. When you initiate a payment using our online expense reporting service, we'll assign a single-use, virtual account number to that payment. We'll deliver that virtual card number along with the transaction details to your suppliers using secure email. Your suppliers will process the payment just as they would process any other credit card payment. However, because your supplier never has access to your commercial card account number, the City has an added level of security and control.

f. Can the commercial card be fashioned as a purchasing card with built in limits on spending or types of purchases?

The City can choose from a variety of purchasing card account types. In the following table, we describe our account types and typical uses for each.

Account type	Usage
Commercial card With plastic Allows the City to set individual spending limits and permissible merchant categories for each cardholder	Purchasing (small dollar expenses) ▪ Operating goods ▪ Professional services ▪ Utilities ▪ Supplies ▪ Education and training ▪ Transportation

- Repair and maintenance
- Travel

Accounts Payable Control (AP Control)

Without plastic

Allows the City to pay accounts payable invoices using a unique virtual account number

- Large dollar transactions related to purchase orders paid as part of the normal accounts payable process
- Recurring purchase order payments
- Utilities

Straight Through Processing*

Without plastic

Allows the City to pay accounts payable invoices using unique virtual account numbers. Suppliers arrange to receive your card payments in their bank accounts instead of processing payments themselves.

- Large dollar transactions related to purchase orders paid as part of the normal accounts payable process
- Recurring purchase order payments
- Utilities

Ghost card

Without plastic

Allows the City to use a recurring card number without issuing a physical card; for central travel accounts, we can send a reconciliation file to your preferred travel agency

- Airfare
- Preferred supplier
- Utilities
- Departmental charges
- Central travel account

Declining balance card

With or without plastic

Allows the City to issue a lump sum dollar amount

- Relocation
- Project budgeting
- Petty cash
- Special or short-term capital projects
- Travel per diem

Virtual travel account

Without plastic

Allows the City to incorporate unique virtual accounts into managed travel programs, helping to eliminate direct billing with travel suppliers

Travel management companies and agents

On-demand payments

Without plastic

Allows the City to have instant access to unique virtual account numbers to pay your suppliers without waiting for batch processing

- Preferred suppliers
- Raw materials
- Equipment
- Travel management needs

*We will offer our Straight Through Processing solution in conjunction with our AP Control service. Our Straight Through Processing solution is currently in pilot. This is future functionality, which is subject to development, change, or cancelation. Wells Fargo makes no representation about when the functionality will go to market. Additional fees and restrictions apply.

Because the City needs to institute purchasing controls that adhere to your internal guidelines, we've designed our program to be flexible. You can establish spending limits on any account, including parameters for maximum number of daily and monthly transactions, maximum daily and monthly dollar limits, and maximum single purchase limits.

If a transaction exceeds the spending limits you designate for an account, it will decline at the point of sale. Your program administrator can increase the account parameters immediately through our mobile service, online expense reporting service, or by calling our commercial card service center for assistance.

g. The bank must provide the City with an electronic file of purchase card transactions in a format that is compatible for upload to the City's general ledger.

The City can use our online reporting service to distribute reports, whenever you like, by exporting them as XLS or PDF files. You can then attach them to emails to distribute. You can also print reports.

We can create custom file formats for you during implementation. You can choose daily, weekly, or monthly delivery.

Your program administrator can also export the general ledger data to integrate with the City's financial system, and schedule downloads to coincide with your billing cycles.

5. Positive pay and partial reconciliation

Currently, the City uses positive pay on two accounts. To safeguard against fraudulent checks, positive pay is required on the two accounts, preferably with payee verification. The City requires positive pay services with complete indemnification for fraudulent checks. The proposal must provide a fully automated and web compatible transmission process. Transmissions are made as part of each check run. Manual check information should be able to be input and transmitted online.

a. Describe data transmission file and timing requirements for check registers.

We offer two options for providing your issue files to us:

- Transmit check issue information to us through one of our secure file transfer protocols
- Upload check issue information using our online fraud management tool

b. Is payee verification available?

Yes. We offer an optional Payee Validation service. You include payee names with your check issue information. We validate payee names on all checks presented for cashing* at our teller windows and on deposited checks above the threshold dollar amount. Payee matches are paid, and we report payee mismatches through our online fraud management tool so that you can make pay or return decisions online.

*If the payee is not a Wells Fargo customer, he or she will be charged a check cashing fee when a check is presented for cash at a Wells Fargo location. Alternatively, the City has the option to pay the check cashing fee as part of your account analysis.

c. Is positive pay input for manual checks available online? Describe.

The City can send manual check issue information, including voids and cancels, using our online fraud management tool. You can update your check issue records 24 hours a day, 7 days a week.

d. Is exception reporting and handling managed totally online? Describe.

Yes. Our next-day positive pay service compares checks presented against your account to your issue file information after the checks post. We review all positive pay exceptions, and we reverse checks that we can correct (such as encoding errors) and repost them to your account the following business day. This feature saves you time and money because we research and resolve the majority of your exception items for you.

The following table provides the service delivery and decision response deadlines. The City accesses the reports and enters decisions using our online banking portal.

	Option 1	Option 2
Next-day positive pay exception reporting	Select your report by 9:00 a.m. CT. Make your decisions by 2:00 p.m. CT.	Select your report by 11:00 a.m. CT. Make your decisions by 4:00 p.m. CT.

Create a check issue record

We do not automatically add approved exceptions to your check issue file. Instead, we give you the option to create a check issue record for the exceptions you choose to pay. The following screen shot shows where to click *Create Check Issue* after you've selected the pay decision.



Check issue deadline

The City will need to send check issue records to Wells Fargo prior to distribution of the checks. If we receive your check issue file prior to 10:00 p.m. CT, then we update your check issue information in our system that day. This deadline helps ensure that we have the most recent check issue information to compare with checks presented for payment.

To avoid exceptions, you should distribute checks on or after the issue date. If you send a future-dated issue record, that information will not be available for positive pay in our system until the morning of the issue date.

e. Does the bank review exceptions such as encoding errors for possible repair before creating a City exception item?

Please refer to our response to question d of this section.

f. At what time are positive pay exceptions reported to the City? How is it reported? Is the City alerted or must staff check daily for possible exceptions?

The following table provides the service delivery and decision response deadlines. The City accesses the reports and enters decisions using our online banking portal.

	Option 1	Option 2
Next-day positive pay exception reporting	Select your report by 9:00 a.m. CT. Make your decisions by 2:00 p.m. CT.	Select your report by 11:00 a.m. CT. Make your decisions by 4:00 p.m. CT.

Create a check issue record

We do not automatically add approved exceptions to your check issue file. Instead, we give you the option to create a check issue record for the exceptions you choose to pay. The following screen shot shows where to click *Create Check Issue* after you've selected the pay decision.



Check issue deadline

The City will need to send check issue records to Wells Fargo prior to distribution of the checks. If we receive your check issue file prior to 10:00 p.m. CT, then we update your check issue information in our system that day. This deadline helps ensure that we have the most recent check issue information to compare with checks presented for payment.

To avoid exceptions, you should distribute checks on or after the issue date. If you send a future-dated issue record, that information will not be available for positive pay in our system until the morning of the issue date.

g. At what time must exception elections be made and entered?

The City will need to send check issue records to Wells Fargo prior to distribution of the checks. If we receive your check issue file prior to 10:00 p.m. CT, then we update your check issue information in our system that day. This deadline helps ensure that we have the most recent check issue information to compare with checks presented for payment.

To avoid exceptions, you should distribute checks on or after the issue date. If you send a future-dated issue record, that information will not be available for positive pay in our system until the morning of the issue date.

h. What responses options are available? (Pay, No pay, Hold?)

During the implementation process, you select your positive pay default decision of return or pay. If you do not make a positive pay decision by the assigned deadline, your default decision will take effect.

For the best possible fraud protection, we strongly recommend that you select a 'return' default decision. With this default, all items that you do not decision will be returned to the bank of first deposit. The payee can redeposit these items, provided the bank of first deposit permits it.

If you send issue records to us in a timely manner, there should be few exception items.

i. Are all checks, including those received OTC, verified against the positive pay file before processing? How often is teller information updated? If not verified, what are the process, liability, and security on over-the-counter transactions?

Yes. Our tellers have access to your positive pay check issue information, including check dollar amounts and serial numbers. If you use our optional Payee Validation service, the payee name information you include on your check issue file will also be available for teller verification at Wells Fargo branches for cashed checks and some deposited checks.

We capture check issue files more than 50 times per day, seven days a week. Your positive pay check issue information reaches Wells Fargo tellers within 30 minutes of receipt. This frequency helps ensure that our tellers have the most current check issue information.

When presented with an unmatched item,* our tellers will make a best effort attempt to contact Treasury Management Client Services. A team member from this group will contact the City to request instructions for handling the item.

To avoid problems or delays at the teller line due to missing check information, you should not distribute checks prior to the issue date. If you send a future-dated issue record that information will not be available for positive pay in our system until the morning of the issue date.

*If the payee is not a Wells Fargo customer, he or she will be charged a check cashing fee when a check is presented for cashing at a Wells Fargo location. Alternatively, the City has the option to pay the check cashing fee through your account analysis.

j. If positive pay services are not available, state the bank's policy on liability for fraudulent checks.

We can accommodate positive pay services.

k. Does the bank provide or have available fraud control paper check stock?

Yes. You can purchase fraud-control paper check stock through our supply order desk.

Account reconciliation

The City currently does not use account reconciliation.

a. Describe your partial reconciliation services.

With our Account Reconciliation Plan (ARP) and automated reporting services, the City can **reconcile your disbursement accounts quickly and efficiently** with your internal accounting records. In addition, these services help you detect and reduce your exposure to check fraud.

Benefits

- Reduces accounting costs and increases productivity
- Improves cash control and provides fast, accurate information
- Increases audit control
- Minimizes both internal and external fraud losses

We offer our disbursement customers both Full and Partial ARP.

Full ARP

With this service, the City provides the bank with issued check information, and we reconcile your paid checks to your issued checks and send a detailed statement.

Within 90 minutes of electronic transmission, you can receive an **optional file confirmation for check issue information or stop payments.**

On a weekly or monthly basis, comprehensive statements are available for your account. You can request a variety of optional reports including Paid Checks, Outstanding Checks, Stop Payments, and several others. You can receive these reports daily, weekly, or monthly in PDF, Excel, CSV, flat file text (transmission), and paper formats. The PDF and paper formats can include sorting and subtotaling by location or high order prefix.

We update check issue information **more than 50 times** each day, seven days a week.

Partial ARP

With this service, we provide the City with an ARP statement. You can also request a variety of optional reports including Paid Checks, Stop Payments, and several others. You can receive these reports daily, weekly, or monthly in PDF, Excel, CSV, flat file text (transmission), and paper formats. You use the statement or optional reports to reconcile your account and identify any exceptions.

Optional reporting



We have fully integrated our information reporting system with our online banking portal, making it easy for your staff to **access all relevant reports and information online**.

With Full and Partial ARP, you can **customize your reporting** to match your accounting needs by choosing which optional reports you need from the 14 we list in the following table.

ARP optional reports

Paid Checks	Deposit Location
Outstanding Checks*	Credits
Posted Items	Bank Originated Entries
Stop Payments	Reversed Checks†
Issue Notices Not Received†	Matched Paid Items†
Voids and Cancels*	Prior Payments*
Issues This Cycle*	Unpaid Checks

*Only available with Full ARP.

†Only available with Full ARP or Partial ARP with Positive Pay.

Samples of commonly requested option reports, shown in PDF, follow. You may also receive optional reports in Excel, CSV, and flat file text (transmission) formats. Additional ARP reports are included in the Appendix section of our proposal.

Paid Checks

WELLS FARGO		ACCOUNT RECONCILEMENT		PRINTED: 09-01-XX PAGE 1	
P.O. BOX 63020		ABC CORPORATION		TREASURY MANAGEMENT CLIENT SERVICES	
SAN FRANCISCO, CA 94163		PAID CHECKS REPORT		1-800-AT-WELLS OPTION #2	
ACCOUNT: XXXXXX2222				PERIOD: 08-01-XX TO 08-31-XX	
SERIAL	ISSUE	POSTED	AMOUNT	TRANSACTION DESCRIPTION	
XXXXXX1004		8-31-XX	20.00	INNR	
XXXXXX1005		8-31-XX	200.00	INNR	
XXXXXX1002	8-30-XX	8-31-XX	100.00		
XXXXXX1004	8-30-XX	8-31-XX	20.00		
XXXXXX1005	8-30-XX	8-31-XX	200.00		
XXXXXX1001		8-31-XX	10.00		
XXXXXX1002		8-31-XX	109.00	INNR	
XXXXXX1003		8-31-XX	1,000.00		
8			1,659.00	TOTAL	

Outstanding Checks

WELLS FARGO		ACCOUNT RECONCILEMENT		PRINTED: 05-15-XX PAGE 1			
P.O. BOX 63020		ABC CORPORATION		TREASURY MANAGEMENT CLIENT SERVICES			
SAN FRANCISCO, CA 94163				1-800-AT-WELLS OPTION #2			
ACCOUNT: XXXXXX2222		OUTSTANDING CHECKS REPORT		PERIOD: 0-00-XX TO 5-06-XX			
SERIAL	TSISSE	AMOUNT CODE	OPTIONAL INFO	SERIAL	ISSUE	AMOUNT CODE	OPTIONAL INFO
XXXXXX1003	5-03-XX	1,000.00 0		XXXXXX1002	5-05-XX	100.00 0	
XXXXXX1004	5-03-XX	20.00 0		XXXXXX1003	5-05-XX	1,000.00 0	
XXXXXX1005	5-03-XX	200.00 0		XXXXXX1004	5-05-XX	20.00 0	
XXXXXX1001	5-03-XX	10.00 0		XXXXXX1005	5-05-XX	200.00 0	
XXXXXX1002	5-03-XX	100.00 0		XXXXXX1001	5-06-XX	10.00 0	PAYEE NAME 1
XXXXXX1003	5-03-XX	1,000.00 0		XXXXXX1002	5-06-XX	100.00 0	PAYEE NAME 2
XXXXXX1004	5-03-XX	20.00 0		XXXXXX1003	5-06-XX	1,000.00 0	PAYEE NAME 3
XXXXXX1005	5-03-XX	200.00 0		XXXXXX1004	5-06-XX	20.00 0	PAYEE NAME 4
XXXXXX1001	5-05-XX	10.00 0		XXXXXX1005	5-06-XX	200.00 0	PAYEE NAME 5
18		5,210.00 TOTAL					

Stop Payments

WELLS FARGO			ACCOUNT RECONCILEMENT				PRINTED: 10-01-XX PAGE 1				
P.O. BOX 63020			ABC CORPORATION				TREASURY MANAGEMENT CLIENT SERVICES				
SAN FRANCISCO, CA 94163							1-800-AT-WELLS OPTION #2				
ACCOUNT: XXXXXX2222			STOP PAYMENTS REPORT				PERIOD: 08-28-XX TO 09-28-XX				
SERIAL	STOP	REL/EXP	AMOUNT	CODE	OPTIONAL INFO	SERIAL	STOP	REL/EXP	AMOUNT	CODE	OPTIONAL INFO
XXXXXX0621	9-08-XX	3-07-XX	592.84	STOP/I		XXXXXX1005	9-15-XX	3-14-XX	200.00	STOP/NI	
XXXXXX0378	9-11-XX	3-10-XX	273.37	STOP/I		XXXXXX1008	9-18-XX	3-17-XX	10.00	STOP/NI	
XXXXXX0726	9-13-XX	3-12-XX	668.96	STOP/R		XXXXXX1008	9-21-XX	8-20-XX	10.00	STOP/NI	
XXXXXX1003	9-15-XX	3-14-XX	1,000.00	STOP/NI							
6			2,086.21	TOTAL NEW STOP PAYMENTS							
6			2,086.21	TOTAL STOP PAYMENTS							
1			668.96	STOP PAY RELEASES							

Voids and Cancels

WELLS FARGO		ACCOUNT RECONCILEMENT		PRINTED: 05-15-XX PAGE 1	
P.O. BOX 63020		ABC CORPORATION		TREASURY MANAGEMENT CLIENT SERVICES	
SAN FRANCISCO, CA 94163				1-800-AT-WELLS OPTION #2	
ACCOUNT: XXXXXX2222		VOIDS AND CANCELS REPORT		PERIOD: 5-06-XX TO 5-06-XX	
SERIAL	ISSUE	POSTED	AMOUNT	TRANSACTION DESCRIPTION	
XXXXXX001	5-03-XX	5-06-XX	10.00	CANCEL/I	
XXXXXX002	5-03-XX	5-06-XX	100.00	CANCEL/I	
XXXXXX003		5-06-XX	0.00	VOID	
1			0.00	TOTAL VOIDS	
2			110.00	TOTAL CANCELS/I	
0			0.00	TOTAL CANCELS/NI	

b. Are file transmissions compatible with the Tyler Technologies (Incode) file format requirements?

Yes. We provide format options that comply with Tyler Technologies Incode. We support several options for file delivery into systems ranging from basic accounting packages to ERPs.

Online

Our unattended file transfer service helps you download custom or standard reports, automatically and securely, from our online Information Reporting service. Download options vary by report, and include HTML, PDF, Excel, CSV, and BAI V2. You can schedule reports to run and download daily, weekly, or monthly without having to implement a direct transmission.

Transmission

BAI V2, SWIFT, and ISO 20022 XML

We provide industry standard BAI V2 formatted reporting through our Direct BAI file transfer service. The City can send SWIFT FIN messages through the SWIFT Alliance Gateway. We also

offer bulk SWIFT messages or an ISO 20022 XML-formatted file, either of which can be sent using one of our three secure internet transmission options, or through SWIFT FileAct.

Our three secure internet transmission options are:

- Camt.052 – previous day
- Camt.053 – intraday
- Camt.054 – credit and debit notification

Previous day BAI V2 and ISO 20022 XML files are available by 5:30 a.m. CT Tuesday through Friday, and by 7:30 a.m. CT on Saturday, though it is often available sooner. You can receive intraday files, as often as you need, on the schedule of your choice.

Consolidated receivables

Our consolidated receivables service is an additional reporting option that provides detailed transaction and remittance information without balances for cash application and posting. We consolidate your incoming electronic and paper payment information for a variety of payment types, including:

- ACH
- Wire
- Lockbox
- Electronic deposits
- Merchant payments for Wells Fargo Payment Gateway customers
- Consumer bill payments

We translate the data, format the file based on your preferences, and send you a secure transmission file that you can use to update your receivables system automatically.

You can choose to receive information in one or more of our standard formats:

- ANSI 820
- ANSI 823
- Modified Nacha or flat file

We also support most proprietary formats.

Application Programming Interface (API)

Our API solution allows you to connect directly to the bank to retrieve your account balances and transaction details, bypassing the need to log on to banking systems and administer users within your company on our portal.

We build and test API functionality. In a sandbox, your developers use programming code from the *Wells Fargo Gateway*® API channel to design how your staff interacts with your back office systems, website, mobile apps, and customer portals. The Account Balance API and the Transaction Detail API use JSON rest format to allow you to query your accounts, as frequently as you like, to present information to your users from your internal systems or dashboards.

c. Does the bank provide deposit reconciliation services? If yes, describe.

Yes. We offer deposit reconciliation services for remote deposits.

You can use our deposit reconciliation service if you identify your locations (either manually or using the location selection option) when you submit your deposit or if you use our subaccounting service. With subaccounting, we'll assign each location a unique subaccount number (location code) that is linked to a single demand deposit account (DDA). The service posts all transactions to your DDA and attaches the location code to each transaction.

d. Describe the cost efficiencies, if any, of combining partial reconciliation with positive pay in your bank.

Please refer to the Appendix section for a detailed pricing proposal.

e. Specify data transmission requirements.

We enforce strict encryption standards for both inbound and outbound data transmissions, including account reconciliation plan (ARP) files.

All of our supported internet protocols require session-level encryption.

Protocol	Security and encryption
HTTPS with automation ¹	- User ID and password - Digital certificate² - VPN Cisco-compatible IPsec 128-bit SSL session-level encryption
FTP/S ¹	- User ID and password - Digital certificate² - VPN Cisco-compatible IPsec 128-bit SSL session-level encryption
SFTP ¹	- User ID and key (preferred) - User ID and password (60 day maximum expiration) - VPN Cisco-compatible IPsec 128-bit Cypher SSH session-level encryption
AS2	- User ID and password - Digital certificate² - VPN Cisco-compatible IPsec 128 or 256-bit TLS session-level encryption

¹Bank-provided client software is available.

²You can issue and renew digital certificates online through our online portal.

Our supported Connect:Direct options require a Secure+ add-on, which encrypts the session with SSL. Two of the Connect:Direct options also require use of a bank-provided encrypting router.

By adhering to these encryption standards, the City can be confident that the files you exchange with our servers are secure from unauthorized access during transmission.

f. When are reports available from partial reconciliation? Are they provided online?

The following table lists the mailing dates and online availability of statements and optional reports.

Service option	Business days after cutoff: mailed	Business days after cutoff: available online
Full ARP statement		
Month-end cutoff	6 days	4 days
Non-month-end cutoff	4 days	4 days
Partial ARP statement		
Month-end cutoff	2 days	1 day
Non-month-end cutoff	1 day	1 day
Positive pay, full or partial ARP, and account statement		
Month-end cutoff	6 days	4 days
Non-month-end cutoff	4 days	4 days
CD-ROM with paid check images	11 days	NA

We do not offer microfilm copies and we do not return paid or cancelled checks to you with your statement.

g. Provide samples of account reconciliation reports.

We offer both Full and Partial account reconciliation services (ARP).

Our ARP services provide flexible reporting options. The City can customize your account reconciliation to match your accounting needs by choosing which optional reports you need from the 14 we list in the following table.

ARP optional reports	
Paid Checks	Deposit Location
Outstanding Checks¹	Credits
Posted Items	Bank Originated Entries
Stop Payments	Reversed Checks²
Issue Notices Not Received²	Matched Paid Items²
Voids and Cancels¹	Prior Payments¹
Issues This Cycle¹	Unpaid Checks¹

¹Only available with Full ARP.

²Only available with Full ARP or Partial ARP with Positive Pay.

Sample reports

The following are samples of our most commonly requested optional reports, shown in PDF format. You may also receive optional reports in Excel, CSV, or flat file text (transmission) formats. We include additional ARP report samples in the Appendix section of our response.

Paid Checks

WELLS FARGO		ACCOUNT RECONCILEMENT		PRINTED: 05-21-08 PAGE 1	
P.O. BOX 63020 SAN FRANCISCO, CA 94163		ABC CORPORATION		TREASURY MANAGEMENT CLIENT SERVICES 1-800-AT-WELLS OPTION #2	
ACCOUNT: 4999 222222		PAID CHECKS REPORT		PERIOD: 05-31-08 TO 05-31-08	
SERIAL	ISSUE	POSTED	AMOUNT	TRANSACTION DESCRIPTION	
450201004		5-31-08	20.00	INNR	
450201005		5-31-08	200.00	INNR	
4050101002	5-30-08	5-30-08	100.00		
4050101004	5-30-08	5-30-08	20.00		
4050101005	5-30-08	5-31-08	200.00		
4050201001	5-31-08	5-31-08	10.00	INNR	
4050201002	5-31-08	5-31-08	100.00		
4050201003	5-31-08	5-31-08	1,000.00		
0			1,659.00	TOTAL	

Outstanding Checks

WELLS FARGO		ACCOUNT RECONCILEMENT				PRINTED: 05-06-08		PAGE 1							
P.O. BOX 63020 SAN FRANCISCO, CA 94163		ABC CORPORATION				TREASURY MANAGEMENT CLIENT SERVICES 1-800-AT-WELLS OPTION #2									
ACCOUNT: 4999 222222		OUTSTANDING CHECKS REPORT				PERIOD: 0-00-00 TO 05-06-08									
SERIAL		ISSUE		AMOUNT CODE		OPTIONAL INFO		SERIAL		ISSUE		AMOUNT CODE		OPTIONAL INFO	
3051101003		5-3-08		1,000.00 0				3051101002		5-05-08		1,000.00 0			
3051101004		5-3-08		20.00 0				3051101003		5-05-08		20.00 0			
3051101005		5-3-08		200.00 0				3051101004		5-05-08		200.00 0			
3051201001		5-3-08		10.00 0				3051201005		5-05-08		10.00 0			
3051201002		5-3-08		100.00 0				4051201001		5-06-08		100.00 0		PAYEE NAME 1	
3051201003		5-3-08		1,000.00 0				4051201002		5-06-08		1,000.00 0		PAYEE NAME 2	
3051201004		5-3-08		20.00 0				4051201003		5-06-08		20.00 0		PAYEE NAME 3	
3051201005		5-3-08		200.00 0				4051201004		5-06-08		200.00 0		PAYEE NAME 4	
3051301001		5-3-08		10.00 0				4051301005		5-06-08		10.00 0		PAYEE NAME 5	
18				5,210.00 TOTAL								5,210.00 TOTAL			

Stop Payments

WELLS FARGO		ACCOUNT RECONCILEMENT				PRINTED: 05-30-08		PAGE 1	
P.O. BOX 63020 SAN FRANCISCO, CA 94163		ABC CORPORATION				TREASURY MANAGEMENT CLIENT SERVICES 1-800-AT-WELLS OPTION #2			
ACCOUNT: 4999 222222		STOP PAYMENTS REPORT				PERIOD: 04-28-08 TO 05-20-08			
SERIAL	STOP REL/EXP	AMOUNT CODE	OPTIONAL INFO		SERIAL	STOP REL/EXP	AMOUNT CODE	OPTIONAL INFO	
3051100621	9-08-08 3-07-09	592.84	STOP/I		3051101005	9-15-08 3-14-09	200.00	STOP/NI	
3051100726	9-11-08 3-10-09	273.37	STOP/I		3051201008	9-18-08 3-17-09	10.00	STOP/NI	
3051100726	9-13-08 3-12-09	468.96	STOP/R		3051301008	9-21-08 3-20-09	10.00	STOP/NI	
3051101003	9-15-08 3-14-09	1,000.00	STOP/NI						
6		2,086.21	TOTAL NEW STOP PAYMENTS						
6		2,086.21	TOTAL STOP PAYMENTS						
1		668.96	STOP PAY RELEASES						

Voids and Cancels

WELLS FARGO		ACCOUNT RECONCILEMENT		PRINTED: 05-06-08 PAGE 1	
P.O. BOX 63020 SAN FRANCISCO, CA 94163		ABC CORPORATION		TREASURY MANAGEMENT CLIENT SERVICES 1-800-AT-WELLS OPTION #2	
ACCOUNT: 4999 222222		VOIDS AND CANCELS REPORT		PERIOD: 05-06-08 TO 05-06-08	
SERIAL	ISSUE	POSTED	AMOUNT	TRANSACTION DESCRIPTION	
3051101001	5-03-08	5-06-08	10.00	CANCEL/I	
3051101002	5-03-08	5-06-08	100.00	CANCEL/I	
3051101003	5-03-08	5-06-08	0.00	VOID	
1			0.00	TOTAL VOIDS	
5			110.00	TOTAL CANCELS/I	
0			0.00	TOTAL CANCELS/NI	

6. Wires and internal transfer services

The City currently uses wires and averages about eight outgoing wires each month. Incoming wire transfers must receive same day credit. Wire initiation must be available online. The City will require compensation for delays caused by bank errors at that day's Fed Funds rate.

a. Can outgoing wires be initiated and monitored online?



You can **send and receive wires**, and **transfer funds** between your accounts **quickly, easily, and securely**.

Incoming wires

We accept wires from Wells Fargo accounts and from the Federal Reserve, SWIFT, and CHIPS (Clearing House Interbank Payments System) networks. If we receive a wire with your valid account number before the processing cutoff time, **we'll credit the funds to your account the same day.**

Outgoing wires

We process outgoing payments on a straight through basis **according to your instructions**. We manually review, correct, and verify a payment that does not pass edits and that our system cannot automatically correct.

Our system automatically confirms your available funds and that a wire is not going to a country or beneficiary on the U.S. Treasury's Office of Foreign Assets Control (OFAC) Specially Designated Nationals Blocked Persons list. If the wire meets these requirements, we release it.



Initiation methods

Method	
Online and mobile	You can sign on to our online banking portal to initiate repetitive or free-form domestic and international wires. Using our mobile service, you can initiate repetitive wires.
Consolidated payables	You can send one file with multiple payment types (including wires, ACH payments, credit card payments, and checks) and remittance information using our consolidated payables service. You can send a file directly from your treasury workstation or your enterprise resource planning (ERP), accounts payable, or other internal system. We accept most file formats and offer several file transmission protocols, as well as an option to upload your file online.
Telephone¹	You can call a single toll-free number and provide an account number, personal identification number (PIN), and voiceprint. These are validated through a voice response unit (VRU).

Automatic standing transfer order	You can complete repetitive wires set up on our system through the VRU. To complete free-form wires, you'll speak with a team member in our wire department.
	To set up a repetitive wire, you'll tell us the criteria that our system will use to determine the amount to send. You'll also specify initiation dates and times for us to automatically send the transfers.
In person²	You can go to any Wells Fargo branch to initiate a wire. You must have signing authority on the account to initiate the request.
Online foreign exchange	You can manage your foreign exchange transactions and reporting with our online foreign exchange service 24 hours a day, 7 days a week. Our service combines the advantages of our competitive foreign exchange rates with the convenience of sending payments throughout the world over the internet.
SWIFT³	If your organization is a member of SWIFT (Society of Worldwide Interbank Financial Telecommunication), you can submit your wire payment instructions for processing using SWIFT FIN messages.

1. Book transfer initiation option not available by telephone.

2. Book transfer initiation option not available in person.

3. SWIFT membership and volume fees apply and are billed by SWIFT.

Deadlines

Incoming

We accept incoming wires from the Federal Reserve until 5:00 p.m. CT and credit them the same day. We process incoming SWIFT transactions until 6:00 p.m. CT and credit them the same day.

Outgoing

The opening time for outgoing wires is 7:00 a.m. CT for all wire types regardless of origination channel. In the following table we provide the cutoff times, which may vary based on wire type and initiation method. We process wires we receive after the deadlines on the next business day.

Wire cutoff times (CT)

Origination channel	Domestic	Book	Drawdown	Cross-border wire (U.S. dollar and foreign currency)	Request for Transfer (RFT)	Tax payment
Online and mobile	4:30 p.m.	7:00 p.m.	4:30 p.m.	4:30 p.m. (USD)	4:30 p.m.	3:30 p.m.
				4:00 p.m. (FX)		
Consolidated payables	4:30 p.m.	4:30 p.m.	4:30 p.m.	4:30 p.m.	4:30 p.m.	3:30 p.m.
Telephone	4:30 p.m.	N/A	4:30 p.m.	4:30 p.m.	4:30 p.m.	3:00 p.m.

Automated standing transfer	4:30 p.m.	7:00 p.m.	4:30 p.m.	4:30 p.m.	4:30 p.m.	3:00 p.m.
Online foreign exchange	Not applicable	Varies by currency	Varies by currency	Varies by currency	Varies by currency	Not applicable
SWIFT	4:30 p.m.	4:30 p.m.	4:30 p.m.	4:30 p.m. (USD) 4:00 p.m. (FX)	4:30 p.m.	Not applicable

Reporting

You can **receive reports** on your wire transfers **online**, by **transmission**, or by **fax**.

Online

Our online reporting service provides comprehensive intraday and previous day reporting of wire transaction information.

Our online wire reports include:

Information contained in online wire reports	
Account name and number	Receiving and originating bank
Corresponding bank	Transaction status
Currency	Value date
Fed or SWIFT reference number	Wire amount
Internal reference or confirmation number	Wire text
Processing date and time	

You can **view, print, and download reports** into your accounting, treasury workstation, or spreadsheet applications. Downloading and viewing options vary based on the report you choose. Format options include:

BAI v2	CSV	Excel	HTML	PDF
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As an extension of our online banking portal, you can view your intraday and previous day reports using our mobile service.

Automated transmission file

The City can receive an automated transmission file that **contains the same information available in our online wire reports**. You can choose from two format options — BAI v2 and ISO 20022. Our daily transmission file contains previous day information; our intraday transmission file contains same day information that you can receive as frequently as every 15 minutes.

We offer an additional transmission reporting option with our consolidated receivables service. It translates and consolidates wire payments and remittance information with other payment types, and reports this data to you for automated posting to your receivables system. You can choose from the following formats:

ANSI	BAI	ISO	Standard
820	v2	20022	flat file

We also support most custom and proprietary formats.

Be informed
every **15**
minutes

Security



We strongly recommend dual custody for initiating free-form wires and for creating or maintaining wire templates online. With dual custody, we require a second user's approval of the free-form wire and wire templates before they're effective.

If you choose to use single custody, we'll enroll you in our Secure Validation service. This service provides an **added layer of security** without requiring another user's approval when completing free-form wire initiation or template maintenance. Each time you initiate a free-form wire or perform template maintenance, you'll select from a list of enrolled phone numbers. You'll receive a six-digit validation code that you'll enter online to complete your request.

Scalable processing platform

Our nationwide funds transfer platform meets both your current and future volume demands. As you grow and your needs evolve, we can quickly configure our systems to handle any increased volume. We can handle up to 10 times our current processing loads, with the same speed and efficiency.

Geographically dispersed sites

We have multiple, strategically dispersed wire processing sites across the nation. These sites use the same processing platform to help ensure efficient data backup and recovery of core wire processing functions should a disruption occur.

b. Can repetitive templates be created?

The City can set up a new repetitive wire template in real time using our online banking portal and use the template immediately after the City approves it.

We don't provide repetitive wire template confirmations, but you can access a list of your templates through reports from our online wire channels.

c. Do repetitive or non-repetitive wires require the same levels of authorization?

The City's company administrator determines user entitlements to wire services, functions, and accounts. Company administrators do this using our self-administration service available through our online banking portal.

We require two-factor authentication when users initiate wires online. Each user must enter the following information:

- Company ID
- User ID
- Password
- PIN and token code

We require dual custody for initiation of free-form wires, and creation and maintenance of repetitive wires templates. Additionally, a wire originator cannot approve their own transaction.

Mobile service

With our optional eyeprint feature,* you'll use your mobile device to scan your eyes to sign on to our mobile banking service. It takes just seconds to sign on and you'll no longer need to enter your company ID, user ID, and password. You'll also no longer need to carry a token for mobile transactions that require strong authentication, such as releasing a payment.

*Requires an iPhone 5S or above running iOS version 10.1 or above, or a device running Android version 7.0 or above.

d. Is dual authorization required for repetitive and non-repetitive wires?

Yes. We offer multiple methods for electronically initiating transfers. All methods provide the ability to require dual control release capability. This includes wires sent to other Wells Fargo customers and beneficiaries at other banks.

e. Is future dating of wires available? How far in the future?

Yes. Our system can warehouse future-dated U.S. dollar wire transfers up to 60 calendar days in advance of the value date through all of our initiation methods.

f. State wire access and cut-off times.

The following table includes the opening times and cutoff times — by transfer type — for same-day execution of initiated wires. The same times apply for all of our wire initiation methods, including the internet, mobile service, file transmission, and telephone service.

Wire type	Opening time (ET)	Cutoff time (ET)
Fedwire	8:00 a.m.	5:30 p.m.
Drawdown request	8:00 a.m.	5:30 p.m.
SWIFT	8:00 a.m.	5:30 p.m.
Request for Funds Transfer (RFT)	8:00 a.m.	5:30 p.m.

Federal tax payments	8:00 a.m.	4:00 p.m.
Book transfer/internal*	8:00 a.m.	8:00 p.m.

*Book transfer initiation not available in person or by telephone.

We accept incoming wires from the Federal Reserve until 5:00 p.m. CT and credit them the same day. We process incoming SWIFT transactions for same-day credit until 6:00 p.m. CT.

g. State the bank's policy on the use of ledger balances for outgoing wires in anticipation of daily activity or incoming wires.

We can establish an intraday overdraft limit on a standalone account or on a group of accounts. However, whether or not we offer a daylight overdraft limit and how we structure it, is a credit decision your relationship manager will make.

If an outgoing wire will create a negative available balance and is in excess of any daylight overdraft limit, the system automatically sends it to our risk control group. This group only releases wires with approval from a relationship manager or another team member with appropriate authority.

h. Is the ability to do internal transfers available online? Is there a fee for transfers?

Our online Basic Banking service offers you an easy and efficient way to manage your treasury accounts through your desktop, tablet or mobile device, without the complex, traditional information reporting services.

Benefits

- Quick access to view and edit your account information or make funds transfers
- Up to 90 days of account history that you can download into various formats
- Simple, flexible control to add new users and administrators
- Streamlined design and experience across devices

Reporting options

You can easily view your account activity through the following reporting options.

Account summary

Gives you a view of your cash and credit account activity, including beginning day, outstanding, and available balances. You can select accounts and options that include:

- Group
- Cash accounts
- Credit accounts
- Print

Account details

You can view 60 days of transaction history, plus up to an additional 30 days of account history for your business checking, savings, money market, credit cards, select loans, and Wells Fargo

line of credit accounts. You can also download account history directly into formats that include Microsoft Excel, Quicken, QuickBooks, or comma-delimited.

Account groups

Allows you to categorize your accounts into groups. Your authorized users can transfer funds between accounts in the same group, with no limit to the number of groups you can create.*

*We recommend grouping no more than 50 accounts per list.

Transfer summary

Your authorized users can view and edit pending scheduled transfers and previously completed transfers.

CEO Mobile® service

In addition to our online banking portal, you can access the full CEO® Basic Banking application from your mobile device and:

- View account summary, detail, and up to 90 days of history for your cash and credit accounts
- Initiate or schedule funds transfers between eligible accounts
- Add new users and administrators easily through the CEO Administration tool
- Experience the same features and functionalities of the online portal, including printing and downloading

Online administration

Through our online administration service, your administrators can easily:

- Add new users
- Disable or delete users
- Give users access to specific accounts and services
- Modify existing authorizations
- Reset passwords

7. ACH services

ACH services are required for bi-weekly payroll direct deposit and some vendor payments. The City uses ACH for transfers to pools and paying agent transactions currently. The City also uses a direct debit for approximately 952 utility payments per month. The Utility Billing department bills on a weekly cycle. ACH is not heavily used for vendor payments, but the City plans to expand this use. The City requires pre-notification.

- a. Is ACH service fully available online for individual transactions as well as by transmission for batched files? What are the cut-off times.

Automated Clearing House (ACH) payment originations can provide the City with efficient and convenient ways to transfer funds and receive reporting.

Our ACH services allow you to electronically initiate and manage a variety of transactions quickly and conveniently. They can help you avoid the risks of paper check fraud. Moreover, you control the payment date, meaning you can keep that money in your account until the settlement date you determine.

With our electronic link to the ACH network, the City can, for example, deposit employees' wages directly into their checking accounts. You can make your state and federal tax payments, make vendor payments, and execute other debit and credit transactions. The variety of transactions includes:

- Cash concentration and disbursements
- Direct debits
- Direct deposits
- State and federal tax payments
- Vendor payments



How you benefit

By using our ACH Services for your payment and collection methods, the City can:

1. **Increase efficiency:** Using our ACH services reduces the time and resources needed to process payments and collections. This results in lower costs to you, fewer accounting and reconciliation errors, and a reduction in the time that your staff spends handling paper.
2. **Have a more predictable cash flow:** ACH services eliminate the unpredictability of sending and receiving paper payment instructions because you select the exact dates for settlement. You can more accurately manage accounts and maximize your use of available funds.
3. **Reduce the risk of fraud:** Sending payments electronically avoids risks of paper check fraud. Depending on the origination method, you can require approvals for outgoing ACH payments. Our ACH Fraud Filter service further helps to protect your accounts from fraudulent ACH transactions.

Why Wells Fargo

We develop and maintain our proprietary ACH system. Our in-house capabilities help ensure that we can readily adapt to your needs and make system updates. Inherently scalable, our system can accommodate your existing and future transaction volume. The City will have access to continuous ACH processing 24 hours a day, 7 days a week, with extended deadlines and no processing window restrictions. We supply electronic file confirmations within 15 minutes of receipt of your files, and we can warehouse files for up to 45 days before the effective date.

Continuous ACH processing **24 hours a day, 7 days a week** with **extended** deadlines and no processing window restrictions.

The City can originate same-day, one-day, and two-day ACH transactions through each of our origination methods. We can initiate or receive any ACH payment type authorized by the National Automated Clearing House Association (Nacha).

Origination methods

Options for direct origination, consolidated payables transmission, and internet origination let you determine the transaction method that suits your business.

Direct origination

You send us a Nacha-formatted file that contains the required ACH transaction information, such as:

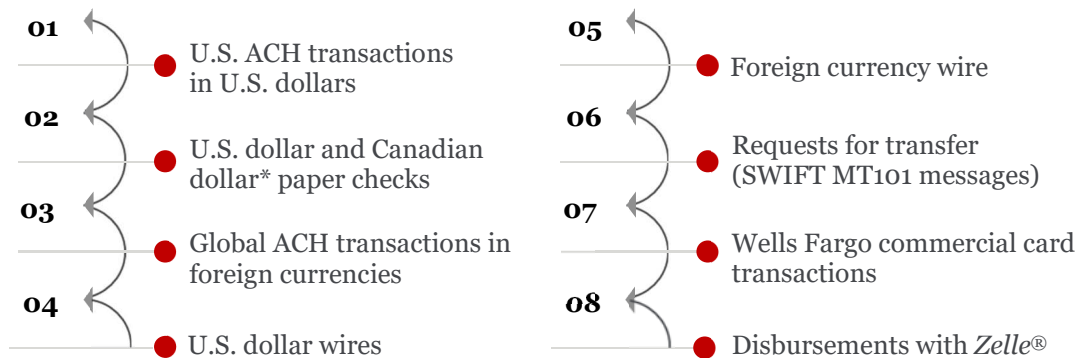
Routing and transit number	Account number	Dollar amount	Effective date
----------------------------	----------------	---------------	----------------

Consolidated payables file transmission

You can initiate ACH payments directly from your treasury workstation, Enterprise Resource Planning (ERP) system, or accounts payable system.

When you use our consolidated payables service, **you save time by grouping ACH transactions and multiple other payment types in a single file.** You can group debits, credits, and multiple payment types (such as payroll, credit card, and expense payments). Moreover, you can include domestic wires, international wires, U.S. dollar checks, and Canadian dollar checks.

Your file can include the following payment types:



*Canadian dollar paper checks are available only for off-us accounts.

The service separates payments by type and processes them accordingly, sending traditional or human-readable remittance information to the payee, as appropriate.

Online banking portal transmission

Initiation through our ACH service on our online banking portal allows the City to originate ACH transactions without needing to create your own Nacha-formatted files. Once you build a template based on the payment type, it's quick and easy to create ACH transactions and submit them to us for processing.

You can initiate the following types of ACH transactions:

Payment types for origination by online service

Cash concentration and disbursements (CCD)

- Child support payments (CCD+)
- Federal and state tax payments (ACH Tax)
- Vendor payments (CCD)

Consumer debits and credits (PPD)

- Payroll (PPD)

Corporate trade exchange (CTX)

International ACH transactions (IAT)

International low-value payments (ILV)*

Re-presented check entries (RCK)

Single Euro Payments Area (SEPA) payments*

WEB- and TEL-initiated consumer debits

*These codes are not Nacha standard entry class codes.

The import option allows you to import account information for beneficiaries from systems such as payroll and accounting. With the export option, the City can export templates, beneficiaries, and payment batches to update payables and receivables systems.

As an added convenience, the City can use our mobile service* to approve ACH templates and payments that require immediate attention.

*Requires an iPhone, iPad, or iPad Mini running iOS version 10.1 or higher, or an Android device with version 7.0 or higher.

ACH origination deadlines (CT)

Input method	Same-day settlement (on-us) ¹	Same-day settlement (transit) ²	Next-day settlement	Two-day settlement ³
Direct origination	8:00 p.m. CT	8:00 a.m. CT and 12:00 p.m. CT	8:00 p.m. CT	11:00 p.m. CT
Consolidated payables file transmission	7:30 p.m. CT	8:00 a.m. CT and 12:00 p.m. CT	7:30 p.m. CT	7:30 p.m. CT
Online	6:00 p.m. CT	8:00 a.m. CT and 12:00 p.m. CT	8:00 p.m. CT	8:00 p.m. CT
API	8:00 p.m. CT	11:00 a.m. CT	7:30 p.m. CT	10:30 p.m. CT

1. Both the originating account and receiving account must be Wells Fargo accounts. The \$100,000 transaction limit for Nacha's Same Day Rule does not apply to on-us transactions.

2. Transactions more than \$100,000 and international transactions (IAT) are not eligible. Funds from incoming credits are available by 5:00 p.m. local time.

3. We recommend two-day settlement for payroll payments.

ACH reporting

Our Treasury Information Reporting service provides **comprehensive intraday and previous day reporting** of ACH information. With our Alerts service, the City can select the criteria for when to receive notifications on ACH received activity and ACH return activity.

The City can view reports and alerts online or receive them by email or transmission.

Online

From our online banking portal and our mobile service,* the City receives ACH reporting that includes transaction information, company name, customer ID, company ID, entry class code, entry description, and discretionary data.

*Requires an iPhone, iPad, or iPad Mini running iOS version 10.1 or higher, or an Android device with version 7.0 or higher.

You can view, print, and download any report into your accounting, treasury workstation, or spreadsheet applications. Downloading and viewing options vary based on the report you choose. Format options include:

BAI v2	CSV	Excel	HTML	PDF
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b. What is the policy on and handling of ACH returned items?

Returns

Our ACH system automatically matches each returned entry to the origination entry with a match rate of more than 99%. For transactions that the system does not automatically match, an ACH operator manually reviews the return and, where possible, matches it with the correct entry.

We can redeposit ACH debits returned for nonsufficient or uncollected funds once or twice — depending on the option that you select. You can also choose to have items redeposited based on a specified dollar range.

We can dishonor duplicate returns, transaction code mismatches, and any inaccurate return that the ACH system cannot match to an original entry. You determine your own timeframe for items that you consider tardy (within Nacha rules); we recommend three business days.

We process eligible returned entries according to your re-presentment instructions. Redeposited items post to your account with all of your return activity. We offer reporting of the returned item details through our standard ACH reporting options.

Notifications of change (NOC)

We notify you of all NOCs through the reporting option that you select. Nacha requires you to update your records within six banking days of receiving the NOC or before initiating another entry to the receiver, whichever is later.

The City can use our optional *Perfect NOC*® service. With this service, we maintain a database of NOC information and make the necessary corrections to the transactions that you originate before sending them through the ACH system.

When you initiate an ACH debit, we compare the receiver's routing transit number and account number to our database and then make any corrections based on previous NOCs sent to you or other Wells Fargo ACH originators.

When you initiate an ACH credit, we make corrections based only on NOCs sent to you.

Reporting options

You can access return and notification of change information from our online banking portal or receive information by file transmission or fax. With transmission, we send your original transaction with the return information, enabling you to automatically post returns to your receivables system. Please refer to the information reporting section of our proposal for more specific information on our reporting capabilities.

c. Can ACH items be future dated? How far in advance?

Yes. Our maximum retention period for future dated entries is 45 days before the settlement date.

d. Describe specific filters and blocks available? Define and describe all your fraud filter options.

Our ACH Fraud Filter service helps protect your accounts from unauthorized transactions. We deliver potentially unauthorized ACH transaction information to you through our online banking portal and mobile service. Review and stop options are available for debits, credits, or all ACH transactions. Unlike some debit-blocking services, our service reports all payment information about the transactions, so you know who is attempting to send transactions to your account.

You can **review** transactions and decide what to return, automatically **stop** unauthorized transactions, and **monitor** converted check entries.



Review transactions and decide what to return

With our review option,* you can preauthorize ACH transactions to post to your account. We notify you of any that are not preauthorized. You review those transactions and notify us whether you want them paid or returned. When you tell us to return one, we create a reversing adjustment and return it as unauthorized.

You can request that we report:

All ACH transactions posted to your account

All ACH transactions that exceed a predetermined dollar amount

ACH credit or ACH debit transactions only

ACH credit or debit transactions that exceed a predetermined dollar amount

ACH credit or debit transactions outside a specified date range

ACH credit or debit transactions that exceed a specified maximum number of occurrences

Note: If you do not make a pay or return decision on an item by the specified deadline, the item is automatically paid or returned based on the default action you select during implementation.

Automatically stop unauthorized transactions

With our stop option,* we automatically return transactions that you did not preauthorize and process all that you preauthorized.

You can request that we report:

Stop and return all ACH transactions

Stop and return all ACH transactions that exceed a predetermined dollar amount

Stop and return all ACH credit or debit transactions only

Stop and return ACH credit or debit transactions outside a predetermined dollar range

Stop and return all ACH credit or debit transactions outside a specified date range

Stop and return all ACH credit or debit transactions that exceed a specified maximum number of occurrences

Monitor converted check entries



Our eCheck option, for no additional fee, helps you monitor converted check entries for business-sized checks that have an auxiliary on-us field in the MICR line. This service includes eCheck Post and eCheck Stop options for accounts receivable check (ARC) and back office conversion (BOC), and point-of-purchase (POP) transactions.

eCheck Post

If you use this option in conjunction with our positive pay service, you have the opportunity to see unmatched items that will post to your account. Use our online banking portal to decide to pay or return them.

If you use this option with our same-day positive pay service, *Perfect Presentment*®, we do not match the ACH converted check against your check issue records. Instead, we call you for instructions to pay or return the converted check.

eCheck Stop

If you choose this option, we automatically stop all ineligible items inadvertently converted before they post to your account.

*We assess additional fees for the Review and Stop options.

e. Are ACH addenda shown in their entirety online and on reports and statements? Describe.

You can receive ACH addenda records and EDI entry data through our online reporting service, by consolidated receivables transmission, and through our *Perfect Receivables*® service.

Online information reporting

We offer two same-day reports that include ACH and EDI addenda information.

ACH Receive

With the ACH Receive report, you can view information about all received ACH transactions that will post at the end of the current business day. The report provides the first line of addenda text for domestic U.S. ACH transactions and the first line of remittance information for IAT formatted international ACH transactions.

The report is available in HTML, PDF, BAI v2, CSV, or Excel formats. The following image includes a sample of the ACH Receive report.

Currency:	USD		
Bank:	XXXXXXXX0248		
Account:	XXXXXXXX3769(OR)		
Credit Amount	Transaction Detail		
213,985.59	Entry Class/Description: Sending Company ID: Recipient ID: Trace Number: Bank Reference: Addenda Info:	CTX/VENDOR PMT XXXXXX6004 XXXXXX3009 XXXXXX9015 XXXXXX9015 ISA*00* *00* *ZZ*XXXX4589 *ZZ*DAO CLEVELAND *XX1126*XXXXXXXXXX9015	Discretionary Data: Sending Co Name: Recipient Name: N/A BETA COMPANY BETA COMPANY
90,420.21	Entry Class/Description: Sending Company ID: Recipient ID: Trace Number: Bank Reference: Addenda Info:	CTX/Commercial XXXXXX2057 XXXXXX7214 XXXXXX6793 XXXXXX6793 ISA*00* *00* *32*XXXXX2057 *32*XXXXX8189 *XX1124*XXXXXXXXXX6793	Discretionary Data: Sending Co Name: Recipient Name: 2M ALPHA COMPANY BETA COMPANY
\$2,610.71	Entry Class/Description: Sending Company ID: Recipient ID: Trace Number: Bank Reference: Addenda Info:	CTX/Commercial XXXXXX2057 XXXXXX7213 XXXXXX6786 XXXXXX6786 ISA*00* *00* *32*XXXXX2057 *32*XXXXX8189 *XX1124*XXXXXXXXXX6786	Discretionary Data: Sending Co Name: Recipient Name: 2M ALPHA COMPANY BETA COMPANY

EDI Payment Detail

With the EDI Payment Detail report, you can access ACH and EDI payment data for received payments. This report includes full addenda detail for ACH payments and EDI X12.820 and 835 transaction sets.

The report is available in HTML, PDF, BAI v2, CSV, or Excel formats. The following image includes a sample of the EDI Payment Detail report.

Payment Amount: 213,985.59			
Originator		Receiver	
Entry Class:	CTX	Transaction Type:	Credit
Originator Company Name:	BETA	Entry Description:	VENDOR PMT
Originator Company ID:	XXXXXX6004	Receiver Name:	BETA LLC
Discretionary Data:	BETA	Receiver ID:	XXXX7010D3009
Payment Detail			
Addenda Items:	11		
Trace:	XXXXXXXXXXXX9015		
ANYTOWNment Date:	11/30/20XX		
Effective Date:	11/30/20XX		
Addenda Detail			
Remittance (BPR)			
Transaction Type:	PAYMENT ACCOMP REMIT		
Payment Amount:	213,985.59		
Credit Debit:	C		
Method:	ACH		
Format:	CTX		
Originator ID Type:	ABA T/R		
Originator ID:	XXXXXX6004		
Originator Account Type:	MUTUALLY DEFINED		
Originator Account Number:	8512		
Originator Company ID:	XXXXXX6004		
Receiver ID Type:	ABA T/R		
Receiver ID:	XXXXXX5432		
Receiver Account Type:	DEMAND DEPOSIT		
Receiver Account Number:	XXXXXX5769		
Effective Date:	20XX1130		
Business Function:	VENDOR PAYMENT		

Consolidated receivables

With our consolidated receivables service you can receive detailed remittance information, including ACH addenda details received with transactions, by transmission. Remittance information varies according to the SEC code used. We can combine ACH payment and remittance information with other payment types and translated into standard and customer file formats.

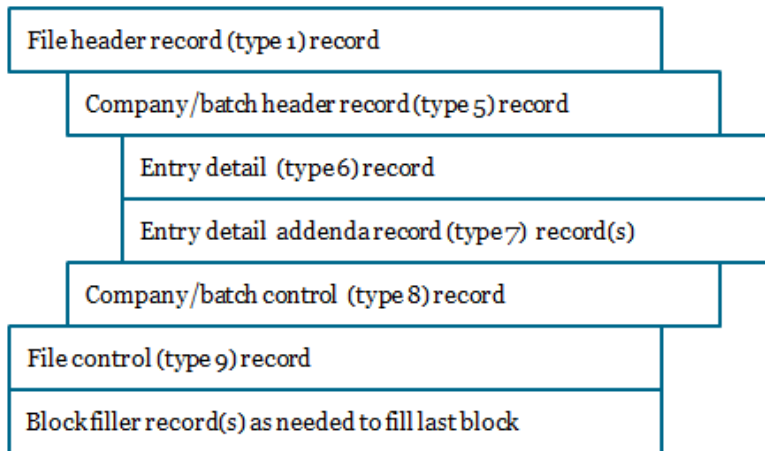
You can also receive email reports that include full remittance information on ACH- and EDI-formatted payments. We can deliver reports in PDF, text, Excel, and CSV formats.

Perfect Receivables

With our *Perfect Receivables* service you can assign a unique account number for each payment originator or sender. This enables accurate payment transaction identification 100% of the time. With the Wells Fargo Payment Identification Code (WPIC) the first four digits of the WPIC identify your account and the last 13 digits are unique to the remitter.

We capture each day's payments, provide them to you in a Nacha-formatted file, and consolidate them into a single settlement to your Wells Fargo account.

Your file includes the WPIC code, dollar amount, and all associated transaction details, including addenda information for each payment. We'll organize the information into records. Each file you receive from us includes the detail shown in the following image.



You can also receive a *Perfect Receivables* detail report by secure email or fax, or a summary report by email.

f. Does the bank routinely pre-note? Is the pre-note charged as a standard ACH transaction?

While a prenotification* is an optional step for ACH credits, we recommend you submit one. If there are errors in routing, transit, or account numbers, payments can reject or your payees may not receive their payments on time. By submitting a prenotification, you can be more confident that the receiving bank is able to process your payments correctly.

*Prenotifications are not available outside the U.S.

8. Safekeeping services

All City investments are made in accordance with the City's Investment Policy and will be made by the City or its investment adviser and instructions for safekeeping will be given to the bank by an authorized staff member or the adviser. The bank will be required to provide book-entry safekeeping services through the bank or an approved correspondent. All securities must be cleared on a delivery versus payment (DVP) basis and ownership documented by original safe-keeping receipts to the City. All interest payments and maturities shall be given immediate credit. The City wants the safekeeping fees to be applied to and paid through account analysis.

The City anticipates a current average of five (5) to ten (10) securities in FRB (Federal Reserve) or DTC (Depository Trust) safekeeping with the number increasing as rates rise. Ownership of the securities must be perfected and evidenced by an original safekeeping receipt sent directly to the City within one business day. The bank's brokerage services will not be used in order to perfect delivery versus payment (DVP) as required by statute and the City's Policy and assure independent third party safekeeping.

a. Is online information available for securities? For clearing? For safekeeping?

Yes. Through Wells Fargo's *CEO* portal, customers receive direct access to their brokerage account activity, positions, statements, and trade confirmations, as well as online trading of Money Market Mutual Funds.

b. Describe bank safekeeping arrangements proposed internally or with a correspondent.

Securities that are issued in "book entry" form are required to be held at a third party depository. The Fixed Income Sales group uses The Bank of New York (BONY) and the Depository Trust Company (DTC) to hold customer securities.

Securities belonging to customers who have safekeeping with Wells Fargo Bank, N.A. (bank safekeeping) are held in accounts titled "Wells Fargo Bank Safekeeping Services." The securities are recorded in the customer name on our internal system of record. Our books and records are reconciled daily with those of the depositories.

Safekeeping activity is subject to annual audits by our internal auditors, Wells Fargo Audit Services, Inc., and by our external auditors, KPMG.

c. If the bank is using a correspondent bank, identify the bank and describe the process to be used.

Not applicable. Wells Fargo Securities is a self-clearing broker.

d. Are notifications sent on all transactions (purchase, sale, calls, and maturities)? When and how?

Through Wells Fargo's *CEO* portal, customers can review and download investment account balances, positions, and account activity including all trades, cash, dividends, principal, and interest payments.

e. Will the bank apply the safekeeping charges to the account analysis? Confirm.

Fees are generally charged on a monthly basis through one of the following payment options:

- ACH
- Custody or safekeeping account debit
- Wells Fargo Bank account analysis charge

The City may choose to purchase time deposits from the bank but all time deposits will be competitively bid. The bank may provide a set basis for establishment of CD rates if desired.

Acknowledged.

9. Collateral requirements

The City requires a bank that is fiscally strong and able to provide the services described on an uninterrupted basis. City funds are public funds and fall under provisions of the Public Funds Collateral Act (Texas Government Code Chapter 2257) with additional restrictive City requirements. All time and demand funds above FDIC insurance coverage must be collateralized to 102% with securities authorized by the City. Authorized collateral will include only:

- **Obligations of the U.S. Treasury**
- **Obligations of U.S. Agencies and Instrumentalities (excluding letters of credit) to include mortgage backed securities which pass the bank test**
- **Obligations of any US state, their agencies and instrumentalities, and municipalities rated A or better by two nationally recognized rating agencies.**

All securities pledged to the City will be held by an approved independent third party institution outside the bank's holding company. The bank will be responsible for the pricing of securities and continuous monitoring and maintenance of margin levels. The custodian will provide a monthly report directly to the City on the collateral pledged. Preferably the custodian will provide market values on the securities.

A collateral agreement shall be executed under the terms of FIRREA and approved by resolution of the bank's Board or Loan Committee.

The following conditions must be met as described and agreed to:

- **Collateral must be held in an independent third party bank outside the bank's holding company.**
- **All deposits will be collateralized at 102% of principal plus accrued interest daily, excluding FDIC insurance.**
- **The bank is responsible for the daily monitoring and maintaining of collateral margin requirements.**

- Pledged collateral will be evidenced by original safekeeping receipts/report sent directly to the City by the custodian.
- The City will receive a report of collateral pledged including description, par, market value, and cusip monthly from the custodian at least monthly.
- Substitution rights will be granted if the bank obtains the City's prior approval (or has online access to all collateral held) and if substituting securities are received before previously pledged securities are removed from safekeeping.
- The bank shall execute a collateral agreement with the City for custody of pledged securities in full compliance with FIRREA not less than five days before commencement of the contract.

Does the bank confirm agreement to the conditions stated above? If not, clearly define any exceptions and what will be substituted to assure City funds' safety.

Yes. Based on the information requested in this RFP, we can meet all the current treasury management requirements set forth in this RFP and will continue to collateralize in the same manner used today.

10. Account analysis

A monthly account analysis report shall be provided for each account and on a consolidated account basis. Please note that a pro-forma analysis provided will not be used in lieu of the Attachment A to determine fees or monthly anticipated charges.

a. Provide a sample account analysis.

Account analysis

To **make the most of your balances**, the City can group accounts into a single relationship for analysis and compensation purposes. We'll calculate total charges, offsetting balances, and reserve requirements at the relationship level. We will also aggregate balances in all accounts (excluding controlled disbursement accounts) in the same relationship to determine compensation.

If you need to segregate billing for certain entities within your organization, **you can set up multiple analysis relationships** that only include accounts for each of those specific entities.

Each account within a relationship will also receive individual account analysis statements. Customers who use our subaccounting service can also choose to receive individual account analysis statements for each subaccount.

Your treasury management sales consultant can assist you in configuring your account analysis structure to best fit your specific needs.

**Make the
most of
your
balances**
when you
group
accounts into
a single
relationship.

Reporting

Although we calculate compensation at the relationship level, we can provide reporting at two additional levels: summary and intermediate. Brief descriptions follow.

Reporting option	Description
Summary level	These reports summarize balance and volume data for multiple relationships. As an example, an organization made up of multiple subsidiaries that require segregated billing can use a summary level statement to provide an overview of their entire Wells Fargo treasury management relationship.
Intermediate level	These reports provide a summary of balance and volume data for a particular group of accounts linked to one relationship. You can have multiple intermediate levels within a relationship. Typically, customers use intermediate level statements for regional or divisional reporting.

Statements

We are **one of the few financial institutions** that offers an online interactive analysis statement. With our interactive statement, the City can **trend up to 13 months of analysis history** and see a quick overview of changes in your activity and pricing.



Our online interactive statement is available **within one to three days** after the previous month's statement data is generated*. With a single sign-on, you can view detailed product subtotals as well as volume and pricing for services you used. You can view the interactive statement online or download it in PDF, Excel, HTML, or CSV formats.

*The statement cycle cuts off the last calendar day of the month. It takes five days for our system to consolidate the month's activity, then the statement is generated within one to three business days thereafter, per our service levels.

Compensation

The City will receive a monthly account analysis statement detailing fees, earning credit rate (ECR), and any fees due. Compensation is based upon the ECR and balances*. The same price schedule applies, regardless of the compensation. We will debit your account after each billing period for the fees in excess of the compensation; however, your treasury management sales consultant can discuss alternative payment options and billing periods with you.

We use an ECR to calculate the amount of fees offset by balances. The ECR index is set internally on a monthly basis at our discretion and may be adjusted during the month to react to market changes.

*Balances are not sent to our Account Analysis system for controlled disbursement accounts.

Standard ECR is determined after evaluating a combination of factors, including:

Fed Funds Target rate

Competitor rates

Other market indicators

We calculate your earnings credit based on 100% of your average daily positive collected balances. We do not deduct a reserve requirement prior to calculating the ECR. Your earnings credit is calculated using the following formula:


$$(\text{average positive collected balance}) \times (\text{number of calendar days in the month}) \times (\text{ECR}) \div \text{actual number of days in the year}$$

We charge a recoupment fee to partially recover deposit insurance premiums that we pay to the Federal Deposit Insurance Corporation (FDIC).^{*} Your account analysis statement will detail this fee as an individual charge.

^{*}The FDIC does not charge a bank's depositors for deposit insurance or require banks to pass the cost of deposit insurance on to their depositors.

b. State when the analysis will be available each month.

Your electronic analysis statement is available within one to three business days after we generate the billing period's statement data.

We mail paper analysis statements six to eight business days after the statement data is generated.

c. Is the analysis provided online?

Yes. Our interactive account analysis statement is available online.

The City can select individual or multiple items to trend up to 13 months of analysis history, giving you a quick overview of changes in your activity and pricing.

**Statements & Notices**

Client Analysis Statement  **Commercial Electronic Office®**

[Return to View / Download Statements](#)

 For More Information

Client Analysis Statement: [Summary](#) | [Relationship Summary](#) | [Intermediate Summary](#) | [Account Summary](#) 

 [Print](#) | [PDF](#)  [Download All Sections](#)

Summary for TISA BEAGLEY INC

JUNE 2006

WELLS FARGO BANK, N.A.
PO BOX 63020
SAN FRANCISCO, CA 94163

IF YOU HAVE ANY QUESTIONS ABOUT THIS STATEMENT OR
YOUR ACCOUNTS, CALL: 800-225-5935 (1-800-CALL-WELLS)

TISA BEAGLEY INC
TEST STATEMENT -- DO NOT MAIL
TEST STATEMENT -- DO NOT MAIL
SAINT LOUIS, MO 63118-1849

Analysis Summary  

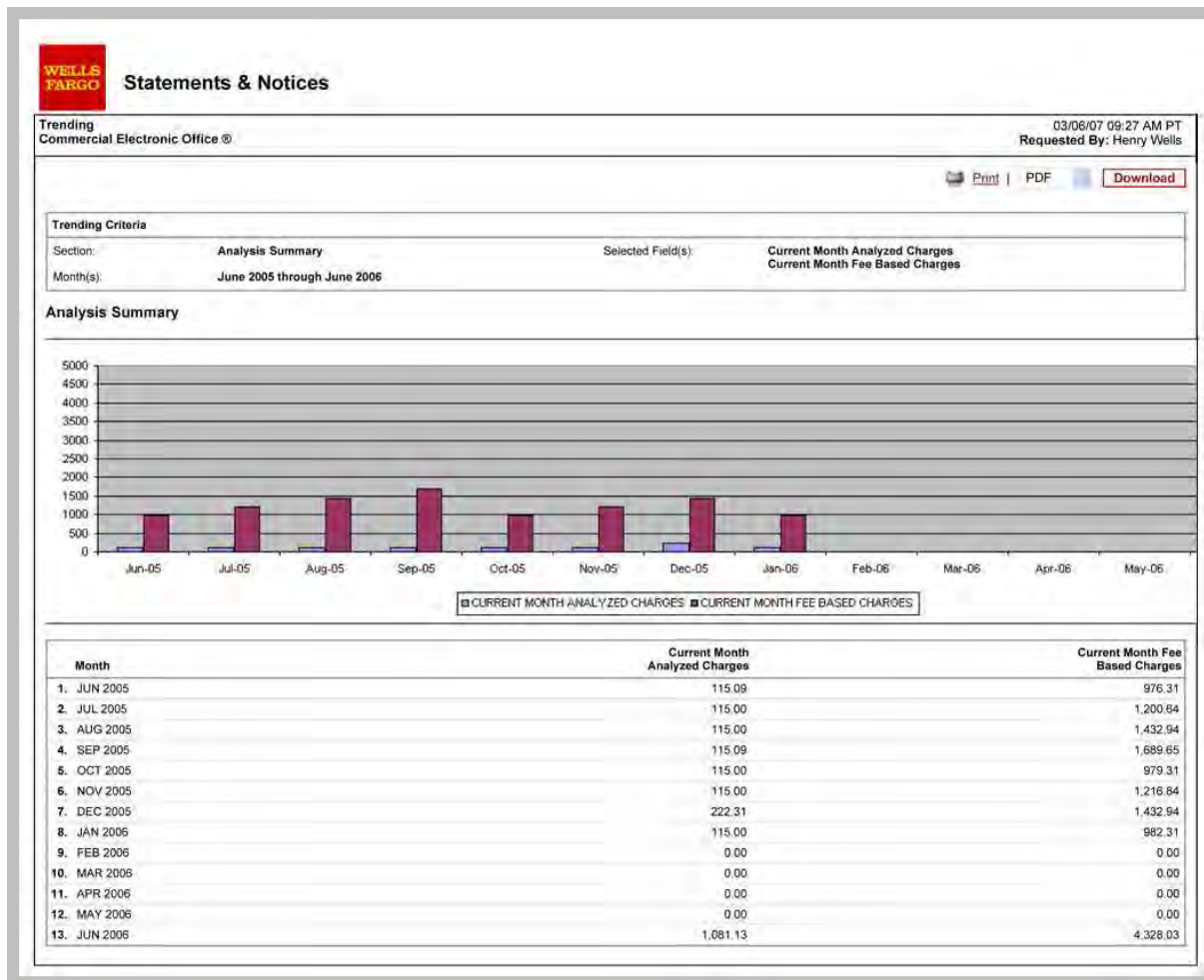
[PDF](#)  [Download Section](#)

To perform trending of historical data, check one or more boxes, then click **Perform Trending**.

Average Positive Collected Balance:	\$	14,871,589.98	☐
Reserve Requirement @ 10.00000 %:	-	1,487,159.00	☐
Investable Balance Available for Services:	=	13,384,430.98	☐
Earnings Allowance @ 3.50 %:	\$	104,531.67	☐
Current Month Analyzed Charges:	-	1,081.13	☒
Current Month Position:	=	103,450.54	☐
Net Shortfall Due:	\$	666.94	☐
Current Month Fee Based Charges:	+	4,328.03	☒
Total Amount Due:	\$	4,994.97	
Number of days in this cycle:		30	

[Perform Trending](#)

The trending report displays your selected data in graph and list forms.



We are one of the only financial institutions that offers this type of statement.

d. Is it on a monthly CD?

No. We do not offer historical information reporting data on CD-ROM. However, you can access available historical information reporting through our online reporting service. You can also internally maintain an archive of the historical information reporting you received by direct file transfer.

e. How long are analyses maintained online?

The City can select individual or multiple items to trend up to 13 months of analysis history, giving you a quick overview of changes in your activity and pricing.

11. Monthly statements

The bank will provide monthly account statements on individual accounts and on a consolidated account basis. All accounts are on a monthly cycle. Timeliness is critical.

a. Provide a sample statement.

Please refer to the Appendix section for a statement sample.

b. State when statements are available in paper and online?

Your electronic analysis statement is available within one to three business days after we generate the billing period's statement data.

We mail paper analysis statements six to eight business days after the statement data is generated.

How we generate your statement data

The billing period cuts off the last calendar day of the month. It takes five days for our system to consolidate the month's activity, then your statement is generated within one to three business days thereafter, per our service levels.

c. Is the statement available online? Also in paper form? Is the report on the monthly CD, if one is provided?

Yes. You can continue to receive paper account analysis statements* after implementing electronic account analysis; however, if you need human readable analysis statements, we encourage you to access them online.

*Additional fees apply.

No. We do not offer historical information reporting data on CD-ROM. However, you can access available historical information reporting through our online reporting service. You can also internally maintain an archive of the historical information reporting you received by direct file transfer.

d. How many months are statements available online? The City prefers a minimum of 12 months.

The City can get comprehensive account information through our online banking portal with our Statements & Notices (S&N) service. Our interactive service allows you to easily access your statements, notices, and legal disclosures online, so you can streamline your process and manage your time more efficiently.

With our S&N tool, you can set your default preferences to display your information on the various screens, including the home page, for each of the statements and notices supported.

In one single request, you can retrieve and download your statements in an easy-to-read PDF format for viewing or printing.

Benefits

- Interactive one-stop access to your statements and notices
- Streamlined process – saves you time with personalized preferences
- Flexibility to retrieve multiple or individual statements and notices with one request
- Green solution – paperless delivery to help eliminate costs of handling and storage, and conserve natural resources
- Notifications* available by email or text through our Alerts service

*Legal disclosure notifications are not available.

You can access the statements, notices, and disclosures listed in the following table.

Document	Availability
Commercial Checking/ Savings account statements	Available one to two business days after your statement cycle's cutoff date ¹ for up to 13 months (current month and prior 12 months).
Multi-Currency Account (MCA) statements²	Available one to two business days after your statement cycle's cutoff date and for up to 13 months (current month and prior 12 months).
Client Analysis statements (CAS)	Available within three business days after your statement data is generated ³ and for up to 13 months (current month and prior 12 months). Our exclusive interactive statement allows you to select individual or multiple items to trend up to 13 months of analysis history.
Deposit Adjustment Notice (DAN)	Available for up to 180 days after the adjustment is processed.
Stop Payment notice	Available for 30 days after the stop payment is processed.
Stop Renewal notice	Available for 30 days after the renewal is processed.
Legal disclosures	Available until the expiration date (included with your statements).

1. Statement availability varies by account type and services used.

2. Deposits held in non-U.S. branches are not FDIC insured.

3. Statement data is generated five business days after the close of the billing period. Statements are available in CSV, Excel, HTML, and ANSI X12 822 formats.

e. If the monthly CD contains the statement, will there be an additional fee for a paper statement?

No. We do not offer historical information reporting data on CD-ROM. However, you can access available historical information reporting through our online reporting service. You can also internally maintain an archive of the historical information reporting you received by direct file transfer.

12. Account executive

To ensure a smooth contract implementation and continuation, a specific account executive and back-up must be assigned to the City account to coordinate services and expedite the solution of any problem. The account executive should meet with City staff semi-annually on banking matters.

- a. Provide a structure for support to be provided by the bank. Explain how this support level will address problems and promote ongoing communications.**

We formed our Government Banking group to help ensure that our government customers get the specialized attention they require.

Our Government Banking group aligns sales, specialized banking teams, investment banking professionals, and tax-exempt fixed-income trading and distribution capabilities.

Currently, our Government Banking team members work with nearly 5,500 government customers across our footprint of 39 states and the District of Columbia. These customer relationships include federal, state, county, and city governments, as well as government agencies, authorities, and municipal utilities.

Our teams

We have more than 300 government team members including banking, sales, trading, analyst, and derivatives professionals. A dedicated relationship manager oversees your relationship. Our relationship managers are tenured professionals who are local to your market and receive support from our national presence.



We understand the different needs and challenges facing our government customers. Our coast-to-coast Government Banking practice gives your relationship manager access to local and national industry intelligence and best practices. We use this information to help create customized solutions for your needs.

How you benefit

We center our business on the needs of our customers. We take pride in approaching each relationship individually and, as one team, leveraging our resources to create the most value for our customers. We create value through providing:

Industry knowledge and expertise

We are a specialized group of professionals, experienced in working with government organizations across the nation. From raising capital, to managing assets, to increasing operational efficiencies, we share the knowledge gained from our experience with other customers for your benefit.

Strength and stability

For almost 170 years we have been a trusted financial institution. We are a leading national bank, ranked third in assets by the FDIC in 2019. The strength of our balance sheet helps us serve our government customers across the country.

An enhanced customer experience

We regularly monitor our service levels to validate and help ensure the degree of customer service that we provide you. We also offer training and educational opportunities to you free of charge.

We offer formal and informal training programs for our services. We also offer educational sessions on current treasury management topics, and payment conferences to keep you aware of industry best practices and regulatory changes.



A focus on innovation and quality

We are a recognized leader in the development and application of new technology to enhance our customers' treasury management systems and practices as evidenced by the following recognition:

#1 in Overall Mobile Performance and Functionality (Dynatrace, 2019)

Overall Most Innovative for Wells Fargo Gateway (Barlow Research Monarch Innovation Awards, 2019)

Best Corporate/Institutional Digital Bank in North America (Global Finance, 2019)

- b. Confirm that the account representatives will respond to all City inquiries within one business day.**

Acknowledged. We can accommodate this request.

c. Provide the name and title of the proposed account executive and one backup.**Relationship Manager**

Ann Battaglia
Vice President

ann.battaglia@wellsfargo.com
281-971-2159 office

12650 N. Featherwood Dr.
Second Floor
Houston, TX 77034

Ann offers the City consultative financial and banking guidance and coordinates the team of specialists that support your banking relationship. Ann is your advocate at the bank.

Ann has worked in banking since 1983. She began working for Wells Fargo in 2002 and has been a relationship manager since 1999. She is an active member of Government Finance Officer Association of Texas (GFOAT), Government Treasures Organization of Texas (GTOT), Texas Association of School Board Officers (TASBO) and RISE mentoring program.

Relationship Associate

Lori Reneau

lori.reneau@wellsfargo.com
409-861-6329 office

6250 Delaware St.
First Floor
Beaumont, TX 77706

Lori supports your relationship manager and helps to enhance your customer service experience. She serves as your liaison with other areas of the bank. She also assists with questions related to account analysis statements and overdrafts.

Lori has been a relationship associate since 2008.

She received her B.A. from Lamar University.

Treasury Management Consultant

Kim Maxey
Senior Vice President

kim.maxey@wellsfargo.com
281-652-4043 office
281-381-1016 mobile

14200 Gulf Fwy
First Floor
Houston, TX 77034

Kim offers her treasury management expertise to the City. She shares best practices and product and service information to guide you in developing your treasury management program.

Kim has worked in banking since 1985. She began working for Wells Fargo in 1990 and has been a treasury management consultant since 2000. She sits on the board of the Village Learning and Achievement Center, Inc., and is an active member of the Lake Houston Family YMCA Fundraising Committee and the Association for Financial Professionals (AFP).

Kim is a Certified Treasury Professional (CTP) and Certified Purchasing Card Professional (CPCP).

Treasury Management Analyst

Mary Beth Benton
Assistant Vice President

marybeth.benton@wellsfargo.com
972-599-4672 office

4975 Preston Park Blvd.
Third Floor
Plano, TX 75093

Mary Beth supports your treasury management consultant and will assist you with any treasury management questions when your sales consultant is unavailable.

Mary Beth brings more than 20 years of banking experience to her current position.

She assists you directly with any items pertaining to the implementation of new services.

d. Will this individual handle technical problems, questions, or changes? Daily operational difficulties?

No matter how many Wells Fargo products and services you use, you'll have just one number to call when you have an issue to resolve. Treasury Management Client Services has a centralized structure with a presence in all time zones. We hold the same high standards across our organization; all client service officers follow the same policies and procedures.

At times your concerns may require the involvement of our Operations department. In these cases, a client service officer acts as your liaison in solving your transmission issues.

e. What kind of additional technical support is available after business hours and on weekends?

In most cases, client service officers can diagnose your problem and provide a solution on the first call. However, if there's a problem that our client service representatives can't resolve, they act as your liaison to escalate the issue to our Technical Services group.

Hardware and software issues

While we can't provide support for the City's hardware and software, we will assist in any way we can. For instance, we can help to troubleshoot an issue with a scanner, but won't troubleshoot an area that your IT department is more suited to support; we won't put your systems at risk.

Transmissions issues

Our Wholesale Transmissions department focuses primarily on communication issues related to data transmission. Customers who exchange information with Wells Fargo using our data transmission service will also have the help of dedicated support staff.

Hours

Treasury Management Client Services representatives are available Monday through Friday from 6:00 a.m. to 9:00 p.m. CT and Saturday from 8:00 a.m. to 6:00 p.m. CT.

We arrange hours of support for your dedicated customer service officer based on the City's specific needs.

Our Technical Services group is available during the same hours as our Treasury Management Client Services team: from 6:00 a.m. to 9:00 p.m. CT and Saturday from 8:00 a.m. to 6:00 p.m. CT.

Again, client services representatives contact Technical Services on your behalf and communicate the issue back to you.

13. Overdrafts

Every effort will be made by the City to eliminate net aggregate daylight and overnight overdraft situations. Please note that the City's normal operating days/hours is Monday-Thursday, 7am – 6pm.

State the bank's policy regarding aggregate overdraft charges and the fees, if any. Please provide any services or options that may accommodate the City as a result of the regular working hours (Mon-Thurs/7am-6pm).

We charge for both overdrafts and for the use of uncollected funds.

Your relationship manager will set overdraft fees on a per item basis.

We calculate the rate for uncollected funds based on our prime borrowing rate. The formula for this fee is:

$(\text{average daily negative collected balance} \times \text{overdraft rate} \times \text{days in period}) \div (360)$

We can offset these fees (overdraft and uncollected funds) by the earnings credit allowance.

We do not charge for daylight overdrafts.

14. Stop payments

The City currently averages two stop payments per month and requires a minimum six month stop pay period. An automated stop pay process is required.

- a. Describe the stop pay process.
- b. How long will original stop pays remain in effect?
- c. Can stop pays be renewed? How? For what periods?
- d. Can a stop pay be cancelled? How?
- e. What is the deadline for same day action?
- f. Will the online system verify if the check was cleared before accepting the stop pay?

Stop methods

You have two options to submit stop payment orders: through our online banking portal or by electronic transmission, where you include information in your ARP issue file. With both methods, you can send stop payment requests 24 hours a day, 7 days a week — we'll process them in real time.

Online

Stop payments are effective immediately after you successfully initiate the request through our online service.

The system automatically reviews the previous 180 days and intraday teller-cashed activity to determine whether a requested check has paid. While you can place stop payments on a range of checks, there is a maximum number of 50 stops that you can place at one time. To place stop payments on more than 50 checks at one time, please contact Treasury Management Client Services for assistance.

By transmission

You can make a request as late as 10:00 p.m. CT and still receive same-day posting.

The system automatically reviews the previous 90 days and intraday teller-cashed activity to determine whether a requested check has paid. If you need to place a stop payment on a range of checks, you must include each individual check number in the file. As an alternative, you can contact Treasury Management Client Services for assistance with a stop payment on a range of checks.

Effective period

Stop payments remain in effect for six months. You can renew an individual stop payment on an as-needed basis through our online service or choose to use our automated renewal option. The renewal option lets you:

- Extend a stop payment for up to an additional six years (in 12-month increments)
- Predetermine a dollar threshold for automatic stop payment renewals
- Limit the number of times a stop payment is automatically renewed

15. Company banking

Describe any program the bank has in place to benefit the employees of the City including services provided and applicable fees to the City or employee.

a. Is availability only for employees using direct deposit or on City employment alone?

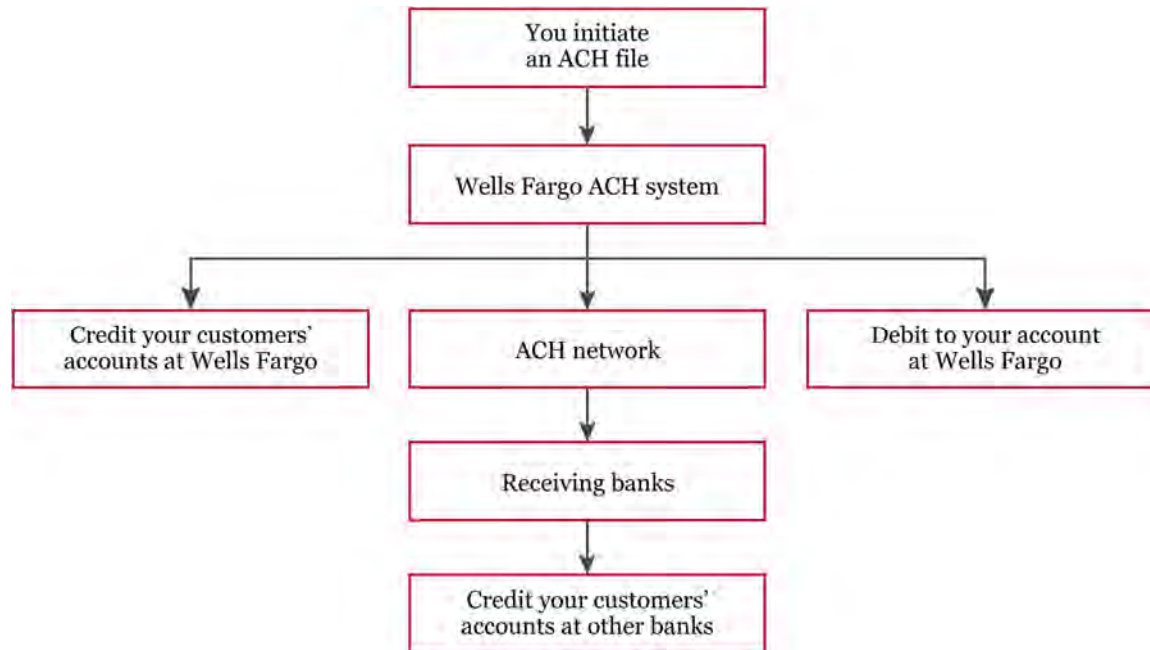
The City can deposit your employees' payroll, expense reimbursements, and other work-related payments directly into their checking or savings accounts through the ACH network. Our ACH Payments service — available through our online banking portal — speeds the availability of funds, improves your cash flow, and provides added financial control.

Improve cash flow and add financial control with payroll direct deposit.

Process

When the City submits payment information in an electronic file format approved by the National Automated Clearing House Association (Nacha), our system reads it and then delivers payroll entries to your employees' accounts. You have options for settlement with this direct deposit service. One- and two-day settlements put payments in your employees' accounts on payday morning. Same-day settlement puts payments in employees' accounts no later than the end of their financial institution's business day.

How it works



Deadlines

Although we have processing deadlines, **you can send direct deposit files 24 hours a day, 7 days a week**. If you send a file after the established cutoff time — or with an effective date on a holiday or weekend — we'll process it on the next business day. The following table lists the deadlines for all settlement options.

Origination method	Same-day settlement (on-us)*	Same-day settlement (transit)†	One-day settlement	Two-day settlement
Direct origination	8:00 p.m. CT	8:00 a.m. CT and 12:00 p.m. CT	8:00 p.m. CT	11:00 p.m. CT
Consolidated payables transmission	7:30 p.m. CT	8:00 a.m. CT and 12:00 p.m. CT	7:30 p.m. CT	7:30 p.m. CT
Online	6:00 p.m. CT	8:00 a.m. CT and 12:00 p.m. CT	8:00 p.m. CT	8:00 p.m. CT

*Both the originating account and receiving account must be Wells Fargo accounts. The \$100,000 transaction limit for Nacha's Same Day Rule does not apply to on-us transactions.

†Transactions more than \$100,000 and international transactions (IAT) are not eligible. Funds from incoming credits are available by 5:00 p.m. local time.

b. List the services available to employees.

We are committed to helping the City support your employees with enhanced benefits through our Wells Fargo At WorkSM program. Offered at no cost to you, the program brings engaging financial workshops, tools, resources, and options to your workplace. Your employees will have access to financial resources that can help them and your company.

Enhanced employee benefits for the City

Our program helps you enhance your financial wellness benefits for your employees by providing:

- Financial wellness workshops delivered at your locations
- Customized materials to help promote the City's program benefits
- Support for company initiatives to help increase participation, such as encouraging direct deposit or retirement savings
- Options to help your employees keep their financial priorities on track
- Online, mobile, phone, and in-person access*

*Your mobile carrier's message and data rates may apply. Availability may be affected by your mobile device's coverage area.

Your *Wells Fargo At Work* program representative helps to implement the program, and serves as your single point of contact.

Financial education for your employees**In person**

A distinct advantage of our program is our dedicated team of program representatives. Our team members work with you to provide financial workshops, consultations, and support for your employees, conveniently delivered at the City's locations.

Complimentary on-site financial workshop topics include:

- Budgeting and saving
- Managing your credit
- Paying for college
- Buying a home
- Monitoring your financial information

Online and mobile

We also provide online and mobile access to our financial wellness services, 24 hours a day, 7 days a week. We describe these services in the following paragraphs.

My Financial Guide

This guide offers a variety of articles, videos, and tips to help answer your employees' financial questions and help them plan for their goals. The content is available in English and Spanish. You can visit wellsfargo.com/financial-education for more information.

Financial health microsite

This website helps your employees start or make further progress on their journey to financial security. It shows how changing "one little thing" in their spending habits can lead to a positive impact on their overall financial situation. You can visit wellsfargo.com/financial-health for more information.

Hands on Banking®

This free, public service offered by Wells Fargo is a non-commercial financial education program. It provides relevant and engaging content for children, young adults, adults, entrepreneurs, seniors, military service members, and veterans. The youth curriculum aligns with the Common Core State Standards Initiative. You can visit handsonbanking.org for financial education modules for each target audience. The website also offers tools and resources that may help your employees and their families make smarter financial decisions.*

*The *Hands on Banking* program is a free public service provided by Wells Fargo Foundation. An account or business relationship is not required for use or access.

Additional resources for the City's employees banking with us**Financial health conversations**

Your employees can help improve their financial well-being and build confidence by speaking with a Wells Fargo Financial Health Banker. This complimentary service is offered Monday through Saturday, from 8:00 a.m. until 6:00 p.m. CT. The conversations are focused on helping with the following:

- Find new ways to reduce spending and build savings
- Take control of debt, and pay bills with confidence
- Make credit work for you, not against you

Steps to Better Banking

We welcome new checking customers with email, online, and ATM communications on how to use key services and maximize account benefits. The step-by-step series includes videos and tips, such as how to set up alerts and bill pay, make a mobile deposit, and pay friends and family.

My Money Map

Our online money management tools can help your employees map their own financial plan and see their finances in a new way. With one click, the tools help track their spending, budget, and savings activities – displayed in easy-to-understand charts. Transactions from Wells Fargo deposit and credit accounts are automatically updated, so you can monitor your progress and adjust as needed.

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VI. Optional services

The proposal must include a response to each question in this section and all fees associated with the service must be shown on Attachment A. If the service is not available respond as “Not Available”.

The City continues to investigate new services for inclusion under its banking services contract. These services are not currently required but will be evaluated in terms of availability, feasibility, service levels, services provided and charges for current, or future, use under the contract. The City will make its determination after receipt of the bids as to whether a particular service will be used initially or at all. If the service is initiated later in the contract period the services and charges stipulated in this proposal will be applied.

1. Stored value cards (pay cards)

The City currently does not utilize stored value cards but may consider it during the contract period especially for payroll. Users must have the ability to use the cards at point-of-sale as a debit card and/or for cash withdrawals at financial institutions and ATMs.

The purchasing ability of the cards must be limited to the stored value of the card. The City is authorized to assess fees from the user for issuing the stored value cards. The City must provide an opportunity for card holders to access the total amount of their funds either through ATM withdrawals or counter presentation without incurring a fee at the bank's own facilities.

The City will be responsible for marketing the use of the program and has total discretion on the distribution of the cards. The banking institution is required to provide card holders with all processing and transaction information. Services expected from the bank would include at a minimum:

- embossing, encoding and distributing cards as directed by City
 - provision of electronic statements to cardholders via online web access
 - administration of accounts: maintenance of accounts, application of funds, authorization of transactions, related tracking
 - customer service functions
- a. Does the bank provide pay cards or a comparable service? How long has this process been available?
 - b. How many customers use the service? Provide three comparable references for the service.
 - c. Which program (authorization mark) does your program use? (Visa, MasterCard (MC), etc.)

- d. Describe the enrollment process. Is enrollment online and does it provide for batched and individual item processing?
- e. What are the costs associated with inactivity (dormancy) and when is dormancy triggered?
- f. Describe your customer servicing. Is multi-lingual customer service staff available?
- g. Will the bank handle the escheatment process for terminated employees?
- h. Describe data transmission requirements and deadlines?
- i. Define all services charged to the card holder and show the associated fees on Attachment A.

Wells Fargo cannot accommodate stored value cards (Pay Cards).

2. Image lockbox

The City is considering the use of an image lockbox for receipt and posting of utility bills. Currently this process is completed efficiently in-house but an evaluation of the process, its costs, and its impact will be made.

- a. Describe fully the bank's ability to provide an image lockbox service.

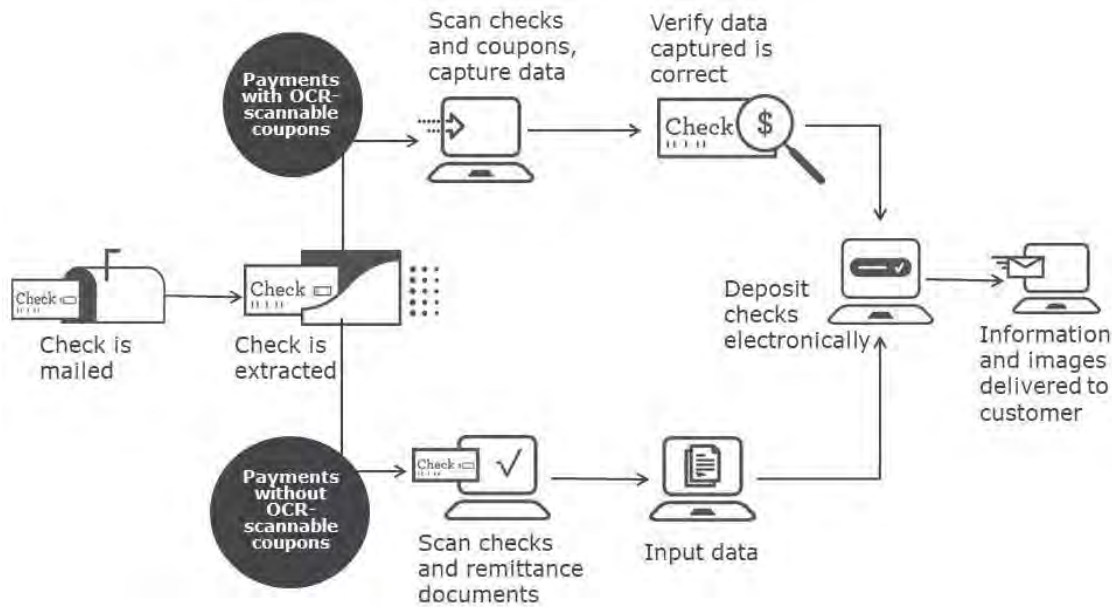
You can streamline your remittance processing by directing payments accompanied by an OCR-scannable coupon, and payments received with nonscannable remittance documents to a single whole-tail lockbox at Wells Fargo.

By using our whole-tail lockbox to process your payments, you get the **technological advantages** of high-speed retail lockbox processing with the **flexibility and data collection capabilities** of low-volume wholesale lockbox processing.

You may be able to accelerate collection of funds and reduce in-house processing expenses. You may also be able to meet early deposit deadlines and benefit from improved cash forecasting with intraday availability of funds.

How it works

The following diagram shows the wholetail lockbox workflow.



Our network

You can choose from the following image-enabled sites strategically located across the U.S. This broad coverage means your payments can arrive at our lockbox site — and we can begin processing them — a day or two sooner than if you use a more geographically distant site.

The following table shows the lockbox sites in our network.

Wholetail lockbox sites		
Atlanta	Denver	Philadelphia
Baltimore	Des Moines, IA	San Francisco
Charlotte, NC	Los Angeles	Seattle
Chicago	Minneapolis	
Dallas	Orlando, FL	

Site recommendation

Based on the information you provided, we recommend you use our Dallas lockbox site.

Post office pickup schedule

The following table lists the post office pickup schedule (in local time) for your recommended site. Holiday schedules vary by location. During the implementation phase of this project, we'll provide you with the holiday schedule for the location or locations you select.

Post office location	Weekdays	Saturday	Sunday
Dallas Main Post Office	AM 12:30, 3:30, 6:30 PM 12:30, 8:30 Friday PM 1:30, 6:30	AM 4:30 PM 12:30, 2:30, 6:30, 11:30	AM 4:30 PM 12:30, 2:30, 6:30, 11:30

Deposit deadlines

The following table lists our deadlines by site. At sites with more than one deadline, you can choose the time that best meets your internal balance reporting or transmission requirements.

We include payments received after your established deadline (including any payments processed during the weekend or on a holiday), in the following business day's work.

Deposit deadlines	
Lockbox site	Deposit times*
Dallas	4:00 p.m.

*All times are local.

Image options

When you use our image service, you'll have less paper to store and more access to the information you need to research and apply payments — without the hassle of storing paper documents. You can view images of all lockbox documents, including checks, remittance documents, and correspondence. Internet, transmission, and DVD delivery options are available.

Online

Your images are available within two hours of your deposit deadline. As a standard, we archive images for seven years. However, we do offer shorter retention periods (90 days, one year, or two years) to customers who don't have a business need to access images for seven years.

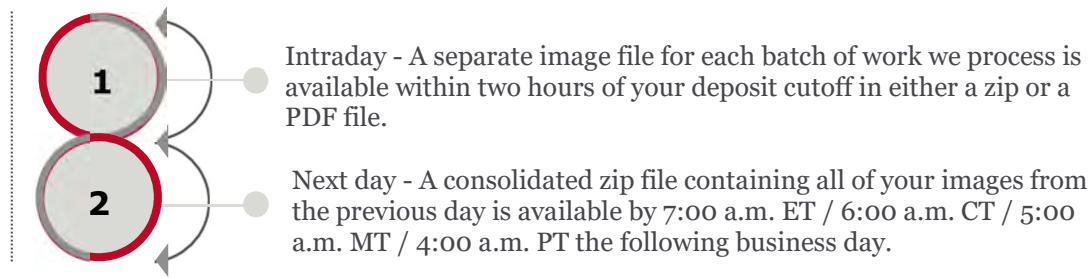
You can search for transactions using various criteria (including keyed data) by entering either a single value or a range of values. Additionally, you can assign a payer name to a unique account number and routing transit number combination; which lets you search for payments from a particular payer.

Our online image service is the quickest option to help you **resolve exceptions** and **satisfy customer service needs**.

Transmission file

We post a daily transmission file on our secure website that contains images of your lockbox checks and any corresponding documents. You can download the file from our website and

archive the images on your internal system. You have the option of intraday or next-day file transmissions.



Disk delivery

You can choose to receive your images on a CD or DVD on a regular (monthly, semi-monthly, or weekly) basis.

Optional Features	
Accounts receivable transmission	To help eliminate errors associated with manual keyed entry, you can receive an electronic transmission of your remittance detail. You can use it to update your accounts receivable system, treasury workstation, or ERP platform automatically. Your file can include data from other sources, such as wire and ACH. We generate transmissions to your specifications for frequency and format, including standard BAI V2 and EDI layouts. We offer customization for non-standard formats for an additional fee.
Credit card processing	If your customers provide credit card information, we'll process their payments by keying the information into our credit card processing application. They can use any card with the Visa®, Mastercard®, American Express, or Discover logo.
Exception processing	Using our online decision tool, you can submit additional processing information for payments that would normally be returned. We present images of each payment to you and give you two options: • Accept the payment and enter any additional processing information (such as invoice data required to balance a transaction or missing required keyed data) • Reject the payment and have us mail it to you

Virtual lockbox

You can scan and send us images of checks, correspondence, and invoices you receive at your location. We can then process and deposit them like your other lockbox payments. We'll include these items in the image and data transmission files we send you for uploading to your accounts receivable system.

b. What and when is information available?

You'll have access to check, remittance documents, and correspondence images online, through a daily image transmission, or a monthly CD or DVD.

We make online images available the same business day, within two hours of your deposit deadline. The online archive is available for up to seven years. You'll have access to the image transmission for up to 31 days.

c. Describe the implementation timeline.**Customized plan and dedicated representation**

We approach implementations as a partnership, and your relationship team stays engaged with you throughout your implementation — and ongoing through our relationship. We design our process with your organization in mind, and customize a plan to put your business needs first.

Your implementation will include:

- A dedicated implementation representation from beginning to end
- A customized implementation plan based on specific size, scope, and complexity

Your assigned implementation consultant works with internal bank partners and your staff to define and document requirements and determine our approach.

Implementation team members will meet with the City; together, we'll discuss and document presumptions, issues, and questions both parties have, and follow up with further meetings. We'll determine timelines for wholesale lockbox and related products and the responsibilities involved in meeting deadlines.

Transmission testing

If your lockbox solution includes transmissions, we'll build a transmission file and complete related tasks. The City will provide invoices, if applicable, to us and will participate in the testing of the output file. We'll then build your services on the product platforms.*

*We require your agreement to move any transmission services into the production environment.

Schedule

We provide a sample schedule for wholetail lockbox in the following table. While it shows some crucial tasks, it is not comprehensive; after we meet with you to discuss your needs, we will customize it.

Sample implementation schedule

Wholetail Lockbox		
Approximate timeframe	Wells Fargo actions	Your action
40-day lead time*	▪ Review and confirm services ▪ Perform coupon and envelope testing ▪ Provide results of coupon and envelope testing ▪ Provide lockbox number and live date ▪ Coordinate training ▪ Finalize setup	▪ Review and confirm services ▪ Provide 50 – 100 samples of remittance coupons and envelopes ▪ Complete training
*The implementation lead time represents the length of time it takes to make the service available to the City once the implementation consultant gathers all the necessary information from you and any internal sources.		
Wholetail Lockbox with transmission		
Approximate timeframe	Wells Fargo actions	Your action
40-day lead time*	▪ Review and confirm services; complete setup form ▪ Provide file layout specifications ▪ Issue transmission ID ▪ Perform coupon and envelope testing ▪ Provide results of coupon and envelope testing ▪ Perform transmission testing ▪ Provide lockbox number and live date ▪ Move transmission ID into production† ▪ Finalize setup ▪ Coordinate training	▪ Review and confirm services; complete setup form ▪ Provide 50 – 100 samples of remittance coupons and envelopes ▪ Perform transmission testing ▪ Complete training
*The implementation time can be longer, depending on transmission testing. Lockbox can begin receiving deposits 10 business days after the lockbox number is assigned; however, we cannot provide remittance details electronically until transmission testing is complete. †The City agreement is required to move any transmission services into the production environment.		

d. What level of technical assistance is the bank anticipating would be given to the City to implement the lockbox and design the remittance document?

We understand the implementation phase of your project is one of the most important; it's critical for helping ensure the service will operate correctly and your staff has confidence in it from the first day.

The implementation consultant we assign is your primary contact throughout the entire implementation process. This person serves as the liaison between your organization and the implementation team members in our technical and operational areas. Having one point of contact makes it easier for your staff because they know whom to contact with any questions.

As part of the implementation process, your implementation consultant provides you with all necessary documentation and works with you to customize a training program that shortens the learning curve.

Additionally, we offer several instructor-led and recorded training sessions for using many of our online banking portal services, including online administration, online information reporting, and lockbox services. This approach helps ensure your staff is adequately trained as soon as our service goes into production.

e. When could the lockbox be implemented?

The average lead time for a standard wholetail lockbox implementation is approximately 40 days, including programming and testing. Lead time can vary, depending on the scope and complexity of the project. Lead time begins once we document your final requirements and obtain your sign-off.

Critical factors that may impact lead time**From the City's side**

- A delay in receiving your lockbox processing instructions
- Invoice testing
- Issues with connectivity and testing if using transmission
- Responsiveness of your testing

From the bank's side

- Delay in any customized transmission programming
- Special programming needs to fulfill your requests

f. Where is the chosen lockbox facility located? What address (city, not street or specific location) would be used for remittance on each?**Site recommendation**

Based on the information you provided, we recommend you use our Dallas lockbox site.

