

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND MUFG / Union Bank, N.A.**

This Agreement is entered into effective as of the 1<sup>st</sup> day of July 2022, by and between the County of San Mateo, a political subdivision of the state of California, hereinafter called "County," and MUFG / Union Bank, N.A., hereinafter called "Contractor."

\* \* \*

Whereas, pursuant to Section 31000 of the California Government Code, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof; and

Whereas, it is necessary and desirable that Contractor be retained for the purpose of Banking Services.

**Now, therefore, it is agreed by the parties to this Agreement as follows:**

**1. Exhibits and Attachments**

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

- Exhibit A—Services
- Exhibit B—Payments and Rates
- Exhibit C – *Business Accounts & Services and Transaction Banking Services Disclosure and Agreement 2022Y*
- Exhibit D – *Signature Card ("Depositor and TB Services Agreement Customer Acknowledgement")*
- Exhibit E – *Authorization and Agreement for Treasury Management Services*
- Exhibit F – *MUFG Funds Transfer Agreement*
- Attachment A - Attachment A-RFP N. TREAS 2021-001\_MUFG\_Union\_Bank\_Banking\_Services\_for\_the\_County\_of\_San\_Mateo\_2021
- Attachment B – Pricing Services

**2. Services to be performed by Contractor**

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for County in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibits A and C.

### **3. Payments**

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibits A and C, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall County's total fiscal obligation under this Agreement exceed two million dollars (\$2,000,000). In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this agreement.

### **4. Term**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from July 1, 2022, through June 30, 2025. After the initial term above, the parties may, upon mutual consent, renew the Agreement for a subsequent 2-year term at the rates and manner specified in Exhibit B.

### **5. Termination**

This Agreement may be terminated by Contractor or by the Treasurer – Tax Collector or designee at any time without a requirement of good cause upon thirty (30) days' advance written notice to the other party. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.

County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or County funds by providing written notice to Contractor as soon as is reasonably possible after County learns of said unavailability of outside funding.

County may terminate this Agreement for cause. In order to terminate for cause, County must first give Contractor notice of the alleged breach. Contractor shall have five business days after receipt of such notice to respond and a total of ten calendar days after receipt of such notice to cure the alleged breach. If Contractor fails to cure the breach within this period, County may immediately terminate this Agreement without further action. The option available in this paragraph is separate from the ability to terminate without cause with appropriate notice described above. In the event that County provides notice of an alleged breach pursuant to this section, County may, in extreme circumstances, immediately suspend performance of services and payment under this Agreement pending the resolution of the process described in this paragraph. County has sole discretion to determine what constitutes an extreme circumstance for purposes of this paragraph, and County shall use reasonable judgment in making that determination.

**6. Relationship of Parties**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of County and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of County employees.

**7. Hold Harmless for Injury or Death**

Contractor shall indemnify and save harmless County and its officers, agents and employees from and, if requested, shall defend them against any and all losses (or cost, damage, injury, liability, and claims thereof) for injury to or death of a person (collectively, "Losses"), including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's material breach of this Agreement, negligence or willful misconduct, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such Losses are the result of the negligence or willful misconduct of County.

**8. Incidental and Consequential Damages**

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL COUNTY OR CONTRACTOR BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

**9. Assignability and Subcontracting**

Contractor shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of County, which may have been provided prior to the date hereof. Any such assignment or subcontract without County's prior written consent shall give County the right to automatically and immediately terminate this Agreement without penalty or advance notice.

**10. Insurance**

**a. General Requirements**

Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by County's Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. Contractor shall furnish County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to

provide that thirty (30) days' notice must be given, in writing, to County of any pending change in the limits of liability or of any cancellation or modification of the policy.

**b. Workers' Compensation and Employer's Liability Insurance**

Contractor shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

**c. Liability Insurance**

Contractor shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

(a) Comprehensive General Liability...	\$1,000,000
(b) Motor Vehicle Liability Insurance...	\$1,000,000
(c) Professional Liability.....	\$1,000,000

County and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to County and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the County or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

## **11. Compliance With Laws**

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Americans with Disabilities Act of 1990, as amended. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, and provisions pertaining to confidentiality of records. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement, except to the extent the effect of such law or regulation may be permissibly varied by contract.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

## **12. Non-Discrimination and Other Requirements**

### **a. General Non-discrimination**

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

### **b. Equal Employment Opportunity**

Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County upon request.

### **c. Compliance with County's Equal Benefits Ordinance**

Contractor shall comply with all laws relating to the provision of benefits to its employees and their spouses or domestic partners, including, but not limited to, such laws prohibiting discrimination in the provision of such benefits on the basis that the spouse or domestic partner of the Contractor's employee is of the same or opposite sex as the employee.

### **d. Discrimination Against Individuals with Disabilities**

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Contractor and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

**e. History of Discrimination**

Contractor certifies that no finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or any other investigative entity. If any finding(s) of discrimination have been issued against Contractor within the past 365 days by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or other investigative entity, Contractor shall provide County with a written explanation of the outcome(s) or remedy for the discrimination prior to execution of this Agreement. Failure to comply with this Section shall constitute a material breach of this Agreement and subjects the Agreement to immediate termination at the sole option of the County.

**f. Compliance with Living Wage Ordinance**

As required by Chapter 2.88 of the San Mateo County Ordinance Code, Contractor certifies all contractor(s) and subcontractor(s) obligated under this contract shall fully comply with the provisions of the County of San Mateo Living Wage Ordinance, including, but not limited to, paying all Covered Employees the current Living Wage and providing notice to all Covered Employees and Subcontractors as required under the Ordinance.

**13. Compliance with County Employee Jury Service Ordinance**

Contractor shall comply with Chapter 2.85 of the County's Ordinance Code, which states that Contractor shall have and adhere to a written policy providing that its employees, to the extent they are full-time employees and live in San Mateo County, shall receive from the Contractor, on an annual basis, no fewer than five days of regular pay for jury service in San Mateo County, with jury pay being provided only for each day of actual jury service. The policy may provide that such employees deposit any fees received for such jury service with Contractor or that the Contractor may deduct from an employee's regular pay the fees received for jury service in San Mateo County. By signing this Agreement, Contractor certifies that it has and adheres to a policy consistent with Chapter 2.85. For purposes of this Section, if Contractor has no employees in San Mateo County, it is sufficient for Contractor to provide the following written statement to County: "For purposes of San Mateo County's jury service ordinance, Contractor certifies that it has no full-time employees who live in San Mateo County. To the extent that it hires any such employees during the term of its Agreement with San Mateo County, Contractor shall adopt a policy that complies with Chapter 2.85 of the County's Ordinance Code." The requirements of Chapter 2.85 do not apply unless this Agreement's total value listed in the Section titled "Payments", exceeds two-hundred thousand dollars (\$200,000); Contractor acknowledges that Chapter 2.85's requirements will apply if this Agreement is amended such that its total value exceeds that threshold amount.

**14. Retention of Records; Right to Monitor and Audit**

(a) Contractor shall maintain all required records relating to services provided under this Agreement for three (3) years after County makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by County, a Federal grantor agency, and the State of California.

(b) Contractor shall comply with any reasonable request from County in connection with any program and fiscal reporting requirements of any Federal, State, or local agency as such requirements may be applicable to County.

(c) Contractor agrees upon reasonable notice to provide to County, to any Federal or State department having monitoring or review authority, to County's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

(d) Notwithstanding anything herein to the contrary, (a) the record retention requirements set forth in this Section shall be subject to (and no longer than) the record retention requirements set forth in applicable law and regulation and the Contractor's internal policies; and (b) any right to access, examine, or audit shall be limited to records solely related to the County and subject to reasonableness of the request, reasonable notice, and the Contractor's internal policies with respect to data privacy and protection.

**15. Merger Clause; Amendments**

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

**16. Controlling Law; Venue**

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

**17. Notices**

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of County, to:

Name/Title: County of San Mateo  
Treasurer – Tax Collector  
Attn: Sandie Arnott, Treasurer – Tax Collector  
Address: 555 County Center, 1<sup>st</sup> Floor  
Redwood City, CA 94063  
Telephone: (650) 599-1230  
Facsimile: (650) 363-4944  
Email: [sarnott@smcgov.org](mailto:sarnott@smcgov.org)

In the case of Contractor, to:

Name/Title: Malisa Day / Director, CTP  
Address: 445 South Figueroa St. 20<sup>th</sup> Floor  
Telephone: (213) 236-7082  
Facsimile: (213) 358-2990  
Email: [Malisa.Day@unionbank.com](mailto:Malisa.Day@unionbank.com)



**18. Electronic Signature**

Both County and Contractor wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and, in the case of the County, County's Electronic Signature Administrative Memo. Any party to this Agreement may revoke such agreement to permit electronic signatures at any time in relation to all future documents by providing notice pursuant to this Agreement.

Contractor bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Contractor's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

\* \* \*

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: MUFG Union Bank, N.A.



\_\_\_\_\_  
Signature

05/06/2022  
Date

Garrett Bell  
Name (please print) Garrett Bell

\_\_\_\_\_  
Title: Managing Director



COUNTY OF SAN MATEO

By:  
President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:  
Clerk of Said Board

### **Exhibit A**

In consideration of the payments set forth in Exhibit “B”, Contractor shall provide the following services:

For purposes of this Agreement, Contractor shall provide complete, reliable, and high-quality services for banking operations. Due to the nature of the large scope of services that may be expected to be delivered, this attachment and the subsequent **Exhibit C** *Business Accounts & Services and Transaction Banking Services* shall serve as the basis for services expected to be completed by Contractor.

See attachment “Attachment A - RFP N. TREAS 2021 001 MUFG Union Bank Banking Services for the County of San Mateo 2021”

And any other related task or service as deemed appropriate by the County and agreed upon by both parties.

## Exhibit B

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms:

See attachment: "Attachment B - Pricing Services"

In no event shall County's total fiscal obligation under Agreement exceed the maximum contract obligation of two million dollars (\$2,000,000) for the term of the Agreement.

The contractor will be paid monthly for services described in Exhibit A upon receipt and approval of invoices and Account Analysis Statement. The County shall pay the Contractor within fifteen (15) working days following receipt of the invoices.

Pricing: In consideration of the submitted RFP response by the Contractor to the County, the Contractor will guarantee the prices and delivery of services in this Agreement for the specified term and subsequent renewal term of two years, for a total of five years, should a renewal option be elected by the County.

Furthermore, Contractor shall also fulfill the economic terms stated in the Contractor's RFP submission Cover Letter to the County in their RFP response.

Invoicing: Account Analysis Statement and invoices shall be received electronically. Monthly account analysis shall be prepared to include generally accepted standard coding for services charged such as AFP Service Codes. Monthly notifications of invoices and Account Analysis Statement availability shall be sent to [TreasBanking@smcgov.org](mailto:TreasBanking@smcgov.org).

## Cover Letter

January 3, 2022

Submitted via [www.publicpurchase.com](http://www.publicpurchase.com)

Carlos Lamas

[clamas@smcgov.org](mailto:clamas@smcgov.org)

**RE: Banking Services RFP N. TREAS 2021-001**

Dear Carlos:

On behalf of MUFG Union Bank, N. A. (“MUFG Union Bank” or “Bank”), we are pleased to submit the following proposal for Operational Banking Services to the County of San Mateo. As your current Bank, we know the challenges, processes, and preferences of the County Finance staff and look forward to making further efficiency gains together. This RFP, in fact, gives us the chance to demonstrate how well MUFG Union Bank can coordinate the next steps and newly emerging banking products for the County.

Our team has continued to work closely with the County team to help you realize significant working capital benefits and expense savings. We are confident that our unique combination of global treasury solutions, account management platform, payables and receivables automation tools, and fraud prevention suite will allow the County to achieve a streamlined and cost-effective structure. We look forward to the opportunity to continue to work with the County to execute a strategy that will enhance your cash management processes.

As you know, our MUFG Exchange platform and connectivity solutions makes banking more convenient and efficient, enabling the automation of critical business functions and facilitating time-sensitive treasury management decisions on a real-time basis. By selecting MUFG Union Bank going forward, the County will keep the exceptional, dedicated, and responsive service you’ve witnessed in the past year.

We believe that the combination of experience and dedication our team brings is the right mix to help the County achieve its goals, both now and long-term. We appreciate the opportunity to continue as trusted advisors to the County.

To demonstrate our commitment, we are pleased to offer 1 full year of free banking services (equivalent to \$406,000 of cost savings to the County); an increased discounted rate of 75% off your banking services; and the continuation of the generous 50 Basis Points Earnings Credit Allowance (ECR) you currently enjoy.

We bring seasoned professionals to your business. We enjoy the close working relationship and hope the County knows that when we say “dedicated,” we mean it.