Post office pickup schedule

The following table lists the post office pickup schedule (in local time) for your recommended site. Holiday schedules vary by location. During the implementation phase of this project, we'll provide you with the holiday schedule for the location or locations you select.

Post office location	Weekdays	Saturday	Sunday
Dallas Main Post Office	AM 12:30, 3:30, 6:30 PM 12:30, 8:30 Friday PM 1:30, 6:30	AM 4:30 PM 12:30, 2:30, 6:30, 11:30	AM 4:30 PM 12:30, 2:30, 6:30, 11:30

g. Describe the work flow and processing of payments.

Workflow

The following workflow is a general explanation of how we process items at a whole-tail lockbox. This workflow may vary from site to site.

Throughout this process, our operators have your lockbox processing instructions visible in order to follow your established instructions.

Receive and sort mail

Using either high-speed mail sorting equipment or manual processes, we separate mail addressed to your lockbox from mail addressed to other lockboxes.

Next, we batch the mail and place it into the bin designated for each customer-specific lockbox number.

Extract contents

We move mail from the mail bins to the processing area. Once there, an operator opens the mail and extracts the contents manually or uses automated mail-opening equipment. He or she reviews the contents of the envelopes, separates the checks from the documents, and groups payments.

Scan checks and capture data

Payments with optical character recognition (OCR)-scannable coupons

Using high-speed scanning equipment, an operator captures an image of each check along with its OCR-scannable coupon.

Payments undergo a variety of data capture or validation tasks such as:

- Capturing MICR line data
- Capturing OCR scan lines, including embedded dollar amounts, from coupon images
- Validating coupon OCR scan lines using the configuration settings, including check-digit algorithms, defined within the lockbox account specifications
- Identifying change of address (COA) coupons, which sets a COA flag for any coupon bearing a change

Payments without OCR-scannable coupons

Using a desktop or stand-alone scanning device, an operator captures an image in of each check along with its MICR line data. Courtesy amount recognition (CAR) and legal amount recognition

(LAR) technology captures and validates the check amount. If the payment has associated remittance documents, the operator may scan them at this point.

Scan remittance documents

An operator scans the remittance documents that correspond to the processed checks.

During scanning, we use work unit headers and trailers to prevent commingling batches of work. We also place transaction identification documents* — which have unique bar codes — on each check and document to correctly associate checks with their related documents.

*Some sites use an alternate method to keep work in the proper order.

Perform coupon correction (if necessary)

A keying operator views images of items our software could not sufficiently validate. The operator manually keys the required information using an interface that is optimized for rapid scan line data entry. As the operator enters the data, the application uses customer-specific rules logic, including check-digit algorithms, to validate the data.

Input check data (if necessary)

If an item fails our CAR and LAR match, an operator views the images of the item on the screen and keys the amount. If the CAR amount does not match the LAR amount, the operator must reverse-key the amount. The operator also corrects missing or unreadable MICR line data.

Capture supplemental data on non-OCR payments (optional)

Based on specific field prompts we establish during the implementation process, we use both manual and robotic keying to capture data, such as invoice number and customer name.

Create deposit file

Operators create a file that contains the MICR data, check amount, and a digital image of each deposited check, then transmits the file to our processing department. We then clear the checks electronically.

Generate output and prepare package

After your scheduled lockbox deposit deadline passes, we generate your lockbox output that includes both images and data. You can receive your reports and images online or by transmission. You can also request to receive a paper package by mail.*

We'll gather any unprocessed or rejected items and deliver them to you based on your instructions.

*Additional fees may apply.

Quality control

To promote high-quality service, each lockbox site manager administers a workflow analysis to quickly identify and address processing errors.

Receive and sort mail

- Monitor courier pickups and deliveries for timeliness
- Report any pattern deviations in overall volume to the post office

- Monitor customer-specific volumes to make sure we have appropriate staff levels in place
- Code mail bins according to deposit deadlines to help ensure timely processing of payments

Open mail and extract contents

- Perform in-house daily maintenance of equipment to confirm quality performance
- Keep color-coded tickets with work to support timely processing
- Use unique operator IDs for each batch of work
- Capture an image of each check and its MICR line data

Scan checks and capture data

Review every check to verify the following:

- Check contains a signature
- Payee
- Date
- CAR
- LAR
- CAR and LAR match
- Routing and transit number (to verify U.S. dollars)

Scan remittance documents

- Detect documents that are out of order
- Verify first and last check in each batch to prevent comingling

Input check data (if necessary)

- Re-enter check amount for CAR rejects by viewing image
- Verify data entered by a second operator to confirm accuracy

Create deposit file

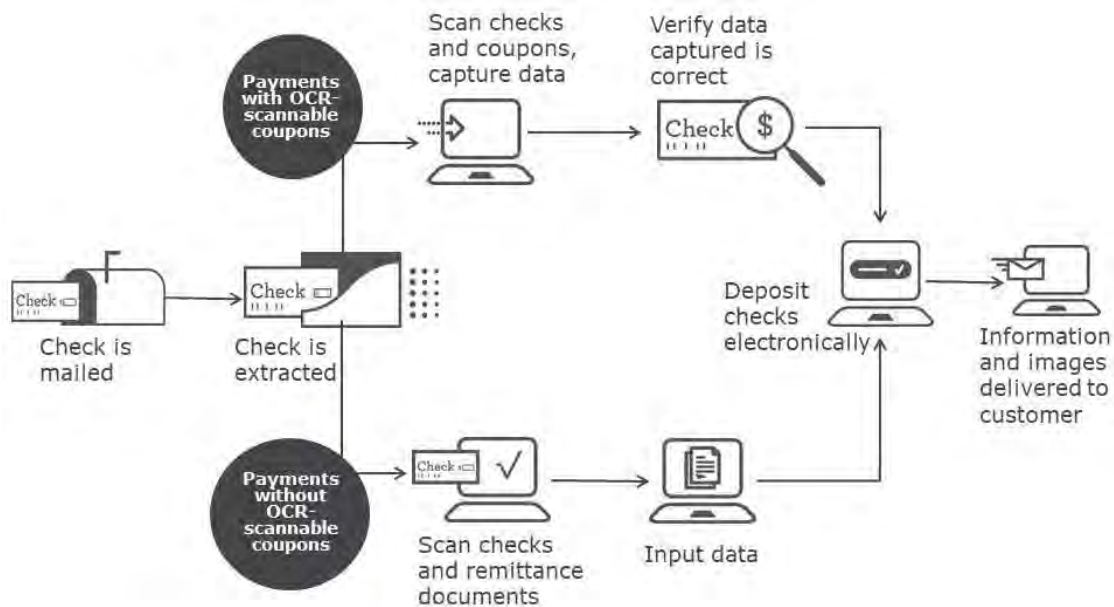
- Generate systematic reports to determine if out of balance conditions exist
- Place affected deposits on hold until we can resolve the condition

Generate output and prepare package

- Account for all batches
- Review all work and confirm it corresponds to your lockbox
- Mail package according to your specifications (if applicable)*
- Note number of boxes and pickups on log

*Additional fees may apply.

Flow chart



h. When is mail collected and delivered to the facility? How many times daily? How many hours of operation each day?

The following table lists post office pickup schedules for each of our wholetail lockbox locations. All times are local.

During the implementation phase of this project, we will provide you with the holiday schedule for the location or locations you select.

Post office location	Weekdays	Saturday	Sunday
Dallas Main Post Office	AM 12:30, 3:30, 6:00	AM 4:30	AM 4:30
	PM 1:00, 10:30	PM 12:30, 6:30	PM 12:30, 6:30
	Friday PM 2:30, 6:00		

i. Can the lockbox handle remittances paid by credit card? By cash?

We process credit card payments received in your lockbox using our electronic payment capture service that enables secure payment authorization and settlement for credit cards and debit cards.

Processing steps

- We sort credit card payments from other types of payments in your batch
- We enter credit card and transaction information into the electronic payment capture service, along with an authorization request, to Wells Fargo Merchant Services
- Within seconds, we receive an approval (or denial)
- We submit approved transactions for settlement and return denied transactions to you

Validation

The City can provide instructions for the processing of items such as partial payments, missing signatures, and stale- or future-dated payments. We automatically decline and return to you any transaction missing a credit card number, expiration date, or dollar amount.

Approved transactions

If you elect to receive image output, we scan the remittance document. You can view them online using our online lockbox service. The remittance document image includes redacted credit card information.

Declined transactions

We return paperwork for any declined credit card transactions to you.

Card types

We accept credit and debit cards for the following brands:

- Visa®
- Mastercard®
- American Express
- Discover Network

While we ask that your customers do not submit cash when making lockbox payments to you, we have formal, documented procedures for handling cash that we do receive.

We use logs, reports, and databases to record all information associated with a cash payment. We retain these records in accordance with our guidelines, and limit access to the data by password.

We conduct random integrity tests to evaluate the security and proper handling of cash payments.

Secure, dual control

We handle every cash payment under dual control, often under camera surveillance, where two employees secure cash in a safe that has either a combination or a keyed lock. The check stock we use to convert cash to checks is also stored in a safe.

Combination safe

The combination is split and kept under dual control, which means that no single employee has access to the entire combination.

Keyed safe

We house the key securely so that two employees are needed to release it.

Conversion

We generate a check payment for the dollar amount of the cash, so that we can process the funds with your other check payments.

We balance the check amount with the amount of cash received and review all other information on the check. Only a member of management can sign checks.

j. Describe the major components of your overall process including quality control checkpoints.

Workflow

The following workflow is a general explanation of how we process items at a wholetail lockbox. This workflow may vary from site to site.

Throughout this process, our operators have your lockbox processing instructions visible in order to follow your established instructions.

Receive and sort mail

Using either high-speed mail sorting equipment or manual processes, we separate mail addressed to your lockbox from mail addressed to other lockboxes.

Next, we batch the mail and place it into the bin designated for each customer-specific lockbox number.

Extract contents

We move mail from the mail bins to the processing area. Once there, an operator opens the mail and extracts the contents manually or uses automated mail-opening equipment. He or she reviews the contents of the envelopes, separates the checks from the documents, and groups payments.

Scan checks and capture data

Payments with optical character recognition (OCR)-scannable coupons

Using high-speed scanning equipment, an operator captures an image of each check along with its OCR-scannable coupon.

Payments undergo a variety of data capture or validation tasks such as:

- Capturing MICR line data
- Capturing OCR scan lines, including embedded dollar amounts, from coupon images
- Validating coupon OCR scan lines using the configuration settings, including check-digit algorithms, defined within the lockbox account specifications
- Identifying change of address (COA) coupons, which sets a COA flag for any coupon bearing a change

Payments without OCR-scannable coupons

Using a desktop or stand-alone scanning device, an operator captures an image in of each check along with its MICR line data. Courtesy amount recognition (CAR) and legal amount recognition (LAR) technology captures and validates the check amount. If the payment has associated remittance documents, the operator may scan them at this point.

Scan remittance documents

An operator scans the remittance documents that correspond to the processed checks.

During scanning, we use work unit headers and trailers to prevent commingling batches of work. We also place transaction identification documents* — which have unique bar codes — on each check and document to correctly associate checks with their related documents.

*Some sites use an alternate method to keep work in the proper order.

Perform coupon correction (if necessary)

A keying operator views images of items our software could not sufficiently validate. The operator manually keys the required information using an interface that is optimized for rapid scan line data entry. As the operator enters the data, the application uses customer-specific rules logic, including check-digit algorithms, to validate the data.

Input check data (if necessary)

If an item fails our CAR and LAR match, an operator views the images of the item on the screen and keys the amount. If the CAR amount does not match the LAR amount, the operator must reverse-key the amount. The operator also corrects missing or unreadable MICR line data.

Capture supplemental data on non-OCR payments (optional)

Based on specific field prompts we establish during the implementation process, we use both manual and robotic keying to capture data, such as invoice number and customer name.

Create deposit file

Operators create a file that contains the MICR data, check amount, and a digital image of each deposited check, then transmits the file to our processing department. We then clear the checks electronically.

Generate output and prepare package

After your scheduled lockbox deposit deadline passes, we generate your lockbox output that includes both images and data. You can receive your reports and images online or by transmission. You can also request to receive a paper package by mail.*

We'll gather any unprocessed or rejected items and deliver them to you based on your instructions.

*Additional fees may apply.

Quality control

To promote high-quality service, each lockbox site manager administers a workflow analysis to quickly identify and address processing errors.

Receive and sort mail

- Monitor courier pickups and deliveries for timeliness
- Report any pattern deviations in overall volume to the post office

- Monitor customer-specific volumes to make sure we have appropriate staff levels in place
- Code mail bins according to deposit deadlines to help ensure timely processing of payments

Open mail and extract contents

- Perform in-house daily maintenance of equipment to confirm quality performance
- Keep color-coded tickets with work to support timely processing
- Use unique operator IDs for each batch of work
- Capture an image of each check and its MICR line data

Scan checks and capture data

Review every check to verify the following:

- Check contains a signature
- Payee
- Date
- CAR
- LAR
- CAR and LAR match
- Routing and transit number (to verify U.S. dollars)

Scan remittance documents

- Detect documents that are out of order
- Verify first and last check in each batch to prevent comingling

Input check data (if necessary)

- Re-enter check amount for CAR rejects by viewing image
- Verify data entered by a second operator to confirm accuracy

Create deposit file

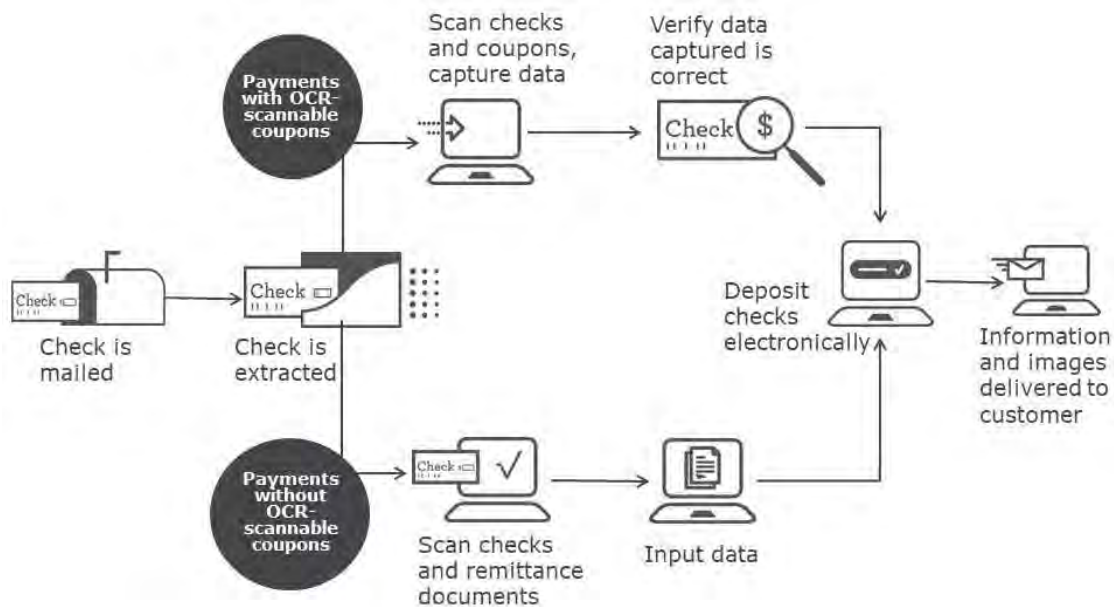
- Generate systematic reports to determine if out of balance conditions exist
- Place affected deposits on hold until we can resolve the condition

Generate output and prepare package

- Account for all batches
- Review all work and confirm it corresponds to your lockbox
- Mail package according to your specifications (if applicable)*
- Note number of boxes and pickups on log

*Additional fees may apply.

Flow chart



k. Will City mail be processed on all shifts including weekends?

The following table lists post office pickup schedules for each of our wholetail lockbox locations. All times are local.

During the implementation phase of this project, we will provide you with the holiday schedule for the location or locations you select.

Post office location	Weekdays	Saturday	Sunday
Dallas Main Post Office	AM 12:30, 3:30, 6:00	AM 4:30	AM 4:30
	PM 1:00, 10:30	PM 12:30, 6:30	PM 12:30, 6:30
	Friday PM 2:30, 6:00		

l. Is there a formal procedure for responding to and correcting errors and problems? Describe including average response time. Who is responsible for handling adjustments and error resolution?

Because we credit all deposits processed through our lockbox network into Wells Fargo accounts, we are responsible for handling all adjustments and resolving any errors. This saves you from having to work with multiple institutions to resolve inconsistencies.

m. Provide the names, contact names and telephone numbers of at least three comparable public lockbox clients.

Out of respect for our customers' privacy, we do not provide references at this stage in the proposal process. We will be happy to provide references once you have identified us as a finalist in your selection process.

n. In the case of system failure, what are the back-up arrangements for processing? What delays would be expected in such a situation?

We have contingency plans in place for both minor and major system failures. Our qualified personnel can handle most simple repairs, but we have established maintenance agreements with all of our major hardware vendors. If a serious error or malfunction takes place, we contact the vendor, who is required to send a repair technician as soon as we report the issue.

We can send the City's work to another site if needed. We have backup software programs for all customers, and can export images to other sites for remote data entry.

We handle system malfunctions — small or large — as promptly as possible, helping to ensure that we process your payments with minimal delay.

o. Describe the data transmission process and provide all sample reports to be received. Is there full MICR capture?

We can provide you a data transmission (in flat or Nacha file* format) that includes returned items, redeposited items, and returned converted ACH transactions (if applicable). You can use the file to match and post returned items by using MICR and other information from the original deposit. The file includes a separate record for each returned item and can include any of the following information:†

- Checking account and American Bankers Association (ABA) number
- Check amount
- Check date
- Check number
- Full name on check
- Original deposit date
- Reason code

*Nacha format requires enrollment in our ACH check conversion service.

†Some of the options require manual data entry; additional fees may apply.

p. What is the earliest transmission time that information is available on the daily deposit(s)? Is this information available online?

We work diligently to process mail items as quickly as possible; however, we cannot guarantee we can process all items on a same-day basis unless you select the latest transmission time available. At most sites, lockbox processing starts with our third shift around 11 p.m. local time, but we can receive mail from couriers at any time during the day.

Your transmission time is based on the deposit cutoff time you choose. Data transmissions are available within two hours of your deposit cutoff time.

If you choose the earliest transmission time available — and therefore the earliest deposit cutoff time — it is possible that some of your items will not be processed, deposited, and included in the transmission that day.

Any items that are not received and processed before your deposit cutoff time are held for processing on the next business day.

Prior to the implementation of your lockbox services, we'll work with you to establish a transmission schedule that best meets your needs.

We include deposit cutoff times and corresponding transmission times in the following table.

Lockbox site	Deposit cutoff times*	Transmission times*
Dallas	4:00 p.m.	6:00 p.m.

*All times provided are in local time.

3. Printing utility bills

During the contract period, the City may be looking into using the depository to print and mail the City's utility bills. Please indicate the bank's level of interest in providing billing/mailing services.

Wells Fargo cannot accommodate print and mailing of the City's utility bills.

4. Remote electronic check acceptance and conversion

The City is interested utilizing remote check depositing at the City Hall location during the contract period.

a. Describe the bank's remote deposit process.

You can save both time and money by using our remote deposit service to deposit checks into your Wells Fargo account electronically. **This service eliminates the need for your employees to take check deposits physically to the bank.** An extended deposit deadline of 9:00 p.m. CT for same-day ledger credit may mean faster notice of returned items.

You'll no longer need to maintain accounts at local banks that have physical branches near your locations. You can **consolidate banking relationships**, save money on account maintenance fees, and **reduce the time spent reconciling multiple bank accounts.**

**Save time
and money**

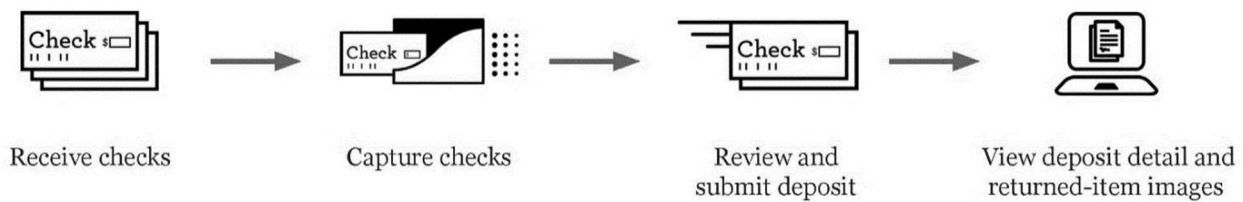


How it works

You scan checks for deposit by using an approved check scanner and computer with internet access. Next, confirm the check dollar amounts and verify the deposit balances. Then, submit the deposit to us; you'll receive a prompt confirmation.

If you enroll in our Alerts service, we'll send authorized users a deposit confirmation notice by email, text message, or fax.

The following diagram shows the remote deposit process flow.



Features

Image access

As you scan checks, we capture their images and store them on our servers. Check images are promptly available online through our remote deposit service for 90 days; these same images are also available online through our online Transaction Search service for seven years.

Custom fields

Using multiple discretionary data fields, you can enter customized information about the checks that you receive; this feature lets you search for checks using your own criteria and makes it easy to upload data into your accounts receivable system. Our quick data feature simplifies the capture process by automatically recalling some of your previously entered receivables data.

Reporting

You can generate the following reports through our remote deposit service.

Available reports	
Report name	Description
Deposit Report	This report contains general information (including deposit amount, number of checks included, and submission date) for deposits completed within the past 90 days. It is available in HTML, PDF, CSV, and Excel formats.*
Deposit Report with Item Details	This report contains general deposit information and item details for each deposit completed within the past 90 days. It is available in HTML, PDF, CSV, and Excel formats.* The HTML format includes links to display item images.
Express Report with All Item Images	This report displays a "quick" version of the Deposit Report with Item Details. It is available in PDF format and contains detail information and images for each item deposited (up to 1,000 items), and maintains a 90-day history. You can select the number of images (up to eight per page) that you would like to see.
Deposit detail transmission	We offer a deposit detail transmission that can include discretionary data that you manually entered, in addition to check detail. This feature allows you to receive an electronic file for posting your receivables.

*CSV, Excel, and HTML formats contain keyed discretionary data.

User access

The City's designated system administrators establish users, grant them access, and set their check limits.

Administrators can customize each user's access. For example, a user can have scan-only access for one account and balance-only access for another account. This flexibility lets you implement dual controls so that one person scans and another person submits a deposit.

Batch deposits

You can create multiple batches within one deposit. This batching simplifies balancing when you have checks for multiple entities in the same deposit.

Mobile deposit

You can capture check images and deposit funds* to your account with the camera of a mobile device.† Mobile users, such as on-the-road personnel, can accept customer checks and deposit them immediately.

*One check per deposit.

†Requires an iPhone, iPad, or iPad Mini running iOS version 10.1 or higher, or an Android device with version 7.0 or higher.

Updates

Because our service is entirely internet-based, it does not require the installation of any software (other than a scanner driver). Any updates we make are promptly available to you when you access the system.

Quality control



- ✓ Before submitting a deposit, you'll have a chance to review the scanned items, and make corrections (such as rescan images, enter missing data, and verify item amounts) to balance the deposit.
- ✓ Then, you'll submit the deposit to us.
- ✓ Our Electronic Deposit Center inspects and analyzes the image quality of all items, looking for illegible items, image issues such as streaking or interference within key areas, and image contrast.
- ✓ While image quality exceptions are rare (accounting for approximately 1% or less of all items we process), we follow process for handling them.
- ✓ If there is an item that we cannot clear, we follow an adjustment process and notify you accordingly.

- b. Does the bank provide remote deposit processing currently? Give three references for comparable entities including a contact name, company and email address.**

Based on our current understanding of your needs, we have chosen references with services that most closely resemble the setup we have proposed for the City. We provide contact information for these references in the following table.

References*

Alka B. Shah
Chief Accountant
City of Sugarland

281-275-2700
ashah@sugarlandtx.gov

2700 Town Center Blvd. N.
Sugarland, TX 77479

Rhonda G. Boskas, CPA,
CGFO
Deputy Director of
Administrative Services -
Finance
City of Friendswood

281-996-3216
281-482-6491
rbloskas@friendswood.com

910 S. Friendswood Dr.
Friendswood, TX 77546

John McCarter
Interm Director of Finance
City of Pearland

281-652-1650
jmccarter@pearlandtx.gov

3519 Liberty Dr.
Pearland, TX 77581

*Reference information is confidential.

c. What is the final cut-off time for remote deposits? Are there any limitations on batch size or limits on the number of transmissions per day?

You will receive same-day ledger credit for deposits you submit by 9:00 p.m. CT; we do not offer a later deadline. Deposits you submit after our deadline receive ledger credit on the next business day.

d. Once deposited through remote deposit does the bank hold the same liability as if checks were OTC deposited?

Yes. Checks deposited through remote deposit hold the same liability as checks deposited in a branch.

e. How long must checks be retained by the City once remotely deposited?

We recommend that the City retain checks at least seven business days before they are properly destroyed.

f. What options does the City have in scanners for use with the process? Is this equipment available through the contract? List the equipment required along with its approximate cost(s).

We've included pricing on scanner equipment, maintenance fee, and necessary supplies in the Appendix section of our proposal. Set-up fees are outlined in pricing.

The following table shows the price schedule for the supported scanner equipment that the City can use with our remote deposit service.

Price schedule

Scanner (purchased)	Warranty	Charge basis	Price*	Suggested daily check volume
Digital Check CheXpress CX30-IJ — single feed	12 month	Per unit	\$468.00	Fewer than 20 per day
	24 month	Per unit	\$505.00	
Digital Check TS240-50 — 50 documents per minute	12 month	Per unit	\$699.00	Fewer than 500 per day
	24 month	Per unit	\$749.00	
Digital Check TS240-100 — 100 documents per minute	12 month	Per unit	\$928.00	More than 500 per day
	24 month	Per unit	\$978.00	
Panini Vision X 50 — 50 documents per minute	12 month	Per unit	\$740.00	Fewer than 500 per day
	24 month	Per unit	\$790.00	
Canon CR190i II — 190 documents per minute	12 month	Per unit	\$2,734.00	More than 500 per day
	24 month	Per unit	\$3,093.00	

12-month extended warranty (purchased at expiration)	Charge basis	Price*
Panini Vision X 50	Per unit	\$102.91
Digital Check CX30 single feed	Per unit	\$84.86
Digital Check TS240 batch scanners	Per unit	\$102.91

Maintenance	Charge basis	Price*
Cleaning Includes removal of loose dirt and debris, complete cleaning of the magnetic head, and cleaning of all rubber roller surfaces	Per unit	\$66.89
Checkout Includes evaluation and testing of unit and parts to specified standards (Note: Only applies if no problem is found.)	Per unit	\$65.00
Preventive maintenance Includes a standard cleaning, as defined above, plus replacement of all O-rings and the drive belt	Per unit	\$154.37
Expedite One-day turnaround on warranty or service procedure	Per unit	\$51.46
Expedite Same-day turnaround on warranty or service procedure	Per unit	\$102.91
Repairs Not covered under warranty	Per hour plus parts	\$154.37
Repairs Not covered under warranty	Flat rate covers all work (except camera or motherboard)	\$171.86

Supplies	Charge basis	Price*
Franker for Panini i:Deal	per franker	\$23.53
Ink cartridge for Panini Vision X	per cartridge	\$22.63
Ink cartridge for Digital Check	per cartridge	\$22.63
3-pack ink cartridge for Panini or Digital Check	per 3-pack of cartridges	\$59.69
Check retention bags	per 100 bags	\$24.59
Replacement box with inserts (CX30)	per kit	\$18.52
Replacement box with inserts (TS240)	per kit	\$23.51
Replacement box with inserts (Panini)	per kit	\$35.24
Cleaning kit for Panini	per kit	\$46.99
Cleaning kit for Digital Check	per kit	\$52.62
Cleaning kit for Digital Check (small)	per kit	\$17.63
Cleaning kit for Canon	per kit	\$22.38
Cleaning swabs for Digital Check	per pack	\$7.20

Other	Charge basis	Price*
Billing adjustments	Per occasion	\$15.44
Restocking Canceled orders (unopened units only)	Per unit	\$77.18

*Prices listed are current as of February 2020. Prices are base prices, subject to change without notice, and do not include shipping, handling, or tax.

Appendix

Pricing.....	Tab A
Additional services	Tab B
Money market funds prospectus	Tab C
Depository pledge agreement.....	Tab D
Legal disclaimers	Tab E
Account agreement and disclosures	Tab F

Attachment A

Account Name	ELEMENT	6-Month Avg Collected Balance	Description	Monthly Volume Avg	Proposed Unit Price	Total Proposed Cost	COMMENTS
Operating	DDA001	\$14,841,200	DEPOSITED CHECKS - ON US	587.50	0.05000	29.37500	
	DDA002		DEPOSITED CHECK	2,636.33	0.05000	131.81667	
	DDA06503		ACH RETURN ITEM-MANUAL	3.50	3.00000	10.50000	
	DDA06504		ACH RETURN ADMIN -MANUAL	2.67	3.00000	8.00000	
	DDA06506		ACH RETURN UNAUTHORIZED -MANUAL	1.00	3.00000	3.00000	
	DDA06511		ACH RETURN UNAUTHORIZED QUALITY FEE	1.00	5.00000	5.00000	
	DDA08132		CASH VAULT MONTHLY BASE	1.00	0.00000	0.00000	
	DDA08160		CASH VAULT DEPOSIT ADJUSTMENT	2.00	7.00000	14.00000	
	DDA08173		CV CASH ONLY OR CHECK ONLY DEPOSIT	39.83	1.00000	39.83333	
	DDA08174		CASH VAULT DEPOSIT CASH AND CHECK	29.83	1.00000	29.83333	
	DDA08290		CASH VAULT CURRENCY/COIN DEPOSITED	55,443.83	0.00100	55.44383	
	DDA08504		CASH VAULT ADJ ADVICE - US MAIL	1.50	1.00000	1.50000	
	DDA12061		ARP MONTHLY BASE - PARTIAL	1.00	10.00000	10.00000	
	DDA12379		ARP PART POSITIVE PAY ISSUE - ITEM	226.33	0.01000	2.26333	
	DDA12505		POSITIVE PAY EXCEPTION CHECKS RETND	1.00	5.00000	5.00000	
	DDA12670		STOP PAYMENT - ONLINE	3.00	6.00000	18.00000	
	DDA12687		ARP AGED ISSUE RECORDS ON FILE-ITEM	1,513.83	0.01000	15.13833	
	DDA12812		CEO IMAGE VIEW < 90 DAYS - ITEM	11.25	0.05000	0.56250	
	DDA12815		CEO IMAGE VIEW > 90 DAYS - ITEM	11.33	0.05000	0.56667	
	DDA12903		POSITIVE PAY EXCEPTIONS - ITEM	3.50	1.00000	3.50000	
	DDA12907		POSITIVE PAY MONTHLY BASE	1.00	10.00000	10.00000	
	DDA12908		POS PAY CHECKS WITH NO ISSUE RECORD	3.50	0.50000	1.75000	
	DDA22051		ACCT MAINTENANCE	1.00	5.00000	5.00000	
	DDA22202		DDA CHECKS PAID	206.00	0.05000	10.30000	
	DDA22990		PHOTOCOPY CUSTOMER SERVICE - ITEM	1.00	10.00000	10.00000	
	DDA27707		CEO SEARCH	12.83	0.05000	0.64167	
	DDA34123		CEO EVENT MESSAGING SERVICE - EMAIL	160.00	0.25000	40.00000	
	DDA34205		CEO WIRE XFR DETAIL US ACCT MO BASE	1.00	5.00000	5.00000	
	DDA34207		CEO WIRE XFR DETAIL US ACCT ITEM	13.50	0.03000	0.40500	
	DDA34250		INFO REPORTING HISTORY STORAGE 30	183.17	0.01000	1.83167	
	DDA34330		ACH CEO SUBSCRIPTION - ACCOUNT	1.00	10.00000	10.00000	
	DDA34332		ACH CEO SUBSCRIPTION - ITEM	267.00	0.05000	13.35000	
	DDA34333		ACH CEO FRAUD FILTER REVIEW MO BASE	3.00	5.00000	15.00000	
	DDA34335		ACH CEO FRAUD FILTER REVIEW - ITEM	13.33	3.00000	40.00000	
	DDA34337		CEO CHECK ISSUES-ITEM	2.33	0.05000	0.11667	
	DDA34350		CEO ARP STMT & RPTS MONTHLY BASE	1.00	10.00000	10.00000	
	DDA34377		ACH PAYMENTS BASE FEE	2.00	10.00000	20.00000	
	DDA46100		CEO BASIC BANKING - MONTHLY BASE	1.00	3.00000	3.00000	
	DDA46102		CEO BASIC BANKING ADDL ACCT-MO BASE	6.00	3.00000	18.00000	
	DDA46106		CEO BASIC BANKING - TRANSFER	3.83	0.10000	0.38333	
	DDAACH1D		ACH PAYMENTS ONE DAY ITEM	790.83	0.05000	39.54167	
	DDAACH2D		ACH PAYMENTS TWO DAY ITEM	1,302.00	0.05000	65.10000	
	DDAACHYD		ACH PAYMENTS SAME DAY ITEM	41.00	0.50000	20.50000	
	DDACK018		ELECTRONIC CREDITS POSTED	141.50	0.05000	7.07500	
	DDACK021		DEBITS POSTED	41.50	0.05000	2.07500	
	DDACK061		RETURN ITEM - CHARGEBACK	3.00	2.00000	6.00000	
	DDACK069		RETURN ITEM SPECIAL INSTRUCTIONS	3.00	0.25000	0.75000	
	DDACK075		RETURN ITEM REDEPOSITED	3.00	2.00000	6.00000	
	DDACK081		RETURN ITEM SPECIAL INST MTHLY BASE	1.00	5.00000	5.00000	
	DDACK084		RETURN ITEM WITH MAKER NAME	6.00	0.25000	1.50000	
	DDACK131		ROLLED COIN FURNISHED BY WF BRANCH	18.50	0.20000	3.70000	
	DDACK141		CURRENCY FURNISHED BY WF BRANCH	424.00	0.00220	0.93280	
	DDACK197		CASH ORDER FEE IN A WF BRANCH	1.00	6.50000	6.50000	
	DDADS322		ARP PARTIAL RECONCILIATION - ITEM	206.00	0.02000	4.12000	
	DDAES030		WIRE IN - DOMESTIC	6.83	3.00000	20.50000	
	DDAES139		WIRE OUT DOMESTIC - CEO	6.33	3.00000	19.00000	
	DDAES206		ACH ORIGINATED - ADDENDA REC	35.33	0.05000	1.76667	
	DDAES237		ACH FAX SERVICE	15.50	5.00000	77.50000	
	DDAES344		ACH RECEIVED ITEM	170.50	0.05000	8.52500	
	DDAES346		ACH EXCEPTION PROCESS-DUPICAT FILE	1.00	10.00000	10.00000	
	DDAES391		ACH WELLS FARGO NOC - FAX ADVICE	2.00	0.00000	0.00000	
	DDAES480		ACH NOC - FAX ADVICE	4.33	3.00000	13.00000	
	DDAES803		ACH PAYMENTS ONLINE BATCH RELEASE	17.67	2.00000	35.33333	
	DDAIAMIB		RECOUPMENT MONTHLY IB	14,562.62	0.12750	1,856.73405	
	DDAPC016		COMMERCIAL CARD ISSUANCE	2.00			Please see Commercial Card Pricing Sheet
	DDAPC025		COMMERCIAL CARD TRANSACTION	249.83			Please see Commercial Card Pricing Sheet
	DDAPC128		COMMERCIAL CARD PROGRAM MAINT FEE A	1.00			Please see Commercial Card Pricing Sheet
	DDAPC158		COMMERCIAL CARD-IMAGING 1ST YR/PAGE	1.00			Please see Commercial Card Pricing Sheet
	DDAPC174		COMMERCIAL CARD CCER MONTHLY BASE	1.00			Please see Commercial Card Pricing Sheet
TIRZ	DDA001	\$281,616	DEPOSITED CHECKS - ON US	1.20	0.05000	0.06000	
	DDA08052		BRANCH DEPOSIT	1.20	1.00000	1.20000	
	DDA22051		ACCT MAINTENANCE	1.00	5.00000	5.00000	
	DDA22202		DDA CHECKS PAID	1.75	0.05000	0.08750	
	DDA34205		CEO WIRE XFR DETAIL US ACCT MO BASE	1.00	5.00000	5.00000	
	DDA34330		ACH CEO SUBSCRIPTION - ACCOUNT	1.00	10.00000	10.00000	
	DDA34332		ACH CEO SUBSCRIPTION - ITEM	1.00	0.05000	0.05000	
	DDACK018		ELECTRONIC CREDITS POSTED	1.00	0.05000	0.05000	
	DDACK021		DEBITS POSTED	1.00	0.05000	0.05000	
	DDAES344		ACH RECEIVED ITEM	1.00	0.05000	0.05000	
	DDAIAMIB		RECOUPMENT MONTHLY IB	284.89	0.12750	36.32348	
Animal Shelter	DDA22051	\$2,229	ACCT MAINTENANCE	1.00	5.00000	5.00000	
	DDACK018		ELECTRONIC CREDITS POSTED	18.00	0.05000	0.90000	
	DDACK021		DEBITS POSTED	1.00	0.05000	0.05000	
	DDAES344		ACH RECEIVED ITEM	19.00	0.05000	0.95000	
	DDAIAMIB		RECOUPMENT MONTHLY IB	2.39	0.12750	0.30451	

Attachment A

Account Name	ELEMENT	6-Month Avg Collected Balance	Description	Monthly Volume Avg	Proposed Unit Price	Total Proposed Cost	COMMENTS
Medicare	DDA22051	\$31,857	ACCT MAINTENANCE	1.00	5.00000	5.00000	
	DDA34205		CEO WIRE XFR DETAIL US ACCT MO BASE	1.00	5.00000	5.00000	
	DDA34330		ACH CEO SUBSCRIPTION - ACCOUNT	1.00	10.00000	10.00000	
	DDA34332		ACH CEO SUBSCRIPTION - ITEM	7.00	0.05000	0.35000	
	DDACK018		ELECTRONIC CREDITS POSTED	18.50	0.05000	0.92500	
	DDACK021		DEBITS POSTED	1.25	0.05000	0.06250	
	DDAES344		ACH RECEIVED ITEM	18.83	0.05000	0.94167	
	DDAIAMIB		RECOUPMENT MONTHLY IB	36.76	0.12750	4.68648	
Parks - Credit Ca	DDA22051	\$9,731	ACCT MAINTENANCE	1.00	5.00000	5.00000	
	DDA34205		CEO WIRE XFR DETAIL US ACCT MO BASE	1.00	5.00000	5.00000	
	DDA34330		ACH CEO SUBSCRIPTION - ACCOUNT	1.00	10.00000	10.00000	
	DDA34332		ACH CEO SUBSCRIPTION - ITEM	5.00	0.05000	0.25000	
	DDACK018		ELECTRONIC CREDITS POSTED	25.83	0.05000	1.29167	
	DDACK021		DEBITS POSTED	5.67	0.05000	0.28333	
	DDAES344		ACH RECEIVED ITEM	30.83	0.05000	1.54167	
	DDAIAMIB		RECOUPMENT MONTHLY IB	9.23	0.12750	1.17619	

* In the process of closing



Treasury Management Proposal

City of Alvin
RFP Services

Pricing as of September 2020

WF Code	AFP Code	Service Description	Charge Basis	Price	Monthly Volume	Activity Charges	Comments
ACH Fraud Filter							
34333	251050	ACH CEO FRAUD FILTER REVIEW MO BASE	Account	5.00000	3	15.00	
34335	251053	ACH CEO FRAUD FILTER REVIEW - ITEM	Transaction filtered	3.00000	13	39.00	
Subtotal						54.00	
ACH Origination							
ES206	250120	ACH ORIGINATED - ADDENDA REC	Addenda record	0.05000	35	1.75	
06511	250312	ACH RETURN UNAUTHORIZED QUALITY FEE	Return	5.00000	1	5.00	
ES803	250500	ACH PAYMENTS ONLINE BATCH RELEASE	Batch/file	3.00000	18	54.00	
34377	250000	ACH PAYMENTS BASE FEE	Company ID	10.00000	2	20.00	
ACH1D	250102	ACH PAYMENTS ONE DAY ITEM	Transaction	0.05000	791	39.55	Name Change
ACH2D	250102	ACH PAYMENTS TWO DAY ITEM	Transaction	0.05000	1,302	65.10	Element / Vol change to EID ACH1D
ACHYD	250102	ACH PAYMENTS SAME DAY ITEM	Transaction	0.50000	41	20.50	
34330	250703	ACH CEO SUBSCRIPTION - ACCOUNT	Account/company ID	10.00000	4	40.00	
34332	250703	ACH CEO SUBSCRIPTION - ITEM	Item accessed	0.03000	280	8.40	
06504	250302	ACH RETURN ADMIN -MANUAL	Return	3.00000	3	9.00	
06503	250302	ACH RETURN ITEM-MANUAL	Return	3.00000	4	12.00	
06506	250312	ACH RETURN UNAUTHORIZED - MANUAL	Return	3.00000	1	3.00	
ES237	250710	ACH FAX SERVICE	Page	5.00000	16	80.00	
ES346	250622	ACH EXCEPTION PROCESS-DUPPLICAT FILE	Batch/file	10.00000	1	10.00	
ES480	251070	ACH NOC - FAX ADVICE	Transaction	3.00000	4	12.00	
ES391	251070	ACH WELLS FARGO NOC - FAX ADVICE	Transaction	0.00000	2	0.00	
Subtotal						380.30	
ACH Receive							
ES344	250202	ACH RECEIVED ITEM	Transaction	0.05000	259	12.95	
Subtotal						12.95	
Account Reconciliation							
DS322	200120	ARP PARTIAL RECONCILIATION - ITEM	Check paid	0.02000	206	4.12	
34337	200201	CEO CHECK ISSUES-ITEM	Check issued	0.05000	2	0.10	
12687	209999	ARP AGED ISSUE RECORDS ON FILE-ITEM	Record	0.01000	1,514	15.14	
12061	200020	ARP MONTHLY BASE - PARTIAL	Account	10.00000	1	10.00	
12379	200201	ARP PART POSITIVE PAY ISSUE - ITEM	Check issued	0.01000	226	2.26	
34350	200306	CEO ARP STMT & RPTS MONTHLY BASE	Account	10.00000	1	10.00	
Subtotal						41.62	
Basic Banking Funds Transfer							
46106	010102	CEO BASIC BANKING - TRANSFER	Transaction	0.10000	4	0.40	
Subtotal						0.40	
Branch Services							
CK197	100040	CASH ORDER FEE IN A WF BRANCH	Transaction	6.50000	1	6.50	
CK141	100040	CURRENCY FURNISHED BY WF BRANCH	Dollar	0.00200	424	0.85	
CK131	100040	ROLLED COIN FURNISHED BY WF BRANCH	Coin roll	0.20000	19	3.80	
08052	100006	BRANCH DEPOSIT	Deposit	2.00000	1	2.00	
Subtotal						13.15	
Cash Vault							
08174	100100	CASH VAULT DEPOSIT CASH AND CHECK	Deposit	1.00000	30	30.00	
08173	100100	CV CASH ONLY OR CHECK ONLY DEPOSIT	Deposit	1.00000	40	40.00	
08290	100199	CASH VAULT CURRENCY/COIN DEPOSITED	Dollar	0.00100	55,444	55.44	Name Change
08132	100100	CASH VAULT MONTHLY BASE	Location	0.00000	1	0.00	
08504	100520	CASH VAULT ADJ ADVICE - US MAIL	Advice/notification	1.00000	2	2.00	
08160	100501	CASH VAULT DEPOSIT ADJUSTMENT	Adjustment	8.00000	2	16.00	
Subtotal						143.44	
General Account Services							
22051	010000	ACCT MAINTENANCE	Account	5.00000	5	25.00	
CK021	010100	DEBITS POSTED	Debit	0.05000	51	2.55	
CK018	250201	ELECTRONIC CREDITS POSTED	Credit	0.05000	206	10.30	
22990	401001	PHOTOCOPY CUSTOMER SERVICE - ITEM	Photocopy	20.00000	1	20.00	
Subtotal						57.85	

WF Code	AFP Code	Service Description	Charge Basis	Price	Monthly Volume	Activity Charges	Comments
General Disbursement Services							
12670	150410	STOP PAYMENT - ONLINE	Stop payment	6.00000	3	18.00	
22202	150100	DDA CHECKS PAID	Check paid	0.05000	208	10.40	
		Subtotal				28.40	
Image Delivery							
27707	400340	CEO SEARCH	Inquiry	0.05000	13	0.65	
12812	151352	CEO IMAGE VIEW < 90 DAYS - ITEM	Image retrieved	0.05000	11	0.55	
12815	151352	CEO IMAGE VIEW > 90 DAYS - ITEM	Image retrieved	0.05000	11	0.55	
		Subtotal				1.75	
Incoming Wire Transfers							
ES030	350300	WIRE IN - DOMESTIC	Transfer	4.00000	7	28.00	Name Change
		Subtotal				28.00	
Information Reporting							
34123	40022Z	CEO EVENT MESSAGING SERVICE - EMAIL	Email	0.25000	160	40.00	Name Change
46100	40005Z	CEO BASIC BANKING - MONTHLY BASE	Company	3.00000	1	3.00	
46102	40005Z	CEO BASIC BANKING ADDL ACCT-MO BASE	Account	3.00000	6	18.00	
34250	400800	INFO REPORTING HISTORY STORAGE 30	Item loaded	0.01000	184	1.84	
		Subtotal				62.84	
Other Non TM							
IAMIB	000230	RECOUPMENT MONTHLY IB	Deposit assessment	0.12750	15,166	1,933.67	
		Subtotal				1,933.67	
Paper Checks Deposited							
002	100225	DEPOSITED CHECK	Check deposited	0.05000	2,636	131.80	
001	100220	DEPOSITED CHECKS - ON US	Check deposited	0.05000	589	29.45	Element / Vol change to EID 002
		Subtotal				161.25	
Positive Pay							
12907	150030	POSITIVE PAY MONTHLY BASE	Account	10.00000	1	10.00	
12908	150310	POS PAY CHECKS WITH NO ISSUE RECORD	Check	0.50000	4	2.00	
12505	150222	POSITIVE PAY EXCEPTION CHECKS RETND	Check returned	5.00000	1	5.00	
12903	150310	POSITIVE PAY EXCEPTIONS - ITEM	Exception	1.00000	4	4.00	
		Subtotal				21.00	
Returned Items							
CK061	100400	RETURN ITEM - CHARGEBACK	Transaction	2.00000	3	6.00	
CK069	100401	RETURN ITEM SPECIAL INSTRUCTIONS	Transaction	0.25000	3	0.75	
CK081	100401	RETURN ITEM SPECIAL INST MTHLY BASE	Account	5.00000	1	5.00	
CK075	100402	RETURN ITEM REDEPOSITED	Transaction	2.00000	3	6.00	
CK084	100430	RETURN ITEM WITH MAKER NAME	Transaction	0.25000	6	1.50	
		Subtotal				19.25	
Wires Origination and Reporting							
34205	400003	CEO WIRE XFR DETAIL US ACCT MO BASE	Account	5.00000	4	20.00	
ES139	350100	WIRE OUT DOMESTIC - CEO	Transfer	3.00000	6	18.00	
34207	400274	CEO WIRE XFR DETAIL US ACCT ITEM	Item accessed	0.03000	14	0.42	
		Subtotal				38.42	

Total Monthly Activity Charges **2,998.29**

Total Monthly Balance Based Charges (can be paid with balances) 2,998.29
Earnings Credit Rate 0.25%
Estimated Earnings Credit 2,998.29
Balance required to offset current month analyzed charges 14,391.778
Note: Balance required can vary monthly based on the month's volume, services, earnings credit rate and pricing

A CEO Wire book transfer is between two accounts initiated via CEO Wires Book Transfer workflow.
A Payment Manager book transfer is charged when the debit and credit accounts are setup in a single CEO Company id and entitled to Book Transfer.

Alerts Users are only charged for the first 80 events per month. There is no per company cap for billing.

This proposal was created for you based on your requirements and the services you expressed interest in.
This document confirms the deposit and treasury management services and the prices that we plan to provide you based on certain assumptions including, projected volumes and other relevant information that you provided and the deposit and treasury management services you selected.

The pricing is subject to change if the actual volume and/or scope of services differ from the assumptions upon which the pricing estimate was based.

Please let us know if you believe this document does not accurately represent the prices or services you agreed to. For additional service definitions, please contact your Treasury Management Sales Consultant or visit: www.wellsfargo.com/accountanalysis

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Neither party has the right to share this information with any entity or entities outside of their organization, without the permission of the other party.



Treasury Management Proposal

Copy of Alvin, City of2021

Note: Displays Element Changes effective Jan 1, 2021

Pricing as of January 2021

WF Code	AFP Code	Service Description	Charge Basis	Price	Monthly Volume	Activity Charges
ACH Fraud Filter						
34333	251050	ACH CEO FRAUD FILTER REVIEW MO BASE	Account	5.00000	3	15.00
34335	251053	ACH CEO FRAUD FILTER REVIEW - ITEM	Transaction filtered	3.00000	13	39.00
		Subtotal				54.00
ACH Origination						
ES206	250120	ACH ORIGINATED - ADDENDA REC	Addenda record	0.05000	35	1.75
06511	250312	ACH RETURN UNAUTHORIZED QUALITY FEE	Return	5.00000	1	5.00
ES803	250500	ACH PAYMENTS ONLINE BATCH RELEASE	Batch/file	3.00000	18	54.00
34377	250000	ACH PAYMENTS BASE FEE	Company ID	10.00000	2	20.00
ACH1D	250102	ACH PAYMENTS FUTURE DATED ITEM	Transaction	0.05000	2,093	104.65
ACHYD	250102	ACH PAYMENTS SAME DAY ITEM	Transaction	0.50000	41	20.50
34330	250703	ACH CEO SUBSCRIPTION - ACCOUNT	Account/company ID	10.00000	4	40.00
34332	250703	ACH CEO SUBSCRIPTION - ITEM	Item accessed	0.03000	280	8.40
06504	250302	ACH RETURN ADMIN -MANUAL	Return	3.00000	3	9.00
06503	250302	ACH RETURN ITEM-MANUAL	Return	3.00000	4	12.00
06506	250312	ACH RETURN UNAUTHORIZED -MANUAL	Return	3.00000	1	3.00
ES237	250710	ACH FAX SERVICE	Page	5.00000	16	80.00
ES346	250622	ACH EXCEPTION PROCESS-DUPICAT FILE	Batch/file	10.00000	1	10.00
ES480	251070	ACH NOC - FAX ADVICE	Transaction	3.00000	4	12.00
ES391	251070	ACH WELLS FARGO NOC - FAX ADVICE	Transaction	0.00000	2	0.00
		Subtotal				380.30
ACH Receive						
ES344	250202	ACH RECEIVED ITEM	Transaction	0.05000	259	12.95
		Subtotal				12.95
Account Reconciliation						
DS322	200120	ARP PARTIAL RECONCILIATION - ITEM	Check paid	0.02000	206	4.12
34337	200201	CEO CHECK ISSUES-ITEM	Check issued	0.05000	2	0.10
12687	209999	ARP AGED ISSUE RECORDS ON FILE-ITEM	Record	0.01000	1,514	15.14
12061	200020	ARP MONTHLY BASE - PARTIAL	Account	10.00000	1	10.00
12379	200201	ARP PART POSITIVE PAY ISSUE - ITEM	Check issued	0.01000	226	2.26
34350	200306	CEO ARP STMT & RPTS MONTHLY BASE	Account	10.00000	1	10.00
		Subtotal				41.62
Basic Banking Funds Transfer						
46106	010102	CEO BASIC BANKING - TRANSFER	Transaction	0.10000	4	0.40
		Subtotal				0.40
Branch Services						
CK197	100040	CASH ORDER FEE IN A WF BRANCH	Transaction	6.50000	1	6.50
CK141	100040	CURRENCY FURNISHED BY WF BRANCH	Dollar	0.00200	424	0.85
CK131	100040	ROLLED COIN FURNISHED BY WF BRANCH	Coin roll	0.20000	19	3.80
08052	100006	BRANCH DEPOSIT	Deposit	2.00000	1	2.00
		Subtotal				13.15
Cash Vault						
08174	100100	CASH VAULT DEPOSIT CASH AND CHECK	Deposit	1.00000	30	30.00
08173	100100	CV CASH ONLY OR CHECK ONLY DEPOSIT	Deposit	1.00000	40	40.00
08290	100199	CASH VAULT DEP - CURRENCY/COIN DEP	Dollar	0.00100	55,444	55.44
08132	100100	CASH VAULT MONTHLY BASE	Location	0.00000	1	0.00
08504	100520	CASH VAULT ADJ ADVICE - US MAIL	Advice/notification	1.00000	2	2.00
08160	100501	CASH VAULT DEP - ADJUSTMENT	Adjustment	8.00000	2	16.00
		Subtotal				143.44
General Account Services						
22051	010000	ACCT MAINTENANCE	Account	5.00000	5	25.00
CK021	010100	DEBITS POSTED	Debit	0.05000	51	2.55
CK018	250201	ELECTRONIC CREDITS POSTED	Credit	0.05000	206	10.30
22990	401001	PHOTOCOPY CUSTOMER SERVICE - ITEM	Photocopy	20.00000	1	20.00
		Subtotal				57.85

WF Code	AFP Code	Service Description	Charge Basis	Price	Monthly Volume	Activity Charges
General Disbursement Services						
12670	150410	STOP PAYMENT - ONLINE	Stop payment	6.00000	3	18.00
22202	150100	DDA CHECKS PAID	Check paid	0.05000	208	10.40
		Subtotal				28.40
Image Delivery						
27707	400340	CEO SEARCH	Inquiry	0.05000	13	0.65
12812	151352	CEO IMAGE VIEW < 90 DAYS - ITEM	Image retrieved	0.05000	11	0.55
12815	151352	CEO IMAGE VIEW > 90 DAYS - ITEM	Image retrieved	0.05000	11	0.55
		Subtotal				1.75
Incoming Wire Transfers						
ES030	350300	WIRE IN TO USA ACCT-USA DOMESTIC	Transfer	4.00000	7	28.00
		Subtotal				28.00
Information Reporting						
34123	40022Z	CEO ALERTS SERVICE - EMAIL	Email	0.25000	160	40.00
46100	40005Z	CEO BASIC BANKING - MONTHLY BASE	Company	3.00000	1	3.00
46102	40005Z	CEO BASIC BANKING ADDL ACCT-MO BASE	Account	3.00000	6	18.00
34250	400800	INFO REPORTING HISTORY STORAGE 30	Item loaded	0.01000	184	1.84
		Subtotal				62.84
Other Non TM						
IAMIB	000230	RECOUPMENT MONTHLY IB	Deposit assessment	0.12750	15,166	1,933.67
		Subtotal				1,933.67
Paper Checks Deposited						
002	100225	DEPOSITED CHECK	Check deposited	0.05000	3,225	161.25
		Subtotal				161.25
Positive Pay						
12907	150030	POSITIVE PAY MONTHLY BASE	Account	10.00000	1	10.00
12908	150310	POS PAY CHECKS WITH NO ISSUE RECORD	Check	0.50000	4	2.00
12505	150222	POSITIVE PAY EXCEPTION CHECKS RETND	Check returned	5.00000	1	5.00
12903	150310	POSITIVE PAY EXCEPTIONS - ITEM	Exception	1.00000	4	4.00
		Subtotal				21.00
Returned Items						
CK061	100400	RETURN ITEM - CHARGEBACK	Transaction	2.00000	3	6.00
CK069	100401	RETURN ITEM SPECIAL INSTRUCTIONS	Transaction	0.25000	3	0.75
CK081	100401	RETURN ITEM SPECIAL INST MTHLY BASE	Account	5.00000	1	5.00
CK075	100402	RETURN ITEM REDEPOSITED	Transaction	2.00000	3	6.00
CK084	100430	RETURN ITEM WITH MAKER NAME	Transaction	0.25000	6	1.50
		Subtotal				19.25
Wires Origination and Reporting						
34205	400003	WIRE TRANSFER REPORT BASE-CEO	Account	5.00000	4	20.00
ES139	350100	WIRE OUT DOMESTIC CEO/API	Transfer	3.00000	6	18.00
34207	400274	WIRE TRANSFER RPRT PER ITEM-CEO	Item accessed	0.03000	14	0.42
		Subtotal				38.42
Total Monthly Activity Charges						2,998.29
Total Monthly Balance Based Charges (can be paid with balances)						2,998.29
Earnings Credit Rate						0.25%
Estimated Earnings Credit						2,998.29
Balance required to offset current month analyzed charges						14,391,778

Note: Balance required can vary monthly based on the month's volume, services, earnings credit rate and pricing

Alerts Users are only charged for the first 80 events per month. There is no per company cap for billing.

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Treasury Management Proposal

City of Alvin

Pricing as of September 2020

Additional Fees that may apply based on services used or options selected

WF Code	AFP Code	Service Description	Charge Basis	Price	Comments
ACH Fraud Filter					
34334	251050	ACH CEO FRAUD FILTER STOP MTHLYBASE	Account	5.00000	
34338	251052	ACH CEO FRAUD FILTER STOP - ITEM	Transaction filtered	3.00000	
ACH Origination					
06505	250302	ACH RETURN ADMIN -ELECTRONIC	Return	1.00000	
06502	250302	ACH RETURN ITEM-ELECTRONIC	Return	1.00000	
06507	250312	ACH RETURN UNAUTHORIZED -ELECTRONIC	Return	1.00000	
ES342	250720	ACH CUSTOMER REPORTS	Business day	5.00000	
ES481	250302	ACH NOC - INFO REPORTING ADVICE	Transaction	1.00000	
34342	250400	ACH CEO RETURN SUBSCRIPTION - ITEM	Item accessed	0.03000	
34340	250400	ACH CEO RETURN SUBSCRIPTION-ACCOUNT	ACH company ID	10.00000	
ES280	250000	ACH MONTHLY BASE	Subscription	20.00000	
ES211	250102	ACH ONE DAY ITEM	Transaction	0.05000	Name Change
ES210	250102	ACH TWO DAY ITEM	Transaction	0.05000	Element / Vol change to EID ES211
ES216	250102	ACH SAME DAY	Transaction	0.50000	
ES254	250501	ACH ORIGINATION/REJECT DATA - FILE	Batch/file	1.00000	
ES240	250310	ACH RETURN ITEM-REDEPOSITED	Transaction	1.00000	
ES362	250311	ACH RETURN ITEM - DISHONORED	Transaction	1.00000	
ES801	250501	ACH TRANSMISSION CHARGE	Batch/file	3.00000	
ES230	250620	ACH DELETE - ITEM	Delete	10.00000	
ES361	250642	ACH REVERSAL - ITEM	Reversal	10.00000	
ES339	251010	ACH SPECIAL INVESTIGATION	Inquiry	20.00000	
06510	251010	ACH AUTHORIZATION INVESTIGATION	Investigation	25.00000	
06508	251010	ACH COMPLEX SPECIAL INVESTIGATION	Hour	100.00000	
06509	251010	ACH IAT INVESTIGATION	Investigation	20.00000	
ES363	250302	ACH NOC - TRANSMISSION ADVICE	Transaction	1.00000	
ES231	250620	ACH DELETE/REVERSE - BATCH/FILE	Batch/file	10.00000	
34285	250703	CEO ACH HYP ITM DET INQ - PER ITEM	Inquiry	0.50000	
06230	251070	ACH PERFECT NOC PER ITEM	Transaction	0.02000	
Account Reconciliation					
34421	400272	ARP STMTS & RPTS (CSV/EXCEL) / ITEM	Transaction	0.03000	
34420	400051	ARP STMTS & RPTS (CSV/EXCEL) BASE	Account	10.00000	
12377	200201	ARP FULL RECON-ITEM	Check issued	0.03000	
12608	200210	ARP MANUAL INPUT ISSUE INFO-ITEM	Check issued	0.25000	
12060	200010	ARP MONTHLY BASE - FULL	Account	20.00000	
12604	200306	ARP OPTIONAL REPORTS	Report	5.00000	
12430	200301	ARP OUTPUT - TRANSMISSION	Transmission	5.00000	
12707	100610	DEPOSIT LOCATION REPORTING - ITEM	Transaction	0.03000	
12694	200100	OUTGOING TRANSMISSION - PER ITEM	Item reported	0.02000	
Branch Services					
08172	100501	ADJ FOR CASH DEPOSITED IN WF BRANCH	Adjustment	8.00000	
CK161	100006	CASH DEPOSITED IN WF BRANCH	Dollar	0.00200	
CK199	10001A	POST VERIFY CASH DEP IN WF BRANCH	Dollar	0.00200	Name Change
CK771	100010	LOOSE COIN DEPOSITED IN BRANCH	Coin bag	10.00000	
22810	150500	WF CHK CASHED FOR NONACCT HOLDER	Check cashed	0.00000	
22723	10001A	BRANCH DEPOSIT POST VERIFY	Deposit bag	2.00000	
08062	100015	CASH DEP/\$1 VERIFY IN CASH VAULT T1	Dollar	0.00200	Element / Vol change to EID CK199
08063	100015	CASH DEP/\$1 VERIFY IN CASH VAULT T2	Dollar	0.00200	Element / Vol change to EID CK199
08064	100015	CASH DEP/\$1 VERIFY IN CASH VAULT T3	Dollar	0.00200	Element / Vol change to EID CK199
08066	100015	CASH DEP/\$1 VERIFY IN CASH VAULT T4	Dollar	0.00200	Element / Vol change to EID CK199
Cash Vault					
08505	100515	CASH VAULT ADJ ADVICE - EMAIL	Advice/notification	0.00000	
08506	100520	CASH VAULT ADJ ADVICE - FAX	Advice/notification	1.00000	
08115	100146	CASH VAULT COIN FURNISHED-STD BOX	Coin box	4.00000	
08400	100148	CASH VAULT CURRENCY FURN-NONSTD	Dollar	0.00150	
08416	100199	CASH VAULT CURRENCY FURNISHED	Dollar	0.00130	
08071	100111	CASH VAULT COIN DEP-PARTIAL/MIX BAG	Coin bag	6.00000	
08008	100110	VAULT DEPOSITED COIN - ROLLED	Coin roll	0.12000	
08131	100104	CASH VAULT ENVELOPE VERIFICATION	Envelope	1.00000	
08110	100144	CASH VAULT COIN FURNISHED - ROLLED	Coin roll	0.10000	
08007	100110	NON-VERIFIED ENVELOPE PROCESSING	Envelope	1.00000	
08189	100141	CASH VAULT CASH ORDER-TOUCHTONE	Cash order	4.00000	Element / Vol change to New EID 08181
08182	100141	CASH VAULT CASH ORDERS-CEO	Transaction	4.00000	Element / Vol change to New EID 08181

WF Code	AFP Code	Service Description	Charge Basis	Price	Comments
General Account Services					
24250	150340	OVERDRAFT CHARGE-PAID ITEM	Transaction	25.00000	
24253	150341	OVERDRAFT CHARGE-RETURNED ITEM	Transaction	25.00000	
CK672	010630	BANK CONFIRMATION AUDIT REQUEST	Request	65.00000	
08025	100015	MISCELLANEOUS CREDITS POSTED	Transaction	1.00000	
34145	010307	CEO E-STMT SUBSCRIPTION - ACCOUNT	Account	10.00000	
34147	010307	CEO E-STMT SUBSCRIPTION - ITEM	Item loaded	0.03000	
CK049	010310	DDA STATEMENT - PAPER	Statement	20.00000	
22063	010000	DDA STMT W/IMAGE CLASSIC-MTHLY BASE	Account	20.00000	
General Disbursement Services					
22030	150412	STOP PAYMENT - AUTO RENEWAL	Stop payment	4.00000	
12677	150300	MICR CHECK REJECTS >1% THROUGH 2%	Reject	0.35000	
12678	150300	MICR CHECK REJECTS OVER 2%	Reject	0.35000	
12671	150420	STOP PAYMENT - OPERATOR ASSISTED	Stop payment	15.00000	
Incoming Wire Transfers					
ES040	350412	WIRE IN PHONE ADVICE	Call	10.00000	Name Change
ES191	350320	WIRE IN VIA CORRESPONDENT BK-USD/FX	Transfer	4.00000	Name Change
ES076	350310	WIRE IN XBDR - USD OR FX	Transfer	4.00000	Name Change
18030	350330	WIRE IN REPAIR SURCHARGE	Exception	5.00000	Name Change
27045	350402	WIRE PERFECT RECEIVABLES-PER ITEM	Transaction	0.10000	Name Change
Information Reporting					
34128	40022Z	CEO EVENT MESSAGING SERVICE - TEXT	Message	0.25000	Name Change
34121	400274	CEO INTRADAY REPORTING ITEMS RPTD	Item reported	0.03000	
34120	400055	CEO INTRADAY REPORTING MAINTENANCE	Account	10.50000	Name Change
34286	400271	CEO PREV DAY EXT DETAIL ITEMS RPTD	Item reported	0.50000	
34115	400272	CEO PREV DAY REPORTING ITEMS LOADED	Item loaded	0.03000	
34100	400052	CEO PREV DAY REPORTING MAINTENANCE	Account	10.50000	Name Change
34253	400800	INFO REPORTING HISTORY STORAGE 120	Item loaded	0.01000	
34252	400800	INFO REPORTING HISTORY STORAGE 90	Item loaded	0.01000	
34251	400800	INFO REPORTING HISTORY STORAGE 60	Item loaded	0.01000	
Other Non TM					
ODACT	000210	DAILY USE OF UNCOLL FUNDS-ACCT LVL	\$ pass through	1.00000	
Positive Pay					
DS194	150299	PAYEE VALIDATION MANUAL REVIEW/ITEM	Check	0.25000	
DS191	150122	PAYEE VALIDATION STANDARD-ITEM	Check paid	0.01250	
34336	150724	POSITIVE PAY EXCEPTION - CEO IMAGE	Image retrieved	1.00000	
12682	150120	POSITIVE PAY ONLY - ITEM	Check issued	0.05000	
12681	150030	POSITIVE PAY ONLY MONTHLY BASE	Account	10.00000	
12906	150401	POS PAY CHECK VERIFICATION CALL	Call	15.00000	Name Change
Returned Items					
CK062	100416	CEO RETURN ITEM RETRIEVAL-IMAGE	Transaction	0.05000	
CK064	100416	CEO RETURN ITEM SERVICE MTHLY BASE	Customer ID	0.00000	
CK405	100430	RETURN ITEM ADDL REPORTING - FIELD	Field	0.40000	
34235	100416	CEO RETN ITEM SUBSCRIPTION PER ACCT	Subscription	10.00000	
34237	100416	CEO RETN ITEM SUBSCRIPTION PER ITEM	Item accessed	0.03000	
34236	100416	CEO RETURN DECISIONING PER ITEM	Transaction	0.03000	
Wires Origination and Reporting					
34212	400340	CEO WIRE INQUIRY DETAIL - PER ITEM	Inquiry	3.50000	Name Change
18901	350115	WIRE OUT XBDR FX - CEO	Transfer	10.00000	Name Change
ES141	350120	WIRE BOOK TRANSFER - CEO	Transfer	0.50000	Name Change
ES147	350113	WIRE OUT XBDR USD - CEO	Transfer	5.00000	Name Change
18602	350560	WIRE INVESTIGATION	Investigation	50.00000	
18031	350541	WIRE OUT REPAIR SURCHARGE	Exception	5.00000	Name Change
18326	359999	WIRE OUT - RETURNED TO ORIGINATOR	Transfer	50.00000	Name Change
18240	350200	WIRE OUT DOMESTIC - BRANCH	Transfer	55.00000	Name Change

WF Code	AFP Code	Service Description	Charge Basis	Price	Comments
Setup Charges					
06094	251001	ACH FRAUD FILTER - SET UP	Account	0.00000	
34376	251120	ACH PAYMENTS SET UP FEE	Setup	0.00000	
34375	251120	CEO ACH ORIG NEW CO ID SETUP	Setup	0.00000	
ES201	251000	ACH TRANSMISSION - SET UP	Setup	0.00000	Name Change
06092	251001	ACH ORIGINATION NEW COMP ID-SET UP	Setup	0.00000	
18325	359999	WIRE ACCOUNT ADD- CEO	Account	5.00000	
12021	200410	ARP SET UP - FULL	Account	0.00000	Name Change
12022	200410	ARP SET UP - PARTIAL	Account	0.00000	Element / Vol change to EID 12021
12023	200410	ARP SETUP - DEPOSIT LOCATION RPTG	Account	0.00000	Element / Vol change to EID 12021

A CEO Wire book transfer is between two accounts initiated via CEO Wires Book Transfer workflow.
A Payment Manager book transfer is charged when the debit and credit accounts are setup in a single CEO Company id and entitled to Book Transfer.

Alerts Users are only charged for the first 80 events per month. There is no per company cap for billing.

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This document confirms the deposit and treasury management services and the prices that we plan to provide you based on certain assumptions including, projected volumes and other relevant information that you provided and the deposit and treasury management services you selected.

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Treasury Management Proposal

Copy of Alvin, City of 2021

Note: Displays Element Changes effective Jan 1, 2021

Pricing as of January 2021

WF Code	AFP Code	Service Description	Charge Basis	Price
ACH Fraud Filter				
34334	251050	ACH CEO FRAUD FILTER STOP MTHLYBASE	Account	5.00000
34338	251052	ACH CEO FRAUD FILTER STOP - ITEM	Transaction filtered	3.00000
ACH Origination				
06505	250302	ACH RETURN ADMIN -ELECTRONIC	Return	1.00000
06502	250302	ACH RETURN ITEM-ELECTRONIC	Return	1.00000
06507	250312	ACH RETURN UNAUTHORIZED -ELECTRONIC	Return	1.00000
ES342	250720	ACH CUSTOMER REPORTS	Business day	5.00000
ES481	250302	ACH NOC - INFO REPORTING ADVICE	Transaction	1.00000
34342	250400	ACH CEO RETURN SUBSCRIPTION - ITEM	Item accessed	0.03000
34340	250400	ACH CEO RETURN SUBSCRIPTION-ACCOUNT	ACH company ID	10.00000
ES280	250000	ACH MONTHLY BASE	Subscription	20.00000
ES211	250102	ACH FUTURE DATED ITEM	Transaction	0.05000
ES216	250102	ACH SAME DAY	Transaction	0.50000
ES254	250501	ACH ORIGATION/REJECT DATA - FILE	Batch/file	1.00000
ES240	250310	ACH RETURN ITEM-REDEPOSITED	Transaction	1.00000
ES362	250311	ACH RETURN ITEM - DISHONORED	Transaction	1.00000
ES801	250501	ACH TRANSMISSION CHARGE	Batch/file	3.00000
ES230	250620	ACH DELETE - ITEM	Delete	10.00000
ES361	250642	ACH REVERSAL - ITEM	Reversal	10.00000
ES339	251010	ACH SPECIAL INVESTIGATION	Inquiry	20.00000
06510	251010	ACH AUTHORIZATION INVESTIGATION	Investigation	25.00000
06508	251010	ACH COMPLEX SPECIAL INVESTIGATION	Hour	100.00000
06509	251010	ACH IAT INVESTIGATION	Investigation	20.00000
ES363	250302	ACH NOC - TRANSMISSION ADVICE	Transaction	1.00000
ES231	250620	ACH DELETE/REVERSE - BATCH/FILE	Batch/file	10.00000
34285	250703	CEO ACH HYP ITM DET INQ - PER ITEM	Inquiry	0.50000
06230	251070	ACH PERFECT NOC PER ITEM	Transaction	0.02000
Account Reconciliation				
34421	400272	ARP STMTS & RPTS (CSV/EXCEL) / ITEM	Transaction	0.03000
34420	400051	ARP STMTS & RPTS (CSV/EXCEL) BASE	Account	10.00000
12377	200201	ARP FULL RECON-ITEM	Check issued	0.03000
12608	200210	ARP MANUAL INPUT ISSUE INFO-ITEM	Check issued	0.25000
12060	200010	ARP MONTHLY BASE - FULL	Account	20.00000
12604	200306	ARP OPTIONAL REPORTS	Report	5.00000
12430	200301	ARP OUTPUT - TRANSMISSION	Transmission	5.00000
12707	100610	DEPOSIT LOCATION REPORTING - ITEM	Transaction	0.03000
12694	200100	OUTGOING TRANSMISSION - PER ITEM	Item reported	0.02000
Branch Services				
08172	100501	ADJ FOR CASH DEPOSITED IN WF BRANCH	Adjustment	8.00000
CK161	100006	CASH DEPOSITED IN WF BRANCH	Dollar	0.00200
CK199	10001A	POST VERIFY CASH DEPOSITED	Dollar	0.00200
CK771	100010	LOOSE COIN DEPOSITED IN BRANCH	Coin bag	10.00000
22810	150500	WF CHK CASHED FOR NONACCT HOLDER	Check cashed	0.00000
22723	10001A	BRANCH DEPOSIT POST VERIFY	Deposit bag	2.00000
Cash Vault				
08505	100515	CASH VAULT ADJ ADVICE - EMAIL	Advice/notification	0.00000
08506	100520	CASH VAULT ADJ ADVICE - FAX	Advice/notification	1.00000
08115	100146	CASH VAULT COIN FURNISHED-STD BOX	Coin box	4.00000
08400	100148	CASH VAULT CURRENCY FURN-NONSTD	Dollar	0.00150
08416	100199	CASH VAULT CURRENCY FURNISHED	Dollar	0.00130
08071	100111	CASH VAULT DEP - NONSTD COIN BAG	Coin bag	6.00000
08008	100110	CASH VAULT DEP - ROLLED COIN	Coin roll	0.12000
08131	100104	CASH VAULT DEP - VERIFIED ENVELOPE	Envelope	1.00000
08110	100144	CASH VAULT ORDER - COIN ROLLS	Coin roll	0.10000
08007	100110	CASH VAULT DEP - NONVERIFIED ENV	Envelope	1.00000
08181	100141	CASH VAULT ORDER - AUTOMATED	Transaction	4.00000

WF Code	AFP Code	Service Description	Charge Basis	Price
General Account Services				
24250	150340	OVERDRAFT CHARGE-PAID ITEM	Transaction	25.00000
24253	150341	OVERDRAFT CHARGE-RETURNED ITEM	Transaction	25.00000
CK672	010630	BANK CONFIRMATION AUDIT REQUEST	Request	65.00000
08025	100015	MISCELLANEOUS CREDITS POSTED	Transaction	1.00000
34145	010307	CEO E-STMT SUBSCRIPTION - ACCOUNT	Account	10.00000
34147	010307	CEO E-STMT SUBSCRIPTION - ITEM	Item loaded	0.03000
CK049	010310	DDA STATEMENT - PAPER	Statement	20.00000
22063	010000	DDA STMT W/IMAGE CLASSIC-MTHLY BASE	Account	20.00000
General Disbursement Services				
22030	150412	STOP PAYMENT - AUTO RENEWAL	Stop payment	4.00000
12677	150300	MICR CHECK REJECTS >1% THROUGH 2%	Reject	0.35000
12678	150300	MICR CHECK REJECTS OVER 2%	Reject	0.35000
12671	150420	STOP PAYMENT - OPERATOR ASSISTED	Stop payment	15.00000
Incoming Wire Transfers				
ES040	350412	WIRE IN USA ACCT-PHONE ADVICE	Call	10.00000
ES191	350320	WIRE IN XBDR CORRESP BANK-USD/FX	Transfer	4.00000
ES076	350310	WIRE IN XBDR USA ACCT-USD OR FX	Transfer	4.00000
18030	350330	WIRE IN REPAIR	Exception	5.00000
27045	350402	WIRE PERFECT RECEIVABLE USA ACCT	Transaction	0.10000
Information Reporting				
34128	400222	CEO ALERTS SERVICE - TEXT	Message	0.25000
34121	400274	CEO INTRADAY REPORTING ITEMS RPTD	Item reported	0.03000
34120	400055	CEO INTRADAY REPORTING SUBSCRIPTION	Account	10.50000
34286	400271	CEO PREV DAY EXT DETAIL ITEMS RPTD	Item reported	0.50000
34115	400272	CEO PREV DAY REPORTING ITEMS LOADED	Item loaded	0.03000
34100	400052	CEO PREV DAY REPORTING SUBSCRIPTION	Account	10.50000
34253	400800	INFO REPORTING HISTORY STORAGE 120	Item loaded	0.01000
34252	400800	INFO REPORTING HISTORY STORAGE 90	Item loaded	0.01000
34251	400800	INFO REPORTING HISTORY STORAGE 60	Item loaded	0.01000
Other Non TM				
ODACT	000210	DAILY USE OF UNCOLL FUNDS-ACCT LVL	\$ pass through	1.00000
Positive Pay				
DS194	150299	PAYEE VALIDATION MANUAL REVIEW/ITEM	Check	0.25000
DS191	150122	PAYEE VALIDATION STANDARD-ITEM	Check paid	0.01250
34336	150724	POSITIVE PAY EXCEPTION - CEO IMAGE	Image retrieved	1.00000
12682	150120	POSITIVE PAY ONLY - ITEM	Check issued	0.05000
12681	150030	POSITIVE PAY ONLY MONTHLY BASE	Account	10.00000
12906	150401	POSPAY VERIFICATION CALL-CASHED	Call	15.00000
Returned Items				
CK062	100416	CEO RETURN ITEM RETRIEVAL-IMAGE	Transaction	0.05000
CK064	100416	CEO RETURN ITEM SERVICE MTHLY BASE	Customer ID	0.00000
CK405	100430	RETURN ITEM ADDL REPORTING - FIELD	Field	0.40000
34235	100416	CEO RETN ITEM SUBSCRIPTION PER ACCT	Subscription	10.00000
34237	100416	CEO RETN ITEM SUBSCRIPTION PER ITEM	Item accessed	0.03000
34236	100416	CEO RETURN DECISIONING PER ITEM	Transaction	0.03000
Wires Origination and Reporting				
34212	400340	WIRE INQUIRY DETAIL PER ITEM-CEO	Inquiry	3.50000
18901	350115	WIRE OUT XBDR FX CEO/API	Transfer	10.00000
ES141	350120	WIRE BOOK TRANSFER CEO/API	Transfer	0.50000
ES147	350113	WIRE OUT XBDR USD CEO/API	Transfer	5.00000
18602	350560	WIRE INVESTIGATION	Investigation	50.00000
18031	350541	WIRE OUT REPAIR	Exception	5.00000
18326	359999	WIRE OUT USA ACCT-RETURNED TO CUST	Transfer	50.00000
18240	350200	WIRE OUT USA ACCT DOM-BRNCH NREP	Transfer	55.00000

WF Code	AFP Code	Service Description	Charge Basis	Price
Setup Charges				
06094	251001	ACH FRAUD FILTER - SET UP	Account	0.00000
34376	251120	ACH PAYMENTS SET UP FEE	Setup	0.00000
34375	251120	CEO ACH ORIG NEW CO ID SETUP	Setup	0.00000
ES201	251000	ACH SET UP	Setup	0.00000
06092	251001	ACH ORIGINATION NEW COMP ID-SET UP	Setup	0.00000
18325	359999	WIRE ACCOUNT ADD CEO/API	Account	5.00000
12021	200410	ARP SET UP	Account	0.00000

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Treasury Management Proposal

City of Alvin
Optional Services

Pricing as of September 2020

WF Code	AFP Code	Service Description	Charge Basis	Price	Comments
Desktop Deposit/Electronic Check					
12816	151352	DESKTOP DEPOSIT IMAGES RETRIEVED	Image	0.03000	
15017	400003	DESKTOP DEPOSIT MONTHLY BASE	Account	20.00000	
15003	400231	DESKTOP DEPOSIT REPORT PER ITEM	Item reported	0.03000	
15007	010101	DESKTOP DEPOSIT-DEPOSIT CREDITED	Credit	0.50000	
790	100230	ELECTRONIC DEPOSIT - DEP ADJUSTMENT	Adjustment	17.00000	
706	100224	DESKTOP DEPOSIT-DEPOSITED ITEM	Check deposited	0.05000	
701	100220	DESKTOP DEPOSIT-DEPOSITED ITEM ONUS	Check deposited	0.05000	Element / Vol change to EID 706
Disbursements with Zelle					
28036	250310	PMGR B2P RETURN OR CANCELLED ITEM	Return	0.50000	Name Change
28035	309999	PAYMENT MANAGER B2P TRANSACTION	Transaction	0.40000	Name Change
E-BOX					
34602	400274	CEO E-BOX RPT - ITEM	Transaction	0.10000	
34601	400054	CEO E-BOX RPT SUBSCRIPTION MO BASE	Account	50.00000	
ED522	050311	E-BOX DAILY DETAIL RPT - PER PAGE	Page	0.20000	
ED518	059999	E-BOX OPERATIONS MANUAL RETURN	Return	1.00000	
ED515	059999	E-BOX PAYMENT RETURN	Return	0.35000	
ED516	059999	E-BOX PAYMENT REVERSED	Transaction	0.10000	
ED523	050030	E-BOX DAILY DETAIL REPORT-MO BASE	Setup	50.00000	
ED500	050030	E-BOX MONTHLY MAINT (W/CROSS REF)	Setup	100.00000	
ED470	059999	E-BOX PAYMENT	Transaction	0.06000	
28042	050030	E-BOX POSITIVE FILE MONTHLY BASE	Setup	100.00000	
ED521	050030	E-BOX REPORTING PACKAGE MTHLY BASE	Setup	100.00000	
ED524	050030	E-BOX REVERSAL REPORTING MTHLY BASE	Setup	25.00000	
ED512	050030	E-BOX STOP FILE MONTHLY BASE	Setup	100.00000	
28047	050530	E-BOX SUSPENDED PAYMENT PER ITEM	Transaction	0.20000	
Electronic Document Delivery					
28609	300502	ELECTRONIC DOC DELIV FAX-PAGE	Page	0.01000	
28597	300505	ELECTRONIC DOC DELIV PRINT PER PAGE	Page	0.05000	
28605	300502	ENHANCED REMITTANCE EMAIL DELIVERY	Email	0.01000	
General Disbursement Services					
22225	150240	CHECK CASHING THRESHOLD MO BASE	Account	10.00000	
22245	150240	CHECKS PAY TO INDIV BLOCK MO BASE	Account	10.00000	
22235	150240	OTC DEBIT BLOCK MONTHLY BASE	Account	10.00000	
MD091	150240	PYMT AUTH MAX CHECK MTHLY BASE	Account	10.00000	
Image Delivery					
64112	109999	IFI DEPOSITED ITEM - IMAGE	Image	0.05000	
RC501	100416	IFI RETURNED ITEMS - IMAGE	Image	0.05000	
64104	151350	IFI MAINTENANCE PER PRODUCT	Customer ID	75.00000	
64101	151354	IFI PAID CHECKS - IMAGE	Image	0.06000	
MSC-TM					
48340	050410	WTLBX FIRST CLASS POSTAGE PKG	\$ pass through	1.00000	Element / Vol change to EID 03303
48341	050412	WTLBX PKG OVERNIGHT MAIL DELIVERY	\$ pass through	1.00000	Element / Vol change to EID 03042
48247	050413	WTLBX COURIER CHARGES	\$ pass through	1.00000	Element / Vol change to EID 03306
ED370	309999	PMGR TOTAL MTH POSTAGE AND HANDLING	\$ pass through	1.00000	
Paper Checks Deposited					
311	100225	WHOLESALE LOCKBOX - DEPOSITED CHECK	Check deposited	0.05000	
Receivables Manager					
28080	050500	REC MGR REMITTANCE REPAIR	Invoice	0.05000	
ED265	300210	RECEIVABLES MANAGER ACH ITEM	Item reported	0.02000	
ED532	300211	REC MGR REASSOCIATION ITEMS	Invoice	0.02000	
ED561	300330	RECEIVABLES MGR INVALID CTX REPORT	Report	5.00000	
27530	300210	REC MGR WIRE ITEMS	Item reported	0.50000	
28019	300010	RECEIVABLES MANAGER MONTHLY BASE	Setup	100.00000	
28011	300210	RECEIVABLES MANAGER RECVD ADDENDA	Addenda record	0.01000	
28006	300200	REC MGR OR E-BOX TRANSMISSION	Transmission	5.00000	Element/Vol change to EID 28315 under E
SUBACCOUNTING					
22421	010310	SUB ACCT STATEMENT FEE	Account	5.00000	
DS585	010021	SUBACCOUNT MAINTENANCE	Subaccount	5.00000	

WF Code	AFP Code	Service Description	Charge Basis	Price
Sweep				
34110	450405	SWEEP ACCOUNT POSITION REPORT	Sweep master account	40.00000
22087	450403	SWEEP STAGECOACH MUTUALFND ELECTNIC	Statement	0.00000
22094	450200	SWEEP STAGECOACH MUTUAL FND MO BASE	Account	50.00000

Payment Manager				
28145	080100	PAYMENT MGR COMML CRD CCER PMT	Transaction	0.10000
28109	300100	PAYMENT MANAGER INTL ACH ORIGINATED	Transaction	0.07000
28111	300100	PAYMENT MGR TEMPLATE TRANSACTION	Transaction	0.05000
ED267	300100	PAYMENT MANAGER DOMESTIC ACH TRAN	Transaction	0.05000
28164	300199	PAYMENT MGR EMAIL SECONDARY APPROVE	Transaction	0.05000
28163	300105	PAYMENT MGR RPT SUBSCRIPTION MOBASE	Subscription	15.00000
ED421	309999	PAYMENT MGR CHK 1ST PAGE NEXT DAY	Page	0.20000
ED423	309999	PAYMENT MGR CHK 1ST PAGE SAME DAY	Transaction	0.20000
ED431	309999	PAYMENT MANAGER CHECK INSERTS	Insert	0.10000
ED422	309999	PAYMENT MGR CHK ADDL PAGE NEXT DAY	Page	0.10000
ED424	309999	PAYMENT MGR CHK ADDL PAGE SAME DAY	Transaction	0.10000
28232	300330	PAYMENT MGR MANUAL CHECK PULL	Check	10.00000
28033	300330	PAYMENT MGR REJECT REPAIR DUPLICATE	Batch/file	20.00000
28146	300400	PAYMENT MGR COMML CRD CONFIRMATION	Confirmation	0.05000
18702	350222	PAYMENT MANAGER BOOK TRANSER	Transfer	0.50000
18701	350104	PAYMENT MANAGER WIRE OUT DOMESTIC	Transfer	5.00000
18703	350700	PAYMENT MANAGER WIRE OUT XBRD USD	Transfer	5.00000
ES022	350104	PAYMENT MGR IMPORTED WIRE DOM/INT	Transfer	5.00000
44118	600310	PAYMENT MANAGER XBRD WIRE USD ACCT	Transfer	1.00000
ED290	300000	PAYMENT MANAGER MONTHLY BASE	Account	100.00000
28210	300299	PAYMENT MANAGER ACH ADDENDA	Addenda record	0.01000
28212	300200	PAYMENT MANAGER ACH CONFIRMATION	Confirmation	0.03000
21531	151870	PAYMENT MANAGER INSERT ITEM	Insert	0.10000
21532	151860	PAYMENT MANAGER PACKAGE PREPARATION	Occurrence	2.00000
28231	300221	PAYMENT MGR EMAIL SERVICE	Confirmation	0.10000
28005	300100	PAYMENT MGR INBOUND TRANSMISSION	Transmission	5.00000
21533	151870	PAYMENT MGR POSTAGE OR OVERNITE RPT	Report	5.00000

Wholesale Lockbox				
36737	05011A	WLBX CHECK PHOTOCOPY	Check	0.10000
03131	050000	WLBX ADDITIONAL CHECK PHOTOCOPY	Photocopy	0.10000
03201	050000	WLBX PHOTOCOPY MANUAL	Photocopy	0.10000
48308	059999	WTLBX CHECK COPY NON-SCAN TRANS	Check	0.10000
52032	050423	WLBX IMAGE DVD	CD ROM	50.00000
52033	050423	WLBX IMAGE DVD IMAGE	Image	0.03000
52034	050423	WLBX IMAGE DVD RECREATED	CD ROM	50.00000
52035	050425	WLBX IMAGE FILE IMPORT-IMAG	Image	0.02000
52076	05011R	WLBX BULK IMAGE RETRIEVAL-IMG	Image	0.03000
36606	05011F	WLBX PAPER RETURN	Transaction	0.10000
48316	059999	WTLBX PAPER RETURN - NON SCAN	Transaction	0.07000
36732	05011P	WLBX RESTRICTIVE/SPECIAL PROCESSING	Transaction	0.25000
03100	059999	WLBX SPECIAL REQUEST	\$ pass through	1.50000
36755	050100	WLBX STANDARD ITEM PROCESSED	Remittance	0.50000
03231	059999	WLBX CUSTOM PROCESSING	\$ pass through	0.75000
36739	05011E	WLBX POST OFFICE RETURNED MAIL	Transaction	1.00000
36742	050134	WLBX CLOSED BOX FEE / MAIL FORWARD	Occurrence	300.00000
48232	050134	WTLBX CLOSED BOX FEE/MAIL FWD	Occurrence	300.00000
34222	05031Z	LOCKBOX CEO SUBSCRIPTION PER ITEM	Item accessed	0.03000
48200	050020	WTLBX MONTHLY BASE	Lockbox	100.00000
34220	05031Z	LOCKBOX CEO SUBSCRIPTION MTHLY BASE	Account	10.00000
48230	050301	WTLBX DAILY DEPOSIT CUT	Deposit	1.00000
48205	050401	WTLBX TRANSMISSION MONTHLY BASE	Transmission	100.00000
48252	05011L	WTLBX NON-TRUNCATE PKG PREP MO BASE	Lockbox	50.00000
48307	059999	WTLBX STD ITEM PROCESSED NON SCAN	Check	0.25000
48221	050122	WTLBX MULTI PAYMENT	Coupon	0.05000
48222	050002	WTLBX PARTIAL PAYMENT	Coupon	0.03000
48336	059999	WTLBX REMIT PROCESSED CASH	Transaction	5.00000
48267	050413	WTLBX REMIT PROC COURIER/WALK-IN	Occurrence	10.00000
48220	050122	WTLBX TOTAL PAYMENTS PROCESSED	Coupon	0.20000
48236	050127	WTLBX MICR DATA CAPTURE	Check	0.03000
48317	059999	WTLBX MICR CAPTURE NON-SCANNABLE	Check	0.03000
48244	050530	WTLBX CORRESPONDENCE / REJECTS	Envelope	0.30000
48250	050530	WTLBX OCR SCANLINE REJECTS	Coupon	0.25000
48235	050114	WTLBX ROUGH SORTS 5 OR LESS	Remittance	0.10000
48319	059999	WTLBX ROUGH SORT 5 OR LESS-NON SCAN	Remittance	0.10000
48268	059999	WHTL FINE SORTS - 6 OR MORE	Transaction	0.10000
48312	059999	WTLBX FINE SORT 6 OR MORE-NON SCAN	Remittance	0.10000
48234	050101	WTLBX IMAGING - SCANNABLE	Image produced	0.03000
48326	059999	WTLBX IMAGING NON-SCANNABLE	Image	0.03000
48249	050424	WTLBX 7 YEAR B/W IMAGE ARCHIVE	Image archived	0.02000
48318	059999	WTLBX VALUE ADDED KEYING - NON SCAN	Keystroke	0.02000
48313	059999	WTLBX DOCUMENT REASSOCIATION	Transaction	0.10000
48314	059999	WTLBX NON-STANDARD REASSOCIATION	Transaction	0.10000
48211	050101	WTLBX CHECK REVIEW	Check	0.15000
48257	050899	WTLBX MARK SENSE/ADDRESS CHANGE	Coupon	0.03000
48501	050401	WTBX TRANSMISSION ITEM	Remittance	0.01000
52046	050412	WLBX REMIT PROCESS EXP MAIL	Occurrence	3.00000

WF Code	AFP Code	Service Description	Charge Basis	Price	
Zero Balance Account (ZBA)					
DS510	010020	ZERO BALANCE MASTER ACCOUNT MAINT	Account	5.00000	
DS001	010021	ZERO BALANCE MONTHLY BASE	Account	5.00000	
Setup Charges					
28044	050031	E-BOX POSITIVE FILE SET UP	Setup	700.00000	
28043	050031	E-BOX SET UP	Setup	1,400.00000	
64100	151357	IFI SETUP PER PRODUCT	Customer ID	0.00000	
ED111	300300	PAYMENT MANAGER SET UP	Setup	850.00000	
ED271	300341	PAYMENT MGR IMPLEMENTATION DEV HOUR	Hour	100.00000	
28029	300322	REC MGR IMPLEMENTATION DEV HOURS	Hour	115.00000	
28018	300321	RECEIVABLES MANAGER CUSTOM SETUP	Implementation	2,400.00000	
28017	300320	RECEIVABLES MANAGER SET UP	Implementation	950.00000	
48271	050801	WTLBX SET UP FEE	Occurrence	135.00000	Element / Vol change to EID 03850
48240	050137	WTLBX PROGRAMMING CHARGES	Hour	100.00000	Element / Vol change to EID 03082
48258	050002	WTLBX PO BOX RENTAL/ANNUAL	Lockbox	100.00000	Element / Vol change to EID 48200

A CEO Wire book transfer is between two accounts initiated via CEO Wires Book Transfer workflow.
A Payment Manager book transfer is charged when the debit and credit accounts are setup in a single CEO Company id and entitled to Book Transfer.

This proposal was created for you based on your requirements and the services you expressed interest in.
This document confirms the deposit and treasury management services and the prices that we plan to provide you based on certain assumptions including, projected volumes and other relevant information that you provided and the deposit and treasury management services you selected.

The pricing is subject to change if the actual volume and/or scope of services differ from the assumptions upon which the pricing estimate was based.

Please let us know if you believe this document does not accurately represent the prices or services you agreed to. For additional service definitions, please contact your Treasury Management Sales Consultant or visit:
www.wellsfargo.com/accountanalysis

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Neither party has the right to share this information with any entity or entities outside of their organization, without the permission of the other party.

Postage is a pass-through element and appears on your statement as \$1.00 to represent 100% of postage cost recovery. The presort rate for a 1 oz. domestic package is used to calculate cost, but costs increase for heavier packages and foreign mail pieces. Because rates vary, Wells Fargo does not charge a flat postage rate per package. Instead, we accumulate the total amount of postage paid each month, round the amount to the nearest dollar, and report the total as volume on your statement. Postage rates are subject to change as determined by the USPS.

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Treasury Management Proposal

City of Alvin - 2021

Pricing as of January 2021

Note: Displays Element Changes effective Jan 1, 2021

WF Code	AFP Code	Service Description	Charge Basis	Price
Desktop Deposit/Electronic Check				
12816	151352	DESKTOP DEPOSIT IMAGES RETRIEVED	Image	0.03000
15017	400003	DESKTOP DEPOSIT MONTHLY BASE	Account	20.00000
15003	400231	DESKTOP DEPOSIT REPORT PER ITEM	Item reported	0.03000
15007	010101	DESKTOP DEPOSIT-DEPOSIT CREDITED	Credit	0.50000
790	100230	ELECTRONIC DEPOSIT - DEP ADJUSTMENT	Adjustment	17.00000
706	100224	DESKTOP DEPOSIT-DEPOSITED ITEM	Check deposited	0.05000
Disbursements with Zelle				
28036	250310	ZELLE EXPIRED RETURNED OR CANCELLED	Return	0.50000
28035	309999	DISBURSEMENTS W ZELLE TRANSACTION	Transaction	0.40000
E-BOX				
34602	400274	CEO E-BOX RPT - ITEM	Transaction	0.10000
34601	400054	CEO E-BOX RPT SUBSCRIPTION MO BASE	Account	50.00000
ED522	050311	E-BOX DAILY DETAIL RPT - PER PAGE	Page	0.20000
ED518	059999	E-BOX OPERATIONS MANUAL RETURN	Return	1.00000
ED515	059999	E-BOX PAYMENT RETURN	Return	0.35000
ED516	059999	E-BOX PAYMENT REVERSED	Transaction	0.10000
ED523	050030	E-BOX DAILY DETAIL REPORT-MO BASE	Setup	50.00000
ED500	050030	E-BOX MONTHLY MAINT (W/CROSS REF)	Setup	100.00000
ED470	059999	E-BOX PAYMENT	Transaction	0.06000
28042	050030	E-BOX POSITIVE FILE MONTHLY BASE	Setup	100.00000
ED521	050030	E-BOX REPORTING PACKAGE MTHLY BASE	Setup	100.00000
ED524	050030	E-BOX REVERSAL REPORTING MTHLY BASE	Setup	25.00000
ED512	050030	E-BOX STOP FILE MONTHLY BASE	Setup	100.00000
28047	050530	E-BOX SUSPENDED PAYMENT PER ITEM	Transaction	0.20000
28315	300200	E-BOX PER TRANSMISSION FEE	Transmission	15.00000
Electronic Document Delivery				
28609	300502	ELECTRONIC DOC DELIV FAX-PAGE	Page	0.01000
28597	300505	ELECTRONIC DOC DELIV PRINT PER PAGE	Page	0.05000
28605	300502	ENHANCED REMITTANCE EMAIL DELIVERY	Email	0.01000
General Disbursement Services				
22225	150240	CHECK CASHING THRESHOLD MO BASE	Account	10.00000
22245	150240	CHECKS PAY TO INDIV BLOCK MO BASE	Account	10.00000
22235	150240	OTC DEBIT BLOCK MONTHLY BASE	Account	10.00000
MD091	150240	PYMT AUTH MAX CHECK MTHLY BASE	Account	10.00000
Image Delivery				
64112	109999	IFI DEPOSITED ITEM - IMAGE	Image	0.05000
RC501	100416	IFI RETURNED ITEMS - IMAGE	Image	0.05000
64104	151350	IFI MAINTENANCE PER PRODUCT	Customer ID	75.00000
64101	151354	IFI PAID CHECKS - IMAGE	Image	0.06000
MSC-TM				
03303	050410	LBX PKG US MAIL DELIVERY	\$ pass through	1.00000
03042	050412	LBX OUTBOUND PKG OVERNIGHT MAIL	\$ pass through	1.00000
03306	050413	LBX OUTBOUND PKG COURIER	\$ pass through	1.00000
ED370	309999	PMGR TOTAL MTH POSTAGE AND HANDLING	\$ pass through	1.00000
Paper Checks Deposited				
311	100225	WHOLESALE LOCKBOX - DEPOSITED CHECK	Check deposited	0.05000
Receivables Manager				
28080	050500	REC MGR REMITTANCE REPAIR	Invoice	0.05000
ED265	300210	RECEIVABLES MANAGER ACH ITEM	Item reported	0.02000
ED532	300211	REC MGR REASSOCIATION ITEMS	Invoice	0.02000
ED561	300330	RECEIVABLES MGR INVALID CTX REPORT	Report	5.00000
27530	300210	REC MGR WIRE ITEMS	Item reported	0.50000
28019	300010	RECEIVABLES MANAGER MONTHLY BASE	Setup	100.00000
28011	300210	RECEIVABLES MANAGER RECVD ADDENDA	Addenda record	0.01000
SUBACCOUNTING				
22421	010310	SUB ACCT STATEMENT FEE	Account	5.00000
DS585	010021	SUBACCOUNT MAINTENANCE	Subaccount	5.00000

WF Code	AFP Code	Service Description	Charge Basis	Price
Sweep				
34110	450405	SWEEP ACCOUNT POSITION REPORT	Sweep master account	40.00000
22087	450403	SWEEP STAGECOACH MUTUALFND ELECTNIC	Statement	0.00000
22094	450200	SWEEP STAGECOACH MUTUAL FND MO BASE	Account	50.00000
Payment Manager				
28145	080100	PAYMENT MGR COMML CRD CCER PMT	Transaction	0.10000
28109	300100	PAYMENT MANAGER INTL ACH ORIGINATED	Transaction	0.07000
28111	300100	PAYMENT MGR TEMPLATE TRANSACTION	Transaction	0.05000
ED267	300100	PAYMENT MANAGER DOMESTIC ACH TRAN	Transaction	0.05000
28164	300199	PAYMENT MGR EMAIL SECONDARY APPROVE	Transaction	0.05000
28163	300105	PAYMENT MGR RPT SUBSCRIPTION MOBASE	Subscription	15.00000
ED421	309999	PAYMENT MGR CHK 1ST PAGE NEXT DAY	Page	0.20000
ED423	309999	PAYMENT MGR CHK 1ST PAGE SAME DAY	Transaction	0.20000
ED431	309999	PAYMENT MANAGER CHECK INSERTS	Insert	0.10000
ED422	309999	PAYMENT MGR CHK ADDL PAGE NEXT DAY	Page	0.10000
ED424	309999	PAYMENT MGR CHK ADDL PAGE SAME DAY	Transaction	0.10000
28232	300330	PAYMENT MGR MANUAL CHECK PULL	Check	10.00000
28033	300330	PAYMENT MGR REJECT REPAIR DUPLICATE	Batchfile	20.00000
28146	300400	PAYMENT MGR COMML CRD CONFIRMATION	Confirmation	0.05000
18702	350222	PAYMENT MANAGER BOOK TRANSER	Transfer	0.50000
18701	350104	PAYMENT MANAGER WIRE OUT DOMESTIC	Transfer	5.00000
18703	350700	PAYMENT MANAGER WIRE OUT XBRD USD	Transfer	5.00000
ES022	350104	PAYMENT MGR IMPORTED WIRE DOM/INT	Transfer	5.00000
44118	600310	PAYMENT MANAGER XBRD WIRE USD ACCT	Transfer	1.00000
ED290	300000	PAYMENT MANAGER MONTHLY BASE	Account	100.00000
28210	300299	PAYMENT MANAGER ACH ADDENDA	Addenda record	0.01000
28212	300200	PAYMENT MANAGER ACH CONFIRMATION	Confirmation	0.03000
21531	151870	PAYMENT MANAGER INSERT ITEM	Insert	0.10000
21532	151860	PAYMENT MANAGER PACKAGE PREPARATION	Occurrence	2.00000
28231	300221	PAYMENT MGR EMAIL SERVICE	Confirmation	0.10000
28005	300100	PAYMENT MGR INBOUND TRANSMISSION	Transmission	5.00000
21533	151870	PAYMENT MGR POSTAGE OR OVERNITE RPT	Report	5.00000
Wholesale Lockbox				
36737	05011A	LBX CHECK PHOTOCOPY	Check	0.10000
52032	050423	LBX DVD IMAGE	CD ROM	50.00000
52033	050423	LBX DVD PER IMAGE	Image	0.03000
52034	050423	LBX DVD RECREATED	CD ROM	50.00000
52035	050425	LBX IMAGE FILE IMPORT	Image	0.02000
52076	05011R	LBX WL BATCH IMAGE RETRIEVAL	Image	0.03000
36606	05011F	LBX PAPER RETURN	Transaction	0.10000
36732	05011P	LBX RESTRICTIVE PROCESSING	Transaction	0.25000
36755	050100	LBX STANDARD CHECK PROCESSED	Transaction	0.50000
03231	059999	WLBX CUSTOM PROCESSING	\$ pass through	0.75000
36739	0501IE	LBX POST OFFICE RETURNED MAIL	Transaction	1.00000
36742	050134	LBX CLOSED BOX MAIL FORWARDING	Occurrence	300.00000
34222	05031Z	LBX CEO TIR REPORT PER ITEM	Item accessed	0.03000
48200	050020	LBX WHOLETAIL BASE	Lockbox	100.00000
03302	050400	LBX TRANSMISSION BASE	Lockbox	100.00000
36769	05011L	LBX PAPER PACKAGE BASE	Lockbox	50.00000
48307	059999	LBX WT STD ITEM PROCESSED NON SCAN	Check	0.25000
48221	050122	LBX WT MULTI PAYMENT	Coupon	0.05000
48222	050002	LBX WT PARTIAL PAYMENT	Coupon	0.03000
03102	050000	LBX REMIT PROCESSED CASH	Remittance	5.00000
03613	050000	LBX REMIT PROC COURIER DELIVERY	Occurrence	10.00000
48220	050122	LBX WT TOTAL PAYMENTS PROCESSED	Coupon	0.20000
36731	050530	LBX CORRESPONDENCE OR REJECTS	Envelope	0.30000
48250	050530	LBX WT OCR SCANLINE REJECTS	Coupon	0.25000
03041	050112	LBX ROUGH SORT 5 OR LESS	Remittance	0.10000
03040	050114	LBX FINE SORT 6 OR MORE	Remittance	0.10000
03905	05011R	LBX DOCUMENT SCANNED	Remittance	0.03000
36791	050600	LBX 7 YEAR IMAGE ARCHIVE	Image archived	0.02000
36745	050129	LBX VALUE ADDED KEYING	Keystroke	0.02000
03048	050117	LBX DOCUMENT REASSOCIATION	Remittance	0.10000
48211	050101	LBX WT CHECK REVIEW	Check	0.15000
48257	050899	LBX WT MARK SENSE OR ADDRESS CHANGE	Coupon	0.03000
48501	050401	LBX WT TRANSMISSION PER ITEM	Remittance	0.01000
52046	050412	LBX WLV REMIT PROCESS EXPRESS MAIL	Occurrence	3.00000

WF Code	AFP Code	Service Description	Charge Basis	Price
Zero Balance Account (ZBA)				
DS510	010020	ZERO BALANCE MASTER ACCOUNT MAINT	Account	5.00000
DS001	010021	ZERO BALANCE MONTHLY BASE	Account	5.00000
Setup Charges				
28044	050031	E-BOX POSITIVE FILE SET UP	Setup	700.00000
28043	050031	E-BOX SET UP	Setup	1,400.00000
64100	151357	IFI SETUP PER PRODUCT	Customer ID	0.00000
ED111	300300	PAYMENT MANAGER SET UP	Setup	850.00000
ED271	300341	PAYMENT MGR IMPLEMENTATION DEV HOUR	Hour	100.00000
28029	300322	REC MGR IMPLEMENTATION DEV HOURS	Hour	115.00000
28018	300321	RECEIVABLES MANAGER CUSTOM SETUP	Implementation	2,400.00000
28017	300320	RECEIVABLES MANAGER SET UP	Implementation	950.00000
03850	050138	LOCKBOX SET UP	Lockbox	135.00000
03082	050137	LBX PROGRAMMING	Hour	100.00000

A CEO Wire book transfer is between two accounts initiated via CEO Wires Book Transfer workflow.
A Payment Manager book transfer is charged when the debit and credit accounts are setup in a single CEO Company id and entitled to Book Transfer.

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Postage is a pass-through element and appears on your statement as \$1.00 to represent 100% of postage cost recovery. The presort rate for a 1 oz. domestic package is used to calculate cost, but costs increase for heavier packages and foreign mail pieces. Because rates vary, Wells Fargo does not charge a flat postage rate per package. Instead, we accumulate the total amount of postage paid each month, round the amount to the nearest dollar, and report the total as volume on your statement. Postage rates are subject to change as determined by the USPS.

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Wells Fargo Element Definitions

City of Alvin - 2021

Definition of each element

<u>WF</u> <u>Code</u>	<u>AFP</u> <u>Code</u>	<u>Description</u>
ODACT	000210	DAILY USE OF UNCOLL FUNDS-ACCT LVL Charge for using funds that are not considered collected per the Bank's collection schedule. Calculated daily at account level.
IAMIB	000230	RECOUPMENT MONTHLY IB Fee to partially recover insurance premiums the Bank pays to the FDIC for deposit insurance. Monthly charge based upon average monthly ledger balance. Assessed on per thousand dollar basis. See Commercial Account Agreement for additional information.
22051	010000	ACCT MAINTENANCE Monthly maintenance charge for DDA with non return of checks (CheXstor) - one account statement included
22421	010310	SUB ACCT STATEMENT FEE Charge for providing supplemental Sub Acct statement
DS585	010021	SUBACCOUNT MAINTENANCE Monthly charge per subaccount.
DS510	010020	ZERO BALANCE MASTER ACCOUNT MAINT Monthly account maintenance fee for ZBA Master accounts.
DS001	010021	ZERO BALANCE MONTHLY BASE Per account charge for Zero and Target Balance accounts.
CK021	010100	DEBITS POSTED Per item charge for debit items, other than checks or drafts, posted to an account.
CK049	010310	DDA STATEMENT - PAPER Charge for paper bank statement on Demand Deposit Account.
CK672	010630	BANK CONFIRMATION AUDIT REQUEST Per item charge for performing a Standard Bank Confirmation or Credit Rating on Loans or DDA matters.
46106	010102	CEO BASIC BANKING - TRANSFER CEO Basic Banking Transfer Fee - Fee applied for each funds transfer transaction requested through Basic Banking.
22063	010000	DDA STMT W/IMAGE CLASSIC-MTHLY BASE Monthly fee for DDA statement with images. Classic design = 10 images per page - front of check only.
15007	010101	DESKTOP DEPOSIT-DEPOSIT CREDITED For each deposit submitted through the Desktop Deposit service, either through the CEO portal or mobile, a charge of one will be made to the customer.

WF	AFP	Description
<u>Code</u>	<u>Code</u>	
34145	010307	CEO E-STMT SUBSCRIPTION - ACCOUNT Monthly Maintenance charge per account for DDA Cycled Statement report.
34147	010307	CEO E-STMT SUBSCRIPTION - ITEM Per detail item charge for Electronic Statement Subscription (DDA Cycled Statement report) detail records loaded.
03850	050138	LOCKBOX SET UP One time set-up fee for new lockboxes
03082	050137	LBX PROGRAMMING Wholesale lockbox per hour charge for programming
36769	05011L	LBX PAPER PACKAGE BASE Monthly fee per box to prepare daily remittance packages for clients who require the return of their check photocopies and original remittance documents.
03302	050400	LBX TRANSMISSION BASE Wholesale lockbox monthly charge for transmission of accounts receivable information.
03102	050000	LBX REMIT PROCESSED CASH Wholesale lockbox per occurrence charge for processing remittances received with cash.
03613	050000	LBX REMIT PROC COURIER DELIVERY Wholesale Lockbox per occurrence charge for processing remittances that have been walked in or sent by courier to the site
36731	050530	LBX CORRESPONDENCE OR REJECTS Wholesale lockbox item rejected as unprocessable and/or correspondence item
36755	050100	LBX STANDARD CHECK PROCESSED Per item charge for processing wholesale lockbox remittances.
03041	050112	LBX ROUGH SORT 5 OR LESS Wholesale Lockbox per item charge for sorting items processed into 5 or less sorts
03040	050114	LBX FINE SORT 6 OR MORE Per item charge for sorting items processed into 6 or more sort groups
03905	05011R	LBX DOCUMENT SCANNED Fee to image LBX checks & documents. Applies to all delivery channels (CEO, IFI, Media) but charged only once. Each front is counted as one image and each back is counted as one image
36791	050600	LBX 7 YEAR IMAGE ARCHIVE Wholesale lockbox per image fee to store color images of checks and remittances for 7 years
36737	05011A	LBX CHECK PHOTOCOPY Photocopy of original check provided in the daily remittance package
52032	050423	LBX DVD IMAGE Charge for each DVD produced for a customer. DVD's may be defined at the lockbox level depending upon the customer set up of optional data entry fields.

WF Code	AFP Code	Description
52033	050423	LBX DVD PER IMAGE Volume of images captured on each calendar month DVD from the Wholesale Lockbox service.
52034	050423	LBX DVD RECREATED Non-recurring charge for additional copies of a customers DVD, does not include original DVD count or normal duplicate copies.
52035	050425	LBX IMAGE FILE IMPORT Volume of images transmitted from the lockbox to the customer for storage on their internally managed archive or using the WellsImage Viewer software. Each front is counted as one image and each back is counted as one image.
52076	05011R	LBX WL BATCH IMAGE RETRIEVAL Volume of images transmitted from the lockbox and made available to the customer in a PDF file via CEO BIR.
36745	050129	LBX VALUE ADDED KEYING Fee per keystroke or character captured and delivered to the customer from a check, invoice or envelope.
03048	050117	LBX DOCUMENT REASSOCIATION Reassociation of original hard copy documents received in the envelope and returned to the customer.
36606	05011F	LBX PAPER RETURN Wholesale Lockbox per document fee for returning all paper attachments including the envelope except the check that are received for an image lockbox. The paper is not re-associated.
03303	050410	LBX PKG US MAIL DELIVERY Wholesale lockbox postage related to the outgoing remittance package
03306	050413	LBX OUTBOUND PKG COURIER Per delivery charge for preparation of outgoing remittance information delivered via courier
03042	050412	LBX OUTBOUND PKG OVERNIGHT MAIL Per delivery charge for postage/preparation of outgoing remittance information delivered via overnight mail
36732	05011P	LBX RESTRICTIVE PROCESSING Per item charge for the process of reviewing invoice information against unique criteria. Eg. Stamping specific information on the face of a check, invoice or envelope as directed by a customer or special review to not accept a payee.
03231	059999	WLBX CUSTOM PROCESSING Per item charge for non-standard or exception processing
36739	0501IE	LBX POST OFFICE RETURNED MAIL Fee assessed when lockbox is used for return mail from the post office.
36742	050134	LBX CLOSED BOX MAIL FORWARDING Fee to forward mail on a closed box. Standard is three months, so the volume for this Element ID in the month it closes will be "3". More than 3 months requires product approval.

WF <u>Code</u>	AFP <u>Code</u>	<u>Description</u>
34222	05031Z	LBX CEO TIR REPORT PER ITEM Per Item accessed charged - per detail transaction (I.e. Deposits on the Availability report and Individual checks on the Detail report).
48200	050020	LBX WHOLETAIL BASE Monthly wholeetail lockbox maintenance fee
28080	050500	REC MGR REMITTANCE REPAIR Fee for repairing incorrectly formatted ACH/Wire data associated with the payment (manual or automated). There is a minimum count of one for each repaired item which includes the first invoice. Any additional invoices would be an additional count of one.
48220	050122	LBX WT TOTAL PAYMENTS PROCESSED Wholesale lockbox fee to process transactions received with scannable coupon. Volume equals the sum total of single, matched payments, multiple payments and partial payments
48307	059999	LBX WT STD ITEM PROCESSED NON SCAN Wholesale lockbox per item fee to process remittances received as non-scannable transactions
48221	050122	LBX WT MULTI PAYMENT Wholesale lockbox surcharge fee to process scannable transactions which include multiple checks and / or multiple coupons in the transaction.
48222	050002	LBX WT PARTIAL PAYMENT Wholesale lockbox surcharge fee to process scannable transactions which include partial payments; amount of check does not equal amount due on coupon
48250	050530	LBX WT OCR SCANLINE REJECTS Wholesale lockbox fee to correct and process OCR scanline rejects when reject rate exceeds 3% of volume in a given month. Fee is applied to all OCR scanline rejects
48211	050101	LBX WT CHECK REVIEW Wholesale lockbox fee to review check for negotiability that is received as non-scannable transaction
48257	050899	LBX WT MARK SENSE OR ADDRESS CHANGE Wholesale lockbox fee to detect and outsort coupons which include mark sense in specific location to indicate change of information. Fee is per coupon processed.
48501	050401	LBX WT TRANSMISSION PER ITEM Wholesale lockbox fee associated with outgoing transmission of detailed remittance information. Fee is per remittance transaction
ED522	050311	E-BOX DAILY DETAIL RPT - PER PAGE A per page fee assessed to have this report created daily.
ED518	059999	E-BOX OPERATIONS MANUAL RETURN A fee assessed for each item returned that is processed manually by operations
ED515	059999	E-BOX PAYMENT RETURN A per item charged for each E-Box item returned on behalf of the customer

WF Code	AFP Code	Description
ED516	059999	E-BOX PAYMENT REVERSED Transaction fee for reversing a previously processed payment
ED523	050030	E-BOX DAILY DETAIL REPORT-MO BASE A monthly fee assessed to have this report created daily.
ED500	050030	E-BOX MONTHLY MAINT (W/CROSS REF) A monthly fee assessed to the customer for each E-Box setup.
ED470	059999	E-BOX PAYMENT Per item charge for each E-Box payment received from Bill Service Providers and originators (e.g. Fiserv, RPPS, FIS, WF Bill Pay, etc.),
28042	050030	E-BOX POSITIVE FILE MONTHLY BASE A monthly fee charged for E-Box Positive File Maintenance
28044	050031	E-BOX POSITIVE FILE SET UP One time setup charge for the E-Box positive file
ED521	050030	E-BOX REPORTING PACKAGE MTHLY BASE A monthly charge for E-Box concentration reporting package. Package includes Summary, Reject, End of Month and Returns Reports.
ED524	050030	E-BOX REVERSAL REPORTING MTHLY BASE A monthly fee assessed to receive the E-Box Reversal reporting package. Package includes Summary, Detail & End of Month Reports.
28043	050031	E-BOX SET UP Implementation charge for E-Box
ED512	050030	E-BOX STOP FILE MONTHLY BASE A monthly fee charged for E-Box Stop File maintenance.
28047	050530	E-BOX SUSPENDED PAYMENT PER ITEM Per item charge for each E-Box payment that is suspended and available for decisioning in E-Box Decisioning.
52046	050412	LBX WLV REMIT PROCESS EXPRESS MAIL Per occurrence charge for processing remittances that have been sent either express mail or certified mail to the site. (PNC Processing only)
28145	080100	PAYMENT MGR COMML CRD CCER PMT Per item charge for each CCER Pre Authorization Commercial Card payment transaction transmitted to the bank via the Payment Manager channel.
08172	100501	ADJ FOR CASH DEPOSITED IN WF BRANCH Fee charged when an adjustment is made to cash deposited in a Wells Fargo branch.
CK161	100006	CASH DEPOSITED IN WF BRANCH Cash deposited in Wells Fargo branch verified by teller at the time of deposit.
08174	100100	CASH VAULT DEPOSIT CASH AND CHECK Fee for customers depositing cash and checks on one deposit.

WF Code	AFP Code	Description
08173	100100	CV CASH ONLY OR CHECK ONLY DEPOSIT Per deposit fee for cash only deposits processed
CK199	10001A	POST VERIFY CASH DEPOSITED Cash deposited at Wells Fargo branch in tamper evident dual pouch bag post verified after deposit is made.
CK771	100010	LOOSE COIN DEPOSITED IN BRANCH Coin deposited in a Wells Fargo branch with a declared value and sent to a cash vault for processing.
CK197	100040	CASH ORDER FEE IN A WF BRANCH Per order fee for cash order in a Wells Fargo branch.
CK131	100040	ROLLED COIN FURNISHED BY WF BRANCH Per roll charge for each roll of coin furnished by a Wells Fargo branch.
CK141	100040	CURRENCY FURNISHED BY WF BRANCH Per dollar fee for currency furnished by Wells Fargo branch.
CK062	100416	CEO RETURN ITEM RETRIEVAL-IMAGE Fee for each retrieved image of a returned item within CEO Returned Item Services
CK064	100416	CEO RETURN ITEM SERVICE MTHLY BASE Monthly base fee for customers enrolled in the CEO Returned Item Services
CK061	100400	RETURN ITEM - CHARGEBACK Per item fee for each deposited item that is returned and charged back to depository customer
CK069	100401	RETURN ITEM SPECIAL INSTRUCTIONS Per item fee for returned items special processing instructions which include: Individual Debits vs. Lump Sum, Alternate Charge Account, Alternate Mailing Address, Courier Pickup, and/or Overnight Mail.
CK081	100401	RETURN ITEM SPECIAL INST MTHLY BASE Per account fee for Special Instructions monthly base fee. Special Instructions include: Individual Debits for Items, Alternate Charge Account, Alternate Mailing Address, Courier Pickup, and/or Overnight Mail.
CK084	100430	RETURN ITEM WITH MAKER NAME Per item fee for keying maker name for each returned item
CK075	100402	RETURN ITEM REDEPOSITED Per item fee for each deposited item that has been returned by the paying back and is redeposited in an attempt to collect funds
64112	109999	IFI DEPOSITED ITEM - IMAGE Charge for each item in the index file with an associated image that the bank has created to deliver to the customer. Customer charged a volume of one for each item. Check front and back count as one item. Deposit slip front and back count as one item.

WF	AFP	Description
<u>Code</u>	<u>Code</u>	
RC501	100416	IFI RETURNED ITEMS - IMAGE Charge for each returned item in the index file with an associated image that the bank has created to deliver to the customer. Customer is charged a volume of one for each item. Front and back of check are counted as one item.
CK405	100430	RETURN ITEM ADDL REPORTING - FIELD Per field fee for keying customer requested information from the front or back of a returned item. Keyed data available via Treasury Information Reporting, Image File Import, or Returned Items Transmission
34235	100416	CEO RETN ITEM SUBSCRIPTION PER ACCT Monthly Maintenance Charge per account for Return Item reporting in the Return Item subscription.
34237	100416	CEO RETN ITEM SUBSCRIPTION PER ITEM Per item fee for returned items accessed via CEO Returned Item Subscription
34236	100416	CEO RETURN DECISIONING PER ITEM Fee for each returned item that is reviewed and decisioned or approved by customers via the CEO Online Decisioning service
08052	100006	BRANCH DEPOSIT Per deposit fee for deposit in Wells Fargo branch balanced and verified by teller at the time of deposit.
22723	10001A	BRANCH DEPOSIT POST VERIFY Per deposit fee for Wells Fargo branch deposit made in tamper evident dual pouch bag
08505	100515	CASH VAULT ADJ ADVICE - EMAIL Per adjustment advice charge for adjustment detail at a location level delivered via email.
08506	100520	CASH VAULT ADJ ADVICE - FAX Per adjustment advice charge for adjustment detail at a location level delivered via fax.
08504	100520	CASH VAULT ADJ ADVICE - US MAIL Per adjustment advice charge for adjustment detail at a location level delivered via US mail.
08181	100141	CASH VAULT ORDER - AUTOMATED Per order charge for a coin/currency order placed via transmission.
08071	100111	CASH VAULT DEP - NONSTD COIN BAG Per deposit charge for a loose coin deposit that does not conform to the Federal Reserve's specifications for a "standard bag". A partial/mixed coin bag contains either a non-standard amount of one denomination or mixed denominations.
08110	100144	CASH VAULT ORDER - COIN ROLLS Per roll charge for individual rolls of coin furnished by a WFSC vault
08115	100146	CASH VAULT COIN FURNISHED-STD BOX Per box charge for a full box of coin which contains 50 rolls of one denomination

WF Code	AFP Code	Description
08400	100148	CASH VAULT CURRENCY FURN-NONSTD Currency furnished in straps of less than 100 bills of the same denomination by a WFSC vault. Billed on a per dollar furnished basis.
08416	100199	CASH VAULT CURRENCY FURNISHED Currency furnished in straps of 100 bills of the same denomination by a WFSC vault. Billed on a per dollar furnished basis.
08290	100199	CASH VAULT DEP - CURRENCY/COIN DEP Processing and verification charge for currency and/or coin deposited in a WFSC cash vault. Billed on a per dollar deposited basis.
08160	100501	CASH VAULT DEP - ADJUSTMENT Per adjustment charge for each adjustment made to depository account when verified cash total does not equal the declared cash total on deposit ticket.
08131	100104	CASH VAULT DEP - VERIFIED ENVELOPE Per envelope chg for deposits consisting of one deposit ticket & multiple individual envelopes containing cash. Cash is verified & adjustments are made at the individual envelope level. Envelope totals are then balanced to the deposit ticket total.
08132	100100	CASH VAULT MONTHLY BASE Cash Vault base fee per profile active in the billing month
08025	100015	MISCELLANEOUS CREDITS POSTED Charge for miscellaneous deposits not made through the Cash Vault or branch channels, i.e.: Lockbox, Bank by Mail.
08007	100110	DDA08007 Per envelope fee for deposits containing envelopes, but don't require sub-balancing
08008	100110	CASH VAULT DEP - ROLLED COIN Per roll de-wrapping fee for deposits containing coin rolls wrapped in paper or plastic
12707	100610	DEPOSIT LOCATION REPORTING - ITEM Per item charge for the reporting of deposits and deposit related transactions from multiple locations to a single account.
002	100225	DEPOSITED CHECK Deposited checks drawn on U.S. banks, including Wells Fargo.
706	100224	DESKTOP DEPOSIT-DEPOSITED ITEM Charge per item deposited via Desktop Deposit for checks drawn on banks other than Wells Fargo. Applies to items submitted through CEO portal or mobile. For each item, a charge of one will be made to the customer.
790	100230	ELECTRONIC DEPOSIT - DEP ADJUSTMENT Charge for adjustment to file total of electronically deposited items.
311	100225	WHOLESALE LOCKBOX - DEPOSITED CHECK Deposited checks drawn on U.S. banks, including Wells Fargo

WF Code	AFP Code	Description
24250	150340	OVERDRAFT CHARGE-PAID ITEM Charge per item paid when the ending ledger balance is negative
24253	150341	OVERDRAFT CHARGE-RETURNED ITEM Charge per item returned when the ending ledger balance is negative
DS194	150299	PAYEE VALIDATION MANUAL REVIEW/ITEM An additional charge per check for the manual review of payee names for accounts whose check images cannot be read digitally.
DS191	150122	PAYEE VALIDATION STANDARD-ITEM Per check charge for each check posted to account with payee validation services.
22810	150500	WF CHK CASHED FOR NONACCT HOLDER This charge is for non customers cashing checks drawn on Wells Fargo Bank. Wholesale customer (account holder) absorbs full fee and no cost is passed on to payee.
22030	150412	STOP PAYMENT - AUTO RENEWAL Per item charge for automated stop payment renewal on DDA, ARP or Controlled Disbursement account.
34336	150724	POSITIVE PAY EXCEPTION - CEO IMAGE Per item charge for Image Positive Pay images retrieved via CEO
12677	150300	MICR CHECK REJECTS >1% THROUGH 2% Charge for processing more than 1% through 2% of the checks presented for payment that require special handling due to insufficient MICR line integrity.
12678	150300	MICR CHECK REJECTS OVER 2% Charge for processing more than 2% of the checks presented for payment that require special handling due to insufficient MICR line integrity.
12812	151352	CEO IMAGE VIEW < 90 DAYS - ITEM Charge for each image retrieved from the bank's image database and delivered online < 90 days old.
12815	151352	CEO IMAGE VIEW > 90 DAYS - ITEM Charge for each image viewed on -line from the bank's image archive older than 90 days
22225	150240	CHECK CASHING THRESHOLD MO BASE Charge for providing fraud control service setting maximum check cashing dollar thresholds at the branches.
22245	150240	CHECKS PAY TO INDIV BLOCK MO BASE Charge for providing fraud control service disallowing cashing of checks to individuals at the branches.
12816	151352	DESKTOP DEPOSIT IMAGES RETRIEVED Charge for each image retrieved in any of the Desktop Deposit reports. Charge is incurred each and every time an image appears on a report and/or link is clicked to view it.

WF <u>Code</u>	AFP <u>Code</u>	<u>Description</u>
22235	150240	OTC DEBIT BLOCK MONTHLY BASE Charge for providing fraud control service disallowing over the counter withdrawals at the branches.
12906	150401	POSPAY VERIFICATION CALL-CASHED The number of teller calls to TMCS to verify issue information on positive pay checks being cashed at the teller line.
12908	150310	POS PAY CHECKS WITH NO ISSUE RECORD Charge for positive pay checks that are presented without matching issue information on file.
12505	150222	POSITIVE PAY EXCEPTION CHECKS RETND Per item charge for Positive Pay exception returned per customer request - includes stale-dated items that have been returned
12903	150310	POSITIVE PAY EXCEPTIONS - ITEM Per item charge for Positive Pay Exceptions
12907	150030	POSITIVE PAY MONTHLY BASE Monthly fee per account for Positive Pay service.
12682	150120	POSITIVE PAY ONLY - ITEM Per item charge for the receipt and posting of check issue data received on Positive Pay Only accounts. Includes customer, vendor, NDM, and CEO Fraud Manager originated. PPO does not include reconciliation services.
12681	150030	POSITIVE PAY ONLY MONTHLY BASE Monthly charge for providing positive pay services on accounts that do not have Account Reconciliation services
MD091	150240	PYMT AUTH MAX CHECK MTHLY BASE Monthly per account fee when accounts are setup for the Payment Authorization Max Check \$ option.
12670	150410	STOP PAYMENT - ONLINE Per item charge for PC initiated stop payment.
12671	150420	STOP PAYMENT - OPERATOR ASSISTED Per item charge for operator assisted stop payment.
22202	150100	DDA CHECKS PAID Per item charge for checks or drafts presented for payment on an account, including checks that are presented electronically.
21531	151870	PAYMENT MANAGER INSERT ITEM Per item charge for stuffing preprinted or customer supplied inserts into envelopes with checks and/or printed remittance advices generated via Payment Manager channel. Customer supplied insert inventory must be tested and approved for use.
21532	151860	PAYMENT MANAGER PACKAGE PREPARATION Per package charge for preparing an overnight or certified mail package of Payment Manager checks or advices.

WF Code	AFP Code	Description
21533	151870	PAYMENT MGR POSTAGE OR OVERNITE RPT Fee per check report generated via the Payment Manager channel. Includes the Exact Postage Report (monthly) and Overnight Tracking Report (up to daily when overnight is requested; no nil reports)
64104	151350	IFI MAINTENANCE PER PRODUCT Monthly maintenance fee for Image File Import service per product (Paid Checks, Deposited Items, Returned Items, Third Party Draft, and Lockbox) offered per customer CEO ID. This charge is in lieu of a per transmission fee.
64101	151354	IFI PAID CHECKS - IMAGE Charge for each item in the index file with an associated image that the bank has created to deliver to the customer. Customer is charged a volume of one for each item. Front and back of check are counted as one item.
64100	151357	IFI SETUP PER PRODUCT Charge for the initial product setup on Image File Import for the effort in implementation to set up the options and preferences for a customer regardless of the number of accounts.
DS322	200120	ARP PARTIAL RECONCILIATION - ITEM Per item charge for the reconciliation of each check posted to Partial ARP accounts.
34337	200201	CEO CHECK ISSUES-ITEM Per item charge for all records entered manually or imported via CEO Fraud Manager
12687	209999	ARP AGED ISSUE RECORDS ON FILE-ITEM Per item fee for maintaining issue records that remain outstanding after 60 days.
12377	200201	ARP FULL RECON-ITEM Per item charge for the receipt and posting of check issue data received on Full ARP accounts. Includes items originated by customer, vendor, NDM, and CEO Fraud Manager.
12608	200210	ARP MANUAL INPUT ISSUE INFO-ITEM Per item charge for manually posting check register input for Full ARP or Positive Pay accounts. This is supported on an exception basis only.
12060	200010	ARP MONTHLY BASE - FULL Monthly charge per account for providing full reconciliation service
12061	200020	ARP MONTHLY BASE - PARTIAL Monthly charge per account for providing partial reconciliation service
12604	200306	ARP OPTIONAL REPORTS Charge for each ARP report produced that is delivered via paper or transmission or in PDF format on CEO Treasury Information Reporting. This element is not charged for Excel/CSV format on CEO Treasury Information Reporting
12430	200301	ARP OUTPUT - TRANSMISSION Per transmission charge for delivery of check reconciliation information via direct transmission, NDM or to a vendor.

WF Code	AFP Code	Description
12379	200201	ARP PART POSITIVE PAY ISSUE - ITEM Per item charge for the receipt and posting of check issue data on Partial Positive Pay accounts. Includes items originated by customer, vendor, NDM, and CEO Fraud Manager.
12021	200410	ARP SET UP One time charge to add Full ARP services to account
34350	200306	CEO ARP STMT & RPTS MONTHLY BASE Monthly base fee per account for receiving ARP statements and/or optional reports delivered via CEO in PDF format. This includes Positive Pay Only accounts receiving optional reports in PDF format.
12694	200100	OUTGOING TRANSMISSION - PER ITEM Charge for each item included on an ARP outgoing transmission. This is in addition to per file transmission and optional report fees. NOTE: this does not include volume associated with the ARP File Confirmation summary or detail report.
CK018	250201	ELECTRONIC CREDITS POSTED Per item charge for electronic and non-paper credits posted.
34342	250400	ACH CEO RETURN SUBSCRIPTION - ITEM Per item(Transaction + Addenda) charge for ACH return and notification of change reporting in the ACH Return Subscription
34340	250400	ACH CEO RETURN SUBSCRIPTION-ACCOUNT Monthly Maintenance Charge per ACH Company ID for ACH Return and Notification of change reporting in the ACH Return subscription.
ES280	250000	ACH MONTHLY BASE Monthly base charge for ACH Direct Origination services.
ES211	250102	ACH FUTURE DATED ITEM Per item charge for originated ACH transit one day items. Volumes are received from DDAES211, DDAES212, DDAES213 and DDAES220.
ES216	250102	ACH SAME DAY Per ACH Same day originated items. Volumes are received from DDAES216 and DDAES217.
ES206	250120	ACH ORIGINATED - ADDENDA REC Per addenda record charge for remittance data in originated ACH addenda records
ES254	250501	ACH ORIGATION/REJECT DATA - FILE Per data file transmitted back to ACH Originator of originated and/or rejected transaction detail.
ES344	250202	ACH RECEIVED ITEM Per item charged for ACH received item (credit and debit)
06505	250302	ACH RETURN ADMIN -ELECTRONIC Per item charge for ACH administrative return items - information reporting reporting advice
06504	250302	ACH RETURN ADMIN -MANUAL Per item charge for ACH administrative return items - mail reporting advice

WF <u>Code</u>	AFP <u>Code</u>	<u>Description</u>
06502	250302	ACH RETURN ITEM-ELECTRONIC Per item charge for ACH return items - information reporting and transmission reporting advice
06503	250302	ACH RETURN ITEM-MANUAL Per item charge for ACH return items - fax and mail reporting advice
ES240	250310	ACH RETURN ITEM-REDEPOSITED Per item charge for redeposited ACH returns
28036	250310	ZELLE EXPIRED RETURNED OR CANCELLED Per item fee for a returned or cancelled Business to Person-B2P transaction processed via the Payment Manager channel.
ES362	250311	ACH RETURN ITEM - DISHONORED Per item charge for dishonored ACH returns
06507	250312	ACH RETURN UNAUTHORIZED -ELECTRONIC Per item charge for ACH unauthorized return items - information reporting reporting advice
06506	250312	ACH RETURN UNAUTHORIZED -MANUAL Per item charge for ACH unauthorized return items - fax reporting advice
06511	250312	ACH RETURN UNAUTHORIZED QUALITY FEE Per item charge for processing unauthorized ACH return items to cover the NACHA Unauthorized Entry Fee.
ES803	250500	ACH PAYMENTS ONLINE BATCH RELEASE Fee for each batch the customer releases to the bank for processing
ES801	250501	ACH TRANSMISSION CHARGE Per file charge for ACH transmission input
ES237	250710	ACH FAX SERVICE Per page of faxed reports
ES230	250620	ACH DELETE - ITEM Per item charge for processing manual and CEO online ACH item delete requests
ES346	250622	ACH EXCEPTION PROCESS-DUPPLICAT FILE Per file charge for duplicate ACH files
ES361	250642	ACH REVERSAL - ITEM Per item charge for processing manual and CEO online ACH item reversal requests
34377	250000	ACH PAYMENTS BASE FEE Monthly base fee assessed for each Company ID set up on ACH Payments
ACH1D	250102	ACH PAYMENTS FUTURE DATED ITEM Charge per any one day item originated through ACH Payments. The volume for this element is determined by summing elements DDA34381, DDA34382, DDA34387 & DDA34388

WF Code	AFP Code	Description
ACHYD	250102	ACH PAYMENTS SAME DAY ITEM Charge per any same day item originated through ACH Payments. The volume for this element is determined by summing elements DDA34379, DDA34380, DDA34385, and DDA34386
34376	251120	ACH PAYMENTS SET UP FEE One time customer set up fee for ACH Payments service
34375	251120	CEO ACH ORIG NEW CO ID SETUP Setup fee for additional ACH Company Ids for the CEO ACH Payments channel
ES342	250720	ACH CUSTOMER REPORTS Per day charge for end-of-day customer reports, including Delete/Reversal Item and Reject reports (exclude Large Warning Report, Activity Summary and Item Detail).
ES201	251000	ACH SET UP One time fee for ACH Direct Origination Transmission setup
ES339	251010	ACH SPECIAL INVESTIGATION Per investigation request charge for non-complex investigations done by ACH Delivery. For complex investigations, see DDA06508.
06510	251010	ACH AUTHORIZATION INVESTIGATION Per investigation request charge for research performed by ACH Operations related to requests for authorization between Originators and their customers.
06508	251010	ACH COMPLEX SPECIAL INVESTIGATION Per investigation request charge for research performed by ACH Delivery and for ACH contingency files processing. Charge in one hour increments. Estimates are communicated in advance.
06509	251010	ACH IAT INVESTIGATION Per investigation request charge for research performed by ACH Operations related to the OFAC monitoring process.
34333	251050	ACH CEO FRAUD FILTER REVIEW MO BASE Monthly base charge for CEO ACH Fraud Filter Review Service.
34334	251050	ACH CEO FRAUD FILTER STOP MTHLYBASE Monthly base charge for CEO ACH Fraud Filter Stop Service.
34338	251052	ACH CEO FRAUD FILTER STOP - ITEM Per item charge for CEO Fraud Filter Stop Items (cr / dr)
34335	251053	ACH CEO FRAUD FILTER REVIEW - ITEM Per item charge for CEO Fraud Filter Review Items (cr / dr)
ES363	250302	ACH NOC - TRANSMISSION ADVICE Per item charge for ACH Notice of Change - transmission advice
ES480	251070	ACH NOC - FAX ADVICE Per item charge for ACH Notice of Change - fax advice

WF Code	AFP Code	Description
ES481	250302	ACH NOC - INFO REPORTING ADVICE Per item charge for non Wells Fargo generated ACH Notice of Change - information reporting advice
ES391	251070	ACH WELLS FARGO NOC - FAX ADVICE Per item charge for Wells Fargo generated ACH Notice of Change - fax advice
ES231	250620	ACH DELETE/REVERSE - BATCH/FILE Charge assessed for each ACH batch or file manually deleted or reversed.
34330	250703	ACH CEO SUBSCRIPTION - ACCOUNT Monthly maintenance charge per report in Treasury Information Reporting. Fee is charged per enrolled ACH Company ID for ACH Origination/Reject report. Customer is charged per enrolled account for both ACH Customer Activity and ACH Receive reports.
34332	250703	ACH CEO SUBSCRIPTION - ITEM Per item access charge for ACH detail records (transactions) reported on any report in the ACH Subscription.
34285	250703	CEO ACH HYP ITM DET INQ - PER ITEM Per item charge for retrieval of detailed ACH information via hyperlink in CEO Transaction Search and CEO Treasury Information Reporting.
06094	251001	ACH FRAUD FILTER - SET UP Per account set up charge for ACH Fraud Filter Service
06092	251001	ACH ORIGINATION NEW COMP ID-SET UP New ACH COID setup charge for ACH Origination
06230	251070	ACH PERFECT NOC PER ITEM Per item surcharge. Received Notification of Change (NOC) information is stored in a database. Originated files are bumped up against the database to determine if items need to be updated based on prior NOC's received for that routing transit and account.
28109	300100	PAYMENT MANAGER INTL ACH ORIGINATED Per item charge for International ACH transaction originated item transmitted using Payment Manager
28111	300100	PAYMENT MGR TEMPLATE TRANSACTION Per transaction charge for template payment origination housed in the ECS payee database and sent via Payment Manager channel
ED267	300100	PAYMENT MANAGER DOMESTIC ACH TRAN Per item charge for each ACH originated item transmitted to the bank via Payment Manager.
28164	300199	PAYMENT MGR EMAIL SECONDARY APPROVE A per item charge to deliver email notification to Payment Manager via CEO secondary approvers.
28163	300105	PAYMENT MGR RPT SUBSCRIPTION MOBASE A monthly subscription fee for each Payment Manager setup receiving transaction reporting in Payment Manager via CEO.

WF Code	AFP Code	Description
ED265	300210	RECEIVABLES MANAGER ACH ITEM Per item charge assessed on each ACH item received for reporting to a customer through Receivables Manager.
ED111	300300	PAYMENT MANAGER SET UP One time charge per account set-up for an EC customer sending payment data in a proprietary or established standard format.
ED271	300341	PAYMENT MGR IMPLEMENTATION DEV HOUR Per hour fee for development and other miscellaneous work performed by PMGR Implementation, Operations Systems and third party vendors.
28029	300322	REC MGR IMPLEMENTATION DEV HOURS Per hour fee for Receivables Manager development and other miscellaneous work performed by ECS Implementations, Development and Operations Systems
ED370	309999	PMGR TOTAL MTH POSTAGE AND HANDLING Cumulative dollar amount of postage & handling for each check/document mailed. Non Standard Price is not allowed to be lower than cost. Product approval is required to exception price.
ED421	309999	PAYMENT MGR CHK 1ST PAGE NEXT DAY Per page charge for the first page printed for each check with next day processing.
ED423	309999	PAYMENT MGR CHK 1ST PAGE SAME DAY Per page charge for the first page printed for each check with same day processing. Volume limitations. Requires Product approval.
ED431	309999	PAYMENT MANAGER CHECK INSERTS Per item charge for each standard insert printed for produced checks. Defined as letter-sized, black and white, single or double sided, non-selective, generic inserts. Insert labor fee is billed separately for inserts requiring advance printing.
ED422	309999	PAYMENT MGR CHK ADDL PAGE NEXT DAY Per page charge for each additional page printed for each check with next day processing.
ED424	309999	PAYMENT MGR CHK ADDL PAGE SAME DAY Per page charge for each additional page printed for each check with same day processing. Volume limitations. Requires Product approval.
28232	300330	PAYMENT MGR MANUAL CHECK PULL Per check fee charged to manually pull a check that is currently in process.
28033	300330	PAYMENT MGR REJECT REPAIR DUPLICATE Charge for Payment Manager files rejected for format concerns, for files or transactions requiring repair to process, or duplicate files and check transactions requiring cancellation.
28146	300400	PAYMENT MGR COMML CRD CONFIRMATION Per item fee charged to an originator for receiving a Commercial Card confirmation originated through the Payment Manager channel.
ED290	300000	PAYMENT MANAGER MONTHLY BASE Monthly base fee per setup for using Payment Manager.

WF	AFP	Description
<u>Code</u>	<u>Code</u>	
ED532	300211	REC MGR REASSOCIATION ITEMS The Receivables Manager charge for receiving, reassociating and reporting remittance information from the customer's payer. Per invoice.
ED561	300330	RECEIVABLES MGR INVALID CTX REPORT Charge for a report of invalid CTX transactions that could not be translated and provided to the Receivables Manager customer via their regular mode.
28315	300200	E-BOX PER TRANSMISSION FEE Per inbound and/or outbound transmission charge for E-Box files transmitted
28609	300502	ELECTRONIC DOC DELIV FAX-PAGE Charge for total number of pages faxed via Electronic Document Delivery including items requested to be re-sent.
28597	300505	ELECTRONIC DOC DELIV PRINT PER PAGE Charge for total number of pages printed via Electronic Document Delivery including items requested to be re-sent.
28605	300502	ENHANCED REMITTANCE EMAIL DELIVERY Charge per email via Electronic Document Delivery including items requested to be re-sent.
28210	300299	PAYMENT MANAGER ACH ADDENDA Per item charge for each ACH addenda record passed to ACH.
28212	300200	PAYMENT MANAGER ACH CONFIRMATION A per item charge for confirmation of each domestic and international ACH payment processed via Payment Manager.
28035	309999	DISBURSEMENTS W ZELLE TRANSACTION Per transaction fee for each B2P payment initiated via Payment Manager.
28231	300221	PAYMENT MGR EMAIL SERVICE Additional fee for utilizing the email delivery channel for acknowledgements and /or confirmations
28005	300100	PAYMENT MGR INBOUND TRANSMISSION Per transmission charge for incoming direct transmissions. Excludes VAN and SFT.
27530	300210	REC MGR WIRE ITEMS Per item charge assessed on each wire transaction or international letter of credit received for reporting to a customer through Receivables Manager.
28018	300321	RECEIVABLES MANAGER CUSTOM SETUP Setup fee for implementing the Receivables Manager product using a customer's proprietary or custom file format.
28019	300010	RECEIVABLES MANAGER MONTHLY BASE Monthly base fee for the Receivables Manager product.
28011	300210	RECEIVABLES MANAGER RECVD ADDENDA Per item charge assessed on each addenda record item received for reporting to a customer through Receivables Manager.

WF Code	AFP Code	Description
28017	300320	RECEIVABLES MANAGER SET UP Setup fee for implementing Receivables Manager and/or Receivables Manager on CEO.
18702	350222	PAYMENT MANAGER BOOK TRANSFER Wire between two Wells Fargo accounts that are set up within one CEO ID, entitled to book transfer, and initiated via Payment Manager.
18701	350104	PAYMENT MANAGER WIRE OUT DOMESTIC Outgoing domestic wire initiated via Payment Manager. Includes wires sent between two Wells Fargo accounts that are not set up within one Wells Fargo CEO ID and entitled to book transfer.
18703	350700	PAYMENT MANAGER WIRE OUT XBRD USD Per item transaction charge for Outgoing International USD wire initiated via the Payment Manager channel.
ES022	350104	PAYMENT MGR IMPORTED WIRE DOM/INT Outgoing domestic wire initiated via Payment Manager and approved via CEO Wires. Includes wires where the accounts are not within one CEO ID or entitled to book transfer.
ES030	350300	WIRE IN TO USA ACCT-USA DOMESTIC Incoming U.S. domestic wire crediting a Wells Fargo USA account, this includes incoming wires from a Wells Fargo originated wire, not designated as a book transfer.
ES040	350412	WIRE IN USA ACCT-PHONE ADVICE Fee per wire for phone call to customer for notification of incoming wire to a Wells Fargo USA account.
ES191	350320	WIRE IN XBDR CORRESP BANK-USD/FX Incoming cross-border wire received (any currency) from a Wells Fargo correspondent bank relationship for credit to a Wells Fargo USA account. Correspondent bank may have deducted fees from the wire amount.
ES076	350310	WIRE IN XBDR USA ACCT-USD OR FX Incoming cross-border US dollar or Foreign Currency wires through SWIFT, crediting a Wells Fargo USA account.
18240	350200	WIRE OUT USA ACCT DOM-BRANCH NREP Outgoing domestic USA wire originated from a Wells Fargo USA Branch. Includes transfers when the debit and credit accounts are Wells Fargo USA accounts. All items are non-repetitive.
18901	350115	WIRE OUT XBDR FX CEO/API Outgoing cross border foreign currency wire (freeform or templated) initiated via CEO Wires settling to a Wells Fargo USA account. This element DOES NOT include USD cross-border wires.
ES141	350120	WIRE BOOK TRANSFER CEO/API Wire book transfer between two Wells Fargo USA accounts under the same CEO ID initiated through CEO Wires book transfer workflow (i.e. select templated or freeform book transfer option, or write "book" in the payment field for imported data file).

WF Code	AFP Code	Description
ES139	350100	WIRE OUT DOMESTIC CEO/API Outgoing USA domestic wire (freeform/templated/import) initiated in CEO from a Wells Fargo USA account. Includes Create Wire or Create Template screens (for Wire, Drawdown, Federal Tax, or Federal Tax Bulk templates), or wires imported as a payment.
ES147	350113	WIRE OUT XBDR USD CEO/API Outgoing cross border US dollar (USD) wire debiting a Wells Fargo USA account, initiated in CEO Wires (freeform or templated). Does NOT include foreign currency wires via CEO or Foreign Exchange Online (FXOL).
18325	359999	WIRE ACCOUNT ADD CEO/API One-time charge for the addition of each Wells Fargo USA and Canada Branch account added to CEO Wires. Volume is capped at 50 per month.
18030	350330	WIRE IN REPAIR Assessed per each incoming wire requiring repair for posting to the customer account. Applies to incoming USA domestic and/or International wires into a Wells Fargo USA account.
18602	350560	WIRE INVESTIGATION Fee per wire investigation which can include: tracers/recalls/returns/amendments/photocopies. This only applies to wires originated from a Wells Fargo USA account.
18326	359999	WIRE OUT USA ACCT-RETURNED TO CUST Customer originated outgoing wire from their Wells Fargo USA account which has been returned to Wells Fargo. This is for the processing and handling associated with the returned wire.
18031	350541	WIRE OUT REPAIR Assessed per each outgoing wire needing repair prior to sending out. Applies to USA domestic and/or International wires originating from a Wells Fargo USA account.
27045	350402	WIRE PERFECT RECEIVABLE USA ACCT Wire through Perfect Receivables Posting Service. This service provides payment collection and reporting for incoming wires to a Wells Fargo USA account. Fee is in addition to incoming wire fees.
34421	400272	ARP STMTS & RPTS (CSV/EXCEL) / ITEM Treasury Information Reporting (TIR) ARP report spreadsheet output per transaction loaded.
34420	400051	ARP STMTS & RPTS (CSV/EXCEL) BASE TIR ARP will allow user to download ARP statements and/or optional reports in different output formats. This includes Positive Pay Only accounts downloading optional reports. Monthly base charges per account authorized for the services.
34602	400274	CEO E-BOX RPT - ITEM Treasury Information Reporting (TIR) E-Box report will allow users to access their online bill payment report and get their detail bill pay data. Per item/transaction charged under accounts that are authorized for the service.
34601	400054	CEO E-BOX RPT SUBSCRIPTION MO BASE Treasury Information Reporting (TIR) E-Box report will allow users to access their online bill payments report. Monthly base charge per account authorized for the service.

WF Code	AFP Code	Description
34123	40022Z	CEO ALERTS SERVICE - EMAIL Charge for each alert delivered via email by the CEO Alerts/Event Messaging service. Users are charged for the first 80 alerts per month, across all alert types. There is no cap by company or account.
34128	40022Z	CEO ALERTS SERVICE - TEXT Charge for each alert delivered via text by the CEO Alerts/Event Messaging service. Users are charged for the first 80 alerts per month, across all alert types. There is no cap by company or account.
34121	400274	CEO INTRADAY REPORTING ITEMS RPTD Charge for each detail item reported in the Intraday Composite report in CEO Treasury Information Reporting for USA-based accounts (Wells Fargo or non-Wells Fargo). Each detail transaction reported is counted as an item.
34120	400055	CEO INTRADAY REPORTING SUBSCRIPTION Monthly maintenance charge for intraday reporting of USA-based Wells Fargo Bank and non-Wells Fargo data exchange accounts in CEO Treasury Information Reporting.
34286	400271	CEO PREV DAY EXT DETAIL ITEMS RPTD Charge for each detail transaction reported with extended item detail in the Previous Day Composite report in CEO Treasury Information Reporting. Item Detail Inquiry Service allows extended detail to be reported for wires and received ACH.
34115	400272	CEO PREV DAY REPORTING ITEMS LOADED Charge for previous day subscription items loaded for USA-based accounts (Wells Fargo and non-Wells Fargo). Each individual balance or transaction loaded each day counts as 1 item.
34100	400052	CEO PREV DAY REPORTING SUBSCRIPTION Monthly maintenance charge for previous day reporting of USA-based Wells Fargo Bank and non-Wells Fargo data exchange accounts in CEO Treasury Information Reporting.
27707	400340	CEO SEARCH Charge for CEO search results viewed in increments of 1-100 items. For example, if a search returns 400 items and 250 items are viewed, a volume of 3 will be charged (100 items + 100 items + 50 items viewed).
34212	400340	WIRE INQUIRY DETAIL PER ITEM-CEO Charge for retrieval of detailed wire information via CEO Transaction Search or CEO Treasury Information Reporting, per item posted to a Wells Fargo USA, Canada branch, Multi-Currency Account Cayman Island branch and UK branch accounts.
34205	400003	WIRE TRANSFER REPORT BASE-CEO Monthly base fee per account for CEO Treasury Information Reporting Wire Transfer Detail report subscription. Report is available on Wells Fargo USA, Canada branch, Multi-Currency Account Cayman Island branch and UK branch accounts.
34253	400800	INFO REPORTING HISTORY STORAGE 120 Charge for each item loaded for 120 days of historical data storage for Previous Day Balances and Transaction Details. Each individual balance or transaction each day counts as 1 item. For most accounts, at least 13 balances are loaded daily.

WF Code	AFP Code	Description
34250	400800	INFO REPORTING HISTORY STORAGE 30 Charge for each item loaded for 30 days of historical data storage for Previous Day Balances and Transaction Details and Intraday Transaction Details. Each individual balance or transaction each day counts as 1 item. Most accounts load 13 balances daily.
34251	400800	INFO REPORTING HISTORY STORAGE 60 Charge for each item loaded for 60 days of historical data storage for Previous Day Balances and Transaction Details and Intraday Transaction Details. Each individual balance or transaction each day counts as 1 item. Most accounts load 13 balances daily
34252	400800	INFO REPORTING HISTORY STORAGE 90 Charge for each item loaded for 90 days of historical data storage for Previous Day Balances and Transaction Details and Intraday Transaction Details. Each individual balance or transaction each day counts as 1 item. Most accounts load 13 balances daily
46100	40005Z	CEO BASIC BANKING - MONTHLY BASE CEO Basic Banking Monthly Fee - Monthly fee for CEO Basic Banking service. Includes access to service and first linked account. Additional accounts may be linked for an additional fee.
46102	40005Z	CEO BASIC BANKING ADDL ACCT-MO BASE CEO Basic Banking Extra Account Fee - Monthly surcharge fee for each account after the first that is linked to Basic Banking.
22990	401001	PHOTOCOPY CUSTOMER SERVICE - ITEM Per item charge for photocopy or image request initiated by Customer Service.
15017	400003	DESKTOP DEPOSIT MONTHLY BASE For each depository account set up for the Desktop Deposit service, a volume of one will be made to the customer.
15003	400231	DESKTOP DEPOSIT REPORT PER ITEM For each item that appears on any report pulled via the Desktop Deposit service, a volume of one will be made. Charge is incurred each and every time the report is pulled.
34207	400274	WIRE TRANSFER RPRT PER ITEM-CEO Charge per item viewed on the CEO Treasury Information Reporting Wire Transfer Detail subscription. Report is available on Wells Fargo USA, Canada branch, Multi-Currency Account Cayman Island branch and UK branch accounts.
34110	450405	SWEEP ACCOUNT POSITION REPORT Monthly charge per relationship for the CEO TIR Stagecoach Sweep Money Market Mutual Fund previous day activity report
22087	450403	SWEEP STAGECOACH MUTUALFND ELECTNIC Electronic delivery of the Stagecoach Sweep Money Market Mutual Fund monthly statement
22094	450200	SWEEP STAGECOACH MUTUAL FND MO BASE Monthly base charge per Stagecoach Sweep Money Market Mutual Fund account
44118	600310	PAYMENT MANAGER XBRD WIRE USD ACCT A per item charge for Payment Manager Foreign Currency Wire which settles to DDA

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Treasury Management Proposal

City of Alvin
Commercial Card Services

Pricing as of September 2020

Service Description	Charge Basis	Price	Monthly Volume	Activity Charges	Comments
ACH Fraud Filter					
PROGRAM MAINTENANCE	Program	0.00000	1	0.00	
CCER REPORTING SOLUTION	Program	0.00000	1	0.00	
TRANSACTION FEE	Transaction	0.00000	1	0.00	
CARD ISSUANCE FEE	Card	0.00000	1	0.00	
Standard Revenue Share Schedule Net Purchase Volume*					
		Revenue Share			

+ Net Purchase Volume*

\$0	to	\$499,999	0 Basis Points
\$500,000	to	\$1,499,999	45 Basic Points
\$1,500,000	to	\$2,999,999	100 Basic Points
\$3,000,000	to	\$4,999,999	125 Basic Points
\$5,000,000	to	\$6,999,999	140 Basic Points
\$7,000,000	to	\$9,999,999	150 Basic Points
\$10,000,000	to	\$ and above	160 Basic Points

Custom Interchange Revenue Share Schedule

Net Purchase Volume* of Custom Interchange Transactions Revenue Share

\$ 1.00 and above 60 - basis points (bps)

Additional recommended services

Protecting your most valuable assets

As a respected government entity, the City of Alvin (the City) has an obligation to safeguard the funds and personal information with which the public entrusts you, and to manage taxpayer dollars wisely, with integrity, and to the benefit of the diverse communities that you serve each and every day.

You're tasked to deliver quality services to your community on a tight budget and with limited resources — all while maintaining a higher level of standard than most entities, and under the scrutiny of your constituents and regulators. It's not easy being a public institution conducting business in today's heavily regulated political landscape.

Challenge



Government agencies are increasingly a target for cybercrime and attacks.¹

Due to limited budgets and resources, many government entities continue to operate in a manual and paper-based environment. Not only are manual processes costly and inefficient, but these outdated processes can also increase your exposure to fraud. It's more important now than ever for the City to evaluate your current processes with a focus on mitigating fraud risk and protecting consumer information and your organization.

Payments fraud continues to grow at a record pace

According to a 2018 AFP Payments Fraud and Control Survey², **78% of organizations either experienced attempted fraud or actual payment fraud** in 2017.

In addition, at 74%, checks continue to be the payment method most often targeted for fraud more than any other payment types.² It only takes one successful fraud attempt for your organization to be compromised.

How many payments do you process each month? What are you doing to reduce your exposure to fraud?

Effects of a data breach

Furthermore, you collect and store residents' and vendors' sensitive account information. With all the data breaches that have occurred over the years, not to mention the most recent data breach in 2017 that affected 147 million consumers, your residents and vendors are depending on you more than ever before to safeguard their information. Failing to do so can be quite costly.

According to IBM³, a data breach costs an average of \$3.62 million when you recognize all of the related costs, forensic accounting, reworking processes, legal fees, and remediation costs.

For an organization like the City, the cost to clean up a fraud attack is high. However, there are more far-reaching consequences than monetary loss. Imagine the negative impact to your organization's reputation if the data breach became public. Your community's satisfaction and confidence in the City would decline and the relationships you've worked so hard to build would be damaged. In addition, the exposed confidential business and personal information can put your organization, staff, and residents all at risk.

What if your organization were compromised?

Risking fraud

Your staff is already stretched thin. There are many manual processes involved in sending out a check payment. Imagine the ramifications of one overly tired and distracted payables clerk sending out payments to the wrong address. All of your checks have your account numbers displayed. Not only could those funds be spent, but your account is now compromised. You'll need to allocate staff to help research and ensure there aren't any other erroneous or fraudulent payments, close the old account and open a new account, and reach out to all your vendors with a new account number — all while continuing to handle your everyday responsibilities. Can you really afford a mistake like this?

We have included recommendations for services below that we feel can help mitigate your risk while also providing potential efficiencies to your current processes.

Payment manager

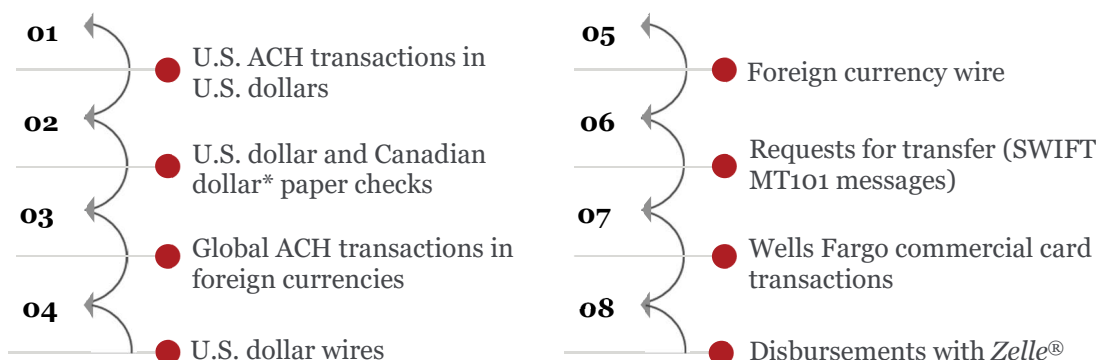
You can send consolidated payables files to **streamline** and **automate** your payment and remittance processes, strengthen trading partnerships, drive working capital, and improve operational efficiencies.

By reducing the use of paper documents and manual data entry, you **minimize mistakes** and **increase efficiency**.

Payment types

In a single file, you can provide payment instructions and include all related remittance information. Your file can include multiple payment types; **we'll separate the payments by type** and process them accordingly.

Your file can include the following payment types:



*Available only for off-us accounts. You must be the owner of the account.

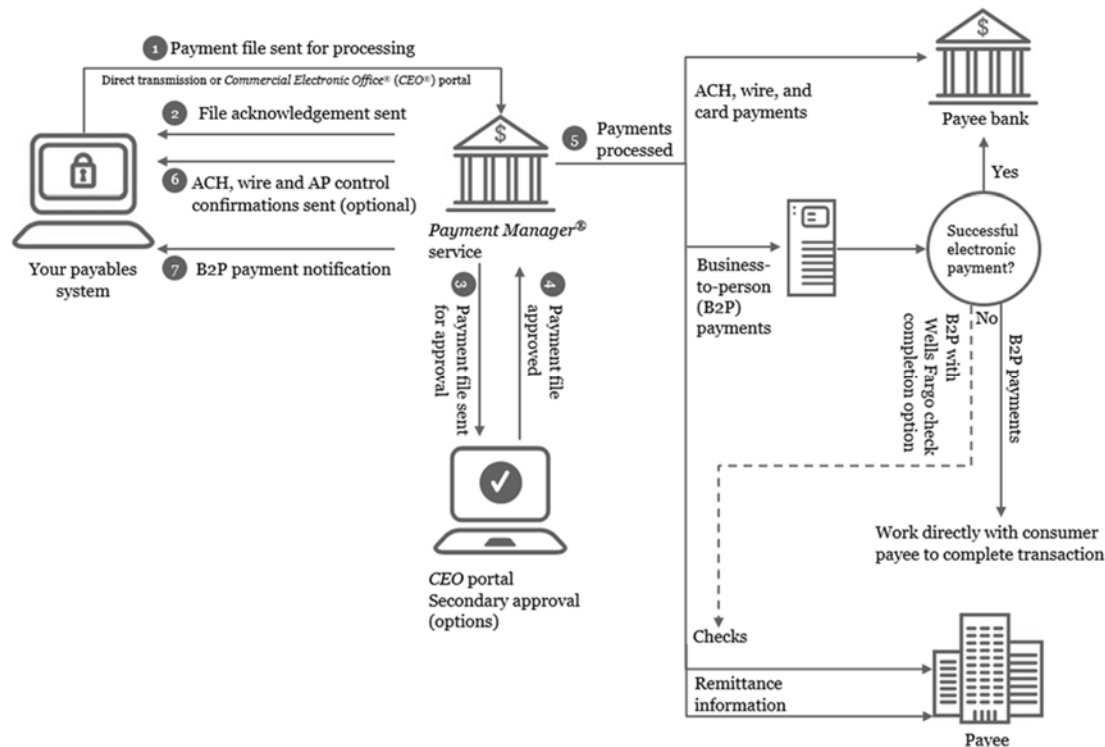
Online services

Through our online banking portal, you can:

- Upload a payment file
- Perform additional approvals after sending the file
- Access acknowledgments and optional confirmations

- Generate reports on payment files
- Run an audit report on settings and user entitlements

How it works



Benefits

Accepts a variety of file formats

We accept most custom and proprietary file formats — almost any type of file format your system can generate. If you use a standard format, it can minimize your implementation cost and time.

Improve cash forecasting and reconciliation

Electronic control of your global disbursements allows you to better manage and forecast your cash flow. The service is also integrated with our account reconciliation and positive pay services.

Potentially reduce costs

Sending one consolidated payables file reduces your internal costs associated with AP processing. Specifically, electronic payment methods can reduce your expenses for paper check payments.

Compatibility with treasury workstations, ERP systems, and other accounts payables systems

These include, but are not limited to:

Treasury workstations and ERP systems

- | | |
|-----------------------------------|-----------------------|
| ▪ GTreasury | ▪ PeopleSoft |
| ▪ JD Edwards | ▪ SAP |
| ▪ Kyriba | ▪ SunGard |
| ▪ Lawson | ▪ Wall Street Systems |
| ▪ Microsoft Dynamics Great Plains | ▪ Yardi |
| ▪ Oracle* | |

*If you use Oracle, you can use our software solution to manage data translation to the file.

Flexible file options

Delivery

Transmit your payment file using a variety of communication protocols (including multiple internet options) or upload it online.

Formats

This service accepts:

- Standard Wells Fargo flat file
- Wells Fargo XML
- ASC X12 820
- Lawson AP 161
- Excel
- SAP IDoc
- ISO 20022 (CGI common XML standard)
- Custom and proprietary formats

Our service
accepts and
acknowledges
your file for
initial
processing **24
hours a day, 7
days a week.**

Processing deadlines

Depending on the payment type you send, we'll process your file the same business day if we receive it by our cutoff time. We process a file that arrives after the cutoff the next business day. If you require secondary approval, it must be completed by the applicable deadline for same-day processing.

If a file includes multiple payment types, the earliest applicable deadline applies to the entire file.

Cutoff times (CT)

Payment type	File cutoff time
Checks	
Standard	9:00 p.m.
Same day*	11:00 a.m.
ACH	
On-us same-day settlement	7:30 p.m.
Transit same-day settlement	8:00 a.m. and 12:00 p.m.
One-day settlement	7:30 p.m.
Two-day settlement	7:30 p.m.
Wires	
Fedwire	4:30 p.m.
SWIFT	4:00 p.m.
CHIPS	4:30 p.m.
Wells Fargo commercial card	Accepted when received
Zelle payments	7:30 p.m.

*Subject to volume limitations and additional fees.

Safety and security

Secondary approval

You can make optional secondary approvals for some — or all — of your payments after we receive your file. The system can hold an entire file of payments, or an individual payment, for an authorized user to approve or delete. We'll then generate the payments and send remittance information based on your instructions.

History

Search for payment information, view standard reports, create custom reports, and schedule report reminders. **Data is available for 90 calendar days after we receive your payment file.**

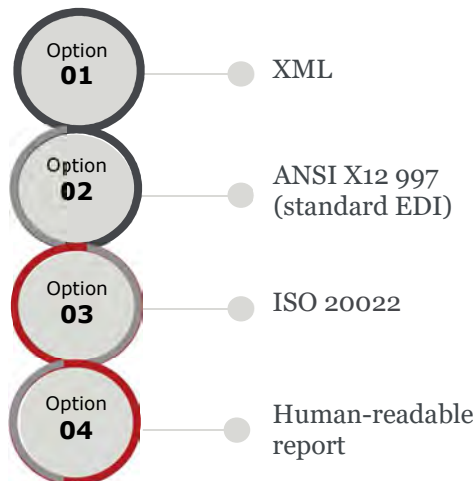
Users with administrative authority have access to an audit report which provides snapshots of setups and user entitlements. You can also view all changes made to setups and user entitlements within the last 90 calendar days.

Assurance of receipt

Acknowledgments

We'll let you know by transmission, secure email, or both that your file has reached our system and has undergone initial processing.

You can choose the format:



If you'd like delivery by both transmission and email, each can be in a different format. You can also view and download acknowledgments online.

You have the option to receive payment confirmations for wire transfers, commercial card, and ACH payments by **transmission, secure email, or both**. You can also **view and download confirmations online**.

You choose the format:

- 1 XML
- 2 Excel CSV
- 3 ISO 20022
- 4 ANSI X12 824 (standard EDI)
- 5 Human-readable report

Confirmations

Why Wells Fargo?

Disbursements with Zelle®

With Disbursements with *Zelle*, you can replace check payments to consumer payees with electronic payments using your payee's email address or U.S. mobile phone number.

Our service allows you to:

- Send payments without obtaining personal account or routing numbers
- Eliminate the risk of storing payee account data

- Reduce expenses related to paper checks
- Send a courtesy notification to your payee providing payment information

Unregistered payees

If your payee is not registered for *Zelle* payments at the time of payment initiation, we offer an optional feature that will send them a payment alert. This alert contains instructions for your payee to enroll to receive a *Zelle* payment. The funds will settle after your payee registers.*

*Your payees have 14 calendar days to register to receive their funds.

Check completion option



With this option, we can automatically issue a check payment to a registered payee if their electronic payment is unsuccessful. Our check completion option requires you to include complete check issue instructions along with your *Zelle* payment request.

When you choose this option, there are no additional steps to address payment failures because your payments will complete electronically or by check based on the payee's registration status.

Enhanced remittance delivery options

You can include detailed remittance information in your payment file. You choose the delivery method: online, email, mail, or fax. We'll separate and process the payments and forward the remittance data in a human-readable format to your payees.

Transition payees to electronic payments

We offer you two options to transition your payees to electronic payments:

- 1 Invite your payees (by mail or email) to self-enroll online to receive ACH payments (instead of check payments) and electronic remittance information. You choose the remittance delivery channel you want to offer: email, mail, fax, or online.
- 2 We analyze your vendor's data to provide an onboarding forecast. This predicts the conversion to commercial card, ACH, or both. We then plan an onboarding campaign on your behalf for your suppliers.

Templated payments

We offer you the option to send templated payments to your suppliers after they enroll. Our database facilitates the payments, which frees up valuable time and resources for the City.

Integration with centralized disbursements service

Our **Centralized Disbursements Manager** service is a web-based platform combining centralized disbursements with entity-level reporting. We partner with you to track and monitor disbursement activity and corresponding funding through a consolidated master account using a **fully integrated online application**. If the City's disbursements are centralized but reporting must be kept separate by operating location or business line, you will benefit from this service.

Integration provides the ability to transmit a consolidated file for consolidated payables with payment instructions (ACH, virtual card, and check*) and Centralized Disbursement Manager

issue records. Our consolidated payables service will process payments, then forward issue notices to our service.

*Not available for Canadian dollar checks drawn on off-us accounts.

Wholetail lockbox

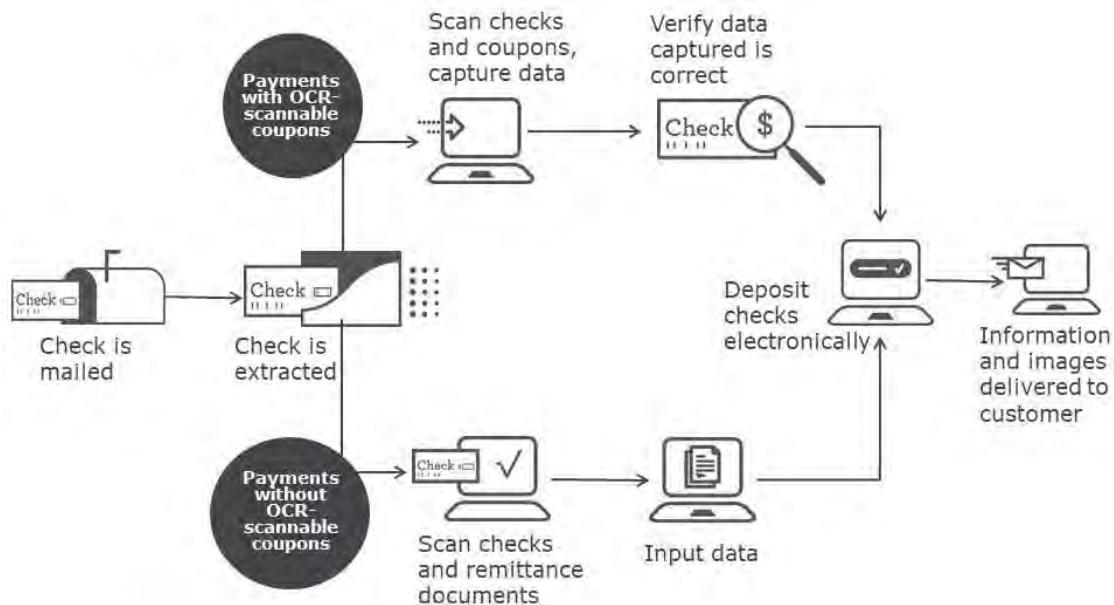
You can streamline your remittance processing by directing payments accompanied by an OCR-scannable coupon, and payments received with nonscannable remittance documents to a single wholetail lockbox at Wells Fargo.

By using our wholetail lockbox to process your payments, you get the **technological advantages** of high-speed retail lockbox processing with the **flexibility and data collection capabilities** of low-volume wholesale lockbox processing.

You may be able to accelerate collection of funds and reduce in-house processing expenses. You may also be able to meet early deposit deadlines and benefit from improved cash forecasting with intraday availability of funds.

How it works

The following diagram shows the wholetail lockbox workflow.



Our network

You can choose from the following image-enabled sites strategically located across the U.S. This broad coverage means your payments can arrive at our lockbox site — and we can begin processing them — a day or two sooner than if you use a more geographically distant site.

The following table shows the lockbox sites in our network.

Wholesale lockbox sites		
Atlanta	Denver	Philadelphia
Baltimore	Des Moines, IA	San Francisco
Charlotte, NC	Los Angeles	Seattle
Chicago	Minneapolis	
Dallas	Orlando, FL	

Site recommendation

Based on the information you provided, we recommend you use our Dallas lockbox site.

Post office pickup schedule

The following table lists the post office pickup schedule (in local time) for your recommended site. Holiday schedules vary by location. During the implementation phase of this project, we'll provide you with the holiday schedule for the location or locations you select.

Post office location	Weekdays	Saturday	Sunday
Dallas Main Post Office	AM 12:30, 3:30, 6:30	AM 4:30	AM 4:30
	PM 12:30, 8:30	PM 12:30, 2:30, 6:30, 11:30	PM 12:30, 2:30, 6:30, 11:30
	Friday PM 1:30, 6:30		

Deposit deadlines

The following table lists our deadlines by site. At sites with more than one deadline, you can choose the time that best meets your internal balance reporting or transmission requirements.

We include payments received after your established deadline (including any payments processed during the weekend or on a holiday), in the following business day's work.

Deposit deadlines	
Lockbox site	Deposit times*
Dallas	4:00 p.m.

*All times are local.

Image options

When you use our image service, you'll have less paper to store and more access to the information you need to research and apply payments — without the hassle of storing paper documents. You can view images of all lockbox documents, including checks, remittance documents, and correspondence. Internet, transmission, and DVD delivery options are available.

Online

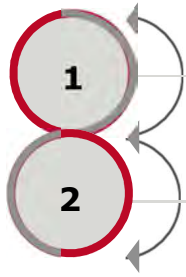
Your images are available within two hours of your deposit deadline. As a standard, we archive images for seven years. However, we do offer shorter retention periods (90 days, one year, or two years) to customers who don't have a business need to access images for seven years.

You can search for transactions using various criteria (including keyed data) by entering either a single value or a range of values. Additionally, you can assign a payer name to a unique account number and routing transit number combination; which lets you search for payments from a particular payer.

Our online image service is the quickest option to help you **resolve exceptions** and **satisfy customer service needs**.

Transmission file

We post a daily transmission file on our secure website that contains images of your lockbox checks and any corresponding documents. You can download the file from our website and archive the images on your internal system. You have the option of intraday or next-day file transmissions.



1 Intraday - A separate image file for each batch of work we process is available within two hours of your deposit cutoff in either a zip or a PDF file.

2 Next day - A consolidated zip file containing all of your images from the previous day is available by 7:00 a.m. ET / 6:00 a.m. CT / 5:00 a.m. MT / 4:00 a.m. PT the following business day.

Disk delivery

You can choose to receive your images on a CD or DVD on a regular (monthly, semi-monthly, or weekly) basis.

Optional Features	
Accounts receivable transmission	To help eliminate errors associated with manual keyed entry, you can receive an electronic transmission of your remittance detail. You can use it to update your accounts receivable system, treasury workstation, or ERP platform automatically. Your file can include data from other sources, such as wire and ACH. We generate transmissions to your specifications for frequency and format, including standard BAI V2 and EDI layouts. We offer customization for non-standard formats for an additional fee.
Multiple deposit processing	Using a single lockbox, you can collect payments efficiently and cost-effectively by using multiple deposit accounts. We sort your payments by location, line of business, or other criteria that you select, and prepare separate deposits for each of your accounts.
Credit card processing	If your customers provide credit card information, we'll process their payments by keying the information into our credit card processing application. They can use any card with the Visa®, Mastercard®, American Express, or Discover logo.
Exception processing	Using our online decision tool, you can submit additional processing information for payments that would normally be returned. We present images of each payment to you and give you two options: • Accept the payment and enter any additional processing information (such as invoice data required to balance a transaction or missing required keyed data) • Reject the payment and have us mail it to you

Virtual lockbox

You can scan and send us images of checks, correspondence, and invoices you receive at your location. We can then process and deposit them like your other lockbox payments. We'll include these items in the image and data transmission files we send you for uploading to your accounts receivable system.

Receivables manager



With our consolidated receivables service, you can **post payments automatically** to your ERP platform or accounts receivable system when you **receive an electronic receivables file** from us. This consolidated file helps accelerate posting while reducing the number of errors caused by manual data entry.

Your file can contain receivables data from any combination of the payment sources listed in the following table.

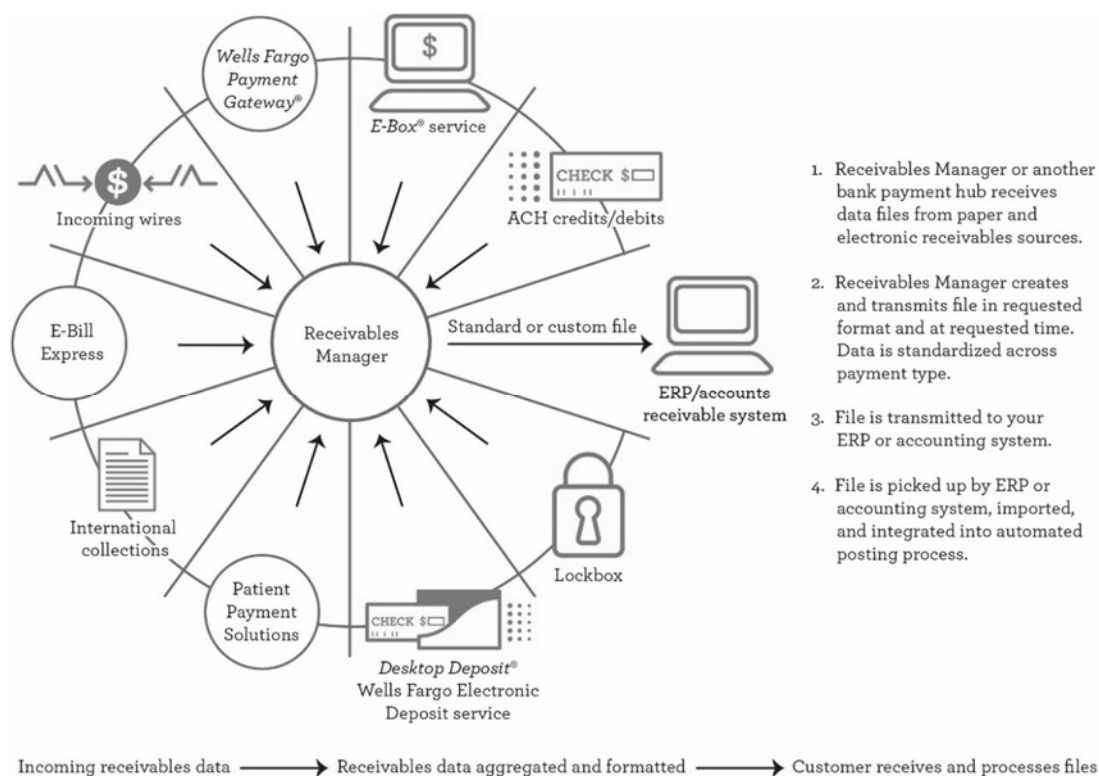
- | | |
|-------------------------------------|-------------------------------|
| ▪ ACH | ▪ Online bill payments |
| ▪ Electronic billing service | ▪ Patient payments |
| ▪ Image cash letter | ▪ Remote deposit |
| ▪ International letters of credit | ▪ Wells Fargo Payment Gateway |
| ▪ Lockbox | ▪ Wires |
| ▪ Multicurrency account (MCA) wire* | |

*In pilot. Other conditions may apply.

How it works

We translate your receivables data and deliver it to you in a format compatible with your ERP platform or accounts receivable system. **Our service is compatible with most proprietary accounting and ERP solutions**, including Oracle and SAP. We can also accommodate many custom and proprietary file formats.

Your customers can now forward their emailed remittance detail sent separately from ACH and wire payments to Wells Fargo; the remittance detail can be automatically matched to payments as they're received. If we cannot match payments to remittance automatically, we flag exceptions in our online receivables portal. You can manually match payments to remittance based on system suggestions. Finally, we can transmit all transactions with remittance data to you for automated upload into your ERP systems.



Flexible file options

Delivery

Our transmission platform offers a variety of communication protocols including:

SFTP

FTPS

HTTPS

AS2

Formats

Standard formats	We deliver files in standard and custom formats. Using a standard format can minimize your implementation cost and time, and you can choose a different format for each payment type. If you cannot work with one of our standard formats, we can develop a custom format for you.
Flat file formats	We also offer two flat file formats — the universal and simplified formats. The universal format contains comprehensive EDI detail for ACH payments you receive. The simplified format contains data available in STP 820, which is also a simplified EDI format for received ACH payments.
ISO 2002 XML	When you receive your information in this format, it streamlines the City's integration and reconciliation process because you are receiving the same information from all banks that use the ISO 2002 XML format.

The following table lists the formats we support.

Formats

ANSI X12 820 (Payment Order or Remittance Advice)	Modified Nacha
ANSI X12 823 (Lockbox)	Proprietary and custom formats (by request)
BAI 80/300 (Lockbox)	Wells Fargo flat file formats ▪ Simplified ▪ Universal

ISO 20022 XML format

File availability

We process your files Monday through Friday (excluding holidays). Because some payment types have multiple processing runs and available release times, you can choose to receive more than one file each day.

Choose one or more of the following release times for each file you request. Your file will be available within one hour* of the time or times you select.

Release times (CT)

6:00 a.m.*	11:00 a.m.	3:00 p.m.	7:30 p.m.
7:00 a.m.*	12:00 p.m.	4:00 p.m.	12:00 a.m.*
8:00 a.m.*	1:00 p.m.	5:00 p.m.	
9:00 a.m.	1:30 p.m.	6:00 p.m.	
10:00 a.m.	2:00 p.m.	6:30 p.m.	

*Certain times may take longer than one hour.

Consolidated receivables through our online banking portal

Advice matching

Advice matching offers the ability to match payments to remittance advices which are sent separately from the payments. These separate advices are typically sent by the payer through email.

Remittance repair

ACH and wire repair correct improperly formatted remittance data sent within an ACH or wire payment. We'll automatically repair remittance data based on your business rules. If we are unable to repair the data, the payment is available to you through our online banking portal as an exception for you to manually decision.

Decisioning

The City can perform a return or repair to payment transactions through our online banking portal.

Automate more of your accounts receivable processing and **manage exceptions** through our online banking portal.

Government Money Market Funds

Wells Fargo Fund	Institutional Class
Wells Fargo Government Money Market Fund	GVIXX
Wells Fargo Treasury Plus Money Market Fund	PISXX
Wells Fargo 100% Treasury Money Market Fund	WOTXX



Beginning on January 1, 2021, as permitted by new regulations adopted by the Securities and Exchange Commission, paper copies of the Wells Fargo Funds' annual and semi-annual shareholder reports issued after this date will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website, and you will be notified by mail each time a report is posted and provided with a website address to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically at any time by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by calling 1-800-222-8222 or by enrolling at wellsfargo.com/advantagedelivery.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports; if you invest directly with the Fund, you can call 1-800-222-8222. Your election to receive reports in paper will apply to all Wells Fargo Funds held in your account with your financial intermediary or, if you are a direct investor, to all Wells Fargo Funds that you hold.

As with all mutual funds, the U.S. Securities and Exchange Commission ("SEC") has not approved or disapproved these securities or passed upon the accuracy or adequacy of this Prospectus. Anyone who tells you otherwise is committing a crime.

Fund shares are NOT deposits or other obligations of, or guaranteed by, Wells Fargo Bank, N.A., its affiliates or any other depository institution. Fund shares are not insured or guaranteed by the U.S. Government, the Federal Deposit Insurance Corporation or any other government agency and may lose value.

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Government Money Market Fund Summary

Investment Objective

The Fund seeks current income, while preserving capital and liquidity.

Fees and Expenses

These tables are intended to help you understand the various costs and expenses you will pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load) (as a percentage of offering price)	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.13%
Distribution (12b-1) Fees	0.00%
Other Expenses	0.09%
Total Annual Fund Operating Expenses	0.22%
Fee Waivers	(0.02)%
Total Annual Fund Operating Expenses After Fee Waivers¹	0.20%

1. The Manager has contractually committed through May 31, 2020, to waive fees and/or reimburse expenses to the extent necessary to cap the Fund's Total Annual Fund Operating Expenses After Fee Waivers at the amounts shown above. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (if any), and extraordinary expenses are excluded from the expense cap. Prior to or after the commitment expiration date, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees.

Example of Expenses

The example below is intended to help you compare the costs of investing in the Fund with the costs of investing in other mutual funds. The example assumes a \$10,000 initial investment, 5% annual total return, and that fees and expenses remain the same as in the tables above. To the extent that the Manager is waiving fees or reimbursing expenses, the example assumes that such waiver or reimbursement will only be in place through the date noted above. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

After:	
1 Year	\$20
3 Years	\$69
5 Years	\$122
10 Years	\$278

Principal Investment Strategies

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a deposit of Wells Fargo Bank, N.A. or its affiliates and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time. The Fund is primarily subject to the risks briefly summarized below.

Credit Risk. The issuer or guarantor of a debt security may be unable or perceived to be unable to pay interest or repay principal when they become due, which could cause the value of an investment to decline and a Fund to lose money.

Interest Rate Risk. When interest rates rise, the value of debt securities tends to fall. When interest rates decline, interest that a Fund is able to earn on its investments in debt securities may also decline, but the value of those securities may increase.

Management Risk. Investment decisions, techniques, analyses or models implemented by a Fund's manager or sub-adviser in seeking to achieve the Fund's investment objective may not produce expected returns, may cause the Fund's shares to lose value or may cause the Fund to underperform other funds with similar investment objectives.

Market Risk. The values of, and/or the income generated by, securities held by a Fund may decline due to general market conditions or other factors, including those directly involving the issuers of such securities. Securities markets are volatile and may decline significantly in response to adverse issuer, regulatory, political, or economic developments. Different sectors of the market and different security types may react differently to such developments.

Money Market Fund Risk. The Fund's yield will change based on changes in interest rates and other market conditions. Because the Fund invests in short-term instruments, the Fund's dividend yields are expected to be low when short-term market interest rates are low.

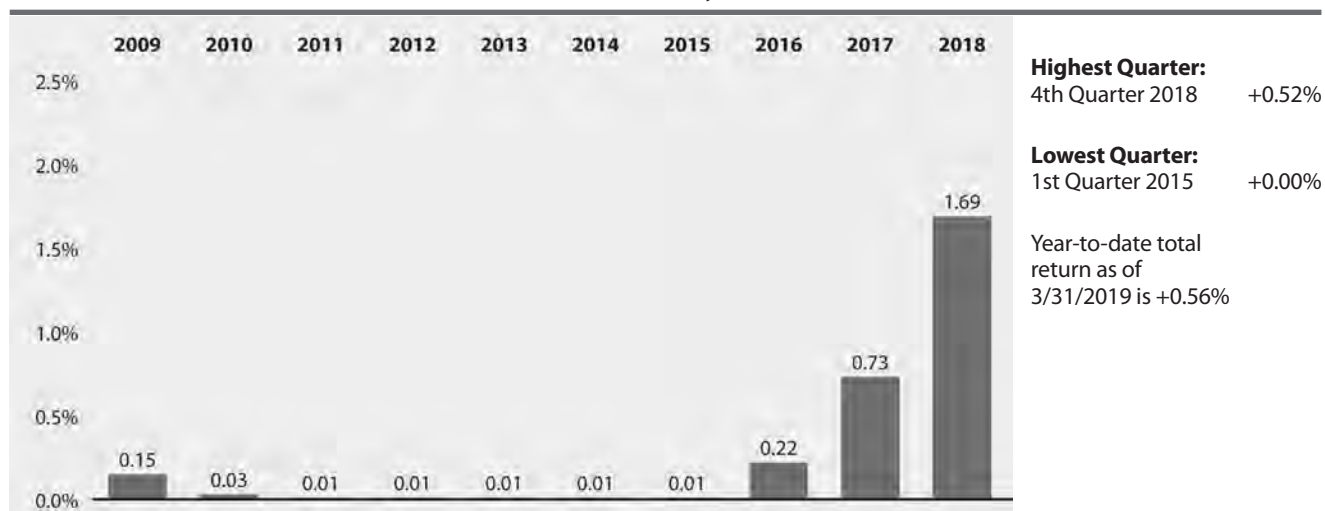
Repurchase Agreement Risk. In the event that the counterparty to a repurchase agreement is unwilling or unable to fulfill its contractual obligations to repurchase the underlying security, a Fund may lose money, suffer delays, or incur costs arising from holding or selling the underlying security.

U.S. Government Obligations Risk. U.S. Government obligations may be adversely impacted by changes in interest rates, and securities issued or guaranteed by U.S. Government agencies or government-sponsored entities may not be backed by the full faith and credit of the U.S. Government.

Performance

The following information provides some indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year. Past performance is no guarantee of future results. Current month-end performance is available on the Fund's website at wfam.com. To obtain a current 7-day yield for the Fund call toll-free 1-800-222-8222.

Calendar Year Total Returns for Institutional Class as of 12/31 each year



Average Annual Total Returns for the periods ended 12/31/2018

	Inception Date of Share Class	1 Year	5 Year	10 Year
Institutional Class	7/28/2003	1.69%	0.53%	0.29%

Fund Management

Manager	Sub-Adviser
Wells Fargo Funds Management, LLC	Wells Capital Management Incorporated

Purchase and Sale of Fund Shares

Institutional Class shares are generally available through intermediaries for the accounts of their customers and directly to institutional investors and individuals. Institutional investors may include corporations; private banks and trust companies; endowments and foundations; defined contribution, defined benefit and other employer sponsored retirement plans; institutional retirement plan platforms; insurance companies; registered investment advisor firms; bank trusts; 529 college savings plans; family offices; and funds of funds, including those managed by Funds Management. In general, you can buy or sell shares of the Fund online or by mail, phone or wire, on any day the New York Stock Exchange ("NYSE") is open for regular trading. You also may buy and sell shares through a financial professional.

Minimum Investments	To Buy or Sell Shares
Minimum Initial Investment Institutional Class: \$10 million (certain eligible investors may not be subject to a minimum initial investment)	Mail: Wells Fargo Funds P.O. Box 219967 Kansas City, MO 64121-9967 Online: wfam.com Phone or Wire: 1-800-222-8222
Minimum Additional Investment Institutional Class: None	Contact your investment representative.

Tax Information

Any distributions you receive from the Fund may be taxable as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. However, subsequent withdrawals from such a tax-advantaged investment plan may be subject to federal income tax. You should consult your tax adviser about your specific tax situation.

Payments to Intermediaries

If you purchase a Fund through an intermediary, the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the intermediary and your financial professional to recommend the Fund over another investment. Consult your financial professional or visit your intermediary's website for more information.

Treasury Plus Money Market Fund Summary

Investment Objective

The Fund seeks current income, while preserving capital and liquidity.

Fees and Expenses

These tables are intended to help you understand the various costs and expenses you will pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load) (as a percentage of offering price)	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.14%
Distribution (12b-1) Fees	0.00%
Other Expenses	0.08%
Total Annual Fund Operating Expenses	0.22%
Fee Waivers	(0.02)%
Total Annual Fund Operating Expenses After Fee Waivers¹	0.20%

1. The Manager has contractually committed through May 31, 2020, to waive fees and/or reimburse expenses to the extent necessary to cap the Fund's Total Annual Fund Operating Expenses After Fee Waivers at the amounts shown above. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (if any), and extraordinary expenses are excluded from the expense cap. Prior to or after the commitment expiration date, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees.

Example of Expenses

The example below is intended to help you compare the costs of investing in the Fund with the costs of investing in other mutual funds. The example assumes a \$10,000 initial investment, 5% annual total return, and that fees and expenses remain the same as in the tables above. To the extent that the Manager is waiving fees or reimbursing expenses, the example assumes that such waiver or reimbursement will only be in place through the date noted above. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

After:	
1 Year	\$20
3 Years	\$69
5 Years	\$122
10 Years	\$278

Principal Investment Strategies

Under normal circumstances, we invest:

- exclusively in high-quality, short-term, U.S. dollar-denominated money market instruments that consist of U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury obligations.

Our security selection is based on several factors, including credit quality, yield and maturity, while taking into account the Fund's overall level of liquidity and weighted average maturity. We will only purchase securities that we have determined present minimal credit risk.

Principal Investment Risks

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a deposit of Wells Fargo Bank, N.A. or its affiliates and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time. The Fund is primarily subject to the risks briefly summarized below.

Credit Risk. The issuer or guarantor of a debt security may be unable or perceived to be unable to pay interest or repay principal when they become due, which could cause the value of an investment to decline and a Fund to lose money.

Interest Rate Risk. When interest rates rise, the value of debt securities tends to fall. When interest rates decline, interest that a Fund is able to earn on its investments in debt securities may also decline, but the value of those securities may increase.

Management Risk. Investment decisions, techniques, analyses or models implemented by a Fund's manager or sub-adviser in seeking to achieve the Fund's investment objective may not produce expected returns, may cause the Fund's shares to lose value or may cause the Fund to underperform other funds with similar investment objectives.

Market Risk. The values of, and/or the income generated by, securities held by a Fund may decline due to general market conditions or other factors, including those directly involving the issuers of such securities. Securities markets are volatile and may decline significantly in response to adverse issuer, regulatory, political, or economic developments. Different sectors of the market and different security types may react differently to such developments.

Money Market Fund Risk. The Fund's yield will change based on changes in interest rates and other market conditions. Because the Fund invests in short-term instruments, the Fund's dividend yields are expected to be low when short-term market interest rates are low.

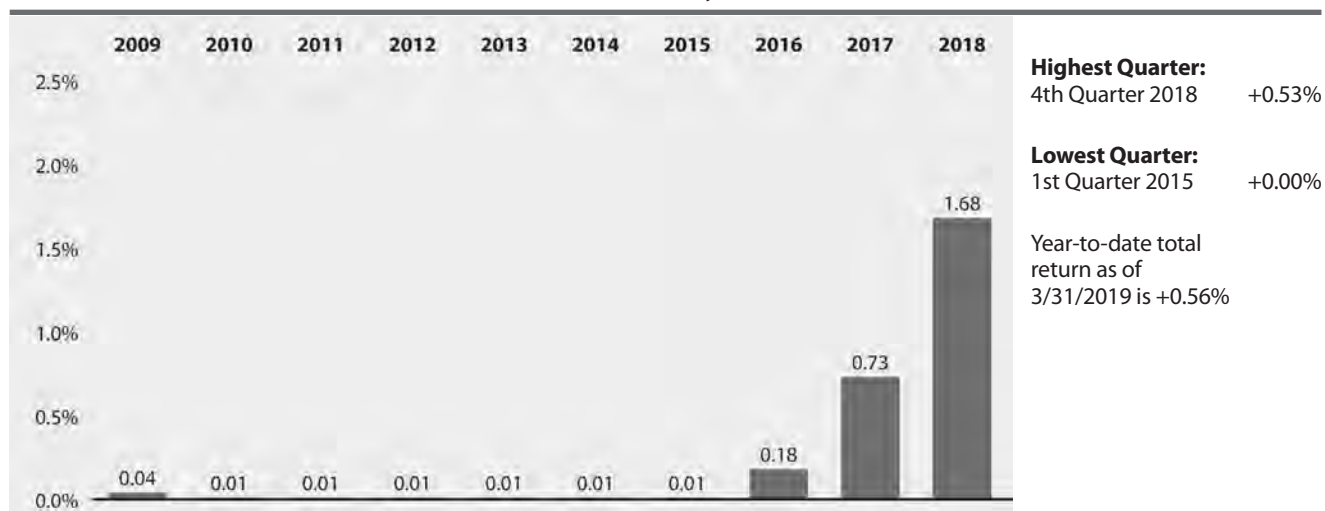
Repurchase Agreement Risk. In the event that the counterparty to a repurchase agreement is unwilling or unable to fulfill its contractual obligations to repurchase the underlying security, a Fund may lose money, suffer delays, or incur costs arising from holding or selling the underlying security.

U.S. Government Obligations Risk. U.S. Government obligations may be adversely impacted by changes in interest rates, and securities issued or guaranteed by U.S. Government agencies or government-sponsored entities may not be backed by the full faith and credit of the U.S. Government.

Performance

The following information provides some indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year. Past performance is no guarantee of future results. Current month-end performance is available on the Fund's website at wfam.com. To obtain a current 7-day yield for the Fund call toll-free 1-800-222-8222.

Calendar Year Total Returns for Institutional Class as of 12/31 each year



Average Annual Total Returns for the periods ended 12/31/2018

	Inception Date of Share Class	1 Year	5 Year	10 Year
Institutional Class	8/11/1995	1.68%	0.52%	0.27%

Fund Management

Manager	Sub-Adviser
Wells Fargo Funds Management, LLC	Wells Capital Management Incorporated

Purchase and Sale of Fund Shares

Institutional Class shares are generally available through intermediaries for the accounts of their customers and directly to institutional investors and individuals. Institutional investors may include corporations; private banks and trust companies; endowments and foundations; defined contribution, defined benefit and other employer sponsored retirement plans; institutional retirement plan platforms; insurance companies; registered investment advisor firms; bank trusts; 529 college savings plans; family offices; and funds of funds, including those managed by Funds Management. In general, you can buy or sell shares of the Fund online or by mail, phone or wire, on any day the New York Stock Exchange ("NYSE") is open for regular trading. You also may buy and sell shares through a financial professional.

Minimum Investments	To Buy or Sell Shares
Minimum Initial Investment Institutional Class: \$10 million (certain eligible investors may not be subject to a minimum initial investment)	Mail: Wells Fargo Funds P.O. Box 219967 Kansas City, MO 64121-9967 Online: wfam.com Phone or Wire: 1-800-222-8222
Minimum Additional Investment Institutional Class: None	Contact your investment representative.

Tax Information

Any distributions you receive from the Fund may be taxable as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. However, subsequent withdrawals from such a tax-advantaged investment plan may be subject to federal income tax. You should consult your tax adviser about your specific tax situation.

Payments to Intermediaries

If you purchase a Fund through an intermediary, the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the intermediary and your financial professional to recommend the Fund over another investment. Consult your financial professional or visit your intermediary's website for more information.

100% Treasury Money Market Fund Summary

Investment Objective

The Fund seeks current income exempt from most state and local individual income taxes, while preserving capital and liquidity.

Fees and Expenses

These tables are intended to help you understand the various costs and expenses you will pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	None
Maximum deferred sales charge (load) (as a percentage of offering price)	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)¹

Management Fees	0.14%
Distribution (12b-1) Fees	0.00%
Other Expenses	0.09%
Total Annual Fund Operating Expenses	0.23%
Fee Waivers	(0.03)%
Total Annual Fund Operating Expenses After Fee Waivers²	0.20%

1. Expenses have been adjusted as necessary from amounts incurred during the Fund's most recent fiscal year to reflect current fees and expenses.

2. The Manager has contractually committed through May 31, 2020, to waive fees and/or reimburse expenses to the extent necessary to cap the Fund's Total Annual Fund Operating Expenses After Fee Waivers at the amounts shown above. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (if any), and extraordinary expenses are excluded from the expense cap. Prior to or after the commitment expiration date, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees.

Example of Expenses

The example below is intended to help you compare the costs of investing in the Fund with the costs of investing in other mutual funds. The example assumes a \$10,000 initial investment, 5% annual total return, and that fees and expenses remain the same as in the tables above. To the extent that the Manager is waiving fees or reimbursing expenses, the example assumes that such waiver or reimbursement will only be in place through the date noted above. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

After:	
1 Year	\$20
3 Years	\$71
5 Years	\$126
10 Years	\$290

Principal Investment Strategies

Under normal circumstances, we invest:

- exclusively in high-quality, short-term, U.S. dollar-denominated money market instruments that consist of U.S. Treasury obligations.

Our security selection is based on several factors, including yield and maturity, while taking into account the Fund's overall level of liquidity and weighted average maturity. We will only purchase securities that we have determined present minimal credit risk.

Principal Investment Risks

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a deposit of Wells Fargo Bank, N.A. or its affiliates and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time. The Fund is primarily subject to the risks briefly summarized below.

Credit Risk. The issuer or guarantor of a debt security may be unable or perceived to be unable to pay interest or repay principal when they become due, which could cause the value of an investment to decline and a Fund to lose money.

Interest Rate Risk. When interest rates rise, the value of debt securities tends to fall. When interest rates decline, interest that a Fund is able to earn on its investments in debt securities may also decline, but the value of those securities may increase.

Management Risk. Investment decisions, techniques, analyses or models implemented by a Fund's manager or sub-adviser in seeking to achieve the Fund's investment objective may not produce expected returns, may cause the Fund's shares to lose value or may cause the Fund to underperform other funds with similar investment objectives.

Market Risk. The values of, and/or the income generated by, securities held by a Fund may decline due to general market conditions or other factors, including those directly involving the issuers of such securities. Securities markets are volatile and may decline significantly in response to adverse issuer, regulatory, political, or economic developments. Different sectors of the market and different security types may react differently to such developments.

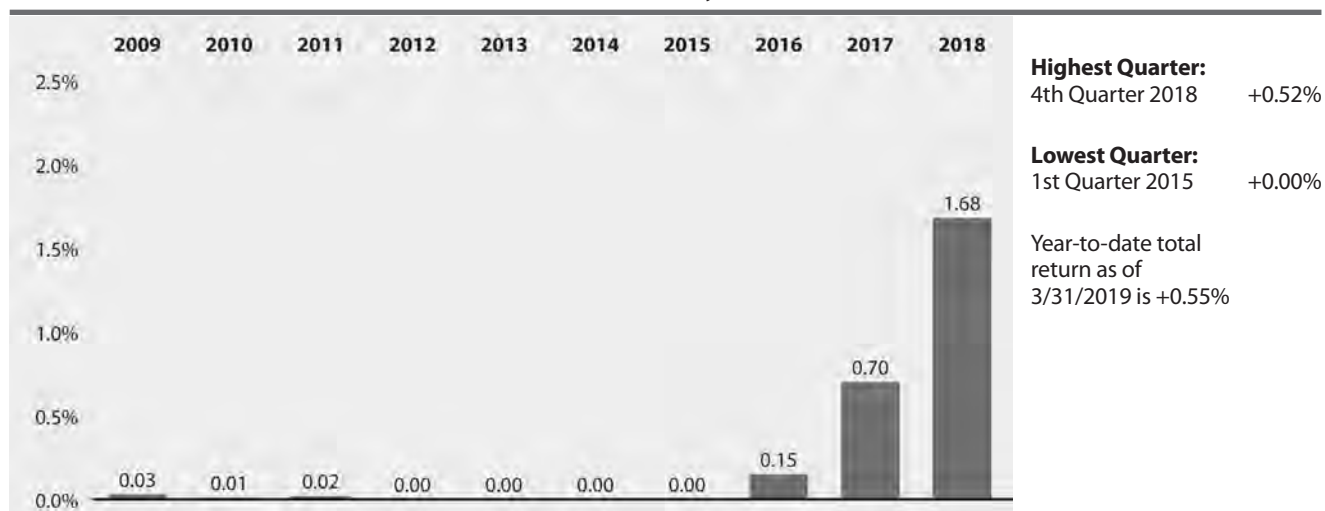
Money Market Fund Risk. The Fund's yield will change based on changes in interest rates and other market conditions. Because the Fund invests in short-term instruments, the Fund's dividend yields are expected to be low when short-term market interest rates are low.

U.S. Government Obligations Risk. U.S. Government obligations may be adversely impacted by changes in interest rates, and securities issued or guaranteed by U.S. Government agencies or government-sponsored entities may not be backed by the full faith and credit of the U.S. Government.

Performance

The following information provides some indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year. Past performance is no guarantee of future results. Current month-end performance is available on the Fund's website at wfam.com. To obtain a current 7-day yield for the Fund call toll-free 1-800-222-8222.