We value our long-standing relationship with the County and look forward to continuing our partnership throughout this evaluation process and for many years to come. Thank you for the opportunity to earn your business. As ever, please reach out with any questions related to this RFP or any other matter.

Sincerely,



Malisa Day  
Director, Treasury Relationship Manager  
MUFG Union Bank | Public Finance  
445 South Figueroa Street | Los Angeles, CA 90071  
T: 213-236-7082 | M: 909-331-5869  
[mday@us.mufg.jp](mailto:mday@us.mufg.jp)



Nicholas Boyle  
Managing Director, Global Relationship Manager  
MUFG Union Bank | Public Finance  
445 South Figueroa Street | Los Angeles, CA 90071  
T: 213-236-5153  
[nboyle@us.mufg.jp](mailto:nboyle@us.mufg.jp)



MUFG Union Bank, N.A.  
RFP Response  
to  
The County of San Mateo  
for  
Operational Banking Services  
RFP No. TREAS 2021-001

## Authorized Contacts

Malisa Day, Director, CTP  
Sr. Treasury Relationship Manager  
Government, Higher Education  
and Not-for-Profit Health Care  
T | 213-236-7082  
[mday@us.mufg.jp](mailto:mday@us.mufg.jp)

Nicholas Boyle, Managing Director  
Global Relationship Manager  
Public Finance  
T | 213-236-5  
[nboyle@us.mufg.jp](mailto:nboyle@us.mufg.jp)

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## Technical Proposal

### 1. Minimum Qualifications:

To be considered for selection, proposing banks must meet certain Minimum Qualifications.

#### 1) Is your institution a State or National Bank as defined in Government Code Section 53630.5?

Yes. MUFG Union Bank is a depository eligible to receive public funds deposits pursuant to California Government Code section 53630 et seq.

#### 2) Do you have established offices within the County of San Mateo? Please list the locations of your offices.

Yes, the following seven MUFG Union Bank branches are in the County of San Mateo:

**Burlingame Branch**  
1887 El Camino Real  
Burlingame, CA 94010  
Tel: 650-697-3454

**Burlingame-Howard Avenue Branch**  
1410 Howard Avenue  
Burlingame, CA 94010  
Tel: 650-340-1053

**Daly City Branch**  
95 Southgate Ave  
Daly City, CA 94015  
Tel: 650-756-2676

**Menlo Park Branch**  
620 Santa Cruz Ave  
Menlo Park, CA 94025  
Tel: 650-325-4445

**Redwood City Branch**  
675 Jefferson Avenue  
Redwood City, CA 94063  
Tel: 650-365-2110

**San Carlos Branch**  
799 Laurel Street  
San Carlos, CA 94070  
Tel: 650-591-8221

**San Mateo Main Branch**  
390 South El Camino Real  
San Mateo, CA 94402  
Tel: 650-342-9411

For a complete list of MUFG Branches, please visit the Bank website:

[Our Branch Offices - All Union Bank Locations | Union Bank](#)

#### 3) Is your bank a member of the Federal Reserve System with access to all Federal Reserve services? Are you insured by the Federal Deposit Insurance Corporation (FDIC)?

Yes, MUFG Union Bank is a member of the Federal Reserve System and our deposits are insured by the FDIC.



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**4) Are you a qualified depository of public funds in compliance with Section 53649 of the California Government Code? Would you be capable of collateralizing public fund deposits exceeding \$150 million? What are the banks' current level of public funds deposits and related collateral?**

Yes. MUFG Union Bank is a depository eligible to receive public funds deposits pursuant to California Government Code section 53630 et seq. Public fund balances deposited at MUFG Union Bank are collateralized in compliance with the requirements of Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the California Government Code.

MUFG Union Bank uses Federal National Mortgage Association (FNLA or "Fannie Mae"), Federal Home Loan Mortgage Corp (FHLMC or "Freddie Mac") bonds, and other qualified governmental securities to meet these requirements.

We have the ability to customize collateralization using these securities to meet the code requirements.

As of December 15, 2021, MUFG Union Bank held \$4.27 Billion of public fund deposits in California and \$4.77 Billion in related collateral.

**5) Does the bank have a fully staffed government services unit? Does this unit have experience with an account similar to ours?**

Yes. MUFG Union Bank has supported public sector clients for more than 150 years. Our specialized Public Finance division currently services 540 local public agency clients.

Our Public Finance professionals have extensive knowledge and experience in providing cash management, institutional trust, credit, and employee banking services to the public sector. We are extremely familiar with the San Mateo Count account and service other California Counties, as well.

**6) Are you in compliance with Section 53635.2 of the California Government Code in regard to serving the credit needs of California communities? What is your overall rating with the Community Reinstatement Act (CRA)?**

Yes, MUFG Union Bank complies with Section 53635.2 of the California Government Code in regard to serving the credit needs of California communities.

MUFG Union Bank's overall CRA Rating is **Outstanding**. The Bank's CRA evaluation report is included as Exhibit 18 and available online using the link below.

<https://assets.unionbank.com/assets/file/about-us/2019-cra-performance-evaluation-charter-mufg-union-bank-na-20201125.pdf>

Our commitment to our communities runs deep and throughout all of MUFG. The Board of Directors, the Executive Committee of the Americas, and a community advisory board work through the Community Reinvestment Act (CRA) Commitment and Corporate Social Responsibility of the Americas (CSRA) group to

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lead our efforts in this space in the Americas. In turn, the CRA Officer and CSRA group coordinate with the CRA Committee, our lending team and branch staff, and our Compliance Group, as well as community advocacy groups and partners.

Like all of our work, our community reinvestment efforts are based on the principles of sustainability. We recognize that the health of the bank is interconnected to the health of our communities, and therefore we endeavor to promote financial prosperity and sociocultural equity across the regions we serve. To promote financial inclusion and alleviate barriers related to finance, we partner with small businesses and CDFIs (Community Development Financial Institutions) to drive growth at all levels of development. We also offer financial education opportunities for our clients, and work to improve access to financial services for low- and moderate-income community members. Much of this work is facilitated through community partnerships, colleague community engagement, and local initiatives, specifically focusing on addressing the urban housing crisis affecting many communities. We also give back through the bank's charitable contributions program, including grants made through the Union Bank Foundation as well as donations and sponsorships made directly by the bank.

Toward the end of our fiscal year (April 1, 2019 to March 31, 2020) the COVID-19 pandemic had taken hold. As a financial institution, we quickly adapted and were on the front lines supporting our clients with uninterrupted access to financial services in addition to guidance, resources, and tools. Community reinvestment became more critical than ever, and we knew we were in a situation to provide a lifeline to our clients, communities, and colleagues. This experience has taught us lessons in client and community support that we aim to continue and strengthen through our work.