Calendar Year Total Returns for Institutional Class as of 12/31 each year¹



Average Annual Total Returns for the periods ended 12/31/2018¹

	Inception Date of Share Class	1 Year	5 Year	10 Year
Institutional Class	10/31/2014	1.68%	0.50%	0.26%

1. Historical performance shown for Institutional Class shares prior to their inception reflects the performance of Administrator Class shares, and includes the higher expenses applicable to Administrator Class shares. If these expenses had not been included, returns for Institutional Class shares would be higher.

Fund Management

Manager	Sub-Adviser
Wells Fargo Funds Management, LLC	Wells Capital Management Incorporated

Purchase and Sale of Fund Shares

Institutional Class shares are generally available through intermediaries for the accounts of their customers and directly to institutional investors and individuals. Institutional investors may include corporations; private banks and trust companies; endowments and foundations; defined contribution, defined benefit and other employer sponsored retirement plans; institutional retirement plan platforms; insurance companies; registered investment advisor firms; bank trusts; 529 college savings plans; family offices; and funds of funds, including those managed by Funds Management. In general, you can buy or sell shares of the Fund online or by mail, phone or wire, on any day the New York Stock Exchange ("NYSE") is open for regular trading. You also may buy and sell shares through a financial professional.

Minimum Investments	To Buy or Sell Shares
Minimum Initial Investment Institutional Class: \$10 million (certain eligible investors may not be subject to a minimum initial investment)	Mail: Wells Fargo Funds P.O. Box 219967 Kansas City, MO 64121-9967 Online: wfam.com Phone or Wire: 1-800-222-8222
Minimum Additional Investment Institutional Class: None	Contact your investment representative.

Tax Information

Any distributions you receive from the Fund may be taxable as ordinary income or capital gains, except when your investment is in an IRA, 401(k) or other tax-advantaged investment plan. However, subsequent withdrawals from such a tax-advantaged investment plan may be subject to federal income tax. You should consult your tax adviser about your specific tax situation.

Payments to Intermediaries

If you purchase a Fund through an intermediary, the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the intermediary and your financial professional to recommend the Fund over another investment. Consult your financial professional or visit your intermediary's website for more information.

About Wells Fargo Government Money Market Funds

All Wells Fargo Government Money Market Funds seek to provide current income, while preserving capital and liquidity by investing in a portfolio of money market instruments. A Fund may have additional investment objectives or restrictions.

Money market instruments are high quality, short-term investments that present minimal credit risk and may include securities such as U.S. Government obligations, bank obligations, corporate bonds, commercial paper, municipal securities, asset- and mortgage-backed securities, and repurchase agreements. All Wells Fargo Government Money Market Funds are managed to meet the requirements of Rule 2a-7 under the Investment Company Act of 1940, as amended ("1940 Act"), which provides that:

- Each Fund will seek to maintain a net asset value of \$1.00 per share.
- Each Fund will only buy securities that have remaining maturities of 397 days or less as determined under Rule 2a-7.
- The dollar-weighted average maturity of each Fund will be 60 days or less.
- The dollar-weighted average life of each Fund will be 120 days or less.
- Each Fund will invest only in U.S. dollar-denominated securities.
- Each Fund will value its assets based on the total market value of all the securities it holds using the amortized cost method.

In order to obtain a rating from a rating organization, some Funds may observe additional investment restrictions.

Details About the Funds

Government Money Market Fund

Investment Objective

The Fund seeks current income, while preserving capital and liquidity.

The Fund's Board of Trustees can change this investment objective without a shareholder vote.

Principal Investment Strategies

Under normal circumstances, we invest:

- exclusively in high-quality, short-term, U.S. dollar-denominated money market instruments that consist of U.S. Government obligations and repurchase agreements collateralized by U.S. Government obligations.

These investments may have fixed, floating, or variable rates of interest.

Our security selection is based on several factors, including credit quality, yield and maturity, while taking into account the Fund's overall level of liquidity and weighted average maturity. We will only purchase securities that we have determined present minimal credit risk.

The Fund may temporarily hold a greater portion of assets in uninvested cash for purposes of maintaining liquidity or for short-term defensive purposes when we believe it is in the best interest of shareholders to do so. During these periods, the Fund may not achieve its objective.

The Fund is primarily subject to the risks mentioned below (in alphabetical order).

- | | |
|----------------------|------------------------------------|
| ▪ Credit Risk | ▪ Money Market Fund Risk |
| ▪ Interest Rate Risk | ▪ Repurchase Agreement Risk |
| ▪ Management Risk | ▪ U.S. Government Obligations Risk |
| ▪ Market Risk | |

These and other risks could cause you to lose money in your investment in the Fund and could adversely affect the Fund's net asset value, yield and total return. These risks are described in the "Description of Principal Investment Risks" section.

Treasury Plus Money Market Fund

Investment Objective

The Fund seeks current income, while preserving capital and liquidity.

The Fund's Board of Trustees can change this investment objective without a shareholder vote.

Principal Investment Strategies

Under normal circumstances, we invest:

- exclusively in high-quality, short-term, U.S. dollar-denominated money market instruments that consist of U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury obligations.

Our security selection is based on several factors, including credit quality, yield and maturity, while taking into account the Fund's overall level of liquidity and weighted average maturity. We will only purchase securities that we have determined present minimal credit risk.

The Fund may temporarily hold a greater portion of assets in uninvested cash for purposes of maintaining liquidity or for short-term defensive purposes when we believe it is in the best interest of shareholders to do so. During these periods, the Fund may not achieve its objective.

The Fund is primarily subject to the risks mentioned below (in alphabetical order).

- Credit Risk
- Interest Rate Risk
- Management Risk
- Market Risk
- Money Market Fund Risk
- Repurchase Agreement Risk
- U.S. Government Obligations Risk

These and other risks could cause you to lose money in your investment in the Fund and could adversely affect the Fund's net asset value, yield and total return. These risks are described in the "Description of Principal Investment Risks" section.

100% Treasury Money Market Fund

Investment Objective

The Fund seeks current income exempt from most state and local individual income taxes, while preserving capital and liquidity.

The Fund's Board of Trustees can change this investment objective without a shareholder vote.

Principal Investment Strategies

Under normal circumstances, we invest:

- exclusively in high-quality, short-term, U.S. dollar-denominated money market instruments that consist of U.S. Treasury obligations.

Our security selection is based on several factors, including yield and maturity, while taking into account the Fund's overall level of liquidity and weighted average maturity. We will only purchase securities that we have determined present minimal credit risk.

The Fund may temporarily hold a greater portion of assets in uninvested cash for purposes of maintaining liquidity or for short-term defensive purposes when we believe it is in the best interest of shareholders to do so. During these periods, the Fund may not achieve its objective.

The Fund is primarily subject to the risks mentioned below (in alphabetical order).

- | | |
|----------------------|------------------------------------|
| ▪ Credit Risk | ▪ Market Risk |
| ▪ Interest Rate Risk | ▪ Money Market Fund Risk |
| ▪ Management Risk | ▪ U.S. Government Obligations Risk |

These and other risks could cause you to lose money in your investment in the Fund and could adversely affect the Fund's net asset value, yield and total return. These risks are described in the "Description of Principal Investment Risks" section.

Description of Principal Investment Risks

Understanding the risks involved in mutual fund investing will help you make an informed decision that takes into account your risk tolerance and preferences. The risks that are most likely to have a material effect on a particular Fund as a whole are called “principal risks.” The principal risks for each Fund have been previously identified and are described below. Additional information about the principal risks is included in the Statement of Additional Information.

Credit Risk. The issuer or guarantor of a debt security may be unable or perceived to be unable to pay interest or repay principal when they become due. In these instances, the value of an investment could decline and the Fund could lose money. Credit risk increases as an issuer’s credit quality declines.

Interest Rate Risk. When interest rates rise, the value of debt securities tends to fall. The longer the terms of the debt securities held by a Fund, the more the Fund is subject to this risk. If interest rates decline, interest that the Fund is able to earn on its investments in debt securities may also decline, which could cause the Fund to reduce the dividends it pays to shareholders, but the value of those securities may increase. Some debt securities give the issuers the option to call, redeem or prepay the securities before their maturity dates. If an issuer calls, redeems or prepays a debt security during a time of declining interest rates, the Fund might have to reinvest the proceeds in a security offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. Changes in market conditions and government policies may lead to periods of heightened volatility in the debt securities market, reduced liquidity for certain Fund investments and an increase in Fund redemptions. Interest rate changes and their impact on the Fund and its share price can be sudden and unpredictable.

Management Risk. Investment decisions, techniques, analyses or models implemented by a Fund’s manager or sub-adviser in seeking to achieve the Fund’s investment objective may not produce the returns expected, may cause the Fund’s shares to lose value or may cause the Fund to underperform other funds with similar investment objectives.

Market Risk. The values of, and/or the income generated by, securities held by a Fund may decline due to general market conditions or other factors, including those directly involving the issuers of such securities. Securities markets are volatile and may decline significantly in response to adverse issuer, regulatory, political, or economic developments. Different sectors of the market and different security types may react differently to such developments.

Money Market Fund Risk. The Fund’s yield will change based on changes in interest rates and other market conditions. Because the Fund invests in short-term instruments, the Fund’s dividend yields are expected to be low when short-term market interest rates are low.

Repurchase Agreement Risk. In the event that the counterparty to a repurchase agreement is unwilling or unable to fulfill its contractual obligations to repurchase the underlying security, a Fund may lose money, suffer delays, or incur costs arising from holding or selling the underlying security.

U.S. Government Obligations Risk. U.S. Government obligations may be adversely impacted by changes in interest rates, and securities issued or guaranteed by U.S. Government agencies or government-sponsored entities may not be backed by the full faith and credit of the U.S. Government. If a government-sponsored entity is unable to meet its obligations or its creditworthiness declines, the performance of a Fund that holds securities issued or guaranteed by the entity will be adversely impacted.

Portfolio Holdings Information

A description of the Wells Fargo Funds’ policies and procedures with respect to disclosure of the Wells Fargo Funds’ portfolio holdings is available in the Fund’s Statement of Additional Information.

Pricing Fund Shares

A Fund’s NAV is the value of a single share. The NAV is calculated each business day at the times reflected below, although a Fund may deviate from these calculation times under unusual or unexpected circumstances. The NAV is calculated separately for each class of shares of a multiple-class Fund. The most recent NAV for each class of a Fund is available at wfam.com. To calculate the NAV of a Fund’s shares, the Fund’s assets are valued and totaled, liabilities are subtracted, and the balance, called net assets, is divided by the number of shares outstanding.

We calculate the NAV at the following times each business day:

Government Money Market Fund Treasury Plus Money Market Fund	9:00a.m., 10:00a.m., 11:00a.m., 12:00p.m., 1:00p.m., 2:00p.m., 3:00p.m., 4:00p.m. and 5:00p.m. (ET)
100% Treasury Money Market Fund	9:00a.m., 10:00a.m., 11:00a.m., 12:00p.m., 1:00p.m. and 4:00p.m. (ET)

Generally, NAV is not calculated, and purchase and redemption requests are not processed, on days that the New York Stock Exchange (“NYSE”) is closed for trading; however, a Fund may elect to remain open even on days that the NYSE is closed if the Securities Industry and Financial Markets Association (“SIFMA”) recommends that the bond markets remain open. If the markets close early or if SIFMA recommends that the markets close early, a Fund may close early and may calculate its NAV at earlier times under these circumstances. The price at which a purchase or redemption request for Fund shares is processed is based on the next NAV calculated after the request is received in good order. In the case of an exchange order, the exchange order is deemed to be a request for the redemption of shares of one Fund and for the purchase of shares of another Fund, and will be processed at the next time that both Funds calculate their NAVs at the same time. Information on the timing of dividend accrual and settlement in connection with a purchase or redemption of shares can be found in the section of this Prospectus entitled “Buying and Selling Fund Shares.”

A Fund’s assets are valued using the amortized cost method, in accordance with Rule 2a-7 under the Investment Company Act of 1940, as amended (the “1940 Act”). Portfolio securities are valued at their acquisition cost, adjusted for discounts or premiums reflected in their purchase price regardless of the impact of fluctuating interest rates on the market value of the instrument. This method of valuation is designed to enable a Fund to price its shares at \$1.00 per share, although the value of the Fund’s shares based on the mark-to-market valuation method may be more or less than \$1.00 per share.

The Board of Trustees has established procedures designed to monitor a Fund’s price per share. The Manager monitors the value of the Fund’s shares based on the mark-to-market valuation method and will promptly notify the Board when the Fund’s mark-to-market value deviates more than 0.25% from the Fund’s established NAV of \$1.00 per share. In the event that the Board determines that a deviation exists that may result in material dilution or other unfair results to shareholders, the Fund will take such corrective action as it deems necessary, which may include, among other things, establishing a NAV of less than or more than \$1.00 per share by using available market quotations or suspending the redemption of shares and liquidating the Fund under Rule 22e-3 under the 1940 Act. See the Statement of Additional Information for additional details regarding the determination of NAVs.

Management of the Funds

The Manager

Wells Fargo Funds Management, LLC ("Funds Management"), headquartered at 525 Market Street, San Francisco, CA 94105, provides advisory and Fund-level administrative services to the Funds pursuant to an investment management agreement (the "Management Agreement"). Funds Management is a wholly owned subsidiary of Wells Fargo & Company, a publicly traded diversified financial services company that provides banking, insurance, investment, mortgage and consumer financial services. Funds Management is a registered investment adviser that provides advisory services for registered mutual funds, closed-end funds and other funds and accounts. Funds Management is a part of Wells Fargo Asset Management, the trade name used by the asset management businesses of Wells Fargo & Company.

Funds Management is responsible for implementing the investment objectives and strategies of the Funds. Funds Management's investment professionals review and analyze the Fund's performance, including relative to peer funds, and monitor the Fund's compliance with their investment objectives and strategies. Funds Management is responsible for reporting to the Board on investment performance and other matters affecting the Funds. When appropriate, Funds Management recommends to the Board enhancements to Fund features, including changes to Fund investment objectives, strategies and policies. Funds Management also communicates with shareholders and intermediaries about Fund performance and features.

Funds Management is also responsible for providing Fund-level administrative services to the Fund, which include, among others, providing such services in connection with the Fund's operations; developing and implementing procedures for monitoring compliance with regulatory requirements and compliance with the Fund's investment objectives, policies and restrictions; and providing any other Fund-level administrative services reasonably necessary for the operation of the Funds, other than those services that are provided by the Fund's transfer and dividend disbursing agent, custodian, and fund accountant.

To assist Funds Management in implementing the investment objectives and strategies of the Funds, Funds Management may contract with one or more sub-advisers to provide day-to-day portfolio management services to the Funds. Funds Management employs a team of investment professionals who identify and recommend the initial hiring of any sub-adviser and oversee and monitor the activities of any sub-adviser on an ongoing basis. Funds Management retains overall responsibility for the investment activities of the Funds.

A discussion regarding the basis for the Board's approval of the Management Agreement and any applicable sub-advisory agreements for each Fund is available in the Fund's semi-annual report for the period ended July 31st.

For each Fund's most recent fiscal year end, the management fee paid to Funds Management pursuant to the Management Agreement, net of any applicable waivers and reimbursements, was as follows:

Management Fees Paid

	As a % of average daily net assets
Government Money Market Fund	0.13%
Treasury Plus Money Market Fund	0.14%
100% Treasury Money Market Fund	0.19%

The Sub-Adviser

The following sub-adviser provides day-to-day portfolio management services to the Funds. These services include making purchases and sales of securities and other investment assets for the Funds, selecting broker-dealers, negotiating brokerage commission rates and maintaining portfolio transaction records. The sub-adviser is compensated for its services by Funds Management from the fees Funds Management receives for its services as adviser to the Funds.

Wells Capital Management Incorporated ("Wells Capital Management") is a registered investment adviser located at 525 Market Street, San Francisco, CA 94105. Wells Capital Management, an affiliate of Funds Management and indirect wholly owned subsidiary of Wells Fargo & Company, is a multi-boutique asset management firm committed to delivering superior investment services to institutional clients, including mutual funds. Wells Capital Management is a part of Wells Fargo Asset Management, the trade name used by the asset management businesses of Wells Fargo & Company.

Multi-Manager Arrangement

The Funds and Funds Management have obtained an exemptive order from the SEC that permits Funds Management, subject to the approval of the Funds Trust Board, to select certain sub-advisers and enter into or amend sub-advisory agreements with them, without obtaining shareholder approval. The SEC order extends to sub-advisers that are not otherwise affiliated with Funds Management or the Funds, as well as sub-advisers that are wholly-owned subsidiaries of Funds Management or of a company that wholly owns Funds Management ("Multi-Manager Sub-Advisers").

Pursuant to the order, Funds Management, with the approval of the Funds Trust Board, may hire or replace Multi-Manager Sub-Advisers for each Fund that is eligible to rely on the order. Funds Management, subject to the Funds Trust Board's oversight, has the responsibility to oversee Multi-Manager Sub-Advisers and to recommend their hiring, termination and replacement. If a new sub-adviser is hired for a Fund pursuant to the order, the Fund is required to notify shareholders within 90 days. The Funds are not required to disclose the individual fees that Funds Management pays to a Multi-Manager Sub-Adviser.

Account Information

Share Class Eligibility

Institutional Class shares are generally available through intermediaries for the accounts of their customers and directly to institutional investors and individuals. Institutional investors may include corporations; private banks and trust companies; endowments and foundations; defined contribution, defined benefit and other employer sponsored retirement plans; institutional retirement plan platforms; insurance companies; registered investment advisor firms; bank trusts; 529 college savings plans; family offices; and fund of funds including those managed by Funds Management. Unless otherwise noted below, the following investors may purchase Institutional Class shares without investing a minimum initial investment amount:

- Employee benefit plan programs;
- Broker-dealer managed account or wrap programs that charge an asset-based fee;
- Registered investment adviser mutual fund wrap programs or other accounts that are charged a fee for advisory, investment, consulting or similar services;
- Private bank and trust company managed account or wrap programs that charge an asset-based fee;
- Internal Revenue Code Section 529 college savings plan accounts;
- Fund of Funds including those advised by Funds Management;
- Affiliated Funds using the Fund to invest cash;
- Investment Management and Trust Departments of Wells Fargo & Company purchasing shares on behalf of their clients;
- Money market trading platforms;
- Any other institutions or customers of intermediaries who invest a minimum initial investment amount of \$10 million in a Fund;
- Individual investors who invest a minimum initial investment amount of \$10 million directly with a Fund; and
- Certain investors and related accounts as detailed in the Fund's Statement of Additional Information.

Any of the minimum initial investment amount waivers listed above may be modified or discontinued at any time.

Your Fund may offer other classes of shares in addition to those offered through this Prospectus. You may be eligible to invest in one or more of these other classes of shares. Each share class bears varying expenses and may differ in other features. Consult your financial professional for more information regarding a Fund's available share classes.

The information in this Prospectus is not intended for distribution to, or use by, any person or entity in any non-U.S. jurisdiction or country where such distribution or use would be contrary to any law or regulation, or which would subject Fund shares to any registration requirement within such jurisdiction or country.

Compensation to Financial Professionals and Intermediaries

In addition to dealer reallowances and payments made by certain classes of each Fund for distribution and shareholder servicing, the Fund's manager, the distributor or their affiliates make additional payments ("Additional Payments") to certain financial professionals and intermediaries for selling shares and providing shareholder services, which include broker-dealers and 401(k) service providers and record keepers. These Additional Payments, which may be significant, are paid by the Fund's manager, the distributor or their affiliates, out of their revenues, which generally come directly or indirectly from Fund fees.

In return for these Additional Payments, each Fund's manager and distributor expect the Fund to receive certain marketing or servicing considerations that are not generally available to mutual funds whose sponsors do not make such payments. Such considerations are expected to include, without limitation, placement of the Fund on a list of mutual funds offered as investment options to the intermediary's clients (sometimes referred to as "Shelf Space"); access to the intermediary's financial professionals; and/or the ability to assist in training and educating the intermediary's financial professionals.

The Additional Payments may create potential conflicts of interest between an investor and a financial professional or intermediary who is recommending or making available a particular mutual fund over other mutual funds. Before investing, you should consult with your financial professional and review carefully any disclosure by the intermediary as to what compensation the intermediary receives from mutual fund sponsors, as well as how your financial professional is compensated.

The Additional Payments are typically paid in fixed dollar amounts, based on the number of customer accounts maintained by an intermediary, or based on a percentage of sales and/or assets under management, or a combination of the above. The Additional Payments are either up-front or ongoing or both and differ among intermediaries. In a given year, Additional Payments to an intermediary that is compensated based on its customers' assets typically range between 0.02% and 0.25% of assets invested in a Fund by the intermediary's customers. Additional Payments to an intermediary that is compensated based on a percentage of sales typically range between 0.10% and 0.25% of the gross sales of a Fund attributable to the financial intermediary.

More information on the FINRA member firms that have received the Additional Payments described in this section is available in the Statement of Additional Information, which is on file with the SEC and is also available on the Wells Fargo Funds website at wfam.com.

Buying and Selling Fund Shares

For more information regarding buying and selling Fund shares, please visit wfam.com. You may buy (purchase) and sell (redeem) Fund shares as follows:

	Opening an Account	Adding to an Account or Selling Fund Shares
Through Your Financial Professional	Contact your financial professional. Transactions will be subject to the terms of your account with your intermediary.	Contact your financial professional. Transactions will be subject to the terms of your account with your intermediary.
Through Your Retirement Plan	Contact your retirement plan administrator. Transactions will be subject to the terms of your retirement plan account.	Contact your retirement plan administrator. Transactions will be subject to the terms of your retirement plan account.
Online	New accounts cannot be opened online. Contact your financial professional or retirement plan administrator, or refer to the section on opening an account by mail.	Visit wfam.com. Online transactions are limited to a maximum of \$100,000. You may be eligible for an exception to this maximum. Please call Investor Services at 1-800-222-8222 for more information.
By Telephone	Call Investor Services at 1-800-222-8222. Available only if you have another Wells Fargo Fund account with your bank information on file.	Call Investor Services at 1-800-222-8222. Redemption requests may not be made by phone if the address on your account was changed in the last 15 days. In this event, you must request your redemption by mail. For joint accounts, telephone requests generally require only one of the account owners to call unless you have instructed us otherwise.
By Mail	Complete an account application and submit it according to the instructions on the application. Account applications are available online at wfam.com or by calling Investor Services at 1-800-222-8222.	Send the items required under "Requests in Good Order" below to: <u>Regular Mail</u> Wells Fargo Funds P.O. Box 219967 Kansas City, MO 64121-9967 <u>Overnight Only</u> Wells Fargo Funds 430 W 7th Street STE 219967 Kansas City, MO 64105-1407

Requests in "Good Order". All purchase and redemption requests must be received in "good order." This means that a request generally must include:

- The Fund name(s), share class(es) and account number(s);
- The amount (in dollars or shares) and type (purchase or redemption) of the request;
- If by mail, the signature of each registered owner as it appears in the account application;
- For purchase requests, payment of the full amount of the purchase request (see "Payment" below); and
- Any supporting legal documentation that may be required.

Purchase and redemption requests in good order will be processed at the next NAV calculated after the Fund's transfer agent or an authorized intermediary¹ receives your request. If your request is not received in good order, additional documentation may be required to process your transaction. We reserve the right to waive any of the above requirements.

1. The Fund's shares may be purchased through an intermediary that has entered into a dealer agreement with the Fund's distributor. The Fund has approved the acceptance of a purchase or redemption request effective as of the time of its receipt by such an authorized intermediary or its designee, as long as the request is received by one of those entities prior to the Fund's closing time. These intermediaries may charge transaction fees. We reserve the right to adjust the closing time in certain circumstances.

Payment. Payment for Fund shares may be made as follows:

By Wire	Purchases into a new or existing account may be funded by using the following wire instructions: State Street Bank & Trust Boston, MA Bank Routing Number: ABA 011000028 Wire Purchase Account: 9905-437-1 Attention: Wells Fargo Funds (Name of Fund, Account Number and any applicable share class) Account Name: Provide your name as registered on the Fund account or as included in your account application.
By Check	Make checks payable to Wells Fargo Funds.
By Exchange	Identify an identically registered Wells Fargo Fund account from which you wish to exchange (see "Exchanging Fund Shares" below for restrictions on exchanges).
By Electronic Funds Transfer ("EFT")	Additional purchases for existing accounts may be funded by EFT using your linked bank account.

All payments must be in U.S. dollars, and all checks and EFTs must be drawn on U.S. banks. You will be charged a \$25.00 fee for every check or EFT that is returned to us as unpaid.

Form of Redemption Proceeds. You may request that your redemption proceeds be sent to you by check, by EFT into a linked bank account, or by wire to a linked bank account. Please call Investor Services at 1-800-222-8222 regarding the requirements for linking bank accounts or for wiring funds. Under normal circumstances, we expect to meet redemption requests either by using uninvested cash or cash equivalents or by using the proceeds from the sale of portfolio securities, at the discretion of the portfolio manager(s). The Wells Fargo Funds may also borrow through a bank line of credit for the purpose of meeting redemption requests, although we do not expect to draw funds from this source on a regular basis. In lieu of making cash payments, we reserve the right to determine in our sole discretion, including under stressed market conditions, whether to satisfy redemption requests by making payments in securities. In such cases, we may meet all or part of a redemption request by making payment in securities equal in value to the amount of the redemption payable to you as permitted under the 1940 Act, and the rules thereunder, in which case the redeeming shareholder should expect to incur transaction costs upon the disposition of any securities received.

Timing of Redemption Proceeds/Right to Delay Payment. For the 100% Treasury Money Market Fund, we can delay the payment of a redemption for up to seven days. We may delay the payment of a redemption for longer than seven days under extraordinary circumstances. For the Government Money Market Fund and Treasury Plus Money Market Fund, we can delay the payment of a redemption for longer than one day if there is a non-routine closure of the Fedwire or Federal Reserve Bank or under extraordinary circumstances.

We normally send out checks within one business day after we accept your request to redeem. We reserve the right to delay payment for up to seven days. If you wish to redeem shares purchased by check, by EFT or through the Automatic Investment Plan within seven days of purchase, you may be asked to resubmit your redemption request if your payment has not yet cleared. Redemption payments may be delayed under extraordinary circumstances or as permitted by the SEC in order to protect remaining shareholders.

Under the extraordinary circumstances discussed under Section 22(e) under the Investment Company Act of 1940, as amended, we may suspend the right of redemption or postpone the date of payment of a redemption for longer than one day for Government Money Market Fund and Treasury Plus Money Market Fund, and for longer than seven days for the 100% Treasury Money Market Fund. Generally, those extraordinary circumstances are when: (i) the New York Stock Exchange is closed or trading thereon is restricted; (ii) an emergency exists which makes the disposal by a Fund of securities it owns, or the fair determination of the value of the Fund's net assets not reasonable practical; or (iii) the SEC, by order, permits the suspension of the right of redemption for the protection of shareholders.

Payment of Dividends. Requests for redemption proceeds by check or Electronic Funds Transfer that are received in good order will be sent out by the next business day after receipt and will earn a dividend until the day such proceeds are sent.

Redemption Orders. Wire redemptions will be processed and earn dividends as listed in the table below.

If a Request is Received in Good Order:	Proceeds Wired	Dividends
100% Treasury Money Market Fund		
▪ By 1:00 p.m. (ET)	Same Business Day	Not earned on day of request
▪ After 1:00 p.m. (ET)	Next Business Day	Earned on day of request
Government Money Market Fund Treasury Plus Money Market Fund		
▪ By 5:00 p.m. (ET)	Same Business Day	Not earned on day of request
▪ After 5:00 p.m. (ET)	Next Business Day	Earned on day of request

Retirement Plans and Other Products. If you purchased shares through a packaged investment product or retirement plan, read the directions for selling shares provided by the product or plan. There may be special requirements that supercede the directions in this Prospectus.

Exchanging Fund Shares

Exchanges between two funds involve two transactions: (1) the redemption of shares of one fund; and (2) the purchase of shares of another. In general, the same rules and procedures described under “Buying and Selling Fund Shares” apply to exchanges. There are, however, additional policies and considerations you should keep in mind while making or considering an exchange:

- In general, exchanges may be made between like share classes of any fund in the Wells Fargo Funds complex offered to the general public for investment (i.e., a fund not closed to new accounts), with the following exceptions: (1) Class A shares of non-money market funds may also be exchanged for Service Class shares of any retail or government money market fund; (2) Service Class shares may be exchanged for Class A shares of any non-money market fund; and (3) no exchanges are allowed into institutional money market funds.
- If you make an exchange between Class A shares of a money market fund and Class A shares of a non-money market fund, you will buy the shares at the public offering price of the new fund, unless you are otherwise eligible to buy shares at NAV.
- Same-fund exchanges between share classes are permitted subject to the following conditions: (1) the shareholder must meet the eligibility guidelines of the class being purchased in the exchange; (2) exchanges out of Class A and Class C shares would not be allowed if shares are subject to a CDSC; and (3) for non-money market funds, in order to exchange into Class A shares, the shareholder must be able to qualify to purchase Class A shares at NAV based on current Prospectus guidelines.
- An exchange request will be processed on the same business day, provided that both funds are open at the time the request is received. If one or both funds are closed, the exchange will be processed on the following business day.
- You should carefully read the Prospectus for the Fund into which you wish to exchange.
- Every exchange involves redeeming fund shares, which may produce a capital gain or loss for tax purposes.
- If you are making an initial investment into a fund through an exchange, you must exchange at least the minimum initial investment amount for the new fund, unless your balance has fallen below that amount due to investment performance.
- If you are making an additional investment into a fund that you already own through an exchange, you must exchange at least the minimum subsequent investment amount for the fund you are exchanging into.
- Class C share exchanges will not trigger a CDSC. The new shares received in the exchange will continue to age according to the original shares’ CDSC schedule and will be charged the CDSC applicable to the original shares upon redemption.

Generally, we will notify you at least 60 days in advance of any changes in the above exchange policies.

Frequent Purchases and Redemptions of Fund Shares

Excessive trading by Fund shareholders can negatively impact a Fund and its long-term shareholders by increasing expenses or lowering returns. However, money market funds, which are typically utilized by investors for cash management purposes and invest in highly liquid securities, are not as susceptible to these negative effects as non-money market Funds.

Although the policies adopted by the Funds do not prohibit frequent trading between money market Funds, Funds Management will seek to prevent an investor from utilizing a money market Fund to facilitate frequent purchases and redemptions of shares in non-money market Funds. If Funds Management determines that an investor has engaged in timing activities in contravention of the Funds' policies (as described in the prospectus for the non-money market Fund), Funds Management will prevent such investor from investing in the non-money market Fund for a period of 30 calendar days.

In addition, Funds Management reserves the right to accept purchases, redemptions and exchanges made in excess of applicable trading restrictions in designated accounts held by Funds Management or its affiliate that are used at all times exclusively for addressing operational matters related to shareholder accounts, such as testing of account functions, and are maintained at low balances that do not exceed specified dollar amount limitations.

Account Policies

Advance Notice of Large Transactions

We strongly urge you to begin all purchases and redemptions as early in the day as possible and to notify us at least one day in advance of transactions in excess of \$50,000,000. This will allow us to manage your Fund most effectively. When you give us this advance notice, you must provide us with your name and account number.

Householding. To help keep Fund expenses low, a single copy of a Prospectus or shareholder report may be sent to shareholders of the same household. If your household currently receives a single copy of a Prospectus or shareholder report and you would prefer to receive multiple copies, please call Investor Services at 1-800-222-8222 or contact your financial professional.

Retirement Accounts.

We offer a variety of retirement account types for individuals and small businesses. There may be special distribution requirements for a retirement account, such as required distributions or mandatory Federal income tax withholdings. For more information about the retirement accounts listed below, including any distribution requirements, call Investor Services at 1-800-222-8222. For retirement accounts held directly with a Fund, certain fees may apply including an annual account maintenance fee. The retirement accounts available for individuals and small businesses are:

- Individual Retirement Accounts, including Traditional IRAs and Roth IRAs.
- Small business retirement accounts, including Simple IRAs and SEP IRAs.

Small Account Redemptions.

We reserve the right to redeem accounts that have values that fall below a Fund's minimum initial investment amount due to shareholder redemptions (as opposed to market movement). Before doing so, we will give you approximately 60 days to bring your account value above the Fund's minimum initial investment amount. Please call Investor Services at 1-800-222-8222 or contact your financial professional for further details.

Transaction Authorizations.

We may accept telephone, electronic, and clearing agency transaction instructions from anyone who represents that he or she is a shareholder and provides reasonable confirmation of his or her identity. Neither we nor Wells Fargo Funds will be liable for any losses incurred if we follow such instructions we reasonably believe to be genuine. For transactions through our website, we may assign personal identification numbers (PINs) and you will need to create a login ID and password for account access. To safeguard your account, please keep these credentials confidential. Contact us immediately if you believe there is a discrepancy on your confirmation statement or if you believe someone has obtained unauthorized access to your online access credentials.

Identity Verification.

We are required by law to obtain from you certain personal information that will be used to verify your identity. If you do not provide the information, we will not be able to open your account. In the rare event that we are unable to verify

your identity as required by law, we reserve the right to redeem your account at the current NAV of the Fund’s shares. You will be responsible for any losses, taxes, expenses, fees, or other results of such a redemption.

Right to Freeze Accounts, Suspend Account Services or Reject or Terminate an Investment.

We reserve the right, to the extent permitted by law and/or regulations, to freeze any account or suspend account services when we have received reasonable notice (written or otherwise) of a dispute between registered or beneficial account owners or when we believe a fraudulent transaction may occur or has occurred. Additionally, we reserve the right to reject any purchase or exchange request and to terminate a shareholder’s investment, including closing the shareholder’s account.

Distributions

The Funds declare distributions of net investment income, if any, daily, and make such distributions, if any, monthly. The Funds generally make distributions of realized net capital gains, if any, annually. Your distributions will be automatically reinvested in additional shares, unless you or your Institution directs otherwise. Your other options are to receive checks for these payments, have them automatically invested in the same class of another Wells Fargo Fund, or have them deposited into your bank account. With the check payment option, if checks remain uncashed for six months or are undeliverable by the Post Office, we will reinvest the distributions at the earliest date possible, and future distributions will be automatically reinvested. To change the current option for payment of distributions, please contact your Institution.

Earning Distributions. Assuming the purchase amount is received by the Funds’ custodian no later than the close of the Fedwire, which is normally 6:00 p.m. (ET), dividends will accrue as follows:

If a Request is Received in Good Order:	Dividends Begin to Accrue:
100% Treasury Money Market Fund	
▪ By 1:00 p.m. (ET)	Same Business Day
▪ After 1:00 p.m. (ET)	Next Business Day
Government Money Market Fund Treasury Plus Money Market Fund	
▪ By 5:00 p.m. (ET)	Same Business Day
▪ After 5:00 p.m. (ET)	Next Business Day

Other Information

Taxes

The following discussion regarding income taxes is based on laws that were in effect as of the date of this Prospectus and summarizes only some of the important federal and state income tax considerations affecting the Funds and you as a shareholder. It does not apply to foreign or tax-exempt shareholders or those holding Fund shares through a tax-advantaged account, such as a 401(k) Plan or IRA. This discussion is not intended as a substitute for careful tax planning. You should consult your tax adviser about your specific tax situation. Please see the Statement of Additional Information for additional income tax information.

We will pass on to a Fund's shareholders substantially all of the Fund's net investment income and realized net capital gains, if any.

Distributions of ordinary income attributable to all sources, if any, generally will be taxable to you as ordinary income. Distributions of net investment income from the 100% Treasury Money Market Fund generally will be exempt in most jurisdictions from state and local individual income taxes, but may not be exempt from state and local corporate income and/or franchise taxes.

Although the Funds do not expect to realize any capital gain, distributions of a Fund's net short-term capital gain, if any, generally will be taxable to you as ordinary income and distributions from a Fund's net long-term capital gain, if any, generally will be taxable to you as long-term capital gain. Corporate shareholders should not expect to deduct a portion of their distributions when determining their taxable income. In general, distributions also will not qualify for reductions in federal income taxation of dividends payable to individuals from certain domestic and foreign corporations.

To the extent a distribution from a Fund is taxable, such distributions will be taxable to you when paid, whether you take distributions in cash or automatically reinvest them in additional Fund shares. Following the end of each year, we will notify you of the federal income tax status of your distributions for the year.

Individual taxpayers are subject to tax on ordinary income at a maximum rate of 37% and the maximum tax rate on long-term capital gains and qualified dividends is 20%. For U.S. individuals with income exceeding \$200,000 (\$250,000 if married and filing jointly), a 3.8% Medicare contribution tax applies on "net investment income," including interest, dividends, and capital gains.

In certain circumstances, Fund shareholders may be subject to back-up withholding taxes.

As long as a Fund continually maintains a \$1.00 NAV, you ordinarily will not recognize a taxable gain or loss on the redemption or exchange of your Fund shares.

Financial Highlights

The following tables are intended to help you understand a Fund's financial performance for the past five years (or since inception, if shorter). Certain information reflects financial results for a single Fund share. Total returns represent the rate you would have earned (or lost) on an investment in each Fund (assuming reinvestment of all distributions). The information in the following tables has been derived from the Fund's financial statements, which have been audited by KPMG LLP, the Funds' independent registered public accounting firm, whose report, along with each Fund's financial statements, is also included in each Fund's annual report, a copy of which is available upon request.

Government Money Market Fund

For a share outstanding throughout each period

Institutional Class	Year ended January 31				
	2019	2018	2017	2016	2015
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Net investment income	0.02	0.01	0.00 ¹	0.00 ¹	0.00 ¹
Net realized gains (losses) on investments	0.00 ¹	0.00 ¹	0.00 ¹	0.00 ¹	(0.00) ²
Total from investment operations	0.02	0.01	0.00 ¹	0.00 ¹	0.00 ¹
Distributions to shareholders from					
Net investment income	(0.02)	(0.01)	(0.00) ¹	(0.00) ¹	(0.00) ¹
Net realized gains	(0.00) ¹	(0.00) ¹	0.00	0.00	(0.00) ¹
Total distributions to shareholders	(0.02)	(0.01)	(0.00) ¹	(0.00) ¹	(0.00) ¹
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total return	1.79%	0.79%	0.24%	0.02%	0.01%
Ratios to average net assets (annualized)					
Gross expenses	0.22%	0.22%	0.22%	0.22%	0.22%
Net expenses	0.20%	0.20%	0.17%	0.12%	0.09%
Net investment income	1.79%	0.79%	0.25%	0.02%	0.01%
Supplemental data					
Net assets, end of period (000s omitted)	\$ 26,000,569	\$ 21,931,321	\$ 23,242,417	\$ 14,212,988	\$ 17,509,698

1. Amount is less than \$0.005.

2. Amount is more than \$(0.005).

Treasury Plus Money Market Fund

For a share outstanding throughout each period

Institutional Class	Year ended January 31				
	2019	2018	2017	2016	2015
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Net investment income	0.02	0.01	0.00 ¹	0.00 ¹	0.00 ¹
Net realized gains (losses) on investments	0.00 ¹	0.00 ¹	0.00 ¹	0.00 ¹	(0.00) ²
Total from investment operations	0.02	0.01	0.00 ¹	0.00 ¹	0.00 ¹
Distributions to shareholders from					
Net investment income	(0.02)	(0.01)	(0.00) ¹	(0.00) ¹	(0.00) ¹
Net realized gains	(0.00) ¹	(0.00) ¹	0.00	0.00	(0.00) ¹
Total distributions to shareholders	(0.02)	(0.01)	(0.00) ¹	(0.00) ¹	(0.00) ¹
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total return	1.78%	0.79%	0.20%	0.02%	0.01%
Ratios to average net assets (annualized)					
Gross expenses	0.22%	0.23%	0.23%	0.23%	0.23%
Net expenses	0.20%	0.20%	0.20%	0.10%	0.06%
Net investment income	1.77%	0.81%	0.20%	0.02%	0.01%
Supplemental data					
Net assets, end of period (000s omitted)	\$ 12,466,864	\$ 13,085,244	\$ 11,489,674	\$ 12,617,153	\$ 11,190,887

1. Amount is less than \$0.005.

2. Amount is more than \$(0.005).

100% Treasury Money Market Fund

For a share outstanding throughout each period

Institutional Class	Year ended January 31				
	2019	2018	2017	2016	2015 ¹
Net asset value, beginning of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Net investment income (loss)	0.02	0.01	0.00 ²	0.00 ²	(0.00) ^{3,4}
Net realized gains (losses) on investments	(0.00) ³	(0.00) ³	0.00 ²	(0.00) ³	0.00 ²
Total from investment operations	0.02	0.01	0.00 ²	0.00 ²	0.00 ²
Distributions to shareholders from					
Net investment income	(0.02)	(0.01)	(0.00) ²	(0.00) ²	(0.00) ²
Net realized gains	(0.00) ²	(0.00) ²	(0.00) ²	(0.00) ²	(0.00) ²
Total distributions to shareholders	(0.02)	(0.01)	(0.00) ²	(0.00) ²	(0.00) ²
Net asset value, end of period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total return⁵	1.77%	0.77%	0.17%	0.01%	0.00%
Ratios to average net assets (annualized)					
Gross expenses	0.31%	0.40%	0.40%	0.40%	0.39%
Net expenses	0.20%	0.20%	0.20%	0.11%	0.04%
Net investment income (loss)	1.79%	0.78%	0.18%	0.01%	(0.00)%
Supplemental data					
Net assets, end of period (000s omitted)	\$ 7,296,690	\$ 4,700,731	\$ 3,566,678	\$ 632,263	\$ 100

1. For the period from October 31, 2014 (commencement of operations) to January 31, 2015

2. Amount is less than \$0.005.

3. Amount is more than \$(0.005).

4. Calculated based upon average shares outstanding

5. Returns for periods of less than one year are not annualized.

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FOR MORE INFORMATION

More information on a Fund is available free upon request, including the following documents:

Statement of Additional Information ("SAI")

Supplements the disclosures made by this Prospectus. The SAI, which has been filed with the SEC, is incorporated by reference into this Prospectus and therefore is legally part of this Prospectus.

Annual/Semi-Annual Reports

Provide financial and other important information, including a discussion of the market conditions and investment strategies that significantly affected Fund performance over the reporting period.

To obtain copies of the above documents or for more information about Wells Fargo Funds, contact us:

By telephone:

Individual Investors: 1-800-222-8222

Retail Investment Professionals: 1-888-877-9275

Institutional Investment Professionals: 1-800-260-5969

By mail:

Wells Fargo Funds
P.O. Box 219967
Kansas City, MO 64121-9967

Online:

wfam.com

From the SEC:

Visit the SEC's Public Reference Room in Washington, DC (phone 1-202-551-8090 for operational information for the SEC's Public Reference Room) or the SEC's website at sec.gov.

To obtain information for a fee, write or email:

SEC's Public Reference Section
100 "F" Street, NE
Washington, DC 20549-0102
publicinfo@sec.gov

The Wells Fargo Funds are distributed by Wells Fargo Funds Distributor, LLC, a member of FINRA, and an affiliate of Wells Fargo & Company.



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INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

DEPOSITORY PLEDGE AGREEMENT

746000033

City of Alvin ("Depositor") has selected **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("Bank") as a depository for certain of its funds and Bank has agreed to act as the depository for those funds in accordance with applicable laws, which require that Bank secure the deposited funds, to the extent not insured by the Federal Deposit Insurance Corporation ("FDIC"), by pledging securities ("Eligible Securities") of any type (including, without limitation, surety bonds and investment securities) permitted by the applicable provisions of Texas law in effect from time to time (the "Governing Statutes"). **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** ("Custodian") has agreed to hold the pledged securities in safekeeping pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants in this Agreement, Depositor, Bank and Custodian agree as follows:

1. Grant of Security Interest; Instructions Regarding Collateral. (a) Bank hereby grants to Depositor a security interest in all Eligible Securities transferred to a collateral account (the "Collateral Account") established pursuant to this agreement (the "Collateral"). Custodian agrees to serve as collateral agent for Depositor, pursuant to the terms of this Agreement. For the avoidance of doubt, Custodian acknowledges and agrees that it does not have and will not acquire or assert at any time in the future, and hereby expressly waives, any lien upon, security interest in, setoff right or other right to charge the Collateral held in the collateral account for any obligation owed to Custodian by Bank or Depositor. Until Depositor has the right to compel sale of the Collateral under Section 7 hereof, Custodian may act in accordance with the instructions of Bank, including, without limitation, the right of Bank to unilaterally substitute Eligible Securities for the Collateral in accordance with Section 3 hereof. Addendum "A" contains the names and specimen signatures of individuals authorized to act on behalf of Depositor, and Addendum "B" contains the names and specimen signatures of individuals authorized to act on behalf of Bank. Either Depositor or Bank may add or remove authorized representatives without the consent of the other at any time by providing Custodian with a replacement addendum, duly executed by an authorized individual. In no event shall the Custodian be responsible for determining whether the pledged securities are "Eligible Securities".

(b) Bank, Depositor and Custodian agree that all Collateral delivered to or received by Custodian for deposit in the Collateral Account may be in the form of credits to the accounts of Custodian at a Securities Depository or by delivery to Custodian of physical certificates in a form suitable for transfer to Custodian or with an assignment in blank. Bank and Depositor hereby authorize Custodian to utilize such Securities Depositories and to hold such physical securities or any combination thereof in connection with its performance hereunder. Collateral credited to the Collateral Account and deposited in the Securities Depositories will be held, by book-entry notation, in accounts that include only assets held by Custodian or its agent(s) for third parties, including but not limited to accounts in which assets are held in a fiduciary, agency or representative capacity. Collateral that is not held in the Securities Depositories will be held in Custodian's vault and physically segregated from securities and other non-cash property belonging to Custodian. As used herein, the term "Securities Depository" or "Securities Depositories" shall mean the Treasury/Reserve Automated Debt Entry System maintained at The Federal Reserve Bank of New York for receiving and delivering securities, The Depository Trust Company and any other clearing corporation within the meaning of Section 8-102 of the Uniform Commercial Code, as in effect from time to time.

2. Amount of Collateral. The aggregate market value of Collateral held by Custodian at all times during the term of this Agreement must be in an amount not less than **one hundred and two percent (102%)** of (a) the amount of the collected funds on deposit, increased by (b) the amount of accrued but uncredited interest, (c) reduced by that portion of the funds insured by the FDIC. Such amount is hereinafter called the "Required Collateral Value". In no event shall the Custodian be responsible for determining whether the Collateral Account contains the Required Collateral Value.

3. Substitutions and Withdrawals of Collateral. If the aggregate market value of Collateral held by Custodian at any time exceeds the Required Collateral Value, Bank may unilaterally withdraw any excess Collateral by providing Custodian with a withdrawal notice signed by an authorized representative of Bank, provided that after the withdrawal of any such excess Collateral, the remaining Collateral equals or exceeds the Required Collateral Value. Additionally, Bank may unilaterally substitute Eligible Securities for any of the Collateral held by Custodian at any time by providing Custodian with a substitution notice signed by an authorized representative of Bank, provided that the market value of the Collateral following such substitution would equal or exceed the Required Collateral Value. If Bank elects to require Depositor's written consent on a notice in connection with any withdrawal or substitution which complies with this Section 3, Depositor agrees to provide it promptly upon Bank's request. Custodian shall be entitled to rely on, and Bank and Depositor agree to hold Custodian harmless from, any actions taken pursuant to, and consistent with, the instructions given in a withdrawal or substitution notice under this Section 3, whether unilateral or not.

4. **Bank's Obligations.** Bank shall perform all of the duties and obligations required of a depository under applicable law with respect to collateralization of the funds of Depositor on deposit with Bank, including the duties and obligations required under the Governing Statutes. At the expiration of the term of this Agreement, Bank shall turn over to any successor depository designated by Depositor all funds held by Bank as depository. Bank will furnish to Depositor a monthly statement listing a description of the Collateral. The statement will specify the par value, market value, and maturity date of each component of the Collateral. Upon request, Bank shall provide to Depositor a copy of Bank's most recent publicly available quarterly or annual financial statement.

5. **Custodian's Obligations.** (a) Custodian shall perform the duties and obligations required of Custodian hereunder, in accordance with the provisions of the Governing Statutes. Upon transfer by Custodian of Eligible Securities to the Collateral Account, including Eligible Securities substituted for other Collateral, Custodian shall promptly identify such Eligible Securities on its books and records as being Collateral held pursuant to this Agreement, and shall promptly issue and deliver to each of Bank and Depositor a duplicate receipt for such Collateral. For the avoidance of doubt, it is understood and agreed that such receipts may be combined to identify more than one transaction on any one business day and Custodian shall not be required to issue more than one such receipt to Bank and Depositor on any business day. Bank and Depositor agree that they shall promptly review all receipts delivered to them by Custodian and shall promptly advise Custodian of any error, omission or inaccuracy in such receipts. In the event that Custodian receives such an advice, Custodian shall promptly undertake to correct any errors, failures or omissions, provided that Custodian determines in its sole discretion that such error, failure or omission actually occurred and shall notify Bank and Depositor of its action concerning each such error, failure, or omission.

(b) Depositor agrees that, with respect to all securities held in the Collateral Account, Custodian by itself, or through the use of the appropriate Securities Depository, shall, unless otherwise instructed to the contrary by Bank or as provided in Section 7 hereof: (i) collect all payments reflecting interest and principal on the securities in the Collateral Account; (ii) forward to Bank copies of all information or documents that it may receive from an issuer of securities which, in the opinion of Custodian, is intended for the beneficial owner of the securities including, without limitation all proxies and other authorizations properly executed and all proxy statements, notices and reports; (iii) execute, as Custodian, any certificates of ownership, affidavits, declarations or other certificates under any tax laws now or hereafter in effect in connection with the collection of bond and note coupons; (iv) hold directly, or through the Book Entry System or Depository, all rights issued with respect to any securities held by Custodian hereunder; and (v) upon receipt of written instructions from Bank, Custodian will exchange securities held hereunder for other securities and/or cash in connection with (A) any conversion privilege, reorganization, recapitalization, redemption in kind, consolidation, tender offer or exchange offer, or (B) any exercise, subscription, purchase or other similar rights; provided, however, such exchanged securities shall continue to be held by Custodian hereunder for the benefit of Depositor if such exchanged securities constitute Collateral. Upon receipt of payments reflecting principal and interest or dividends on the securities in the Collateral Account, Custodian shall transfer to Bank such principal and interest or dividend payments (either by credit to Bank's custody account at Custodian or otherwise).

(c) Custodian shall not be liable for any loss or damage, including counsel fees, resulting from its action or omission to act or otherwise, except for any loss or damage arising out of its own negligence or willful misconduct, and shall have no obligation hereunder for any loss or damage, including counsel fees, which are sustained or incurred by reason of any action or inaction by any Securities Depository, provided, however, that such loss or damage is not caused by the negligence or willful misconduct of Custodian. In no event shall Custodian be liable to Depositor, Bank or any third party for special, indirect or consequential damages, or lost profits or loss of business, arising in connection with this Agreement. Both Depositor, to the extent permitted by law, and Bank agree to indemnify Custodian and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which Custodian may sustain or incur with respect to any third party claim or which may be asserted by a third party against Custodian by reason of or as a result of any action taken or omitted by Custodian in connection with operating under this Agreement, except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of Custodian or any of its employees or duly appointed agents. This indemnity shall be a continuing obligation of Depositor and Bank notwithstanding the termination of this Agreement.

(d) Custodian may, with respect to questions of law specifically regarding the Collateral Account, obtain the advice of reputable legal counsel and shall be fully protected with respect to anything done or omitted by it reasonably and in good faith and without negligence, willful misconduct, bad faith or fraud in conformity with such advice, provided, however, that nothing contained in this paragraph (d) shall be deemed to relieve Custodian of any of its obligations pursuant to any other provision of this Agreement.

(e) Custodian shall not be responsible for, or considered to be custodian of, any securities received by it for deposit in the Collateral Account until Custodian actually receives and collects such securities directly or by the final crediting of Custodian's account on the books of the appropriate Securities Depository. Custodian will be entitled to reverse any provisional credits to the Collateral Account that were made in anticipation of the receipt of securities or cash which were not subsequently received by Custodian.

(f) Custodian shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement and no covenant or obligation shall be implied against Custodian in connection with this Agreement.

(g) In performing hereunder, Custodian may enter into subcontracts, agreements and understandings with third parties whenever and on such terms and conditions as it deems necessary or appropriate and which are consistent with applicable law. If any of such subcontracts, agreements, or understandings with third parties are for the deposit of Eligible Collateral for the benefit of Depositor, (i) such third party will qualify as a "permitted institution" pursuant to the Texas Public Funds Collateral Act, (ii) Custodian shall cause such third party to provide records to Custodian evidencing the deposit of Eligible Collateral with such third party, and (iii) records of the third party relating to such Eligible Collateral will at all times state the name of Custodian. No such subcontract, agreement or understanding shall discharge Custodian from its obligations hereunder.

6. Custodian's Reliance on Pricing Services. The Custodian is authorized to utilize one or more generally recognized pricing information services (including brokers and dealers of securities) in order to provide market values hereunder, and Bank and Depositor agree that Custodian shall not be liable for any loss, damage, expense, liability or claim (including attorneys' fees) incurred as a result of errors or omissions of any such pricing information service, broker or dealer.

7. Default and Remedies. If Bank defaults in performing its obligations under Section 4 above, or if Bank is declared insolvent, or if a receiver is appointed for Bank, Depositor may, after providing Bank at least three (3) business days prior written notice and opportunity to cure the default, and, if Bank fails to cure the default within such (3) business day period, instruct Custodian to transfer the Collateral or any part thereof to a broker-dealer for disposition in accordance with Depositor's instructions at a public or private sale. The proceeds of any such sale shall be applied to satisfy any indebtedness owed by Bank to Depositor, and any excess proceeds shall be returned to Bank. Depositor will also have any other remedies available under applicable law. The Custodian shall be entitled to rely on and shall be held harmless from acts taken in accordance with such instructions from Depositor.

8. Termination of Agreement. Any party to this Agreement may terminate this Agreement by giving thirty (30) days prior written notice of termination to the other parties.

9. Applicable Law; Other Agreements. This Agreement is governed by the laws of the **State of Texas**. All deposit accounts of Depositor will be subject to Bank's Commercial Account Agreement, Business Account Agreement, or other applicable deposit account agreement, as in effect from time to time.

10. Force Majeure. Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, loss or malfunctions of utilities, computer (hardware or software) or communications service, labor disputes, acts of civil or military authority, or governmental, judicial or regulatory action; provided however, that Custodian shall use its best efforts to resume normal performance as soon as practicable under the circumstances.

11. Jury Trial Waiver. EACH OF BANK, DEPOSITOR AND CUSTODIAN HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

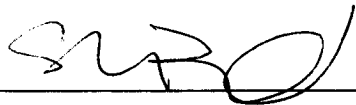
12. Miscellaneous. The headings in this agreement are for convenience of reference only and should not be used in interpreting this Agreement. If any provision of this agreement is illegal or unenforceable under applicable law, that provision should be deemed reformed so as to be enforceable to the extent permitted by applicable law, or if that is not possible, then this Agreement should be read as if that provision was never a part of it, and the remainder of the Agreement will be enforceable. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT OF THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS OF THE PARTIES. Notices given under this Agreement must be addressed as set forth below the

signature of each party, and will be effective upon actual receipt by the addressee or upon refusal of delivery during the normal business hours of the addressee. To the extent that in any jurisdiction any party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, each party irrevocably agrees, to the extent permitted by law, not to claim, and it hereby waives, such immunity in connection with this Agreement.

Date of Agreement: August 20, 2015.

DEPOSITOR: **City of Alvin**

CUSTODIAN: **THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

Signature: 

Print
Name: Sereniah Breland

Title: City Manager

Address: 216 W. Sealy
Alvin, TX 77511

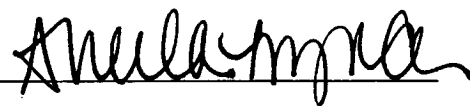
Signature: 

Print
Name: Robert Scimeca
Vice President

Title: _____

Address: 1 Wall Street, Attn: BDS – Coll Mgr SFL
New York, NY 10286

BANK: **WELLS FARGO BANK, NATIONAL ASSOCIATION**

Signature: 

Print
Name: Sheila Lynch

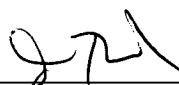
Title: Vice President

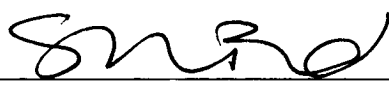
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MAC: A0109-150
San Francisco, CA 94105

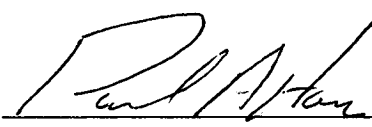
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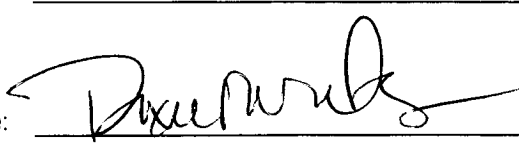
ADDENDUM "A"
(Authorized Officers of Depositor)

One signature of any of the following authorized officers of Depositor is required to authorize actions to be taken pursuant to the foregoing Depository Pledge Agreement. **Individual who signs page 4 must also sign below.**

1. Print Name: Junru Roland, CFO Signature: 
Email: jroland@cityofalvin.com Phone: 281-388-4216
Fax: _____

2. Print Name: Sereniah Breland, CM Signature: 
Email: sbreland@cityofalvin.com Phone: 281-388-4248
Fax: _____

3. Print Name: Paul Horn, Mayor Signature: 
Email: phorn@cityofalvin.com Phone: 281-388-4278
Fax: _____

4. Print Name: Dixie Roberts, City Clerk Signature: 
Email: droberts@cityofalvin.com Phone: 281-388-4255
Fax: _____

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Re: Middle Market COO Public Funds Collateral Management Team Notification Requirement for Intra-Day Deposit

The Wells Fargo Bank, N.A, Middle Market COO Public Funds Collateral Management Team (PFCMT) monitors collateral needs on a daily basis for all our Public Funds customers. The current collateral requirements are based on deposit data as of close of business on the previous business day.

Additionally, the PFCMT can accommodate same day collateral requests upon notification of an incoming deposit. Same day collateral requests may be useful in certain instances such as when the end of a month falls on a Friday. For same day placement of collateral for all custodial agents except BNYM we must receive notification by 9:30 a.m. PST/12:30 p.m. EST. If your collateral is held at BNYM, the cutoff time is 10:30 a.m. PST/1:30 p.m. EST. Any notifications received after this time will be accommodated on a best effort basis. These requests are only applicable to customers with an established custody account. Notification of an additional deposit can come from a Relationship Manager or directly from you via email (see attached chart).

:

- West Public Funds Email: publicfundscollateral@wellsfargo.com
- East Public Funds Email: tmo.public.funds@wellsfargo.com

The following information is required for the PFCMT analyst to react to notification of an additional deposit:

- Entity name
- Contact
- Telephone number
- Date of anticipated deposit
- Account number if available
- Dollar amount of the deposit
- Length of time funds will remain on deposit if known

If you have questions please contact me, the PFCMT at 877-479-6603, or refer to the chart below.

Sincerely,

Middle Market COO Public Funds Collateral Management Team

PUBLIC FUNDS COLLATERAL MANAGEMENT TEAM CONTACT INFORMATION			
Toll Free Number:	(877) 479-6603		
Western States			
States Covered:	AK, AR, AZ, CA, CO, HI, IA, ID, IL, IN, KS, LA, MI, MN, MO, MT, NE, ND, NM, NV, OH, OR, SD, TX, UT, WA, WI, & WY		
Mailing Address:	Wells Fargo Bank, N.A. 333 Market Street, 4th Floor MAC A0109-040 San Francisco, CA 94105 Attn: Sheila Lynch, Vice President		
Fax Number:	(866) 686-5441		
Email Address:	PublicFundsCollateral@wellsfargo.com		
Contacts:	Sheila Lynch	Vice President	(628) 260-3350
	Angela Karanja	Analyst	(628) 260-3349
	Jeana Nguyen	Vice President	(628) 260-3351
	RuiYing (Sharon) Cao	Analyst	(628) 260-3348
Eastern States			
States Covered:	AL, CT, DC, DE, FL, GA, KY, MA, MD, ME, MS, NC, NH, NJ, NY, PA, RI, SC, TN, VA, & WV		
Mailing Address:	Wells Fargo Bank, N.A. Customer Information Center 1525 West. W.T. Harris Blvd Building 3, 4 th Floor (3East) MAC D115-04B Charlotte, NC 28262-0675 Attn: Gladys Rosario, Vice President		
Fax Number:	(704) 427-5560		
Email Address:	tmo.public.funds@wellsfargo.com		
Contacts:	Gladys Rosario	Vice President	(704) 427-5029
	Juanele Trusty	Analyst	(704) 427-5083
	Gail Wood	Analyst	(704) 427-5076

Disclosures and disclaimers

RFP Exceptions

Upon award of business, Wells Fargo will negotiate and enter into mutually acceptable agreements with the City in connection with the deposit and treasury management products and services requested under the RFP. Wells Fargo's right to negotiate all contract terms upon award of business will not be affected or diminished by any language in the RFP, including language that purports to require specific comments (or to prohibit general exceptions) to the City's contractual requirements or to bind Wells Fargo to the City's contractual requirements unless specifically commented upon.

Wells Fargo has included with its response copies of its account and service documentation for the deposit and treasury management products and services requested in the RFP, which we would request serve as the starting point for contract negotiations or be incorporated into any final agreement.

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Municipal Advisor RFP Disclosure

This proposal is submitted in response to your Request for Proposal for Comprehensive Banking Services dated Tuesday, September 22, 2020. The contents of this proposal and any subsequent discussions between us, including any and all information and analysis with respect to product is provided to you in reliance upon your compliance with the guidance of the staff of the SEC's office of Municipal Securities in order for a request for proposal to be consistent with the exemption for responses to requests for proposals or qualifications provided under the municipal advisor rules (the "Muni Advisor Rules") of the Securities and Exchange Commission (the "SEC") (240 CFR 15Ba1-1 et seq.).

In submitting this proposal (a) Wells Fargo Bank, N.A. ("Wells Fargo") is not acting as an advisor to the City of Alvin ("you") and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the information and material contained in this proposal; (b) Wells Fargo is acting for its own interests; and (c) you should discuss any information and material contained in this proposal with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

Commercial Account Agreement

Effective June 23, 2020

Contents

01	Welcome to Wells Fargo	17	Checking and savings accounts	25	Your account ownership
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Welcome to Wells Fargo

Thank you for opening an account with us. We value your relationship and hope we answered all your questions when you opened your account. Please review this account agreement for further details about your account and related services.

What words do we use to refer to you (the customer), Wells Fargo, and this account agreement?

- Customer is "company", "you", "your", or "yours".
- Wells Fargo Bank, N.A. is "Wells Fargo", "bank", "we", "us" or "our".
- This Commercial Account Agreement and the disclosures listed below constitute the "Agreement":
 - The pricing information and other account-related information
 - Our collection schedule
 - Our privacy policy
 - Our rate sheets for interest-bearing accounts
 - Any additional disclosures we provide to you about your account and related services

What information does the Agreement contain?

The Agreement:

- Explains the terms of your banking relationship with Wells Fargo and is the agreement between you and us for your account and related services, and
- Replaces all prior deposit agreements including any oral or written representations.

You are responsible for ensuring that any authorized signer on your account is familiar with the Agreement.

We suggest you keep a copy of the Agreement - and any further information we provide you about changes to the Agreement - for as long as you maintain your Wells Fargo accounts.

Words with specific meanings

Certain words have specific meanings as they are used throughout this Agreement. These words and their meanings are defined in this section, and others are found later in this Agreement.

Affiliate

A bank or other entity that is, directly or indirectly, a wholly or substantially owned subsidiary of Wells Fargo & Company.

Authorized signer

A person who has your actual or apparent authority to use your account, even if they have not signed the account application. We may rely solely on our records to determine the form of ownership of and the authorized signers on your account.

Account

Any business deposit account or commercial deposit account that is not held or maintained primarily for personal, family or household purposes. Examples of accounts include an account owned by an individual acting as a sole proprietor, a partnership, a limited partnership, a limited liability partnership, a limited liability company, a corporation, a joint venture, a non-profit corporation, an employee benefit plan or a governmental unit including an Indian tribal entity.

Business day

Every day is a business day except Saturday, Sunday, and federal holidays.

Collected balance

The collected balance is the ledger balance in your account less the deposit float.

Deposit float

The deposit float is the total dollar amount of items deposited in your account that has yet to be credited as part of your collected balance as a result of the Bank's or applicable affiliate's collection schedule.

Investable balance

The investable balance is the collected balance in your account less the portion required by law to be held at a Federal Reserve Bank and other adjustments.

Item

An item is an order, instruction, or authorization to withdraw or pay funds or money from your account. Examples include checks, drafts, and electronic transactions, including ACH. Paper items may be referred to as checks in this Agreement.

Ledger balance

The ledger balance is the balance in your account after all debits and credits for the business day have been posted.

Overdraft

An overdraft is a negative balance in your account.

Are we allowed to change the Agreement?

Yes. We can change the Agreement by adding new terms or conditions, or by modifying or deleting existing ones. We refer to each addition, modification, or deletion to the Agreement as a modification.

Notice of a modification: If we are required to notify you of a modification to the Agreement, we will describe the modification and its effective date by a message in your account statement or by any other appropriate means.

Waiver of a term of the Agreement: If we waive a right related to your account under this Agreement on one or more occasions, it does not mean we are obligated to waive the same right on any other occasion.

How do I consent to the Agreement and any future modifications to the Agreement?

By signing the Agreement or using your account or service, you consent to this Agreement. Continuing to maintain or use the account or service after a modification to the Agreement means that you have consented to the changes.

Can you consent to the Agreement electronically?

Yes. You may consent to the Agreement using your "Electronic Signature", as defined in the Electronic Signatures in Global and National Commerce Act ("ESIGN Act"), and we may accept your Electronic Signature on any other account-related document. Under the ESIGN Act, your Electronic Signature will constitute your original and binding signature. The fact that you sign using your Electronic Signature will not, by itself, be grounds for invalidating the document.

What happens if a term of the Agreement is determined to be invalid?

Any term of the Agreement that is inconsistent with the laws governing your account will be considered to be modified by us and applied in a manner consistent with those laws. Any term of the Agreement that a court of competent jurisdiction determines to be invalid will be modified accordingly. In either case, the modification will not affect the enforceability or validity of the remaining terms of the Agreement.

Who will communicate with you about your account?

We may provide you or an authorized signer with information about your account. When we receive information from an authorized signer, we treat it as a communication from you. You agree to notify us promptly in writing if an authorized signer no longer has authority on your account.

Resolving disputes through arbitration

Arbitration Agreement between you and Wells Fargo

Upon demand of by you or us, any dispute or claim arising from or relating to this Agreement, or the breach thereof, must

be submitted to arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, and must be heard before three arbitrators if the amount in dispute is US \$5,000,000 or more or its equivalent in any other currency, and before one arbitrator for amounts less than US \$5,000,000 or its equivalent in any other currency. Arbitration will proceed in a location selected by AAA in the state of the applicable Governing Law, and if there is no such state, the place of arbitration must be New York, NY. The language of the arbitration must be English. Judgment on the award rendered by the arbitrators may be entered in any court having competent jurisdiction. This arbitration requirement does not limit the right of you or us to: (a) exercise self-help remedies, including setoff or (b) obtain provisional or ancillary remedies such as injunctive relief or attachment, before, during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of you or us to submit any dispute to arbitration hereunder, including those arising from the exercise of the actions detailed in (a) and (b) of this subsection.

Can either Wells Fargo or you participate in class or representative actions?

No. Wells Fargo and you agree that the resolution of any dispute arising from the terms of this Agreement will be resolved by a separate arbitration proceeding and will not be consolidated with other disputes or treated as a class. Neither Wells Fargo nor you will be entitled to join or consolidate disputes by or against others as a representative or member of a class, to act in any arbitration in the interests of the general public, or to act as a private attorney general. If any provision related to a class action, class arbitration, private attorney general action, other representative action, joinder, or consolidation is found to be illegal or unenforceable, the entire Arbitration Agreement will be unenforceable.

Important legal information

What laws govern your account?

The laws governing your account include:

- Laws, rules, and regulations of the United States, and
- Laws of the state in which the office that maintains your account is located, without regard to its conflicts of laws principles.

If a different state law applies, we will notify you.

Any funds transfer (including a wire transfer) that is a remittance transfer as defined in Regulation E, Subpart B, will be governed by the laws of the United States and, to the extent applicable, the laws of the state of New York, including New York's version of Article 4A of the Uniform Commercial Code, without regard to its conflict of laws principles.

What are our rules on illegal transactions?

You must not use your account or any relationship you may have with us for any illegal purpose, including "restricted transactions" as defined in the Unlawful Internet Gambling Enforcement Act of 2006 and its implementing regulation, Regulation GG. In our discretion, we may block or otherwise prevent or prohibit those transactions and, further, we may close the account or end our relationship with you.

Are we your fiduciary?

No. Our relationship to you concerning your account is that of a debtor and creditor. There is no fiduciary, quasi-fiduciary, or special relationship between you and us.

Will any person or entity be considered a third party beneficiary under this Agreement?

No. No other person or entity will be considered to be a third party beneficiary under this Agreement.

Can you use our name or refer to our relationship without our consent?

No. You and we will not use each other's name or refer to our relationship in any solicitation, marketing material, advertisement, news release or other written, online or oral communication without specific prior written consent for each such use or release, except that we may use your name as a reference in service proposals if we obtain your prior oral or written approval for such use.

What is the controlling language of our relationship?

English is the controlling language of our relationship with you. If there is a discrepancy between our English-language and translated materials, the English version prevails over the translation.

How will we contact you about your account?

For us to service your account or collect any amount you owe, we may contact you by telephone, text, email, or mail. We are permitted to use any address, telephone number or email address you provide. You agree to provide accurate and current contact information and only give us telephone numbers and email addresses that belong to you.

When you give us a telephone number, you are providing your express consent permitting us (and any party acting on behalf of Wells Fargo) to contact you by calling or texting that telephone number. When we call you, you agree that we may leave prerecorded or artificial voice messages. You also agree that we may use automatic telephone dialing systems in connection with calls or text messages sent to any telephone number you give us, even if it is a mobile phone number or other communication service for which the called party may be charged.

What courts may be used to resolve a dispute?

Wells Fargo and you each agree that any lawsuits, claims, or other proceedings arising from or relating to your account or the Agreement, including the enforcement of the Arbitration Agreement and the entry of judgment on any arbitration award, will be venued exclusively in the state or federal courts in the state whose laws govern your account, without regard to conflict of laws principles.

Statements and other notices relating to your deposit account

How do we make account statements and notices available to you?

We will mail, send electronically, or otherwise make available to you an account statement reflecting your account activity for each statement period. We will do the same with notices. We will send all account statements and notices to the postal or electronic address associated with your account.

Combined account statements: To reduce the number of separate account statements you receive each month, we may combine statements if you have more than one deposit account.

If we provide a combined account statement for your accounts, we consider your first account as your primary account. You will receive your account statement at the address listed for your primary account. Statements for accounts in a combined statement will be delivered according to the delivery preference of the primary account.

When are your account statements and notices considered received?

If there is more than one authorized signer on your account, we may send statements and notices to any one of them (unless you have otherwise instructed us in writing). You assume the risk of loss in the mail.

Mailed account statements: When we mail your account statement or notices, we consider it received by you on the second business day after mailing it.

Electronic delivery of account statements: Account statements will be made available through *Wells Fargo Business Online*® Banking or the *Commercial Electronic Office*®, as applicable, after the end of the statement period. You will be notified by email that the account statement is available for viewing. We consider the account statement to be delivered to you when it is available online.

What happens if your account statement or notices are returned or undeliverable?

Unless otherwise prohibited by the laws governing this Agreement, your account statements or notices will be considered unclaimed or undeliverable if:

- Two or more account statements or notices are returned to us through the mail because of an incorrect address, or
- We notify you electronically that your account statement or notices are available for viewing at *Wells Fargo Business Online*® Banking or the *Commercial Electronic Office*®, as applicable, and we receive email notifications that our message is undeliverable.

In either event, we may:

- Discontinue sending account statements and notices, and
- Destroy account statements and notices returned to us as undeliverable

How can you or Wells Fargo change your address for your account?

Address change requests you make: You can change the postal or email address or other means by which we make your account statements and notices available to you at any time by notifying us of your request by telephone or email. We will act on your request within a reasonable time after we receive it. Unless you instruct otherwise, we may change the postal or email address only for the accounts you specify or for all or some of your other accounts with us.

Address changes we make: We may update your listed address without a request from you if we:

- Receive an address change notice from the U.S. Postal Service,
- Receive information from another party in the business of providing correct address details that your actual address does not match the listed address for your account or card, or
- Identify a need to rely on another address you have provided us.

When are notices you send to us effective?

Any notice from you is effective once we receive it and have a reasonable opportunity to act on it.

What obligations do you have to review account statements and notices and notify us of unauthorized transactions or errors?

You are obligated to:

- Examine your account statement and notices promptly and carefully.
- Notify us promptly of any errors.
- Notify us **within 30 days** after we have made your account statement or notices available to you of any unauthorized transaction on your account. *Note:* If the same person has made two or more unauthorized transactions and you do not notify us of the first one within this 30-day period, we will not be responsible for unauthorized transactions made by the same wrongdoer.

- Notify us **within 6 months** after we have made your account statement or a notice available to you if you identify any endorsements which are unauthorized or missing, or other errors relating to endorsements on your checks.

You can notify us of unauthorized transactions or errors on your account statement by promptly:

- Calling the telephone number listed on your account statement or in notices, or
- Sending us a written report (if instructed by us) as soon as possible, and at least within the specified timeframes.

Funds transfers are subject to different time periods for notification of errors, as described in the "Fund transfer services" part of this Agreement. Common examples of fund transfers are ACH, wire transfers, and *Real-Time Payments (RTP®)*.

What happens if you do not notify us of an unauthorized transaction within the time frames specified above?

If you do not notify us of any unauthorized transaction, error, or claim for a credit or refund within the time frames specified above, your account statement or transaction will be considered correct. We will not be responsible for any unauthorized transaction, error, or claim for transactions included in this statement.

When is a transaction unauthorized?

A check is unauthorized when it is:

- Missing a required signature or you have not otherwise authorized it,
- Forged, or
- Altered (for example, the amount of a check or the payee's name is changed).

What happens when you report an unauthorized transaction?

We investigate any reports of unauthorized activity on your account. After you submit a claim, we may require you to:

- Complete and return the claim form and any other documents we require,
- Notify law enforcement, and
- Cooperate fully with us in our investigation.

We can reverse any credit made to your account resulting from a claim of unauthorized transaction if you do not cooperate fully with us in our investigation or recovery efforts, or we determine the transaction was authorized.

Are you responsible for taking reasonable steps to help prevent fraud on your account?

Yes. You agree to take reasonable steps to ensure the integrity of your account and items drawn on your account or deposited to it. You acknowledge that there is a growing risk of losses resulting from unauthorized items. To help prevent fraud and protect your assets, we recommend that you take these preventive measures:

- Assign responsibilities for your account to multiple individuals. The individuals who reconcile statements for your account should be different from the individuals who issue items drawn on your account.
- Reconcile statements for your account as you receive them; notify us promptly of any problem.
- Contact us promptly if you do not receive the statement for your account when you would normally expect to.
- Watch for checks cashed out of sequence or made out to cash. These are classic red flags for embezzlement.
- Secure your supply of checks at all times. Stolen checks are a common method of fraud.
- Periodically reassign accounting duties, such as reconciling your account or making a deposit.
- Review your transaction activity for unexpected fluctuations. For example, compare the percentage of cash deposits to total deposit size. Most businesses will maintain a constant average. A large fluctuation might indicate fraud.

- Destroy any checks that you do not intend to use.
- Use tamper resistant checks at all times.
- Notify us promptly when an authorized signer's authority ends so that his/her name can be deleted from our records for your account, and any cards that we have issued to him/her or online access can be cancelled.
- Do not sign blank checks.
- Obtain insurance coverage for these risks.

This is not an exhaustive list and there may be additional preventive measures you may take to prevent fraud and protect your account.

Protection against unauthorized items

Does Wells Fargo offer services to help prevent fraud on your account?

Yes. We offer services for your account that provide effective means for controlling the risk from unauthorized items.

Examples of these services include:

- Positive pay, positive pay with payee validation, and reverse positive pay
- ACH fraud filter, and
- Payment authorization service.

In addition, we may recommend you use certain fraud prevention practices to reduce your exposure to fraud. Each of these practices is an "industry best practice." Dual custody is an example of an industry best practice. With dual custody, when one user initiates an action, like a payment or a change in the set-up of a service, the action does not take effect until a second user approves the action using a different computer or mobile device than one used to initiate the action.

What are potential consequences if you do not implement a fraud prevention service or industry best practice Wells Fargo has recommended?

If we have expressly recommended you use a fraud prevention service or industry best practice and you either (a) decide not to implement or use the recommended service or industry best practice, or (b) fail to use in accordance with the applicable service description or our other applicable documentation, then you will be treated as having assumed the risk of any losses that could have been prevented or mitigated by correct use of the recommended service or industry best practice.

Lost or stolen checks; unauthorized items

If any of your unissued checks have been lost or stolen, or if you learn that unauthorized items are being issued on your account, you agree to notify us at once. To the extent that your failure to notify us hampers our ability to prevent loss, we will be relieved of any liability for those items. Upon receipt of any notice from you, we - without any liability to you - will dishonor any item you, or any authorized signer, has indicated is unauthorized and may:

- Close your account and open a new account for you, or
- Pay any item presented for payment on your account, provided you have instructed us to pay that item and given us its number.

If we open a new account for you and you have authorized a third party to automatically make regular deposits to or withdrawals from your account (such as wire or ACH transfers), we will have no liability to you if you do not receive any regularly scheduled deposit or if a regularly scheduled payment is not made for you because you did not notify that third party in a timely fashion of the number of your new account.

When does my account become dormant?

Checking accounts, savings accounts, and time accounts (CDs)

Generally, your account becomes dormant if you do not initiate an account-related activity for:

- 12 months for a checking account,
- 34 months for a savings account, or
- 34 months after the first renewal for a time account.

An account-related activity is determined by the laws governing your account. Examples of account-related activity are depositing or withdrawing funds at a banking location or ATM, or writing a check which is paid from the account.

Automatic transactions (including recurring and one-time), such as pre-authorized transfers, payments and electronic deposits (including direct deposits), set up on the account may not prevent the account from becoming dormant.

What happens to a dormant account?

We put safeguards in place to protect a dormant account which may include restricting the following transactions:

- Transfers by telephone,
- Transfers or payments through *Wells Fargo Business Online*® Banking or the *Commercial Electronic Office*®, and
- Wire transfers (incoming and outgoing).

Normal monthly service and other fees continue to apply (except where prohibited by law).

If you do not initiate an account-related activity on the account within the time period as specified by state unclaimed property laws, your account funds may be transferred to the appropriate state. This transfer is known as "escheat." If your account becomes escheatable, account statements will no longer be available. Your account will be closed. To recover your account funds, you must file a claim with the state.

What are checking subaccounts?

For each checking account you maintain with us, we may establish on your behalf a master account and two subaccounts. All information that is made available to you about your account will be at the master account level. The subaccounts are composed of a savings account and a checking account.

On the first day of each month, we will allocate funds between the two subaccounts as appropriate. Items received by us that are drawn against your master account will be presented for payment against the checking subaccount. Funds will be transferred from the savings subaccount as may be needed to cover checks presented on the checking subaccount. On the sixth transfer from the savings subaccount during a statement period, all of the funds on deposit in the savings subaccount will be transferred to the checking subaccount. If your account earns interest, the use of subaccounts will not affect the interest you earn.

Rights and responsibilities

What responsibilities do you and Wells Fargo have to each other?

You and we are responsible for complying with the Agreement. We exercise ordinary care when we provide services. When

we take a check for processing by automated means, ordinary care does not require us to examine the check. In all other cases, ordinary care requires only that we follow standards that do not vary unreasonably from the general standards followed by similarly situated banks.

Except to the extent we fail to exercise ordinary care or to comply with the Agreement, you agree to indemnify and hold us harmless from all claims, demands, losses, liabilities, judgments, and expenses (including attorney's fees and expenses) arising out of or in any way connected with our performance under the Agreement. You agree this indemnification will survive termination of the Agreement.

In no event will either Wells Fargo or you be liable to the other for any special, consequential, indirect, or punitive damages. The limitation does not apply where the laws governing your account prohibit it.

We will not have any liability to you if your account has non-sufficient available funds to pay your items due to actions we have taken according to the Agreement.

Circumstances beyond your control or ours may arise and make it impossible for us to provide services to you or for you to perform your duties under the Agreement. If this happens, neither Wells Fargo nor you will be in violation of the Agreement.

Are you obligated to pay our fees?

Yes. By continuing to maintain your account you agree to pay our fees according to the pricing information.

Why do we charge a recoupment fee?

We assess the recoupment fee to partially recover insurance premiums we pay to the FDIC for deposit insurance. The amount of the recoupment fee appears on the periodic statement or client analysis statement for your account and is based on the monthly average ledger balance you maintain in your account. The recoupment fee is subject to change by us at any time without notice.

Note: The FDIC charges each insured bank a fee to cover its share of the cost of providing deposit insurance to depositors. The FDIC does not charge a bank's depositors for deposit insurance or require banks to pass the cost of deposit insurance on to their depositors. The FDIC does, however, permit a bank to recoup the cost of deposit insurance from its depositors, so long as the fee the bank charges its depositors does not reveal information that could be used to determine the bank's confidential supervisory ratings or mislead depositors by implying the FDIC is charging the fee.

Is my account subject to a deposit balance fee?

We reserve the right to assess a monthly deposit balance fee on the average positive collected balance in your business and commercial deposit account(s) with us. When we assess the deposit balance fee, the amount of the fee will appear on the periodic statement or client analysis statement for your account(s). The deposit balance fee is subject to change by us at any time without notice.

Are you responsible for paying taxes?

Yes. Fees may be subject to state and local sales taxes, which vary by location, and will be assessed as appropriate. You also agree to pay an amount equal to any other applicable taxes, including backup withholding tax.

How do you pay our fees and expenses?

We are permitted to either directly debit your account or invoice you for our fees, expenses, and taxes incurred in connection with your account and related services. We will debit service fees on the day of each calendar month we separately disclose to you, or if that day is not a business day, on the next business day. If there are non-sufficient funds in your account to cover the debit, we may create an overdraft on your account.

You agree to promptly pay any invoiced amount. We may assess finance charges on any invoiced amounts that are not paid within 45 days of the date of invoice. Finance charges are assessed at a rate of 1.5% per month (18% per annum) or the highest amount permitted by the laws governing this Agreement, whichever is less. Charges for accrued and unpaid interest and previously assessed finance charges will not be included when calculating finance charges. Payments and other reductions of amounts owed will be applied first to that portion of outstanding fees attributable to charges for accrued and unpaid interest and previously assessed finance charges, then to other fees and charges.

If an earnings allowance accrues, do we apply it to your fees and expenses?

Yes. If an earnings allowance accrues on your account, we will periodically apply your accrued earnings allowance to eligible fees and expenses (unless we otherwise indicate in writing). If both an earnings allowance and interest accrue on your account, the interest may be shown as an offset to the earnings allowance on the client analysis statement for your account. If your earnings allowance exceeds your total maintenance and activity fees for the statement cycle for your account, the excess credit is not paid to you, nor is it carried forward to the following statement cycle. We may debit your account (or any other account you maintain with us) or invoice you for any amount by which the fees and expenses exceed the accrued earnings allowance on your account.

Note: Your earnings allowance is calculated by applying the earnings credit rate to the investable balance available in your account. The earnings credit rate is a variable rate that we may change at any time.

May we use the funds in your accounts to cover debts you owe us?

Yes. We have the right to apply funds in your accounts to any debt you owe us. This is known as setoff. When we set off a debt you owe us, we reduce the funds in your accounts by the amount of the debt. We are not required to give you any prior notice to exercise our right of setoff.

A debt includes any amount you owe individually or together with someone else, both now and in the future. It includes any overdrafts and our fees. We may set off for any debt you owe us that is due or past due as allowed by the laws governing your account.

If your account is an unmatured time account, then we may deduct any early withdrawal fee or penalty. This may be due as a result of our having exercised our right of setoff.

If you have a sweep account, you authorize us to redeem your shares in the designated money market fund and apply the proceeds to any amount you owe us. Our right to setoff is in addition to and apart from any other rights under any other security interest you may have granted to us.

Do you grant us a security interest in your accounts with us?

Yes. To ensure you pay us all amounts you owe us under the Agreement (e.g., overdrafts and fees), you grant us a lien on and security interest in each account you maintain with us, including your accounts with any affiliate. By opening and maintaining each account with us, you consent to our asserting our security interest if the laws governing the Agreement require your consent. Our rights under this security interest are in addition to and apart from any other rights under any other security interest you may have granted to us.

Can Wells Fargo benefit from having the use of funds in customers' non-interest bearing accounts?

Yes. We may use these funds to reduce our borrowing from other sources such as the Fed Funds market, or invest them in short-term investments such as our Federal Reserve Account. This benefit may be referred to as spread. It is not possible to quantify the benefit to us that may be attributable to a particular customer's funds. That's because funds from all customers' non-interest earning accounts are aggregated to reduce our borrowing costs and for investment, and our use of funds may vary depending on a number of factors including interest rates, Federal Funds rates, credit risks, and our anticipated funding needs. Our use of funds as described in this paragraph has no effect or impact on your use of and access to funds in your account.

What is the applicable exchange rate?

The applicable exchange rate is the exchange rate we set and use for you when we convert one currency to another currency. It includes a markup over our cost of sourcing the relevant currency. The markup factors include without limitation costs incurred, market risks, and our desired return. The exchange rate we provide to you may be different from exchange rates you see elsewhere. Foreign exchange markets are dynamic and rates fluctuate over time based on market condition, liquidity, and risks. We reserve the right to refuse to process any request for a foreign exchange transaction.

What is FDIC "pass-through" insurance?

FDIC "pass-through" insurance is FDIC insurance that could exceed the standard maximum deposit insurance amount (currently \$250,000 per depositor in the same ownership right and capacity). When you use your account to hold funds on behalf of third parties who are the beneficial owners of the funds, your account may qualify for FDIC pass-through insurance, provided you meet FDIC account titling and recordkeeping requirements. With FDIC pass-through insurance, each beneficial owner's funds held in your account are aggregated with other funds the beneficial owner holds in accounts with us in the same ownership right and capacity. The beneficial owner's aggregated funds are insured by the FDIC up to the standard maximum deposit insurance amount. Examples of holding funds on behalf of third parties include funds you hold as an agent, nominee, guardian, executor, custodian or funds held in some other capacity for the benefit of others.

What are the FDIC's recordkeeping requirements for pass-through FDIC insurance when your account has "transactional features"?

For any account with "transactional features", you agree to provide the FDIC (a) with the required information about the beneficial owners of the funds in your account, (b) in the required format, (c) within 24 hours of our failure. Your account has "transactional features" when funds can be transferred from the account, as detailed in 12 CFR 370.2(j).

What are the consequences if you are unable to provide the FDIC with the necessary data on the beneficial owners of funds in your account in the required format in the specified time frame?

As soon as the FDIC is appointed as our receiver, a hold may be placed on your account so that the FDIC can conduct the deposit insurance determination. This hold will not be released until the FDIC obtains the necessary data to enable it to calculate the deposit insurance. You understand and agree that your failure to provide the necessary data to the FDIC in the required format and in the specified time frame may result in a delay in receipt of insured funds by the beneficial owners of the funds in your account and legal claims against you from the beneficial owners.

Detailed information about the FDIC's requirements for pass-through FDIC insurance coverage are available at the FDIC's website. Notwithstanding other provisions in this Agreement, these three FDIC subsections survive after the FDIC is appointed as our receiver, and the FDIC is considered a third party beneficiary of these subsections.

What are we allowed to do if there is an adverse claim against your account?

An adverse claim occurs when:

- Any person or entity makes a claim against your account funds,
- We believe a conflict exists between or among your authorized signers, or
- We believe a dispute exists over who has account ownership or authority to withdraw funds from your account.

In these situations, we may take any of the following actions without any responsibility to you:

- Continue to rely on the documents we have on file for your account.
- Honor the claim against your account funds if we are satisfied the claim is valid.
- Freeze all or a part of the funds in your account until we believe the dispute is resolved to our satisfaction.
- Close your account and send a check for the available balance in your account payable to you or to you and each person or entity who claimed the funds.
- Pay the funds into an appropriate court.

We also may charge any account you maintain with us for our fees and expenses in taking these actions (including attorney's fees and expenses).

How do we handle legal process?

Legal process includes any levy, garnishment or attachment, tax levy or withholding order, injunction, restraining order, subpoena, search warrant, government agency request for information, forfeiture or seizure, and other legal process relating to your account.

We will accept and act on any legal process we believe to be valid, whether the process is served in person, by mail, by electronic notification, or at any banking location.

If we incur any fees or expenses (including attorney's fees and expenses) due to responding to legal process related to your account, we may charge these costs to any account you maintain with us.

If you carry special insurance for employee fraud or embezzlement, can we require you to file your claim with your insurance company before making any claim against us?

Yes. If you have special insurance for employee fraud or embezzlement, we reserve the right to require you to file your claim with your insurance company before making any claim against us. In that event, we will consider your claim only after we have reviewed your insurance company's decision, and our liability to you, if any, will be reduced by the amount your insurance company pays you.

Are there any minimum balance requirements or other restrictions?

We may impose minimum balance requirements or other restrictions on your account, which we may disclose to you.

Are we allowed to restrict access to your account?

Yes. If we suspect any suspicious, unauthorized, or unlawful activities, we can restrict access to your account and other accounts with us that you maintain or control.

Are we allowed to convert your account without your request?

Yes. We can convert your account to another type of account (by giving you any required notice).

Are we allowed to terminate or suspend a service related to your account?

Yes. We can terminate or suspend specific services (e.g., wire transfers) related to your account without closing your account and without prior notice to you. You can discontinue using a service at any time.

When can we close your account?

- We reserve the right to close your account at any time.
- If we close your account, we may send the remaining balance on deposit in your account by mail or credit it to another account you maintain with us.
- We will not be liable for any loss or damage that may result from not honoring items or recurring payments or withdrawals that are received after your account is closed.
- After your account is closed, you will remain responsible for any negative balance.

When can you close your account?

- You can request to close your account at any time if the account is in good standing (e.g., does not have a negative balance or restrictions such as holds on funds, legal order holds, or court blocks on the account). At the time of your request, we will assist you in withdrawing or transferring any remaining funds, bringing your account balance to zero. Whether you or we close the account, you agree to maintain on deposit in your account sufficient funds (determined in our sole discretion) to cover outstanding items to be paid from your account, charge-backs including returned deposited items, and our fees and expenses.
- All outstanding items need to be processed and posted to your account before you make a request to close. Once the account is closed, items will be returned unpaid.
- Any recurring payments or withdrawals from your account need to be cancelled before you make a request to close (examples include bill payments and direct deposits). Otherwise, they may be returned unpaid.
- We will not be liable for any loss or damage that may result from not honoring items or recurring payments or withdrawals that are received after your account is closed.
- At the time of your request to close:
 - For interest-earning accounts, your funds stop earning interest from the date of your request.
 - The Agreement continues to apply.
- If you have requested closing your account and a positive balance remains, we may send you a check for the remaining balance.
- After your account is closed, you will remain responsible for any negative balance.

Are transactions subject to verification by us?

Yes. All transactions are subject to our verification. This includes cash, items, or other funds offered for deposit for which we have provided a receipt. We do not verify all transactions. We reserve the right to reverse or otherwise adjust, at any time without prior notice to you, any debit or credit we believe we have erroneously made to your account.

Are we required to accept all deposits to your account?

No. We may decline all or part of a deposit, including a cash deposit. Some examples are:

- An item made out to a payee not on your account,
- An item with an endorsement we are unable to verify,
- A check or draft issued on a credit account,
- A very large cash deposit, and
- A non-U.S. item.

When we are unable to verify an endorsement on an item, we can also decline to pay, cash, or send the item for collection. We can require all endorsers to be present and we may require you to deposit the item instead of permitting you to cash it. For non-U.S. items, please see the response to "How do we handle non-U.S. items?". We may require any person wanting to make a cash deposit to provide an acceptable form of identification before we accept the deposit for processing.

Who is responsible to make sure the declared amount of funds offered for deposit is accurate?

It is your responsibility, and we have no obligation to make sure the declared amount of your deposit is accurate. If we find a discrepancy exists between the declared and the actual amount of the funds, we are permitted to debit or credit your account and we may notify you if any adjustments are made. We are also permitted to use the declared amount as the correct amount to be deposited and to not adjust a discrepancy if it is less than our standard adjustment amount. We are permitted to vary our standard adjustment amount from time to time without notice to you and to use different amounts depending on account type.

You may arrange for us to adjust all discrepancies identified during any verification without using our standard adjustment amount by contacting your relationship manager.

What happens if there is an error in the amount of a deposit?

If you notify us of an error in the amount of a deposit shown on your account statement within 30 days after receiving your account statement or it is made available to you, we will review the deposit and make any adjustment we determine is appropriate, subject to any applicable fees. If you do not notify us during this timeframe, we will consider the deposit amount on your statement to be correct. This means that if the actual amount is less than the amount on the statement, the difference will become your property. If the actual amount is more than the amount shown on the statement, the difference will become our property.

Are we allowed to obtain credit reports or other reports about you?

Yes. We can obtain a credit or other report about you to help us determine whether to open or maintain an account. Other reports we can obtain include information from the following: 1) motor vehicle departments, 2) other state agencies, or 3) public records.

Are we required to obtain a tax identification number certification from you?

Yes. U.S. Treasury regulations require us to determine the tax residency of all customers and payees who could receive income that is reportable to the IRS. We accomplish this by obtaining a Form W-9 from all U.S. taxpayers and a type of Form W-8 from all foreign customers.

- For U.S. taxpayers, the Form W-9 is how we document U.S. tax residency and obtain a Taxpayer Identification Number ("TIN") from the primary owner of each account that earns reportable income. Until we have received the Form W-9 and TIN, we are required to apply backup withholding to that income.
- Foreign individuals (also referred to as nonresident aliens) and foreign entities document their tax residency outside the U.S. on the applicable type of Form W-8. That form also allows us to apply the correct withholding rate or exemption to your income earned in the U.S. If you do not provide a valid type of Form W-8, we are required to apply the 30% withholding rate, or in some cases, presume you are an uncertified U.S. taxpayer subject to backup withholding on all income and gross proceeds regardless of whether or not it is U.S. sourced.
- Accounts jointly owned by at least one foreign individual or entity must provide a Form W-8 or Form W-9 for all of the joint owners.

- Foreign individuals provide a Form W-8BEN. Foreign entities that are the beneficial owner of the income provide a Form W-8BEN-E unless they can make a special withholding exemption claim and instead provide either a Form W-8EXP or Form W-8ECI.
- Entities that act as intermediaries or flow-through entities receiving income on behalf of someone else provide a Form W-8IMY. In some cases, that Form W-8IMY must also include a withholding statement that allocates the income to each of the beneficial owners and copies of the tax certification documentation for those underlying beneficial owners.

If you own your account as an individual or sole proprietor, upon your death we must be provided with the estate's or successor's IRS Form W-9 or Form W-8. If these are not provided, we may either refuse to pay interest earned on your account from the date of your death or apply backup withholding on the income earned after the date of your death.

When do we share information about your account with others?

Generally, if we do not have your consent, we will not share information about your account. However, we may share information about your account under the following circumstances:

- To comply with the laws governing this Agreement;
- In connection with examinations by state and federal banking authorities;
- To comply with any legal process, including a subpoena, search warrant, or other order of a government agency or court;
- When we determine that disclosure is necessary or appropriate in order to complete a transaction;
- To verify the existence and condition of your account for a third party, such as a merchant or credit bureau;
- To provide information to your legal representative or successor;
- When reporting the involuntary closure of your account;
- When we conclude that disclosure is necessary to protect you, your account, or our interests;
- To our agents, independent contractors, and other representatives in connection with the servicing or processing of your account or account transactions, account analysis, or similar purposes;
- To our affiliates and affiliated companies; and
- If you give your permission.

How do we protect your data?

We are part of an international business with affiliated companies, employees, and service providers (collectively "Personnel") located in the United States and a number of countries around the world. Any information or data we obtain in connection with or relating to your accounts or services, including personal information (collectively "Data"), may be accessed by Personnel in any of these countries. Any of these Personnel will be subject to the requirements of our information security program, which includes policies to protect Data and limit access to those Personnel with a reasonable business need to know.

Are we allowed to monitor and record our communications with you?

Yes. We can monitor, record, and retain your communications with us at any time without further notice to anyone, unless the laws governing your account require further notice.

Monitored and recorded communications include:

- Telephone conversations,
- Electronic messages,
- Electronic records, or
- Other data transmissions.

Is your wireless operator authorized to provide information to assist in verifying your identity?

Yes. As a part of your account relationship, we may rely on this information to assist in verifying your identity.

You authorize your wireless operator (AT&T, Sprint, T-Mobile, US Cellular, Verizon, or any other branded wireless operator) to use your mobile phone number, name, address, email, network status, customer type, customer role, billing type, mobile device identifiers (IMSI and IMEI) and other subscriber status details, if available, solely to allow verification of your identity and to compare information you have provided to Wells Fargo with your wireless operator's account profile information for the duration of the business relationship.

Checking and savings accounts

What are the requirements for a correct endorsement?

An endorsement is a signature, stamp, or other mark on the back of a check. If you have not endorsed a check that you deposited to your account, we may endorse it for you. We may also send for collection any unendorsed check that is payable to you that you have deposited to your account.

Are we bound by restrictions or notations on checks?

No. We are not bound by restrictions or notations, such as "void after six months," "void over \$50," or "payment in full." When you cash or deposit a check with a notation or restriction, you are responsible for any loss or expense we incur relating to the notation or restriction.

What is a substitute check?

A substitute check is created from an original check; under federal law, it is legally equivalent to that original check. A substitute check contains an accurate copy of the front and back of the original check and bears the legend: "This is a legal copy of your check." You can use it the same way you would use the original check. As noted in the legend, a substitute check is the same as the original check for all purposes, including proving that you made a payment. Any check you issue or deposit that is returned to you may be returned in the form of a substitute check. You agree that you will not transfer a substitute check to us, by deposit or otherwise, if we would be the first financial institution to take the substitute check, unless we have expressly agreed in writing to take it.

What happens if you breach a warranty associated with an item?

If you breach any warranty you make to us under the laws governing your account with respect to any item, you will not be released or discharged from any liability for the breach so long as we notify you of the breach within 120 days after we learn of the breach. If we fail to notify you within this 120 day period, you will be released from liability and discharged only to the extent our failure to notify you within this time period caused a loss to you.

How do we handle non-U.S. items?

A non-U.S. item is an item 1) payable in a currency other than U.S. dollars or 2) drawn on a financial institution that is not organized under U.S. law. We are not required to accept a non-U.S. item for deposit to your account or for collection. We may accept non-U.S. items on a collection basis without your specific instruction to do so. We can reverse any amount we have credited to your account and send the item on a collection basis even if we have taken physical possession of the item.

If we accept a non-U.S. item, the U.S. dollar amount you receive for it will be determined by our applicable exchange rate

that is in effect at the time of deposit or our receipt of final payment (less any associated fees) of the collection item. If the non-U.S. deposited item is returned unpaid for any reason, we will charge the amount against your account (or any other account you maintain with us) at the applicable exchange rate in effect at the time of the return. For information on the applicable exchange rate, see "What is the applicable exchange rate?" in the "Rights and responsibilities" section of this Agreement.

Our funds availability policy does not apply to a non-U.S. item.

What is our responsibility for collecting a deposited item?

We are responsible for exercising ordinary care when collecting a deposited item. We will not be responsible for the lack of care of any other bank involved in the collection or return of a deposited item, or for an item lost in collection or return.

What happens if we send an item for collection?

We may, upon notice to you, send an item for collection instead of treating it as a deposit. This means that we send the item to the issuer's bank for payment. Your account will not be credited for the item until we receive payment for it.

Our funds availability policy does not apply to an item we accept for collection.

What happens when a deposited or cashed item is returned unpaid?

We can deduct the amount of the deposited or cashed item from your account (or any other account you maintain with us). We can do this when we are notified that the item will be returned. We do not need to receive the actual item (and usually do not receive it). We can do this even if you have withdrawn the funds and the balance in your account is not sufficient to cover the amount we hold or deduct and your account becomes overdrawn. In addition, we will charge you all applicable fees and reverse all interest accrued on the item.

We may place a hold on or charge your account for any check or other item deposited into your account if a claim is made or we otherwise have reason to believe the check or other item was altered, forged, unauthorized, has a missing signature, a missing or forged endorsement, or should not have been paid, or may not be paid, or for any other reason. When the claim is finally resolved, we will either release the hold or deduct the amount of the item from your account. We are not legally responsible if we take or fail to take any action to recover payment of a returned deposited item.

What happens when an electronic payment is reversed?

We may deduct the amount of an electronic payment credited to your account (e.g., direct deposit) that is reversed. We can deduct the amount from any account you have with us at any time without notifying you. You agree to promptly repay any overdrafts resulting from the reversed payment.

Are you responsible for assisting in reconstructing a lost or destroyed deposited item?

If a deposited item is lost or destroyed during processing or collection, you agree to provide all reasonable assistance to help us reconstruct the item.

Electronic check indemnifications

What warranties do we provide for electronic checks and electronic returned checks?

An "electronic check" and an "electronic returned check" mean an electronic image of, and electronic information derived from, a paper check or a paper returned check. When we transfer or present an electronic check or electronic returned

check, we provide the following warranties:

- **Image Quality Warranty:** We guarantee that the electronic image of a check accurately represents all of the information on the front of the check as of the time that the original check is truncated, and the electronic information includes an accurate record of all MICR line information required for a substitute check and the amount of a check.
- **No Double Debit Warranty:** We guarantee that the warrantee will not receive a presentment of or otherwise be charged for an electronic check, an electronic returned check, the original check, a substitute check, or a paper or electronic representation of a paper substitute check, in a way that the warrantee will be asked to make payment on a check that it has already paid.

When we transfer an electronic check for collection or payment, we make the image quality warranty and the no double debit warranty to the transferee bank, any subsequent collecting bank, the paying bank, and the drawer. When we transfer an electronic returned check for return, we make the image quality warranty and the no double debit warranty to the transferee returning bank, the depository bank, and the owner.

What indemnities are applicable to electronic checks and electronic returned checks?

You will indemnify, defend, and hold us harmless from and against all liabilities, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered (collectively, "losses and liabilities") by us arising directly or indirectly from or related to the transfer or return of an electronic check or an electronic returned check on your behalf. If we suffer any losses or liabilities arising directly or indirectly from or related to a breach of either the image quality warranty or the no double debit warranty, you will reimburse us and not hold us responsible or liable.

What indemnities are applicable to remote deposit capture services?

By providing the remote deposit capture service to you, we are required to indemnify and reimburse a depository bank that accepts the original check from which an electronic check is created for losses incurred by that depository bank if the loss is due to the check having already been paid. If we suffer any losses or liabilities arising directly or indirectly from or related to that type of depository bank indemnity obligation, you will indemnify and reimburse us and not hold us responsible or liable.

What indemnities are applicable to electronically created items?

If we transfer or present an "electronically created item" and receive settlement or other consideration for it, we are required to indemnify and reimburse each transferee bank, any subsequent collecting bank, the paying bank, and any subsequent returning bank against losses that result from the fact that:

- The electronic image or electronic information of the electronically created item is not derived from a paper check;
- The person on whose account the electronically created item is drawn did not authorize the issuance of the electronically created item or to the payee stated on the item; or
- A person receives a transfer, presentment, or return of, or otherwise is charged for an electronically created item in such a way that the person is asked to make payment based on an item or check it has paid.

If we suffer any losses or liabilities arising directly or indirectly from or related to that type of electronically created item indemnity obligation, you will indemnify and reimburse us and not hold us responsible or liable.

Funds availability policy

When can you withdraw funds?

Our funds availability policy is to make funds from your checking deposit available to you on the first business day after the day we receive your deposits.

Funds from the deposits listed below are available on the first business day after the day of your deposits, if you make the deposit in-person to one of our employees or agents and you use a special deposit slip we provide:

- State and local government checks that are payable to your company.
- Cashier's, certified, and teller's checks that are payable to your company where we are not the issuer or drawee.

While we generally make funds from your check deposits available to you on the first business day after the day we receive the deposits, our policy makes funds available according to an availability schedule or schedules we provide or make available to you, subject to, among other things, the location of the deposit transaction or the manner in which the deposit is made.

Our funds availability policy relating to other types of deposits is described below. If we delay the availability of a deposit, the length of the delay varies depending on the type of deposit as explained below.

Once they are available, you can withdraw the funds in cash. We will use the funds to pay checks and other items presented for payment and applicable fees that you have incurred.

When is your deposit considered received?

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before our established cutoff time on a business day that we are open, we will consider that day to be the day your deposit is received by us. For deposits granted same calendar day availability as described below, the calendar day you make the deposit will be considered the day of deposit. For all other deposits, if you make a deposit after our cutoff time or on a day we are not open, we will consider the day your deposit is received by us to be the next business day we are open.

Our established cutoff time is when a branch closes for business and may vary by location. The cutoff time for checks deposited at a Wells Fargo ATM is 9:00 p.m. local time (8:00 p.m. in Alaska).

Any deposits placed in a "night depository" before the established deadline on a business day we are open will be credited to your account by the close of business that day. Deposits placed in the "night depository" after the established deadline will be credited to your account by the close of the next business day we are open.

Same business day availability

The following deposits will be available on the business day we receive the deposit:

- Incoming wire transfers.
- Electronic direct deposits.
- Cash deposited at a teller window.
- Checks drawn on us.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day we receive your deposit. For example, if we receive your mailed deposit on Monday, the funds will be available on Wednesday.

Longer delays may apply

In some cases, we will not make all the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check you deposit, funds may not be available until the second or third business day after the day of your deposit. The first \$225 of your deposit, however, may be available on the first business day after the day of your deposit.

Except as otherwise explained in this paragraph, if we are not going to make all funds from your deposit available on the business day of deposit or the first business day after the day of deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to a Wells Fargo employee, or if we decide to take this action after you have left the premises, we will mail you the notice by the first business day after we receive your deposit.

If you need the funds from a deposit right away, you may ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last 6 months.
- There is an emergency, such as a failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. The funds will generally be available no later than the seventh business day after the day of your deposit.

Holds on other funds (check cashing)

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cash would have been available if you had deposited it.

Holds on other funds (other account)

If we accept a check for deposit that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your ability to withdraw a corresponding amount of funds that you have on deposit in another account with us.

The funds in the other account would then not be available until the time periods that are described in this policy.

Available balance, posting order, and overdrafts

How do we determine your account's available balance?

Your account's available balance is our most current record of the amount of money in your account available for your use or withdrawal. We use the available balance to authorize your transactions during the day. We also use the available balance to pay your transactions in our nightly processing. We calculate your available balance as follows:

- We start with the ending daily account balance from our prior business day nightly processing that includes all transactions deposited to or paid from your account.
- We subtract from this amount any holds placed on a deposit to your account and any holds placed due to legal process.

- We add pending deposits that are immediately available for your use.
- We subtract pending withdrawals that we have either authorized or are known to us but have not yet processed.

Important note: We may place a hold on your account if we receive an electronic notice that an item will be presented for payment or collection against your account (Notice of Presentment). This hold may remain in effect from the time the Notice of Presentment is received until the item is presented or notice is received that the item will not be presented, whichever occurs first. We may conclusively rely on the information we receive in an electronic presentment or notification when determining the available balance in your account. We will not have any liability for refusing to honor any of your items because of insufficient funds, even if the electronic presentment or notification incorrectly describes the item, including its amount. We may debit your account on the day an item is presented by any means, including electronically, or at an earlier time based on a notification received by us that an item drawn on your account will be presented for payment or collection. A determination of the balance in your account for purposes of making a decision about whether not to honor an item due to insufficiency or unavailability of funds may be made at any time between the presentment of the item (or earlier upon receipt of any Notice of Presentment) and the time the item is returned. Only one such determination needs to be made.

How do we process (post) transactions to your account?

We process transactions each business day during a late night process. Once we process your transaction, the results are posted to your account. There are three key steps to this process. The most common types of transactions are processed as described below.

First, we determine the available balance in your account (as described above) that can be used to pay your transactions.

Note: Certain pending transactions can affect your available balance:

- Cash deposits or transfers from another Wells Fargo account that are made **after** the displayed cutoff time (where the deposit was made) will be added to your available balance if they are made before we start our nightly process.
- Your available balance will be reduced by pending withdrawals, such as electronic transactions we have authorized and are required to pay when they are sent to us for payment. These pending withdrawals may be sent to us for payment at a later date. In some circumstances, these transactions may be paid into overdraft if other posted transactions or fees have reduced your balance before the pending transactions are presented for payment.

Then, we sort your transactions into categories before we process them.

- First, we credit your account for deposits, including cash, check deposits and incoming transfers, received before the cutoff time at the location the deposit or transfer was made.
- Then, we process withdrawals/payments we have previously authorized and cannot return unpaid, such as ATM withdrawals, account transfers, Online Bill Pay transactions, and teller-cashed checks. If we receive more than one of these transactions for payment from your account, we will generally sort and pay them based on the date and time you conducted the transactions. For some transactions, such as Online Bill Pay transactions or teller-cashed checks, the time may be assigned by our systems and may vary from the time it was conducted. Multiple transactions that have the same time will be sorted and paid from highest to lowest dollar amount.
- Finally, we use your remaining funds to pay your checks and preauthorized automatic ACH payments (such as bills you pay by authorizing a third party to withdraw funds directly from your account). If there is more than one of these types of transactions, they will be sorted by the date and time that they are received by us. Multiple transactions that have the same time will be sorted and paid from highest to lowest dollar amount.

How do we handle overdrafts?

At our discretion, we are permitted to pay items into overdraft rather than returning them unpaid.

You agree to pay the applicable fee associated with an overdraft or returned item. Any overdraft on your account is

immediately due and payable, unless we agree otherwise in writing. You agree to reimburse us for any attorneys' fees and other costs and expenses we incur in recovering the overdraft (including overdraft and associated fees).

On any business day when we determine there are sufficient funds in your account to pay one or more but not all of the items presented for payment on your account, the order in which we post these items may affect the number of items paid and the overdraft and returned item fees that are assessed. When we post items in the order of highest to lowest dollar amount, the overdraft and returned item fees may be more than these fees would be if we were to post the items in the order of lowest to highest dollar amount.

Additional rules for checks and withdrawals

What identification do we request to cash items presented over the counter by a non-customer?

For these transactions, we require acceptable identification, which can include a fingerprint from the person presenting your item. We may not honor the item if the person refuses to provide us with requested identification.

Are there special rules if you want to make a large cash withdrawal or deposit?

We may place reasonable restrictions on a large cash withdrawal. These restrictions include requiring you to provide five business days' advance notice to ensure we have sufficient cash on hand. We do not have any obligation to provide security if you make a large cash withdrawal. If you want to deposit cash for a very large amount, we have the right to require you to provide adequate security or exercise other options to mitigate possible risks.

Can you perform transactions at an affiliate?

Yes. You may make deposits to and withdrawals from your account at an affiliate, provided the affiliate agrees. If you make a deposit to your account at an affiliate, that affiliate's collection schedule and funds availability policy will determine when the deposited funds will be considered collected and available. If an affiliate cashes an item for you, we may place a hold on your account for a corresponding amount of funds. If the item is later returned to the affiliate for any reason, we may debit one or more of your accounts for the amount of the item.

Are we responsible for reviewing checks for multiple signatures?

No. We are not responsible for reviewing the number of signatures on your account. We do not accept any duty to enforce multiple signature requirements. If you indicate that more than one signature is required, this indication is for your own internal procedures and is not binding on us.

Are we required to honor dates and special instructions written on checks?

No. We may, without inquiry or liability, pay a check even if it:

- Has special written instructions indicating we should refuse payment (e.g., "void after 30 days" or "void over \$100");
- Is stale-dated (i.e., the check's date is more than 6 months in the past), even if we are aware of the check's date;
- Is post-dated (i.e., the check's date is in the future); or
- Is not dated.

We may also pay the amount encoded on your check in U.S. dollars, even if you wrote the check in a foreign currency or made a notation on the check's face to pay it in a foreign currency. The encoded amount is in the line along the bottom edge of the front of the check where the account number is printed.

Can you use a facsimile or mechanical signature?

Yes. If you use a facsimile or mechanical signature (including a stamp), any item appearing to use your facsimile or mechanical signature will be treated as if you had actually signed it.

Are we liable for paying a consumer ACH debit entry on your account?

No. Under the ACH operating rules, certain types of ACH debit entries may only be presented on a consumer account ("a consumer ACH debit entry"). We will have no obligation to pay, and no liability for paying, any consumer ACH debit entry on your account.

What is the acceptable form for your checks?

Your checks must meet our standards, including paper stock, dimensions, and other industry standards. Your checks must include our name and address, as provided by us. Certain check features, such as security features, may impair the quality of a check image that we or a third party create.

We reserve the right to refuse checks that do not meet these standards or cannot be processed or imaged using our equipment. We are not responsible for losses that result from your failure to follow our check standards.

How do you reorder checks?

You can reorder checks by mailing the reorder form enclosed in your current order of checks or by calling us at the telephone number shown on your account statement. If you or a third party prints its items, we shall have no liability to you if we are unable to process these checks by automated means.

How do you stop payment on a check?

You may request a stop payment on your check in a time and manner allowing us a reasonable opportunity to act on it before we pay, cash, or otherwise become obligated to pay your check.

Each stop payment order is subject to our verification that we have not already paid or otherwise become obligated to pay the check from your account. This verification may occur after we accept your stop payment order.

In order to issue a stop payment order on a check, we request the following information:

- Your bank account number,
- The check number or range of numbers,
- The check amount or amounts,
- The payees' names, and
- The date on the check.

We are not responsible for stopping payment on a check if you provide incorrect or incomplete information about the check. We are also not responsible if we do not pay a check for which a valid stop payment order is in effect.

What is the effective period for a stop payment order?

A stop payment order on an item is valid for 6 months. We may pay a check once a stop payment order expires. If you do not have our STOP AUTO-RENEWAL Service on your account, you must place a new stop payment order if you do not want it to expire. We treat each renewal as a new stop payment order. We will charge you for each stop payment order you place (as well as each renewal).

If you have our STOP AUTO-RENEWAL Service on your account, your stop payment order renews annually for up to six 12- month periods, unless you otherwise notify us in writing.

How do you cancel a stop payment order?

To cancel a stop payment order, we must receive your request in a time and manner allowing us a reasonable opportunity to act on it.

Are you still responsible if we accept a stop payment on a check?

Yes. Even if we return a check unpaid due to a stop payment order, you may still be liable to the holder (e.g., a check cashing business) of the check, and potentially additional amounts that the holder may be due under the laws governing this Agreement.

How can you prevent a post-dated item from being paid before its due date?

A post-dated item is an item you issue with a date in the future. We are not responsible for waiting to honor the item until that date, unless you instruct us to do so through the use of a stop payment order for the item. You are responsible for notifying us to cancel the stop payment order when you are ready to have that item paid.

How do you stop payment for preauthorized electronic fund transfers?

For information on placing a stop payment order on an ACH debit entry, please refer to "Fund transfer services" In the "Electronic banking services" section of this Agreement.

Your account ownership

Can you assign ownership of your account?

No. No assignment of your account will be valid or binding on us, and we will not be considered to have knowledge of it, until we consent and the assignment is noted in our records. However, by noting the assignment, we do not have any responsibility to assure that the assignment is valid. Any permitted assignment of your account is subject to our setoff rights.

What if an owner does not sign account documentation?

If a customer identified in our records as an owner or a co-owner of an account does not sign the account application or other account-related documentation, it does not prevent us from treating the customer as an owner or a co-owner of that account; we are not liable to anyone as a result.

Are all joint owners responsible for liabilities on your account?

Yes. All joint owners are each individually and jointly responsible for any overdraft on your account, regardless of who caused or benefited from the overdraft. If there is a setoff, an enforcement of our security interest in your account, or legal action (such as a third party garnishment, seizure, forfeiture, or tax levy) affecting any co-owner, we have the right to treat all funds in the account as belonging to the customer against whom the setoff, enforcement of the security interest, or other legal action is directed. If your account is closed for unsatisfactory handling, we may report all joint owners to the consumer reporting agencies.

What happens upon death or incompetence of an authorized signer or account owner?

Please notify us promptly if you learn or suspect an account owner or signer has been declared incompetent by a court or a legal authority, or has died. When we receive proper notice, we may:

- Freeze the account until we receive documents verifying the incapacity or death and instructions for the funds remaining in the account,
- Pay (without inquiring) any item authorized by the account owner before being declared incompetent or dying,
- Return or reverse deposits made to the account, and
- Apply funds in the account to any debt the account owner owes us before recognizing the rights to any remaining funds of a surviving joint owner or other person.

If we are liable for taxes because we released funds in an account after the account owner's death, the account owner's estate is responsible for reimbursing us for those taxes.

Upon notifying us of the death or incompetence of a business owner, the business entity will need to provide documentation evidencing any change in the ownership or control of the entity following applicable legal formalities.

Interest earning accounts

What interest rate applies to an interest earning account?

When you open an interest earning account, we will provide you with the current interest rate and Annual Percentage Yield (APY) for your account. Interest earning accounts earn interest at a variable rate, except time accounts. We may change the interest rate for variable-rate accounts at any time. The interest rate may vary depending on your daily balances.

How do we calculate earned interest?

We may use either the daily balance method or the average daily balance method to calculate interest. Unless we have specified otherwise in writing, we will use the daily balance method to calculate interest. The daily balance method applies a daily periodic rate to principal each day.

The average daily balance method applies a periodic rate to the average daily collected balance for the period. The average daily balance is calculated by adding principal each day and dividing by the number of days in the period.

If your account is a tiered-rate account, we may pay the same interest rate on more than one tier.

When does a deposit begin accruing interest?

Cash deposits begin accruing interest the same business day a deposit is credited to your account. If you deposit an item such as a check, interest begins accruing on the business day we receive credit for the item.

Is interest compounded and when is it credited?

Interest will compound on a daily basis. For checking and savings accounts, interest will be credited on a monthly basis. For time accounts, we will notify you separately as to the frequency with which interest will be credited to your account.

Can I specify a target balance on my accounts?

Yes. If you maintain multiple accounts with us, you may, with our consent, designate in writing one of these accounts as your "principal account" and one or more additional accounts as "target balance accounts." For each target balance account, you will separately specify to us in writing the ledger balance or collected balance which you wish to maintain in that account (the "target balance"). At the end of each business day, we will determine the applicable balance on deposit in each target balance account. If the applicable balance in a target balance account is greater than its target balance, we will transfer to the principal account the funds necessary to bring the applicable balance to the target balance. If the applicable balance is less than the target balance, we will transfer to the target balance account the funds necessary to bring the applicable balance to the target balance. We may, but will not be required to, transfer funds even if the transfer would create an overdraft or exceed the collected balance on deposit in the principal account.

When are interest adjustments disclosed in your account statement?

An interest adjustment may be reflected on your account statement in a month later than the month in which it occurs.

What is the difference between Annual Percentage Yield (APY) and Annual Percentage Yield Earned (APYE)?

- The Annual Percentage Yield (APY) is a percentage rate reflecting the total amount of interest paid on an account based on the interest rate and the frequency of compounding for a 365-day period.
- The Annual Percentage Yield Earned (APYE) is an annualized rate that reflects the relationship between the amount of interest actually earned on your account during the statement period and the average daily balance in the account for the statement period.

We calculate both your APY and APYE according to formulas established by federal regulations. The APYE appears on your account statement.

Do we have the right to require 7 days written notice before you withdraw money from your savings account?

Yes. We have the right to require 7 days written notice before you withdraw money from your savings account.

Regulation D savings account transaction limit and other limited activity

Regulation D and Wells Fargo limit certain types of withdrawals and transfers from a savings or money market account to a combined total of 6 per monthly statement period (exceptions to the statement period may apply).

Limited by Regulation D:

- Transfers by telephone using our automated banking service or speaking with a banker on the telephone.
- Transfers or payments through online, mobile, and text banking (including Bill Pay and person-to-person payments such as Zelle®).
- Overdraft Protection transfers to a checking account.
- Pre-authorized transfers and withdrawals (including recurring and one time).
- Payments to third parties such as checks, drafts, or similar transactions (counted when they are posted to your account and not when they are written).

Limited by Wells Fargo:

- Transfers and payments to Wells Fargo credit cards, lines of credit, and loans.
- Outgoing wire transfers whether made in person, on the telephone, or online.

Not limited

Except as limited above, there are no limits on withdrawals or transfers made in person at a Wells Fargo ATM or banking location or on any types of deposits.

What happens if you exceed your limit?

If you exceed the limits stated above, you will be charged an excess activity fee (\$10 per excess transaction).

If the limit is exceeded on more than an occasional basis, Wells Fargo may be required to convert the savings or money market account to a checking account, or close the account.

If the withdrawal and transfer limit is reached, we may decline withdrawals and transfers for the remainder of the monthly statement period (exceptions to the statement period may apply) to help you avoid a fee and account conversion or closure.

Time Accounts (CDs)

What are time accounts?

Time accounts include deposits which are payable at the expiration of a specified term, no less than 7 calendar days after the date of deposit. We may also refer to a time account as a CD or a Certificate of Deposit, even though we do not issue a paper certificate when opening the account or require a paper certificate to close the account. The time account's maturity date is the last day of the term for the time account. The maturity date is printed on your receipt.

When can you withdraw funds from your time account?

You may withdraw funds from your time account on the maturity date without a penalty. You may also generally withdraw funds without a penalty within the 7 calendar days after the maturity date (grace period). You may be charged a penalty if you make a withdrawal at any other time.

How is the early withdrawal penalty assessed?

If you withdraw funds from your time account before the maturity date, an early withdrawal penalty will be assessed. For terms:

- Less than three months (or less than 90 days), the fee is one month's interest.
- Three months (or 90 days) through 12 months (or 365 days), the fee is three months' interest.
- Over 12 months through 24 months, the fee is six months' interest.
- Over 24 months, the fee is 12 months' interest.

The minimum fee is \$100.

The early withdrawal penalty is based on the principal amount withdrawn, at the interest rate on your time account at the time of withdrawal. For purposes of determining the amount of the early withdrawal penalty, one month's interest is equal to one year's interest - at the interest rate in effect at the time of withdrawal - divided by 12. The amount of the early withdrawal penalty is deducted from earned interest. If the penalty is greater than the earned interest, the difference is deducted from the principal. In no event will the early withdrawal penalty for a withdrawal during the first six days after the date of deposit be less than seven days' simple interest.

Can you deposit additional funds into your time account?

You can only deposit additional funds during the grace period.

Will your Annual Percentage Yield (APY) change if you withdraw interest before maturity?

The APY we disclose to you assumes the interest you earn will remain on deposit until your time account matures. If you withdraw your earned interest before maturity, your account will earn less interest over time and the actual APY will be less than the disclosed APY.

How does your time account renew?

Your time account will automatically renew at maturity:

- Typically for a similar term unless we inform you prior to maturity of a different term; and
- At our interest rate in effect on the maturity date for a new time account of the same term and amount, unless we have notified you otherwise.

Electronic banking services

Fund transfer services

The following terms and conditions apply to funds transfers to or from your account. These terms and conditions are in addition to, and not in place of, any other agreements you have with us about funds transfers. The terms "funds transfer," "funds-transfer system," "payment order," and "beneficiary" are used here as defined in Article 4A of the Uniform Commercial Code, as adopted by the state whose laws govern this Agreement.

Rules of funds transfer systems

Funds transfers to or from your account will be governed by the rules of any funds transfer system through which the transfers are made, including Fedwire, the National Automated Clearing House Association, the Electronic Check Clearing House Organization, any regional association (ACH), the Clearing House Interbank Payments System (CHIPS), the Society for Worldwide Interbank Financial Telecommunications (SWIFT), and the RTP system (RTP System).

We are under no obligation to honor, in whole or in part, any payment order or other instruction that could result in our violation of applicable law, including requirements of the U.S. Department of the Treasury's Office of Foreign Assets Control and the Financial Crimes Enforcement Network.

Sending funds transfers

In acting on your transfer instructions, we may use any means of transmission, funds transfer system, clearing house, or intermediary bank that we reasonably select.

Notice of funds transfers

We will notify you of funds electronically debited from or credited to your account through the account statement covering the period in which the transaction occurred. We are under no obligation to provide you with any additional notice or receipt

Reliance on identification numbers

- If a payment order or other instruction to transfer funds describes the party to receive payment inconsistently by name and account number, we may make the payment based on the account number, even if it identifies a party different from the named recipient.

- If an instruction or order to transfer funds describes a participating financial institution inconsistently by name and identification number, we may rely on the identification number as the proper identification of the financial institution.

Duty to report unauthorized or erroneous funds transfers

You will exercise ordinary care to determine whether a funds transfer to or from your account was either not authorized or erroneous. You will also notify us of the facts within a reasonable time, not exceeding 14 days after you have received your account statement from us on which the funds transfer appears or you otherwise have notice of the funds transfer, whichever is earlier. You must notify us within 14 days to be entitled to a refund from us. If you do not notify us within 14 days, we will be entitled to retain payment for the funds transfer.

Erroneous payment orders

We have no obligation to detect errors you make in payment orders - for example, an instruction to pay a beneficiary not intended by you, or to pay an amount greater than the amount you intended, or a transmission of a duplicate payment order previously sent by you. If we detect an error on one or more occasions, we will not be obligated to detect errors in any future payment order.

ACH transactions

In addition to the other terms in the Agreement, the following terms and conditions apply to payments to or from your account that you transmit through an ACH:

- Your rights for payments to or from your account will be based on the laws governing your account.
- When we credit your account for an ACH payment, the payment is provisional until we receive final settlement through a Federal Reserve Bank or otherwise receive payment.
- If a payment is credited to your account and we do not receive final settlement or payment, we are entitled to a refund from you for the amount credited to your account.
- You authorize any Originating Depository Financial Institution (ODFI) to initiate, according to ACH Operating Rules, ACH debit entries to your account for presentment or re-presentment of items written or authorized by you.

Reversal or return of ACH transactions

Under the ACH Rules, we can return any non-consumer ACH debit entry as unauthorized until midnight of the business day following the business day we post the entry to your account. (For example, if we post the entry on Tuesday, we can return it up to midnight on Wednesday.) For us to meet this deadline, you are required to notify us to return any non-consumer ACH debit entry as unauthorized by the cutoff time we separately disclose. The cutoff time is currently 3:00 PM Central Time. (In the example above, you would need to notify us by 3:00 PM Central Time on Wednesday).

If you do not notify us in a timely manner of the unauthorized non-consumer ACH debit entry, we will not be able to return it without the cooperation and agreement of the originating bank and the originator of the debit entry. Any other effort to recover the funds must occur solely between you and the originator of the entry.

Stop payment orders on ACH debit entries

You may request a stop payment order for an ACH debit entry that has not already been paid from your account. An "ACH debit entry" is an order or request for the withdrawal of money from your account through ACH. To be effective, a stop payment order must be received in a time and manner that gives us a reasonable opportunity to act on it. If you provide oral instructions to stop payment on an ACH debit entry, we may require confirmation in writing. If that written confirmation is not received, we may remove the stop payment order after 14 days. An instruction to revoke a stop payment order must be received in a time and manner that gives us a reasonable opportunity to act on it.

To place a stop payment order on an ACH debit entry, you must provide:

- Your account number,
- Amount of the ACH debit entry,
- Effective date of the ACH debit entry, and
- Name associated with the originator of the debit entry.

We may request additional information and may use only a portion of the required information to identify the ACH debit entry. We may be able to place a stop payment order based on the company identification number of the originator of the ACH debit entry, but this may stop all ACH entries received from this sender.

Additional information on ACH debit entries

Any information provided by you that is incorrect or subject to change (for example, if the originator changes its company identification number or individual identification number) may result in payment of the ACH debit entry. You acknowledge this risk and agree that you are responsible for notifying the originator of the ACH debit entry that your authorization has been revoked. You agree to indemnify and reimburse us and hold us harmless from and against any loss incurred by us as a result of our paying an ACH debit entry if any of the information relied on in the stop payment order is incorrect or incomplete (or as a result of us not paying an ACH debit entry for which a valid stop payment order is in effect).

Receiving RTP payments

The following additional terms apply to any real-time payments we receive for credit to your account through the RTP System. The terms "sender," "receiver," and "sending participant" are used here as defined in the System Rules governing RTP payments ("RTP Rules"). In addition to the RTP Rules, RTP payments will be governed by the laws of the state of New York, including New York's version of Article 4A of the Uniform Commercial Code, as applicable, without regard to its conflict of laws principles.

- The RTP System may be used only for eligible payments between a sender and receiver with accounts located in the United States. You may not send or receive payments on behalf of any person or entity not domiciled in the United States. RTP payments that are permitted under the RTP Rules and our requirements will be considered eligible payments for purposes of this Agreement.
- RTP payments cannot be cancelled or amended by the sender. If we receive a message from a sending participant requesting return of an RTP payment received for credit to your account, we may notify you of that request. You are not obligated under the RTP Rules to comply with any such request for return of funds. Any dispute between you and the sender of an RTP payment should be resolved between you and the sender.
- If you do not wish to accept an RTP payment received for credit to your account, you may request that we return that payment to the sender. We may, at our sole discretion, attempt to honor that request, but will have no liability for our failure to do so.
- RTP payments are typically completed within 30 seconds of transmission of the RTP payment by the sender, unless the RTP payment fails or is delayed due to a review by us or the sending participant, such as for fraud, regulatory, or compliance purposes. Transaction limits imposed by the RTP System or sending participant may also prevent RTP payments from being received for credit to your account.

Selected services

Stagecoach Deposit® - ATM Deposit Only Card Service.

You may elect to use Wells Fargo's *Stagecoach Deposit®* Deposit Only Card Service by completing and returning to us the setup form for the service. This service allows you to make deposits to your account using a *Stagecoach Deposit®* ATM Deposit Only card ("Deposit Card") at a designated Wells Fargo® ATM ("ATM") or in a Wells Fargo branch.

When you make deposits at a designated Wells Fargo ATM, you will make those deposits according to the instructions we provide. You will gain access to the ATM using the Deposit Card and a Personal Identification Number ("PIN"); you assume the risk of misuse of both. We will provisionally credit each deposit to your account based on the amount you key into the ATM. Your ATM deposits are subject to the standard cut-off time established for the ATM into which the deposit was made and our funds availability policy applicable to your account. If the dollar amount of your deposit - as determined by us - differs from your total (as shown on your ATM receipt), we will send you a statement showing the amount of this difference. You agree that our count of the dollar amount of your deposit will be conclusive and binding on you. You will have full responsibility for each deposit and its contents until the deposit has been completely and physically accepted into the ATM. If you claim any portion of a deposit was lost or stolen while in our custody, you acknowledge that you have the burden of proving your claim. If you order supplies for the ATM Deposit Service through the ATM, you authorize us to initiate debits to your account and credits to the accounts of third party vendors to cover the cost of those supplies provided to you. Those transfers may be processed through an automated clearing house or any other means chosen by us, and will be subject to the rules of the funds transfer system used by us. Your authorization for the transfers will remain in full force and effect until we have received written notification from you of its termination in a time and manner as to afford us and any third-party vendor a reasonable opportunity to act on it.

Stagecoach Deposit® - Post Verify Service.

If you elect to use our *Stagecoach Deposit®* - Post Verify Service, you will prepare, package, and deliver Stagecoach deposits to us according to our instructions. We will provisionally credit your account for the currency shown on the deposit ticket enclosed in your Stagecoach deposit bag as follows:

- Same day credit for deposits delivered to one of our offices before that office's cut-off time on any business day we are open or for deposits placed in night depository before 6:00 a.m. on any business day we are open; or
- Next business day credit for deposits delivered to one of our offices on any business day we are open on or after the office's cut-off time or on any non-business day.

All Stagecoach deposits are subject to our acceptance and verification. We will verify the currency in your Stagecoach deposit bag either at a later time in our office or when your Stagecoach deposit bag is delivered to our cash vault. Checks will be verified when they are delivered to our check processing center. We reserve the right to adjust (debit or credit) your account if we determine that the amount shown on your deposit ticket is incorrect. Because the frequency of armored courier transportation from our offices to our vaults varies from office to office, the time it takes to verify your Stagecoach deposit may vary, depending on the office to which your Stagecoach deposit bag is delivered. In most cases, adjustments will be made and notification will be sent within three business days. Adjustments will be effective when they are processed.

Treasury Management Product Enrollment

Customer Information

Customer Name	_____		CEO Company ID	_____
Street Address	_____			
City	_____	State	_____	Zip
Country Name	_____	Country Code (if applicable)	_____	
Primary Contact	_____	Phone	_____	
Email Address	_____	Fax	_____	

CEO® Users Set-up

User Name	User ID (if existing)

Select one or more CEO Products for the user(s) listed above:

☐ ACH Payments ¹ User	☐ ACH Payments ¹ Administrator	☐ ACH Fraud Filter	☐ Cards ²	☐ Payment Manager Online
☐ Other Treasury Management Products not in Administration ³		☐ Other Treasury Management Products in Administration ⁴		
☐ Cash Vault (specify):	☐ Deposit Inquiry	☐ Change Orders Inquiry	☐ Change Orders	☐ Supply Order

Accounts: _____

ACH IDs (File ID/Company ID): _____

¹ This only covers giving users access to the high level product in the CEO and the ACH application. Additional approval is required to set up detailed product entitlement within the ACH application.

² Recognition Card.

³ Additional Wells Fargo Online Services (Single Sign On to WF Business Online Banking), Autolink, Bill Manager, Centralized Disbursements - Clients, Document Retrieval, Electronic Document Delivery, Healthcare Claims Payments, Healthcare Supplier Payments, Information Reporting Direct File Transfer, Invoice Manager, Payment and Delivery Preferences, Receivables Manager, Retail Lockbox Image Archive, Reverse Positive Pay, Smart Decision Service, Sweep & Fed Funds - Statements & Confirmations, Wells Fargo Business Online Banking (Single Sign On), & White Label Wholesale Lockbox.

⁴ Alerts, ARP Register Maintenance, Basic Banking, Canadian Treasury Services, Cash Concentration, Centralized Disbursements, Deposit Maintenance, Desktop Deposit, E-Box Decisioning, Fed Funds, Image, Image Positive Pay, Item Detail Inquiry Service, Lockbox, Lockbox Correspondence, Payment Manager File Validation Tool, Returned Items, SAFE Transmission, Statements & Notices (Client Analysis Statements, Commercial Checking/Savings Account Statements, Deposit Adjustment Notices, Merchant Notices, Multi Currency Account Statements and Stop Notices), Transaction Search, Treasury Information Reporting, & WellsTAX®.

INTERNAL BANK USE ONLY

Does the customer have Administration, or is it included in the current request? ☐ Yes ☐ No

CEO® Users Set-up

User Name	User ID (if existing)

User Name	User ID (if existing)

Select one or more CEO Products for the user(s) listed above:

☐ ACH Payments¹ User ☐ ACH Payments¹ Administrator ☐ ACH Fraud Filter ☐ Cards² ☐ Payment Manager Online

☐ Other Treasury Management Products not in Administration³

☐ Cash Vault (specify): ☐ Deposit Inquiry ☐ Change Orders Inquiry ☐ Change Orders ☐ Supply Order

Accounts: _____

ACH IDs (File ID/Company ID): _____

¹ This only covers giving users access to the high level product in the CEO and the ACH application. Additional approval is required to set up detailed product entitlement within the ACH application.

² Recognition Card.

³ Additional Wells Fargo Online Services (Single Sign On to WF Business Online Banking), Autolink, Bill Manager, Centralized Disbursements - Clients, Document Retrieval, Electronic Document Delivery, Healthcare Claims Payments, Healthcare Supplier Payments, Information Reporting Direct File Transfer, Invoice Manager, Payment and Delivery Preferences, Receivables Manager, Retail Lockbox Image Archive, Reverse Positive Pay, Smart Decision Service, Sweep & Fed Funds - Statements & Confirmations, Wells Fargo Business Online Banking (Single Sign On), & White Label Wholesale Lockbox.

INTERNAL BANK USE ONLY

Does the customer have Administration, or is it included in the current request? ☐ Yes ☐ No

RSA SecurID Token Request Set-up

Please complete the information below to manage RSA SecurID Tokens for Company and Users

RSA SecurID tokens are mailed to Company Administrators. If the Company Administrator's mailing address is different than the address listed above in the Customer Information section, please indicate the correct mailing address below:

Company Administrator Name _____

Phone Number _____

Street Address (tokens cannot be shipped to post office boxes): _____

City _____

State _____ **Zip** _____

For new users

- **New Token:** To order a token for the first time for a user.
- **Assign Token:** To assign a token to a new user from the supply of tokens accumulated in your Company Token Pool.

For users who have a token today (to request changes for existing users):

- **Replace Token:** To order a replacement token for an existing user if there are no tokens available in the Company Token Pool.
- **Assign Token:** To assign a token to a new user from the supply of tokens available in your Company Token Pool.
- **Un-assign Token:** To remove a token from a user and return the token to you Company Token Pool for reassignment. Please begin collecting and securely retaining unassigned tokens instead of discarding them.
- **Delete Token:** To delete a token completely. This option will remove the token from a user and your Company Token Pool. Once a token is deleted, it can no longer be reused and should be discarded. Follow your local e-waste disposal regulations to dispose of old tokens.

User Name # 1 _____	User ID (for existing CEO® users) _____
Token Serial #* _____	ACH Payments Admin ☐ Yes ☐ No
New User ☐ New Token ☐ Assign Token*	
Existing User (Select one box only) ☐ Replace Token ☐ Assign Token* ☐ Un-Assign Token* ☐ Delete Token*	

CEO® Administration Set-up

Type of Request - Select request type with corresponding start date.

☐ New

☐ Change (Make selections only for options that should change)

Start Date: _____

Company Administrator - Complete applicable fields.

Company Administrators automatically gain access to all Administration functions. If selecting Administrator you will need to specify the detailed Administration functionality that should be entitled.

A minimum of two (2) Company Administrators is required for Dual Custody.

Each Administrator will be sent a token (unless one has been assigned already) and will be authorized as an administrator for all or specific company authorized *Commercial Electronic Office® (CEO®)* portal services.

Company Administrator Name	Email Address	Token Serial Number (If reassigning existing token)	User ID (if existing)

Administrators

You will need to specify the detailed Administration functionality that should be entitled to an Administrator level user.

Each Administrator will be sent a token (unless one has been assigned already) and will be authorized as an administrator for all or specific company authorized *Commercial Electronic Office® (CEO®)* portal services.

Administrator # 1 Detailed Setup - Complete applicable fields

Administrator Name	Email Address	Token Serial Number (If reassigning existing token)	User ID (if existing)

User Administration Options

☐ User Maintenance

☐ Administrator Maintenance

☐ Reset Password

If granting User Maintenance or Reset Password what users can the Administrator view and manage?

☐ All Users

☐ Specific Users

User

List: _____

If granting User Maintenance what CEO Services can the user administer?

☐ All CEO Services

☐ Specific CEO Services

CEO Services: _____

If granting User Maintenance what Accounts can the user administer?

☐ All Accounts

☐ Specific Accounts

Accounts: _____

If granting User Maintenance what ACH IDs can the user administer?

☐ All ACH IDs ☐ Specific ACH IDs

ACH IDs: _____

WellsOne Commercial Card use only

☐ All Divisions ☐ Specific Divisions

List Divisions that can be administered.

Company Administration Options

☐ Manage User Defined Lists

☐ All User List ☐ Specific User List:

Specify User List(s) that can be administered.

☐ All Account List ☐ Specific Account List:

Specify Account List(s) that can be administered.

☐ Manage Company Dual Custody Settings ☐ Manage Account Nicknames ☐ Manage ACH Custom Names

☐ Access to Administration Reports ☐ Manage Tokens

Company Service Options

☐ Manage Company Alerts Settings

☐ Manage Company Statement and Notices Settings

☐ Manage Company Wires Settings

Custody Option

Single Custody - Non-Standard Security Procedure - Customer has declined to use dual custody, which is part of Bank's standard CEO® Administration procedures. With dual custody, an authenticated second user approves select high-risk activities. Customer has instead elected to use single custody. With single custody Secure Validation is used for ACH Payments, Foreign Exchange, Wires, and Administration activities within CEO Administration. Customer acknowledges the significantly reduced security, and recognizes the risks and losses that may materialize as a result of its decision to use single custody.

Dual Custody - Bank's standard CEO® Administration procedures also include dual custody for select, high-risk activities. With dual custody, an authenticated second user approves these activities. There is no additional charge for dual custody.

Forced Dual Custody - By selecting this option, you agree that Wells Fargo will control the dual custody settings for all products and transactions initiated in the CEO® Administration service. You will not be able to change the dual custody settings in Administration, as these may only be modified by contacting your bank representative.

Customized Forced Dual Custody - By selecting this option, you agree to work with your banker to customize your dual custody preferences and select the Administration transactions that will require dual custody. Once these customizations have been established you will not be able to modify or remove them through the CEO® Administration service, as they may only be changed by contacting your banker. If you enroll in a new CEO® product, it will not automatically be placed in dual custody, unless you contact your bank representative.

Customized Forced Dual Custody Settings - Select the products you would like under dual custody in the CEO® Administration service. Only select products for which your company is enrolled. Additionally, specify the CEO® Administration service functions you would like under dual custody.

Product	Custody Settings
---------	------------------

Product	Custody Settings	
ACH Payments (incl. Domestic and International)	☐ Forced Dual Custody	☐ Single Custody
Administration	☐ Forced Dual Custody	☐ Single Custody
Alerts	☐ Forced Dual Custody	☐ Single Custody
Basic Banking	☐ Forced Dual Custody	☐ Single Custody
Business Track	☐ Forced Dual Custody	☐ Single Custody
Canadian Treasury Solutions	☐ Forced Dual Custody	☐ Single Custody
Cash Concentration	☐ Forced Dual Custody	☐ Single Custody
Centralized Disbursements	☐ Forced Dual Custody	☐ Single Custody
Centralized Disbursements - Clients	☐ Forced Dual Custody	☐ Single Custody
Claims Payments	☐ Forced Dual Custody	☐ Single Custody
Credit Management	☐ Forced Dual Custody	☐ Single Custody
Dealer Inventory Finance	☐ Forced Dual Custody	☐ Single Custody
Deposit Maintenance	☐ Forced Dual Custody	☐ Single Custody
Derivatives Access	☐ Forced Dual Custody	☐ Single Custody
Desktop Deposit	☐ Forced Dual Custody	☐ Single Custody
E-Box Decisioning	☐ Forced Dual Custody	☐ Single Custody
Fed Funds	☐ Forced Dual Custody	☐ Single Custody
Foreign Exchange	☐ Forced Dual Custody	☐ Single Custody
Fraud Manager:		
ACH Fraud Filter	☐ Forced Dual Custody	☐ Single Custody
ARP Register Maintenance	☐ Forced Dual Custody	☐ Single Custody
Image Positive Pay	☐ Forced Dual Custody	☐ Single Custody
Image	☐ Forced Dual Custody	☐ Single Custody
Institutional Investing – Reporting	☐ Forced Dual Custody	☐ Single Custody
Item Detail Inquiry Service	☐ Forced Dual Custody	☐ Single Custody
Lockbox	☐ Forced Dual Custody	☐ Single Custody
Payment Manager®	☐ Forced Dual Custody	☐ Single Custody
Returned Items	☐ Forced Dual Custody	☐ Single Custody
SAFE Transmission	☐ Forced Dual Custody	☐ Single Custody
Statements and Notices	☐ Forced Dual Custody	☐ Single Custody
Supplier Payments	☐ Forced Dual Custody	☐ Single Custody
Transaction Search	☐ Forced Dual Custody	☐ Single Custody
Treasury Information Reporting	☐ Forced Dual Custody	☐ Single Custody

Product	Custody Settings	
Warehouse Lending Finance	☐ Forced Dual Custody	☐ Single Custody
WFED - Wells Fargo Electronic Deposit	☐ Forced Dual Custody	☐ Single Custody
Wells Capital Management	☐ Forced Dual Custody	☐ Single Custody
WellsOne Virtual Card Payments	☐ Forced Dual Custody	☐ Single Custody
WellsTAX Payments	☐ Forced Dual Custody	☐ Single Custody
WF Business Online Banking	☐ Forced Dual Custody	☐ Single Custody
Wires	☐ Forced Dual Custody	☐ Single Custody
Administration Settings	Custody Settings	
Add/Edit User	☐ Forced Dual Custody	☐ Single Custody
Password Reset	☐ Forced Dual Custody	☐ Single Custody
Hide Secret Question and Answer	☐ Forced Dual Custody	☐ Single Custody
Wires Limits and Authorizations	☐ Forced Dual Custody	☐ Single Custody
Desktop Deposit Company Preferences	☐ Forced Dual Custody	☐ Single Custody

CEO® Wires Set-up - For Company and Account Set-ups with Administration

Type of Request - Select request type.

☐ New ☐ Change

Company Authorization - (For existing CEO Wires customers, only complete values in this section if an update is requested. For New requests confirm and update all fields in this section.)

Duplicate Check No. of Days (Default - 10)	Default Wire Fee Assignment (select one)	Value Date Roll Forward	File Import (File Import and Payment Manager Import)	Get Rate
	☐ Shared ☐ Beneficiary ☐ Originator	☐ Yes ☐ No (Default)	☐ Yes (Default) ☐ No	☐ Yes (Default) ☐ No

Account Authorization - Account Funds Transfer

Account Number	Associated Application			
	☐ Wires	☐ Drawdowns	☐ Book Transfers	☐ Template Maintenance
	☐ Wires	☐ Drawdowns	☐ Book Transfers	☐ Template Maintenance
	☐ Wires	☐ Drawdowns	☐ Book Transfers	☐ Template Maintenance

CEO® Wires Set-up - For Company, Account, and User ID Set-ups without Administration

☐ New ☐ Change

Company Authorization - (For existing CEO Wires customers, only complete values in this section if an update is requested. For New requests confirm and update all fields in this section.)

Cumulative Funds Transfer Daily Limit	Duplicate Check No. Of Days (Default - 10)	Default Wire Fee Assignment (select one)
\$ _____		☐ Shared (Default) ☐ Beneficiary ☐ Originator
Value Date Roll Forward	File Import (File Import and Payment Manager Import)	Get Rate
☐ Yes ☐ No (Default)	☐ Yes (Default) ☐ No	☐ Yes (Default) ☐ No
Additional Approver Limits		
☐ Wires \$ _____	☐ Book Transfer \$ _____	☐ Drawdown \$ _____

Complete the following regarding Funds Transfer Information for specific payment types

Application Type	Funds Transfer Type Allowed	Number of Verifiers for Templated Wires (default is 1)	Numbers of Verifiers for Freeform Wires (default is 1)
Wire Transfers (Domestic, Intl & Federal Tax Payment)	☐ Templated Only ☐ Freeform Only ☐ Templated & Freeform	N/A - No Change	N/A - No Change
Drawdown	☐ Templated Only ☐ Freeform Only ☐ Templated & Freeform	N/A - No Change	N/A - No Change
Book Transfer	☐ Templated Only ☐ Freeform Only ☐ Templated & Freeform	N/A - No Change	N/A - No Change
Template Maintenance	Not Applicable	N/A - No Change	Not Applicable

Account Authorization - Account Services Limits

Account Number	Cumulative Daily Limit	Associated Application
	\$ _____	☐ Wires ☐ Drawdowns ☐ Book Transfers ☐ Template Maintenance
	\$ _____	☐ Wires ☐ Drawdowns ☐ Book Transfers ☐ Template Maintenance
	\$ _____	☐ Wires ☐ Drawdowns ☐ Book Transfers ☐ Template Maintenance

Optional Default User Limits - Complete all fields to specify optional default limits for users. Enter User information below and select the Apply Default Limits checkbox.

Application Type	Individual Create/Modify/Delete Limit	Cumulative Daily Create/Modify/Delete Limit	Individual Approve/Reject Limit	Cumulative Daily Approve/Reject Limit	Additional Approver Limit*
Wire Transfers					
Drawdown					
Book Transfer					
Template Maintenance	-----	-----	-----	-----	-----

User # 1 Information - Complete all fields

User Name _____ User ID (if CEO user) _____

User Settings - Complete all fields below **or** select checkbox to apply Company default limits to this user. ☐

Get Rate			File Import			
☐ Yes ☐ No			☐ Yes ☐ No			
Services	Type Allowed	Individual Create/Modify/Delete Limit	Individual Approve/Reject Limit	Cumulative Daily Approve/Reject Limit	Additional Approver Limit*	Cumulative Create/Modify/Delete Limit
Wire Transfer	☐ Templated Only ☐ Freeform Only ☐ Templated & Freeform					
Book Transfers	☐ Templated Only ☐ Freeform Only ☐ Templated & Freeform					
Drawdowns	☐ Templated Only ☐ Freeform Only ☐ Templated & Freeform					

User Account Authorizations - Provide user account number and funds transfer service authorization type.

Account Number			Account Number		
Wires	☐ Create/Modify/Delete	☐ Approve/Reject	Wires	☐ Create/Modify/Delete	☐ Approve/Reject
Book Transfers	☐ Create/Modify/Delete	☐ Approve/Reject	Book Transfers	☐ Create/Modify/Delete	☐ Approve/Reject
Drawdowns	☐ Create/Modify/Delete	☐ Approve/Reject	Drawdowns	☐ Create/Modify/Delete	☐ Approve/Reject
Template Maintenance	☐ Create/Modify/Delete	☐ Approve/Reject	Template Maintenance	☐ Create/Modify/Delete	☐ Approve/Reject

Voice Wires Set-upType of Request: ☐ New ☐ Update Existing Information ☐ Delete Existing Information

Account Numbers (list accounts to be debited for each wire transfer)

1) _____ 2) _____ 3) _____
☐ G/L ☐ DDA ☐ G/L ☐ DDA ☐ G/L ☐ DDA
Advice Information (additional fees apply for these services)

For Fax or E-mail notification on intraday wire activity use the InfoFax setup form.

Mail Advice (this paper based service is no longer available to add) ☐ Delete Mail Advice**Mailing address for PINs (if blank, items will be mailed to address on primary statement mailing address)**

Mail Advice for ☐ PINs	Mail PINs to:
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Authorized Callers (people authorized to initiate wires)

\$ Limit = Use "N" if unlimited. The limit applies to all functions unless noted otherwise. If no limit is noted we will set the limit as unlimited.

Initiation Type = If no Initiation Type is noted, we will set the individual up for both Repetitive and Non-Repetitive Wire Initiation. Complete by checking appropriate box: R=Repetitive / B=Both Repetitive & Non-Repetitive.

Authorized Callers First & Last Name	\$ Limit	Phone Number including area code	Initiation Type
			☐ R ☐ B

Alternate Account to be Charged for Wire Fees

List account only if wire fees are to be assessed to this account

☐ DDA ☐ AU and G/L

Account Relationship Link

To link accounts to the Master Account number (for Book Transfer pricing) enter the Master Account number.

Optional Verify Callback Service (does not apply to repetitive wires)

Selecting this fee-based service requires a minimum of two persons with wire transfer authority because the initiator of a wire cannot also approve the wire. If the form does not indicate an Authorized Approver other than the initiator, the optional Verify Callback Service cannot be provided.

Authorized Approvers first and last name	\$ Limit	Phone Number including area code

Payment Authorization Service

This service is part of, and will be subject to the terms and conditions stated in the Commercial Account Agreement ("Agreement"). This set-up form supersedes any and all prior payment authorization service forms set up on the referenced account numbers.

Termination: The Service(s) may be immediately terminated by you or us at any time with or without cause by giving written notice to the other party.

Type of Request - Select request type. (Refer to the reference guide for complete instructions.)

☐ Account-specific Request	☐ Add Payment Authorization Service features checked below to all existing Subaccounts listed under the Master Account – NOTE: Must attach subaccount list. Does not apply to Maximum Check Amount Authorized Payment Service.	☐ Blanket Company Level Approval – Checking this box covers all future accounts and/or subaccounts owned by the specified legal entity. (A separate form must be completed for each legal entity.)
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For Account-specific requests, enter individual account number or Master account number. Does not apply to Blanket Company Level Approval and do not list all Subaccounts.

Maximum Check Amount Authorized Payment Service (not available in conjunction with Positive Pay or Perfect Presentment)

SERVICE: Under the Maximum Check Amount Authorized Payment Service (the "Service") we will automatically (without your specific approval) return unpaid (marked "REFER TO MAKER") checks presented to us drawn against your account specified below which exceeds the Maximum Dollar Authorized Payment Amount specified below:

Check one:	☐ Add Service	☐ Change Amount	☐ Delete Service
Maximum Dollar Authorized Payment Amount: _____			
Account Number(s): _____			

Maximum Check Cashing Amount Authorized Payment Service (not available in conjunction with Positive Pay or Perfect Presentment)

SERVICE: Under the Maximum Check Cashing Amount Authorized Payment Service (the "Service") we will (without your specific approval) refuse encashment of checks presented to us through our branch/store network drawn against your account specified below which exceed the Maximum Check Cash Amount specified below:

Check one: ☐ Add Service ☐ Change Amount ☐ Delete Service

Maximum Dollar Authorized Payment Amount: _____

Account Number(s): _____

Maximum Over the Counter Amount Authorized Payment Service

SERVICE: Under the Maximum Over the Counter Amount Authorized Payment Service (the "Service") we will (without your specific approval) refuse withdrawal requests presented to us through our branch/store network drawn against your account specified below which exceeds the Maximum Over the Counter Withdrawal Amount specified below

Check one: ☐ Add Service ☐ Change Amount ☐ Delete Service

Maximum Over the Counter Withdrawal: _____

Account Number(s): _____

Checks to Individuals Authorized Payment Service

SERVICE: Under the Checks to Individuals Authorized Payment Service (the "Service") we will (without your specific approval) refuse encashment of checks presented to us through our branch/store network drawn against your account specified below for any item made payable to an individual.

Check one: ☐ Add Service ☐ Delete Service

Account Number(s): _____

Customer Legal Entity Information

The enrollment contains ACH, Wire or Sweep services the following Customer Entities:

<u>Customer Legal Entity Name(s)</u>	<u>Entity ID Type</u>	<u>Entity ID</u>
	Select One	

Designation of Wells Fargo Stagecoach Sweep® Option

Customer DDA(s)

Statements and/or Confirmations will be sent to Customer by electronic means unless otherwise requested by Customer. Electronic means include Bank's *Commercial Electronic Office*®, facsimile and/or Secure E-Mail.

The Wells Fargo Stagecoach Sweep® Service Description can be viewed by pasting this link into an internet browser window:
https://wellsoffice.wellsfargo.com/ceopub/assets/pdf/stgcoach-swp/Stagecoach_Sweep_Service_Description.pdf

Investment Sweep

Customer elects the Wells Fargo *Stagecoach Sweep* Preferred Option.

Customer elects the Wells Fargo *Stagecoach Sweep* Repurchase Agreement Option with secondary Wells Fargo *Stagecoach Sweep*, Preferred Option.

Customer elects the Wells Fargo *Stagecoach Sweep* Repurchase Agreement Option.

Customer elects the Wells Fargo *Stagecoach Sweep* Fed Funds Purchased Agreement Option. (GFI Only)

Customer elects the Wells Fargo *Stagecoach Sweep* Fed Funds Sold Agreement Option. (GFI Only)

Customer elects the Wells Fargo *Stagecoach Sweep* Fed Funds Purchased & Sold Agreement Option. (GFI Only)

Money Market Mutual Fund Sweep

Customer elects the Wells Fargo Treasury Plus Money Market Fund - Class A - Fund 453 Option.

Customer elects the Wells Fargo Treasury Plus MMF- Service Class - Fund 454 Option.

Customer elects the Wells Fargo 100% Treasury Money Market Fund - Service Class - Fund 8 Option.

Customer elects the Wells Fargo Government MMF Admin Class - Fund 947 Option.

Customer elects the Wells Fargo Government MMF Institutional - Fund 1751 Option.

Customer elects the Wells Fargo Government MMF Select Class - Fund 3802 Option.

Customer elects the Wells Fargo Treasury Plus MMF Institutional - Fund 793 Option.

Credit Sweep

Customer elects Bank's Credit Sweep Option.

Wire Transfer Services - Security Procedure Elections

For detail on the Security Procedure for an applicable initiation method, refer to the language in the Service Documentation. The Initiation Method(s) and Security Procedure(s) Customer has elected for Wire Transfers are:

Commercial Electronic Office® (CEO®) - Dual Custody

Commercial Electronic Office® (CEO®) - Single Custody

Payment Manager® - Secure Application File Exchange Transmission ("SAFE-T")

Payment Manager® - Machine-to-Machine ("M2M")

Payment Manager® - IBM® Connect:Direct® with Secure Plus+

Payment Manager® - Value-Added Network ("VAN")

Payment Manager® - SWIFT® FileAct

Wells Fargo Gateway (API)

Voice

Bank's voice initiation security procedure consists of confirming (a) the personal identification number ("PIN") accompanying a Payment Order corresponds with a valid PIN assigned to Customer for voice-initiated Payment Orders and (b) the voice print provided when placing a Payment Order matches the print registered for the PIN holder.

Verify Callback Service. If Bank receives a voice-initiated, non-repetitive Payment Order of \$ _____ or more, Bank will make one attempt to telephone an individual authorized to approve wires ("Authorized Approver"), not the initiator, to verify that Payment Order is authorized. A PIN and voice print are required to authenticate each Authorized Approver. If Bank is unable to (a) contact and authenticate or (b) obtain approval from an Authorized Approver, the Payment Order will not be processed.

ACH Origination Services - Security Procedure Elections

For detail on the Security Procedure for an applicable initiation method, refer to the language in the Service Documentation. The Initiation Method(s) and Security Procedure(s) Customer has elected for ACH are:

Commercial Electronic Office® (CEO®) - Dual Custody

Commercial Electronic Office® (CEO®) - Dual Custody with User Approve Own Entitlements

Commercial Electronic Office® (CEO®) - Single Custody

Direct Origination - Secure Application File Exchange Transmission ("SAFE-T")

Direct Origination - IBM® Connect:Direct® with Secure Plus+

Direct Origination - SWIFT® FileAct

Wells Fargo Gateway (API)

Payment Manager® - Secure Application File Exchange Transmission ("SAFE-T")

Payment Manager® - Machine-to-Machine ("M2M")

Payment Manager® - IBM® Connect:Direct® with Secure Plus+

Payment Manager® - Value-Added Network ("VAN")

Payment Manager® - SWIFT® FileAct

Third Party Service Provider

Third Party Service Provider: _____

Contact Person: _____

Telephone: _____ Fax: _____

RTP Services

For detail on the applicable initiation method, refer to the language in the Service Documentation. The Initiation Method(s) and Security Procedure(s) Customer has elected for RTP are:

Wells Fargo Gateway (API)

Bill Manager Service

For detail on the applicable initiation method, refer to the language in the Service Documentation. The Initiation Method and Security Procedure Customer has elected for Bill Manager is:

Commercial Electronic Office® (CEO®)

Customer Approval - (Authorized Signature Required)

Each person who signs this form on Customer's behalf is authorized to do so by resolution, agreement or other legally sufficient action of the governing body of Customer, if Customer is not an individual, or is an Authorized Signer on Customer's account.

Printed Name of Authorized Signer

Phone

Signature

Date

Voice Wire Only - Submitter Information & Instructions

Submitter Name

Submitter Phone

Submitter E-mail

Submitter Fax

NOTE: If Voice Wire is a component of this form, once the customer approves and signs the form, the Banker/Relationship Manager must approve and sign the form, then fax it to Wire Implementation at 866-922-6202 from a valid Wells Fargo Fax. File copies in your location's record-retention file.

Master Agreement for Treasury Management Services

The Service Documentation contains the terms under which Wells Fargo Bank, N.A. and the banks, branches or subsidiaries listed in Appendix X (each, "Bank") provide you treasury management services ("Services"). "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in Services ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. The Bank customer to which the Services will be provided is identified in the Acceptance. Other capitalized terms used in this Master Agreement for Treasury Management Services ("Agreement") are defined in this document.

You and we agree:

1. **Service documentation.** The Service Documentation contains the terms governing each Service and includes:
 - a. The Service Description (which contains terms and conditions applicable to the specific Service),
 - b. The Acceptance (which indicates your acceptance of the Service Documentation),
 - c. This Agreement (which contains terms and conditions applicable to all Services),
 - d. The account agreement governing the account(s) (each, an "Account") you use in connection with the Service,
 - e. The Product Enrollment Form (which contains set-up information for each Service in which you are enrolling), and
 - f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Agreement and the Service Descriptions for Services you enroll in are posted at our *Commercial Electronic Office® (CEO®)* portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Agreement and all Service Documentation.

2. **Services.** You and we will agree upon the Services to be provided and the start date for each Service. Each Service is subject to the approval by our applicable branch or subsidiary. We will notify you when you have completed all requirements for enrolling in the Service and the Service is ready for you to use.
3. **Changes to services.** We may change (or add to) the terms and fees in the Service Documentation at any time. If an enhancement to a Service or other change requires a change to a Service Description, we will post an updated Service Description on the CEO portal. When required by Applicable Law, we will notify you of the change. If you continue to use a Service after the change takes effect, you will be bound by the change. As used in this Agreement, the term "Applicable Law" means all applicable laws (including common or customary laws), statutes, constitutions, policies, decrees, judgments, treaties, regulations, directives, by-laws, rulings, orders or operating circulars governing our activities and/or any transaction effected under this Agreement, including, but not limited to, the funds transfer system and clearing and settlement house rules.

- 4. Term and termination.** Unless a Service is terminated in accordance with the Service Documentation, this Agreement and each Service will continue in effect until terminated by either party upon 30 days' prior written notice to the other party.

We may suspend or terminate any Service:

- a. After we notify you of a breach of any provision of the Service Documentation or any other agreement with us, and you fail to cure the breach (if it can be cured) within 15 days of the date of the notice; or
- b. Without prior notice to you if:
 - i. We reasonably suspect that an Account associated with a Service has been compromised or otherwise subject to irregular, unauthorized, fraudulent, or illegal activity,
 - ii. You become subject to any insolvency or bankruptcy proceeding, or any receivership, liquidation, reorganization, or other similar proceeding, or you enter into any agreement or proceeding for voluntary liquidation, dissolution, composition with or assignment for the benefit of creditors or other winding up,
 - iii. We determine in our sole discretion that continuing to provide a Service may place us at risk of financial loss or result in an unacceptable credit exposure,
 - iv. Any guaranty of your obligations to us ("Guaranty") is terminated, revoked, or its validity contested by the guarantor ("Guarantor"),
 - v. We determine in our sole discretion that a material adverse change has occurred in your ability to perform your obligations under the Service Documentation, or in the ability of a Guarantor to perform its obligations under a Guaranty, or
 - vi. The Account necessary to provide a Service is closed.

The termination of a Service will not affect your or our respective rights with respect to transactions occurring before the termination. We will not be liable to you for any losses or damages you may incur as a result of any termination of any Service or termination or restriction of any CEO portal access rights under section 9(d) below.

- 5. Service fees.** You will pay us the fees described in the Service Documentation and any taxes applicable to each Service, however designated, but excluding taxes based on our net income. We may debit your Account for any fees not covered by earnings credits and any taxes that are due, or we may send you an invoice for these amounts, which you will promptly pay. Our charges and fees are in the applicable fee schedule for Services used in connection with your Account.

6. Security procedures.

- a. Unless otherwise agreed, you agree that "Security Procedure" is the applicable security procedure described in the Service Documentation for your Initiation Method for the Service, which we will use to verify the authenticity of a Transaction. The term "Initiation Method" refers to the method we offer in the product enrollment form ("Set-up Form") or other Service Documentation for delivering your Transaction instructions to us with respect to the applicable Service and includes any applicable transmission protocols. The term "Transaction" means (i) any funds transfer or payment instruction (including any communication cancelling or amending an instruction), and (ii) any instruction, data or other information which we receive in your name with respect to a funds transfer. The purpose of the Security Procedure is to verify the authenticity of the Transaction. We will not use the Security Procedure to detect an erroneous or duplicate transaction. You will be responsible for any erroneous or duplicate transaction we receive in your name. You agree to be bound by each Transaction, whether or not authorized by you, issued in your name and accepted by us in compliance with the Security Procedure for the Service.
- b. You agree that each Security Procedure for the Initiation Method in the Set-up Form or other Service Documentation for each of the Services (a) best meets your requirements with regard to the size, type and frequency of your Transactions, and (b) is commercially reasonable. If you have refused to use any standard Security Procedure and elect a non-standard Security Procedure, then you must sign the Non-Standard Security Procedure Elections form.

- 7. Confidential information.** Unless otherwise stated in the Service Documentation, "Confidential Information" means all (a) User Guides and Terms of Use, and (b) Security Procedures, passwords, codes, security devices and related instructions. You will not acquire any ownership interest in or rights to Confidential Information as a result of your use of any Service.

You will:

- a. Maintain the confidentiality of the Confidential Information,
- b. Not disclose (or permit your employees or agents to disclose), copy, transfer, sublicense, or otherwise make any of it available to any person or entity, other than your employees who have a need to use the Confidential Information in connection with the applicable Service, and
- c. Not decompile, reverse engineer, disassemble, modify, or create derivative works of any Confidential Information.

You will notify us immediately if you know of or suspect any unauthorized disclosure, possession, use, or knowledge (each, an "Unauthorized Use") of any Confidential Information. If you (or your employees or agents) are responsible for the Unauthorized Use, you will, at your expense, promptly take all actions, including initiating court proceedings to recover possession and prevent further Unauthorized Use of the Confidential Information. You will also compensate us for any injury caused to us as a result of the Unauthorized Use.

- 8. Currency conversion.** When your instructions require us to convert the amount of a payment order from the currency in which the Account is denominated ("Account Currency") to another currency ("Foreign Currency"), we will do so using the Applicable Exchange Rate in effect at the time we execute your payment order. "Applicable Exchange Rate" means the exchange rate we set and use for you when we convert one currency to another currency and includes a markup over our cost of sourcing the relevant currency. The markup factors include costs incurred, market risks and our desired return. The exchange rate we provide to you may be different from the exchange rates you see elsewhere. Foreign exchange rates are dynamic, and rates fluctuate over time based on market conditions, liquidity, and risks.

If a financial institution designated to receive the funds does not pay the beneficiary specified in the payment order, and the funds are returned to us, we will not be liable to you for a sum greater than the amount of the payment order after we have converted it from the Foreign Currency to the Account Currency using the Applicable Exchange Rate in effect at the time the funds are returned to us. You accept the risks of any change in the Applicable Exchange Rate between the time you request a payment order and the time the payment order is either completed or is unwound due to a cancellation, an amendment, a rejection, or a return.

9. CEO portal.

- a. **Description of the CEO portal.** The CEO portal is our electronic banking portal that is accessed via the Internet. Your Authorized Agents (defined below) may use the CEO portal to access (i) Services in which you have separately enrolled (each, an "Accessed Service") and (ii) third-party sites we may make available through the CEO portal. We offer different channels through which you may access the CEO portal, including personal computers and mobile devices. We may add or eliminate channels at any time. A Service or third party site accessible through one channel may not be accessible through another channel.
- b. **Access to the CEO portal.** When you enroll in the CEO portal, and as we may determine is necessary after enrollment, we will provide Log-On Credentials (defined below) to the persons who are authorized to access the CEO portal on your behalf (each, an "Authorized Agent"). Log-On Credentials mean one or more secure methods we provide to access the Services and may include user IDs, passwords, token IDs, and other methods that we adopt from time to time. We have no obligation to separately verify or authenticate any communication we receive in your name through the CEO portal, whether or not it was actually from an Authorized Agent. You assume the entire risk of (i) unauthorized use of your Log-On Credentials and (ii) unencrypted electronic transmissions.

- c. **Administration of the CEO portal.** We offer two options for administering the *CEO* portal: (i) Administration and (ii) Bank administration.

- i. **Administration.** If you enroll in the Administration option, there are three categories of Authorized Agents: Company Administrator, Administrator, or User. Unless you and we separately agree, we will provide Log-On Credentials only to your initial Company Administrator(s) who will (a) assign Log-On Credentials to other individuals and (b) designate those individuals as one of the following:
- (1) A Company Administrator, who may perform all functions of your initial Company Administrator,
 - (2) An Administrator, who may perform all functions of an Administrator including designating other Administrator(s) and User(s), or
 - (3) A User, who may access the Services designated by a Company Administrator or an Administrator, as well as those Services in which we permit a User to self-enroll.

Each Company Administrator and Administrator has the authority to enroll you in additional Services. In addition to your use of Administration as described in this subsection, you may request that we assign Log-On Credentials to Users that you designate in writing to us. Your designation to us will specify the Services which the User is authorized to access in addition to those Services in which we permit a User to self-enroll.

- ii. **Bank administration.** For the Bank administration option, there is one category of Authorized Agent: Users. We will assign Log-On Credentials to each User you designate.

You will promptly revoke the Log-On Credentials of any Authorized Agent or User when that individual is no longer authorized to access the *CEO* portal. If you notify us in writing to revoke the Log-On Credentials of an Authorized Agent or User, we will have a reasonable time after receiving your written notification to revoke the individual's access.

- d. **Terminating access.** We may terminate or restrict any Authorized Agent's access to any Service through the *CEO* portal if we determine such use:
- i. Does not comply with any term applicable to the *CEO* portal,
 - ii. Is not permitted by Applicable Law,
 - iii. Is not authorized by you or any third party whose authorization we believe is necessary, or
 - iv. Should be denied for your or our protection (without us agreeing to or being required to make this determination in any circumstance).
- e. **Financial information.** Financial market data, quotes, news, research, and other financial information developed by third parties and transmitted to us ("Financial Information") may be available to you at the *CEO* portal. The posting of any Financial Information or any other information or data at the *CEO* portal is not a recommendation by us of any particular Service or transaction. We do not guarantee the accuracy or completeness of any Financial Information, nor are we responsible for (i) the actions or omissions of the third parties developing or transmitting Financial Information or (ii) any decision you make or action you take by relying on any Financial Information.

10. Alerts.

- a. **Non-subscribed alerts.** When you enroll in the *CEO* portal or other channels or Services, you consent to receiving by email or other delivery channels, servicing messages that we determine are important or urgent. You do not need to subscribe to receive such alerts and you do not pay additional service fees.
- b. **Subscribed alerts.** You may also enroll in fee-based alerts for applicable Services so that you can receive messages you subscribe to at the intervals and through delivery channels that you choose.

11. Liability and indemnification.

- a. We are not obligated to honor, in whole or in part, any payment order or other instruction that:
- i. Exceeds the available balance in the Account, unless otherwise provided in the Service Documentation,

- ii. Does not comply with the Service Documentation or our applicable policies, procedures, or practices made available to you,
 - iii. We have reason to believe may not have been duly authorized, should not be honored for our or your protection, or involves funds subject to a hold, dispute, restriction, or legal process, or
 - iv. Would possibly result in us not complying with Applicable Law.
- b. Neither we nor our software vendors make any express or implied representations or warranties with respect to the Services or any software used in connection with the Services, including any warranty as to the merchantability or fitness for a particular purpose, other than those expressly set forth in the Service Documentation.
- c. Any claim, action, or proceeding against us for losses or damages arising from a Service, must be brought within one year from the date of the act or omission, except as otherwise stated in the account agreement governing the Account.
- d. We will have no liability for our failure to perform or delay in performing a Service if the failure or delay is due to circumstances beyond our reasonable control. If we determine that any funds transfer or communications network, Internet service provider, or other system used to provide a Service is unavailable, inaccessible, or otherwise unsuitable for use by you or us, we may, upon notice to you, suspend or discontinue the affected Service.
- e. We will only be liable to you for actual damages incurred as a direct result of our failure to exercise reasonable care in providing the Services. Reasonable care requires only that we follow standards that do not vary unreasonably from the general standards followed by similarly situated banks. Our policies and procedures are general internal guidelines for our use and do not establish a higher standard of care for us than otherwise established under Applicable Law. A mere clerical error or an honest mistake will not be considered a failure by us to perform any of our obligations. Our liability to you will be limited to an amount not greater than 10 times our fees incurred in the calendar month immediately before the calendar month in which the loss or damages were incurred (or, if no fees were incurred in that month, our fees incurred in the month in which the losses or damages were incurred).
- f. Except in the case of our negligence or intentional misconduct, you will indemnify and hold us, our directors, officers, employees and agents ("Representatives") harmless from all losses or damages that arise out of:
 - i. The performance of a Service in compliance with the Service Documentation, including any warranty we are required to make to a third party in connection with a Service,
 - ii. An act or omission of any of your agents, couriers, or Authorized Agents, and
 - iii. If the Service includes a license or sublicense of any software, any use or distribution of the software by you or any person gaining access to the software through you that is inconsistent with the license or sublicense.

You will promptly provide us with written proof of loss, and notify us if you become aware of any third party claim related to a Service. You will cooperate fully (and at your own expense) with us in recovering a loss. If we reimburse you, we or our designee will be subrogated to all of your rights (i.e., we will be entitled to assert any legal rights you had relating to the claim).

- g. Except as expressly provided otherwise in the Service Documentation, neither party nor its Representatives will be liable to the other party for:
 - i. Any special, consequential, incidental (including court costs and attorneys' fees), indirect, or punitive losses or damages, or
 - ii. Business interruption, loss of profits, loss of business, loss of revenue, loss of goodwill, loss of opportunity, loss or injury to reputation, or loss of anticipated savings, whether any claim is based on contract or tort, or whether the likelihood of these losses or damages was known to the other party and regardless of the form of the claim or action.
- h. When you send payments on behalf of your third party customers, you agree you are solely liable to your customers for any and all losses those customers may suffer. We exclude all and any liability of whatever nature (including those losses detailed in subsection g above) arising out of your relationship with your customer.

- 12. Governing law.** The Service Documentation will be governed by: (a) U.S. federal law and (b) the law of (i) the U.S. state in which the office of Bank that maintains the Account is located or, if there is no such state or no account associated with such Service, (ii) the State of New York, without reference to its principles of conflicts of laws ("Governing Law").
- 13. Arbitration agreement.** Upon demand by you or us, any dispute or claim arising out of or relating to this Agreement, or the breach thereof, must be submitted to arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, and must be heard before three arbitrators if the amount in dispute is U.S. \$5,000,000 or more or its equivalent in any other currency, and before one arbitrator for amounts in dispute of less than U.S. \$5,000,000 or its equivalent in any other currency. Arbitration will proceed in a location selected by AAA in the state of the applicable Governing Law, and if there is no such state, the place of arbitration must be New York, NY. The language of the arbitration must be English. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. This arbitration requirement does not limit the right of you or us to: (a) exercise self-help remedies including setoff or (b) obtain provisional or ancillary remedies such as injunctive relief or attachment, before, during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of you or us to submit any dispute to arbitration hereunder, including those arising from the exercise of the actions detailed in (a) and (b) of this section.
- 14. Jurisdiction.** For any proceedings regarding this Agreement (not subject to arbitration as provided in this Agreement), you hereby irrevocably submit to the jurisdiction of the courts of the Borough of Manhattan, New York City, in the State of New York or the federal courts located there and irrevocably agree that all claims in relating to the proceeding may be heard or determined in those courts.
- 15. Miscellaneous**
- a. **Severability.** Any portion of the Service Documentation which is inconsistent with Applicable Law or Governing Law will be deemed modified and applied in a manner consistent therewith, and we will incur no liability to you as a result of the inconsistency or modification and application to any dispute regarding the Service Documentation. If any portion or provision of the Service Documentation is deemed unenforceable, it will not affect the enforceability or validity of the remaining Service Documentation nor the enforceability or validity of that portion or provision under the law of any other jurisdiction.
 - b. **Entire agreement.** The Service Documentation (and any documents referred to therein):
 - i. Constitutes the entire agreement between you and us regarding the Services we provide for all Accounts opened with us, and
 - ii. Supersedes and extinguishes all prior agreements, understandings, representations and warranties of any nature (including requests for proposals and other sales material), whether oral or written, between you and us relating to any of our Services (including any other Master Agreement for Treasury Management Services, but excluding the current Commercial Account Agreement or Global Commercial Account Agreement, as applicable).
 - c. **Electronic agreement.** To facilitate execution, the Service Documentation may be executed by a party in the form of an "Electronic Record" (as defined in the Electronic Signatures in Global and National Commerce Act at 15 U.S.C. §7001 et seq. ["ESIGN Act"]). The Service Documentation may be executed in as many counterparts as may be required to reflect all parties' approval, and all counterparts will collectively constitute a single agreement. An "Electronic Signature" (as defined in the ESIGN Act) that can be authenticated will constitute an original and binding signature of a party. The fact that a document is in the form of an Electronic Record or is signed using an Electronic Signature will not, in and of itself, be grounds for invalidating such document.
 - d. **No waiver.** Neither our failure nor any delay by us in exercising any right or remedy will be deemed to be a waiver of the right or remedy. No course of dealing or waiver of any right on one occasion will constitute a modification of the Service Documentation or be a waiver of that right on a subsequent occasion.
 - e. **Third party beneficiaries.** Except as otherwise provided in the Service Documentation, no person or entity other than the parties to this Agreement will be deemed to be a third party beneficiary under the Service Documentation.

- f. **Financial condition.** You will provide us promptly upon our request any existing financial statements or other information pertaining to your financial condition or any previously unprepared financial statements which we may require you to prepare and/or to be audited or reviewed by independent certified public accountants acceptable to us.
- g. **Your representations and warranties.** You represent and warrant that: (i) you will not use any Service in a manner that would violate any Applicable Law by you or us; (ii) if you employ an agent in connection with its use of any Service, you represent and warrant to us that: (1) your governing body has duly authorized the agent; (2) you will exercise appropriate controls to ensure each authorized agent does not exceed the authority granted to it; and (3) you will preserve the confidentiality of the Log-On Credentials and immediately notify us if you become aware or suspect that any Log-On Credential may have been compromised.
- h. **Use of names.** You and we will not use each other's name or refer to our relationship in any solicitation, marketing material, advertisement, news release, or other written, online or oral communication without specific prior written consent for each such use or release, except that we may use your name as a reference in service proposals if we obtain your prior written approval for such use.
- i. **Notices and communications.** Either party may provide notice to the other party by mail, personal delivery, or electronic transmission.
 - i. You will notify us promptly in writing of any change in your name, Address, legal status, or any other changes relevant to the conduct of the Account or affecting your business relationship with us.
 - ii. The term "Address" as used in this Agreement refers to a mailing or electronic address.
 - iii. You will use the Address where your relationship manager or other manager is located and will address any notice to the attention of the manager.
 - iv. Each party will have a reasonable time after receipt of any notice to act on it.
 - v. Any communication or notice to us from your agent about your use of a Service will be deemed to be a communication from you, and you authorize us to communicate with your agent about any such communication or Service.
 - vi. We are entitled to rely on any communication or notice from you that we believe in good faith was authorized by your authorized representative or Authorized Agent and, we will have no obligation to verify or authenticate an identity of a sender or signature on any notice or communication, except as expressly provided in the Service Documentation.

16. Survival. Sections 7, 9, 11 - 15 will survive termination of the Services and this Agreement.

APPENDIX X

Applicable Branches or Subsidiaries of Bank

1. Wells Fargo Bank, N.A. - London Branch
2. Wells Fargo Bank, N.A. - Cayman Islands Branch

Commercial Account Signature Card

I. Account Title(s)

Account #1 _____ CoID _____ (Internal Use Only)	Account #2 _____ CoID _____ (Internal Use Only)
Title Line 1 _____ (Customer's full legal name matching Customer's formation documents and TIN certification documentation- 40 characters max.)	Title Line 1 _____ (Customer's full legal name matching Customer's formation documents and TIN certification documentation- 40 characters max.)
Optional Account Title Lines (40 characters max per line.)	Optional Account Title Lines (40 characters max per line.)
Title Line 2 _____	Title Line 2 _____
Title Line 3 _____	Title Line 3 _____
Title Line 4 _____ (If applicable, enter DBA name on last available title line)	Title Line 4 _____ (If applicable, enter DBA name on last available title line)

II. Regulation GG Certification

Customer or any entity for which account(s) will be maintained (f/b/o) engaged in business of internet gambling? ☐ Yes ☐ No

III. Authorized Account Signers

#1	Signature _____	Printed Name _____	Position/Title _____
	Signer role-Please Select one . If no selection default will be limited signer. Refer to section IV for authority definitions.		
	☐ Limited Signer	☐ Authorized Agent	☐ Principal Officer/Key Executive ☐ Owner
	If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____		
#2	Signature _____	Printed Name _____	Position/Title _____
	Signer role-Please Select one . If no selection default will be limited signer. Refer to section IV for authority definitions.		
	☐ Limited Signer	☐ Authorized Agent	☐ Principal Officer/Key Executive ☐ Owner
	If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____		
#3	Signature _____	Printed Name _____	Position/Title _____
	Signer role-Please Select one . If no selection default will be limited signer. Refer to section IV for authority definitions.		
	☐ Limited Signer	☐ Authorized Agent	☐ Principal Officer/Key Executive ☐ Owner
	If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____		
#4	Signature _____	Printed Name _____	Position/Title _____
	Signer role-Please Select one . If no selection default will be limited signer. Refer to section IV for authority definitions.		
	☐ Limited Signer	☐ Authorized Agent	☐ Principal Officer/Key Executive ☐ Owner
	If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____		

IV. Customer Acknowledgement & Agreement

On behalf of the customer, I hereby certify, by my signature below, that each of the individuals designated in Section III above as

- (a) a "Limited Signer" is authorized, acting alone, to (i) sign checks drawn on the account(s) and (ii) instruct Wells Fargo with respect to stop payment order(s).
- (b) an "Authorized Agent" is authorized, acting alone, to (i) sign checks drawn on and make cash withdrawals from the accounts(s), (ii) instruct Wells Fargo with respect to stop payment order(s) and (iii) initiate funds transfers by ACH, wire or other means from the account(s) in accordance with the customer's contractual arrangements with Wells Fargo regarding these services.
- (c) a "Principal Officer/ Key Executive" is authorized, acting alone, to (i) sign checks drawn on and make cash withdrawals from the accounts(s), (ii) instruct Wells Fargo with respect to stop payment order(s) and (iii) initiate funds transfers by ACH, wire or other means from the account(s) in accordance with the customer's contractual arrangements with Wells Fargo regarding these services. Additional information may be requested from all named Principal Officers/Key Executives according to Wells Fargo's customer due diligence policies.
- (d) an "Owner" is authorized, acting alone, to (i) sign checks drawn on and make cash withdrawals from the accounts(s), (ii) instruct Wells Fargo with respect to stop payment order(s) and (iii) initiate funds transfers by ACH, wire or other means, including to personal and business account(s) in accordance with the customer's contractual arrangements with Wells Fargo regarding these services. Additional information may be requested from all named Owners according to Wells Fargo's customer due diligence policies.

Wells Fargo may obtain credit reports or other information about the customer. Wells Fargo may disclose information about each account to its affiliates, to credit reporting agencies, and to other persons or agencies that, in Wells Fargo's judgement, have a legitimate purpose for obtaining the information.

I acknowledge that the customer has received the Wells Fargo Commercial Account Agreement and agrees its terms and conditions, as amended from time to time, will govern the account(s).

Printed Name	Position/Title
Authorized Signature	Date

V. Taxpayer Certification

Please provide a copy of the most current version of IRS form W-9 or W-8. Tax forms are subject to review and withholding could apply if forms are incomplete or inaccurate.

☐ W-9 provided for U.S. Entity

Taxpayer Identification Number (TIN)

Enter your TIN on the appropriate line below. The TIN provided must belong to the Customer whose full legal name is provided in Section I, Title Line 1 and match the W-9 provided. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Form W-9 Part I instructions at www.irs.gov for additional information. For other entities, it is your employer identification number (EIN). The number provided below applies to all accounts listed on this signature card.

Social Security Number (SSN) _____ Employer Identification Number _____

☐ W-8 provided for non-U.S. Entity

Bank Use Only		
Banker Name	Banker Telephone	Banker MAC
AU	RAU	Officer #
Submitter Name		Submitter Phone #

Amendment to Commercial Account Signature Card

I. Account Title(s)

Account #1 _____ CoID _____ (Internal Use Only)	Account #2 _____ CoID _____ (Internal Use Only)
Title Line 1 _____ (Customer's full legal name matching Customer's formation documents and TIN certification documentation- 40 characters max.)	Title Line 1 _____ (Customer's full legal name matching Customer's formation documents and TIN certification documentation- 40 characters max.)
Optional Account Title Lines (40 characters max per line.)	Optional Account Title Lines (40 characters max per line.)
Title Line 2 _____	Title Line 2 _____
Title Line 3 _____	Title Line 3 _____
Title Line 4 _____ (If applicable, enter DBA name on last available title line)	Title Line 4 _____ (If applicable, enter DBA name on last available title line)

II. Amendment to Authorized Account Signers-add:

#1

Signature _____	Printed Name _____	Position/Title _____
-----------------	--------------------	----------------------

Signer role-Please Select **one**. If no selection default will be limited signer. Refer to section IV for authority definitions.

☐ Limited Signer
 ☐ Authorized Agent
 ☐ Principal Officer/Key Executive
 ☐ Owner

If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____

#2

Signature _____	Printed Name _____	Position/Title _____
-----------------	--------------------	----------------------

Signer role-Please Select **one**. If no selection default will be limited signer. Refer to section IV for authority definitions.

☐ Limited Signer
 ☐ Authorized Agent
 ☐ Principal Officer/Key Executive
 ☐ Owner

If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____

#3

Signature _____	Printed Name _____	Position/Title _____
-----------------	--------------------	----------------------

Signer role-Please Select **one**. If no selection default will be limited signer. Refer to section IV for authority definitions.

☐ Limited Signer
 ☐ Authorized Agent
 ☐ Principal Officer/Key Executive
 ☐ Owner

If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____

#4

Signature _____	Printed Name _____	Position/Title _____
-----------------	--------------------	----------------------

Signer role-Please Select **one**. If no selection default will be limited signer. Refer to section IV for authority definitions.

☐ Limited Signer
 ☐ Authorized Agent
 ☐ Principal Officer/Key Executive
 ☐ Owner

If principal Officer/Key Executive or Owner are selected, banker must provide CIS customer number: _____

III. Amendment to Authorized Account Signers-delete:

#1 _____	#2 _____
Signer Name	Signer Name

#3

Signer Name

#4

Signer Name**IV. Customer Acknowledgement & Agreement**

On behalf of the customer, I hereby certify, by my signature below, that each of the individuals designated in Section II above as

(a) a "Limited Signer" is authorized, acting alone, to (i) sign checks drawn on the account(s) and (ii) instruct Wells Fargo with respect to stop payment order(s).

(b) an "Authorized Agent" is authorized, acting alone, to (i) sign checks drawn on and make cash withdrawals from the accounts(s), (ii) instruct Wells Fargo with respect to stop payment order(s) and (iii) initiate funds transfers by ACH, wire or other means from the account(s) in accordance with the customer's contractual arrangements with Wells Fargo regarding these services.

(c) a "Principal Officer/ Key Executive" is authorized, acting alone, to (i) sign checks drawn on and make cash withdrawals from the accounts(s), (ii) instruct Wells Fargo with respect to stop payment order(s) and (iii) initiate funds transfers by ACH, wire or other means from the account(s) in accordance with the customer's contractual arrangements with Wells Fargo regarding these services. Additional information may be requested from all named Principal Officers/Key Executives according to Wells Fargo's customer due diligence policies.

(d) an "Owner" is authorized, acting alone, to (i) sign checks drawn on and make cash withdrawals from the accounts(s), (ii) instruct Wells Fargo with respect to stop payment order(s) and (iii) initiate funds transfers by ACH, wire or other means, including to personal and business account(s) in accordance with the customer's contractual arrangements with Wells Fargo regarding these services. Additional information may be requested from all named Owners according to Wells Fargo's customer due diligence policies.

Wells Fargo may obtain credit reports or other information about the customer. Wells Fargo may disclose information about each account to its affiliates, to credit reporting agencies, and to other persons or agencies that, in Wells Fargo's judgement, have a legitimate purpose for obtaining the information.

I acknowledge that the customer has received the Wells Fargo Commercial Account Agreement and agrees its terms and conditions, as amended from time to time, will govern the account(s).

Printed Name_____
Position/Title_____
Authorized Signature_____
Date**Bank Use Only**

Banker Name	Banker Telephone	Banker MAC
AU	RAU	Officer #
Submitter Name		Submitter Phone #

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Authorization Certificate

Depository Accounts and Treasury Management Services

The undersigned hereby certifies that he or she is the duly appointed authorized representative of _____

(Account holder's complete legal entity/company name), a _____ (description of Account holder's business entity type) ("Customer"), with authority to act on behalf of Customer, and that the following are true and correct resolutions duly adopted by Customer, in accordance with its formation and governing documents, and that these resolutions have not been in any way altered, amended or rescinded, and are now in full force and effect:

The undersigned further certifies that any one of the following named persons, whose signatures are set forth opposite their names (and titles, if applicable):

Name	Title (if applicable)	Signature or Facsimile Signature ¹	Business Phone Number	Business Email Address
#1 _____	_____	X _____	X _____	X _____
#2 _____	_____	X _____	X _____	X _____
#3 _____	_____	X _____	X _____	X _____
#4 _____	_____	X _____	X _____	X _____
#5 _____	_____	X _____	X _____	X _____
#6 _____	_____	X _____	X _____	X _____

is individually authorized to, and to designate one or more other Customer officers, agents or employees (each such aforementioned person, officer or designee thereof is referred to herein as an "Authorized Representative") to: (a) open or close one or more deposit and/or securities accounts (the "Accounts") with Wells Fargo Bank, National Association ("Bank"); (b) execute and deliver in Customer's name such agreement(s) regarding the Accounts and the services related thereto as Bank may from time to time require; (c) authorize and execute transactions on the Accounts, including, without limitation, (i) signing checks and other instruments withdrawing funds from the Accounts, including those payable to cash or to persons who sign them, (ii) requesting funds transfers by Bank to and from the Accounts, (iii) entering into arrangements for the processing of automated clearing house ("ACH") debit entries and/or ACH credit entries to and from the Accounts, and (iv) endorsing on behalf of Customer, and otherwise negotiating, checks and other items payable to Customer; (d) incur overdrafts and other obligations in the Accounts at Bank in connection with any of the products, services, or activities authorized by these resolutions; and (e) invest Customer's funds on such terms and conditions as such Authorized Representative deems appropriate.

Customer is authorized to enter into any other arrangements, agreements and documents with respect to any of Bank's deposit and treasury management products and services, in such form and on such terms and conditions as may be agreed to by an Authorized Representative signing such agreements and documents.

Customer shall be bound to Bank by, and Bank may rely upon, any communication or act, including telephone communications, purporting to be done by any partner, employee or agent of Customer provided that Bank believes, in good faith, that the same is done by a person authorized to so act.

The authority hereby conferred is in addition to that conferred by any other certificate heretofore or hereafter delivered to Bank and shall continue in full force and effect until Bank shall have received notice in writing from Customer of the revocation hereof. Any such revocation shall be effective only as to actions which are taken by Customer pursuant to the certifications contained herein, subsequent to Bank's receipt of such notice. The authority hereby conferred shall be deemed retroactive, and any and all acts authorized herein which were performed prior to the execution of this certificate are hereby approved and ratified.

The undersigned further certify that the activities covered by the foregoing certifications constitute duly authorized activities of Customer; that said certifications are now in full force and effect; and that there is no provision in any document pursuant to which Customer is organized and/

¹ **Facsimile Signature/Logo.** Customer authorizes the use of facsimile signatures/logos in connection with its agreements with and instructions to Bank if the facsimile/logo is provided on this form. Customer agrees its use of the facsimile/logo will be governed by Bank's Commercial Account Agreement.

or which governs Customer's continued existence limiting the power of the undersigned to make the certifications set forth herein, and that the same are in conformity with the provisions of all such documents.

ACKNOWLEDGED & AGREED TO:

By/Signature: _____

Printed Name: _____

(this individual must be a duly appointed representative of the TIN of record)

Title (if applicable): _____

Date: _____

Tax Identification Number of Customer: _____

(TIN of the Account holder as assigned by the IRS)

Public Funds Customers Only: Unless Customer otherwise specifically instructs Bank in writing, Bank will consider each of the Authorized Representatives listed above to be an "Official Custodian" as referenced in 12 C.F.R. 330.15 for the purposes of calculating Customer's deposit insurance coverage.



Commercial Depository Service Description

Treasury Management Services

Introduction

The Service Documentation contains the terms and conditions under which Wells Fargo Bank, N.A. ("Bank") provides you the services described below. "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in Services ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The service ("Service") covered by this Service Description is:

- Commercial Depository
- SafeVantage®

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The *SafeVantage* Service Setup Form (the "*SafeVantage* Setup Form"),
- c. The Acceptance (which indicates your acceptance of the Service Documentation),
- d. The Master Agreement (which contains terms and conditions applicable to all services),
- e. The Account Agreement governing your account that you use for the Service ("Account"),
- f. The Product Enrollment Form ("Set-up Form") (which contains set-up information for the service in which you are enrolling), and
- g. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The separate documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office*® (CEO®) portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Commercial Depository Service

1. **Description of services.** With the Service, you may:
 - a. Order Cash we prepared and make such Cash available to your Agent at our cash vault, and
 - b. Deliver currency, coin, checks and other negotiable instruments to our cash vault or Night Depositories for processing.
2. **Cash orders from our cash vault.**
 - a. **Cash Requests.** You may make a Cash Request of a Cash Shipment. The Cash Shipment will be made available to your Agent in Cash Bags at our cash vault. We are authorized to act upon any Cash Request we receive in accordance with this Service Description, and which we believe in good faith has been made by one of your Authorized Representatives. We will have no obligation to verify, and will not be liable for our failure to verify or investigate, any Cash Request.
 - b. **Making Cash available to your Agent.** We are authorized to make Cash Shipments available to any person we in good faith believe to be your Agent. We will have no further responsibility, and you assume all risk of loss for Cash made available to any such person. We will make Cash Shipments available only at the locations, on days, and during the hours published by us from time to time. We reserve the right to suspend the Service at any time without notice.

- c. **Your Authorized Representatives.** You will promptly certify to us the identity of each Authorized Representative. You will give prior written notice to us of any change in the authority of any Authorized Representative. We will be fully protected in relying on each such notification and on your obligation to promptly notify us of any change in the status of the Authorized Representative. We will have a reasonable period of time to act after receiving such notification.
- d. **Security procedures.** For requests made in writing or by fax, operator-assisted telephone call or transmission, a Customer ID assigned by us is required. For *CEO* requests, you must have Log-On Credentials. For touch-tone/automatic response telephone requests, a Passcode is required. Operator limits may also be required. It is your responsibility to establish internal procedures that will minimize the risk of an unauthorized person gaining access to the Customer ID, Log-On Credentials and Passcode(s). Such internal procedures include without limitation requiring users to maintain such number(s) and code(s) in strict confidence. You will notify us immediately in the event a breach of security is suspected.
- e. **Debit of Account.** On each Business Day that we make a Cash Shipment available to your Agent, we are authorized to debit your Account for the aggregate amount of the Cash Shipment. You will maintain collected balances in the Account sufficient at all times to fully cover any debit. We have no obligation to release a requested Cash Shipment or any portion thereof to your Agent unless there are sufficient collected funds in the Account to fully cover the amount of the Cash Shipment when it is to be made available to your Agent. If you fail to specify your Account to us, we may debit any account which you maintain with us for the amount of a requested Cash Shipment.
- f. **Packing slip; differences in shipment amount.** A packing slip will be included with each Cash Shipment which states:
 - i. The aggregate amount of the Cash Shipment,
 - ii. The overall number of containers included in the Cash Shipment, and
 - iii. The number of containers delivered to your Agent for transmittal to you.

For each Cash Shipment we make available to your Agent, you will notify us immediately in writing of any difference between the amount specified on the packing slip for that Cash Shipment and the amount, as counted by you, of the Cash Shipment. In the event that the difference cannot be resolved, our count of the amount of the disputed Cash Shipment will be conclusive and binding on you.

- 3. **Cash vault processing.** The following procedures will govern delivery of Deposit Shipments to our cash vault locations and our processing of such Deposit Shipments:
 - a. **Delivery by your Agent.** You will deliver Deposit Shipments in Deposit Bags to one of our cash vaults via your Agent. You are responsible for making all arrangements with your Agent for delivery of Deposit Shipments, and you assume all risk of loss while a Deposit Shipment is in the possession of your Agent. We may accept Deposit Shipments from any person we believe in good faith to be your Agent. The delivery of a Deposit Bag to us or our receipt of it on a manifest will not be deemed proof of our receipt of the contents listed on the deposit slip contained in the Deposit Bag or your records. We will have no responsibility for any Deposit Bag or its contents delivered to one of our cash vaults until we accept the Deposit Bag in accordance with our procedures and we count the contents of the Deposit Bag.
 - b. **Delivery procedures.** When you deliver a Deposit Shipment to our cash vault, you agree you (and/or your Agent) will do the following:
 - i. Deliver Deposit Bags only at the locations, on the days, and during the hours published by us from time to time,
 - ii. Properly endorse all checks and other negotiable instruments included in a Deposit Shipment,
 - iii. Use only Deposit Bags approved by us that are properly secured,
 - iv. At the time of delivery, your Agent will provide us with a delivery manifest which specifies the number of Deposit Bags you included in the overall shipment delivered to us, as well as the contents of each Deposit Bag,

- v. Obtain the signature of our employee who accepts delivery on that portion of the delivery manifest which your Agent retains, and
- vi. Retain a copy of the receipt or other document covering each Deposit Bag you deliver to your Agent for at least one year from the date of delivery.

You agree you will only use Deposit Bags for the deposit of Items. You will not use Deposit Bags in any unauthorized manner or for any unlawful purpose. As to any property other than Items included in a Deposit Bag, we will not be deemed a bailee and will have no liability for any loss of or damage to such property.

- c. **Cutoff Time; Account Deposits.** If a Deposit Shipment is received at one of our cash vaults on a Business Day before the Cutoff Time for that cash vault, the total amount of the deposits in such Deposit Shipment will be credited on that Business Day to the Account specified on the deposit slip for that Deposit Shipment. If a Deposit Shipment is received at a cash vault on a Business Day after the Cutoff Time, the total amount of the deposits in that Deposit Shipment will be credited to the Account on the next succeeding Business Day. We will not deposit any Items received in any Deposit Shipment unless the account number of the Account into which the deposit is to be made is specified on the deposit slip for that Deposit Shipment.
 - d. **Processing of Deposit Shipments.** You authorize us to open each Deposit Bag, count the contents, credit the amount of Items to the Account with us indicated on the deposit slip contained in the Deposit Bag and process, all in accordance with our customary procedures. All deposits are subject to verification, and our count of the Items will be conclusively deemed to be correct and complete for all purposes. No relationship of debtor and creditor will arise between you and us until the count has been completed and the deposit credited to the Account. You acknowledge that you have had an opportunity to have our applicable count and verification procedures explained to your Authorized Representative and agree that the same will be deemed commercially reasonable.
 - e. **Adjustment procedures.** If the aggregate amount of the Items in any Deposit Shipment, as counted by us, is less than the amount reported on the deposit slip covering that Deposit Shipment, we will debit the Account specified on the deposit slip by such difference and report the difference to you. If that Account has an insufficient collected and available balance to cover the debit, we will debit any of your other accounts with us for the difference. You agree to promptly reimburse us for the difference (or any portion thereof) for which there are insufficient available balances in your accounts with us. If the aggregate amount of the Items in any Deposit Shipment, as counted by us, is more than that reported on the deposit slip covering the Deposit Shipment, we will credit the Account specified on the deposit slip for the difference and notify you.
4. **Night Depository delivery and processing.** The following procedures will govern Night Deposits, and our processing of Night Deposits:
- a. **Night Depositories; issuance of keys.** You may make Night Deposits to your Account by placing the Items to be deposited into a Night Bag and then placing the Night Bags in the Night Depository. Each of your offices listed on the Night Depository Set-up Form will receive one key to the Night Depository at a designated Branch. You will designate to us in writing the individuals to receive the key for each of your offices. We may require such individuals to sign a receipt for the keys they receive.

- b. **Contents of Night Bags; deposit of Night Bags.** You agree that Night Bags will be used only for the deposit of Items, and will not be used in any unauthorized manner or for any unlawful purpose. If any property other than Items is included in a Night Bag, we will not be deemed a bailee and will have no liability for any loss of or damage to such property. Each Night Bag must contain one or more deposit slips which:
 - i. Lists all the Items contained in that Night Bag and their total dollar amount, and
 - ii. Identifies your Account to which the dollar amount of the deposit is to be credited.

At the time each Night Bag is placed in a Night Depository you agree to securely close each Night Bag, place it completely in the Night Depository and securely lock the Night Depository.

- c. **Processing of Night Deposits.** We may open each Night Bag and remove its contents without you or any of your representatives present. The contents of each Night Bag will be processed in accordance with our standard procedures. The Cutoff Time for deposits made through the Night Depository may be different from that for deposits made at the teller line. You understand and agree that the contents of a Night Bag will not be credited to the Account, nor will the relationship between you and us be that of a debtor to a creditor with respect to any Item in a Night Bag, until we have accepted the Item for deposit into the Account after counting all the Items in the Night Bag and calculating the total dollar amount of all such Items.
 - d. **Counting and adjustments.** If your records regarding the total dollar amount of the Items in any Night Bag differ from our calculation of the total dollar amount of the Items in the Night Bag, you have the burden of proving that your records show the correct amount in the Night Bag or our total will be accepted as final. If there is a difference between our total and your total for the amount of Items in a Night Bag (as shown on the deposit slip(s) in the Night Bag), we will send you a statement indicating the amount of the difference. In the event that the difference cannot be resolved, our count of the dollar amount will be conclusive and binding on you.
 - e. **Claims of lost or stolen Items.** You agree that you will have total responsibility for each Night Bag and its contents until the Night Bag has dropped completely into a Night Depository. You agree to notify us immediately if you determine that any Night Bag or any Item in a Night Bag has been lost or stolen while at one of our Branches. You will have the burden of proving the amount of any Item which you claim was lost or stolen while it was at a designated Branch and that disappearance of the Item occurred while it was at the designated Branch.
5. **Special instructions.** You may notify us in writing of any special instructions relating to cash orders or deposits of Items at our cash vault or Night Depositories. We may at our option accept or reject the instructions and so notify you. Even if accepted, we may stop complying with the instructions upon prior notice to you if we believe continued compliance would increase our costs or risks, interfere with our established or revised procedures, or diminish the efficiency of our operations. You will be solely liable for any loss attributable to increased risk resulting from a special instruction.
6. **Further assurances.** You agree to do all acts we may consider reasonably necessary or desirable to implement and carry out the intent of this Service Description. You agree to provide us with information we request regarding any Deposit Shipment, including any information necessary to file a Currency Transaction Report and to determine the source of any Cash or Items in a Deposit Shipment.
7. **Representations and warranties.** To be eligible to make Deposit Shipments at a cash vault or Night Depository, you represent and warrant to us at the time of the delivery of each Deposit Shipment that:
- a. **Deposits for own account.** You make Deposit Shipments for your sole account and do not directly or indirectly make any Deposit Shipments on behalf of any other party, unless you have previously disclosed such party to us and we have approved such party in writing, in our sole discretion.

- b. **No deposits from outside the United States.** You do not make Deposit Shipments from any source known, or which upon reasonable inquiry would be known to you, to be outside the United States.
 - c. **No business as a foreign exchange house.** You do not conduct any business, whether in whole or any part, as a foreign exchange house including, without limitation, as a Casa de Cambio.
8. **Contaminated Cash.** You agree not to send contaminated or damaged Cash to our cash vaults unless you or our Agent has prepared such Cash in accordance with the Federal Reserve Banks' applicable specifications and procedures.
9. **Termination of Services.** We may immediately terminate this Service in whole or in part in the event of your breach of any representation or warranty in section 7 (Representations and warranties). Otherwise, we may terminate this Service upon sixty (60) days prior notice to you.
10. **Survival.** Sections 2(e), 2(f), 3(d), 3(e), 4(d), 4(e), 6 and 9 will survive termination of this Service.