Looking forward, we will continue to lead in key areas important to the bank: social and racial equity, financial education, affordable housing, and environmental stewardship.

Below is a link to our 2019 Corporate Social Responsibility (CSR) Report which is also included as **Exhibit 18**:

<https://mufgamericas.com/who-we-are/corporate-social-responsibility/2019-corporate-social-responsibility-report>

Our 2020 Corporate Social Responsibility (CSR) Report is available exclusively online:

<https://www.mufgamericas.com/who-we-are/corporate-social-responsibility/resiliency-and-progress-corporate-social-responsibility-2020>

**7) The Treasurer may need up to \$150 million for daylight overdrafts. Are you sufficiently capitalized to handle this amount or even higher limits? Does the bank charge for intraday overdrafts? Describe overdraft protection the firm provides.**

Yes, MUFG Union Bank has the capability and willingness to establish a DOD (Daylight Overdraft) line sufficient to cover the Treasurer's check disbursement and outgoing wire transfer needs. Yes, the Bank is sufficiently capitalized for this amount and higher. No, MUFG Union Bank does not charge for maintaining a DOD line. Extensions are subject to the Bank's credit approval process.

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**8) In addition, to be considered for selection, your bank must offer controlled disbursements and positive pay with name verification (payee validation).**

MUFG offers controlled disbursements and positive pay with name verification (payee validation).

**9) Has proposer fully reviewed the minimum qualifications listed in section 3.1 and able to fully satisfy minimum requirements?**

Yes. MUFG has fully reviewed the minimum qualifications listed in section 3.1 and is able to fully satisfy the County's minimum requirements.

**2. Check Processing:**

**1) Can we establish Zero Balance Accounts (ZBA's) that can be tied to a main concentration account? Are there any limitations to the type of ZBA, e.g., depository vs. disbursement account? Describe any limitations.**

Yes. MUFG Union Bank will continue to provide the account structure previously setup for the County with ZBAs tied to the County's main concentration account. In addition, we are open to discussing any possible efficiencies you may want to explore for the County's account structure.

The Bank offers Zero Balance Accounting (ZBA) designed to ease daily cash management functions by consolidating the County's demand deposit balances into one concentration account. With a ZBA from MUFG Union Bank, your funds move automatically from zero balance sub-accounts to your concentration account.

MUFG Union Bank provides complete information for all account activity, improving your audit trail.

**Here's how it works:**

- Funds automatically move from zero balance source-accounts to your concentration account
  - Excess balances in source-accounts are swept to the concentration account at the end of each day
  - Deficit balances in source-accounts can be funded by the concentration account at the end of each day
- Unlimited number of source-accounts may be added, as well as multiple tiers of accounts
- Individual target balances may be setup for each source account based on ledger or collected balance
- Funds may be transferred on an end of day or intra-day basis

We can also support one-way sweeps (only credit balances or only debit balances) which are swept to the concentration account or reverse sweeps, where swept funds are returned to the source account each morning.

Intra-day credit and debit balances are recognized in the concentration account for wire availability purposes.

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**2) How many levels of a ZBA are possible to roll up to a master account?**

There is no limit to the number of tiers of accounts, however, the Bank does enforce a limit of 5,000 accounts.

**3) Will postings of the daily total from ZBA's to the main account be accessible through a detailed report of the main account, or must we access each account separately?**

Yes, postings of the daily totals from ZBAs to the main account are accessible through a detailed report of the main account. The County does not need to access each account separately.

MUFG Union Bank provides a full range of prior day reports to meet your reconciliation needs.

- Prior Day Summary
- Multi-Day Statement
- Prior Day Detail
- Positive Pay Exception
- Prior Day Combination
- Deposits Processed
- Paid Check
- Money Market by Account
- Prior Day Detail, No Check
- Money Market by Escrow
- EDI Receipt

Descriptions of these reports are included in response to question 2 in **Section 6. Reporting and Cash Position Management** of this questionnaire. Sample reports are included as Exhibit 01 of this response.

**4) Do you offer truncation for paid items/checks, with images (front and back) transmitted to the County?**

Yes. MUFG Union Bank offers truncation for paid items/checks and provides check image detail immediately online and through transmissions.

**Image on Demand service**

Online: view and download images in your preferred formats (e.g., HTML, PDF). You can also export in CSV and Excel.

Transmission: Daily, weekly, monthly or on a custom schedule (e.g., 1st and 15th of the month}}

**Positive Pay service**

With our Positive Pay service, you have immediate online access to front and back images of check exception items, so you can review all exception items and make your final pay or return decisions.

- Images of check exceptions and a recap of your decisions are available for up to five business days.
- Exception reports are available for the past 120 business days (including images and exception details)

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## Account Reconciliation service

Access a CD of check images.

## Wholesale Processing

Wholesale Lockbox is MUFG Union Bank's business to business paper-based remittance processing service. It is designed to minimize mail, processing and clearing float associated with large dollar remittances and to streamline the User's internal receivables management resources as much as possible.

Corporate payers mail payments to a post office box. They are picked up and brought back to an MUB processing facility where they are typically processed on low-speed capture equipment or manually (as necessary) and deposited. Daily, information is provided back to the User about the amount deposited along with other detailed information about the payments received. This information is provided online, via automated data files, CD Rom or via paper remittance packages and reports. The product is image based. Images of captured transactions are archived for User retrieval online via a dedicated User portal/interface. The hard copy paper is stored temporarily and then destroyed.

Wholesale lockboxes are normally distinguished by lower volumes of high dollar value payments. Monthly transaction volumes do vary greatly in different user boxes from just a handful of payments a month to tens of thousands. Payments are made up of a check and accompanying invoice documents. Lockboxes may also receive money orders, official checks, foreign checks, credit card vouchers, or correspondence only (no payment). It is not a cash processing service. Remittance documents are not uniform (unstructured) and do not contain a scannable OCR line. Remitters do not typically return a standardized document but rather send supporting remittance documents generated from their own payables application. As a result, Wholesale lockboxes often have complex processing instructions that may require manual operator intervention. Payers often pay multiple invoices with one payment. Supplemental data capture is often performed on the details of the payments and automated transmission files are produced daily for Users. Due to the complex and low speed nature of the processing it is the most expensive type of lockbox processing on per payment processed basis.