SafeVantage® Service

1. **Description of Service.** We make the *SafeVantage* Service available to you in connection with the Commercial Depository Service described above in this Service Description. With the *SafeVantage* Service, we will provide provisional expedited credit to you for the Cash currency properly deposited into the Equipment's currency acceptors. Following our receipt of a Safe Report, we will provide provisional expedited credit to your Account in the total amount set forth in such Safe Report. Credits will only be applied on Business Days in accordance with the *SafeVantage* Setup Form. 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 cash vault processing procedures for the Commercial Depository Service, as described above in this Service Description.
2. **Conditions to provision of our *SafeVantage* Service.** As conditions to our provision of the *SafeVantage* Service:
- a. You must enter into a Vendor Agreement,
 - b. We must agree that the Equipment is suitable and compatible, in our sole discretion, for the *SafeVantage* Service, and
 - c. You must agree to use the Equipment in accordance with the Vendor Agreement and as instructed by us as necessary from time to time in connection with the *SafeVantage* Service.

You acknowledge that we are not providing the Equipment and have no obligation or liability with respect to the Equipment or any service related thereto other than the *SafeVantage* Service.

3. **Ownership of Cash.** You agree that Wells Fargo-Owned Cash is our Cash currency and will not at any time be your property or the property of any other person, including your Agent. No person, other than us and our Representatives, shall have any possessory or ownership rights to Wells Fargo-Owned Cash under Section 362 or Section 541 of the U.S. bankruptcy code. You shall take all actions necessary, and all additional commercially reasonable actions that we request to ensure and evidence that Wells Fargo-Owned Cash remains our sole and exclusive property. You agree that neither you nor your Agent will commingle Wells Fargo-Owned Cash with Cash currency owned by another financial institution or any other person.

4. **Access to Cash.** You agree that physical access to Wells Fargo-Owned Cash will be restricted to:
 - a. Your Agent solely for the purpose of performing services in accordance with the Vendor Agreement, and
 - b. If applicable, a maintenance service provider solely for the purposes of providing routine maintenance services or repairs on the Equipment.

You agree that we will, at all times, have control and immediate access to all Wells Fargo-Owned Cash by having : (1) the ability to recall any of the Wells Fargo-Owned Cash the same Business Day as the day of the request; and (2) unfettered and immediate access to the Wells Fargo-Owned Cash upon your financial distress as determined in our sole discretion. You agree to fully cooperate with us and our representatives in connection with our access to Wells Fargo-Owned Cash, including instructing your Agent to deliver Wells Fargo-Owned Cash to one of our cash vault locations if and as requested by us. You release us and our representatives (including without limitation any armored carrier engaged by us) from any and all Losses arising out of or related to our representative acting on our request or direction to access Wells Fargo-Owned Cash on our behalf and/or to deliver the Wells Fargo-Owned Cash to us, except to the extent any Losses arise from the gross negligence or willful misconduct of our representative. Our representative shall be a third party beneficiary of the release described above in this section.

5. **Risk of loss.** You are responsible for all risk of loss and liability for Wells Fargo-Owned Cash that is not at one of our cash vault locations, including but not limited to loss, damage or contamination of Wells Fargo-Owned Cash, theft or destruction of Wells Fargo-Owned Cash, malfunction of the Equipment or you, your Agent's or any of your representative's negligence or willful misconduct.
6. **Adjustments.** If the total amount of the Cash currency processed and verified for a Safe Report is less than the amount reported for such Safe Report, we may debit the Account without notice to you. If the Account has insufficient funds to cover the debit, we may debit any of your other accounts with us for the difference, and you agree to promptly reimburse us for the difference (or any portion thereof) upon our demand, without setoff or counterclaim. If the total amount of the Cash currency processed and verified for a Safe Report is more than the amount reported on such Safe Report, we will credit the Account for the difference without notice to you. If your Vendor Agreement provides any guarantees or other protection for the contents of the Equipment including Cash currency deposited through the currency acceptors, we reserve the right to require you to file a claim with such vendor before making any claim against us.
7. **Reimbursement.** Unless it results solely from our negligence or willful misconduct, you will reimburse us for Losses we incur from (a) providing the SafeVantage Service to you in accordance with this Service Description, or (b) an action you ask us to take in connection with the SafeVantage Service and this Service Description. You authorize us to recover any such amount by debit to your accounts with us or our affiliates.
8. **Contaminated Cash.** You agree not to send contaminated or damaged Cash to our cash vaults unless you or our Agent has prepared such Cash in accordance with the Federal Reserve Banks' applicable specifications and procedures.
9. **Survival.** Sections 3 - 7 will survive the termination of the SafeVantage Service.
10. **Notice.** You agree to provide us immediate notice of any default or breach of the Vendor Agreement by you or the vendor or termination of the Vendor Agreement.
11. **Termination.** Either party may terminate the *SafeVantage* Service in accordance with the terms of the Master Agreement. In addition, if the Vendor Agreement is terminated for any reason, the *SafeVantage* Service will automatically terminate, unless otherwise agreed by you and us.

Glossary

Account Agreement means the applicable account agreement governing your Account.

Agent means an armored car service approved by us or, in Alaska only, the U.S. Postal Service, in each case, acting as your agent.

Applicable Law is defined in section 3 of the Master Agreement.

Authorized Representative means (a) any person you authorize us to communicate with regarding authorization codes or other security procedures for this Service; (b) your Agent authorized to accept delivery of Cash; and (c) where applicable, the persons who are authorized users of this Service.

Branch means one or more of our branch locations listed on our Night Depository Set-up Form.

Business Day means every day except Saturday, Sunday and federal holidays.

Cash means U.S. denominated currency and coin.

Cash Bag means bags or other containers into which Cash Shipments are placed.

Cash Request means a request you make to us in writing, telephonically by operator-assisted call or by touch tone/automated response, or electronically via transmission, fax, or our *Commercial Electronic Office® (CEO®)* portal for a Cash Shipment in the amount you specify.

Cash Shipment means shipments of Cash in Cash Bags in accordance with this Service Description.

Currency Transaction Report is defined in the regulations implementing the Currency and Foreign Transactions Reporting Act of 1970, as amended from time to time.

Customer ID is a unique identifier given to you by us for each of your locations enrolled in the Service.

Cutoff Time means our cutoff time each Business Day that we separately disclose to you for the Service.

Deposit Bag means bags or other containers into which Deposit Shipments are placed.

Deposit Shipment means your delivery of Items in accordance with this Service Description.

Equipment means certain units of safes provided by vendors, in each case, acceptable to us.

Items mean, collectively, Cash, checks and other negotiable instruments properly endorsed by you.

Losses means all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees, disbursements of legal counsel and court fees).

Master Agreement means the Master Agreement for Treasury Management Services.

Night Bag means disposable bags used for Night Deposits.

Night Deposit means your delivery of Items to our Night Depositories in accordance with this Service Description.

Night Depository means the night depository receptacle at one of our Branches.

Night Depository Set-up Form means the form required to be completed to receive key(s) to access the Night Depository.

Passcode means a code established to access our Telephony Interface Unit via the telephone number we provide to you.

Safe Report means a transmission report from any unit of Equipment stating the amount of Cash currency inserted into the Equipment's currency acceptors.

Vendor Agreement means a valid and binding agreement with a vendor, acceptable to us, for the provision of the Equipment.

Wells Fargo-Owned Cash means all Cash currency located in the Equipment and the amount of Cash currency removed from the Equipment for delivery to us by your Agent, in each case, for which we have given you provisional expedited credit.

Check Collections Service Description

Treasury Management Services

November 8, 2019

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Introduction

The Service Documentation contains the terms and conditions governing each service ("Service") that Wells Fargo Bank, N.A. ("Bank") provides to Company under this Service Description. "Company" is the Bank customer identified on the Acceptance of Services that is signed when you enroll in Services ("Acceptance").

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the specific Service),
- b. The Acceptance (which indicates Company's acceptance of the Service Documentation),
- c. The Master Agreement for Treasury Management Services ("Master Agreement") (which contains terms and conditions applicable to all Services),
- d. The account agreement governing the account(s) (each, an "Account") Company uses in connection with the Service,
- e. The Product Enrollment Form (which contains set-up information for each Service in which Company is enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

This Service Description and the Master Agreement are posted at Bank's *Commercial Electronic Office® (CEO®)* portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of an agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the CEO® portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

Services

Returned Item

1. **Description of Bank's Returned Items Services.** A "Returned Item" is an Item that is returned to Bank unpaid after Company deposits it to an account at Bank (or another financial institution) that Company has enrolled in one or more of Bank's Returned Item Services (each, "Account"). Bank's Returned Item Services include:
 - a. Special Instructions regarding the handling of Company's Returned Items (section 3);
 - b. Returned Item Decisioning through Bank's CEO® portal (section 4);
 - c. Electronic Returns through which Bank submits Company's Returned Items as RCK entries in accordance with the National Automated Clearing House Association ("NACHA") Operating Rules and Guidelines as supplemented by any applicable operating rules of any automated clearing house of which Bank is a member, each as may be amended from time to time (together, "NACHA Rules") (sections 5-10);
 - d. Centralized Return Processing through which Bank processes Company's Returned Items as Company's centralized return processor (sections 11-14);
 - e. Returned Item Forwarding through which Bank forwards Returned Items Bank receives on Company's Accounts at Bank to Company's centralized returns processor (section 16); and
 - f. Returned Item Service Fee Recovery through which Bank issues MICR drafts to recover service fees Company assesses on its customers in connection with Returned Items (section 17).

2. **Rules applicable to Bank's Returned Item Services.** Bank will provide the Services to Company in accordance with:
 - a. The Service Documentation including without limitation the User Guide that Bank makes available to Company at www.wellsfargo.com; and
 - b. State and federal laws and regulations and clearinghouse rules applicable to a Returned Item which may include Federal Reserve Board Regulation CC Subpart C relating to the collection of checks ("Reg CC"), Federal Reserve Board Regulation E ("Reg E") and, in the case of Bank's Electronic Returns Service, when Bank originates an RCK entry on Company's behalf, the NACHA Rules.
3. **Special Instructions Service.** When Company enrolls in Bank's Special Instructions Service, Bank will process Company's Returned Items in accordance with the Special Instructions Company communicates to Bank from time to time.
4. **Returned Item Decisioning Service.** When Company enrolls in Bank's Returned Item Decisioning Service, Bank will use the CEO® portal to notify Company of Returned Items Bank receives prior to the cut off time Bank separately discloses to Company each Business Day. Each Returned Item will be listed by the default disposition (redeposit or chargeback) Company separately selects. Prior to the daily deadline Bank separately discloses, Company will review the Returned Items and accept or change the disposition of each Returned Item Bank identifies as eligible for decisioning through the CEO® portal. Bank will process each Returned Item not accepted or changed by this deadline according to Company's default disposition on file with Bank.
5. **Electronic Returns Service.** When Company enrolls in Bank's Electronic Returns Service, Bank submits RCK entries for Company's Returned Items that Bank, using a data-based decisioning method, has determined qualify as RCK entries under the NACHA Rules. The financial institution on which a Returned Item was drawn may reject any RCK entry without liability to Bank. The NACHA Rules require the originator of an RCK entry to make certain representations and warranties with respect to the original item for which the RCK entry is initiated. If Bank incurs any liability for breaching any of these warranties, Bank will look to Company to reimburse Bank.
6. **Authorization.** Company represents and warrants to Bank that the issuer of any Returned Item has authorized Company to represent the Returned Item electronically and that such authorization is in all respects legally sufficient under applicable law.
7. **Rejected entries.** In the event any RCK entry submitted on behalf of Company is rejected by the ACH for any reason and sufficient data is available to Bank to permit it to repair the RCK entry, Bank will make the repair. Company will provide to Bank on request all information necessary to repair any RCK entry or file of RCK entries.
8. **Representment/returned check fees.** Company acknowledges that the NACHA Rules do not allow collection of fees associated with a represented item by means of a single RCK entry in the amount of both the represented item and associated fees. Company represents and warrants that each item it deposits to its Account at Bank or another financial institution will only be for the amount of the item, and will not include any amount for a representment/returned item fee or similar fee.
9. **Provisional credit.** Any credit to Company's Account in connection with an RCK entry is provisional until such time as settlement for the RCK entry becomes final. In the event any RCK entry is returned or an adjustment memorandum is received with respect to the RCK entry, Company will immediately deposit with Bank sufficient good and collected funds to cover the returned RCK entry or adjustment memorandum. Company authorizes Bank to debit any of Company's account(s) for the amount of any such returned RCK entry or adjustment memorandum.

10. **Reimbursement.** Unless it results solely from Bank's negligence or intentional misconduct, Company will indemnify and reimburse Bank from and against any and all Losses and Liabilities that Bank incurs either directly or indirectly, in connection with (a) the breach of any warranty Bank makes under the NACHA Rules or Company makes in the Service Description, or (b) any action Company asks Bank to take in connection with Bank's Electronic Returns Service.
11. **Centralized Check Return Service.** When Company enrolls in Bank's Centralized Check Return Service, Bank processes Returned Items from Company's Account(s) at Bank and financial institution(s) other than Bank with which Company arranges for Bank to provide the Service. Company will place a special endorsement on the back of each check or other item it intends to deposit with a financial institution other than Bank that, upon dishonor, it wishes to have returned to Company's Centralized Return Account at Bank. This endorsement is the "centralized returns endorsement". It will include all of the information required by 12 CFR §229.35 (as amended from time to time) to be included in an endorsement made by a bank of first deposit and, to the extent possible, conform to the form of such an endorsement. The centralized returns endorsement will be designed to be more prominent than the endorsement of the actual depository bank and thereby increase the likelihood that the paying bank or other payor and any subsequent returning bank will identify Bank as Bank of first deposit. Bank, upon request, will supply Company with endorsement stamps or examples of endorsement stamps that satisfy the requirements of this section.
12. **Relation of multiple endorsements.** Company understands (a) the centralized returns endorsement is in addition to, and not in place of, the endorsement placed on an Item by the depository bank; (b) the centralized returns endorsement may or may not obscure, in whole or in part, the endorsement placed on the Item by the depository bank; and (c) the endorsement placed on each Deposited Item by the depository bank may or may not obscure, in whole or in part, the centralized returns endorsement.
13. **Delayed returns; lost instruments; liability; indemnification.** With respect to where to return checks, 12 CFR §§229.30(g) and 229.31(g), respectively, provide that paying and returning banks may rely on any routing number that appears on a returned check as that of the bank of first deposit. This means a Returned Item may be returned to either Bank or to the actual depository bank. It also means there may be a significant delay in Bank's receipt of a Returned Item. Company, not Bank, is solely responsible for any and all claims, damages, losses, and expenses of any kind including without limitation attorney's fees and costs (collectively, "Losses and Liabilities") that may arise, either directly or indirectly, in connection with any delay in the return of any Returned Item. Company agrees to indemnify and hold Bank, its directors, officers, employees and agents (collectively, "Indemnified Persons") harmless from all Losses and Liabilities arising out of or in any way connected with acts or omissions by Bank or any such indemnified party in connection with the delay in the return of any Item deposited to Company's account at another financial institution.
14. **Bank's right to chargeback Returned Items.** Bank may chargeback a Returned Item to any account Company owns in whole or in part at Bank or any affiliate of Bank without regard to whether the Returned Item was initially deposited to Company's Account at Bank or at another financial institution.
15. **Returned Item Forwarding.** When Company enrolls in Bank's Returned Item Forwarding Service, Company will place its centralized returns endorsement identifying Company's centralized return processor on the back of each check or other item it deposits to its Account(s) at Bank that, upon dishonor and subsequent receipt by Bank, it wishes Bank to forward to Company's Centralized Return processor. Bank will forward Company's Returned Items that Bank receives to Company's centralized return processor. Company acknowledges the possibility of a delay in its centralized return processor's receipt of a Returned Item that is first received by Bank and agrees Section 13 of this Service Description including Company's agreement to indemnify Indemnified Parties applies to Losses and Liabilities of any Indemnified Party in connection with Bank's Returned Item Forwarding Service. Ited to Company's Account at Bank or at another financial institution.
16. **Returned Item Service Fee Recovery.** When Company enrolls in Bank's Returned Item Service Fee Recovery Service, Bank issues a MICR draft on the account of the issuer of a Returned Item in the amount to which Company and Bank separately agree will be Company's Returned Item service fee. Company represents and warrants to Bank that Company has properly disclosed to all its customers that it assesses a service fee for checks returned unpaid for any reason.

17. **Company's agreement to indemnify Bank.** Company will indemnify, defend, and save harmless the Indemnified Persons from and against all Losses and Liabilities awarded against or incurred or suffered by Indemnified Persons arising directly or indirectly from or related to:
- a. Any material breach in a representation, warranty, covenant, or obligation of Company contained in the Service Documentation;
 - b. The violation of any applicable law, statute, or regulation or of the Rules Applicable to Bank's Returned Items Services including without limitation Reg CC, Reg E and the NACHA Rules in the performance of Company's obligations under the Service Documentation;
 - c. A breach of any warranty Bank makes under the NACHA Rules in connection with Bank's Electronic Returns Service under this Service Description ; and
 - d. Any negligent or intentional act or omission by Company in the performance of its obligations under the Service Documentation.
18. **Survival.** Sections 5, 6, 8, 13, 15 and 17 of this Service Description will survive termination of the Service.

Wells Fargo Remote Deposit Capture and Image Delivery

1. **Description of service.** The Service enables Company to create or process Electronic Checks from eligible paper checks and transmit the Electronic Checks in an electronic file ("Electronic File") to Bank for review and processing for credit to Company's deposit account at Bank ("Account") in accordance with this Service Documentation. An "Electronic Check" means an electronic image of, and electronic information derived from, an eligible U.S. Dollar paper item or check that conforms to ANSI X9.100-187. Bank's Reference Guide for the Service lists eligible U.S. Dollar checks (and ineligible checks). For each Electronic Check Bank determines is eligible for processing, Bank will:
- a. Create a substitute check conforming to ANSI X9.100-140 that Bank will present directly or indirectly to the bank (a) on which the original paper check to which the Electronic Check relates is drawn, or (b) at or through which the original paper check is payable (each, the "Paying Bank");
 - b. Include the Electronic Check in an electronic file for presentment directly or indirectly to the Paying Bank; or
 - c. Post or present any Electronic Check for which Bank is the Paying Bank.
2. **Creating or processing Electronic Checks and transmitting Company's Electronic File to Bank.** To create or process Electronic Checks and transmit Company's Electronic File to Bank, Company will use either (a) Bank provided software and Bank provided, certified or approved hardware, or (b) Company's software and hardware or third-party provided software and hardware, provided each generates Electronic Checks and Electronic Files that meet Bank's then current standards and specifications. Any third-party processor Company uses to prepare and/or transmit Company's Electronic File is Company's agent, and Company will be responsible for ensuring its agent complies with Company's responsibilities under this Service Description. In particular, each Electronic File Company's agent transmits to Bank will include only Electronic Checks payable or endorsed to Company, unless Bank expressly agrees to permit Company's agent to include Electronic Checks payable to customers of Company or Bank.
3. **Processing Company's Electronic File.** Bank will review each Electronic Check and process the Electronic Checks Bank determines are eligible for processing on the Business Day Company transmits Company's Electronic File to Bank, if Bank receives Company's Electronic File before the processing deadline Bank separately discloses to Company ("Cut-Off Time") on that Business Day and on the next Business Day if Company transmits Company's Electronic File to Bank after Bank's Cut-Off Time. "Business Day" is every day except Saturday, Sunday and any federal holiday.

4. **Exception Checks.** Each Business Day on which Bank processes Company's Electronic File, Bank may, without liability to Company, reject Electronic Checks Bank determines are ineligible for the Service (each, an "Exception Check"). "Exception Check" includes without limitation an Electronic Check that (a) is illegible or contains MICR data that is not machine-readable, (b) was previously processed as an Electronic Check, (c) is drawn on a bank located outside the United States and is not payable at or through a bank located within the United States, (d) fails to conform to ANSI X9.100-187, or (e) any Electronic Check other than one described in (a), (b), (c), or (d) of this section 4 that applicable law prohibits Bank from accepting through a remote deposit capture platform. Bank will notify Company of each Exception Check through Bank's Commercial Electronic Office® service or other communication channel at Bank's discretion. Company will deposit an Exception Check to Company's Account only by depositing the original Paper Check to which the Exception Check relates or as otherwise agreed by Bank and Company. Even if Bank does not identify an Exception Check when Bank processes the Electronic File that includes the Exception Check, the substitute check or purported substitute check Bank creates from the Electronic Check may be returned to Bank because, among other reasons, the Paying Bank determines it is illegible or missing an image. Bank's failure to identify an Exception Check will not limit Company's obligations to Bank under section 8.
5. **Deposits to Company's Account.** Bank will be deemed to have accepted each Electronic Check for deposit to Company's Account (other than any Exception Check) (a) on the Business Day Bank processes the Electronic Check (b) at the Bank office where Company's Account is maintained. Funds from these Electronic Checks will be made available in accordance with Bank's Funds Availability Policy applicable to Company's Account and will be deemed to be collected in accordance with Bank's Electronic Deposit Collected Funds Schedule which Bank will provide to Company upon request and may amend from time to time. If an Electronic Check or substitute check is dishonored by a Paying Bank, Company acknowledges and agrees that Paying Bank may create and return to Company or its customers a return substitute check conforming to ANSI X9.100-140 in lieu of the originally presented Electronic Check or substitute check. Company acknowledges and agrees that if Bank receives a notice of nonpayment from Paying Bank with respect to an Electronic Check or substitute check presented for payment, Bank has no obligation to provide this notice to Company or its customers.
6. **Third-party processors.**
 - a. **General.** This section contains additional terms applicable when Company is a third-party processor. Company is a "third-party processor" when it uses the Service either to (a) create and process an Electronic Check on behalf of a customer or (b) process an Electronic Check one of its customers has created and transmitted to Company.
 - b. **Prerequisites for acting as a third-party processor.** Prior to acting as a third-party processor with respect to any customer, Company will conduct due diligence appropriate to the type of customer (consumer or business). As part of Company's due diligence, at time a customer initially opens an account with Company, Company will obtain the customer's name, Taxpayer Identification Number, and address. In addition, Company will fulfill obligations under applicable law with respect to (a) establishing and maintaining a Customer Identification Program and an Anti-Money Laundering Program, (b) establishing and maintaining written procedures reasonably designed to identify and verify beneficial owners of legal entity customers and to include such procedures in its Anti-Money Laundering Program and (c) suspicious activity monitoring and reporting. Company will also enter into an agreement with each of its customers which includes (i) provisions paralleling those in this Service Description relating to creating Electronic Checks and maintaining the security of original Paper Checks; (ii) warranties paralleling each of the warranties Company makes to Bank in this Service Description; (iii) an acknowledgement that Bank may at any time refuse to process Electronic Checks for that customer; and (iv) if the customer is a business entity, an obligation that customer, upon request by Company, provide Company the information Company requires to enable Company to understand the nature of the customer's business.

- c. **Risk parameters; ongoing monitoring.** For each customer for which Company acts as a third-party processor, Company will, in accordance with reasonable commercial standards, monitor the customer's deposits for suspicious activity including out-of-pattern, duplicate and suspicious Electronic Checks on an ongoing basis and take appropriate actions with respect to the customer's account with Company, up to and including refusing to process Electronic Checks for the customer and/or preventing the customer from transacting on its account(s) with Company. Bank will establish and maintain confidential internal risk parameters for Company's Electronic File but Company is solely responsible for monitoring its customer's Electronic Checks.
7. **Company's representations and warranties.** Company represents and warrants to Bank Company will:
- a. Use the Service only for eligible paper checks payable to or endorsed for deposit by Company or its customers (unless Bank expressly agrees otherwise);
 - b. Transmit to Bank only Electronic Checks suitable for processing including without limitation legible Electronic Checks containing machine-readable MICR data;
 - c. Not transmit to Bank any Electronic Check that duplicates an Electronic Check previously transmitted to Bank or that did not originate as an eligible paper check;
 - d. Maintain control over and sole responsibility for secure retention and destruction of each original eligible paper check for which Company or one of Company's customers has created an Electronic Check (including the security and integrity of nonpublic personal information appearing on the original paper check throughout the transmission flow and while in storage) and properly secure all hardware Company uses in connection with the Service at all times;
 - e. Not transmit to Bank, deposit to Company's Account, or otherwise negotiate any original eligible paper check with respect to which Company has transmitted an Electronic Check to Bank, unless Bank has notified Company that the Electronic Check is an Exception Check;
 - f. If Company uses an agent to create Electronic Items and/or transmit Company's Electronic File to Bank, Company will ensure its agent includes only Electronic Check payable to Company in an Electronic File, unless Bank expressly agrees to permit the agent to include Electronic Check payable to multiple customers of Bank; an
 - g. If Company is a third-party processor as set forth in section 6 of this Service Description, comply with section 6 of this Service Description.
8. **Company's agreement to indemnify Bank.** Company will indemnify, defend, and save harmless Bank, its parent company, and its affiliates and each of their respective directors, officers, employees, and agents (collectively in this section 8, "Indemnitees") from and against all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered (collectively, "Losses and Liabilities") by Indemnitees arising directly or indirectly from or related to:
- a. Any negligent or intentional act or omission by Company in the performance of its obligations under this Service Description including without limitation failing to maintain control over and sole responsibility for secure retention and destruction of each original paper check for which Company has created an Electronic Check (including the security and integrity of nonpublic personal information appearing on the original paper item throughout the transmission flow and while in storage), in which event Losses and Liabilities will include without limitation consequential damages;
 - b. Any material breach in a representation, warranty, covenant, or obligation of Company contained in this Service Description;
 - c. Bank acting as a "reconverting bank" under the Check Clearing for the 21st Century Act through the creation of "substitute checks" or purported substitute checks using an Electronic Check, an Exception Check or an Electronic File, in which event Losses and Liabilities will include without limitation consequential damages; and
 - d. Bank posting or presenting an Electronic Check for which Bank is Paying Bank or presenting an Electronic Check to the Paying Bank for payment.

- e. Company will further indemnify, defend, and save harmless Indemnitees from and against all Losses and Liabilities by Indemnitees arising directly or indirectly from or related to Regulation CC (12 CFR Part 229) or Regulation J (12 CFR Part 210) as follows:
 - i. Bank warrants to a warrantee that (i) the electronic image of a check accurately represents all of information on the front and back of the original check as of the time that the original check was truncated and the electronic information includes an accurate record of all MICR line information required for a substitute check and the amount of the check ("Image Quality Warranty") and (ii) the warrantee will not receive a presentment of or otherwise be charged for an Electronic Check, an Electronic Returned Check, the original check, a substitute check, or a paper or electronic representation of a substitute check, such that the warrantee will be asked to make payment based on a check it has already paid ("No Double Debit Warranty"). In the case of transfers for collection or payment, Bank makes the Image Quality Warranty and the No Double Debit Warranty to the transferee bank, any subsequent collecting bank, the paying bank, and the drawer. In the case of transfers for return, Bank makes the Image Quality Warranty and the No Double Debit Warranty to the transferee returning bank, any subsequent returning bank, the depository bank, and the owner. If any Indemnitee suffers any Losses or Liabilities arising directly or indirectly from or related to a breach of any of these warranties, Company will indemnify the Indemnitee and not hold it responsible or liable.
 - ii. Through Bank's providing the Service to Company, Bank is required to indemnify a depository bank that accepts the original paper check from which an Electronic Check is created for losses incurred by that depository bank if the loss is due to the check having already been paid. If any Indemnitee suffers any Losses or Liabilities arising directly or indirectly from or related to such depository bank indemnity obligation, Company will indemnify Indemnitee and not hold it responsible or liable.
 - iii. If Bank transfers or presents an "electronically created item" and receive settlement or other consideration for it, Bank is required to indemnify each transferee bank, any subsequent collecting bank, the paying bank, and any subsequent returning bank against losses that result from the fact that (i) the electronic image or electronic information is not derived from a paper check; (ii) the person on whose account the electronically created item is drawn did not authorize the issuance of the item or to the payee stated on the item; or (iii) a person receives a transfer or presentment, or return of, or otherwise is charged for an electronically created item such that the person is asked to make payment based on an item or check it has paid. If any Indemnitee suffers any Losses or Liabilities arising directly or indirectly from or related to such electronically created item indemnity obligation, Company will indemnify Indemnitee and not hold it responsible or liable.
- 9. **Termination.** In addition to its rights to discontinue providing Services under the Master Agreement, Bank may discontinue providing the Service to Company immediately upon notice if Bank determines in its sole discretion that Company has breached any of Company's obligations under sections 7 or 8 of this Service Description.
- 10. **Additional controls on Company.**
 - a. **General.** In FIL-4-2009, Risk Management of Remote Deposit Capture ("RDC") Guidelines, the FFIEC sets forth guidelines for agreements between a financial institution and its RDC customers. In accordance with these guidelines, Bank has the authority upon reasonable prior notice to Company to (a) mandate specific internal controls at Company's locations, (b) periodically audit or require audits of Company's RDC operations including Company's IT infrastructure at Company's expense, and (c) request additional information about Company.
 - b. **Company's Internal Controls.** Company will establish internal controls related to Company's RDC operations. Upon reasonable request, Company will provide Bank with information about its internal controls and will work in good faith with Bank to resolve any concerns that Bank identifies with respect to such internal controls.

- c. **Company's Consumer Complaints.** Bank may upon reasonable prior notice to Company request information about:
 - i. Company's procedures for handling consumer complaints relating to Company's RDC product ("consumer complaints"),
 - ii. The number of consumer complaints Company received in the prior calendar quarter, and
 - iii. The then current status of each consumer complaint.
- 11. **Survival.** Sections 7 and 8 of this Service Description will survive termination of the Service.



Electronic Receivables Service Description

Treasury Management Services

Introduction

The Service Documentation contains the terms and conditions under which Wells Fargo Bank, N.A. ("Bank") provides you the services described below. "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in Services ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The services (each a "Service") covered by this Service Description are:

- E-Bill Express Service
- E-Box Service
- Receivables Manager Service

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing your account that you use for the Service ("Account"),
- e. The Product Enrollment Form ("Set-up Form") (which contains set-up information for the service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The separate documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office® (CEO®)* portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

E-Bill Express Service

1. **Description of services.** With this Service:
 - a. You can make electronic bills available to your Customers through the Website,
 - b. Customers make payments to you through the Website and other Payment Channels (see section 2) and using the Payment Methods (see section 3) offered in connection with the Service,
 - c. We credit the Customer payments to your Account, and
 - d. We offer electronic reporting options relating to your bills and your Customers' payments received through the Service (see section 4).

The specific features for the Service we will provide you, are detailed in the SOW to which you and us agree to separately.

2. **Payment Channels.** The "Payment Channels" we offer to you are detailed in our User Guide for the Service and include the Website, telephone and an optional Interactive Voice Response (IVR) Payment Channel.
 - a. We maintain the Website through which Customers may make payments to you.
 - b. With the telephone Payment Channel, a Customer arranges for a payment by calling you at a telephone number you maintain. For all Customer payments made through the telephone Payment Channel, you are required to enter information about the payment at the administrative portal for the Service.
 - c. With the IVR Payment Channel, we maintain a specific toll-free number for you and custom to you branded greeting and prompts.

3. **Payment Methods.** The "Payment Methods" you may make available to Customers are detailed in our User Guide for the Service and include debit and credit cards and electronic payments through ACH.
 - a. If you will accept debit and credit card payments, the Service Documentation includes the Merchant Payment Solutions Service Description.
 - b. For ACH payments, the Service Documentation includes the ACH and Related Services Service Description. In the event of a conflict, this Service Description will control over the ACH and Related Services Service Description.
 - c. We may withdraw a Payment Method available for the Service at any time.
4. **Information reporting.** We make information and reporting about your bills and Customers' payments available to you through the administrative portal on the Website or automated transmission file.
5. **Verification.** We will not verify the accuracy of your bills or your Customers' payment amounts made through any Payment Channel.
6. **Your privacy policy.** You will provide us with any URL(s) you host for our use at the Website. The URLs you provide will direct Customers to your then-current privacy policy and terms of use. You will maintain current versions of your privacy policy and terms of use.
7. **Licensed Marks.** You grant to us a license to use the service marks, trademarks and or logos listed on the SOW (each, a "Licensed Mark") on the Website. We will not modify a Licensed Mark without your prior written consent. The term of this trademark license will be the same as the term set forth in the Master Agreement, unless either party provides written termination in accordance with this Section 4 of the Master Agreement. Either party may terminate this license at any time, with or without cause, upon notice to the other. Upon termination or expiration of this license, we will discontinue use of all Licensed Marks.
8. **Representations and warranties.** You represent and warrant to us that:
 - a. You will issue each bill only for products or services actually provided to the billed Customer and will retain each bill for a minimum of one year from the date of the bill,
 - b. The billed amount will be the actual amount charged to the billed Customer for such products or services,
 - c. You are the sole owner of each URL you provide to us pursuant to Section 7 and each Licensed Mark,
 - d. You will maintain current versions of your privacy policy and terms of use at the URLs provided to us, and
 - e. You have received a copy of Federal Reserve Board Regulation E and will comply with it at all times.
9. **Survival.** Section 8 will survive termination of the Service.

E-Box Service

1. **Description of service.** With this Service:
 - a. We provide you with information about payments your Customers make to you ("Remittance Information") through online bill payment services and other payment channels described in our User Guide for the Service,
 - b. We process Customer payments for credit to your Account, and
 - c. We provide information reporting ("Remittance File") on your Payments through our separate Receivables Manager Service. The specific processing services we will provide to you are detailed in the BRD to which you and us agree to separately.

2. **Research and decisioning.** We will make available to you a decisioning tool where you can view all payments, make decisions on exception items, perform payment research, and return payments.
3. **Unfunded payments.** We will process Payments for which we have received Remittance Information but not funding in accordance with the BRD.
4. **Account credit.** Each Business Day, we will credit your Account for Funded Payments through a consolidated ACH credit Entry. We originate each credit Entry in accordance with the ACH Rules.
5. **Service requirement.** In order to enroll in the Service, you will also have to enroll in our Receivables Manager Service.

Receivables Manager Service

1. **Description of service.** With this Service, you may receive consolidated electronic files and/or human readable documents containing information (each, a "File") regarding credits and/or debits to your Account(s) and associated Remittance Information.
2. **User Guide.** The User Guide provides details about the following:
 - a. The types of payments for which we provide the Service,
 - b. The options we offer for formatting Files,
 - c. The secure transmission platforms we offer to deliver Files to you,
 - d. The schedule we follow in providing the Service, and
 - e. Our Service level goals.
3. **Advice Matching Service.** If you enroll in our Advice Matching Service, we will accept an email or File containing Remittance Information from your payer and attempt to match the information to payments the payer makes separately by ACH, wire transfer, or check, provided the payer does the following:
 - a. Sends the remittance Information to us in advance of the payment information being sent to you in the File, and
 - b. Includes information we can use to identify the payer and match the Remittance Information and the associated payment based upon criteria you establish.

You have the ability to manually match any payments we are unable to match automatically using the Receivables Manager application on *CEO*. You may also use this application to set-up payer information to automatically match future payments.

4. **Remittance Repair Service.** If you enroll in our Remittance Repair Service, we will automatically reformat freeform Remittance Information. If we are unable to automatically repair the format, you can manually repair remittance information using the Receivables Manager application on *CEO*. Optionally, you can save the repair instructions as rules to apply to future payments from the payer.
5. **Your receipt of Files; acknowledgments.** We will not monitor Files transmitted to you through the Service including, but not limited to, any acknowledgment your system may generate upon its receipt of a File. If you do not receive a File when you expect to, you must notify us. Upon your request, we will use commercially reasonable efforts to resend a File to you within 14 days after we initially transmitted the File, but we will have no liability for not doing so.

6. **Incorrect, Incorrectly Formatted Information.** We are not responsible for the accuracy of and will not verify Remittance Information we receive from your trading partners and provide to you through the Service

Glossary

Account Agreement means the applicable account agreement governing your Account.

ACH means Automated Clearing House

ACH Rules means the Nacha Operating Rules and applicable local ACH rules.

Applicable Law is defined in section 3 of the Master Agreement.

BRD means Business Requirements Document.

Business Day means every day except Saturday, Sunday and federal holidays. When used in connection with funds transfer Services, "Business Day" means each day on we are open for business related to that Service.

Customer(s) means the purchaser(s) of your products and services.

Cutoff Time means our cutoff time each Business Day that we separately disclose to you for the Service.

Entry is defined in the ACH Rules.

Funded Payment means a payment for which we receive Remittance Information and the funds relating to the Payment.

Losses means all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees, disbursements of legal counsel and court fees).

Master Agreement means the Master Agreement for Treasury Management Services.

Representatives is defined in section 11(f) of the Master Agreement.

SOW means Statement of Work.

Website means the website we maintain in your name in connection with the E-Bill Service.



Lockbox Service Description

Treasury Management Services

Introduction

The Service Documentation contains the terms and conditions under which Wells Fargo Bank, N.A. ("Bank") provides you the services described below. "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in Services ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The service ("Service") covered by this Service Description is:

- Lockbox

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing your account that you use for the Service ("Account"),
- e. The Product Enrollment Form ("Set-up Form") (which contains set-up information for the service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The separate documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office® (CEO®)* portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Lockbox Service

1. Description of lockbox service.

- a. With this Service we provide you with a lockbox ("Lockbox") and Lockbox Address for receipt and processing of (i) Checks, and (ii) Charge Authorizations (if you elect this service option and subject to the requirements in section 4 below).
- b. The Service will start after we have assigned the Lockbox Address to you, you have opened your Account, delivered to us the Set-up Form selecting your options for the Service and provided us with any other requested information or documents.
- c. You will instruct your customers to mail Checks and Charge Authorizations (if applicable) to the Lockbox Address, or for overnight delivery to the applicable street address. You will also instruct your customers and other payors not to send cash to the Lockbox. Cash that is sent to the Lockbox will be subject to Currency Transaction Reporting.
- d. We or our agents will have exclusive and unrestricted access to the Lockbox.

2. Lockbox processing.

- a. **Processing remittance materials.**
 - i. Each Business Day we will examine the Remittance Materials in the Lockbox and image them in accordance with section 6.

- ii. Cash will be removed from the envelope and a credit advice for the amount of the cash will be placed with the envelope and imaged.
 - iii. Except as provided in this Service Description or as otherwise agreed, we will not reconcile the Payments in the envelopes to Invoices or to any other Remittance Materials.
 - iv. Subject to any Business Rules you specify, we will process a Check (1) by automated means when a scannable Invoice is included with the Check ("Automated Processed Check") and (2) manually when a non-standard Invoice is included with the Check or no Invoice is included ("Manually Processed Check").
 - b. Deposits. Each Business Day, we will deposit Checks (other than Exception Manual Checks described in section 2(d) below) and cash received in the Lockbox to the Account in accordance with the Account Agreement.
 - c. **Payments processed by automated means.**
 - i. Except as set forth in section 2(c)(ii) below or in your Business Rules, each Automated Processed Check may be deposited in the Account despite any discrepancies in the amount, any postdating or staledating, missing information or alterations on the Check, as described in the User Guide.
 - ii. If you elect to use the Decisioning Module described in section 3, you can give us specific processing instructions for Automated Processed Checks before the Cutoff Time.
 - d. **Payments processed manually.**
 - i. Except as set forth in your Business Rules, each Manually Processed Check will be deposited in your Account, except:
 - 1. An Exception Manual Check,
 - 2. A Manually Processed Check that has been altered (subject to section 2(e) below),
 - 3. You specifically instruct us to the contrary using the Decisioning Module described in section 3, and
 - 4. You have given us a written list of acceptable payee names and the payee name on the Manually Processed Check does not match an acceptable payee name.
 - e. **Alterations.** We will use commercially reasonable efforts to identify any alteration to a Manually Processed Check and not accept a Check we have identified as altered for deposit.
 - f. **Restrictive notations.** We will not inspect Checks to determine whether they bear restrictive notations, such as "Paid in Full."
 - g. **Foreign checks.** If you and we enter into an agreement to provide services for Foreign Checks we will deposit and process a Foreign Check if both the foreign bank location and the Foreign Check currency appear on our approved list. A Foreign Check not meeting these criteria will not be deposited and will be returned to you in accordance with section 2(h).
 - h. **Rejected remittance materials.** Unless you elect otherwise in writing, we will mail to you (i) any Remittance Materials which are not imaged in accordance with section 6, and (ii) any Checks or other instruments which are not deposited in accordance with this Service Description.
3. **Decisioning module.** If you elect to use our Decisioning Module for the Service, you can send us processing instructions through the CEO portal for certain Checks which we have determined may be unprocessable (each, an "Unprocessable Check"). Each message related to the processing of an Unprocessable Check (your "Decisioning Instruction") must be received by us by the Cutoff Time. If we do not receive a Decisioning Instruction by the Cutoff Time, we will handle the Unprocessable Check in accordance with your Default Option. "Default Option" means your election for us to take one of the following actions for any Unprocessable Check:
- a. "Deposit all," meaning we deposit the Unprocessable Check in your Account (this will be the default option unless you elect otherwise), or
 - b. "Reject all," meaning we reject the Unprocessable Check and return it to you as described in section 2(h).

4. **Charge authorizations.** If you elect this Service option (and it is available at your Lockbox processing site), you are required to enter into a Merchant Agreement with us and the Merchant Agreement will govern any Charge Authorizations. As set forth in the Merchant Agreement:
 - a. We will process each Charge Authorization received in the Lockbox which is completed with the required processing information,
 - b. We will not process a Charge Authorization and will return it to you if any required information is missing or it is illegible,
 - c. We will seek approval from the issuer of the credit card for the payment on the Charge Authorization,
 - d. We will request settlement for each Charge Authorization that the issuer approves, and
 - e. Each Business Day we will make information on processed Charge Authorizations available through the channel you and we agree to.
5. **Virtual lockbox service.**
 - a. **Description of service.** When you enroll in our optional Virtual Lockbox Service you can:
 - i. Create Electronic Checks from eligible paper checks in accordance with the Wells Fargo Remote Deposit Capture Service Description ("RDC Service Description"), which is incorporated by reference into this Service Description,
 - ii. Create images of Invoices and other Remittance Materials according to this Service Description, and
 - iii. Transmit Electronic Checks and Remittance Materials to us in an Electronic File for processing according to the RDC Service Description and this Service Description.
 - b. **Processing.**
 - i. **Business Rules.** If you and we have agreed to Business Rules to apply during the processing of your Electronic Files, we will apply them to each Electronic File you send us. Our processing will include data capture of the dollar amount of each Electronic Check, along with data entry related to Remittance Materials, as agreed to by you and us in your Business Rules.
 - ii. **Exception Electronic Checks.** If we identify any Electronic Checks that are ineligible for processing, we will identify these exception checks in a report made available to you. You are responsible for reviewing each electronic check identified in this report in a timely manner and arranging for the timely disposition of each check (whether through recapture or physical deposit) outside the process available in connection with this Service.
 - c. **Instructions.** If this option is available to you, you can use the CEO portal or another communications channel you and we agree to use to give us specific processing instructions for the Electronic Files.
6. **Imaging and retention.**
 - a. **Imaging and access to images.** Unless you and we agree otherwise, we will electronically image all Remittance Materials unless rejected or otherwise unprocessable. You may access images of Remittance Materials through the CEO portal or other communications channels or transmission methods we offer to you. We will redact credit card information including account number, signature and expiration date on images of Charge Authorizations.
 - b. **Destruction of originals.** All original Checks and other Remittance Materials that we image pursuant to this Service Description will be destroyed 5 Business Days after the processing date. You will notify us of any issues which require inspection of original Checks or Remittance Materials before the end of the 5-day period.
 - c. **Intraday image access.** Any images that you access on an intraday basis may not be final and are subject to further value-added keying. You assume all risk associated with your use of or reliance on intraday images.

7. **Representations and warranties.** You represent and warrant to us that:
- Any person you identify in the Set-up Form or any other communication delivered to us is authorized to receive communications and give us instructions regarding the Service. If the authority of any authorized person changes, you will promptly notify us in writing. We will have a reasonable time after receipt of a communication to act on it.
 - If a payee on a Check received in the Lockbox is a legal entity other than you, you are duly authorized by the payee to have the Check endorsed and deposited into your Account.
 - Each Charge Authorization received at the Lockbox is legitimate and duly authorized by the account debtor.
8. **Indemnification.** You agree to indemnify and hold us and our Representatives harmless from and against any and all Losses which we or our Representatives suffer or incur relating to:
- A breach of your representations and warranties in section 7,
 - Any keying errors or misapplied payments resulting from your Decisioning Instructions or errors or delays in your Decisioning Instructions caused by your computer system issues,
 - Any action taken by us in response to a Decisioning Instruction, except to the extent that any such Losses are directly caused by our gross negligence or willful misconduct, and
 - The processing of Charge Authorizations.
9. **Limitation on liability.**
- We will have no liability or responsibility for Losses arising from:
 - Any keying errors or misapplied payments resulting from your Decisioning Instructions or errors or delays in your Decisioning Instructions caused by your computer system issues,
 - Depositing a Check bearing a restrictive notation in accordance with this Service Description, regardless of whether we have knowledge of the restrictive notation,
 - The deposit of any altered Check, unless the loss results directly from the willful misconduct of our officers or employees, or
 - Processing a Charge Authorization in accordance with this Service Description.
 - In addition to the other limitations on our liability contained in the Master Agreement, if you incur a material loss which results directly from our negligence or breach in performing the Service due to our failure to deposit a Payment according to this Service Description, our liability will be limited to direct damages in an amount not to exceed interest on the Payment amount calculated at the Federal Funds rate for the time period such Payment amount is not in your Account, not to exceed 30 days.
10. **Miscellaneous.**
- Service fees.** We may require that you establish a separate analyzed account with us for billing purposes. You authorize us to debit our Service fees and charges from the billing account.
 - Termination.** Upon termination of the Service, we will (i) close the Lockbox, and (ii) dispose of the mail addressed to the Lockbox in the manner instructed by you for a period of 3 months after the termination date, unless otherwise agreed between you and us. You will prepay our Service fees to dispose of the Lockbox mail based on our estimate at the time of termination.
 - Customer service.** Any questions that you have with respect to the Service should be addressed to our customer service center at the telephone number and address separately provide to you.
 - Assignment.** Notwithstanding anything to the contrary in this Service Description or the Service Documentation, our rights and obligations with respect to the Service shall be assignable to any successor in interest without restriction.
 - Survival.** Sections 8 and 9 of this Service Description will survive termination of the Service.

Glossary

Account Agreement means the applicable account agreement governing your Account.

Applicable Law is defined in section 3 of the Master Agreement.

Business Day means every day except Saturday, Sunday and federal holidays.

Business Rules mean certain processing rules that you and we agree in writing to apply to the Payments and Electronic Checks.

Charge Authorization means a written authorization to charge your customer's credit card for a payment due to you.

Check means a paper Item (which includes drafts) received at the Lockbox that we accept in payment of obligations to you.

Cutoff Time means our cutoff time each Business Day that we separately disclose to you for the Service.

Decisioning Module means our Online Lockbox Decisioning Module.

Electronic Check means an electronic image of, and electronic information derived from a paper check.

Electronic File means an electronic file transmitted to us with an Electronic Check.

Exception Manual Check means a Manually Processed Check that we determine in our sole discretion is not eligible for processing, as described in the User Guide for the Service.

Foreign Check means a Check drawn on a foreign bank or payable in a currency other than U.S. Dollars.

Invoice means an invoice or remittance coupon included with a Payment received in the Lockbox.

Item is defined in the Account Agreement.

Lockbox Address means the United States Postal Service address we assign to you for the Service.

Losses means all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees, disbursements of legal counsel and court fees).

Master Agreement means the Master Agreement for Treasury Management Services.

Merchant Agreement means a separate merchant services agreement you and we enter into for us to process your Charge Authorizations.

Payment means a Check, Charge Authorization or cash received in the Lockbox.

Remittance Materials means any Checks, Charge Authorizations, Invoices, correspondence, papers, documents, and other envelope contents (other than cash).

Representatives is defined in section 11(f) of the Master Agreement.

COMMERCIAL ELECTRONIC OFFICE® (“CEO”®) SERVICE DESCRIPTION



1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. (“Bank”) *Commercial Electronic Office*® service (“Service”) and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Services, Treasury Management Product Enrollment form, or other product enrollment form acceptable to Bank (each, “Acceptance”);
 - (c) the Master Agreement for Treasury Management Services (“Master Agreement”);
 - (d) the account agreement governing the account(s) Customer uses in connection with the Service; and
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices.

This Service Description and the Master Agreement are posted at Bank’s *Commercial Electronic Office*® (*CEO*®) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Customer’s use of the Service confirms Customer’s receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the *CEO*® portal. When required by applicable law, Bank will notify Customer of the update. If Customer continues to use the Service after the update takes effect, Customer will be deemed to have agreed to the update.

2. **Description of Service.** The *CEO*® portal is Bank’s electronic banking portal that is accessed via the Internet. Authorized Representatives (see section 3) may use the *CEO*® portal to access
 - (a) Bank Services in which Customer has separately enrolled (each, an “Accessed Service”) and
 - (b) third-party sites Bank may make available through the *CEO*® portal. Bank offers different channels through which Customer may access the *CEO*® portal that may include without limitation personal computers and mobile devices. Bank may add or eliminate channels at any time. A Bank Service or third party site accessible through one channel may not be accessible through another channel. The Service Documentation includes the Service Description for each Accessed Service. In the event of a conflict between the Service Description for the Accessed Service and this Service Description, the Service Description for the Accessed Service will control.
3. **Access to the *CEO*® portal.** When Customer enrolls in the *CEO*® portal and as Bank may determine is necessary after enrollment, Bank will (in accordance with section 4) provide one or more secure means of accessing the Services (each, a “Log-On Credential”) to the persons who are authorized to access the *CEO*® portal on Customer’s behalf (each an, “Authorized Representative”). Log-On Credentials may include without limitation Customer and user IDs, passwords, token IDs and other means of providing secure access to the *CEO*® portal Service that Bank adopts after the date Customer begins using the *CEO*® portal and may be changed by Bank at any time. Bank will have no obligation to Customer to verify or authenticate separately any communication Bank receives in Customer’s name through the *CEO*® portal, whether or not an Authorized Representative actually issued the communication. Bank may, at Bank’s sole option, contact Customer with respect to any communication Bank receives in Customer’s name, but Bank’s election to contact Customer with respect to one or more communication will not

obligate Bank to contact Customer with respect to any subsequent communication Bank receives in Customer's name.

4. Administration of the CEO® Portal.

4.1. General. Bank offers two options for administering the CEO® portal: (a) self-administration and (b) Bank administration.

4.2. Self-Administration. If Customer enrolls in Bank's self-administration option, there are three categories of Authorized Representatives: Customer Administrator, Administrator or User. Unless Customer and Bank separately agree, Bank provides Bank's then-current Log-On Credentials only to Customer's initial Customer Administrator(s) who will (a) assign Bank's Log-On Credentials to other individuals and (b) designate each such individual as (i) a Customer Administrator, who may perform all functions of Customer's initial Customer Administrator; (ii) an Administrator, who may perform all the functions of an Administrator including without limitation designating other Administrator(s) and User(s); or (iii) a User, who may access those Services as designated by a Customer Administrator or an Administrator and those in which Bank permits a User to self-enroll. Each Customer Administrator and Administrator has the authority to enroll Customer in additional Services. Customer will promptly revoke the Log-On Credentials of any Authorized Representative when that individual is no longer an Authorized Representative. Customer and Bank may agree separately that in addition to Company's use of self-administration as described in this section 4.2., Company may request that Bank assign Bank's then-current Log-On credentials to each User Customer designates in writing to Bank as Bank would if Customer elected Bank administration under section 4.3. Customer's designation to Bank will specify the Services which the User is authorized to access in addition to those Services in which Bank permits a User to self-enroll. Each User to whom Bank assigns Log-On credentials will remain authorized until the earlier of the removal of the User by Company through self-administration or by Bank through Bank administration within a reasonable time after receiving Customer's written notification that the User is no longer so authorized.

4.3. Bank Administration. If Customer does not enroll in Bank's self-administration option, there is one category of Authorized Representatives: Users. Bank will assign Bank's then-current Log-On credentials to each User Customer designates. Each User Customer designates will remain authorized until Bank has a reasonable time to act after receiving Customer's notification that the User is no longer so authorized.

5. Restricting or Terminating Access to the CEO® Portal. Bank will not be obligated to permit any Authorized Representative to use any Service through the CEO® portal if Bank determines such use is (a) not in accordance with any term applicable to the CEO® portal, (b) not permitted by Applicable Law, (c) not authorized by Customer or any third party whose authorization Bank believes is necessary for such use, or (d) should be denied for Customer's or Bank's protection (without Bank's agreeing to, or being required to, make this determination in any circumstance).

6. Financial Information. Financial market data, quotes, news, research, and other financial information developed by third parties and transmitted to Bank (collectively, "Financial Information") may be available to Customer at the CEO® portal. The posting of any Financial Information or any other information or data at the CEO® portal will not be a recommendation by Bank of any particular Service or transaction. Bank does not guarantee the accuracy or completeness, (a) of any Financial Information, (b) is not responsible for (i) the actions or omissions of the third parties developing or transmitting Financial Information or (ii) for any decision made or action taken by Customer in reliance on any Financial Information.

7. Alerts.

7.1 Non-subscribed alerts. When Customer enrolls in the CEO® portal or other channels or Services, it consents to receiving by email or other delivery channels, servicing messages that Bank determines are important or urgent. Customer does not need to subscribe to receive such alerts and it does not pay additional service fees.

7.2 Subscribed alerts. Customer may also enroll in fee-based alerts for applicable Services so that Customer can receive messages it subscribes to at the intervals and through delivery channels that it chooses.

8. Cash Flow Analysis Service. This section contains additional terms applicable to Bank's Cash Flow Analysis Service. This Service enables Customer to view and use certain data for global cash positioning and forecasting and journal entry. Bank will automatically populate data from Customer's deposit account(s) at Bank and other financial institutions Customer directs to provide data to Bank. Customer may also manually populate data. Bank will not verify the accuracy or completeness of data from other financial institutions, customer-populated data or forecasting information. Forecasting information is not a guarantee of actual performance. If Customer uses this Service to convert balances to a currency other than the currency in which the account is denominated, the conversion rate used through the Service may differ from the conversion rate actually used when the funds are converted on a given Business Day.

9. Customer's Representations and Warranties. Customer represents and warrants to Bank:

9.1 Customer's governing body has duly authorized each Authorized Representative, regardless of whether Customer enrolls in Bank's self-administration option, Bank administration or whether the individual is designated to act as Customer Administrator, Administrator or User; and

9.2 Customer will preserve the confidentiality of the Log-On Credentials and immediately notify Bank if Customer becomes aware or suspects that any Log-On Credential may have been compromised.

10. Customer's Agreement to Indemnify Bank. Customer will indemnify and hold Bank, its parent company, and its affiliates and each of their respective directors, officers, employees, and agents harmless from and against all losses, damages, claims, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered by any of them arising directly or indirectly from or related to any material breach in a representation, warranty, covenant, or obligation of Customer contained in this Service Description.

11. Survival. Sections 3, 4, 5, 6, 8, 9 and 10 will survive termination of the Service.



ACH and Related Services Service Description

Treasury Management Services

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Introduction

The Service Documentation contains the terms and conditions under which we provide you the services described below. "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in the Services ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the end of this Service Description.

The services (each a "Service") covered by this Service Description are:

- ACH Origination Service
- ACH Fraud Filter Service
- Cash Concentration Service
- *Perfect Receivables*® Service
- *WellsTAX*® Payments Service

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing the Account,
- e. The Product Enrollment Form (which contains set-up information for each service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office*® (CEO®) portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Services

ACH Origination Service

1. **Description of services.** With this Service you can originate ACH credit and debit Entries in accordance with the ACH Rules. Any capitalized terms not specifically defined in the Service Documentation will be as defined in the ACH Rules. By using this Service, you authorize us to originate Entries on your behalf to Receivers' accounts, you agree to be bound by the ACH Rules, and you agree not to originate Entries that violate the laws of the United States.
2. **Preparation of Entries and Files; processing schedules.** You will prepare and deliver each File in accordance with the ACH Rules, User Guides and other guidelines we make available to you. You agree to use the applicable Security Procedure when you send Entries to us. We will process each File under our current processing schedule and any instructions about the Settlement Date of an Entry that you provide, if (a) we receive the File by our Cutoff Time on a Business Day and (b) the ACH is open for business. Your Files will be considered received by us when the transmission is completed and authenticated in compliance with the Security Procedure. If your File is received after our Cutoff Time or on a day when the ACH is not open for business, we will treat the File as having been received prior to our Cutoff Time on the next Business Day on which the ACH is open for business. In processing your Entries or Files, we may use any means of transmission, funds transfer system, clearing house or intermediary bank that we reasonably select.

3. **Inconsistency of name and number.** If an Entry describes the RDFI both by name and identifying number, we, a Gateway Operator or another financial institution handling the Entry may rely on the identifying number to identify the RDFI, even if the identifying number refers to an institution other than the named RDFI. If an Entry describes a Receiver both by name and identifying number, the RDFI may pay the Entry based on the identifying number, even if the number identifies a person different from the named Receiver.
4. **Your payment obligations with respect to entries.** You are obligated to pay us in immediately available funds an amount equal to the sum of all credit Entries you deliver to us before we send your Entries to the ACH or Gateway Operator, or post an on-us Entry. When we act as both the ODFI and RDFI for an Entry, the Entry is an "on-us Entry." You will maintain available funds in each Account sufficient to cover your credit Entries. You authorize us to debit the Account for the total amount of all credit Entries originated from it at any time. We may refuse 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. We may take other actions to ensure we receive payment for your credit Entries including (a) upon notice to you, placing a hold on funds in any account you hold with us or our affiliate sufficient to cover your credit Entries and (b) setting off against any amount we or our affiliate owes you. In addition, we may charge the Account or any other of your accounts held with us or our affiliate for any debit Entry, including any correcting or Reversal Entry later returned to us. You will reimburse us for any returned debit Entries on the same day you receive notice of the returned Entry. You agree that we do not need to send a separate notice of debit Entries which have been returned unpaid.
5. **Provisional credit.** If we credit your Account for an Entry, the credit is provisional until we receive final settlement. If we do not receive final settlement, we are entitled to debit your Account or any other accounts you own in whole or in part with us or our affiliate for the amount of the Entry. If there is any remaining shortfall, you will pay it immediately upon demand.
6. **Rejected entries.** We may reject an Entry or File if you do not comply with the terms of the ACH Rules and the Service Documentation, and we will attempt to notify you promptly so you may correct the problem. We will have no liability for rejecting an Entry or File or failing to provide notice of a rejection. If you ask us to repair an Entry or File, we will have no liability if we are unable to make the requested repair. You will pay all charges and expenses for any repair or attempted repair.
7. **Cancellation, amendment, reversal.** You have no right to cancel, amend or reverse an Entry or File after we receive it. If you do request that we cancel, amend or reverse an Entry or File, we may, in our sole discretion, attempt to complete the request. If we do not complete the request, we will have no liability and you will reimburse us for any expenses, losses or damages we incur.
8. **Your duty to report erroneous or unauthorized entries.** You will exercise reasonable care to determine whether an Entry we accepted was either erroneous or not authorized and to notify us of the relevant facts within a reasonable time not exceeding 14 days after you receive our notification that the Entry was accepted or that the Account was debited for the Entry, whichever is earlier. If you do not notify us within 14 days, we will not be liable for any loss of interest or for any other loss relating to an erroneous or unauthorized debit to your Account or because of any other discrepancy in the notification.
9. **Re-transmission of returned entries.** We are not required to re-transmit a returned Entry or File to the ACH or Gateway Operator, or to take any further action on a returned on-us Entry.
10. **Audit.** You grant us ongoing access to your Files and the right to audit periodically your Files, ACH processes and controls so we can verify your compliance with the ACH Rules and this Service Description or any other Service Documentation.

11. **Warranties.** We make certain warranties under the ACH Rules and other Applicable Law when you use this Service. You will reimburse us for any Losses we incur, including our reasonable attorneys' fees and legal expenses, as the result of a breach of a warranty we make in connection with any of your Entries, except to the extent that the Losses resulted from our own gross negligence or intentional misconduct.
12. **Indemnification.** We indemnify certain persons under the ACH Rules when you use this Service. You agree to reimburse us and our Representatives for any Losses we incur, including our reasonable attorneys' fees and legal expenses, as the result of the enforcement of any such indemnity, except to the extent the Losses resulted solely from our own gross negligence or intentional misconduct. In addition, you will indemnify us and our Representatives from and against all Losses awarded against or incurred or suffered by us arising directly or indirectly from or related to any material breach of a representation, warranty, or covenant you provide regarding this Service.
13. **Termination.** In addition to the termination provisions contained in the Master Agreement, we may terminate this Service immediately upon notice to you if we determine in our sole discretion: the number of returned debit Entries is excessive; you have breached a warranty provided under the ACH Rules or this Service or otherwise failed to comply with the ACH Rules.
14. **Survival.** Sections 3, 5, 6, 8, 9, 12 and 13 will survive termination of this Service.

Additional Terms and Service options

15. **International Entries.** This section contains additional terms that apply when you originate International Entries.
- a. **General.** You agree to comply with, and we will process each International Entry in accordance with:
- i. The laws and payment system rules of the receiving country of your International Entry,
 - ii. Any agreement we provide to you governing International Entries between us and the Gateway Operator we use to process the International Entry, and
 - iii. The ACH Rules.
- If there is a conflict among these three areas, they will govern in the order listed above.
- b. **Currency conversion.** With respect to International Entries we agree to originate in a Foreign Currency, the currency conversion is governed by section 8 (Currency conversion) of the Master Agreement. For debit Entries, however, we use the Applicable Exchange Rate in effect at the time we receive the funds for settlement of the debit Entry rather than at the time we send (or execute) the debit Entry. If the debit Entry is returned to us, we may charge the applicable Account or any other of your accounts with us or our affiliate for the amount equal to the value of the returned debit Entry, after we have converted the Foreign Currency to the Account Currency at the Applicable Exchange Rate in effect when we process the returned debit Entry. We will not be liable for a sum in excess of the original amount of the debit Entry after conversion.
- c. **Acts or omissions of third parties.** We will not be liable for:
- i. Any failure or delay by a Gateway Operator, any intermediary financial institution, or the financial institution designated to receive the International Entry in the receiving country in processing or failing to process any Entry we transmit to the receiving country, or
 - ii. Any acts or omissions by a third party including the delay or failure of any third party to process, credit or debit any International Entry.
16. **Third-party sender activities.** This section contains additional terms that apply when you are a Third-Party Sender.
- a. **General.** Prior to originating any Entry on behalf of each customer or upon our request, you will:
- i. Provide us with the information we require to understand the nature of your customer's business, including the name, Taxpayer Identification Number, business activity and geographic location of your customer, and whether your customer is also a Third-Party Sender,

- ii. Timely provide us with information we require for purposes of our registration of you or your customer as a Third-Party Sender in accordance with the ACH Rules ("Registration") and supplemental Registration information requested by us, and
- iii. Upon our request, obtain our written approval to originate or continue to originate Entries for that customer (which we may rescind upon written notice to you), and
- iv. Enter into a written agreement with that customer in which that customer agrees:
 - 1. To assume the responsibilities of an Originator under the ACH Rules and to be bound by the ACH Rules,
 - 2. Not to originate ACH Entries in violation of the laws or regulations of the United States including without limitation the regulations issued by the Office of Foreign Assets Control,
 - 3. To grant us ongoing access to audit the customer and any ACH Entry that it has transmitted to you for transmission to us, and
 - 4. That we may at any time refuse to process an ACH Entry for that customer.
- b. **Updates to registration information.** You will timely notify us of any changes to information you provide to us for the Registration of you or your customer as a Third Party Sender.
- c. **Representations and warranties.** With respect to each of your customers for which you are originating transactions through us, you represent and warrant to us that you have conducted the appropriate due diligence to determine that:
 - i. Each customer is engaged in a legitimate business, and
 - ii. The type, size and frequency of transactions that each customer is originating is normal and expected for the customer's type of business.
- d. **Ongoing monitoring.** You will use reasonable commercial standards to monitor each customer's business and transactions on an ongoing basis, and notify us promptly if you identify any unusual activity by your customer. You will take appropriate actions with respect to the customer, including refusing to originate Entries for your customer.

17. **Perfect NOC service.** With our Perfect NOC Service, we maintain a database of Notifications of Change (each, a "NOC") that we receive. We use this database to update your Entries in accordance with the Service options you select from time to time. We will notify you of each NOC we receive in connection with your Entries. Additional details about this Service are more fully described in the applicable User Guide.

18. **MICR-split processing service.**

- a. With our MICR-Split Processing Service, if we determine that an RDFI for a debit Entry you sent is not an ACH participant (or as otherwise reasonably determined by us as appropriate), you authorize us to issue a preauthorized check ("PAC") using the debit Entry data you provided. PACs are drawn upon the Receiver's account with the applicable RDFI and deposited in your Account, but do not contain the signature of the Receiver.
- b. You represent and warrant to us that:
 - i. You have the appropriate authorization from each person owning the Receiver's account shown in the debit Entry data, which remains effective when we issue the PAC, and
 - ii. You are not a "telemarketer" for purposes of the Federal Trade Commission's Telemarketer Sales Rule (16 C.F.R. Part 310).

19. **Cash Concentration service.** With the Cash Concentration Service, we originate debit Entries to move funds from your Remote Accounts into your Concentration Account. We make summary and detail level reports of your cash concentration transactions available to you through our Cash Concentration Reporting Service. Additional details about this Service and available service options are more fully described in the applicable User Guide.

- a. **Options.** You can choose from the following options:
 - i. **Touchtone or online option.** We originate debit Entries to collect funds from your Remote Accounts for the transfer amounts you specify based on deposit information entered for each location by touch-tone telephone or computer.

- ii. **Automated Cash Concentration option.** We request account balances from the financial institutions holding the Remote Accounts. We calculate transfer amounts and originate debit Entries based on your specified target balances for the Remote Accounts and other transfer parameters you may establish.
- b. **Representations and warranties.** With respect to each debit Entry we originate on your behalf, you represent and warrant to us that:
 - i. The debit Entry is authorized,
 - ii. If you are using the Touchtone/Online option, the corresponding deposit input is accurate, and
 - iii. If you are using the Automated Cash Concentration Option, you have authorized each financial institution holding a Remote Account to comply with our request for balance information.
- c. **ACH deadlines.** If by our applicable Cutoff Time (i) you do not complete your deposit inputs for the Touchtone or Online option or (ii) we are unable to obtain balance information for a Remote Account for the Automated Cash Concentration option, we will not be responsible for failing to meet the ACH deadlines to originate the debit Entries.
- d. **Automated Cash Concentration authorization.** You authorize us in our own name or in your name, to request that each financial institution holding a Remote Account provide us or our designee with the account balance information each Business Day using any method specified by us.

ACH Fraud Filter Service

1. **Description of service.** With this Service, you can manage incoming ACH Entries in accordance with the ACH Rules. Any capitalized terms not specifically defined in the Service Documentation will be as defined in the ACH Rules. You have the following options:
 - a. **Stop option.** This option stops all incoming ACH Entries you have not authorized in advance (and not set as preauthorizations). Entries stopped under the Stop Option will be returned to the ODFI as unauthorized.
 - b. **Review option.** You review and decision each incoming ACH Entries (not set as preauthorizations) before the applicable cutoff time and select each Entry to be either paid or returned. Entries that you have selected for return under the Review Option will be returned to the ODFI as unauthorized and we will create a reversing adjustment to your Account. If you do not make a pay/return decision on an Entry prior to the applicable cutoff time, the Entry will be paid or returned based on the default action you specified.
 - c. **Additional criteria.** You may also set up additional decisioning criteria, including limits and preauthorizations.
2. **Echecks.** You have the following options for incoming ACH Entries that have been converted from a check (Echecks).
 - a. **Stop option.** All Echecks will be automatically stopped and returned to the ODFI as unauthorized.
 - b. **Post option.** All Echecks will automatically post without your review.
 - c. **No additional criteria.** Additional decisioning criteria, including limits and preauthorizations, are not available for Echecks.
3. **Service restrictions.** You agree to be bound by the ACH Rules for all Entries. Regardless of the Service options or other criteria you have in place, we may return any Entry in accordance with the ACH Rules and Applicable Law. We may also accept any Entry, Reversal Entry or adjustment in accordance with our obligations under the ACH Rules and Applicable Law. This Service does not apply to transactions between you and us. We may pay Entries which you have authorized us to originate against your Account (for instance, loan or credit card payments), whether or not you have included these in your decisioning criteria.
4. **Termination.** Upon termination of this Service, you will still have the right to return individual Entries in accordance with the ACH Rules and Applicable Law.

Perfect Receivables® Service

1. **Description of service.** With this Service, you can elect options for posting and reporting information about ACH entries and wire transfers (each, a "Remittance") that we post each Business Day to your Account(s). We provide a range of unique Wells Fargo payment identification codes (WPICs) that can be used to route Remittances to your Account and help you identify and post your receivables to the correct remitter.
2. **WPIC restrictions.**
 - a. You may not assign a WPIC to more than one remitter or reuse any WPIC numbers.
 - b. If you cannot post the Remittance to your remitter in accordance with the WPIC information, you must return the Remittance.
 - c. We have the right to rescind any WPIC number or range of WPIC numbers at any time in our sole discretion. For example, we may do so if we consider it necessary to comply with Applicable Law. We will use reasonable efforts to notify you before rescinding any WPIC number unless we are prohibited from doing so by Applicable Law, or by our applicable policies and standards, as amended from time to time. When you receive notice of the rescission of any WPIC number, you will promptly notify the remitter assigned to the rescinded WPIC number that the WPIC number may no longer be used to receive Remittances. You will use best efforts to prevent the WPIC from being used to receive Remittances and will block or otherwise restrict access to funds received through a rescinded WPIC.
3. **Processing of Remittances; chargebacks.** Each Business Day, we will post to your Account all Remittances we receive prior to the Cutoff Time, except for Remittances we reject. Each credit to your Account for a Remittance is provisional until we receive final settlement for the Remittance. If we do not receive final settlement, we may debit your Account or any other account you own, in whole or in part, with us or any of our affiliates for the amount of the Remittance. You will pay us immediately upon demand for any shortfall remaining after such chargeback.
4. **Rejected Remittances.** We may, but are not obligated to, reject a Remittance:
 - a. That does not contain all of the required information specified by us,
 - b. If we suspect that you are not entitled to the Remittance,
 - c. If at the time we receive the Remittance, you do not maintain an Account with us, the Service has been terminated, or we are not permitted by law to accept credits to any of your Accounts, or
 - d. If you are in default under this Service Description or any other Service Documentation.
5. **Reporting.** Each Business Day, we will provide you with the information about Remittances posted to your Accounts through the communications channels you elect.
6. **Violation of Applicable Law.** You represent and warrant to us that you will not use the Service in a manner that could result in a violation of Applicable Law. You will provide us with the information we require to understand the nature of your use of the Service and grant us ongoing access to audit your compliance with Applicable Law. In addition to our other rights to terminate the Service under the Service Documentation, we may terminate the Service upon notice to you if we determine your use of the Service could result in a violation of Applicable Law.

WellsTAX® Payments Service

1. **Description of service.** With this Service, you can use our CEO® portal or a touch-tone telephone to request transfers from your Account (each, a "Transfer") to pay your U.S. federal, state or other taxes specified from time to time in our User Guides. By using this Service, you authorize us to originate ACH credit Entries on your behalf to effectuate the Transfers. You agree to be bound by the ACH Rules, and also comply with applicable provisions of the ACH Service Description, which is incorporated by reference into this Service Description.

2. **Procedures for initiating transfers.** You will deliver your requests for Transfers in accordance with the Service Documentation, including the User Guides. You agree to use the applicable Security Procedures for your Initiation Method (including access codes and passwords for touch-tone telephone initiation method) when you send Transfer requests to us.
3. **Accuracy of data.** You will provide us with the information necessary for us to inform the applicable government agency or entity of the tax payment within the time period required by any rule or regulation governing the payment. You authorize us to rely on the accuracy of the information you have provided to us.
4. **Transfer deadline.** Any Transfer request delivered on any Business Day after the applicable Cutoff Time, or on a non-Business Day, will be deemed received on the following Business Day. You must deliver Transfer requests by the applicable Tax Transfer Deadline.
5. **Authorized reporting agent.** If you are a taxpayer required by federal law to make electronic Federal Tax Deposit (FTD) payments to the Internal Revenue Service (IRS) and submit FTD information through the U.S. Department of the Treasury's Electronic Federal Tax Payment System (EFTPS), we will make your Transfers as FTD payments submitted through EFTPS, regardless of any other instructions from you. In performing the Service, we are acting as your authorized reporting agent. You authorize us to accept debit Entries from the IRS to make the Transfers, and to debit your Account for the amount of such payments.
6. **Payment for Transfers.** You authorize us to debit your Account before we process a Transfer. We may refuse to process a Transfer if the Transfer would exceed the available funds in the Account on the Tax Transfer Deadline.
7. **Rejected Transfers.** We also reserve the right to delay or reject any Transfer if we believe the Transfer may violate Applicable Law or if we believe the Transfer will present a risk to you and/or us, or for other reasons. If we do not accept a Transfer request or must delay making a requested Transfer, we will attempt to notify you.
8. **No verification of Transfer Requests.** We are under no obligation whatsoever at any time to verify any Transfer and will have no liability for failing to investigate or verify any Transfer request.
9. **Confirmations.** We will confirm each Transfer on your account statement or on any bank information reporting service that we provide you. You must immediately inform us of any Transfer that is incorrect or unauthorized.
10. **Amendments and cancellations of transfer requests.** You may cancel a Transfer request before the Cutoff Time if we have not processed the Transfer. After we have processed a Transfer, it cannot be canceled, amended or reversed.
11. **Records, information and audits.** You will verify the accuracy of all records and information regarding the Service or any Transfer and you will notify us immediately of any errors. Nothing in the Service Documentation will relieve you of:
 - a. Any responsibility imposed by law, regulation or contract with regard to the maintenance of records, or
 - b. Any responsibility to perform audits and account reviews customarily conducted by persons or entities whose businesses are similar to your business.
12. **Responsibility for paying taxes.** Any interruption in the Service will not relieve you of any obligation to pay any tax to the IRS, or any other government agency or entity owed the tax, and we will have no liability to you for your failure in such circumstances to pay any tax.

Glossary

Account means your account(s) with us used in connection with the Service.

Account Agreement means the applicable account agreement governing the Account.

Account Currency is defined in section 8 (Currency conversion) of the Master Agreement.

ACH means Automated Clearing House.

ACH Rules means the Nacha Operating Rules and any applicable local ACH rules.

Applicable Exchange Rate is defined in section 8 (Currency conversion) of the Master Agreement.

Applicable Law is defined in section 3 (Changes to service) of the Master Agreement.

Business Day means every day except Saturday, Sunday and federal holidays. When used in connection with funds transfer Services, "Business Day" means each day on we are open for business related to that Service.

CEO® portal means our Commercial Electronic *Office*® portal.

Concentration Account means your Account designated in the Concentration Account Services Set-up Form.

Cutoff Time means our cutoff time each Business Day we separately disclose to you for the applicable Service.

Entry is defined in the ACH Rules.

File is defined in the ACH Rules.

Foreign Currency is defined in section 8 (Currency Conversion) of the Master Agreement.

Gateway or Gateway Operator is defined in the ACH Rules.

Initiation Method is defined in section 6 (Security procedures) of the Master Agreement.

International Entry means an Entry to an account outside the United States.

Item is defined in the Account Agreement.

Log-on Credentials is defined in section 9 (CEO portal) of the Master Agreement.

Losses means liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and court fees).

Master Agreement means the Master Agreement for Treasury Management Services.

NOC or Notification of Change is defined in the ACH Rules.

ODFI (Originating Depository Financial Institution) is defined in the ACH Rules.

Originator is defined in the ACH Rules.

Payment Order means an instruction to us in your name to transfer funds from your Account (and includes any communication cancelling or amending an instruction).

RDFI (Receiving Depository Financial Institution) is defined in the ACH Rules.

Receiver is defined in the ACH Rules.

Remote Account means one or more accounts owned or controlled by you in the United States.

Representatives is defined in section 11(f) (Liability and indemnification) of the Master Agreement.

Reversal or Reversing Entry is defined in the ACH Rules.

Security Procedure is defined in the Product Enrollment Form and in section 6 (Security procedures) of the Master Agreement.

Settlement Date is defined in the ACH Rules.

Tax Transfer Deadline means a date at least one Business Day prior to the date the tax payment is due to the applicable tax authority.

Third Party Sender is defined in the ACH Rules.



Wire Transfer Service Description

Treasury Management Services

Introduction

The Service Documentation contains the terms and conditions under which we provide you the services described below. "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in the Service ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The service ("Service") covered by this Service Description is:

- Wire Transfer

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing the Account,
- e. The Product Enrollment Form (which contains set-up information for each service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office® (CEO®)* portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Wire Transfer Service

1. **Description of service.** With this Service you can instruct us to transfer funds by wire. You agree to comply with all applicable payment system rules, including the national payment system rules and any other Applicable Laws and regulations of the receiving country of the transaction.
2. **Preparation of payment orders; processing schedules.** You will prepare each Payment Order according to guidelines we separately make available from time to time. You will use the applicable Security Procedure when you send a Payment Order to us.

We will execute each Payment Order in accordance with our then current processing schedule and any accompanying instructions you include regarding the date a Payment Order is to be executed. A Payment Order will be deemed received by us when we have verified it in compliance with the Security Procedure.

- a. If we receive a Payment Order after our Cutoff Time on any Business Day, we will treat the Payment Order as having been received before our applicable Cutoff Time on our next Business Day.
- b. If we execute your Payment Order by sending instructions to another financial institution, we may send the Payment Order by any transmission method and by any route we in our sole discretion consider reasonable.

3. **Inconsistency in name and number.**

- a. If a Payment Order describes the person to receive the funds under the Payment Order both by name and identifying number, we or another financial institution through which the Payment Order is routed may rely solely on the identifying number to identify the person, even if the number identifies a person other than the one named.
- b. If a Payment Order describes a financial institution both by name and identification number, we or another financial institution through which the Payment Order is routed may rely solely on the identification number to identify the financial institution, even if the identification number refers to a financial institution other than the one named.

4. **Authorization to pay.** You authorize us to:

- a. Execute any Payment Order we verify in accordance with the applicable Security Procedure, and
- b. Debit the account specified in the Payment Order even if a debit results in an overdraft on the execution date. If no account is specified, we will debit your Account or any other of your account(s) with us or one of our affiliates.

You will maintain sufficient available funds in the account specified in the Payment Order at the time of each debit.

5. **Your duty to report erroneous or unauthorized transfer instructions.** You will exercise reasonable care to:

- a. Determine whether a Payment Order accepted by us was either erroneous or not authorized, and
- b. To notify us of the relevant facts within a reasonable time not exceeding 14 days after we notify you that the Payment Order was accepted or that the Account was debited for the Payment Order, whichever is earlier.

If you do not notify us within 14 days, we will not be liable for any loss of interest or for any other loss relating to an erroneous or unauthorized debit to your account or because of any other discrepancy in the notice.

6. **Rejected payment orders.** If a Payment Order is rejected for any reason, we will attempt to notify you promptly so you can cure the defect. However, we will have no liability to you for a rejected Payment Order or any loss resulting from our delay or failure to notify you.

7. **Cancellation, amendment, reversal.** A Payment Order will be final and not subject to cancellation, amendment or reversal by you, except we may, at your request, make an effort to cancel, amend or reverse a Payment Order without incurring any liability for our failure or inability to do so.

8. **Drawdown requests.** A “drawdown request” is an instruction from you to another depository institution to debit:

- a. An account at that institution and transfer the funds to us (an “outgoing drawdown request”), or
- b. The Account and transfer the funds to that institution (an “incoming drawdown request”).

In this Service description, “Payment Order” includes drawdown requests. We may execute an incoming drawdown request that conforms with instructions we receive through Fed Wire, SWIFT, CHIPS or any other funds transfer system, provided those instructions are not inconsistent with instructions you separately provide in writing. The authority to execute the incoming drawdown request will continue until we receive your express written notice that such authority is revoked and have a reasonable time to act on it.

9. **Limitation of liability.** We will not be liable for any third party's failure to or delay or error in processing a Payment Order. If the beneficiary bank does not pay the beneficiary specified in the Payment Order, a refund will be made only after we have received confirmation of the effective cancellation of the Payment Order and we are in free possession of the funds debited or earmarked in connection with the Payment Order. If we are notified the beneficiary bank did not credit the Account for the full amount stated in a Payment Order, our sole obligation will be to promptly execute a second Payment Order in the amount of the stated deficiency.

If we execute a Payment Order that is more than the amount stated in the Payment Order, to the extent you do not receive the benefit of the full amount of the Payment Order, we will only be liable for any loss of the principal amount transferred in excess of the amount stated in the Payment Order. Additionally, we will be liable for the amount of interest you have lost due to the transfer of the excess amount, computed at the Federal Funds rate or as otherwise agreed. However, our liability for loss of interest will be limited to 20 calendar days' interest. This section sets forth our complete liability for a Payment Order issued or received under this Wire Transfer Service description.

10. **Survival.** Sections 5, 6, 7 and 9 will survive the termination of the Services.

Glossary

Account means your account(s) with us used in connection with the Service.

Account Agreement means the applicable account agreement governing the Account.

Applicable Law is defined in section 3 of the Master Agreement.

Business Day means every day except Saturday, Sunday and federal holidays. When used in connection with funds transfer Services, "Business Day" means each day on we are open for business related to that Service.

Cutoff Time means our cutoff time each Business Day we separately disclose to you for the applicable Service.

Master Agreement means the Master Agreement for Treasury Management Services.

Payment Order means an instruction to us in your name to transfer funds from your Account (and includes any communication cancelling or amending an instruction).

Security Procedure is defined in the Product Enrollment Form and in section 6 of the Master Agreement.

Wire Transfer Services Customer Setup Form and Agreement

Part I – Setup Information

Treasury Management Customers

Complete Part I and sign as provided in Part III. The information in this setup form and your separate treasury management documents relating to wire transfers govern your use of Wells Fargo's wire transfer service.

All Other Customers (including consumers and non-Treasury Management business customers)

Complete Part I, review the Wire Transfer Services Agreement in Part II, and sign as provided in Part III.

Type of Request: ☐ New ☐ Update Existing Information ☐ Delete Existing Information

A. Account Numbers (list accounts to be debited for each wire transfer)

For additional accounts attach a signed listing with notation of Customer's name and the additional account numbers. Check the appropriate box for each account number to identify the account type.

1) ☐ DDA ☐ G/L	2) ☐ DDA ☐ G/L	3) ☐ G/L ☐ DDA	4) ☐ DDA ☐ G/L
5) ☐ DDA ☐ G/L	6) ☐ DDA ☐ G/L	7) ☐ G/L ☐ DDA	8) ☐ DDA ☐ G/L
9) ☐ DDA ☐ G/L	10) ☐ DDA ☐ G/L	11) ☐ G/L ☐ DDA	12) ☐ DDA ☐ G/L

B. Advice Information (additional fees apply for these services)

For Fax or Email Notification on intraday wire activity use the InfoFax setup form.

Mail Advice (this paper based service is no longer available to add) ☐ Delete Mail Advice

C. Authorized Callers (people authorized to initiate wires)

\$ Limit = Use "N" if unlimited. The limit applies to all functions unless noted otherwise. If no limit is noted we will set the limit as unlimited.

Initiation Type = If no Initiation Type is noted, we will set the individual up for both Repetitive and Non-Repetitive Wire Initiation. Complete by checking appropriate box: R = Repetitive / B = Both Repetitive & Non-Repetitive.

Authorized Callers first & last name	Caller	\$ Limit	Phone Number including area code	Initiation Type [✓] R B
	☐ Add ☐ Delete	\$		☐ ☐
	☐ Add ☐ Delete	\$		☐ ☐
	☐ Add ☐ Delete	\$		☐ ☐
	☐ Add ☐ Delete	\$		☐ ☐
	☐ Add ☐ Delete	\$		☐ ☐

D. OPTIONAL Verify Callback Service (does not apply to repetitive wires)

Selecting this fee-based service requires a minimum of two persons with wire transfer authority because the initiator of a wire cannot also approve the wire. If the form does not indicate an Authorized Approver other than the initiator, the optional Verify Callback Service cannot be provided.

Verify Orders exceeding: \$

Authorized Approvers first & last name	Approver	\$ Limit	Phone Number including area code
	☐ Add ☐ Delete	\$	
	☐ Add ☐ Delete	\$	

Authorized Approvers first & last name	Approver	\$ Limit	Phone Number including area code
	☐ Add ☐ Delete	\$	
	☐ Add ☐ Delete	\$	
	☐ Add ☐ Delete	\$	
	☐ Add ☐ Delete	\$	
	☐ Add ☐ Delete	\$	

E. Alternate Account to be Charged for Wire Fees (Available to Business and Wealth Private Banking customers ONLY)

List account only if wire fees are to be assessed to this account for the accounts listed in Part I-A.

☐ DDA ☐ AU and G/L _____

Part II - Wire Transfer Services Agreement

1. Introduction. This Wire Transfer Services Agreement ("Agreement"), along with the account agreement applicable to the account used in connection with the wire transfer services ("Account"), govern your use of Wells Fargo's wire service. With this service, the Wells Fargo customer identified in this Agreement ("you" or "your") can instruct Wells Fargo Bank, N.A. ("Wells Fargo") to transfer funds by wire from the Account ("Order").

2. Security Procedure

2.1. General. You agree to use the security procedure described in this Section ("Security Procedure") when you request an Order (except for an Order delivered to Wells Fargo in person by you or your authorized representative). The purpose of the Security Procedure is to verify the authenticity of an Order delivered to us in your name and not to detect errors in the transmission or content of an Order. You agree the Security Procedure is commercially reasonable and, in view of your requirements, is a satisfactory method of verifying the authenticity of Orders. You agree you are bound by any Order, whether or not authorized, issued in your name and accepted by Wells Fargo in compliance with the Security Procedure.

2.2. Voice Initiated Orders. Wells Fargo's standard Security Procedure for a voice-initiated Order consists of confirming the personal identification number ("PIN") accompanying an Order corresponds with a valid PIN assigned to you, and confirming the voice print provided when placing an Order matches the print registered on file for that PIN holder. A PIN and voice print are required for all voice-initiated transfers.

2.3. PIN. Each person authorized to initiate and/or approve Orders for you will be issued a unique PIN. PINs are computer-generated and you cannot choose your own PIN. Wells Fargo employees do not have access to PINs. You agree to safeguard any PIN assigned to you. You must supply the PIN each time you initiate an Order. PINs are issued via a two-part, confidential mailer sent to you. If lost or forgotten, Wells Fargo cannot reconstruct PINs. For your protection, if you suspect a PIN has been compromised, or if an authorized person is no longer authorized, immediately notify Wells Fargo Wire Transfer Services at 888-384-8400. Wells Fargo, in its sole discretion, may cancel or reissue any PIN it believes may have been compromised, including, without limitation, a PIN that has never been acknowledged as having been received and any PIN that has been used by anyone other than the intended authorized user.

2.4. Identify Authorized Persons. You will notify Wells Fargo in writing of the identity of each individual authorized to receive information regarding the Security Procedure. You will promptly notify Wells Fargo in writing of any change in an authorized individual. Your notice will be binding on Wells Fargo if it is received in a time and manner that gives Wells Fargo a reasonable opportunity to act on it. Wells Fargo will be fully protected in relying on your notices.

2.5. OPTIONAL Verify Callback Service. If you select this optional fee-based service by providing the information requested in Section D of Part I, it will become part of your Security Procedure. Wells Fargo will make at least one attempt to telephone an individual authorized to approve wires other than the initiator (an "Authorized Approver") to verify the voice-initiated non-repetitive wire transfer order is authorized when the amount of the wire exceeds the wire transfer order limit designated in Section D of Part I. You may designate a limit up to which an Authorized Approver may authorize an order. A PIN is required to authenticate each Authorized Approver. If Wells Fargo is unable to (a) contact and authenticate or (b) obtain approval from an Authorized Approver, the wire will not be processed.

3. Inconsistency of Name and Number. If an Order describes the person to receive the wire transfer ("Beneficiary") inconsistently by name and account number, the wire transfer may be made on the basis of the account number even if the account number identifies a person different from the Beneficiary. If a wire transfer request describes a financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. **You further acknowledge the beneficiary account number or beneficiary bank identification number (e.g. IBAN, RTN, or SWIFT BIC) you provide in connection with an Order will be complete and accurate, and you understand you could lose the transfer amount if the information is incorrect.**

4. Responsibility of Wells Fargo. Wells Fargo may send an Order by wire, telegraph, telephone, cable, or whatever other transmission method Wells Fargo considers to be reasonable. Wells Fargo may transmit an Order directly to the Beneficiary's bank, or indirectly to the Beneficiary's bank through another bank, government agency, or other third party that Wells Fargo considers to be reasonable. Wells Fargo may utilize any reasonably selected funds transfer system or intermediary bank, even if its selection differs from instructions in the request.

5. Additional Actions by Wells Fargo. Any action Wells Fargo takes to detect an erroneous Order, or any actions Wells Fargo takes beyond those described above in an attempt to detect an unauthorized Order, will be taken at Wells Fargo's sole discretion. No matter how many times Wells Fargo takes this action, it will not become part of Wells Fargo's standard procedures for attempting to detect such erroneous or unauthorized Orders, and Wells Fargo will not in any situation be liable for failing to take or to correctly perform the action.

6. Liability. Wells Fargo is only responsible for making a good faith effort to execute your Orders and will only be responsible for performing the services specified in this Agreement. For Orders subject to Article 4A of the Uniform Commercial Code ("UCC 4A"), Wells Fargo will be liable to you only for damages required to be paid under UCC 4A. For Orders not subject to UCC 4A and for other obligations under this Agreement, Wells Fargo will only be liable for its negligence or willful misconduct. Wells Fargo will not be liable for any third party's failure to or delay or error in processing an Order. Wells Fargo will not be liable for any delay in performing or failure to perform if the delay or failure results from any cause beyond its reasonable control. In no event will Wells Fargo have any liability for consequential, special, punitive or indirect loss or damage which you may incur in connection with this Agreement.

7. Indemnification. You agree to indemnify and hold Wells Fargo, its directors, officers, employees and agents harmless from all third party claims, demands, judgments, and expenses (including reasonable attorney's fees) arising out of or connected with the performance of any wire transfer service under this Agreement. This indemnification will survive the termination of this Agreement.

8. Cancellation, Amendment, Reversal. An Order will be final and not subject to cancellation, amendment or reversal by you, except Wells Fargo may, at your request, make an effort to effect such cancellation, amendment or reversal without incurring any liability for its failure or inability to do so.

9. Your Duty to Notify Wells Fargo of Unauthorized Activity. If you identify any discrepancies in your account setup (including repetitive wire transfer templates), please contact us immediately at 1-888-384-8400. Wells Fargo will not be responsible for any delays in payment or additional fees caused by your failure to notify us promptly of any such discrepancy. You will exercise ordinary care to determine whether an Order accepted by Wells Fargo was either erroneous or not authorized and to notify Wells Fargo of the facts within a reasonable time not exceeding 14 days after you have received notification from Wells Fargo that the Order was accepted or that your Account was debited or credited with respect to the Order, whichever is earlier. You will be precluded from asserting that Wells Fargo is not entitled to retain payment for an Order unless you object within 14 days.

10. Fees and Taxes. You agree to pay Wells Fargo's current wire transfer service fees. A copy of Wells Fargo's current fee schedule is available to you on request. You also agree to pay amounts equal to any applicable taxes on these wire transfer services (exclusive of taxes based on net income of Wells Fargo).

11. Currency. An Order expressed in U.S. Dollars will be sent in U.S. Dollars. You may request that prior to executing an Order, Wells Fargo convert the amount to be transferred from U.S. Dollars to the currency of a designated foreign government or intergovernmental organization ("Foreign Currency"). Wells Fargo makes money when it converts one currency to another currency for you. The exchange rate provided to you is set by Wells Fargo in its sole discretion, and it includes a markup over Wells Fargo's cost of sourcing the relevant currency or currencies. The markup may be based on several factors, including without limitation costs incurred, market risks, services rendered, the client relationship, the transaction and our desired return.

The exchange rate Wells Fargo provides to you may be different from exchange rates you see online, in publications, at other banks or other foreign exchange providers. Also, different customers may receive different exchange rates for transactions that are the same or similar. The exchange rate may depend on the type of transaction being conducted, the dollar amount, type of currency, the date and time of the exchange and/or the factors noted above. The foreign exchange market is dynamic, so exchange rates can change rapidly. If you delay executing a transaction, the exchange rate may change and could even be significantly different. Wells Fargo reserves the right to refuse to process any request for a foreign exchange transaction.

Wells Fargo will not be liable for a sum in excess of the value of the Order after it has been converted from Foreign Currency to U.S. Dollars at Wells Fargo's buying rate for exchange at the time the cancellation of the Order is confirmed by Wells Fargo.

12. Term and Termination. This Agreement may be terminated by you or Wells Fargo with prior written notice, but will remain in effect with respect to any transaction occurring prior to its termination.

13. Amendments to Agreement. Wells Fargo may, from time to time, notify you of a change to this Agreement or its rules or procedures. By using the wire transfer service after the notice is sent or otherwise made available to you, you will be conclusively deemed to have agreed to the change.

14. Governing Law; Rules and Regulations. Our rights and obligations regarding Orders will be governed solely by this Agreement, your account agreement, and, to the extent applicable, federal law and the state laws governing your Account. All Orders will be subject to the rules and regulations of any funds transfer system used by Wells Fargo, as amended from time to time.

15. Notices; Receipt of Confirmations. If a notice is sent to you, it will be effective if it is delivered in person or sent by first class mail to your last address as shown on Wells Fargo's records. If a notice is sent to Wells Fargo, it will be effective if it is delivered by first class mail to the address shown in Wells Fargo's then current fee schedule (or to such other address as Wells Fargo may from time to time direct) and after Wells Fargo has had a reasonable opportunity to act on it. An optional confirmation or a bank statement showing a wire transaction, sent electronically or by mail, to your last address as shown in Wells Fargo's records and not returned, will be conclusively presumed to have been received by you. Wire Transfer mail confirmations are not available for addresses outside of the United States.

16. Miscellaneous. Wells Fargo's waiver of any term of this Agreement will not constitute a waiver of any other term or impair any of its rights if you breach this Agreement. You agree not to assign your interest in this Agreement to anyone else. If any provision of this Agreement is determined by a court to be invalid, it will not affect the validity of any other provision. In interpreting this Agreement, the headings will not be considered a substantive part of this Agreement. Unless the context requires otherwise, terms not defined in this Agreement have the meanings, if any, provided in UCC4A. This Agreement and any applicable account agreements constitute our entire Agreement with respect to the matters they cover and supersede all prior oral or written communications between us regarding such matters. In the event of conflict between a provision of this Agreement and any other agreement you may have with Wells Fargo (including without limitation, any account agreement between us), the terms of this Agreement will govern the subject matter of this Wire Transfer Agreement.

17. Additional Terms Governing Outgoing Consumer International Wires

17.1. General. This Section contains additional terms applicable only to Orders initiated by a natural person in the United States to transfer funds to a Beneficiary in a foreign country for personal, family, or household purposes (each, an "Outgoing Consumer International Wire"). This Section does not apply to any Order sent to a Beneficiary in the United States, to any Order initiated by a non-consumer, or to any Order initiated by a consumer for any non-personal, non-family, or non-household purposes. In the event of a conflict between a provision in this Section and a provision in the rest of this Agreement or in the agreement governing your Account, the provision in this Section will control.

17.2. Disclosures and Receipts. Prior to sending an Outgoing Consumer International Wire, Wells Fargo will disclose to you, by telephone, the amount that will be transferred to the Beneficiary, a description of any fees and taxes imposed by Wells Fargo, the total amount of the transaction, the exchange rate to be used, the amount to be transferred in the Foreign Currency, a description of any fees and taxes to be applied by any other person to the extent known by Wells Fargo, and the amount that will be received by the Beneficiary. Wells Fargo will mail a receipt for an Outgoing Consumer International Wire within 30 days after payment is made for the Outgoing Consumer International Wire.

17.3. Liability. Wells Fargo is liable only for damages required to be paid as provided under Regulation E, subpart B or, to the extent applicable, UCC4A (except as expressly modified by this Agreement). Except as required by Regulation E, subpart B, Wells Fargo will not be responsible for the acts or omissions of any other person or entity, including but not limited to any processor, any country's central bank, or any other financial institution, and no such person or entity will be deemed Wells Fargo's agent. In no event shall Wells Fargo have any liability for any indirect, incidental, consequential, punitive, or special damages, even if advised of the possibility of such damages.

17.4. Cancellation. You may cancel an Outgoing Consumer International Wire for a full refund within 30 minutes of completing a transaction. To cancel, call the cancellation phone number provided to you at the time of your request.

17.5. Error Resolution. In the event that you believe an error has occurred with respect to an Outgoing Consumer International Wire, you must notify Wells Fargo no later than 180 days after the "Availability Date" (the date when funds will be available to the Beneficiary) disclosed to you by contacting us at 1-888-384-8400 or by mailing Wells Fargo at the address shown in Wells Fargo's then current fee schedule or to such other address as Wells Fargo may from time to time direct. If you fail to notify us within this time period, Wells Fargo will not be liable for any error or loss of interest or any interest equivalent relating to the erroneous transaction.

When you contact us, please tell us: (a) your name, address, and telephone number where we can reach you during business hours; (b) the Beneficiary's name and, if known, his or her telephone number and address; (c) the date, dollar amount and transaction confirmation number of the Outgoing Consumer International Wire; and

(d) the error or problem with the wire transfer, and why you believe it is an error or problem.

17.6. Governing Law. An Outgoing Consumer International Wire is a "remittance transfer" as defined in Regulation E, Subpart B, and will be governed by the laws of the United States and, to the extent applicable, the laws of the state of New York, including New York's version of UCC4A, without regard to its conflict of laws principles.

Part III – Agreement and Approval

Customer Approval - Signatures as required by Certificate of Authority or the Signature Card.

Under the dispute resolution program in your account agreement, you agree our disputes may be decided before one or more neutral persons in an arbitration proceeding and not by a judge or jury trial.

Legal Name as it appears on your Account

Customer's Primary Phone No.

Mailing address for PINs and mail advice including City, State, and zip code. (If blank, items will be mailed to address on primary statement mailing address.)

Printed Name of Authorized Signer

Printed Name of Authorized Signer

Signature

Date

Signature

Date

Bank Approval - Forms submitted without Customer and Banker signatures or older than 90 days will be returned unprocessed.

Customer's 1st ID	ID Type	ID Number	Issued by State/Country	Expiration Date
Customer's 2nd ID	ID Type	ID Number	Issued by State/Country	Expiration Date
Banker/Officer's Phone #		Banker/Officer's Fax #		Bank MAC
Banker's Wells Fargo email address for notification. A reasonable attempt will be made to contact the banker at the Wells Fargo email provided upon completion. Notification will NOT be sent to any email address outside the Wells Fargo system.			Document Prepared by & phone # (in case of questions about this setup)	
Banker/Officer's Printed Name		Banker/Officer Signature — Required		Date

Once the customer's approval/signature is received on the form, the Banker/Relationship Manager must approve/sign the form, then fax to 866-922-6202, or email to imgwiresetups@wellsfargo.com. The form must be submitted from a valid Wells Fargo Fax or email address. File copies in your location's record retention file.



Information Reporting and Image Delivery Service Description

Treasury Management Services

November 8, 2019

Introduction

The Service Documentation contains the terms and conditions under which we provide you the services described below. "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in the Service ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The service ("Service") covered by this Service Description is:

- Information Reporting and Image Delivery

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing the Account,
- e. The Product Enrollment Form (which contains set-up information for each service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office® (CEO®)* portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Information Reporting and Image Delivery

1. Description of services.

- a. With this Service we make data regarding transactions and/or images of Items posted to or processed through your Accounts available to you in order to provide you with timely information on your Account activity. We refer to the data and images as "information." The information and reports you can access are described in the User Guide for the Service. If you elect to use the Cash Flow Analysis Service (described further in the User Guide for the Service), you may also manually populate external data you want to view through this Service.
- b. The methods we use to make information available to you (and we may remove or add methods from time to time) include without limitation BAI File Transfer, InfoFax fax/email, SWIFT messaging, ISO 20022 XML transmission, physical media (CD-ROM and DVD), Machine-to-Machine, our CEO portal, and an Application Programming Interface ("API") through the Wells Fargo Gateway.
- c. The Master Agreement (which contains terms and conditions applicable to all services),
 - i. Posted to or processed through the Account,
 - ii. Cashed or collected by us or accepted for deposit to the Account, and
 - iii. Returned unpaid to the Account.

Images of posted paper Items that have been converted to ACH Entries pursuant to the ACH Rules may not be available through this Service.

2. **Accuracy of Information.**

- a. We will not verify the accuracy or completeness of: (i) information from other financial institutions, (ii) information you manually populate, or (iii) cash forecasting information. Forecasting information is not a guarantee of actual performance.
- b. Account balances and other information that reflect intraday activity on your Account may differ from the available balance as determined under our funds availability policy (as described in the Account Agreement) and by our internal risk parameters.

3. **Software Sublicense.** If a software license or sublicense is required for you to access the Service ("Software Sublicense"), we will make the terms of the Software Sublicense available to you as part of the set up process for the Service. You will be required to accept the Software Sublicense before being allowed to access the Service. We may terminate any Service requiring use of a Software Sublicense immediately on written notice to you, including without limitation if you fail to comply with the Software Sublicense.

4. **Stop payment orders.** If you elect a service option through which you can place stop payment orders, your rights and our obligations regarding any stop payment order will be determined as provided in the Account Agreement.

Glossary

Account means your account(s) with us used in connection with the Services.

Account Agreement means the applicable account agreement governing the Account.

ACH means automated clearing house.

ACH Rules means the Nacha Operating Rules and any applicable local ACH rules.

Item is defined in the Account Agreement.

Master Agreement means the Master Agreement for Treasury Management Services.

Check Disbursements and Fraud Prevention Services Service Description

Treasury Management Services

Table of contents

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Introduction

The Service Documentation contains the terms and conditions under which Wells Fargo Bank, N.A. ("Bank") provides you the services described below. "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in Services ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The services (each a "Service") covered by this Service Description are:

Fraud Prevention and Related Services

- Positive Pay Service
- Reverse Positive Pay Service
- Payment Authorization Service
- Account Reconciliation Plan Service
- Controlled Disbursement Account Service

Specialized Disbursement Services

- Centralized Disbursements Manager Service
- Payable Through Draft Service
- Third Party Drafts Service

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Services),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing your account(s) that you use for the Service ("Account"),
- e. The Product Enrollment Form ("Set-up Form") (which contains set-up information for the service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The separate documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office® (CEO®)* portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Fraud Prevention and Related Services:

As further described in the Account Agreement, we offer certain Services to help reduce the risk of fraud, including the Services below.

Positive Pay Service

1. **Description of service.** With this Service you can instruct us to pay or return counterfeit Checks, Checks otherwise not validly issued and certain altered Checks presented to us for payment on the Accounts you enroll in this Service. For purposes of this Positive Pay Service Description, "Check" refers to each check presented for payment on your Account, whether it is counterfeit, not validly issued, altered or validly issued by you. Except as otherwise provided in this Service Description, enrollment in our Account Reconciliation Plan Service is required.
 - a. **Service summary.** Each Business Day, either before or after posting the Check to your Account, based on the Service option you choose as described in section 1b below:
 - i. We electronically compare the serial number and numeric amount of each Check presented to us for payment before our Cutoff Time on the prior Business Day to your Check Issue Data (see section 2),
 - ii. We will provide you with a report ("Exception Report") of each Check that does not match your Check Issue Data (an "Exception Check") (see section 4),
 - iii. We review each Exception Check, and either correct or reverse and repost each Exception Check with errors that we can correct, depending on the Service option you choose as described in section 1b,
 - iv. We will pay or return each Exception Check (see section 5), and
 - v. We separately review each "directly-presented Check" (see section 8).
 - b. **Service options.** You may enroll an Account in one of two options of the Service:
 - i. **Perfect Presentment® Positive Pay.** We electronically compare a Check to your Check Issue Data prior to posting the Check to your Account. Each Check with error(s) that we can correct, such as an encoding error, will be corrected, so that the Exceptions Report includes only unresolved Exception Checks. This option is offered only on an Account enrolled in our Controlled Disbursement Service.
 - ii. **Positive Pay and Positive Pay Only.** We electronically compare a Check to your Check Issue Data after posting the Check to your Account. We then review each Exception Check, and reverse and repost each Exception Check with error(s) that we can correct, such as encoding errors, so that the Exception Report includes only unresolved Exception Checks. Enrollment in our ARP Service is not required for Positive Pay Only.
2. **Check Issue Data.** You will provide us with the Check Issue Data for all issued Checks, in the format, through the communications channel, and at the place we specify no later than our Cutoff Time. You will not distribute any Check before you have included the Check in the Check Issue Data you have provided to us. In performing this Service:
 - a. We will use only the Check Issue Data you provide to us,
 - b. If the Check Issue Data includes a post-dated Check (a check you issue with a date in the future), we will not compare that Check against the Checks presented for payment on the Account until that date, and
 - c. We will not accept Check Issue Data for Checks with an issue date more than forty-five (45) calendar days in the future.
3. **Payment of Matching Checks.** For each Matching Check, we will make final payment on the Check and charge the Check to your Account (subject to section 11).

4. **Notifying you of Exception Items; providing images.** When we identify an Exception Check through our electronic comparison, we notify you through the Exceptions Report. This report is available on our *CEO* portal. We will use reasonable efforts to provide an image of any Exception Check (including a Holdover Exception Check) to you, but we will have no liability if we are unable to do so before the Decision Deadline.
 - a. **Holdover Exception Checks.** This subsection applies when you have enrolled your Controlled Disbursement Account in our Perfect Presentment Positive Pay Service. A "Holdover Exception Check" is an Exception Check we identify after we prepare and transmit the Exceptions Report to you. We will use our best efforts to notify you by calling you at the number we have on file for you.
5. **Decision Deadline.** You will make your pay or return decision based on the information about the serial number and amount of the Exception Check in the Exceptions Report, and if you use our Payee Validation Service (see section 7), on any payee information we provide to you.
 - a. **Instructions before the Decision Deadline.** If, before the Decision Deadline, you instruct us to pay or return an Exception Check, we will follow your instructions (subject to section 11). You will use the same communications channel to instruct us that we used to notify you of the Exception Check, except that if we included the Exception Check on the Exception Report we post on the *CEO* portal, you will use the *CEO* portal to communicate your instruction regarding the Exception Check to us.
 - b. **No instructions before the Decision Deadline.** If you do not instruct us before the Decision Deadline regarding an Exception Check, we will process the Check in accordance with your Default Option. If we are unable to obtain your instructions prior to the Decision Deadline regarding a Holdover Exception Check described in subsection 4(a) we will process the Holdover Exception Check in accordance with your Default Option.
6. **Default Options.** We return the Exception Check to the bank of first deposit marked "refer to maker" even if you validly issued the Exception Check (and do not charge it to your Account). We recommend the "return all" Default Option because it reduces the risk of unauthorized Checks being paid on your Account (even though it may result in valid Checks being returned unpaid).
 - a. **"Return all."** We return the Exception Check to the bank of first deposit marked "refer to maker" even if you validly issued the Exception Check (and do not charge it to your Account). We recommend the "return all" Default Option because it reduces the risk of unauthorized Checks being paid on your Account (even though it may result in valid Checks being returned unpaid).
 - b. **"Pay all."** We charge the Exception Check to your Account. This Default Option presents a higher risk of unauthorized checks being paid on your Account. If you elect this Default Option, you assume full liability for any losses resulting from counterfeit, altered or Checks otherwise not validly issued as described in section 9 below.
7. **Payee Validation Service.**
 - a. **Description of Payee Validation Service.** When you enroll in our optional Payee Validation Service, we will do the following:
 - i. On each Check that is greater than the Payee Validation Threshold, we electronically compare the payee's name on your check to your Check Issue Data. The "Payee Validation Threshold" is the dollar amount we choose above which we will perform the payee validation service.
 - ii. If (1) there is a difference between the two names that is not within guidelines we establish, or (2) a notation or legend on the Check prevents the electronic comparison of the payee's name, we will include the Check as an Exception Check in your Exceptions Report.
 - iii. If you notify us you have incurred a loss as a result of an unauthorized alteration of the payee's name, we will reimburse you for the face amount of any Check we pay under the Payee Validation Threshold except as provided below, provided that you notify us of your loss in writing within 3 years after the statement or Check is made available to you.

NOTE: When you enroll in our optional Payee Validation Service, you are charged a per-Check fee for each Check presented on your Account during a monthly billing cycle. This fee is separately disclosed to you. The per-Check fee is assessed on each Check presented including without limitation Checks not exceeding the Payee Validation Threshold.

- b. **When we do not perform payee validation.** We will not perform any payee validation review with respect to a Check if:
 - i. The Check is less than the Payee Validation Threshold,
 - ii. The payee's name on the Check is handwritten instead of machine-printed,
 - iii. You fail to include the payee's name on the Check in your Check Issue Data,
 - iv. We do not receive your Check Issue Data for the Check before our Cutoff Time, or
 - v. You request we add the payee's name manually to Check Issue Data you have previously provided to us.
- c. **Exceptions to reimbursement.** We will not reimburse you for losses resulting from an unauthorized alteration in the payee's name if:
 - i. The Check with the unauthorized alteration is hand-written, or
 - ii. We fail to identify an alteration or other discrepancy in the payee's name because:
 - 1. The payee name in your Check Issue Data did not exactly match the payee name on the Check, or
 - 2. You used customized zone formatting.

- 8. **Directly-presented checks.** A "directly-presented Check" is a Check we receive for deposit or cashing at our branch or through another depository channel that may present higher risk. The risk is we may be required to make proceeds from a directly-presented Check available before you can review and make a timely decision on the directly-presented Check identified as an Exception Check in our Exceptions Report. When your Check Issue Data on file with us does not include a directly-presented Check, at the time we receive the Check we will:
 - a. Take those steps as we, in our sole discretion, determine are commercially reasonable, to review and accept the Check for deposit or cashing, or
 - b. Refuse to accept the Check for deposit or cashing.

We may vary these steps depending on the depository channel through which we receive a directly-presented Check. You may instruct us to exclude all directly-presented Checks from this process. In that case, each directly-presented Check will be considered a Matching Check, even if it is not included in your Check Issue Data on file with us at the time we receive it, and we will pay it without further inquiry.

- 9. **Limitation of liability and indemnification.**
 - a. **Liability limit.** We will pay each Check you have authorized us to pay as described in this Service Description (including each Matching Check) and each Check you are considered to have authorized us to pay (including each Check we pay according to your Default Option) without performing any Check verification procedure other than those procedures described with this Service Description. We will have no liability for paying a Matching Check or an Exception Check you are considered to have approved if:
 - i. There is an alteration in its serial number or amount,
 - ii. It is counterfeit, bears a forged or unauthorized signature, or
 - iii. It was otherwise not validly issued.
 - b. **Indemnification.** Each Check that we pay according to this Service Description will be considered properly payable, and each Check that we return as provided in this Service Description will be considered not properly payable. Without limiting the indemnification provisions contained in the other Service Documentation, you:
 - i. Indemnify and hold us harmless from any and all Losses that we may suffer or incur as a result of our payment or return of a Check at your instruction or otherwise according to sections 5 or 8 of this Service Description, and

- ii. Release and forever discharge us from all claims and damages, whether known or unknown, liquidated or unliquidated, contingent, direct or indirect, which you have, or claim to have against us relating to the payment or return of any Check as provided in this Service Description.

10. Stop payment; cancel and void instructions; stale-dated Checks.

- a. You will not use this Service as a substitute for our stop payment service. You will follow our standard stop payment procedures described in the applicable Account Agreement if you wish to stop payment on a Check that was validly issued. You will use:
 - i. A cancel instruction only to delete an outstanding Check included in your Check Issue Data, and
 - ii. A void instruction only to notify us that a Check included in your Check Issue Data has been destroyed and will not be re-issued.
- b. Using notations or legends on a Check is not an effective stop payment order or void instruction. We will not be liable for failing to follow your cancel or void instruction for any Check on which we have made final settlement.
- c. If you choose to use our "stale-dated" feature, we will return each Matching Check (other than a directly presented Check) that is dated past your specified stale-date, unless you instruct us to pay the Check.

11. Our right to return checks. Nothing in this Service description will limit our right to return any Check you have authorized us to pay as part of this Service if we determine that:

- a. The Check is not properly payable for any reason (without us agreeing to, or being required to, make such determination in any circumstance), or
- b. There are insufficient collected and available funds in your Account to pay the Check.

You agree that our determination not to pay a Check will not constitute wrongful dishonor of that Check.

12. Survival. Sections 4, 7, 9, 10 and 11 will survive termination of Services.

Reverse Positive Pay Service

- 1. **Description of Service.** Our Reverse Positive Pay Service is an alternative to our Positive Pay Service that we provide to select customers, including customers that issue Drafts. The Reverse Positive Pay Service is required when you enroll in the Third Party Drafts or Payable Through Drafts Services. With this Service:
 - a. You can detect fraudulent Checks by reviewing information we provide to you each Business Day about Checks that have posted to your Account from the prior Business Day ("Paid Items Report") (see section 2),
 - b. You can request we edit Checks that have posted incorrectly to your Account,
 - c. If you have elected our Teller Match Service, we may perform a positive pay verification of certain directly-presented Checks (see section 3) as we determine in our sole discretion from time to time, and
 - d. You can instruct us to return unauthorized Checks.

For purposes of this Reverse Positive Pay Service Description, a "Check" is a check, Draft or other paper instrument purportedly issued on your Account, whether it is counterfeit, not validly issued, altered or validly issued by you.

- 2. **Paid Items Report.** Each Business Day, we will provide you with the Paid Items Report through our *CEO* portal or by other methods you may elect. Each Business Day, you will compare the Paid Item Report to your Check Issue Data and before the Decision Deadline, notify us through the *CEO* portal of any edit requests or return instructions for those Checks described on the Paid Items Report for that Business Day. You will include in your notification the serial number and amount of each Check you wish to edit and the reason for returning each Check you wish to return.

3. **Teller match service.**
 - a. You may separately elect to have us perform a positive pay verification on certain directly-presented Checks, in which case the provisions in section 8 (Directly-presented Checks) of the Positive Pay Service Description are incorporated here by reference and shall apply and govern. If you enroll in this Service option, you will provide the Check Issue Data for each Check to us before you issue the Check.
 - b. With respect to a directly-presented Check, we will have no liability to you for not performing:
 - i. Any positive pay verification, if we do not receive and have a reasonable amount of time to act on your Check Issue Data for the Check before we receive the directly-presented Check, or
 - ii. Payee validation, if you fail to include the payee's name in your Check Issue Data for the directly-presented Check.
4. **Your failure to give us timely instructions.** If we do not receive your edit requests and/or return instructions by the Decision Deadline on any Business Day, we will pay each Check described in the Paid Items Report for that Business Day, unless you have already instructed us by effective stop payment order to return that Check unpaid.
5. **Checks to be paid; liability limit and indemnification.**
 - a. We will pay each Check you are deemed to have authorized us to pay in accordance with this Service Description without performing any further review of such Check. We will have no responsibility whatsoever for paying such a Check even if its serial number or amount is altered, it is counterfeit, bears forged or unauthorized signature, or is not validly issued. You waive and release us from and agree to protect us against any Losses resulting from a claim that such a Check was not properly payable.
 - b. We will have no liability if you instruct us to return a Check (including without limitation a Check that is counterfeit, not validly issued or altered) but your instruction does not reach us in a time and manner affording us a reasonable opportunity to return the Check before we pay, accept, certify, cash or otherwise become obligated to pay the Check as provided in the Uniform Commercial Code.
 - c. You will promptly reimburse us for any loss we incur when we make the proceeds from a Check available in accordance with Reg CC prior to our receipt of your instructions regarding the Check.
6. **Edit requests and return instructions.**
 - a. **Edit requests.** We reserve the right to deny any of your edit requests based on our evaluation of the edit request. We will not accept edit requests with respect to any Checks that you attempt to communicate to us by any means other than the *CEO* portal.
 - b. **Return instructions.** We reserve the right to decline your return instruction based on our evaluation of the return instruction. If your reason for returning a Check is fraud, your return instruction alone will not constitute a claim for a fraudulent transaction. You must file a separate claim with us relating to the fraudulent transaction.
7. **Stop payment and our right to return Checks.** Sections 10a and b (Stop payment and void instructions) and 11 (Our right to return Checks) of the Positive Pay Service Description are incorporated here by reference and shall apply and govern.
8. **Survival.** Sections 3, 5, 6 and 7 will survive termination of Services.

Payment Authorization Service

NOTE: If you have the ability to write checks on your Account, we recommend that you use the Positive Pay Services to prevent check fraud. You understand that the Payment Authorization Service does not provide the same level of protection as the Positive Pay Services. If you decide not to implement the Positive Pay Services, or you do not properly use it, you assume the risk of loss for unauthorized checks.

1. **Description of service.** With this Service you can set limits on paper Items that may be drawn on your Accounts based on the options you choose. You may also prevent any paper checks being paid on your Accounts by choosing to set the applicable limit to zero.
2. **Available options.**

Option (on Product Enrollment Form)	Action we will take
Maximum Check Amount Authorized	We will automatically return unpaid Items drawn against the Account which are presented to us but exceed the "Maximum Check Amount Authorized" you provide us with. These Items are marked "Refer to Maker."
Maximum Check Cashing Amount	We will refuse to cash checks drawn against the Account and presented to us through our branch network, if they exceed the "Maximum Check Cashing Amount" you specify.
Maximum over the Counter Withdrawal Amount	We will refuse withdrawal requests against the Account which are presented to us through our branch network, if they exceed the "Maximum over the Counter Withdrawal Amount" you specify.
Checks to Individuals	We will refuse to cash checks drawn against the Account which are presented to us through our branch network, and which are made payable to an individual.

Account Reconciliation Plan (ARP) Service

1. **Description of Service.** With our ARP Service, you can receive automated reporting to help you reconcile your Accounts. With this Service you can:
 - a. Receive Account information reporting, based on the Service options you select,
 - b. Store information about Items you issue on your Accounts, and
 - c. Process the information in accordance with the Service options that you elect in the Set-up Form. Our User Guide for the Service details the Service options.
2. **Issued check information.** If you elect our full ARP Service, each Business Day prior to the Cutoff Time, you will provide us with the Issued Check Information using the communication channel(s) you elect. For purposes of this Service Description, "Issued Check Information" is the issue date, serial number and dollar amount of each Item (as defined in the applicable Account Agreement) that you issue on your Account. If you elect our Deposit Location Reporting Service, you will provide us with a list of your location numbers and names and may amend the list from time to time by notifying us in writing.

3. **Stop payment orders.** If you use the ARP Service to place a stop payment order on any Item, you understand that:
- The Account Agreement governs the stop payment order,
 - Each stop payment order is subject to our verification that the Item described in the stop payment order has not been paid, and
 - This verification may occur a minimum of ninety (90) minutes after the time you transmit the stop payment order to us.

Controlled Disbursement Account Service

1. **Description of Service; required Accounts.** The Controlled Disbursement Account ("CDA") Service is available to select customers that qualify based on their credit and other considerations. With the CDA Service, you will establish and maintain:
- One or more demand deposit accounts with us (each, a "Funding Account"),
 - One or more checking accounts with us linked to a Funding Account (each, a "Disbursement Account"), and
 - The information reporting service specified by us ("Information Reporting Service").

Each Funding Account and Disbursement Account and the Information Reporting Service will be identified in the Set-up Form for this Service. You will enroll each Disbursement Account in our Positive Pay Service. You will use each Disbursement Account solely to issue Checks, Drafts and electronic debits (each, a "Debit") in accordance with this Service Description. You will not issue any Debits on any Disbursement Account until we notify you that such Disbursement Account is operational.

2. **Determination of Total Net Presentment.** Each Business Day by the Cutoff Time, we will make the Total Net Presentment for each Disbursement Account available to you through the Information Reporting Service. The "Total Net Presentment" consists of the total dollar amount of:
- Debits that have posted in the first and, if applicable, second presentment on that Business Day, and
 - Adjustments to the Disbursement Account reported on our CD Summary report, including without limitation Debits posted after the last presentment on the prior Business Day (these Debits are referred to collectively as the "Prior Day Funding Adjustments").
- If the Total Net Presentment is not available to you through the Information Reporting Service by the Cutoff Time, we will have no liability, and you will estimate the Total Net Presentment.

3. **Your obligation to deposit funds in Funding Account.**
- Each Business Day before the Cutoff Time, you will deposit good and collected funds in your Funding Account so that the balance in the Funding Account, as determined in accordance with the Account Agreement, is sufficient to cover either:
 - The Total Net Presentment or your estimate of the Total Net Presentment, and
 - The total of any Debits that have been memo posted to your Disbursement Account before the Cutoff Time on the current Business Day as set forth in the intra-day composite report we make available to you.
 - If you fail to transfer funds as required in subsection 3(a) above or if such transfer was based on your estimate of the Total Net Presentment and such estimated amount was less than the actual Total Net Presentment, we may, at our sole option:
 - Advance to the Funding Account(s) sufficient funds to pay the Debits presented for payment on the Disbursement Account and transfer such funds to the Disbursement Account, or
 - Return Debits, in any order, unpaid (even though we may have previously established a pattern of paying such Debits).

4. **Transfer of funds to Disbursement Account.** Each Business Day, we will:
 - a. Transfer from the Funding Account to the Disbursement Account the amount necessary to cover the Total Net Presentment as shown on the CD Summary Report for that Business Day, and
 - b. Advance funds to the Disbursement Account in the amount sufficient to cover Debits that posted to Disbursement Account after the last presentment on that Business Day (and the amount advanced by us will be reported on the CD Summary Report for the next Business Day as the Prior Day Funding Adjustments).
5. **Our obligation to pay debits.** We will have no obligation to pay any Debit if the balance of good and collected funds in the Disbursement Account on which the Debit is drawn is not sufficient to cover the Debit at the time we make our payment decision.
6. **Your agreement to repay our advances to Disbursement Account.** You will unconditionally pay us on demand without setoff or counterclaim in good and collected funds the full amount of any advance we make pursuant to sections 3 and 4 plus our fees and costs incurred in connection with such advance.
7. **Security interest.** As security for the Obligations, you pledge to us, and grant us a lien on and a security interest in, the following property and all proceeds thereof (collectively, the "Collateral") as security for the prompt satisfaction of the Obligations:
 - a. Each Funding Account, each Disbursement Account, and all of your other accounts with us and our affiliates, and
 - b. Any of your property now or at any time delivered, conveyed, transferred, assigned, pledged or paid to us in any manner whatsoever.

Our receipt at any time of any kind of security, including cash, will not be a waiver of any of our rights or powers under any agreement between us. Upon our request, you will sign and deliver to us, any security, control or other agreements and documents as we determine are necessary or desirable (in our sole opinion) to grant us or perfect our security interest in the Collateral. At the time any Obligation becomes due and payable, we may apply or dispose of any and all Collateral, received or to be received, at any time or place, for any price and upon terms and conditions as we determine. We may apply the amounts on deposit or net proceeds of the sale or other disposition (together with any sums credited by or due from us to you), to the payment of the Obligations, all without prejudice to our rights with respect to any portion of the Obligations which remain unpaid. You expressly waive any right to require us to make any presentment or demand, or give any notices of any kind, including, but not limited to, any notice of nonpayment or nonperformance, protest, notice of protest, notice of dishonor, notice of intent to accelerate or notice of acceleration. If we are required by Applicable Law to give you reasonable notice before the sale or other disposition of Collateral, that requirement is met if notice is given at least 5 calendar days before the date any sale, application or other disposition will be made. Our rights and remedies under any agreements between us or instruments signed by you in our favor are in addition to, and not exclusive of, any other rights or remedies we have under Applicable Law.

8. **Fraud prevention.** Enrollment in one of our Positive Pay Services is required for enrollment in this Service. You acknowledge there is a growing risk of losses resulting from unauthorized Items. You recognize that Controlled Disbursement Service customers are especially susceptible to losses from unauthorized checks. You are aware that we offer an additional service known as "Payee Validation," which is an effective means of controlling risk from counterfeit checks, altered checks and certain other types of fraudulent checks. We have advised you that if you do not enroll in and properly use our Payee Validation Service, we will be unable to prevent losses from counterfeit, altered and certain other types of fraudulent checks and you will be treated as having assumed the risk of these losses.

9. **Liability and indemnification.** In addition to the liability and indemnification provisions in the Master Agreement, we will not be liable for any Losses paid, suffered or incurred by you, and you will indemnify us from and hold us harmless against any Losses that we suffer or incur, arising directly or indirectly and relating to:
- a. Your performance or failure to perform your obligations in accordance with this Service Description,
 - b. Us acting on any information you provide us in any Service Documentation or otherwise,
 - c. If we return any Check unpaid because you have not deposited good and collected funds in the Funding Account related to the Disbursement Account on which a Debit is drawn sufficient to cover the Total Net Presentment,
 - d. Our dishonor and return of any Debit unpaid if you issue the Debit before we notify you the Disbursement Account on which it was drawn is operational,
 - e. Our nonpayment of a Debit, unless the nonpayment results directly and proximately from our gross negligence or willful misconduct,
 - f. If any Debit fails which has not been tested and approved by us to satisfy our check specifications, our late return of that Debit and any presentment-related problem resulting from the failure of that Debit,
 - g. Except as otherwise provided in the Positive Pay, Reverse Positive Pay, ARP, Payable-Through Draft or Third-Party Draft Service Descriptions, if we provide you with one or more of these Services, our payment of any Check or Draft for which there is an alteration in serial number or amount, is counterfeit, bears a forged or unauthorized signature, or is otherwise not validly issued, or
 - h. The exercise of our rights or the performance of our obligations in accordance with this Service Description or the Positive Pay, Reverse Positive Pay, ARP, Payable-Through Draft or Third-Party Draft Service Descriptions, if we provide you with one or more of these Services.
10. **Termination.** In addition to our right to terminate this Service under the Master Agreement, we may terminate this Service and close the Funding Account and Disbursement Account immediately upon sending you written or oral notice (confirmed in writing) of such action if:
- a. You fail at any time to fund the Funding Account as required in this Service Description,
 - b. A lawsuit or other proceeding is commenced by any federal or state agency alleging, or we receive an opinion of counsel, that this Service or any material term or condition of this Service Description violates any law or regulation, or
 - c. You default in your obligations under the other Service Documentation or under any other agreement or instrument signed by you in our favor including without limitation any loan agreement or promissory note.
- Upon termination of this Service, you will, in accordance with our instructions, stop issuing Debits on the Disbursement Accounts, and we will close the Disbursement Accounts and stop processing Debits. You will continue to be liable for all Debits issued on the Disbursement Accounts prior to termination and for all Debits we are obligated to pay.
11. **Survival.** Sections 2 and 5 – 9 will survive the termination of this Service.

Specialized Disbursements Services

Centralized Disbursements Manager Service

1. **Your relationship to clients.** You have represented to us that you function as claims administrator, property manager, or accounts payable administrator with respect to your clients (each individually a "Client" and collectively, "Clients"), who may be (i) insurance companies or business organizations maintaining a program of self-insurance, (ii) owners of commercial real property, or (iii) other business organizations with a need for administrative services related to accounts payable and other disbursements. The services you provide to your Clients may include (without limitation) evaluation, resolution, and/or payment of claims or other types of accounts payable on behalf of your Clients, facilitating the funding of payments related to claims or other accounts payable, and reconciliation and reporting with regard to the payment process.
2. **Centralized Disbursements Manager ("CDM") desktop.** You will interact with our electronic system for operating the Service through our "CDM Desktop" function, which you will access through the applicable treasury management services internet portal maintained by us.
3. **Account structure.** To facilitate your disbursement and payment funding activities on behalf of your Clients, you will establish and maintain with us, in your name and taxpayer identification number: (i) a zero-balance controlled disbursement account against which all checks you issue on behalf of your Clients will be drawn ("Disbursement Account"), (ii) a master account linked to the Disbursement Account for the purpose of funding payment of items presented against the Disbursement Account ("Master Funding Account"), (iii) at your option, one or more accounts linked to the Master Funding Account and associated with an individual Client for the purpose of funding disbursements for the benefit of such Client (each an "Individual Client Funding Account"), (iv) an account against which exception items that you instruct us to pay are to be temporarily posted ("Default Account"), and (v) one or more accounts to serve as recovery, refund or adjustment-related transactional accounts; alternative funding sources for payment of checks when the appropriate Individual Client Funding Account lacks adequate funds; or for electronic payment settlement (each, a "Recovery Account").
4. **Accounts for the benefit of individual clients.** At your option, you may open one or more Individual Client Funding Accounts in your name, each for the benefit of an individual Client, in a way that permits the Client's taxpayer identification number to be associated with the Account for tax reporting or other purposes. This type of Individual Client Funding Account is referred to herein as a "Beneficial Owner Account", and may be used for the broader purposes of receiving, holding, managing and/or disbursing Client funds. Beneficial Owner Accounts must be non-interest-bearing. For each Beneficial Owner Account that you open, you represent and warrant to us that you have valid and proper authorization from the applicable Client to open the Account for the benefit of such Client, and to receive, hold, manage and/or disburse funds in such Account. In no event will any Client be considered a party to, or a third party beneficiary of, this Service Description or the Master Agreement.
5. **Client profiles.** For each Client for which you make disbursements, you will establish and maintain through the CDM Desktop an electronic client profile (each a "Client Profile"). As part of each Client Profile, you will assign the applicable Client a unique alpha/numeric identifier (a "Client ID") no more than ten characters in length. We will electronically associate each Client ID with an Individual Client Funding Account to facilitate funding of disbursements from the proper funding source.

6. **Client set-up forms.** For each Individual Client Funding Account you open under the Service (including each Beneficial Owner Account), you will, prior to opening the Account, deliver to us a form (each a "Client Set-up Form") in a format approved by us, containing information about the Client for whose benefit Company is opening the Account, including, without limitation, the Client's name, physical address (including zip code, and country, if other than the United States), taxpayer identification number, and business type. If we determine at any time that we do not have a Client Set-up Form for a particular Account, you will upon our request promptly cause such a form to be prepared and forwarded to us.
7. **Delivery of W-9 or W-8 forms.** For each Individual Client Funding Account you open under the Service, you will, prior to opening the Account, deliver to us an original Internal Revenue Service Form W-9, "Request for Taxpayer Identification Number and Certification" (each a "W-9 Form") or Form W-8BEN, "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding" or other appropriate W-8 series form (each a "W-8 Form"), properly completed and executed by (i) the Client for whose benefit you are opening the Account, or (ii) if the Client lacks legal capacity to execute the W-9 Form or W-8 Form, by an individual whom the appropriate taxing authority and applicable law recognizes as being authorized to execute a W-9 Form or W-8 Form on the Client's behalf (an "Authorized Representative"). You represent and warrant that each W-9 Form or W-8 Form which you deliver to us in relation to an Account has been duly and lawfully executed by the Client for whose benefit the Account is opened or an Authorized Representative of such Client. If we determine at any time that we do not have a W-9 Form or W-8 Form for a particular Client, you will upon our request promptly cause such a form to be prepared and forwarded to us.
8. **Disbursements by check; use of Positive Pay.** All checks you issue in payment of claims or other obligations on behalf of your Clients ("CDM Checks") must be drawn on the Disbursement Account, which will be a controlled disbursement account governed by our standard Controlled Disbursement Service Description. You may not draw checks, or authorize the drawing or presentment of checks, drafts or other instruments against any of the Accounts other than the Disbursement Account or the Recovery Accounts. You must at all times use our Positive Pay Service in connection with the Disbursement Account. Your use of our Positive Pay Service will be governed by our Positive Pay Service Description and other documentation in effect from time to time with respect to that Service.
9. **CDM check issuance; Issue Files.** You must identify and describe each CDM Check you issue in an electronic issue file (each an "Issue File"), which you must transmit to us in connection with the CDM's Check issuance. You must create and transmit each Issue File to us in compliance with our published standards for creation and transmission of issue files for use with the Service. You must include in each entry for a CDM Check listed in a particular Issue File (each an "Issue Record") the appropriate Client ID for the Client on whose behalf you issued the CDM Check. You agree that you will not mail, transmit, send, deliver or otherwise issue or distribute any CDM Check until you have properly transmitted to us an Issue File containing the corresponding Issue Record for that check. We will compile the information in each Issue File and incorporate that information in our cumulative CDM data base of issued and outstanding CDM Checks (the "Issue File Data Base").

10. **Presentment and payment of CDM checks.** Upon presentment of a check against the Disbursement Account, we will, as part of our Positive Pay Service, compare certain data fields on such item with certain information in the Issue File Data Base. If we identify the item as a CDM Check that matches a corresponding Issue Record in the Issue File Data Base (a "Matching Check"), we will ascertain the Client ID accompanying the Issue Record. To the extent that the Individual Client Funding Account associated with the Client ID contains sufficient collected and available funds to pay all Matching Checks presented on the same Business Day which are associated with the same Client ID, we will pay all such Matching Checks. We will cause the applicable Individual Client Funding Account to be debited, with the resulting credit made to the Master Funding Account. To the extent that the Individual Client Funding Account associated with the Client ID does not contain sufficient collected and available funds to pay all Matching Checks associated with such Client ID which are presented on the same Business Day, we may, in our sole discretion (i) return all such Matching Checks unpaid, unless specific alternative funding arrangements have been made between you and us in advance, or (ii) pay such Matching Checks and cause the applicable Individual Client Funding Account to be overdrawn in the amount of the shortfall. Any overdraft on an Individual Client Funding Account is immediately due and payable from you to us.
11. **Default Account.** If, after comparison with the Issue File Data Base, a presented item cannot be associated with an Issue Record, but you nevertheless instructs us to pay the item, we will cause the item to be posted to the Default Account. For each item posted to the Default Account that causes the Default Account to become overdrawn, you will promptly provide us with instructions via CDM Desktop or in the form of an Issue Record incorporated in an Issue File, to repost the item to an Individual Client Funding Account.
12. **Minimum balance requirement for Recovery Accounts.** You must at all times maintain in one or more Recovery Accounts an aggregate balance of collected and available funds which equals or exceeds the aggregate amount of negative balances, if any, maintained in Individual Client Funding Accounts and the Default Account. Any positive balances maintained in any Individual Client Funding Accounts and/or the Default Account are expressly excluded from this calculation. We may return unpaid any CDM Checks presented for payment against the Disbursement Account during any period in which you fail to maintain the balance requirement set forth in this section 12. We may at any time, in our sole discretion, set off some or all of the balances in the Recovery Accounts against any negative balances in any Individual Client Funding Accounts or the Default Account.
13. **Funding basis.** Each Issue File, as it pertains to each Client on whose behalf you issue CDM Checks, will be funded on either an "Issue Funding" basis or a "Presentment Funding" basis. You must identify the funding basis for each Client as part of the Client Profile for such Client. Once the funding basis for a particular Client has been established, you agree that it will not be changed without our written consent.
- a. **Issue Funding Basis.** If you are funding the Issue File for a particular Client on an Issue Funding basis, then the funding of the corresponding Individual Client Funding Account is determined with reference to our receipt of each Issue File from you that pertains to the Client.
 - b. **Presentment Funding Basis.** If you are funding the Issue File for a particular Client on a Presentment Funding basis, then the funding of the corresponding Individual Client Funding Account is determined with reference to presentment against the Disbursement Account of items related to the Client.
14. **Funding method.** You will fund each Individual Client Funding Account by using one of the funding methods set forth in this section 14. The process of funding by any of these funding methods will be governed by the Master Agreement, this Service Description and other Service Documentation. **YOU WILL NOT, AT ANY TIME OR UNDER ANY CIRCUMSTANCES, FUND OR PERMIT FUNDING OF ANY INDIVIDUAL CLIENT FUNDING ACCOUNT, IN WHOLE OR IN PART, BY MEANS OF A CASH DEPOSIT OR A DEPOSIT MADE BY A THIRD PARTY.** Each Client Debit account must be owned by your Client. As used in this section 14, the term "Funding Day" has the meaning given to it in section 15.

- a. **ACH Debit Entries.** You may use ACH debit entries to debit the account of the corresponding Client with us or at another financial institution ("Debit Account"). If you use this funding method, then prior to sending an Issue File for a particular Client, you will ensure that the corresponding Client Profile contains adequate information about that Client's Debit Account to enable us to generate an ACH debit entry from the Debit Account. Provided that we have adequate information about the Debit Account, we will transmit an ACH debit entry file to the designated receiving depository financial institution through the applicable clearing house channel on the same day that (i) we receive an Issue File for a particular Client, if you are using an Issue Funding Basis for the Client, or (ii) one or more items related to the Client are presented against the Disbursement Account, if you are using a Presentment Funding Basis for the Client. However, if that day is not a Funding Day, then the debit entry file will be created and transmitted on the next Funding Day. You authorize us to create and transmit each such debit entry file, and represent and warrant to us that each debit entry created using information you provide to us in a Client Profile and/or an Issue File is properly authorized by the owner of the account to be debited. Funds in the amount of an ACH debit entry must be received in the applicable Individual Client Funding Account on the Business Day following our transmission of the file containing such ACH debit entry.
- b. **ACH credit entries.** You may use ACH credit entries to transfer funds to an Individual Client Funding Account from an account of the applicable Client with us or another financial institution. Provided that we have adequate address information about the Client on whose behalf the Individual Client Funding Account is maintained, we will transmit an automatic ACH credit entry funding notice, by e-mail and/or fax at your option, to you and the Client on the same day that (i) we receive an Issue File for the Client, if you are using an Issue Funding Basis for the Client, or (ii) one or more items related to the Client are presented against the Disbursement Account, if you are using a Presentment Funding Basis for the Client. However, if that day is not a Funding Day, then the funding notice will be transmitted on the next Funding Day. Funds in the amount specified in a funding notice must be received in the applicable Individual Client Funding Account on the Business Day following our transmission of the funding notice.
- c. **Wire credit transfers.** You may use wire credit transfers to transfer of funds to an Individual Client Funding Account from an account of the applicable Client with us or another financial institution. Provided that we have adequate address information about the Client on whose behalf the Individual Client Funding Account is maintained, Bank will transmit an automatic wire credit transfer funding notice, by e-mail and/or fax at your option, to Company and the Client on the same day that (i) we receive an Issue File for the Client, if you are using an Issue Funding Basis for the Client, or (ii) one or more items related to the Client are presented against the Disbursement Account, if you are using a Presentment Funding Basis for the Client. However, if that day is not a Funding Day, then the funding notice will be transmitted on the next Funding Day. Funds in the amount specified in a funding notice must be received in the applicable Individual Client Funding Account on the same day we transmit the funding notice.
- d. **Drawdown wires.** You may use drawdown wires to debit the Debit Account. If you use this funding method, prior to sending an Issue File for a particular Client, you will ensure that the corresponding Client Profile contains adequate information about that Client's Debit Account to enable us to generate a drawdown wire from the Debit Account. Provided that we have adequate information about the Debit Account, we will cause a drawdown wire to be automatically initiated and transmitted to the designated depository financial institution through the applicable channel on the same day that (i) we receive an Issue File for a particular Client, if you are using an Issue Funding Basis for the Client, or (ii) one or more items related to the Client are presented against the Disbursement Account, if you are using a Presentment Funding Basis for the Client. However, if such day is not a Funding Day, then the drawdown wire will be initiated on the next Funding Day. You authorize us to create and transmit each drawdown wire, and represent and warrant to us that each drawdown wire created using information you provide to us in a Client Profile and/or an Issue File is properly authorized by the owner of the account to be debited. Funds in the amount of the drawdown wire must be received in the applicable Individual Client Funding Account on the same day we initiate the drawdown wire.

- e. **Internal book transfers.** You may use internal book transfers to debit the Debit Account, so long as the Debit Account is maintained with us. If you use this funding method, then prior to sending an Issue File for a particular Client, you will ensure that the corresponding Client Profile contains adequate information about such Client's Debit Account to enable us to generate an internal book transfer from the Debit Account. Provided that we have adequate information about the Debit Account, we will cause an internal book transfer to be initiated from the Debit Account on the same day that (i) we receive an Issue File for a particular Client, if you are using an Issue Funding Basis for the Client, or (ii) one or more items related to the Client are presented against the Disbursement Account, if Company is using a Presentment Funding Basis for the Client. However, that if that day is not a Funding Day, then the internal book transfer will be initiated on the next Funding Day. You authorize us to initiate and execute each such internal book transfer, and represent and warrant to us that each internal book transfer initiated using information you provide to us in a Client Profile and/or an Issue File is properly authorized by the owner of the account to be debited. Funds in the amount of the internal book transfer must be received in the applicable Individual Client Funding Account on the same day we initiate the internal book transfer.
15. **Funding Frequency.** You will fund each Individual Client Funding Account according to one of the funding frequency options set forth in this section 15. Each day on which funding is to occur under a particular funding frequency option is hereinafter referred to as a "Funding Day."
- a. **Daily funding.** Under the "Daily Funding Frequency Option", funding will occur (i) each day that we receive an Issue File for a particular Client, if you are using an Issue Funding Basis for the Client, or (ii) each day on which one or more items related to the Client are presented against the Disbursement Account, if you are using a Presentment Funding Basis for the Client.
 - b. **Weekly funding.** Under the "Weekly Funding Frequency Option", funding will occur once a week, on the same day of the week as you select.
 - c. **Monthly funding.** Under the "Monthly Funding Frequency Option", funding will occur one day each month, on either (i) the same numeric day of the month, or (ii) the first or last day of the month, as you select.
 - d. **Semi-monthly selected date funding.** Under the "Semi-Monthly Funding Frequency Option", funding will occur twice each month, on the same two numeric days, as selected by you.
 - e. **P.A.L. funding.** The "P.A.L. Funding Frequency Option" is only available for accounts you are funding on an Issue Funding Basis. Under this option, funding will occur each time an aggregate dollar amount of items accumulates within one or more Issue Files, with a dollar limit you specify.
 - f. **Threshold funding.** The "Threshold Funding Frequency Option" is only available for accounts you are funding on a Presentment Funding Basis. Under this option, funding will occur each time an aggregate dollar amount of items is presented for payment in relation to a particular Client, with a dollar limit you specify.
16. **Supplemental funding days.** You may, at your option, establish one or more additional Funding Days that supplement the funding frequency options chosen for a particular Client under section 15 above. Each additional funding day may be designated as either a "Clean-up Date" or "End-of-Contract Date", depending on the purpose of the supplemental funding. Funding on each supplemental Funding Day will take place according to the Funding Basis and Funding Method previously selected for the applicable Client.
17. **Right of setoff.** In the event that any negative balance is maintained in an Individual Client Funding Account or the Default Account, whether created by action of you or us, we may at any time, and without prior notice to you, set off the amount of such negative balance against funds on deposit in any Recovery Account or any other deposit account you maintain with us; provided, however, that we may not set off against any other Individual Client Funding Account.

18. **Security interest in Recovery Accounts.** As security for the Obligations, you grant us a security interest in and lien on the Recovery Accounts, and all amounts from time to time on deposit in, or withdrawable from, the Recovery Accounts (the "Collateral"). Our receipt at any time of any kind of security, including cash, will not be a waiver of any of our rights or powers under any agreement between us. Upon our request, you will sign and deliver to us, any security, control or other agreements and documents as we determine are necessary or desirable (in our sole opinion) to grant us or perfect our security interest in the Collateral. At the time any Obligation becomes due and payable, we may apply or dispose of any and all Collateral, received or to be received, at any time or place, for any price and upon terms and conditions as we determine. We may apply the amounts on deposit or net proceeds of the sale or other disposition (together with any sums credited by or due from us to you), to the payment of the Obligations, all without prejudice to our rights with respect to any portion of the Obligations which remain unpaid. You expressly waive any right to require us to make any presentment or demand, or give any notices of any kind, including, but not limited to, any notice of nonpayment or nonperformance, protest, notice of protest, notice of dishonor, notice of intent to accelerate or notice of acceleration. If we are required by Applicable Law to give you reasonable notice before the sale or other disposition of Collateral, that requirement is met if notice is given at least 5 calendar days before the date any sale, application or other disposition will be made. Our rights and remedies under any agreements between us or instruments signed by you in our favor are in addition to, and not exclusive of, any other rights or remedies we have under Applicable Law.
19. **Account closure or debit block.** We reserve the right to either close or place a debit block on any Individual Client Funding Account which, in our sole judgment, is subject to repeated overdrafts or overdrafts of an excessive amount, or in the event that the Client associated with such Account is subject to a bankruptcy proceeding or makes a general assignment for the benefit of creditors.
20. **Business Associate Agreement.** If you are an organization that performs any function or activity involving the use, transmission, or disclosure of individually identifiable health information, you and we must enter into a Business Associate Agreement (addressing certain requirements of Subtitle F of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations) in form and substance satisfactory to us.
21. **Compliance with Applicable Laws.** You represent, warrant, and covenant to us that you will at all times comply with all Applicable Laws governing the receipt, holding, management and/or disbursement of funds in any Beneficial Owner Account.
22. **Indemnification.** You agree to indemnify, defend, and hold us harmless from and against any and all Losses which we suffer or incur as a result of or in connection with (i) your failure to have proper authorization to act on behalf of any Client, (ii) any Client Set-up Form or related information you provide to us which is incomplete or erroneous, and (iii) your failure to comply with Applicable Laws governing the receipt, holding, management and/or disbursement of funds for the benefit of Clients.
23. **Ownership dispute.** In the event that any Client asserts ownership rights to an Account held for the benefit of such Client, or any of the funds therein, then absent the mutual written consent of both you and the Client to dispose of the Account and related funds, we reserve the right, in its sole discretion, to suspend all activity on that Account and to interplead the funds into court.

24. **Termination.** Unless terminated sooner in accordance with the terms of the Master Agreement or this Service Description, this Service Description and the Service will continue in effect until terminated by either party upon ninety (90) days prior written notice to the other party. We may terminate the Service following notice to you (i) if you breach any material provision of the Master Agreement or this Service Description and fail to cure the breach within fifteen (15) days after we give notice of the breach, or (ii) notwithstanding the foregoing, if you fail at any time to maintain the minimum balance in the Recovery Accounts required under section 12 of this Service Description. Termination of the Service will not affect your or our rights with respect to transactions which occurred before termination.
25. **Survival.** Sections 4, 10, 12, 14, 17- 19, 22- 24 will survive termination of the Services.

Payable Through Draft Service

1. **Description of Service.** With this Service, we provide you with information about payable-through Drafts that are purportedly drawn on you and received by us so that you can determine if you will pay, edit or dishonor each Draft.
2. **Requirements for Draft stock.** You will ensure each Draft contains:
 - a. The legend "PAYABLE THROUGH WELLS FARGO BANK, N.A."; and
 - b. Our routing number on the MICR line of the Draft. You will also comply with all other requirements we communicate to you. You will not issue any Draft until we notify you that your Draft stock meets our specifications.
3. **Electronic presentment.** Each Business Day, we will present to you each Draft we receive before the Cutoff Time. We will electronically present you with a report or transmission ("Activity Report") containing the serial number and amount of each Draft available to you through your chosen information reporting service. No physical delivery of a Draft or of a substitute check or a purported substitute check in lieu of a Draft will occur.
4. **Images of Drafts; identifying Unauthorized Drafts.** We will make an electronic image of each Draft available to you through our CEO® portal. If for any reason we cannot make an electronic image of a Draft available to you, you remain solely responsible for determining whether a Draft described in each Activity Report is an Unauthorized Draft.
5. **Funding.** You will maintain immediately available funds in your Account sufficient to cover the full amount of Drafts you issue. We have no obligation to honor any Draft if you do not have immediately available funds in your Account sufficient to cover the full amount of the Draft. If an arbitrator or a court determines a Draft has been paid under circumstances that we incur any liability for the Draft under Applicable Law or any agreement having the force of law, you will pay us on demand for the amount of the Draft.
6. **Decisioning.** You must notify us of any presented Draft that is to be edited (section 8 [Edits to Drafts]) or dishonored (section 9 [Drafts to be dishonored]) by the Cutoff Time on the next Business Day following the Business Day on which we made the Activity Report available to you ("Decision Deadline"). You will notify us through our CEO portal as set forth in the Reverse Positive Pay Service Description or, in the case of dishonor instructions only, through a means acceptable to us. If we do not receive your edit requests or dishonor instructions by the applicable Decision Deadline, you will be deemed to have instructed us to pay each Draft described in the Activity Report(s) for that Business Day, and you will be obligated to pay the amount of each Draft.

7. **Provisional payment of Drafts.** Any payment or other settlement for a Draft, except a Draft cashed in accordance with section 10, will be provisional and subject to revocation by:
- a. You, if you direct us to dishonor a Draft before the applicable Decision Deadline, or
 - b. Us at any time before midnight of the day we presented the Draft to you.
8. **Edits to Drafts.** You may request edits of the serial number and/or amount of any Draft described on the Activity Report(s) for any current Business Day. You will notify us of each edit request by means acceptable to us. We may deny your edit request based on our evaluation.
9. **Drafts to be dishonored.**
- a. **General.** We are subject to requirements regarding the return of Drafts under Applicable Law, including the requirement to provide notice of a dishonored Drafts. We may be liable for the amount of the Draft and other damages if we do not meet these requirements. You are solely responsible for dishonoring any Draft including any Unauthorized Draft. If you decide to dishonor any Draft we present to you, you will notify us prior to the Decision Deadline in accordance with the Reverse Positive Pay Service Description.
 - b. **Reimbursement obligation; revocation instructions.** You will promptly reimburse us for any Losses we suffer or incur as a result of our dishonor of a Draft in accordance with your notice to us. Any payment or other settlement of a Draft will be provisional and can be revoked by:
 - i. You, if you direct us to dishonor a Draft before the Decision Deadline, and
 - ii. Us, at any time before midnight of the first Business Day after the day we presented the Draft to you.To be effective, we must receive your revocation instruction in a time and manner that gives us a reasonable opportunity to act on it before the payee deposits, cashes or otherwise negotiates the Draft.
 - c. **Fraud.** If your reason for dishonoring a Draft is fraud, your return instruction alone will not constitute a claim for a fraudulent transaction. You must file a separate claim with us relating to the fraudulent transaction.
10. **Draft Cashing.** We offer a Draft Cashing Service (see our User Guide for more information). If you enroll in this Service, you waive any rights to dishonor or issue an edit request with respect to any Draft we cash at our teller line.
11. **Liability and Indemnification.**
- a. **Indemnification.** You will indemnify, defend, and hold us, and our Representatives harmless from and against all Losses arising out of or relating to:
 - i. (1) our failure to identify an Unauthorized Draft, (2) our refusal to cash a Draft, (3) our failure to meet any requirement to which section 9 (Drafts to be dishonored) of this Service Description refers, (4) our payment of an Unauthorized Draft, or (5) our exercise of our rights, or our performance of our obligations, in accordance with this Service Description,
 - ii. A breach of either the Image Quality Warranty or the No Double Debit Warranty (as defined below),
 - iii. Our obligation to indemnify and reimburse a depository bank that accepts the original paper check from which an electronic check is created, if the loss is due to the check having already been paid, and
 - iv. If we transfer or present an "electronically-created item" and receive settlement or other consideration for it, our obligation to indemnify and reimburse each transferee bank, any subsequent collecting bank, the paying bank, and any subsequent returning bank against Losses that result from the fact that:
 1. The electronic image or electronic information of the electronically-created item is not derived from a paper check,
 2. The person on whose account the electronically-created item is drawn did not authorize the issuance of the electronically-created item or to the payee stated on the item, and

3. A person receives a transfer, presentment, or return of, or otherwise is charged for an electronically-created item in such a way that the person is asked to make payment based on an item or check it has paid.

"Electronically-created item" means an electronic image that has all the attributes of an electronic check or electronic returned check but was created electronically and not derived from a paper check. "Image Quality Warranty" means our guarantee that the electronic image of the check accurately represents all of the information on the front of the check as of the time the original check is truncated, and the electronic information includes an accurate record of all MICR line information required for a substitute check and the amount of the check. "No Double Debit Warranty" means our guarantee that the warrantee will not receive a presentment of or otherwise be charged for an electronic check, an electronic returned check, the original check, a substitute check, or a paper or electronic representation of a paper substitute check, in a way that the warrantee will be asked to make payment on a check that it has already paid.

When we transfer an electronic check for collection or payment, we make the Image Quality Warranty and the No Double Debit Warranty to the transferee bank, any subsequent collecting bank, the paying bank, and the drawer. When we transfer an electronic returned check for return, we make the Image Quality Warranty and the No Double Debit Warranty to the transferee returning bank, the depository bank, and the owner. For purposes of this section 11.a, the term "check" and "electronically created item" includes a Draft.

- b. **Unauthorized Draft.** With respect to each Draft, we:
 - i. Will be deemed to be a collecting bank and not a drawee bank, and
 - ii. Disclaim all liability applicable to a payor bank under the Transfer and Presentment Warranties in Articles 3 and 4 of the UCC.

In the event any Draft paid by you is subsequently determined to be an Unauthorized Draft, we will take any action reasonably requested by you to enforce against prior parties (including prior collecting banks, endorsers and other holders) whatever rights you may have against those prior parties, but we will not be liable to you with respect to the Unauthorized Draft and will not be obligated to take any action with respect to the Unauthorized Draft unless you first indemnify us for all costs, expenses and liabilities, including reasonable attorneys' fees and legal expenses, which we may incur as a result of such action.

- c. **Delayed Return.** You are responsible to any party that incurs a loss in connection with a Draft, if:
 - i. The loss is due to a delay in the return of the Draft, and
 - ii. The delay is caused, in whole or in part, by any presentment-related problem resulting from:
 1. The failure of any Draft to meet our draft specifications (section 2), or
 2. Material appearing on the back of the Draft when it was issued by you including without limitation carbon blanks, blacked-out areas and printed or written text or numbers.

12. **Survival.** Sections 3, 4, 6, 9, 10, and 11 of this Service Description will survive termination of the Service.

Third Party Drafts Service

1. **Description of Service.** You provide draft stock to your customers (each, a "third party") that issue third party drafts. With this Service, we will provide you with a controlled disbursement service for third party drafts. You will establish and maintain:
 - a. One or more demand deposit accounts with us (each, a "Funding Account"), and
 - b. One or more demand deposit accounts with us (each, a "Disbursement Account"), each of which is linked to a Funding Account and assigned to one of our controlled disbursement end points (each, an "End Point").

2. **Requirements for Draft stock.** You will ensure each Draft contains:
 - a. The legend "PAYABLE THROUGH WFB, N.A."; and
 - b. Our routing number on the MICR line of the Draft. You will also comply with all other requirements we communicate to you. You will not provide Draft stock to any third party until we notify you that your Draft stock meets our specifications.
3. **Electronic presentment.** Each Business Day, we will present to you each Draft we receive before the Cutoff Time. We will electronically present you with a report or transmission ("Activity Report") containing the serial number and amount of each Draft available to you through your chosen information reporting service. No physical delivery of a Draft or of a substitute check or a purported substitute check in lieu of a Draft will occur.
4. **Images of Drafts; identifying Unauthorized Drafts.** We will make an electronic image of each Draft available to you through our CEO® portal. If for any reason we cannot make an electronic image of a Draft available to you, you remain solely responsible for determining whether a Draft described in each Activity Report is an Unauthorized Draft.
5. **Funding.** You will maintain immediately available funds in your Account sufficient to cover the full amount of Drafts you issue. We have no obligation to honor any Draft if you do not have immediately available funds in your Account sufficient to cover the full amount of the Draft. If an arbitrator or a court determines a Draft has been paid under circumstances that we incur any liability for the Draft under Applicable Law or any agreement having the force of law, you will pay us on demand for the amount of the Draft.
6. **Decisioning.** You must notify us of any presented Draft that is to be edited (section 8) or dishonored (section 9) by the Cutoff Time on the next Business Day following the Business Day on which we made the Activity Report available to you ("Decision Deadline"). You will notify us through our CEO portal as set forth in the Reverse Positive Pay Service Description or, in the case of dishonor instructions only, through a means acceptable to us. If we do not receive your edit requests or dishonor instructions by the applicable Decision Deadline, you will be deemed to have instructed us to pay each Draft described in the Activity Report(s) for that Business Day, and you will be obligated to pay the amount of each Draft that is not timely returned by us.
7. **Provisional payment of Drafts.** Any payment or other settlement for a Draft, except a Draft cashed in accordance with section 10 [Draft cashing], will be provisional and subject to revocation by:
 - a. You, if you direct us to dishonor a Draft before the applicable Decision Deadline, or
 - b. Us at any time before midnight of the day we presented the Draft to you.
8. **Edits to Drafts.** You may request edits of the serial number and/or amount of any Draft described on the Activity Report(s) for any current Business Day. You will notify us of each edit request by means acceptable to us. We may deny your edit request based on our evaluation.
9. **Drafts to be dishonored.**
 - a. **General.** We are subject to requirements regarding the return of Drafts under Applicable Law, including the requirement to provide notice of a dishonored Draft. We may be liable for the amount of the Draft and other damages if we do not meet these requirements. You are solely responsible for dishonoring any Draft including any Unauthorized Draft. If you decide to dishonor any Draft we present to you, you will notify us prior to the Decision Deadline in accordance with the Reverse Positive Pay Service Description.

- b. **Reimbursement obligation; revocation instructions.** You will promptly reimburse us for any Losses we suffer or incur as a result of our dishonor of a Draft in accordance with your notice to us. Any payment or other settlement of a Draft will be provisional and can be revoked by:

- i. You, if you direct us to dishonor a Draft before the Decision Deadline, and
- ii. Us at any time before midnight of the first Business Day after the day we presented the Draft to you.

To be effective, we must receive your revocation instruction in a time and manner that gives us a reasonable opportunity to act on it before the payee deposits, cashes or otherwise negotiates the Draft.

- c. **Fraud.** If your reason for dishonoring a Draft is fraud, your return instruction alone will not constitute a claim for a fraudulent transaction. You must file a separate claim with us relating to the fraudulent transaction.

10. **Draft cashing.** We, or an affiliate, will not cash any Draft presented for encashment at our teller line, except at our own discretion.

11. **Liability and indemnification.**

- a. **Indemnification.** You will indemnify, defend, and hold us, and our Representatives harmless from and against all Losses arising out of or relating to:
- i. (1) our failure to identify an Unauthorized Draft, (2) our refusal to cash a Draft, (3) our failure to meet any requirement to which section 9 (Drafts to be dishonored) of this Service Description refers, (4) our payment of an Unauthorized Draft, or (5) our exercise of our rights, or our performance of our obligations, in accordance with this Service Description,
 - ii. A breach of either the Image Quality Warranty or the No Double Debit Warranty (as defined below),
 - iii. Our obligation to indemnify and reimburse a depository bank that accepts the original paper check from which an electronic check is created, if the loss is due to the check having already been paid, and
 - iv. If we transfer or present an "electronically-created item" and receive settlement or other consideration for it, our obligation to indemnify and reimburse each transferee bank, any subsequent collecting bank, the paying bank, and any subsequent returning bank against Losses that result from the fact that:
 1. The electronic image or electronic information of the electronically-created item is not derived from a paper check,
 2. The person on whose account the electronically-created item is drawn did not authorize the issuance of the electronically-created item or to the payee stated on the item, and
 3. A person receives a transfer, presentment, or return of, or otherwise is charged for an electronically-created item in such a way that the person is asked to make payment based on an item or check it has paid.

"Electronically-created item" means an electronic image that has all the attributes of an electronic check or electronic returned check but was created electronically and not derived from a paper check. "Image Quality Warranty" means our guarantee that the electronic image of the check accurately represents all of the information on the front of the check as of the time the original check is truncated, and the electronic information includes an accurate record of all MICR line information required for a substitute check and the amount of the check. "No Double Debit Warranty" means our guarantee that the warrantee will not receive a presentment of or otherwise be charged for an electronic check, an electronic returned check, the original check, a substitute check, or a paper or electronic representation of a paper substitute check, in a way that the warrantee will be asked to make payment on a check that it has already paid.

When we transfer an electronic check for collection or payment, we make the Image Quality Warranty and the No Double Debit Warranty to the transferee bank, any subsequent collecting bank, the paying

bank, and the drawer. When we transfer an electronic returned check for return, we make the Image Quality Warranty and the No Double Debit Warranty to the transferee returning bank, the depository bank, and the owner. For purposes of this section 11.a, the term "check" and "electronically created item" includes a Draft.

- b. **Unauthorized Draft.** With respect to each Draft, we:
 - i. Will be deemed to be a collecting bank and not a drawee bank, and
 - ii. Disclaim all liability applicable to a payor bank under the Transfer and Presentment Warranties in Articles 3 and 4 of the UCC.

In the event any Draft paid by you is subsequently determined to be an Unauthorized Draft, we will take any action reasonably requested by you to enforce against prior parties (including prior collecting banks, endorsers and other holders) whatever rights you may have against those prior parties, but we will not be liable to you with respect to the Unauthorized Draft and will not be obligated to take any action with respect to the Unauthorized Draft unless you first indemnify us for all costs, expenses and liabilities, including reasonable attorneys' fees and legal expenses, which we may incur as a result of such action.

- c. **Delayed return.** You are responsible to any party that incurs a loss in connection with a Draft, if:
 - i. The loss is due to a delay in the return of the Draft, and
 - ii. The delay is caused, in whole or in part, by any presentment-related problem resulting from:
 - 1. The failure of any Draft to meet our draft specifications (section 2), or
 - 2. Material appearing on the back of the Draft when it was issued by you including without limitation carbon banks, blacked-out areas and printed or written text or numbers.

12. Anti-money laundering and sanctions controls. While this Service Description is in effect, you will:

- a. Be solely responsible for monitoring, interpreting and complying with all laws, regulations, judicial and administrative decisions, and executive orders that apply to you as a provider of accounts to your customers on which Drafts are issued, including the U.S. anti-money laundering and anti-terrorist financing ("AML") and sanctions laws and regulations;
- b. Maintain policies and procedures to reasonably ensure compliance with applicable provisions of the U.S. AML laws and regulations, including but not limited to the USA PATRIOT Act ("PATRIOT Act"), and regulations promulgated by the Office of Foreign Assets Control ("OFAC") of the United States Department of the Treasury;
- c. Where you qualify under section 314(b) of the PATRIOT Act, maintain an effective notice with FinCEN evidencing your intent to engage in information sharing pursuant to section 314(b) of the PATRIOT Act;
- d. If subject to the PATRIOT Act, maintain policies and procedures that include a risk assessment of its products and services, designate a Board-approved AML Compliance Officer responsible for overseeing the components of the AML Program, and include processes for training, monitoring of Drafts, recordkeeping and reporting;
- e. Provide copies of your policies, procedures and practices designed to comply with this section 12, as we may request from time to time; and (b) upon our request and sole expense, allow us, or our designee, to make such on-site visits to you as we deem necessary or appropriate to review your policies, procedures and practices designed to comply with this section 12; and
- f. Work with us in good faith to minimize the number of on-site visits and to limit the impact of the on-site visits on your business.

13. Survival. Sections 3, 4, 6, 9, 10 and 11 of this Service Description will survive termination of the Service.

Glossary

Account Agreement means the applicable account agreement governing your Account.

Applicable Law is defined in section 3 of the Master Agreement.

Business Day means every day except Saturday, Sunday and federal holidays. When used in connection with funds transfer Services, "Business Day" means each day on we are open for business related to that Service.

Check Issue Data means for any Check or Draft, the complete serial number and numeric amount. If you have elected the Payee Validation service option under the Positive Pay Service, Check Issue Data also includes the payee's name.

Cutoff Time means our cutoff time each Business Day that we separately disclose to you for the Service.

Decision Deadline means on any Business Day, (i) for the Positive Pay Service, the time we establish by which you must choose to pay or return each Exception Check, and (ii) for the Reverse Positive Pay Service, the time we establish by which you must choose to edit or return each Check on the Paid Items Report.

Draft means each payable-through draft or third party draft we present to you in accordance with this Service Description and includes an Unauthorized Draft.

Item has the meaning given in the Account Agreement.

Losses means all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees, disbursements of legal counsel and court fees).

Master Agreement means the Master Agreement for Treasury Management Services.

Matching Check is a Check presented to us that matches the Check Issue Data you have provided to us.

Obligations means any and all advances, debts, loans, obligations and liabilities that you owe us and our affiliates pursuant to the terms of this Service Description, including any advances we make to the Funding Account pursuant to Section 3 of the Controlled Disbursements Service Description and any advances we make to the Disbursement Account pursuant to Section 4 of the Controlled Disbursements Service Description.

Representatives is defined in section 11(f) of the Master Agreement.

Unauthorized Draft means a counterfeit or altered Draft, a reproduction of a duly authorized Draft, a Draft with a forged or other unauthorized signature, or a forged, unauthorized, incorrect or illegible endorsement.

CHECK CASHING SERVICE DESCRIPTION

1. Introduction.

The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. ("Bank") check cashing service ("Service") and includes:

- (a) this Service Description;
- (b) the Acceptance of Services or Treasury Management Product Enrollment form;
- (c) the Master Agreement for Treasury Management Services ("Master Agreement");
- (d) the account agreement governing the account(s) Company uses in connection with the Service; and
- (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices;

This Service Description and the Master Agreement are posted at Bank's Commercial Electronic Office[®] (CEO[®]) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the CEO[®] portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. Description of Bank's Service.

Bank's Service enables Company to have Bank and Bank's affiliates (each an "Affiliate" and unless otherwise specified, along with Bank, collectively "Bank") cash checks drawn on Company's accounts held at other banks.

2.1. Company's Request to Cash Checks. Company requests Bank cash checks each of which: (a) has a face amount equal to or less than the amount separately agreed to by Company and Bank in the Setup Form for the Service ("Setup Form"); (b) purports to be drawn by Company on an account identified on the Setup Form for the Service (each an "Account" and collectively "Accounts") at a drawee bank identified on the Setup Form ("Drawee") (each such check a "Check") whether actually issued by Company or not; and (c) is presented in person by the payee at an office of Bank.

2.2. Check Cashing Procedures. Company authorizes Bank to cash any Check that it does not have actual knowledge bears an unauthorized signature, contains a material alteration, or is otherwise not properly payable so long as Bank has followed its then current check cashing procedures in connection with the cashing of the Check. Bank reserves the right to require Company to consult with Bank with respect to any information concerning Bank that is printed on Company's check stock. **COMPANY UNDERSTANDS THIS SERVICE IS NOT AVAILABLE AT CERTAIN AFFILIATES OR BANK BRANCHES LOCATED IN CERTAIN STATES AS SEPARATELY DISCLOSED TO COMPANY.**

3. **Fees.** Company agrees to pay Bank a periodic fee for the Service, which fee will be charged whether any Check is cashed during a period and may be changed by Bank from time to time upon prior written notification to Company, in accordance with the Service Documentation. In addition, a per-check check cashing fee may apply. Company agrees to inform its payees in writing that a per-check check cashing fee may apply.
4. **Termination of Service.** In addition to the termination provisions contained in the Master Agreement, Bank may immediately and without prior notice terminate the Service whenever it has any basis to believe that there will not be sufficient available funds in the Account to pay a Check when presented. The provisions of this Service Description and the other Service Documentation will continue in effect with respect to all Checks cashed by Bank prior to termination of the Service.
5. **Company's Guarantee of Payment and Obligation of Reimbursement.**
 - 5.1. **Guarantee of Check Payment.** Company unconditionally guarantees payment of all Checks even though at the time any particular Check is presented for payment (a) the endorsement of the named payee is unauthorized; (b) the Check was not drawn, issued or authorized by Company; (c) the Drawee has received a valid stop payment order regarding the Check; (d) Company does not have sufficient funds in the Account to cover the Check; (e) the Account has been closed or the Drawee is prohibited from paying Checks drawn against the Account; or (f) the Drawee has knowledge that the Check bears an unauthorized signature, contains a material alteration, or is otherwise not properly payable.
 - 5.2. **Obligation of Reimbursement.** If a Check is dishonored or if Bank is obligated to reimburse the Drawee or a collecting bank with respect to a Check, upon written demand accompanied by evidence of such dishonor or reimbursement, Company agrees to promptly reimburse Bank for all resulting loss. Company waives presentment and other notice of dishonor. In addition, Bank has the right to debit or chargeback any account of Company at Bank for any such loss.
6. **Bank's Limitation of Liability and Company's Agreement to Indemnify Bank.** Bank will have no liability including liability for any consequential, special, punitive or indirect loss or damage which Company, a payee, the Drawee, a collecting bank or any other person may incur or suffer in connection with a Check. Company will indemnify, defend, and save harmless Bank, and each of its directors, officers, employees, and agents (collectively in this section, "Indemnified Persons") from and against all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) (collectively, "Losses and Liabilities") awarded against or incurred or suffered by Indemnified Persons arising directly or indirectly from or related to the cashing of any Check by Bank in accordance with this Service Description and/or the breach of any material obligation of Company hereunder.
7. **Survival.** Sections 4, 5 and 6 of this Service Description survive termination of the Service.



Stagecoach Sweep Service Description

Treasury Management Services

November 8, 2019

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Introduction

The Service Documentation contains the terms and conditions governing each service ("Service") that Wells Fargo Bank, N.A. ("Bank") provides to Company under this Service Description. "Company" is the Bank customer identified on the Acceptance of Services that is signed when you enroll in Services ("Acceptance").

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the specific Service),
- b. The Acceptance (which indicates Company's acceptance of the Service Documentation),
- c. The Master Agreement for Treasury Management Services ("Master Agreement") (which contains terms and conditions applicable to all Services),
- d. The account agreement governing the account(s) (each, an "Account") Company uses in connection with the Service,
- e. The Product Enrollment Form (which contains set-up information for each Service in which Company is enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

This Service Description and the Master Agreement are posted at Bank's Commercial Electronic Office® (CEO®) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of an agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the CEO® portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

Services

Wells Fargo Stagecoach Sweep

1. **Description of services.** The Service enables Customer to link each domestic demand deposit account Customer enrolls in the Service ("Account") to one of the options described in Section 3 (each, an "Investment Sweep Option"). Customer may also link Customer's Account to Customer's line of credit with Bank ("Credit Sweep Option"), as described in Section 5. At the end of each Business Day, funds are transferred automatically or "swept" from the Account in accordance with Customer's designation(s) in the Acceptance. The amount swept ("Transferable Balance") is the Collected Balance in the Account less the Target Collected Balance. The "Collected Balance" is the amount available for immediate withdrawal from the Account. The "Target Collected Balance" is the amount that Bank and Customer have agreed will be maintained in the Account. A "Business Day" is every day except Saturdays, Sundays, federal holidays and days when the New York Stock Exchange is closed. Customer may access its funds only through the Account(s) it has enrolled in the Service. Circumstances in which the entire Transferable Balance may not be invested are described in Section 4. Additional provisions pertaining to the Investment Sweep Options are set forth in Sections 6 through 10.
2. **Authorization.** Customer appoints Bank as its agent to act with respect to the Service and the Investment Sweep Option Customer has elected in the Acceptance.

3. **Investment Sweep Options.** Bank offers the following Investment Sweep Options, each of which is subject to Section 4:
- a. **Wells Fargo Stagecoach Sweep® Preferred Option.** The Transferable Balance will be swept to an omnibus deposit account at Bank ("Preferred Option Account"). Funds belonging to multiple Bank customers are held in this omnibus deposit account. At the beginning of the next Business Day the entire amount held in Customer's Investment Sweep Option, less any earnings, will be swept back to the Account.
 - b. **Wells Fargo Stagecoach Sweep® Repurchase Agreement Option with secondary Wells Fargo Stagecoach Sweep® Preferred Option.** The Transferable Balance will be swept to the Wells Fargo Stagecoach Sweep® Repurchase Agreement ("Repurchase Agreement") Option. Any portion of the Transferable Balance which is not swept to a Repurchase Agreement will be swept to the Preferred Option Account. At the beginning of the next Business Day the entire amount held in Customer's Investment Sweep Option, less any earnings, will be swept back to the Account.
 - c. **Wells Fargo Stagecoach Sweep® Repurchase Agreement Option.** The Transferable Balance will be swept to the Wells Fargo Stagecoach Sweep® Repurchase Agreement ("Repurchase Agreement") Option. Any portion of the Transferable Balance not swept to a Repurchase Agreement will remain in the Account and not earn interest. At the beginning of the next Business Day the entire amount held in Customer's Investment Sweep Option, less any earnings, will be swept back to the Account.
 - d. **Wells Fargo Stagecoach Sweep®, Money Market Mutual Fund ("MMMF") Option.** The Transferable Balance will be transferred to an omnibus deposit account at Bank. At the beginning of the next Business Day, the Transferable Balance will be transferred from the omnibus deposit account at Bank to an omnibus investment account in Bank's name at the custodian of the MMMF. MMMF shares belonging to multiple Bank customers are held in this investment account. Any portion of the Transferable Balance not swept to the MMMF will remain in the Account, and no dividends will accrue on it. If the Collected Balance in the Account on any Business Day is less than the Target Collected Balance, Bank will redeem a sufficient number of Customer's MMMF shares, as determined on the Business Day following the Business Day on which this shortfall occurs, to restore the Collected Balance to the Target Collected Balance. Purchases and redemptions of MMMF shares in connection with this Investment Sweep Option may occur only through deposits to or withdrawals from the Account. This option is available only to entities having a United States presence, as demonstrated by a U.S. mailing address in Bank's records for Customer.
4. **Maximum Investment Amount; Transferable Balance not invested; earnings on Investment Sweep Option.**
- a. **Maximum Investment Amount.** If Customer has designated a maximum amount for investment in Customer's Investment Sweep Option ("Maximum Investment Amount"), then the maximum amount invested for Customer on any given Business Day will equal the lesser of the Customer's Transferable Balance or Maximum Investment Amount. Any portion of Customer's Transferable Balance that is not invested pursuant to this Section 4a will remain in the Account and not earn interest.
 - b. **Transferable Balance not invested.** Bank will exercise reasonable efforts to invest the entire Transferable Balance but reserves the right to invest less when Bank determines in its sole discretion that the entire Transferable Balance exceeds the amount Bank is able to invest for Customer in the ordinary course of business. Any Transferable Balance not invested pursuant to this Section 4b will be held in accordance with Customer's Investment Sweep Option.
 - c. **Earnings on Customer's Investment Sweep Option.** Bank will handle any earnings on Customer's Investment Sweep Option in accordance with Customer's separate instructions to Bank.

5. **Credit Sweep Option.** At the end of each Business Day, the Transferable Balance will first be applied to the outstanding balance on the line of credit specified by Customer in the Acceptance ("LOC"). Any remaining funds will then be deemed to be the Transferable Balance with respect to the Investment Sweep Option that Customer may have also selected. If the Collected Balance is less than the Target Collected Balance, funds will be advanced from the LOC and credited to the Account. The application of payments to and advances from the LOC are governed by the documents governing the LOC as amended or replaced from time to time (collectively, "Loan Documentation"). Bank may terminate the Credit Sweep Option immediately without notice to Customer if an event of default occurs under the Loan Documentation.

6. **Provisions Applicable To Each Investment Sweep Option.**

NO EMPLOYEE OR AGENT OF BANK HAS BEEN AUTHORIZED TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION REGARDING A SWEEP OPTION OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THE SERVICE DOCUMENTATION AND IF SUCH INFORMATION IS PROVIDED OR SUCH A REPRESENTATION IS MADE, IT MAY NOT BE RELIED UPON AS BEING AUTHORIZED BY BANK.

7. **Additional Provisions Applicable to Wells Fargo Stagecoach Sweep® Preferred Option.**

- a. **Interest.** Funds in Bank's Preferred Option Account will bear interest at a variable rate determined by Bank from time to time in its sole discretion. Accrued interest on funds in Bank's Preferred Option Account will be credited to the Account as agreed by Customer and Bank. If Customer has elected to be paid interest on a monthly basis, pending any such payment, Customer's interest accrued each day from the Preferred Option Account will continue to accrue and compound on a daily basis. For advance information about the interest rate on any given Business Day, Customer may contact its relationship manager at Bank.
- b. **Statements.** Bank will make a periodic statement available to Customer showing the Account balance for each day in, and the amount of interest earned for, the statement period. Additionally, Customer may elect to receive a daily confirmation showing the Account balance and the amount of interest earned for the preceding day.

8. **Additional Provisions Applicable to Wells Fargo Stagecoach Sweep® Repurchase Agreement Option.**

INVESTMENTS IN REPURCHASE AGREEMENTS ARE NOT DEPOSITS, ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION AND ARE NOT GUARANTEED BY THE UNITED STATES GOVERNMENT OR ANY AGENCY OF IT, OR BY BANK, NOR IS BANK'S OBLIGATION TO REPURCHASE CUSTOMER'S FRACTIONAL INTEREST IN ANY SECURITIES ACQUIRED UNDER REPURCHASE AGREEMENTS.

THE REPO SECURITIES MAY OR MAY NOT BE GUARANTEED BY THE UNITED STATES GOVERNMENT BUT ANY SUCH GUARANTY DOES NOT FLOW TO CUSTOMER. ALL SECURITIES CARRY INVESTMENT RISK AND MAY LOSE VALUE.

THE RATE OF RETURN ON THE REPURCHASE AGREEMENT INVESTMENT IS NOT THE SAME AS THE RATE OF RETURN ON THE UNDERLYING GOVERNMENT SECURITIES. GENERAL BANKING ASSETS MAY BE USED TO SATISFY BANK'S REPURCHASE OBLIGATIONS TO CUSTOMER.

- a. **Purchases and sales.** Subject to the limitations described in Section 8b, on each Business Day on which there is a Transferable Balance Bank will sell to Customer an interest ("Fractional Interest") in a pool of securities used by Bank as repurchase agreement collateral ("Repo Securities"), which will be described in a written confirmation to Customer (see Section 8g.). Each sale by Bank to Customer is a "Transaction".

Subject to Section 8b regarding purchase increments, the price of Customer's Fractional Interest ("Purchase Price") will equal the Transferable Balance. The Fractional Interest equals a fraction having the Transferable Balance as its numerator and the market value of the Repo Securities owned by Bank on the purchase date as its denominator. At the beginning of the first Business Day following the sale to Customer of a Fractional Interest, Bank will repurchase that Fractional Interest from Customer at (a) the Purchase Price thereof, regardless of any fluctuation in the market value of the Repo Securities, payable immediately, plus (b) a rate of return equal to 1/360 of the Pricing Rate, payable at the time agreed by Customer and Bank. The "Pricing Rate" is a variable rate determined by Bank from time to time in its sole discretion and will be reflected in the confirmation sent to Customer. For advance information regarding the Pricing Rate on any given Business Day, Customer may contact its relationship manager at Bank.

The Service will be governed by all applicable federal and state laws and regulations, including without limitation any requirements applicable to "public funds". Customer represents and warrants to Bank that Customer (i) is authorized pursuant to its governing documents and applicable law to enter into repurchase agreements; (ii) is authorized pursuant to its governing documents and applicable law to invest in the type of securities designated by Bank in connection with Customer's repurchase agreement transactions; and (iii) has obtained all necessary approvals required by its governing documents and applicable law, including but not limited to resolutions of Customer's governing body to enroll in this Repurchase Agreement option.

- b. **Purchase increments.** To avoid odd lot purchases of Repo Securities, Bank may require that Transferable Balances be used to purchase Customer's Fractional Interest in increments of \$100 (with any unused Transferable Balance remaining in the Account).
- c. **Holding of securities.** On the date that Bank repurchases Customer's Fractional Interest, any Repo Securities designated to Customer as collateral will be released to Bank's account. Bank acts as Customer's agent and in the event of default (i.e., Bank failure), Customer has the right to direct Bank to sell the Repo Securities and apply the proceeds in satisfaction of Bank's obligations to Customer under this Repurchase Agreement Option.
- d. **Right of substitution.** Bank will not have any right of substitution with respect to the Repo Securities.
- e. **Margin.** Because all repurchase transactions under the Investment Sweep Option are overnight securities transactions backed by the federal government or federal agency securities in which Bank has an interest, Bank will not be required to maintain margin (instead, Customer will have the security interest described in Section 10b). In addition, because Customer will purchase its Fractional Interest from Bank using the Transferable Balance, and only if a Transferable Balance is available on any given Business Day to execute such transaction, Customer will not be required to maintain margin.
- f. **Pledge of securities.** Although the Repo Securities may be guaranteed as to principal and interest by the federal government or by the issuing federal agency, any such guarantee runs only to Bank by virtue of its direct ownership of the Repo Securities and does not extend to Customer as a Fractional Interest holder. To collateralize Bank's repurchase obligation, a security interest in certain Repo Securities is transferred to Customer. This security interest is described in Section 10b. In addition, the market value of the Repo Securities may fluctuate rendering liquidation insufficient to fulfill the Bank's entire obligation to Customer in a default situation. If the liquidation value of the Repo Securities is insufficient for full reimbursement, or if another creditor successfully claims rights to the securities, then Customer will have to look to other assets of Bank as an unsecured general creditor for repayment of any uncovered portion of the repurchase obligation.

- g. **Confirmations and statements.** Bank will make a daily confirmation available to Customer showing Customer's principal sweep amount, purchase date, repurchase date, Fractional Interest, market price and the CUSIP number(s) of the Repo Securities, and accrued rate of return credited for the preceding Business Day. The confirmation, together with the Service Documentation, will constitute conclusive evidence of the terms agreed between Customer and Bank with respect to the transaction to which the confirmation relates, unless with respect to the confirmation specific objection is made promptly after receipt thereof. In the event of a conflict between a term of the confirmation and the Service Documentation, the confirmation will control. Bank will also make a periodic statement available to Customer showing the Account balance for each day in, and the amount of interest earned for, the statement period.
- h. **Additional disclosures.**
- i. Customer and Bank recognize that each Transaction is a "repurchase agreement" as that term is defined in Section 101 of Title 11 of the United States Code, as amended (except insofar as the type of Securities subject to such Transaction or the term of such Transaction would render such definition inapplicable), and a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Code, as amended (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).
 - ii. It is understood that either party's right to liquidate Repo Securities held for in connection with Transactions hereunder or to exercise any other remedies pursuant to Section 11 hereof is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title 11 of the United States Code, as amended.
 - iii. Customer and Bank agree and acknowledge that if a party hereto is an "insured depository institution," as such term is defined in the Federal Deposit Insurance Act, as amended ("FDIA"), then each Transaction hereunder is a "qualified financial contract," as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).
 - iv. In the case of Transactions in which one of the parties is a broker or dealer registered with the Securities and Exchange Commission ("SEC") under Section 15 of the Securities Exchange Act of 1934 ("1934 Act"), the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 ("SIPA") do not protect the other party with respect to any Transaction hereunder.
 - v. In the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder.
 - vi. In the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable.

9. **Additional provisions applicable to Wells Fargo Stagecoach Sweep® Money Market Mutual Fund Option.**

MONEY MARKET MUTUAL FUNDS (EACH, A "MMMF") ARE NOT FDIC INSURED, HAVE NO BANK GUARANTY AND MAY LOSE VALUE.

AN INVESTMENT IN A MMMF IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY. ALTHOUGH THE MMMFS SEEK TO PRESERVE THE VALUE OF CUSTOMER'S INVESTMENT AT \$1.00 PER SHARE, IT IS POSSIBLE TO LOSE MONEY BY INVESTING IN A MMMF.

FOR MORE INFORMATION REGARDING WELLS FARGO FUNDS INCLUDING THE MMMF OPTION CUSTOMER SELECTED, OBTAIN A CURRENT PROSPECTUS BY CALLING 1-800-260-5969, OR BY VISITING www.wellsfargofunds.com. CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES OF THE INVESTMENT CAREFULLY BEFORE INVESTING. THIS AND OTHER INFORMATION ABOUT WELLS FARGO FUNDS CAN BE FOUND IN A CURRENT PROSPECTUS. PLEASE READ IT CAREFULLY BEFORE INVESTING.

WELLS FARGO FUNDS MANAGEMENT, LLC, A WHOLLY OWNED SUBSIDIARY OF WELLS FARGO & COMPANY, PROVIDES INVESTMENT ADVISORY AND ADMINISTRATIVE SERVICES FOR WELLS FARGO FUNDS®. OTHER AFFILIATES OF WELLS FARGO & COMPANY PROVIDE SUB-ADVISORY AND OTHER SERVICES FOR THE FUNDS. THE FUNDS ARE DISTRIBUTED BY WELLS FARGO FUNDS DISTRIBUTOR, LLC, MEMBER FINRA/SIPC, AN AFFILIATE OF WELLS FARGO & COMPANY.

- a. **General.** If Customer has elected the MMMF Investment Sweep Option, then it acknowledges receiving a copy of the prospectus relating to MMMF shares that will be purchased using this Investment Sweep Option. This prospectus forms part of the Service Documentation and will control over the other Service Documentation with respect to the MMMF shares.
 - b. **Purchase of shares.** Bank will transfer funds to purchase shares of the MMMF at their net asset value ("NAV") as determined on the Business Day following the transfer of Customer's Transferable Balance to the omnibus deposit account at Bank. Customer's shares of the MMMF ("Investment Balance") will be held in Bank's name, as agent on behalf of all of its customers invested in the MMMF, in an omnibus investment account at the custodian for the MMMF. Customer's funds held in the omnibus deposit account at Bank are eligible for FDIC insurance; Customer's Investment Balance is not FDIC insured.
 - c. **Statements.** Bank will make a periodic statement available to Customer showing the Investment Balance and Customer's purchases and redemptions of MMMF shares during the statement period. Customer may also telephone Bank at its customer service number (1-800-289-3557) to determine the Investment Balance as of the close of the previous Business Day.
 - d. **Termination, suspension of Service.** Customer's investment in the MMMF shares will be credited by Bank to the Account within three Business Days from Bank's (i) receipt of a notice from Customer to Bank terminating the Service or (ii) suspension of the Service, on the closing price of the Business Day on which Customer's MMMF shares are sold. Accrued dividends attributable to the period when the Investment Sweep Option was in effect will be paid no later than the fifth Business Day of the month following the last month that the Investment Sweep Option was in effect.
 - e. **Shareholder communications.** All shareholder communications with respect to the MMMF will be forwarded to Customer's current address as shown on Bank's records.
 - f. **Dividend accruals.** Daily dividend accruals are based on the Investment Balance at the end of each day. If Customer's Account is credited for a MMMF redemption on a day preceding a non-Business Day, the redemption amount will be subtracted from the Investment Balance before the non-Business Day dividend accruals are calculated.
10. **FDIC disclosures.** FDIC regulations require all insured depository institutions to disclose in writing to sweep account customers whether funds in a sweep account are deposits within the meaning of 12 U.S.C. 1813(l) and, if the funds are not deposits, the status such funds would have if the depository institution failed.
- a. **Wells Fargo Stagecoach Sweep® Preferred Option.** Funds held on Customer's behalf in Bank's Preferred Option Account are deposits and are eligible for FDIC insurance under applicable FDIC insurance rules and limits.

- b. **Wells Fargo Stagecoach Sweep® Repurchase Agreement Option.** Customer's Fractional Interest is not a deposit. The Repurchase Agreement Option meets the FDIC's requirements for a properly executed repurchase agreement. If Bank were to fail, Customer's funds used to purchase Customer's Fractional Interest would not be eligible for FDIC insurance. The FDIC would treat Customer as a secured creditor to the extent of the then-current value of Customer's Fractional Interest and as an unsecured general creditor to the extent the Purchase Price exceeded the then-current value of Customer's Fractional Interest.
- Wells Fargo Stagecoach Sweep® Money Market Mutual Funds Option.** Funds held on Customer's behalf in the omnibus deposit account at Bank are deposits and are eligible for FDIC insurance under applicable FDIC insurance rules and limits. Customer's MMMF shares held in the omnibus investment account in Bank's name at the custodian of the MMMF are not deposits and will not be eligible for FDIC insurance. Customer is the owner of its MMMF shares.



Faster Payments Service Description

Treasury Management Services

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Introduction

The Service Documentation contains the terms and conditions under which we provide you the services described below. "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in the Services ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the end of this Service Description.

The "Service" covered by this Service Description is:

- Disbursements with Zelle® Service
- Real Time Payments (RTP®) Send Service
- Push to Card Disbursement Service

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing the Account,
- e. The Product Enrollment Form (which contains set-up information for each service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office® (CEO®)* portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Services

Disbursements with Zelle®

1. **Description of Service.** With this Service you can send Payment Instructions to us or Zelle® for your payments to consumer payees. For each consumer payment, your Payment Instruction will include the Token Information for the Payee.
 - a. **Payees registered with the Zelle Network.** If the Payee's Token Information is registered with the Zelle network, we or Zelle will attempt to make the payment electronically.
 - b. **Payees not registered with the Zelle Network.** If you have subscribed to the Unregistered Payee feature and your Payment Instruction includes Token Information for an unregistered Payee, we or Zelle will send Payee a one-time Zelle registration invitation and enrollment instructions. An Unregistered Payee must register in the time allotted or the payment will fail and the funds will be returned to your account.
 - c. **Payments.** In most cases the payment will be available to the Payee within two business days. We have no control over circumstances that could delay or prevent your payment from being made including, without limitation, actions of the Payee, the Payee's financial institution including limits on the amount the Payee may receive, or the Zelle network. A payment may be subject to dollar limits we or Zelle separately discloses to you.

2. **Payee authorization.** When using the Service, you authorize and instruct us or *Zelle* to send emails and text messages to the Payee on your behalf. You represent and warrant that you have received permission from each Payee to instruct us or *Zelle* to send emails and text messages to that Payee. We or *Zelle* may, in our sole discretion, and for any reason, decline at any time to accept, or use, or to continue to accept or use, any specific Token Information provided to us or *Zelle* by you.
3. **Use of information to identify you and process transactions.** You agree that we or *Zelle* may provide information about you to the Payee, the Payee's financial institution, or any other person engaged in processing, facilitating, or delivering the payment. The information we or *Zelle* may provide may include your name.
4. **No right to stop or cancel.** A payment that has been processed cannot be cancelled or stopped. You will be responsible for resolving any payment dispute with a Payee. If you request the cancellation, amendment or reversal of a Payment Instruction, we or *Zelle* may, in our sole discretion, attempt to honor your request, but we will have no liability if we decline or are unable to honor your request.
5. **Incomplete, rejected payments.** If a payment is missing required information or if we or *Zelle* have identified other errors that make us unable to process any Payment Instruction, we or *Zelle* may, without liability to you, reject the payment.
6. **Your responsibility for errors.** We and *Zelle* are not obligated to confirm your Payment Instruction and will act on them without further confirmation. You agree to accept full responsibility for losses resulting from any of your errors, duplication, ambiguities, or fraud in the information that you provide.
7. **Indemnification.**
 - a. You acknowledge that we indemnify certain parties under the Zelle Network Participation Rules. You agree to reimburse us for any Losses we incur as the result of the enforcement of any such indemnity, except to the extent the loss resulted solely from our own gross negligence or intentional misconduct.
 - b. You will indemnify, defend, and hold us, and our Representatives harmless from and against all Losses arising directly or indirectly from or related to any material breach in your representations, warranties, covenants, or obligations in this Service Description.
8. **Survival.** Sections 2, 3, 4, 5, 6 and 7 of this Service Description will survive the termination of Services.

RTP® Service

1. **Description of Service.** With this Service you can use real-time funds transfer services available through The Clearing House RTP®¹ system to send eligible RTP Payments. RTP Payments permitted under the RTP Rules and meeting our requirements will be considered eligible RTP Payments. You may also use the Service to send RTP Messages.
2. **Applicable Law.** You agree to comply with the RTP Rules. The RTP Rules include the laws of the state of New York, including New York's version of Article 4A of the Uniform Commercial Code, without regard to its conflict of laws principles, and the requirements of the U.S. Department of the Treasury's Office of Foreign Assets Control. We are under no obligation to honor any RTP Payment Order or other instruction that could result in our violation of the RTP Rules or other applicable law. The terms "Sender," "Receiver," "Sending Participant," "Receiving Participant," "Money Transmission Transaction," "Payment Service Provider," and "Request for Return of Funds" are used here as defined in the RTP Rules.

¹ RTP® is a servicemark of The Clearing House Payments Company L.L.C.

3. **Preparation of RTP Payment Orders; processing schedules.** You will prepare each RTP Payment Order in accordance with guidelines we separately make available to you from time to time. An RTP Payment Order will be deemed received by us when we have verified that it is in compliance with the Security Procedure and determined that it is an eligible RTP Payment. RTP Payments are typically completed within thirty seconds of transmission of the RTP payment by the Sender, unless the RTP payment fails or is delayed due to a review by us, such as for fraud, regulatory, or compliance purposes.
4. **Inconsistency of name and number.** If an RTP Payment Order describes the Receiver both by name and identifying number, we are permitted to execute the RTP Payment Order based solely on the identifying number, even if the number identifies a person different from the named person. If an RTP Payment Order describes a Receiving Participant both by name and identification number, the identification number may be solely relied on to identify the financial institution, even if it refers to a financial institution other than the named financial institution.
5. **Authorization to pay.** You authorize us to (a) execute any RTP Payment Order we verify in accordance with the applicable Security Procedure and (b) debit the account specified in the RTP Payment Order (and if no account is specified, the Account or any other account you maintain with us or an affiliate) even if a debit results in an overdraft on the execution date. You will maintain sufficient available funds in the account specified in the RTP Payment Order at the time of each debit. We may refuse to accept an RTP Payment Order if there are not sufficient available funds at the time the RTP Payment Order is submitted to us.
6. **Your duty to report erroneous or unauthorized transfer RTP Payment Orders.** We have no obligation to detect errors in RTP Payment Orders (for example, an erroneous instruction to pay a Receiver not intended by you or to pay an amount greater than the amount intended by you, or an erroneous transmission of a duplicate RTP Payment Order previously sent by you). Should we detect an error on one or more occasions, this will not obligate us to detect errors in any future RTP Payment Order. You will exercise reasonable care to determine whether an RTP Payment Order accepted by us was either erroneous or unauthorized. You will notify us of an erroneous or unauthorized RTP Payment Order within a reasonable time, not exceeding 14 days, after you receive notification from us that the RTP Payment Order was accepted or that the Account was debited with respect to the RTP Payment Order, whichever is earlier. You will be liable to us for the loss we incur as a result of your failure to act in accordance with this section.
7. **RTP Payment Order status.** We will provide you with information regarding the status of any RTP Payment Order sent by you in accordance with the RTP Rules. If an RTP Payment Order is rejected by us for any reason, we will attempt to notify you promptly but will have no liability to you for a rejected RTP Payment Order or for our failure to provide notice.
8. **No right to cancellation, amendment, reversal; Request for Return of Funds.** RTP Payment Orders are final and cannot be cancelled, amended, or reversed by you once accepted by us. Any dispute between you and the recipient of an RTP payment must be resolved between you and the Receiver. You may submit a Request for Return of Funds message to us to be sent to a Receiver; however, the Receiver is under no obligation to return the funds. You will hold us harmless and reimburse us for any Losses we incur in effecting or attempting to effect your Request for Return of Funds.
9. **Ineligible RTP Payments.** You agree that, pursuant to the RTP Rules:
 - a. The RTP System may be used only for eligible payments between a Sender and Receiver with accounts located in the United States. You may not send or receive payments on behalf of any person or entity not domiciled in the United States.
 - b. You are not permitted to submit an RTP Payment Order on behalf of another domestic or foreign depository institution, or that identifies a Receiver that is a domestic or foreign depository institution.
 - c. You are not permitted to send RTP Payment Orders in connection with a Money Transmission Transaction or otherwise act as a Payment Service Provider, unless we have agreed otherwise.

- d. You are not permitted to send RTP Payment Orders or other RTP Messages solely for the purpose of determining whether a Receiver's account numbers are associated with valid, active accounts.
10. **Transaction limits.** As a Sending Participant, we are entitled to impose transaction limits on your RTP Payment Orders sent through the Service, which may be lower than the transaction limits established by the RTP System.
11. **Limitation of our liability.** In acting on your request regarding an RTP Payment Order, we are permitted to use any transmission method, funds transfer system, or clearing house we, in our sole discretion, consider reasonable. We will not be liable for any third party's failure to or delay or error in processing an RTP Payment Order. If we are notified we did not transfer the full amount stated in an RTP Payment Order, our sole obligation will be to promptly execute a second RTP Payment Order in the amount of the stated deficiency. If we execute an RTP Payment Order in excess of the amount stated in the RTP Payment Order, to the extent you do not receive the benefit of the RTP Payment Order, we will only be liable for any loss of the principal amount transferred in excess of the amount stated in the RTP Payment Order. Additionally, we will be liable for the amount of interest you have lost due to the transfer of the excess amount, computed at the Federal Funds rate or as we may have agreed otherwise. However, our liability for loss of interest will be limited to 20 calendar days' interest.
12. **Termination.** In addition to the termination provisions contained in the Master Agreement, we may terminate the Service immediately upon notice to you if we determine in our sole discretion that you have breached Section 9 [Ineligible RTP Payments] of this Service or otherwise failed to comply with the RTP Rules.
13. **Survival.** Sections 2, 4, 6, 8, 9 and 11 will survive the termination of Service.

Push to Card Disbursement

1. Description of service.

Your disbursement transaction request. You must send all necessary Disbursement Information to the Push to Card Channel you've elected to use, to request a Customer Disbursement Transaction. You are solely responsible for:

- Limiting access to your Push to Card Channel,
- Maintaining the secrecy and security of the credentials you use to access the Push to Card Channel, and
- Limiting access to the credentials to your authorized officers, employees or agents.

We will consider any individual using your credentials as authorized by you unless you notify us otherwise. We will process each Customer Disbursement Transaction we receive from you.

1.1 Disbursement Messaging Service.

- a. We will provide you the Disbursement Messaging Service to:
 - i. Allow you to submit the Customer Request for a given Customer Disbursement Transaction,
 - ii. Create a Customer Disbursement Transaction message based on the Customer Request,
 - iii. Transmit the Customer Disbursement Transaction to the appropriate Card Organization for the Recipient's Card in accordance with the applicable Card Organization Rules.
- b. The Disbursement Messaging Service provided by us must include:
 - i. The Push to Card Channel,
 - ii. The card number eligibility determinations performance,
 - iii. Card Organization routing intelligence,
 - iv. Card Organization's message formatting and submission,
 - v. Card Organization's connectivity,
 - vi. Preparation and transmission of settlement and reconciliation files to us,
 - vii. Customer Disbursement Transaction messaging support, and

- viii. Issuer identification by Card number.
- c. We and any applicable Card Organization reserve the right to reject any Customer Request for any reason.

1.2 Processing by Card Organization; our approval. The parties understand that the appropriate Card Organization will direct the Customer Disbursement Transaction message to the appropriate Issuer for authorization, and clearing and settlement services, according to its Card Organization Rules. If the Issuer approves, the Issuer will post the funds or make funds available to the Recipient's account associated with the applicable Customer Disbursement Transaction according to Card Organization Rules.

1.3 Disbursement Information. You must submit complete and accurate Disbursement Information. You are solely responsible for any errors resulting from incomplete or inaccurate Disbursement Information or any otherwise flawed Customer Request (including the misdirection of funds resulting from you providing inaccurate or incomplete Disbursement Information). For the sake of clarity and the avoidance of doubt, you are responsible to know that the Card and the Cardholder and Card number are each and all accurate as provided to us for purposes of the Push to Card Service hereunder.

1.4 Secure Capture Service. When you enroll in our optional Secure Capture Service ("Secure Capture Service"), we will provide you with a hosted payment page which enables you to submit debit card information to a third party where it will be securely stored. We will send a token back to you to use instead of the card number when processing Push to Card payments. The Secure Capture Service will include: (a) the Secure Capture API; (b) the hosted payment page; and (c) the tokenization of Recipient's payment credentials. The pricing documentation we provide to you includes your fees for the Secure Capture Services, and are in addition to any other fees described in your pricing documentation.

2. Funding and fees.

2.1 Customer Funding Account.

- a. You will establish a Customer Funding Account with us and make sure the account has sufficient funds to carry out any Customer Request or any instructions to the Push to Card Channel, including sufficient amounts to cover all transfers, settlement and bank-related fees.
- b. The Customer Funding Account is subject to its own separate terms and conditions between you and us (the "**Commercial Account Agreement**"), including payment to us of any applicable fees. Nothing in this Agreement will affect in any way the terms and conditions of the Commercial Account Agreement.
- c. We will verify whether there are sufficient funds to cover each transaction in the Customer Funding Account before we submit any Customer Disbursement Transaction to the applicable Card Organization for processing. We may reject any transaction if there are insufficient funds in the Customer Funding account. If there are sufficient funds to cover the transaction, we will place a memo post in the Customer Funding Account in the amount of each transaction and we will hold such funds in the Customer Funding Account. We will debit the Customer Funding Account by the amount of the Customer Disbursement Transaction request processed by the Disbursement Messaging Service. We will send the amount of the Customer Disbursement Transaction to the applicable Card Organization to complete the Customer Disbursement Transaction to the Recipient's Card.
- d. You authorize us to complete the transfers and debits from the Customer Funding Account under this Agreement, including settling your obligations resulting from Customer Disbursement Transactions.
- e. We will execute all Push to Card transactions received from you through the Push to Card service. The appropriate Card Organization will process the disbursement transaction, after it verifies and secures sufficient funds from the Customer Funding Account. The transaction will happen in near real-time. The Push to Card Channel response will notify you that the transaction has been successful or unsuccessful, and why, as part of the same session. You authorize us and our authorized representative to access information from the Customer Funding Account and to initiate debit and/or credit entries to authorize us to block or to initiate, if

necessary, reversing entries and adjustments for any original entries made to the Customer Funding Account. This authorization is irrevocable, without respect to the source of any funds in the Customer Funding Account, and coupled with an interest. This authorization extends to any fees and assessments and Chargeback/reversal amounts of whatever kind or nature due to us under terms of this Agreement. This authority remains in full force and effect at all times unless and until we have agreed to terminate at such time and in such manner as to afford you a reasonable opportunity to act on it.

2.2 Fees. The pricing documentation provided to you includes your fees for Disbursement Services and may be adjusted from time to time. In addition to the Card transaction fees included in the pricing documentation, you are responsible for any applicable Card Organization fees for each transaction. If you do not pay us all fees and any other amounts due under this Agreement within thirty (30) days of the date of our statement setting forth the amount due, then we may, in our sole discretion, charge you interest, for such time that the amount and all accrued interest remain outstanding at the lesser of (i) the per annum rate equal to our then current prime rate plus two percent (2%), based on a 360 day year, or (ii) the maximum rate permitted by applicable law.

3. Your obligations.

3.1 Use of Service. You shall use the Push to Card Service solely in accordance with Applicable Law and the terms of this Agreement. Any modification to, or deviation from the terms of this Agreement, requires the prior written consent of you and us. You are fully responsible for the acts and omissions of your agents, employers, or third parties acting on your behalf under this Agreement. You understand and acknowledge, however, that as of the Effective Date of this Agreement, we have not performed an assessment for PCI DSS compliance for the Service, and a PCI Attestation of Compliance is not available until we complete the PCI DSS compliance assessment process.

3.2 Prohibited Categories. You shall not use the Push to Card Service to initiate any Customer Transaction in connection with any of the Prohibited Categories as such Prohibited Categories may be communicated to you.

3.3 General obligations. You shall: (a) ensure all requests, instructions, and information provided by you under this Agreement comply with Applicable Law and Card Organization Rules; (b) implement all instructions provided by us and provide all necessary information requested and required by us to perform under this Agreement; (c) fund all Customer Requests submitted by the Push to Card Channel; (d) without limiting any other provisions under this Agreement, ensure all your programs and devices used to transmit Disbursement Information conform to all Payment Card Industry Data Security Standards and all Card Organization Rules; and (e) without limiting any other provisions under this Agreement, before providing the Push to Card Channel any instructions under this Agreement, satisfactorily complete all Bank- and Card Organization-required background checks and authentication procedures in accordance with all Applicable Law.