## 5) Do you offer check images on a Compact Disk-Read Only Memory (CD-ROM)?

Yes. MUFG Union Bank can provide you with a CD-ROM of check paid images. The images are indexed by check details and the following reports are included on the CD-ROM:

- Consolidated
- Recap of Posted Items
- Stop Payment
- Stale Item

Images are linked to the reports.

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**6) Are the images also available online via PC? For how long? Are the images also available by email, mail or fax? How soon after a check has been cashed is the image available?**

Yes, mages are available online.

- Check images deposited through Remote Deposit are available for downloading for 90 days
- All checks paid and checks deposited including deposit tickets are available for up to seven years

The MUFG Positive Pay service provides immediate online access to front and back images of check exception items, so you can review all exception items and make your final pay or return decisions to minimize disbursement risk and improving your overall treasury management.

In addition, the MUFG Image on Demand service enables the County to view images of deposit tickets and the front and back of deposited checks as well as paid checks.

Channel	Accessibility details
Online	You can access checks for the past seven years
Online download	Images are available for download for 14 days
Transmission	Images are accessible for 14 days from the date of transmission

**7) How long will you retain the physical checks? The check images? Are the images legal and do they follow American National Standard Specifications?**

The MUFG Image on Demand service enables the County to view images of deposit tickets and the front and back of deposited checks as well as paid checks.

Channel	Accessibility details
Online	You can access checks for the past seven years
Online download	Images are available for download for 14 days
Transmission	Images are accessible for 14 days from the date of transmission

Yes, images are legal and follow American National Standard Specifications.

**Image on Demand**

The County can also use our Image On Demand service to search and access a seven-year archive of images.

**8) Will the bank accept check issue information by data transmission? What are your different file transmission options? What are your delivery and transmission deadlines? How flexible is the bank in terms of the file format? Can the bank accept and input manual items for check issue information?**

Yes. The County can submit the check issue file via our transmission (i.e., MUFG Connect) or upload issue files through the online version of our Positive Pay service. You can also manually input check issue

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information online, as needed. The deadline for the transmission of check issuance files is 11:00 p.m., Pacific Time.

## **Online**

Check issue file formats: delimited, CSV, and fixed width format

## **MUFG Connect**

At MUFG Union Bank, our goal is to simplify connectivity. MUFG Connect accomplishes this using a three-pronged approach to integration.

### **1. A range of standard formats and connectivity options**

- Formats: ISO 20022 XML, ASC X12 EDI, NACHA, BAI, BAI2, SWIFT, and other commonly used formats such as CSV and others.
- Connectivity: Direct connectivity options include commonly used protocols such as SFTP, FTPS, and AS2 as well Value Added Networks (VANs). We also offer an internet-based small file upload feature via our online platform. In addition, we support SWIFT Corporate Access for FIN and FileAct.

### **2. Format Translation Services: format transformation as a service—no coding because we conform to your format requirements**

We recognize technical resources are precious. Format transformation is an integral component of the MUFG Union Bank transmission-based services so that the County can make a transition to a new banking partner easily. To remove the complexity of bank change management processes, we shorten the implementation time by providing mapping as an operationally delivered service.

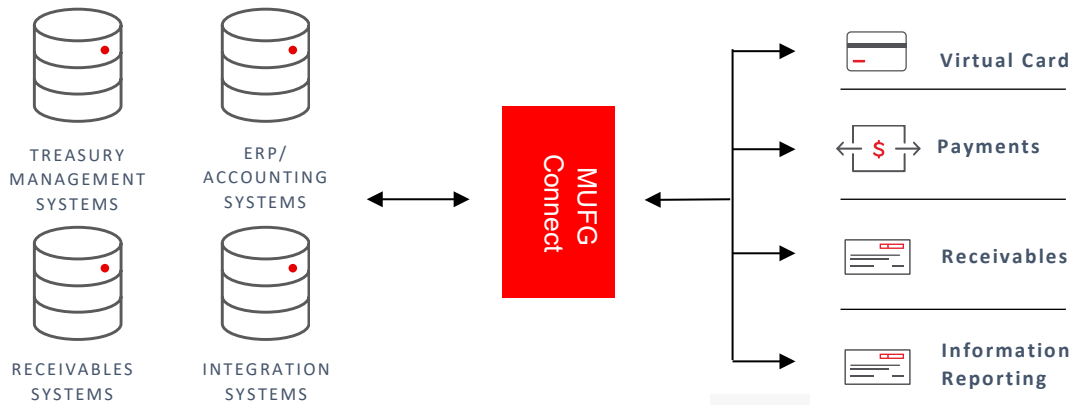
### **3. Vendor Integration Program (VIP): standard connectivity with application providers**

We have strong relationships and standard processes already established with ERP and Treasury Management System (TMS)/Treasury Workstation providers. Simply let us know what kind of payments you want to make, acknowledgements to be received, and balance and transaction information to be delivered to you because full integration is already in place. This removes the need to discuss format, protocol, and data security. It also significantly reduces or eliminates the need for file testing.

In addition, a key MUFG Union Bank objective is to leverage API as the basis for standardized connectivity with vendors in the near future.

## Vendor Integration Program

Established connectivity with ERP, TMS, receivables, and integration providers



MUFG Connect provides a range of transmission options to meet your needs, including commonly used protocols (e.g., SFTP, AS2) and others:

Protocol	More information
Secure FTP	<p>We support secure FTP if you want to transmit files in an “unattended”, straight-through processing environment</p> <p><b>Encryption/Data Security:</b></p> <p>You can send files using secure FTP; that is, you must use a form of encryption.</p> <ul style="list-style-type: none"> <li>• The standard encryption method is Secure Shell (SSH sFTP).</li> <li>• Additional encryption on the file, such as PGP, is optional.</li> <li>• SSL has been replaced by TLS 1.2, which we support. MUFG Union Bank adheres to the highest level of security, but recognizes that protocols determined to be less secure (e.g., SSL) are still in use. To maintain security standards, clients using SSL are required to use additional encryption on the file, such as PGP encryption.</li> </ul>
Applicability Statement 2 (AS2)	<p>AS2 is a securely encrypted transmission type</p> <ul style="list-style-type: none"> <li>• AS2 Software is certified for interoperability by Drummond Group</li> <li>• Requires a digital certificate</li> </ul>
Value-Added Network (VAN)	<ul style="list-style-type: none"> <li>• MUFG uses IBM as our VAN</li> <li>• We can establish connectivity from our VAN to any VAN of your choosing</li> </ul>
FIN and FileAct	<p>For our clients that use SWIFT, we support corporate access via both FIN and FileAct</p>
Hypertext Transfer Protocol Secure (https)	<p>To upload to our portal, we offer an internet-based small-file manual upload feature via our online platform (MUFG Exchange) using a native browser (i.e., https) and associated native data security (128- or 256-bit encryption)</p>



Protocol	More information
IBM® Sterling Connect:Direct®	<ul style="list-style-type: none"> <li>Secure Plus data security</li> <li>Formerly known as Network Data Mover (NDM)</li> </ul>

**9) Are you capable of sending a daily electronic file of checks paid the previous day? How flexible is the bank in terms of file format? By what time could the County expect the daily file download?**

Yes. MUFG Union Bank can send a daily electronic file of checks paid the previous day.

The MUFG Union Bank service level agreement has set deadlines for prior day reporting, but we typically exceed our standards and send reporting earlier.

Channel	Timing
Online	Prior day balance summary and transaction detail information are available by 5:00 a.m. PT every business day (excluding federal holidays) Typically available by 4:00 a.m. PT
Transmission	File transmissions are sent by 6:00 a.m. PT every business day (excluding federal holidays) and on Saturday (as required) Typically sent by 4:00 a.m. PT

The Bank supports various encryption standards through your chosen method of file transmission to be used with secure socket layer (SSL), secure shell (SSH), pretty good privacy (PGP), virtual private network (VPN) security, or a combination of these methods.

The following system capabilities are recommended for the transmission channel:

- Operating system – Windows, Linux, HP Unix, AIX, Sun Unix, OS/400, and MVS
- Hardware requirements – 3 MB of RAM and minimum of 10 MB of disk storage space

**MUFG Connect**

MUFG Connect enables automated transaction processing based on a mutually agreed upon connectivity methodology.

The following payment files can be transmitted:

- Domestic and international wire
- FX wire (contract and spot)
- A Virtual Card (Buyer-Initiated Payments (BIP) and Supplier-Initiated Payments (SIP))
- Print and mail service for USD and CAD payments

We generate files automatically for Account Reconciliation and Positive Pay and then upload the data into our account reconciliation system.

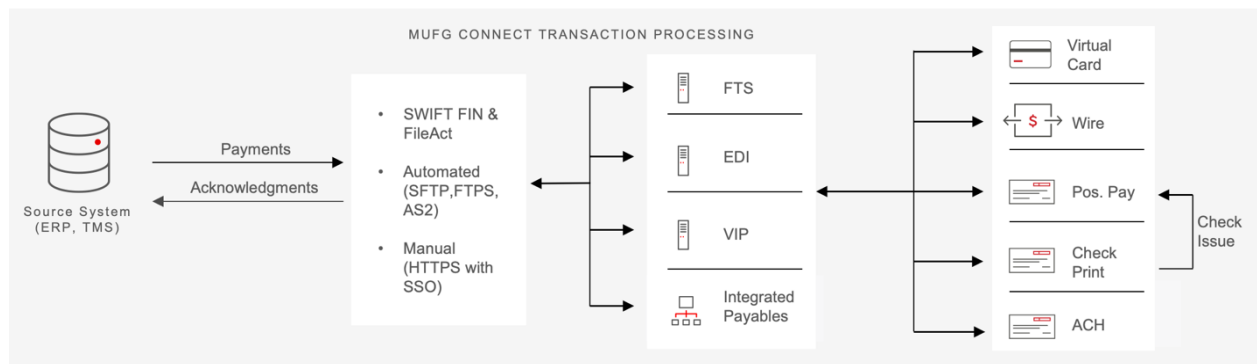
## Processing feedback

MUFG Connect provides enhanced, multi-level acknowledgments and feedback on transaction requests throughout the lifecycle of the payment, including reference data.

- Acknowledgement at each system exchange (i.e., level) including reference number capture (e.g., Fedwire, SWIFT, Chips)
- Positive and negative feedback
- Transmission alerts
- Duplicate checking, content validation, account number validation
- File- and item-level rejection options

## Benefits

- Secure connectivity that provides anomaly detection and fraud prevention
- In addition to support for standard formats, we provide format translation services and vendor integration for processing feedback
- SWIFTNet FIN and FileAct are supported



MUFG Connect provides a range of transmission options to meet your needs, including commonly used protocols (e.g., SFTP, AS2) and others:

Protocol	More information
Secure FTP	<p>We support secure FTP if you want to transmit files in an “unattended”, straight-through processing environment</p> <p><b>Encryption/Data Security:</b></p> <p>You can send files using secure FTP; that is, you must use a form of encryption.</p> <ul style="list-style-type: none"> <li>• The standard encryption method is Secure Shell (SSH sFTP).</li> <li>• Additional encryption on the file, such as PGP, is optional.</li> <li>• SSL has been replaced by TLS 1.2, which we support. MUFG Union Bank adheres to the highest level of security, but recognizes that protocols determined to be less secure (e.g., SSL) are still in use. To maintain security standards, clients using SSL are required to use additional encryption on the file, such as PGP encryption.</li> </ul>
Applicability Statement 2 (AS2)	<p>AS2 is a securely encrypted transmission type</p> <ul style="list-style-type: none"> <li>• AS2 Software is certified for interoperability by Drummond Group</li> <li>• Requires a digital certificate</li> </ul>
Value-Added Network (VAN)	<ul style="list-style-type: none"> <li>• MUFG uses IBM as our VAN</li> <li>• We can establish connectivity from our VAN to any VAN of your choosing</li> </ul>
FIN and FileAct	<p>For our clients that use SWIFT, we support corporate access via both FIN and FileAct</p>
Hypertext Transfer Protocol Secure (https)	<p>To upload to our portal, we offer an internet-based small-file manual upload feature via our online platform (MUFG Exchange) using a native browser (i.e., https) and associated native data security (128- or 256-bit encryption)</p>
IBM® Sterling Connect:Direct®	<ul style="list-style-type: none"> <li>• Secure Plus data security</li> <li>• Formerly known as Network Data Mover (NDM)</li> </ul>

**10) What are the banks maximum character field size for check numbers? Is the field alpha/numeric or numeric only? Will your bank test MICR encoding of new checks?**

The maximum character field size for check numbers is 10 digits. To ensure MICR accuracy, the Bank will perform MICR line testing of new checks

**11) Do you offer full and partial account reconciliation? Please describe the bank’s reconciliation services.**

Yes, MUFG Union Bank offers both full and partial reconciliation. MUFG Union Bank provides multiple reports and reconciliation options and provides access to the County’s various accounts or areas of record keeping to get your true general ledger (GL) balance.