3.4 Instructions. Subject to any change from time to time, the minimum information required to initiate a Customer Disbursement Transaction shall include:

- Disbursement reference (unique reference to identify a disbursement transaction)
- Amount and currency to be posted to Recipient's Card
- Recipient Card number
- Recipient Card expiration date
- Intended purpose of the Customer Transaction (e.g., business disbursement or government disbursement)
- Recipient first name
- Recipient last name

3.5 Anti-money Laundering and Sanctions Program. At all times during the Term of this Agreement, you agree to maintain, policies, procedures and internal controls reasonably designed to comply with the Bank Secrecy Act ("BSA") anti-money laundering requirements ("AML"), as amended by the USA PATRIOT Act, and all Applicable

Law related to BSA/AML regulations. At all times during the Term, you will maintain a written BSA/AML risk program. The BSA/AML program must include, at a minimum, the following: (a) a system of internal controls to ensure ongoing compliance; (b) independent testing of BSA/AML compliance; (c) a designated individual(s) responsible for managing BSA compliance; (d) periodic training for appropriate personnel; and (e) appropriate risk-based procedures for conducting ongoing customer due diligence. To the extent permitted by Applicable Law, you and we each agree to provide reasonable cooperation to the other in connection with any investigation related to your use of the Service. For purposes of clarity, you must provide documents and/or information requested by us in connection with any such investigation. You must promptly notify us of any material violation of the BSA/AML or sanctions laws impacting or in any way related to the use or provision of the Service, subject to any applicable prohibitions against disclosure.

4. Data use and consents.

4.1 Data use by the Card Organizations. The Card Organizations shall have the right to use data transmitted to the Card Organizations for purposes of a funds transfer request for: (i) the provision of anti-fraud services for the benefit of us, you and/or other parties; (ii) the processing and/or resolving of disputes; (iii) analyzing or improving its services, including for security and risk management purposes; (iv) preparing and furnishing analyses and other internal and external reports of aggregated, anonymized information; (v) providing other products or services including those involving data analytics that use aggregated, anonymized information; (vi) complying with applicable Law, including, as may be required or requested by any judicial process or Governmental Authority having or claiming jurisdiction over the Card Organizations and/or any of its Affiliates or us; and (vii) for other purposes for which consent has been provided by the individual to whom the information relates.

4.2 Data use by us. You explicitly consent and agree that we are permitted to access and use Cardholder Data to provide the Service.

4.3 Consents. You represent and warrant that you have, and will: (i) provide(d) all necessary consumer terms and conditions (including, without limitation, an appropriate privacy notice) and disclosures required by Applicable Laws in connection with your participation in the Push to Card Service; and (ii) obtain(ed) any and all consents necessary for Card Organizations to process data in connection with your participation in the Push to Card Service, including as set forth in subsection 4.1, above, in connection with your participation in the Push to Card Service, as provided for under this Agreement. You further represent and warrant that the submission or provision of information by you to us and Card Organizations, including for the purposes set forth in subsection 4.1 above, complies with all Applicable Law.

5. Customer complaints. You agree to promptly notify us if, you believe in your reasonable discretion there is an issue related to the Push to Card Service and you will provide us all necessary information regarding the deficiency or problem so that we may determine the cause of the issue and help to achieve a resolution, if possible.

6. Wells Fargo Gateway. Through our gateway ("Wells Fargo Gateway"), you may access a Bank-owned Application Program Interface ("Bank-owned API") to securely (i) request that the we originate debit card disbursements on behalf of you; and (ii) receive periodic updates from us as we process entries for you. The Wells Fargo Gateway uses tokenized transmission methods for direct communication between your internal payment systems and our payment systems. The Wells Fargo Gateway security procedures required digital authentication of you and us using tokens, Bank-owned API keys, mutual authentication of digital certificates and any other authentication or authorization process we may require from time-to-time. Your tokens, the Bank-owned API keys, digital certificates, and your instructions to us, do not identify any individual user initiating the request through the Wells Fargo Gateway. We validate only that you are authorized to request Bank-originated debit card disbursements and receive periodic updates. You have reviewed the Wells Fargo Gateway portal, the procedures and the transmission methods, and determined that it is a commercially

reasonable means to verify the authenticity of each debit card disbursement from us in your name. The parties will preserve the confidentiality of the Wells Fargo Gateway, the tokens, and any passwords, codes, security devices and related instructions we provide to you. If one party becomes aware of a breach, or suspects that a breach may occur, it will promptly notify the other party. You will maintain effective internal procedures to safeguard against transmission of unauthorized debit card disbursements and warrant that no individual will be allowed to authorize debit card disbursements without proper supervision and safeguards.

7. Term; Events of Default.

7.1 The Agreement is effective on the date this Agreement is signed in full by us and you.

7.2 In addition to any termination rights set forth in the Master Agreement, we may also terminate this Agreement immediately or with shorter notice upon Event of Default as provided under Section 7.3 below.

7.3 The following are each an "Event of Default":

- a. any assignment or transfer of voting control of you or your parent; or
- b. a sale of all or a substantial portion of your assets; or
- c. irregular card transactions, excessive Chargebacks/Reversals, noncompliance with any applicable data security standards, as determined by us, or any Card Organization, or any other Person, or an actual or suspected data security breach, nonconformance with any applicable data security standards, as determined by us, any Card Organization, or any other entity, or an actual or suspected data security breach, or any other circumstances which, in our sole discretion, may increase our exposure or otherwise present a financial or security risk to us (including your processing transactions for a business type we have designated as unqualified for processing with us); or
- d. your independent certified accountants refuse to deliver an unqualified opinion with respect to your annual financial statements and your consolidated subsidiaries; or
- e. a violation by you of any applicable law or Card Organization Rule or our reasonable belief that termination of this Agreement or suspension of the Disbursement Service is necessary to comply with any law including without limitation the rules and regulations promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury or your breach, as determined by us, of Section 13 ("Compliance with Laws") ; then, upon the occurrence of (1) an Event of Default specified in subsections 7.3(c), 7.3(d), or 7.3(e) , we may consider this Agreement to be terminated immediately, without notice, and all amounts payable hereunder shall be immediately due and payable in full without demand or other notice of any kind, all of which are expressly waived by you, and (2) any other Event of Default, this Agreement may be terminated by us giving not less than 10 days' notice to you, and upon such notice all amounts payable hereunder shall be due and payable on demand.

7.4 Expiration or termination of this Agreement will not terminate the obligations and rights of the parties under this Agreement. Your obligations to pay or reimburse us for any fees associated with transactions you have submitted to us will survive termination of this Agreement until paid-in-full and settled.

7.5 If any Event of Default occurs and regardless of whether you cure such Event of Default, we may, in our sole discretion, exercise all our rights and remedies under applicable law and this Agreement.

7.6 In the event you file for protection under the U.S. bankruptcy code or any other laws relating to bankruptcy, insolvency, assignment for the benefit of creditors, or similar laws, and you continue to use our Disbursement Service, it is your responsibility to open new accounts to distinguish between pre and post filing obligations. You acknowledge that as long as you use the accounts you established prior to such filing, we will not be able to systematically segregate your post-filing transactions or prevent set-off of the pre-existing obligations. In that

event, you will be responsible for submitting an accounting supporting any adjustments that you may claim.

- 7.7 The Card Organizations maintain lists of entities that have had their Card Acceptance rights terminated for cause. If we terminate this Agreement for cause, you acknowledge that we may be required to report your business name, the names of its business principals, and other information regarding its principals to the Card Organizations for inclusion on such list(s). You expressly consent to such reporting if this Agreement is terminated because of an Event of Default or for any reason specified as cause by a Card Organization. Also, you agree to waive and hold us harmless from and against any and all claims which you may have as a result of such reporting.
- 7.8 After termination of this Agreement for any reason, you shall continue to bear total responsibility for all Chargebacks/reversals, fees, Card Organization fines imposed on us as a result of your acts or omissions, Credits, Debits and adjustments resulting from Card transactions processed under this Agreement and all other amounts due or which may become due under this Agreement.

8. Confidentiality generally.

- 8.1 You will treat this Agreement, the Card Organization Rules and any information supplied or made accessible by us or our agents as confidential, including without limitation, (i) information about our products, services, operations, procedures, customers, suppliers, sales, pricing, business plans and marketing strategies, our respective Affiliates, and the customers, clients and suppliers of any of them; (ii) any scientific or technical information, design, process, procedure, formula, or improvement that is commercially valuable and secret in the sense that its confidentiality affords us a competitive advantage over its competitors; and (iii) all confidential or proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, databases, inventions, know-how, show-how and trade secrets, whether or not patentable or copyrightable and will not disclose the same to any third parties.
- 8.2 Our confidential information shall be used by you only to exercise your rights and to perform your obligations under this Agreement. You shall not disclose the confidential information to any third party, except as may be agreed by us in writing. You shall safeguard all of our confidential information using a reasonable degree of care. At our request or when this Agreement is terminated, you shall return to us or destroy all of our confidential information in your possession or control.
- 8.3 The obligations of confidentiality and restrictions on use in this section shall not apply to any confidential information that: (i) was in the public domain prior to the date of this Agreement or came into the public domain through no fault of yours; (ii) was received by you from a third party without any obligation to keep confidential to the third party and to your knowledge the third party, was not under an obligation to keep the information confidential; (iii) was already in your possession prior to receipt from us; (iv) is required to be disclosed by law, regulation or court order after giving us as much advance notice as practical of the required disclosure; or (v) is subsequently and independently developed by your employees, consultants or agents without use of or reference to our confidential information.
- 8.4 You acknowledge that breach of the restrictions on use or disclosure of any of our confidential information would result in immediate and irreparable harm to us, and money damages would be inadequate to compensate for that harm. We shall be entitled to equitable relief, in addition to all other available remedies, to redress any breach.
- 8.5 With respect to any information received by us from you by your use of the Disbursement Service, we will keep such information confidential in accordance with applicable law; provided, that we may disclose such information:
- To third parties, as we deem appropriate, to provide the Disbursement Service,
 - Our auditors and attorneys (internal and external) and regulators,
 - As required or permitted by law, regulation or court order

d. To our respective Affiliates as we deem appropriate.

In addition, we may use data collected as part of performing payment processing or other transaction-related services for you to provide additional products and services to you, other customers, or third parties. As permitted by law this includes collecting, using, and anonymizing Transaction Data to provide you with analytic products and services as well as collecting and using Transaction Data anonymized and aggregated with other customers' transaction data to provide you, other customers, and third parties with analytic products and services.

8.6 You shall not assign to any Person, the rights to use our Marks, our agents or the Card Organizations.

8.7 All rights, title, and interest in and to all intellectual property related to the Disbursement Service (including without limitation, the content of any materials, web screens, layouts, processing techniques, procedures, algorithms, and methods), owned, developed or licensed by us prior to, during the term of, or after the Agreement, or employed by us in connection with the Disbursement Service and any updates, changes, alterations, or modifications to or derivative works from such intellectual property, shall be and remain, as among the Parties, our exclusive property.

8.8 You agree that we may obtain relevant information from any applicable telecommunications provider used by you, as necessary to investigate any allegation of fraud, suspected fraud or other actual or alleged wrongful act by you in connection with the Disbursement Service.

8.9 You will not: (a) use the Disbursement Service in any way other than in accordance with this Agreement, any supplied documentation, or as otherwise instructed by us in writing; (b) use the Disbursement Service, either directly or indirectly, to develop any service or product that competes with the Disbursement Service; (c) disassemble, decompile, decrypt, extract, reverse engineer, or otherwise attempt to access, ascertain, reconstruct, derive, or appropriate for any reason or purpose (i) the source code for any software, or (ii) any algorithm, process, procedure, idea, or other information contained in the Disbursement Service; (d) modify, translate, or alter the Disbursement Service in any manner; (e) create derivative works of or based on the Disbursement Service; (f) disclose or provide the Disbursement Service to, or permit the Disbursement Service to be accessed or used (in any format or by any means) by, any third party other than your authorized employees and contractors who are subject to written confidentiality obligations binding upon such employees and contractors that are no less restrictive than the confidentiality provisions hereunder; (g) directly or indirectly make any copies of the Disbursement Service, except for (i) backup/archival purposes, or (ii) only with respect to any supplied documentation, as reasonably necessary to facilitate use of the Disbursement Service as long as any such copies contain all appropriate proprietary notices; (h) remove, relocate, or modify any proprietary rights notices relating to the Disbursement Service; (i) attempt to access, or actually access, portions of the Disbursement Service not authorized by us for use; (j) rent, lease, sell, assign, sublicense, or otherwise transfer to any third party, whether by operation of law or otherwise, any of the rights granted hereunder; (k) use the Disbursement Service for any unlawful purpose; (l) use, access, transfer, move, relocate, ship, or transship the Disbursement Service outside of the United States without obtaining our advance written consent; or (m) circumvent, or attempt to circumvent, any applicable security measures of the Disbursement Service.

9. Assignments.

- 9.1 You may not transfer or assign this Agreement, by operation of law or otherwise, without our prior written consent. Any transfer of voting control of you or your parent company is considered an assignment or transfer of this Agreement. Furthermore, you shall indemnify and hold us harmless from all liabilities, Chargebacks/reversals, expenses, costs, fees and fines arising from such transferee's or assignee's Submission of Card transactions to us for processing.
- 9.2 For the payment services provided by us, we require access to a single bank account in which we may initiate both credits and debits. You may not create any lien, encumbrance or contingent obligation that would require the transfer of any payments or proceeds from Card transactions covered by this Agreement to the custody or control of any third party that is not your affiliate. You may not assign any rights, including the right of payment under this Agreement, to any other entity that is not your affiliate. In the event that you make an assignment (or provide a security interest) of receivables covered by this Agreement, then we may, at our option, elect to (a) refuse to acknowledge such assignment unless accompanied by an authorization to both initiate debits or credits to the bank account of the assignee, (b) terminate this Agreement immediately, or (c) charge for any transfers that we are called upon to make manually to fulfill such an assignment at the rate of \$100 per transfer.
- 9.3 Except as set forth elsewhere in this section and as provided in the following sentence, this Agreement shall be binding upon successors and assigns and shall inure to the benefit of the parties and their respective permitted successors and assigns. No assignee for the benefit of creditors, custodian, receiver, trustee in bankruptcy, debtor in possession, or other person charged with taking custody of a party's assets or business, shall have any right to continue, assume or assign this Agreement.

10. Legal responsibility.

- 10.1 Upon request, you shall provide, and/or cause to be provided, to us and our Affiliates, or our representatives or regulators (as well as those of the Card Organizations) reasonable access to your or your providers' facilities and records for the purpose of performing any inspection and/or copying of your books and/or records deemed appropriate to verify your compliance with the terms and provisions of this Agreement.
- 10.2 You will provide us with written notice of any judgment, writ, warrant of attachment, execution or levy against any substantial part (25% or more in value) of your total assets not later than three (3) days after you become aware of it.

11. Indemnification.

- 11.1 You agree to indemnify and hold us and the Card Organizations harmless from and against all losses, liabilities, damages and expenses:
- a. Resulting from the inaccuracy or untruthfulness of any representation or warranty, breach of any covenant or agreement or any misrepresentation by you under this Agreement;
 - b. Arising out of your or your employees', agents', or third parties' negligence or willful misconduct, in connection with this Agreement, Card transactions or otherwise arising from your provision of goods and services to Cardholders;
 - c. Arising out of your improper use of the Disbursement Service; or
 - d. Arising out of any third party indemnifications we are obligated to make as a result of your actions (including indemnification of any Card Organization or Issuer).
 - e. Resulting from the unavailability of a PCI DSS Attestation of Compliance for the Service.

12. Choice of law; venue; waiver of jury trial.

12.1 Our Agreement shall be governed by and construed in accordance with the laws of the State of New York (without regard to its choice of law provisions).

12.2 The exclusive venue for any actions or claims arising under or related to this Agreement shall be in the appropriate state or federal court located in Suffolk County, New York.

12.3 ALL PARTIES IRREVOCABLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY CLAIM RELATING TO OR ARISING UNDER THIS AGREEMENT.

13. **Compliance with laws.** In performing its obligations under this Agreement, each party agrees to comply with all laws and regulations applicable to it. You further agree to cooperate and provide information requested by us, as we determines necessary, to facilitate our compliance with any applicable law including without limitation the rules and regulations promulgated by the Office of Foreign Assets Control of the US Department of the Treasury. Without limiting the foregoing, you acknowledge and agree that "restricted transactions" as defined in the Unlawful Internet Gambling Enforcement Act of 2006 and Regulations GG ("Restricted Transactions") issued thereunder are prohibited from being processed through your Account or any relationship between you and the us. You represent and warrant that you will not submit such Restricted Transactions for processing through your Account. You further acknowledge and agree that you will not use the Disbursement Service for illegal transactions, for example, those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq, as may be amended from time to time, or those involving any Person listed on the U.S. Department of Treasury, Office of Foreign Assets Control, Specially Designated Nationals and Blocked Persons List (available at www.treas.gov/ofac) or the U.S. Department of State's Terrorist Exclusion List (available at www.state.gov) or the processing and acceptance of transactions in certain jurisdictions pursuant to 31 CFR Part 500 et seq. and other laws enforced by the Office of Foreign Assets Control ("OFAC") or in connection with illegal activity of any kind. In the event we identify a suspected restricted transaction, we will provide you with prompt notice and may block or otherwise prevent or prohibit such transaction, we may close the Account or end the relationship, and we may seek any other remedies available to us under this Agreement or otherwise.

14. Limitations on liability.

NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, OUR LIABILITY TO ANY DELAY IN PROCESSING TRANSACTIONS FOR ANY REASON, OTHER THAN FOR ANY REASON DESCRIBED IN SECTIONS 3.3 OR 3.5 OF EXHIBIT A, WILL BE LIMITED TO INTEREST COMPUTED FROM THE DATE THAT YOU SUBMIT THE TRANSACTION TO THE DATE THAT WE FUND THE TRANSACTION AT THE RATE OF THE FEDERAL FUNDS, AS SET BY THE FEDERAL RESERVE BANK OF NEW YORK, NEW YORK FROM TIME TO TIME.

15. Electronic Communication.

15.1 Electronic Communications. You consent to receiving documents, notices and other communications from us electronically (collectively, "Electronic Communications") rather than in paper form. We may send such Electronic Communications to you directly at the last known email address that you provide to us, or we may notify you that an Electronic Communication is available at a website designated by us **and provide you with instructions on accessing the Electronic Communication.** You agree that such notification will be sent to you at the last known e-mail address that you provide to us. **You agree to maintain a valid email address and keep your email address current with us at all times.** You understand and acknowledge that access to the Internet, e-mail and the worldwide web are required for you to access an Electronic Communication, and you confirm that you have such access. You understand that there may be costs related to accessing Electronic Communications (e.g. you may have to purchase internet services, **software or hardware**), and you agree that you are responsible for any such related access costs. At our discretion, we may choose to discontinue or resume sending Electronic Communications at any time provided that if we elect not to send a document, notice or communication electronically, we will instead send the same in paper form. You acknowledge that if for any reason you are not able to open a readable version of an Electronic Communication that we send to you, it is your responsibility to contact us to notify us of the same and to request a copy in paper form.

16. Headings. The headings contained in this Agreement are for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Agreement.

17. Severability. The parties intend every provision of this Agreement to be severable.

18. Third party beneficiaries. Our respective Affiliates we use in providing the Disbursement Service are third party beneficiaries of this Agreement and each of them may enforce its provisions as it was a party hereto. Except as expressly provided in this Agreement, nothing in this Agreement is intended to confer upon any Person or entity other than the parties any rights or remedies, and the parties do not intend for any Persons to be third-party beneficiaries of this Agreement.

19. Publicity. Neither party may use the logo, name, trademark, or service mark of the other and/or Bank in any manner, including without limitation, in any advertisements, displays, or press releases without the prior written consent of the party whose logo, name, trademark or service mark is to be used.

EXHIBIT A

CARD PROCESSING ADDENDUM

PREFACE:

Cards present risks of loss that are different than those with other payment systems. In using our Disbursement Service, you should be aware that you are also accepting these risks. Visa U.S.A, Inc. ("**Visa**") MasterCard Worldwide ("**MasterCard**"), Pulse, NYCE, Star, and any other that may be added from time to time, are payment card Card Organizations. Disbursement transactions are electronically transferred from banks (in the case of Visa and MasterCard transactions) or Card Organization Acquirers that acquire them from entities such as yourself (these banks and Card Organization acquirers are referred to as "Acquirers") through the appropriate Card Organization, to the Issuers. In order to speed up the payment process, the funds are transferred through the Card Organization to the Cardholder at approximately the same time as the disbursement request. Transactions are final and not retractable or reversible by Customer. Bank and Card Organizations may be able to make a request for reversal or adjustment on behalf of the Customer, however these requests may go unfulfilled and may incur fees. While we can attempt to reverse a transaction to the Issuer, we can only do so if the Issuer agrees to accept it. While you may still be able to pursue claims directly against that customer, neither we nor the Issuer will be responsible for such transactions. It is the Customer's sole responsibility to make sure transactions are accurate because once presented, they become final. Even though the payments under this system are made simultaneously, all payments made through the Card Organizations on occasion are subject to reversals and adjustments by Bank, card issuers, or Card Organizations. Each Card Organization has developed Card Organization Rules that govern their Acquirers and Issuers and the procedures, responsibilities and allocation of risk for this process. You are also bound by Card Organization Rules and applicable laws and regulations. We do not decide what transactions are reversed or charged back and we do not control the ultimate resolution of the Chargeback or Reversal. You will be responsible for all adjustments associated with the transactions that you submit for processing. Please refer to the Glossary for capitalized terms used in the Agreement, including this Preface (if not defined above).

PART I: CARD SERVICES

Card General Terms

1. Push to Card Services

Subject to Card Organization Rules, Push to Card Services may be performed by us or our agents, including, without limitation, our respective Affiliates, including the provision of equipment and local support functions in connection with this Agreement.

2. Operating Procedures; Card Organization Rules and compliance

You agree to follow all requirements of this Agreement in connection with each Card transaction and to comply with all applicable Card Organization Rules, including, without limitation, the data security requirements described in Section 7. From time to time, we may amend the Operating Procedures, by providing you with at least twenty (20) days' prior written notice, and those provisions will be deemed incorporated into this Agreement. However, for changes in the Card Organization Rules or for security reasons, certain changes in Card procedures may become effective on shorter notice. If there are any inconsistencies between the General Terms and the Operating Procedures, the General Terms will govern. You are responsible for staying apprised of all applicable changes to the Card Organization Rules and maintaining compliance with the card Organization Rules. Card Organization Rules may be available on the web sites such as http://usa.visa.com/merchants/operations/op_regulations.html and <http://mastercardmerchant.com>. These links may change from time to time. The parties acknowledge that the Card Organization Rules give applicable Card Organizations certain rights to require termination or modification of this Agreement with respect to transactions involving the applicable Card Organization(s). The parties also acknowledge that issuers of other Cards, for which we perform services on your behalf, may have similar rights under their applicable Card Organization Rules with respect to this Agreement's applicability to transactions involving such other Cards.

3. Settlement of Card transactions

- 3.1** We will only be required to settle Card transactions for Card types specified by us. Promptly after presentment of Customer Disbursement, we will initiate a transfer of the applicable settlement funds to Cardholder.
- 3.2** All funds in your Customer Funding Account are subject to, among other things, our right to deduct fees, our final audit, reversals and adjustments (including our related losses), fees and fines imposed on us by the Card Organizations as a result of your acts or omissions. You agree that we may debit or credit your Customer Funding Account for any deficiencies, overages, fees and pending reversals and adjustments and any other amounts owed to us or any of our respective Affiliates, or we may deduct such amounts from reversal/adjustment funds or other amounts due to you from us, or our respective Affiliates which are involved in providing the Disbursement Service. You further agree we can offset any amounts owed to us or our Affiliates related to activity in other accounts maintained in your name or accounts guaranteed by you, any of your principals, guarantors or authorized signors, provided that we provide you reasonable notice of such issues and look first to the Customer Funding Account for any amounts which may be owed.
- 3.3** We will not be liable for any delays in receipt of funds or errors in debit and credit entries caused by you or any other Person.
- 3.4** In addition to any other remedies available to us under this Agreement, you agree that should any Event of Default occur, we may, with reasonable prior notice and acting reasonably and in good faith, change processing or payment terms and/or suspend debits or credits of any and all funds, money and amounts now due or hereafter to become due to you pursuant to the terms of this Agreement, until we have had reasonable opportunity to investigate such event.
- 3.5** You acknowledge and agree that transfers to and from the Customer Funding Account shall be based on the account number and routing number supplied by you. We are not responsible for detecting errors in any Customer Funding Account information you provide, including the account numbers and routing numbers, even if any of those numbers do not correspond to the actual Wells Fargo account owned by you.

- 3.6** This Agreement is a contract whereby we are extending financial accommodations to you within the meaning of Section 365(c) of the U.S. bankruptcy code. Your right to receive any amounts due or to become due from us is expressly subject and subordinate to setoff, lien, security interest and our rights to withhold settlement funds under this Agreement, without regard to whether such setoff, lien, security interest and the withholding of settlement funds rights are being applied to claims that are liquidated, unliquidated, fixed, contingent, matured or unmatured.
- 4. Fees; adjustments; collection of amounts due**
- 4.1** In consideration of the Disbursement Service provided by us, you shall be charged, and hereby agree to pay us any and all fees set forth in this Agreement, all of which will be calculated and payable pursuant to the terms of this Agreement and any additional pricing supplements or subsequent communications.
- 4.2** You are responsible for utilizing software or services that will correctly submit these transactions to achieve the indicated billing.
- 4.3** The fees for the Disbursement Service set forth in this Agreement may be adjusted to reflect increases or new fees imposed by us or Card Organizations. All such adjustments shall be your responsibility to pay and shall become effective upon the date any such change or addition is implemented by us or the applicable Card Organization or third party as specified in our notice to you.
- 4.4** We may also increase our fees or add new fees for the Disbursement Service for any other reason at any time, though no more than once per year by notifying you in writing thirty (30) days prior to the effective date of any such change or addition.
- 4.5** You hereby authorize us to initiate credit and debit entries and adjustments to your Customer Funding Account for amounts due under this Agreement and under any agreements with us or our respective Affiliates for any products or services, as well as for any credit entries in error.
- 4.6** You agree to pay any fines imposed on us by any Card Organization resulting from Chargebacks/Reversals and any other fees or fines imposed by a Card Organization with respect to your acts or omissions. You are responsible for any fines or fees imposed on us as a result of acts or omissions by your agents or third parties.
- 4.7** You agree to promptly and carefully review your reports and bank statements or other documents provided or made available to you (physically, electronically or otherwise provided by us or others) reflecting Card transaction activity, including, activity in your Customer Funding Account. If you believe any adjustments should be made with respect to your Customer Funding Account, you must notify us in writing within sixty (60) days after any debit or credit is, or should have been effected or such shorter period as provided in the terms and conditions that govern such account. If you notify us after sixty (60) days, we shall have no obligation to investigate or effect any adjustments. Any voluntary efforts by us to assist you in investigating such matters shall not create any obligation to continue such investigation or any future investigation.
- 4.8** If you do not pay us all fees and any other amounts due under this Agreement within thirty (30) days of the date of our statement setting forth the amount due, then we may, in our sole discretion, charge you interest, for such time that the amount and all accrued interest remain outstanding at the lesser of (i) the per annum rate equal to Bank's then current prime rate plus two percent (2%), based on a 360 day year, or (ii) the maximum rate permitted by applicable law.

4.9 Other debits. We may also debit your Customer Funding Account or your settlement funds in the event we are required to pay Card Organization fees, charges, fines, penalties or other assessments as a consequence of your transactional activities. Such debits shall not be subject to any limitations of time specified elsewhere in the Agreement, including, without limitation the following, which we may add to or delete from this list as changes occur in the Card Organization Rules or our Operating Procedures pursuant to Section 2:

- Card Organization fees, charges, fines, penalties, registration fees, or other assessments including any fees levied against us or any amount for which you are obligated to indemnify us.
- Transactions posted to your account in error.
- Credit for Summary Adjustment not previously posted.
- Credit for Chargeback/Reversal that posted to your account.
- Costs or expenses associated with responding to any subpoena, garnishment, levy or other legal process associated with your account in an amount no less than \$150.00.

5. Customer representations, warranties, and covenants

5.1 Without limiting any other warranties under the Agreement, you represent, warrant to and covenant with us, and with the submission of each Customer Disbursement reaffirm, that to the best of your knowledge, information and belief the following representations, warranties and/or covenants are true and correct:

- 5.1.1.** each Card transaction is genuine and arises from a bona fide transaction permissible under the Card Organization Rules by the Cardholder directly with you, represents a valid obligation for the amount shown on the Customer Disbursement or Credit Draft, and does not involve the use of a Card for any other purpose;
- 5.1.2.** The amount of the Card transaction is not subject to any dispute, setoff or counterclaim;

- 5.1.3.** with respect to each Card transaction, you have no knowledge or notice of any fact, circumstances or defense which would indicate that such Card transaction is fraudulent or not authorized by the related Cardholder;
- 5.1.4.** Each Card transaction is made in accordance with these General Terms, Card Organization Rules and the Operating Procedures;
- 5.1.5.** Each Customer Disbursement is free of any alteration not authorized by the related Cardholder;
- 5.1.6.** you have not changed the nature of your business, Card processing practices, or types of products or services sold requiring a different Merchant Category Code ("MCC") under Card Organization Rules, in a way not previously disclosed to us;
- 5.1.7.** The Card transaction is not a payment that violates federal, state or local law in any jurisdiction that may be applicable.

6. Confidentiality of Card information

6.1 Unless you obtain consents from us and each applicable Card Organization, Issuer and Cardholder, you must not use, disclose, store, sell or disseminate any Cardholder information obtained in connection with a Card transaction (including the names, addresses and Card account numbers of Cardholders) except for purposes of completing and settling Card transactions and resolving any Chargebacks/reversals, Retrieval Requests or similar issues involving Card transactions, other than pursuant to a court or governmental agency request, subpoena or order. You shall use proper controls for and limit access to, and render unreadable prior to discarding, all records containing Cardholder account numbers and Card imprints. If you store any electronically captured signature of a Cardholder, you may not reproduce such signature except upon our specific request.

6.2 You acknowledge that you will not obtain ownership rights in any information relating to and derived from Card transactions. Cardholder account numbers, personal information and other Card transaction information, including any databases containing such information, may not be sold or disclosed to a third party as an asset upon a bankruptcy, insolvency or failure of Customer's business. Upon a bankruptcy, insolvency or failure of Customer's business all Card transaction information must be returned to Bank or acceptable proof of the destruction of all Card transaction information must be provided to Bank.

7.B. OPERATING PROCEDURES

This part of the Agreement (through Section 8) describes the procedures and methods for submitting disbursement transactions and, responding to Chargebacks/reversals and other aspects of the operations of our services. The Operating Procedures contained in this part focus primarily on the MasterCard and Visa Card Organization Rules, and seek to provide you with the principles for a sound Card program; however, you should consult the Card Organization Rules for complete information and to ensure full compliance with them. They are designed to help you decrease your chargeback/reversal liability and train your employees. The requirements set forth in these Operating Procedures will apply unless prohibited by law. You are responsible for following any additional or conflicting requirements imposed by your state or local jurisdiction. You agree to follow all requirements of this Agreement in connection with each Card transaction and to comply with all applicable Card Organization Rules, including, without limitation, the data security requirements described in Section 7. From time to time, we may amend the Operating Procedures, by providing you with at least twenty (20) days' prior written notice, and those provisions will be deemed incorporated into this Agreement. However, for changes in the Card Organization Rules or for security reasons, certain changes in Card procedures may become effective on shorter notice. If there are any inconsistencies between the General Terms and the Operating Procedures, the General Terms will govern. You are responsible for staying apprised of all applicable changes to the Card Organization Rules and maintaining compliance with the Card

Organization Rules.

7. Data security

THE FOLLOWING IS IMPORTANT INFORMATION REGARDING THE PROTECTION OF CARDHOLDER DATA. PLEASE REVIEW CAREFULLY AS FAILURE TO COMPLY CAN RESULT IN SUBSTANTIAL FINES AND LIABILITIES FOR UNAUTHORIZED DISCLOSURE AS WELL AS TERMINATION OF THIS AGREEMENT.

7.1 Payment Card Industry Data Security Standards (PCI DSS). Visa and MasterCard aligned data security requirements to create a global standard for the protection of Cardholder data. The resulting Payment Card Industry Data Security Standards (PCI DSS) defines the requirements with which all entities that store, process, or transmit payment card data must comply. PCI DSS is the name used to identify those common data security requirements. The Cardholder Information Security Program (CISP) is Visa USA's data security program and the Site Data Protection (SDP) program is MasterCard's data security program each based on the PCI DSS and industry aligned validation requirements. PCI DSS PCI compliance validation is focused on Customer Equipment (as defined below) where Cardholder data is processed, stored, or transmitted, including:

- All external connections into your Card Organization (i.e., employee remote access, third party access for processing, and maintenance).
- All connections to and from the Customer disbursement environment (i.e., connections for employee access or for devices such as firewalls, and routers); and
- Any data repository outside of the Customer disbursement environment.

For the purposes of this Section 7, "Customer Equipment" means any and all equipment you use in connection with Customer disbursement, clearing, completing, settling, transmitting or other related processing, including, without limitation, all telecommunication lines and wireless connections and software, systems, point-of-sale terminals, card readers, merchandise and card scanners, printers, PIN pad devices and other hardware, whether owned by you, Third Party Providers or other Persons used by you. The Card Organizations or we may impose

finest or penalties, or restrict you from processing Cards if it is determined that you are not compliant with the applicable data security requirements. We may in our sole discretion, suspend or terminate the Disbursement Service under this Agreement for any actual or suspected data security compromise. You agree that you will not submit any Customer Disbursement until you have read and understood the PCI DSS, CISP, SDP and DISC for which you acknowledge we have provided you sufficient information to obtain, and you will be deemed to have done so upon our receipt of your request or submission of any Customer Disbursement. You must comply with the data security requirements described in this Section 7.1, including without limitation, PCI DSS, SDP and CISP, DISC, and any additional Card Organization requirements applicable to payment applications and transactions. Detailed information about PCI DSS, can be found at the PCI DSS Counsel's website:

www.pcisecuritystandards.org.

Detailed information about Visa's CISP program can be found at Visa's CISP website: **www.visa.com/cisp**

Detailed information about MasterCard's SDP program can be found at the MasterCard SDP website: **www.mastercard.com/sdp**

7.2 Data Security Requirements. You must comply with the data security requirements shown below:

- You must install and maintain a secure Card Organization firewall to protect data across public Card Organizations.
- You must protect stored data and data sent across Card Organizations using methods indicated in the PCI DSS.
- You must use and regularly update anti-virus software and keep security patches up-to-date.
- You must restrict access to data by business "need to know," assign a unique ID to each person with computer access to data and track access to data by unique ID.
- You must not use vendor-supplied defaults for system passwords and other security parameters.
- You must regularly test security systems and processes.
- You must maintain a policy that addresses information security for employees and contractors.
- You must restrict physical access to Cardholder

information.

- You may not transmit Cardholder account numbers to Cardholders for Internet transactions.
- You cannot store or retain Magnetic Stripe data, PIN data or AVS data. Only Cardholder account number, Cardholder Name and Cardholder expiration date can be retained subsequent to a disbursement transaction.
- You must destroy or purge all Media containing obsolete transaction data with Cardholder information.
- You must keep all systems and Media containing Card account, Cardholder or transaction information (whether physical or electronic) in a secure manner so as to prevent access by, or disclosure to any unauthorized party.
- For Internet transactions, copies of the transaction records may be delivered to Cardholders in either electronic or paper format.
- You must use only services and Customer Equipment that have been certified as PCI DSS compliant by the Card Organizations.

7.3 Compliance Audits You may be subject to ongoing validation of your compliance with PCI DSS standards. Furthermore, we retain the right to conduct an audit at your expense, performed by us or a third party designated by us to verify your compliance, or that of your agents or Third Party Providers, with security procedures and these Operating Procedures. No more than one audit a year will be performed except upon reasonable cause to believe a lack of compliance may be present. Such audits will be upon reasonable prior notice and conducted in a manner designed to minimize disruption to your ongoing business operations. In any event, upon request, you shall provide us with copies of any and all reports developed by your forensic vendor(s), and you shall ensure that we have direct communication access with such forensic vendor(s).

7.4 Immediate Notice Required. In the event that transaction data is known or suspected of having been accessed or retrieved by any unauthorized Person, you must contact us immediately and in no event more than 24 hours after becoming aware of such activity.

7.5 Investigation. You must, at your own expense (i) perform or cause to be performed an independent investigation, including a forensics analysis performed by a certified forensic vendor acceptable to us and the Card Organizations in accordance with Card Organization standards, of any data security breach of Card or transaction data, (ii) provide a copy of the certified forensic vendors final report regarding the incident to us and the Card Organizations, (iii) perform or cause to be performed any remedial actions recommended by any such investigation, and (iv) cooperate with us in the investigation and resolution of any security breach. Notwithstanding the foregoing, if required by the Card Organization, we will engage a forensic vendor approved by a Card Organization at your expense. You must cooperate with the forensic vendor so that it may immediately conduct an examination of Customer Equipment, and your Third Party Providers' procedures and records and issue a written report of its findings.

7.6 Third Party Providers. The data security standards set forth in this Section 7.6 also apply to your Third Party Providers. Before you engage any Third Party Provider, you must provide to us in writing (a) the Third Party Provider's legal name, (b) contact information, and (c) intended function. You acknowledge and agree that you will not use, or provide Card holder data access to, any Third Party Provider until you receive our approval and, if required, confirmation of our registration of that Third Party Provider with applicable Card Organizations. You must ensure that you and Third Party Providers: (i) comply with the registration process which can involve site inspections, background investigations, provision of financial statements, and any other information required by a Card Organization; (ii) comply with the periodic and other reporting required by a Card Organization; and (iii) comply with all applicable Card Organization Rules, including without limitation, those requiring security of Cardholder data. You may allow Third Party Providers access to Cardholder data only for purposes authorized under and in conformance with the Card Organization Rules. You are responsible for

all our costs and expenses associated with our review, approval, certification (and recertification as required by us or the Card Organization Rules) and registration of any Third Party Providers.

Your use of the Disbursement Service, equipment, software, systems, materials, supplies or resources of third parties regarding your Card transactions processing, including, without limitation, Third Party Providers and any third party lessors or licensors, will not affect your obligations under this Agreement to us which will apply to the same extent as if you had not used them. We have no liability or responsibility to you or others regarding these third parties, even if we referred them to you. These third parties are your agents, and you are solely responsible for (i) determining whether they can meet your needs and standards, (ii) their actions, inactions and compliance with the terms of this Agreement and the Card Organization Rules and (iii) any and all fees, costs, expenses and other obligations owed to them by you or owed by them to us or to Card Organizations.

7.7 Costs. If you or a Third Party Provider (or other Person used by you) are determined by any Card Organization, regardless of any forensic analysis or report, to be the likely source of any loss, disclosure, theft or compromise of Cardholder data or Card transaction information (together, "**Compromised Data Events**") and regardless of your belief that you have complied with the Card Organization Rules or any other security precautions and are not responsible for the Compromised Data Event, you must promptly pay us for all related expenses, claims, assessments, fines, losses, costs, and penalties and Issuer reimbursements imposed by the Card Organizations against us (together, "Data Compromise Losses"). In addition to the foregoing, you must also pay us promptly for all expenses and claims made by Issuers against us alleging your responsibility for the Compromised Data Event, apart from any claim procedures administered by the Card Organizations.

If this application for business credit is denied you may obtain a written statement of the specific reasons for the denial. To obtain the statement, please contact your relationship manager within sixty (60) days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within thirty (30) days of receiving your request.

Glossary

Account Agreement means the applicable account agreement governing your Account.

Acquirer means us in the case of MasterCard, Visa and certain debit transactions that acquire Card sale transactions from customers such as yourself.

Applicable Law is defined in section 3 of the Master Agreement.

Business Day means every day except Saturday, Sunday and federal holidays. When used in connection with funds transfer Services, "Business Day" means each day on we are open for business related to that Service.

Card means a Credit Card and/or a Debit Card.

Cardholder is the person whose name is embossed on a Card and any authorized user of such Card, including the person that has entered into an agreement establishing a Card account with an Issuer.

Cardholder Data means detokenized payment card primary account numbers and associated cardholder data.

Card Organization is any entity formed to administer and promote Cards, including without limitation MasterCard Worldwide ("MasterCard") and Visa U.S.A., Inc. ("Visa") and any applicable debit Card Organizations, including NYCE, Pulse and Star.

Card Organization Rules means the rules, regulations, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by any Card Organization and related authorities, including without limitation, those of the PCI Security Standards Council, LLC and the National Automated Clearing House Association.

Chargeback/Reversal is a Card transaction (or disputed portion) that is returned to us by the Issuer including reversal of Customer Disbursement Transactions.

Credit means a refund or price adjustment given for a previous purchase transaction.

Credit Card is a device bearing a valid Organization Mark of Visa or, MasterCard and authorizing the Cardholder to buy goods or services on Credit and, to the extent the Schedules so provide, a valid device authorizing the Cardholder to buy goods or services on Credit and issued by any other Card Organizations specified on such Schedules.

Cutoff Time means our cutoff time each Business Day that we separately disclose to you for the Service.

Debit Card is a PIN Debit Card and/or a Non-PIN Debit Card.

Issuer is the financial institution or Card Organization (or other Entity authorized by a Card Organization) which has issued a Card to a person.

Losses means all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees, disbursements of legal counsel and court fees).

Master Agreement means the Master Agreement for Treasury Management Services.

Magnetic Stripe is a stripe of magnetic information affixed to the back of a plastic Credit or Debit Card. The Magnetic Stripe contains essential Cardholder and account information.

Media means the documentation of monetary transactions (i.e., Customer Disbursement Transaction, Credit Drafts, computer printouts, etc.)

Non-PIN Debit Card is a device with either a Visa or MasterCard Mark that is tied to a Cardholder's bank account or a prepaid account and which is processed without the use of a PIN.

Operating Procedures means the information containing operational procedures, instructions and other directives relating to Card transactions. The current Operating Procedures are set forth in Part B of this Exhibit A.

PAN Truncation is a procedure by which a Cardholder's copy of a Credit Draft, or as required by applicable law, the Credit Draft that you retain, will only reflect the last four digits of the Card account number.

Payment Instructions remittance information you send with a payment.

Payee is the consumer a *Zelle* payment.

PIN means a Personal Identification Number entered by the Cardholder to submit a PIN Debit Card transaction.

PIN Debit Card is a device bearing the Marks of ATM Card Organizations (such as NYCE, Star) used at a customer location by means of a Cardholder-entered PIN in the customer PIN Pad. Signed by you that is/ are the sponsoring or acquiring bank(s) for certain PIN Debit Card Organizations.

PINless Transaction means a Debit Card transaction that a customer submits to us for settlement/funding transactions with neither a PIN nor Signature.

Point of Sale (POS) Terminal means a device placed in a customer location which is connected to the processor's system via telephone lines and is designed to authorize, record and transmit settlement data by electronic means for all sales transactions with a processor.

Representatives is defined in section 11(f) of the Master Agreement.

Reserve Account is an account established and funded at our request or on behalf, pursuant to Section 11 of the Agreement.

RTP Message means certain message types available through the RTP System.

RTP Payment Order is an instruction to us in your name to send RTP Payments from your account.

RTP Payments are eligible real time payments using the RTP System.

RTP Rules means the RTP System rules, agreements, technical specification, standards and other requirements, and any other applicable laws and regulations governing the Service.

RTP System means The Clearing House RTP® system.

Submission means the process of sending Batch deposits for processing. This may be done electronically or by mail.

Summary Adjustment means an adjustment to your Submission and / or Settlement Accounts in order to correct errors.

Third Party Provider is any person engaged by you to provide services to you involving or relating to (i) access to Cardholder data, transaction data or information related to either Cardholder data or transaction data or (ii) PIN encryption, including without limitation, Encryption Service Organizations (ESOs).

Token Information means the Payee's email address or U.S. mobile phone number you provide in the Payment Instructions.

Transaction Data means cardholder information, dates, amounts, and other data from your transactions.



Automated Payables Service Description

Treasury Management Services

Introduction

The Service Documentation contains the terms and conditions under which we provide you the services described below. "You," "your" or "yours" refer to the Bank customer identified on the Acceptance of Services that is signed when you enroll in the Services ("Acceptance"). The terms "we," "us," or "our" refer to the Bank. Other capitalized terms used in this Service Description are defined in the Master Agreement or in the Glossary at the back of this Service Description.

The services (each a "Service") covered by this Service Description are:

- Payment Manager
- Invoice Manager
- Bill Manager

The Service Documentation includes:

- a. The Service Description (which contains terms and conditions applicable to the Service),
- b. The Acceptance (which indicates your acceptance of the Service Documentation),
- c. The Master Agreement (which contains terms and conditions applicable to all services),
- d. The Account Agreement governing the Account,
- e. The Product Enrollment Form (which contains set-up information for each service in which you are enrolling), and
- f. User Guides (which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices).

The documents and individual provisions of the Service Documentation are intended to be read together as one agreement between you and us. This Service Description and the Master Agreement are posted at our *Commercial Electronic Office*® (CEO®) portal. If there is a conflict among the documents that are part of the Service Documentation, they will govern in the order listed above. Your use of a Service confirms your receipt of, and agreement to be bound by, this Service Description and all Service Documentation.

Services

Payment Manager

1. Description of Service.

- a. **Payment Manager® service.** With the *Payment Manager*® Service, you can send a Payment File to us directly from your treasury workstation, Enterprise Resource Planning (ERP) system, or other accounts payable system. Based on your Payment File, we generate (a) payments to your Payees from your Account, and (b) remittance data regarding each payment. Payment types include ACH, SEPA or other similar automated transfer, wire transfer, check, Disbursements with *Zelle*®, and certain cards. We may add, modify or eliminate a payment type at any time. The payments are governed by the Service Documentation applicable to the payment type(s) you use. In the event of a conflict between the Service Documentation that applies to the payment type and this Service Description, the Service Documentation that applies to the payment type will control.
- b. **Payment Manager PlusSM enhanced remittance service.** With *Payment Manager Plus*SM, we use the delivery channel to which you and we separately agree to make Remittance Documents available to each of your Payees.
 - i. **Remittance Document.** A Remittance Document may be sent to a Payee via fax, email, secure document delivery and print and mail. You acknowledge that documents sent by fax or unencrypted email are not secure. A Remittance Document will conclusively be deemed to have been received by the Payee when we make it available. We will not confirm receipt of or be liable for corruption or loss of data in a Remittance Document after we make it available.

2. **Payment File transmission.** You will prepare each Payment File and deliver it to us in accordance with the User Guides for the Service we separately make available to you. You will only use the Transmission Protocol to which you and we separately agree. You may use the *CEO* portal to upload Payment Files (within our applicable size limit). You agree to use the applicable Security Procedure when you send us Payment Files. You may deliver Payment Files to us, and we will acknowledge receipt of Payment Files, twenty-four hours a day, seven days a week.
3. **Payment File processing.** Each Business Day we will process Payment Files and make payments only according to the processing schedule we separately make available to you.
4. **Payment File validation.** We will inspect each Payment File we receive to confirm its format meets the requirements in the User Guide. Our inspection will not detect erroneous or missing information or unauthorized payments.
5. **Incomplete, rejected Payment Files.** If a Payment File is missing a required data field for a payment described in it or if we have identified other errors that prevent us from processing the Payment File, we may, without liability to you, reject the entire Payment File.
6. **Positive Pay Service.** If you enroll in this Service and issue checks through Payment Manager, we strongly recommend that you enroll in our Positive Pay Service. On the Business Day we print a check through the Payment Manager Service, we will update your check issue data to include such checks, in accordance with the Positive Pay Service options you have enrolled in.
7. **Payment and delivery preferences.** If you elect to make our Payment and Delivery Service available to your Payees, we will securely store Payee bank account and routing information provided by your Payees. We will have no liability to you if a person we reasonably believe is authorized to act on your or a Payee's behalf (a) provides inaccurate Payee information to us, or (b) is not actually authorized to act on your or the Payee's behalf. You will promptly notify us if you receive information indicating a scheduled payment may have been misdirected. We offer three options for a Payee to provide this information to us:
 - a. **Non-verified.** With this option, a Payee uses an online self-enrollment portal to provide us with their bank account and routing information. We do not verify any of this information and will have no liability to you or the Payee if any of this information is incorrect.
 - b. **Supplier analysis and onboarding.** By using our Supplier Analysis and Onboarding Service as described in the Wells Fargo Supplier Analysis & Onboarding Commercial Card Conversion Service Description.
 - c. **Electronic document delivery.** With our Electronic Document Delivery ("EDD") service, you provide Payee contact information to us via file transmission. Payee contact information may include Payee account information. We will not verify any of this contact information and will have no liability to you or the Payee if any of this contact information including any Payee account information is incorrect. We use this information to populate a Payee database that you will use to originate ACH template payments. By transmitting the file to us, you certify that the Payee information in it is correct and complete.
8. **Record retention.** You will keep a copy of a Payment File for 30 days from the date you send it to us. We will retain a copy of each Remittance Document for 120 days from the date it is first sent to a Payee.
9. **Survival.** Sections 1(a), 5, 7 and 8 of this Service Description will survive the termination of Services.

Invoice Manager

1. **Description of Service.** With this Service, you can receive, validate, and approve Invoices for payment. You may direct invoices to the Service in either paper, email, or electronic format. We will capture data from your paper or emailed

Invoices based on your Business Rules. We can match Invoices against PO or receipt data. You will receive an approved invoice file containing information regarding your processed Invoices.

2. **Third-party service provider.** We may use a TSP in providing the Service to you. We may change or add a TSP at any time. You agree that we have the right to provide information about you and your use of the Service to the TSP.
3. **Paper Invoice capture.** If you enroll in our Invoice paper capture service, you can direct paper Invoices to a U.S. Postal Service P.O. Box and email Invoices to a unique email address. Subject to section 8, (a) we will scan and capture a standard set of data from each Invoice, and (b) we can also capture PO line item data.
4. **Electronic Invoice capture and supplier enablement.** With our supplier enablement service, you provide supplier contact information to us. We use this information to contact Suppliers about enrolling in our supplier network. Enrolled Suppliers can submit electronic Invoices to you via online manual entry, file upload, PO-Flip, or electronic file submission. If you send an invoice status file to the Service, Suppliers can view payment remittance information on the supplier network user interface.
5. **Purchase order match.** With this Service, you can send us a file containing PO and receipt information, and we will attempt to match incoming Invoices to the POs and receipts based upon your Business Rules. We will confirm that (a) an Invoice is being applied against the correct PO, (b) the amount Invoiced is correct, and (c) the goods and services as referenced in the PO have been received.
6. **Payment discounts.** If you elect to use our dynamic discounting option, you can apply payment discounts to Invoice payments, including:
 - a. **Auto-slope discount.** With this option, you can apply a pro-rated discount on an Invoice containing early payment discount terms once the term dates have passed. The Invoice payment amount automatically adjusts based on the original payment terms and the actual payment date, and
 - b. **Early pay.** With this option, you can offer a Supplier that enrolls in the supplier network an early pay discount based on the payment date and terms that you approve.
7. **Record retention.** We will retain Invoices images, data, and history for 18 months after receipt, unless you enroll in the Invoice archive service option. All paper Invoices that we receive through this Service will be retained for the time period we separately disclose to you, unless otherwise agreed. You can also elect to receive your archived Invoice data via a flash drive.
8. **Liability.** Invoices provided to us through the Service are not the official record of your Invoices. You are responsible for keeping your own records of your Invoices processed through the Service. We are not responsible for Invoices that are lost, damaged or destroyed. We are not responsible for the accuracy of and will not verify Invoice information we receive from your Suppliers and provide to you through the Service. Neither we nor the TSP shall be liable for any loss or damage arising out of the inaccuracy of the information or data provided by you via the Service. This section will survive the termination of the Service.

Bill Manager

1. **Description of Service.** You may access both the Payables Service and the Receivables Service through our CEO portal.
 - a. **Payables Service.** You may send Bill Payments to your Payees from your Payables Account.
 - b. **Receivables Service.** You may send Bills to your Customers and initiate Receivables Payments from them. We will credit the Receivables Payments to your Receivables Account.
 - c. **Third-Party Service Provider.** We may use a TSP in providing the Service to you, including Bill.com. We may change or add a TSP at any time. You agree that we have the right to, and when you enroll in the Service you direct us to, provide information and documentation about you and your use of the Service to Bill.com or another TSP,

including without limitation your name, address, taxpayer identification number and related forms or documents, entity organizational documents (such as articles or certificate of incorporation/formation/organization), bank account information (including with respect to the Payables Account and Receivables Account) and Authorized Users. Bill.com is a money services business and a licensed money transmitter, and the provider of money transmission services for the Service. Additional information on Bill.com's licenses is available at <https://app.bill.com/licenses>. Bill.com (or any successor TSP) is a third-party beneficiary of Sections 2 - 19 of this Service Description.

2. Payables Service.

- a. **Bill Payments.** You may make a Bill Payment using the CEO portal. You agree to use the applicable Security Procedure when you make a Bill Payment. We or the TSP may send the payment electronically or by mailing a check to your Payee. We or the TSP may update the Payee's address and data, including bank routing information and account information, to match the account number, data or format required by the Payee's bank. We or the TSP will try to inform you of any returned Bill Payment and to provide you with a choice to void the Bill Payment and credit your Payables Account or to attempt to resend the payment to the Payee. If you don't provide us with instructions on what to do, you authorize us or the TSP to void the Bill Payment and credit your Payables Account. Neither we nor the TSP will be liable for any returned or resent Bill Payment.
- b. **Payment Date.** We or the TSP will make the Bill Payments only on Business Days in accordance with the processing schedule made available to you separately online. You are responsible for making sure there is sufficient time for your Bill Payment to be paid by the appropriate due date. Where we use a TSP, if you invite a Payee to set up a Bill.com Network account, it may take several days to complete the verification process, and accordingly, any Bill Payments to your Payee may be delayed. You are solely responsible for all penalties, interest charges, and other late payment fees associated with Bill Payments delivered after the due date.
- c. **Your authorization for debit.** You authorize us and the TSP to debit your Payables Account in increments or as a lump sum to make the Bill Payments. You also authorize us and the TSP to: (i) resend any ACH debits, to fund Bill Payments from your Payables Account, that are returned for insufficient or uncollected funds or for any other reason; and/or (ii) verify available funds in your Payables Account prior to resending any such ACH debits. You agree that your Payables Account will be enabled for ACH debits, and you agree to reimburse us and the TSP for all penalties and fees resulting from the rejection of an ACH debit relating to a Bill Payment (for insufficient funds or any other reason) or from your Payables Account not being enabled for ACH debits (such as the account being subject to an ACH debit block service). If a debit from your Payables Account is returned, we and the TSP may decline to make any additional Bill Payments or terminate your use of the Service. We also reserve the right to stop payment on any pending Bill Payments until the funding ACH debit is successfully paid. We and the TSP may make appropriate reports to credit reporting agencies, other financial institutions, tax agencies and law enforcement authorities, and we may cooperate with them in any resulting investigation or prosecution. We and the TSP also reserve the right to debit a Payee's account in the amount of any Bill Payment paid to the Payee on your behalf if the ACH debit from your Payables Account is returned because of insufficient funds or any other reason.
- d. **Right to reject payment.** We and the TSP reserve the right to decline a Bill Payment. If a Bill Payment is missing required information or if we or the TSP have found other errors that prevent us from processing a Bill Payment, we or the TSP may, without liability to you, reject the Bill Payment less the cost of applicable fees. We and the TSP are not required to confirm or authenticate the Bill Payment. We and the TSP have no duty to you to monitor or verify any Bill Payment. If we or the TSP take any actions in an attempt to detect unauthorized or erroneous Bill Payments, we and the TSP are not liable for not taking steps to correctly perform such actions. You must have sufficient collected and available funds in your Payables Account to cover the Bill Payment. If there are insufficient collected and available funds to cover a Bill Payment, we or the TSP may decline to process the Bill Payment. We and the TSP will have no liability or responsibility resulting from the rejection of any Bill Payment pursuant to this paragraph, including without limitation for any fees or penalties for late payment.
- e. **Cancellation, amendment, stop payment.** You may request cancellation, amendment or modification of scheduled Bill Payments by following the directions within the Service. Once processing has begun, you cannot

cancel, reschedule or modify a Bill Payment, but you may make a stop payment request. Our ability to process a stop payment request depends on the payment method and whether or not the payment has been processed or the check has cleared. Stop payment requests should be made through the Service. While we will try to accommodate stop payment requests, we and the TSP will not be liable if we cannot stop the payment. We may charge you for additional fees associated with a stop payment request.

- f. **Errors and liability.** We and the TSP will not be liable or responsible for verifying that the amount of any Bill Payment is correct. Neither we nor the TSP will have any liability relating to or be involved in any dispute between you and your Payee regarding any Bill Payment, including disputes related to the timeliness of the Bill Payment, the account to which the Bill Payment was sent, or any overpayment and/or underpayment.

3. **Receivables Service.**

- a. **Receivables Payments.** By using the Service, you authorize us or the TSP to collect Receivables Payments from your eligible Customers for deposit into your Receivables Account. We or the TSP may decide whether your Customers may be eligible to send payments to you, and we may evaluate the financial condition and creditworthiness of your Customers. We or the TSP may refuse to initiate or accept any Receivables Payment. You are responsible for the payment instructions provided for any Receivables Payment, including any required authorizations or consents. Neither we nor the TSP will be obligated to credit a Receivables Payment to your Receivables Account if funding for the payment is not received from your Customer for any reason. Neither we nor the TSP will verify the accuracy of Bills or your Customers' payment amounts. Your initiation of a Receivables Payment through the Service authorizes us and the TSP to initiate an ACH debit on your behalf against an account of your Customer. You agree your Receivables Account is enabled to receive Receivables Payments, and you agree to reimburse us or the TSP for all penalties and fees resulting from the rejection of an ACH credit relating to a Receivables Payment or to the Receivables Account not being properly configured to accept Receivables Payments.
- b. **Provisional credit; returns and reversals.** Any credit to your Receivables Account for a Receivables Payment is provisional until we or the TSP successfully collect the funds from your Customer. If we or the TSP do not receive the funds from your Customer, or if any Receivables Payment is subject to a return, reversal or correction, you authorize us and the TSP to:
 - i. Debit your Receivables Account or any other Account for the amount of the Receivables Payment, and
 - ii. Deduct the amount of such Receivables Payment from other payments to be credited to your Receivables Account, whether or not received from the same Customer. You will pay any shortfall remaining after any such debit or deduction.

In some cases under Applicable Law, a Receivables Payment may be reversed up to several months after we receive it or may be invalidated. In that case, we or the TSP may debit the funds from your Receivables Account or deduct the amount from other payments to be credited to your Receivables Account as described above. You or your Customer are responsible for all penalties, interest charges, late payment fees and service fees associated with a failed Receivables Payment or any returned debits or credits.

- c. **Your representations and warranties.** Your represent and warrant to us and the TSP the following:
 - i. You have:
 - Obtained your Customer's authorization to debit the Customer's account for the Receivables Payment when you provide your Customer's bank account information to us or the TSP to debit, or
 - Instructed us, or the TSP through a Bill.com Network invitation, to obtain your Customer's authorization for the Receivables Payment on your behalf, when you do not provide your Customer's bank account information to us or the TSP.
 - ii. You will issue each Bill only as agreed and authorized under your contract with the Customer and/or for products or services provided to your Customer, and will keep each Bill for a minimum of one year from the date of the Bill,

- iii. The Receivables Payment amount will be the actual amount owed to you by your Customer under your agreement or for products or services, and
 - iv. You have received a copy of Federal Reserve Board Regulation E and will comply with that regulation at all times when using the Service.
4. **Other services.** You may also have access to the following additional Service options:
- a. **Bill indexing and document management.** You may upload invoices, bills and other statements from your Payees to your Inbox. You should review your Inbox regularly, and you must designate each Inbox item as a new or existing bill or other document, and input details as required.
 - b. **Workflow.** Within the Payables Service, you may record and approve bills.
 - c. **Sync.** You may install software from the TSP that enables you to sync transactions processed through the Service with eligible accounting software programs.
 - d. **Invoice management, creation and import.** You may send invoices to Customers by email, issue reminders to Customers and also track the status of invoices. You may create invoices by entering Customer name and other information, or you may import invoices from eligible accounting software programs.
5. **Client Money Account.** We may credit to the CMA that the TSP maintains with us the funds we receive by debiting your Payables Account for Bill Payments or the funds we receive from your Customers for Receivables Payments. You acknowledge and agree that:
- a. The funds will be held in the CMA by the TSP, as agent and custodian, for the purposes of sending and receiving funds on your behalf. Even though the funds will be held in an account owned by the TSP, the funds are held solely for your benefit (subject to Section 5.e. below) and, as between you and the TSP, you are the principal with respect to those funds.
 - b. You appoint us as your agent to make and resolve any claims and enforce any rights on your behalf relating to your funds credited to the CMA.
 - c. The TSP may commingle your funds with other funds similarly collected from or for the benefit of others.
 - d. Your funds may become subject to garnishment, levy, subpoena and legal process served on us or the TSP, and to applicable escheatment laws.
 - e. We or the TSP may deduct and apply amounts held for your benefit in the CMA as described in Section 3.b. above, and we may otherwise setoff against amounts held for your benefit in the CMA for any obligation you owe us, as allowed by Applicable Law.
 - f. You have no right to directly access funds held in the CMA.
6. **Authorized Users.** Each Authorized User will have their own Credentials. You authorize us and the TSP to follow any payment instructions or approvals provided by an Authorized User, whether or not the payment instructions are authorized by you. You will be responsible for any loss that occurs from the disclosure of any Credentials to a person who is not an Authorized User.
- a. **Super Users.** A Super User is an Authorized User with elevated entitlements. There are two different types of Super Users, as described below.
 - i. **Administrator:** An Administrator may perform administrative functions on your behalf, which may and can include the following functions:
 - Setting up and terminating other Super Users or Collaborators,
 - Setting up and informing Authorized Users of any limits or restrictions on their use of the Service, and controlling and enforcing any such limits or restrictions, and
 - Immediately notifying us of any actual or suspected loss, theft or unauthorized use of the Service, or of any actual or suspected security breach.
 - ii. **Payer:** A Payer has the authority to make payments on your behalf.
 - b. **Collaborators.** A Collaborator does not have the same entitlements as a Super User, but may perform certain functions within the Service. A Collaborator may include a Bill Approver, Clerk, Accountant, or Auditor.

7. **Transaction restrictions.** For security and risk management reasons, we or the TSP may set and/or modify restrictions regarding your use of the Service. These restrictions are solely for the protection of us and the TSP.
8. **License.** We grant you a nonexclusive, limited and revocable right to use the Service and Products as described in this Service Description. You shall not use the Service or Products for any other purpose, and will not copy, modify, or create derivative works of the Products or display, assign, sublicense, distribute, or otherwise transfer any interest in Products to any third party. Except for the rights granted here, all rights and title to all Products, including any improvements, modifications, and derivative works, shall at all times remain with us or the TSP. Products constitute trade secrets, and you agree to maintain them as secret, confidential and proprietary.
9. **Bill.com Network.** Where we use Bill.com as a TSP, you become a member of the Bill.com Network. By becoming a member of the Bill.com Network, you agree not to dispute any payments made from your accounts to another member of the Bill.com Network, provided that the transactions correspond to the terms of the contract(s) between you and the other member. You represent that your designated Payables Account and Receivables Account are enabled for ACH debits initiated on behalf of other Bill.com Network members and are not subject to an ACH debit block service that will prevent such debits. If such an ACH debit is charged to your designated accounts and rejected for insufficient funds, you agree the charge may be processed again at any time within thirty (30) days.
10. **Further agreements.** You further agree as follows:
 - a. You will at all times maintain enough funds in the Payables Account and Receivables Account to meet all payment obligations, including returns, reversals, and associated fees, and will add funds immediately if we or the TSP notify you that the funds in an Account are insufficient.
 - b. You are responsible for verifying the accuracy of all information provided to us and the TSP, including payment instructions and other information related to Bill Payments and Receivables Payments, when using the Service.
 - c. You will be bound by and comply with all applicable electronic funds transfer laws and regulations and funds transfer system and clearing house rules then in effect, including but not limited to the NACHA Rules and RPPS Rules.
 - d. You agree to make the same representations and warranties, and agree to provide the same indemnities, to us or the TSP as we or the TSP must provide under the NACHA Rules, RPPS Rules or any other applicable funds transfer system or clearing house rules, for any transaction originated via the Service.
11. **Disclaimer of Service warranties.** You acknowledge that we and the TSP have not made any warranties to you relating to the Service. Your use of the Service is at your own risk. The Service is provided on an "as is" "where-is" and "where available" basis, and is subject to change at any time without notice. If you determine that the Service is not performing satisfactorily, your exclusive remedy shall be to stop using and terminate the Service.
12. **Prohibited use of Service.** The Service is not intended for the payment of employee payroll or reimbursement, alimony, child support, taxes or court-directed or government payments, or payments to settle securities transactions. We and the TSP are not, and will not be, a "business associate" of you for purposes of The Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), and you will not send or transmit any "Protected Health Information" (as defined in HIPAA) to us or the TSP through the Service. You represent and warrant that you will not use the Service for any purpose that is unlawful or is not permitted by the terms of the Service Documentation (including without limitation the two preceding sentences) or by any Applicable Law, including the sanctions laws administered by the Office of Foreign Assets Control. You further represent and warrant that you will not use the Service in any way that could damage, disable, overburden, or impair the Service or interfere with any other party's use of the Service.
13. **Data.** Any information or data you submit through the Service may not have been reviewed by us or the TSP, or may be updated, adjusted, and corrected at any time by us or the TSP, and should not be relied upon by you. Any

information or data you provide through the Service is not the official record of your accounts, and neither we nor the TSP shall be liable for any loss or damage arising out of the inaccuracy of the information or data provided by you via the Service. You are responsible for keeping your own records of your accounts and all transactions made through the Service, and you may not rely on us or the TSP to be your record keeper.

14. **Inconsistency of name and account number.** You must provide accurate information for both Bill Payments and Receivables Payments. We, the TSP, any intermediary bank, and any Payee or Customer bank may rely solely on the account number and/or bank routing or identification number provided for Payee or Customer in connection with any payment instructions, whether or not the name of Payee or Customer, or Payee's or Customer's bank, matches the account number and/or routing or identification number. You shall provide us or the TSP with such information as we or the TSP may request for any requested transaction, including without limitation, Payee or Customer and Payee's or Customer's bank account information and name and address. You are responsible for any loss resulting from any error in Payee's or Customer's account number or any routing or identification number for the Payee or Customer bank.
15. **Termination.** We reserve the right to terminate the Service immediately for any reason.
16. **Limitation of liability.** Neither we nor the TSP, nor our respective directors, officers, employees or agents will be liable to you for:
 - a. Any special, consequential, incidental (including without limitation court costs and attorneys' fees), indirect, or punitive losses or damages, or
 - b. Business interruption, loss of profits, loss of business, loss of revenue, loss of goodwill, loss of opportunity, loss or injury to reputation or loss of anticipated savings, whether any claim is based on contract or tort, or whether the likelihood of such losses or damages was known to the other party and regardless of the form of the claim or action.
17. **Arbitration agreement and class action waiver.** Upon demand of either party, any controversy or claim arising out of or relating to this Service ("Dispute") must be submitted to arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, and must be heard before three arbitrators if the amount in controversy is US \$5,000,000 or more or its equivalent in any other currency, and before one arbitrator for amounts in controversy of less than US \$5,000,000 or its equivalent in any other currency. Arbitration will proceed in a location selected by AAA in the state of the applicable Governing Law (as defined in the Master Agreement), and if there is no such state, the place of arbitration must be New York, NY. The language of the arbitration must be English. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. This arbitration requirement does not limit the right of either party to: (a) exercise self-help remedies including setoff, or (b) obtain provisional or ancillary remedies such as injunctive relief or attachment, before, during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of either party to submit any dispute to arbitration hereunder, including those arising from the exercise of the actions detailed in (a) and (b) of this subsection. You and we agree that the resolution of any Dispute shall not be consolidated with other Disputes or treated as a class. Neither you nor we shall be entitled to join or consolidate Disputes by or against others in any arbitration, or to include in any arbitration any Dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.
18. **Jury trial waiver.** WE AND YOU EACH IRREVOCABLY WAIVE ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SERVICE DESCRIPTION.
19. **Survival.** Sections 3(c), 4, 5, 7, 10, 12, 13, 15, 16, 17, and 18, and the other terms of this Service Description that by their nature are intended to survive, will survive termination of the Service.

Glossary

ACH means the Automated Clearing House.

Administrator means an Authorized User who may perform administrative functions on your behalf.

Account means your account(s) with us used in connection with the Service.

Account Agreement means the applicable account agreement governing the Account.

Applicable Law is defined in section 3 of the Master Agreement.

Authorized User means an individual (i) who you designate and authorize to act on your behalf in using the Service and to provide instruction to us or the TSP, and (ii) on whose behalf you accept the terms of this Service Description.

Bill.com is Bill.com LLC, a TSP that we may use in connection with the Service.

Bill.com Network means the network of entities or persons, including your Customers and Payees, who have enrolled directly with Bill.com and agreed to Bill.com's terms of service.

Bill is an electronic communication we or the TSP send to your Customers on your behalf for payments they owe you for services or products you provide to your Customer.

Bill Payment means a payment you initiate through the Service to be paid to your Payee.

Business Day means every day except Saturday, Sunday and federal holidays. When used in connection with funds transfer Services, "Business Day" means each day on we are open for business related to that Service.

Business Rules means the business rules for the Service that you and we separately agree to in writing.

CMA means the client money deposit account maintained by the TSP with us.

Collaborator means an Authorized User who does not have the same entitlements as a Super User, but may perform certain functions within the Service.

Credentials means an Authorized User's identification, unique password, and unique security device.

Customers are your customers or other persons who may make Receivables Payments to you through the Service from their U.S. deposit accounts.

Cutoff Time means our cutoff time each Business Day that we separately disclose to you for the Service.

Inbox means the electronic mailbox available within the Service where you may upload invoices, bills and other statements from your Payees.

Invoice means an invoice for products or services from your Suppliers received through the Invoice Manager Service, in paper, Web entry or electronic format.

Losses means all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees, disbursements of legal counsel and court fees).

Master Agreement means the Master Agreement for Treasury Management Services.

NACHA Rules means the National Automated Clearing House Association Operating Rules and any applicable local ACH rules.

PO-Flip means data from your purchase order can be used to create an Invoice.

Payables Account means the demand deposit account you have with us that you designate as the account from which we or the TSP will debit funds in order to make Bill Payments to your Payees.

Payee means a third party to whom you make a payment through one of the Services in this Service Description. For purposes of the Bill Manager Service Description, "Payee" means entities or persons, including vendors and other service providers, with U.S. bank accounts, to whom you may make Bill Payments through the Bill Manager Service.

Payment File means an electronic file you send to us containing multiple payment types and accompanying remittance information.

Products are the software and related applications supplied by us or the TSP in connection with the Service.

Receivables Account means the demand deposit account you have with us that you designate as the account to which we or the TSP will credit Receivables Payments received from Customers.

Receivables Payment means a payment to you from your Customer collected through the Service.

Remittance Document means a human-readable document describing the remittance data for a payment.

RPPS Rules means the Mastercard RPPS® Operating Rules.

Representatives is defined in section 11(f) of the Master Agreement.

Security Procedure is defined in the Product Enrollment Form and in section 6 of the Master Agreement.

Super User means an Authorized User with elevated entitlements.

Supplier means your suppliers that send Invoices for products and services provided to you.

Third-Party Service Provider or TSP is a third party that performs functions related to the processing of payments, including a "third-party service provider" as that term is defined in the NACHA Rules.

Transmission Protocol means the various methods we offer to transmit a Payment File to and from us, as described in the applicable User Guide for the Service.



AGENDA COMMENTARY

Meeting Date: 10/15/2020

Department: Parks and Recreation

Contact: Dan Kelinske, Director

Agenda Item: Consider an agreement with USA Shade & Fabric Structures through the BuyBoard Cooperative Purchasing Network in an amount not to exceed \$99,379.00 to provide and install six (6) replacement picnic pavilions and one (1) playground shade structure at Hugh Adams Park, and authorize the City Manager to sign the agreement upon legal review.

Type of Item: ☐Ordinance ☐Resolution ☒Contract/Agreement ☐Public Hearing ☐Plat ☐Discussion & Direction ☐Other

Summary: Hugh Adams Park is located on property leased from Alvin Community College at 3502 Mustang Road. Currently all wooden picnic pavilions need replacement, along with adding shade over the playground.

On February 3, 2020, the Park Board recommended and approved this project as part of the five (5) year Parks Capital Improvement recommendations. On February 20, 2020, City Council received and acknowledged the five (5) year Parks Capital Improvement recommendations. On September 1, 2020, the Park Board unanimously approved for Council consideration, a proposal from USA Shade & Fabric Structures to provide seven (7) shade structures throughout Hugh Adams Park. Funding for this project is recommended from the Park Dedication Fund balance. This project meets the criteria per Ord. 18-C, Sec. 21-132 (a).

Alvin Community College Board of Regents approved this project at the September 17, 2020 meeting.

Advantages of using BuyBoard cooperative purchasing network:

1. *Competitive Bid Pricing*
2. *Streamlined Purchasing Process compliant with procurement laws*
3. *Lower procurement and administrative costs*
4. *Oversight thru BuyBoard which audits the accuracy of proposals*
5. *Member rebates*

Staff recommends USA Shade & Fabric Structures to replace existing wooden picnic pavilions and include shade structure over the existing playground. Jared Angelica with USA Shade & Fabric Structures will be in attendance.

Funding Expected: Revenue ☐ Expenditure ☒ N/A ☐ **Budgeted Item:** Yes ☒ No ☐ N/A ☐

Funding Account: 129-7001-00-4150 **Amount:** 99,379.00 **1295 Form Required?** Yes ☒ No ☐

Legal Review Required: N/A ☐ Required ☒ **Date Completed:** 10/6/2020 SLH

Supporting documents attached:

- USA Shade & Fabric Structures - Quote

Recommendation: Move to approve an agreement with USA Shade & Fabric Structures through the BuyBoard Cooperative Purchasing Network in an amount not to exceed \$99,379.00 to provide and install six (6) replacement picnic pavilions and one (1) playground shade structure at Hugh Adams Park, and authorize the City Manager to sign the agreement upon legal review.

Reviewed by Department Head, if applicable ☒

Reviewed by City Attorney, if applicable ☒

Reviewed by Chief Financial Officer, if applicable ☐

Reviewed by City Manager ☒



Park Shade Structures

September 28, 2020

**Buyboard Proposal Prepared
For:
City of Alvin**

AZ: 289388 CA: 989458 LA: 61718 NV: 78724
NM: 383826 TN: 68712 DIR: 1000003533



Date: _____

Buyboard Proposal for USA SHADE & Fabric Structures #592-19

Project Information:				Sales Information:	
Purchaser:	City of Alvin	Contact:	Dan Kelinske	Sales Rep:	Jared Angelica
Project Name:	Hugh Adams Park	Phone:		Phone:	713-254-8861
Quote No:	JFA 105568	Email:	dlkelinske@psf.cityofalvin.com	Email:	jareda@usa-shade.com
PO No:	N/A	Fax:		Fax:	214-905-9514

Billing Information:		Shipping Information:		Jobsite Information:	
City of Alvin				Hugh Adams Park	
TBD				3502 Mustang Road	
Alvin, TX				Alvin, TX	
Contact:		Contact:		Contact:	
Phone		Phone		Phone	
Fax:		Fax:		Fax:	
Email:		Email:		Email:	

CORPORATE ADDRESS:

2580 Esters Blvd,
Suite100
DFW Airport, TX
75261

REMITTANCE ADDRESS:

PO Box 734158
Dallas, TX 75373-4158

SOUTHERN CALIFORNIA:

1085 N. Main Street, Suite C
Orange, CA 92867

NORTHERN CALIFORNIA:

927 Enterprise Way, Suite A
Napa, CA 94558

ARIZONA:

2452 W. Birchwood Ave, Suite 112
Mesa, AZ 85202

LAS VEGAS:

6225 S. Valley View Blvd., Suite I
Las Vegas, NV 89118

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www.usa-shade.com

800-966-5005

AZ: 289388 CA: 989458 LA: 61718 NV: 78724 NV: 78724 NM: 383826 TN: 68712 DIR: 1000003533



Shade Structure Pricing

UNIT IMAGE	UNIT DETAILS			
(2) Hips 16 X 32 X 10 (4) 12 X 12 X 10 Metal Shade Structures (1) 36 X 43 X 14 large Hip	Unit Quantity:	7	Base Attachment:	N/A
	Unit Type:	Hip, Metal Roof	Footing Type:	Recessed baseplate
	Structure Sizes:	See left	Anchor Bolts:	Yes
	Entry Height:	10, 14	Concrete Cutting:	No
	No of Columns:	4	Dirt Removal:	Yes
	No of Fabric Tops:	1	NOTES	
	Fabric Type:	Shadesure		
	Fabric Color:	TBD		
	Steel Finish:	Powder coat		
	Steel Color:	TBD		
PRICE	Electrical Provisions:	N/A		
\$99.379.00 –Full Turnkey	Cable/HDW Finish:	N/A		
	Concept No:			

ADDITIONAL COSTS			
QTY	ITEM	DETAILS	COST
TOTAL FOR ACCESS/MISC ITEMS:			\$0.00

PRICING /TOTALS:	
Unit Total	INCLUDED
Anchor bolts	N/A
Shipping/Handling	INCLUDED
SUBTOTAL	\$0.00
Sales Tax (8.25%)	T/E
Installation	INCLUDED
TOTAL PRICE	SEE ABOVE

PAYMENT TERMS:	
(1) Upon execution of the Agreement (Deposit)	
(2) Upon delivery of Unit(s)	
(3) Upon completion of assembly/installation	Net 30
(4) Other (specify):	
NOTES:	



ENGINEERING REQUIREMENTS		ENGINEERING NOTES
Building Code		
Wind Load		
Snow Load		
Drawing Size		
No. of Sealed Drawings		
Calculations Required		

INCLUSIONS / EXCLUSIONS					
INCLUDED	EXCLUDED	ENGINEERING REQUIREMENTS	INCLUDED	EXCLUDED	INSTALLATION - MISCELLANEOUS
X		Sealed Drawings & Calculations		X	Prevailing Wage / Certified Payroll
	X	Permit Submittal		X	Union Wages
	X	Permit Fee		X	Fencing
	X	DSA Submittal		X	Curb Repair
	X	DSA Fee		X	Landscape Repair
X		Foundation Design & Engineering		X	Demolition (Existing Structures)
	X	Special Inspection Fees		X	Payment and Performance Bonds

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800-966-5005



Construction Assumptions

- 1) The designated area for our structures will be accessible by drive-up for unloading of our trucks and equipment, including personnel man-lifts, forklifts, etc. Should a crane be required and direct access not available, additional costs for such will be submitted by a Change Order.
- 2) Our pricing is based on the ability to perform all of our work with clear, sequential, and continuous access without interruption during normal daytime working hours. We have assumed one mobilization for the installation of foundations, steel and fabric; if additional mobilizations are required, there will be an additional charge. We will require exclusive access to the area for our work during the construction process.
- 3) Our pricing does not include daily site delays accessing the work areas. USA SHADE will submit a Change Order for any delays caused by other trades which interfere or cause us to stop working.
- 4) Pricing assumes secure storage and adequate lay down area for our tools, equipment, and materials, within close proximity to the installation site will be provided, free of charge.
- 5) Our price assumes others to provide 200-amp, 110-volt electrical service and necessary potable water available within 100 feet of our work.
- 6) We will require site sanitary facilities and refuse containers by others within 200 feet of our work.
- 7) USA SHADE will leave its work and materials in a clean condition at the conclusion of our work.
- 8) Barricades and public security requirements are not included.
- 9) Unless specifically included in this proposal, this agreement does not include, and Company will not provide, services, labor, or materials for any of the following work: (a) removal and disposal of any materials containing asbestos or any hazardous materials as defined by the EPA; (b) moving Owner's property around the installation site; (c) repair or replacement of any Purchaser or Owner-supplied materials; or (d) repair of damage to existing surfaces that may occur when construction equipment and vehicles are being used in the normal course of construction.
- 10) Pricing for foundation design is based on drilled pier footings. In the event the geotechnical report requires an alternate configuration, any additional costs incurred will be submitted to the client by a Change Order.
- 11) Digging of our foundations will not be constrained by any existing concrete or utilities. USA SHADE will not be responsible for moving or repairing any underground utility lines such as electrical, telephone, gas, water, or sprinkler lines that may be encountered during installation.
- 12) Any additional costs incurred as a result of hard rock conditions requiring extra equipment, utility removal or repair, resulting in delay, will result in additional charges unless they are detailed on as-built site drawings provided to USA SHADE or marked on the ground and communicated to USA SHADE in writing prior to installation.

GENERAL TERMS & CONDITIONS AND WARRANTY

- 1) **Proposal:** The above proposal is valid for **30** days from the date first set forth above. After 30 days, we reserve the right to increase prices due to the rise in cost of raw materials, fuel, or other cost increases. When applicable, USA SHADE & Fabric Structures reserves the right to implement a surcharge for significant increases in raw materials, including, but not limited to; fuel, steel, and concrete. Due to the duration of time between proposals, contracts, and final installation, USA SHADE & Fabric Structures reserves the right to implement this surcharge, when applicable.
- 2) **Purchase:** By executing this proposal, or submitting a purchase order pursuant to this proposal (which shall incorporate the terms of this agreement specifically by reference) which is accepted by USA SHADE & Fabric Structures (the "Company"), the purchaser identified above ("you" or the "Purchaser") agrees to purchase Shade Structures brand shade structures ("Structures") and the services to be provided by the Company, as detailed in the "Structure Pricing" and "General Scope of Work" sections of this agreement, above, or in the relevant purchase order accepted by the Company, for use by Purchaser or for installation by Company or Purchaser on behalf of a third-party who will be the ultimate owner of the Structures (the ultimate owner of a Structure, whether Purchaser or a third-party, being the "Owner").
- 3) **Short Ship Claims:** Purchaser has 15 days from receipt of the structures to file a short ship report in writing to its sales representative. Company will not honor claims made after this time.
- 4) **Standard Exclusions:** Unless specifically included under the "General Scope of Work" section above, this agreement does not include, and Company will not provide, services, labor, or materials for any of the following work: (a) removal and disposal of any materials containing asbestos or any hazardous materials as defined by the EPA; (b) moving Owner's property around the installation site; (c) repair or replacement of any Purchaser or Owner-supplied



materials; (d) repair of concealed underground utilities not located on prints supplied to Company by Owner during the bidding process, or physically staked out by Owner, and which are damaged during construction; or (e) repair of damage to existing surfaces that may occur when construction equipment and vehicles are being used in the normal course of construction.

- 5) **Bonding Guidelines:** If Purchaser will use or provide the Structures and Services for an Owner other than Purchaser (including, without limitation, as a subcontractor of Purchaser), Purchaser will include the following statement in Purchaser's contract with Owner:
- "The manufacturer's warranty for the Shade Structures brand shade structures is a separate document between USA SHADE & Fabric Structures and the ultimate owner of the Shade Structures brand shade structures, which will be provided to the ultimate owner at the time of completion of the installation and other services to be provided by USA SHADE & Fabric Structures. Due to surety requirements, any performance and/or payment bond will cover only the first year of the USA SHADE & Fabric Structures warranty."
- 6) **Insurance Requirements:** Company is not required to provide any insurance coverage in excess of Company's standard insurance. A copy of the Company's standard insurance is available for your review prior to acceptance of the Company's proposal.
- 7) **Payment:** Terms of payment are defined in the "Pricing Details" section and are specific to this contract. For purposes of this agreement, "Completion" is defined as being the point at which the Structure is suitable for its intended use, the issue of occupancy consent, or a final building department approval is issued, whichever occurs first. In any event where Completion cannot be effected due to delays or postponements caused by the Purchaser or Owner, final payment (less 10% retainage) is due within 30 days of the date when Completion was scheduled, had the delay not occurred. All payments must be made to Shade Structures, Inc., P.O. Box 204691, Dallas, TX 75320-4691. If the Purchaser or Owner fails or delays in making any scheduled milestone payments, the Company may suspend the fulfillment of its obligations hereunder until such payments are made, or Company may be relieved of its obligations hereunder if payment is more than 60 days past due. Company may use all remedies available to it under current laws including, but not limited to, filing of liens against the property and using a collection agency or the courts to secure the collection of the outstanding debt.
- 8) **Lien Releases:** Upon request by Owner, Company will issue appropriate partial lien releases as corresponding payments are received from Purchaser, but prior to receiving final payment from Purchaser or Owner. Company will provide a full release of liens upon receipt of final payment. In accordance with state laws, Company reserves the right to place a lien on the property if final payment has not been received 10 days prior to the filing deadline for liens.
- 9) **Site Plan Approval, Permit/s, Permit Fees, Plans, Engineering Drawings, and Surveying:** Site plan approval, permits, permit fees, plans, engineering drawings, and surveying are specifically excluded from this agreement and the Services unless specified under the "General Scope of Work". The Company does not in any way warrant or represent that a permit or site plan approval for construction will be obtained. Sealed engineered drawings that are required but not included in the "General Scope of Work" will result in an additional cost to Purchaser.
- 10) **Manufacturing & Delivery:** Manufacturing lead-time from Company's receipt of the "Notice To Proceed" is approximately 6 to 8 weeks for standard structures, and 8 to 12 weeks for custom structures. Delivery is approximately 1 week thereafter. Delivery of structures may be prior to or at start of assembly. Please note that these timelines do not include approval or permitting timeframes.
- 11) **Returned Product, Deposits, and/or Cancelled Order:** Within the first 45 days after shipment from our facility, all returned product(s) and cancelled orders are subject to a 50% restocking fee. No returns are available following this 45 day period. All deposits are non-refundable. All expenses incurred (engineering, site surveys, shipping, handling, etc.) are the responsibility of the Purchaser, up to notice of cancellation.
- 12) **Concealed Conditions:** "Concealed conditions" include, without limitation, water, gas, sprinkler, electrical and sewage lines, post tension cables, and steel rebar. This agreement is based solely on observations the Company was able to make either by visual inspection or by drawings and/or plans submitted by Owner at the time this agreement was bid. If additional Concealed Conditions are discovered once work has commenced, which were not visible at the time this proposal was bid, Company will stop work and indicate these unforeseen Concealed Conditions to Purchaser or Owner so that Purchaser and Company can execute a Change Order for any additional work. In any event, any damage caused by or to unforeseen Concealed Conditions is the sole responsibility of the Purchaser and Company shall not be held liable for any such damage. Soil conditions are assumed to be soil that does not contain any water, hard rock (such as limestone, caliche, etc.), rocks larger than 4 inches in diameter, or any other condition that will require additional labor, equipment and/or materials not specified by the Purchaser or Owner in the bidding process. Any condition requiring additional labor, equipment, and/or materials to complete the drilling or concrete operations will require a Change Order before Company will complete the process. Price quotes are based on a drilled pier footing. Any variation will incur additional charges (i.e. spread footings, concrete mat, sand, water, landfill, etc.). Costs for footing and installation do not include any allowance for extending below frost lines (the additional costs for which vary by geographical region).



- 13) **Changes in the Work:** During the course of this project, Purchaser may order changes in the work (both additions and deletions). The cost of these changes will be determined by the Company, and a Change Order form must be completed and signed by both the Purchaser and the Company, which will detail the "General Scope of the Change Order". Should any Change Order be essential to the completion of the project, and the Purchaser refuses to authorize such Change Order, then Company will be deemed to have performed its part of the project, and the project and services will be terminated. Upon such termination, Company will submit a final billing to Purchaser for payment, less a labor allowance for work not performed but including additional charges incurred due to the stoppage. No credit will be allowed for materials sold and supplied, which will remain the property of the Purchaser.
- 14) **Indemnification:** To the fullest extent permitted by law, Purchaser shall indemnify, defend, and hold harmless the Company and its consultants, agents, and employees or any of them from and against claims, damages, losses and expenses, including, but not limited to, attorneys' fees related to the installation of the Structure or performance of the services, provided that such claim, damage, loss, or expense is attributable to bodily injury to, sickness, disease, or death of a person, or to injury to or destruction of tangible property, but only to the extent caused by the negligent acts or omissions of the Purchaser or its agents, employees, or subcontractors, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in Section 15.
- 15) **Statement of Limited Warranty:**
- The structural integrity of all supplied steel is warranted for ten years.
 - If assembly is provided by the Company, workmanship of the structure is covered for one year, including labor for the removal of any failed part, disassembly (if necessary), cost of shipping, and reassembly.
 - All steel surface finishes are warranted for one year.
 - Shadesure™, Colourshade® FR, eXtreme 32™, Commercial 95™, SaFRshade™, and Monotec 370™ fabrics all carry a ten year limited manufacturer's warranty against failure from significant fading, deterioration, breakdown, outdoor heat, cold, or discoloration. Should the fabric need to be replaced under the warranty, the Company will manufacture and ship a new replacement fabric at no charge for the first six years, thereafter pro-rated at 20% per year over the remaining four years. The following are exceptions to the preceding warranty terms:
 - Shadesure™ fabrics in Red, Yellow, Atomic Orange, Electric Purple, Zesty Lime, Cinnamon, Olive, and Mulberry carry a five year pro-rated warranty;
 - Fabric tops attached to Coolbrella™ structures carry a three year warranty;
 - Individual fabric tops measuring greater than 40' in length are covered by a non-prorated five year warranty;
 - Preconstraint 502™ waterproof membrane is subject to an eight year pro-rated warranty.
 - Sewing thread is warranted for ten years.

General Limited Warranty Terms and Conditions

- These limited warranties are effective from the date of sale, or, if assembly is provided by the Company, upon receipt by Company from Purchaser of a completed and signed "Customer Checklist and Sign-off" form.
- In its sole discretion, the Company will repair and or/replace defective structures, products or workmanship, or refund that portion of the price related to the defective product, labor, or service rendered.
- The Company reserves the right, in cases where certain fabric colors have been discontinued, to offer the Purchaser or Owner a choice of available alternative colors to replace the warranted fabric. The Company does not guarantee that any particular color will be available for any period of time, and reserves the right to discontinue any color for any reason, without recourse by the Purchaser or Owner of the discontinued fabric color.
- Should the Purchaser or Owner sell the structures to another party, the warranty cannot be transferred to the new owner without a complete and thorough on-site inspection performed by a Company representative. Please contact the Company at warranty@usa-shade.com for more details.
- All warranty claims covering Company supplied structures, products, and services must be submitted by Purchaser or Owner in writing to the Company within thirty days from the date of discovery of the alleged defect and must include a detailed description and applicable photographs of the alleged defect or problem. Warranty claims should be submitted by email to warranty@usa-shade.com.
- Purchaser or Owner agrees that venue for any court action to enforce these limited warranties shall be in the City or County of Dallas in the State of Texas, USA.
- These limited warranties are void if:
 - the supplied structures, products, services and/or labor are not paid for in full;
 - the structures are not assembled in strict compliance with USA SHADE specifications;
 - any changes, modifications, additions, or attachments are made to the structures in any way, without prior written approval from the Company. Specifically, no signs, objects, fans, light fixtures, etc. may be hung from the structures, unless specifically engineered by the Company.
- These limited warranties do not cover defects and/or damages caused by:
 - normal wear and tear;



- misuse, willful or intentional damage, vandalism, contact with chemicals, cuts and Acts of God (i.e. tornado, hurricane, micro/macros burst, earthquake, wildfires, etc.);
- ice, snow or wind loads in excess of the designed load parameters engineered for the supplied structures;
- use, maintenance, neglect, repair, and/or service inconsistent with the Company's written care and maintenance instructions, provided with the order.
- The limited warranties explicitly exclude:
 - workmanship related to assembly not provided by the Company or its agents;
 - fabric curtains, valances, and flat vertical panels;
 - fabric tops installed on structures that were not engineered and originally supplied by the Company.
- THE COMPANY SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, LIQUIDATED, EXEMPLARY, OR PUNITIVE DAMAGES, OR ANY LOSS OF REVENUE, PROFIT, USE OR GOODWILL, WHETHER BASED UPON CONTRACT, TORT (INCLUDING NEGLIGENCE), OR ANY OTHER LEGAL THEORY, ARISING OUT OF A BREACH OF THIS WARRANTY OR IN CONNECTION WITH THE SALE, INSTALLATION, MAINTENANCE, USE, OPERATION OR REPAIR OF ANY PRODUCT OR SERVICE. IN NO EVENT WILL THE COMPANY BE LIABLE FOR ANY AMOUNT GREATER THAN THE PURCHASE PRICE FOR ANY PRODUCT OR SERVICE PROVIDED BY THE COMPANY.
- THE FOREGOING LIMITED WARRANTY IS THE SOLE AND EXCLUSIVE WARRANTY FOR THE COMPANY'S PRODUCTS AND SERVICES, AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, IN LAW OR IN FACT. SELLER SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE OR PURPOSE, AND ANY IMPLIED WARRANTIES ARISING OUT OF COURSE OF DEALING OR PERFORMANCE OR TRADE USAGE. PURCHASER, BY ACCEPTANCE AND USE OF THIS LIMITED WARRANTY, WAIVES ANY RIGHTS IT WOULD OTHERWISE HAVE TO CLAIM OR ASSERT THAT THIS LIMITED WARRANTY FAILS OF ITS ESSENTIAL PURPOSE.

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Commercial 95™ and SaFRshade™ are registered trademarks of Gale Pacific USA Inc.

Monotec 370™ is a registered trademark of PRO-KNIT Industries Pty. Ltd.

Preconstraint 502™ is a registered trademark of Serge Ferrari North America, Inc.

16) **Assembly/Installation:**

- Company will notify Purchaser of the scheduled assembly date. Owner agrees to have an owner representative meet the assembly crew at the job site on the scheduled assembly date to verify the exact location where the structure(s) is to be placed.
- Labor for the removal, assembly, and/or freight charges will only be covered by Company in instances where the structures supplied and installed by Company are determined by the Company to be defective. In all cases where structures are not installed by Company, all labor for the removal, assembly, and/or freight of the structures will be the Purchaser's responsibility.
- Installation prices are based on a single mobilization charge. If additional mobilizations are required, there will be additional charges.
- If the requested services require Company access to Owner's premises, Company will be provided access to the Owner's premises free and clear of debris, automobiles, or other interference Monday ~ Friday during the hours of 8:00am to 6:00pm, and Company will have access to water and electrical facilities during installation. Additional charges will apply if utilities are not easily accessible. Where applicable, all vehicles will be moved prior to Company's crew beginning any installation.
- Company will not be responsible for moving or repairing any underground utility lines such as electrical, telephone, gas, water, or sprinkler lines that may be encountered during installation.
- Any additional costs incurred as a result of hard rock conditions requiring extra equipment, utility removal or repair resulting in delay will result in additional charges unless they are detailed on as-built site drawings provided to Company or marked on the ground and communicated to Company in writing prior to fabrication and installation.

17) **Installation/Assembly on-site:** Where installation/assembly is part of the services, Purchaser must provide the Company with a detailed drawing prepared by or for the Owner showing exactly where the structures are to be assembled as well as detailing any obstacles or other impediments that may cause the assembly process to be more difficult. Any fixture(s), e.g., playground, pools, etc., that the structures are to be assembled over must also be detailed, along with their peak heights (if applicable).

18) **Site/Use Review by Purchaser:** Company relies on the Purchaser to determine that the structures ordered are appropriate and safe for the Owner's installation site and/or intended use. Company is not responsible for damages or injuries resulting from collisions by moving objects or persons with the structure post(s). Company can recommend, or supply at additional cost, padding for posts from a third party manufacturer.

19) **Preparatory Work:** Where installation/assembly is part of the services and in the event that the foundation or job site is not suitable or ready for assembly to begin on the scheduled day, a Delay of Order notification must be sent to Company at least 4 working days prior, in order to allow Company to reschedule the project. In the event that Company is not notified and incurs an expense in attempting to execute the assembly, a re-mobilization charge may be charged to Purchaser before Company will reschedule the assembly.



- 20) **Delegation: Subcontractors:** The services and the manufacturing and assembly of the structures may be performed by subcontractors under appropriate agreements with the Company.
- 21) **Force Majeure: Impracticability:** The Company shall not be charged with any loss or damage for failure or delay in delivering or assembling of the structures when such failure or delay is due to any cause beyond the control of the Company, due to compliance with governmental regulations or orders, or due to any Acts of God, strikes, lockouts, slowdowns, wars, or shortages in transportation, materials or labor.
- 22) **Dispute Resolution:** Any controversy or claim arising out of or related to this agreement must be settled by binding arbitration administered in Dallas, TX by a single arbitrator selected by the parties or by the American Arbitration Association, and conducted in accordance with the construction industry arbitration rules. Judgment upon the award may be entered in any court having jurisdiction thereof.
- 23) **Entire Agreement; No Reliance:** This agreement represents and contains the entire agreement between the parties. Prior discussion or verbal representations by the parties that are not contained in this agreement are not part of this agreement. Purchaser hereby acknowledges that it has not received or relied upon any statements or representations by Company or its agents which are not expressly stipulated herein, including without limitation any statements as to the structures, warranties, or services provided hereunder.
- 24) **No Third-Party Beneficiaries:** This agreement creates no third-party rights or obligations between Company and any other person, including any Owner who is not also a Purchaser. It is understood and agreed that the parties do not intend that any third party should be a beneficiary of this agreement.
- 25) **Governing Law:** The agreement will be construed and enforced in accordance with the laws of the State of Texas.
- 26) **Assignment:** Purchaser may not assign this agreement, by operation of law or otherwise, without the prior written consent of Company. The agreement shall be binding upon and insure to the benefit of the Company and the Purchaser, and their successors and permitted assigns.

Executed to be effective as of the date executed by the Company:

NOTE: FOR ANY PURCHASE EQUAL TO OR EXCEEDING \$100,000.00 USD, NO WORK, OTHER THAN PRE-WORK, SHALL BE UNDERTAKEN WITHOUT A MUTUALLY ACCEPTABLE AND SIGNED CONSTRUCTION CONTRACT.

PURCHASER:
City of Alvin

SELLER:
USA SHADE & Fabric Structures

Signature: _____

Signature: _____

By: (Print) _____

By: (Print) _____

Title: _____

Title: _____

Date: _____

Date: _____

NOTE: All purchase orders and contracts should be drafted in the name of Shade Structures, Inc.



AGENDA COMMENTARY

Meeting Date: 10/17/2019

Department: City Secretary

Contact: Dixie Roberts, City Secretary

Agenda Item: Consider Resolution 20-R-28, designating one representative and one alternate representative to the Houston-Galveston Area Council (H-GAC) General Assembly for 2021.

Type of Item: ☐Ordinance ☒Resolution ☐Contract/Agreement ☐Public Hearing ☐Plat ☐Discussion & Direction ☐Other

Summary: HGAC's bylaws provide that each Home Rule City member with a population under 99,999 as of the latest (2010) Federal Census, is entitled to designate one representative and one alternate to serve on the H-GAC General Assembly. The two designees must be elected officials of Alvin's governing body.

Each year City Council is asked to appoint elected officials to serve as members to this assembly. Appointments must be made by October 30, 2020. Appointees are asked to represent the city and county of whom they represent at monthly meetings held typically at the HGAC offices in Houston.

Prior year appointments:

2020: Council member Arendell (representative); Council member Castro (alternate).

2019: Council member Arendell (representative); Council member Castro (alternate).

2018: Council member Arendell (representative); Council member Richards (alternate).

Funding Expected: Revenue ☐ Expenditure ☐ N/A ☒ **Budgeted Item:** Yes ☐ No ☐ N/A ☒

Funding Account: _____ **Amount:** _____ **1295 Form Required?** Yes ☐ No ☒

Legal Review Required: N/A ☐ Required ☒ **Date Completed:** 10/6/2020 SLH

Supporting documents attached:

- Res 20-R-28
- H-GAC Letter

Recommendation: Move to approve Resolution 20-R-28, designating _____ to serve as the representative and _____ to serve as the alternate representative on the H-GAC General Assembly for 2021.

Reviewed by Department Head, if applicable ☐

Reviewed by City Attorney, if applicable ☒

Reviewed by Chief Financial Officer, if applicable ☐

Reviewed by City Manager ☒

RESOLUTION 20-R-28

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF ALVIN, TEXAS, DESIGNATING ONE REPRESENTATIVE AND ONE ALTERNATE REPRESENTATIVE TO THE HOUSTON-GALVESTON AREA COUNCIL (H-GAC) GENERAL ASSEMBLY FOR 2021.

WHEREAS, H-GAC's Bylaws provide that each member City with a population not in excess of 99,999 as of the last (2010) Federal Census is entitled to designate one (1) representative and one (1) alternate to the 2021 H-GAC General Assembly; and

WHEREAS, this governing body desires to exercise its right to designate the said representative and alternate representative to the 2021 H-GAC General Assembly;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALVIN, TEXAS:

Section 1. That the facts and recitations set forth in the preamble of this Resolution are hereby, adopted, ratified, and confirmed.

Section 2. That City Council member _____ is hereby designated as City of Alvin's Representative for the GENERAL ASSEMBLY of the Houston-Galveston Area Council for the year 2021.

Section 3. That the Official Alternate authorized to serve as the voting representative should the above-named representative become ineligible, or resign, is City Council member _____.

Section 4. That the Executive Director of the Houston-Galveston Area Council be notified of the designation of the above-named representative and alternate.

Section 5. That this Resolution shall take effect immediately from and after its passage, in accordance with the provisions of the State Statutes of the State of Texas.

Section 6. Open Meetings. It is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

PASSED AND APPROVED on this 15th day of October 2020.

CITY OF ALVIN, TEXAS

ATTEST

Paul A. Horn, Mayor

Dixie Roberts, City Secretary