Feature	More information
Reports	The County can access transactions through our Information Reporting service and bank statements. You can view your associated bank account balances through our online portal or receive data transmissions
Images	MUFG Union Bank provides a variety of ways to access images of paid items.  Online: Users can view and download check images from our Information Reporting, Positive Pay, Image on Demand, and Statements Online services  Transmission: We can also provide you with image transmission
Integration	Payment activity can be synchronized with your ERP general ledger balance

MUFG Union Bank also provides an optional Account Reconciliation service. The County can choose the best program for your needs.

Service	Details
Full Account Reconciliation	<p>Reports both check and deposit activity reconciled to your bank statement. Reconciliation is based on check issue input you provide to us.</p> <ul style="list-style-type: none"> <li>• The County provides the Bank with a list of checks issued</li> <li>• Flexible reporting periods</li> <li>• Unique stale date parameter (enables escheatment reporting)</li> <li>• Branch accounting processing</li> <li>• Both standard and optional reconciliation reports are available. Reports are available online in both PDF and CSV formats.</li> <li>• Check images are available through Image on Demand, transmissions, or CD</li> <li>• Stop payments can be automatically renewed</li> </ul>
Partial Account Reconciliation	<p>There is no need to send issue records to MUFG Union Bank because we capture all posting items.</p> <ul style="list-style-type: none"> <li>• Flexible reporting periods</li> <li>• Both standard and optional reconciliation reports are available</li> <li>• Reconciliation reports are available online in both PDF and CSV formats</li> <li>• Check images available through Image on Demand, transmissions, or CD</li> <li>• Receive daily transmission of paid items</li> <li>• Stop payments can be automatically renewed</li> </ul>

Service	Details
Managed Solution	<ul style="list-style-type: none"> <li>• Identifies your deposit activity by location and type on a reporting frequency of your choice.</li> <li>• You can maintain multiple deposit locations using a single demand deposit account (DDA)</li> <li>• Reports:</li> <li>• Deposit Recap report: provides a snapshot of total deposits by date</li> <li>• Deposit Detail report: lists each deposit transaction by location for the reconciliation period</li> <li>• Reports are available online in both PDF and CSV formats</li> <li>• Each individual location is balanced at the end of every period and included in the recap total</li> <li>• Deposit images are available through our Image on Demand service online or via transmission</li> </ul>

## 12) What methods do you provide for input confirmation of stop payment orders?

Stop payments may be initiated online using our Stop Payment service or by calling your dedicated client service officer.

Stop Payment requests submitted via the Stop Payment application provides the customer with an immediate response that indicates whether a stop or request went through successfully. The stop stays in effect for 6 months.

Online: For ARP clients, six months with automatic renewal (additional fees apply) in six-month intervals until the customer notifies us to remove the stop. Stops automatically renew in six-month intervals until notification is received to remove the stop.

Telephone/Fax: For ARP clients, six months with automatic renewal (additional fees apply) in six-month intervals until the customer notifies us to remove the stop. Stops automatically renew in six-month intervals until notification is received to remove the stop.

## 13) Can the request be input online? If input online, is the confirmation immediate?

Yes. Stop payments can be initiated online using our Stop Payment service or by contacting your client service team. Our system verifies if the check had been paid in the last 60 days. Single and range stop payments may be placed online from 7:00 a.m. to 11:00 p.m., Pacific Time, each business day. The effective date will be the same day the stop was placed even if it is on a Saturday. The Bank can accommodate stop requests submitted via the Stop Payment application on Saturdays Stop Payment requests submitted via the Stop Payment application provide the customer with an immediate response that indicates whether a stop or

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cancellation request went through successfully. A Stop Payment order is good for six months and renewable every six months thereafter (additional fees apply).

Stop payments can also be requested for a range of checks.

<b>Online:</b>	Stop payments may be requested for up to 25 checks per request.
<b>Telephone/Fax:</b>	An unlimited number of checks may be submitted by telephone or fax for a range stop.

**14) Within what time frame (hours) does the stop payment order take effect?**

Stop Payment requests submitted via the Stop Payment application provide the customer with an immediate response that indicates whether a stop or cancellation request went through successfully.

**15) How long do stop payment orders remain in effect? Do you have different duration options, such as 6 months, 1 year, or 2 years, without the need to implement extensions? Is the cost different for each option?**

A Stop Payment order is good for six months and renewable every six months thereafter.

**16) In the case of stale dated checks, will the bank agree to not honor any check that has been outstanding (based on the dated date of the check) for six months or more? Is there a cost to us for reviewing and returning stale dated checks presented to the bank?**

Yes. You have the flexibility to set stale-date parameters through the MUFG Union Bank Account Reconciliation service. Stale-dated items are removed from the outstanding total and reported under stale items.

The MUFG Positive Pay services allow you to view stale-dated items attempting to post to the account. You can decide whether to pay or return each item. If no decision is received on exceptions, they are returned, by default, to the bank of deposit.

**17) How does the Bank compensate clients for checks that are cashed after a stop is placed or if stale dated, and how many days does this take?**

Stop payment orders only become effective after the bank has verified that the check has not been paid and the bank has processed the request. If the stop payment request is made against a check that has been paid, the stop order is void.

From the Bank's Disclosure and Agreement, "If we pay your check over a valid stop payment order, we will credit your account for the amount of loss you prove has occurred or the face amount of the check, whichever is less. However, we must have a reasonable period of time to research the circumstances concerning any such check before crediting your account. Until such research is complete, we have no obligation to "provisionally" credit your account. You agree to assign to us all rights against the payee, and/or any other

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holder of your check, and agree to cooperate with us in any legal action that we may take against such persons.”

For additional information, please see the Bank’s Disclosure and Agreement document, included as **Exhibit 02**.

**18) What is the bank’s procedure on forged endorsements after the check has been paid?**

Our Transaction Banking Client Service group addresses inquiries on a one-on-one basis until the inquiry has been researched and resolved. There are established turnaround times or service level agreements (SLA) for responses and adjustments. Requests that require more extensive research may take several days to complete. The Bank has a formal research and problem resolution team that supports your dedicated industry associates. This will ensure all research, adjustments, collections, etc. are handled expeditiously and accurately. Basic inquiries are handled immediately or same day. Emails will receive a response from the system automatically to confirm that they were successfully received and placed in our queue for assignment.

Our TB Client Service team has Service Level Agreements (SLA) for resolving issues:

- Acknowledge Receipt of Case - Immediate
- Resolve Request or Provide a Timeline for Resolution – 24 hours

If final resolution has not been determined within 24 hours, the client will be notified of the anticipated timeframe.

From the Bank’s Disclosure and Agreement: Claim of Loss – If you claim a credit or refund because of a forgery, alteration, missing endorsement, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing any reasonable information we require concerning your account, the transaction(s), and the circumstances surrounding the loss. You also agree to file a police report if we request you to do so.

**19) Describe the firm’s services for providing currency and coin procurement. How is this billed? Can billing be tied to a specific ZBA account to account associated cost?**

Currency and coin orders can be place online through our Cash Vault Web Portal available through MUFG Exchange. Alternative ordering options are IVR, file transmission, or calling CSR.

Our Cash Ordering service is designed to provide both high-quality processing and unique customer information benefits. A variety of management reports are available, including daily reports of all cash orders shipped and monthly reports that detail and summarize state-wide activity.

Our automated cash ordering service offers five options for placing cash orders:

- Touchtone telephone
- Online
- Ordering by representative

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- Pre-established standing orders
  - Data file transmission of batch orders

Cash orders initiated using online banking or a touchtone telephone may be placed 24 hours a day, 7 days a week. Orders can be placed with our representatives Monday through Friday<sup>1</sup> between 8:00 a.m. and 5:00 p.m., Pacific Time. Standing orders are pre-established by day of the week (e.g., \$2,000 in twenties every Thursday).

Online ordering is available using a single sign-on system ID and password. Easy to complete cash order screens request currency and coin denominations and validate order totals to a declared amount. User permission controls can be established to guide the user.

The touchtone service features a simple, user-friendly menu and system access is restricted through use of customer-selected PINs.

Generally, cash orders must be received Monday through Friday<sup>1</sup> prior to 11:00 a.m. local time for next-day delivery, and will be charged to your account the day the order is shipped. For your convenience, orders may be placed up to 180 calendar days<sup>1</sup> in advance through cash vault web portal or 60 calendar days through VRU (Voice Response Unit) / IVR (Interactive Voice Response), and your annual holiday schedule may be placed into our system to automatically change shipment dates for days when you are closed.

<sup>1</sup>Excludes federal holidays

### 3. Positive Pay and non-customers

#### 1) Describe the bank's capabilities for Positive Pay and indicate what fields are currently included. Describe the capabilities for reverse positive pay.

Our Payee Positive Pay Service matches check number, dollar amount and payee name to a file sent by the client to the Bank.

Our Positive Pay service monitors check disbursement activity and provides early detection of unauthorized payments, enabling you to proactively defend yourself against fraud losses and avoid liability issues. And with our Positive Pay service, you have immediate online access to images of check exception items, so you can review all exception items and make your final "pay" or "return" decisions—minimizing disbursement risk and improving your overall treasury management.

Payee Positive Pay expands the level of protection and detection by matching the payee name on checks. MUFG Union Bank will review all issued payee names with leading technology to match and detect alterations to the payee name—any discrepancies between your issue data and the check will be brought to your attention for a pay/no pay decision.

#### How the County will benefit:

- Reduced risk of loss from check fraud Checks are automatically paid only if they match a check issue on file with us.



- Greater accuracy and timeliness Submission of daily check issuance information assures quick detection of any inaccuracies in payment detail.
- Increased control Options such as check image services, maximum dollar amounts, and dual handling improve control over check disbursements, while day-to-day management remains easy and convenient.
- Greater protection and control to get even more protection and prevent internal fraud, Positive Pay is now available with Dual Control authorization. This service adds another layer of approvals for exception decisions and/or issue uploads/ manually entered.
- Positive Pay services available online and from your mobile device Reduce fraud and maintain control of check disbursement activity from anywhere—at any time—with Positive Pay.



### Exception reporting





- Receive images of exception items presented to your account
- Submit instructions to the Bank to return any unauthorized checks
- Review exception reports for the past 120 calendar days (including images and exception details)
- Set options to be notified when your exception report is available, and dispositions are due

For customers utilizing the Controlled Disbursement service, the Same Day Positive Pay option is available to view exceptions identified on the same Business Day allowing you to achieve perfect posting and single day reconciliation.

MUFG Union Bank Controlled Disbursement services give the County control of check disbursements with earlier presentment, so you can eliminate idle balances and improve cash flow.

### MUFG Union Bank advantages

Advantage	Details
 <p>Full range of options to meet your needs with the support of leading client service</p>	<p>Access the depth of a service offering you expect from a global financial institution with the access to personalized client service you typically see at smaller banks.</p> <ul style="list-style-type: none"> <li>• A full suite of easy-to-use Positive Pay services to help prevent fraud loss.</li> <li>• A high level of client service to support all of your needs—from ensuring that you are making the most of services to managing day-to-day needs.</li> <li>• Online and transmission services that are easy to use and support your workflow needs.</li> </ul>
 <p>Fund payables more accurately and know your cash position earlier to potentially access better</p>	<p>Our presentment times typically exceed those provided by both national and regional banks.</p>

Advantage	Details
<p>market rates for investing and/or borrowing</p>	<ul style="list-style-type: none"> <li>• First presentment file is available to the County by 4:30 a.m.PT and averages 99.8% of all items and 99.5% of the total day's value.</li> <li>• Second presentment file is available at 6:45 a.m.PT and contains the remaining checks for the day (if any).</li> </ul>
 <p>Perfect posting and single day reconciliation</p>	<p>Our Same Day Positive Pay and Reverse Positive Pay services enable the County to review and decision exceptions on day one, which enables you to achieve perfect posting and single day reconciliation.</p> <p>You can also access positive pay decisioning via mobile that includes image viewing capabilities.</p>
 <p>Cleaner exceptions reporting</p>	<p>The MUFG Controlled Disbursement service includes cleaning up encoding errors and other misreads of positive pay work prior to presenting exceptions to the County.</p> <p>This is an example of a service enhancement we determined as part of our pursuit find solutions that improve your experience.</p>
 <p>Enhanced data management</p>	<p>Data is available the way you need it for ongoing management and special analyses and tasks.</p> <ul style="list-style-type: none"> <li>• Daily transmissions</li> <li>• Online PDF and CSV files</li> </ul>
 <p>Convenient escheatment management</p>	<p>Actively manage escheatment with up to 300 bytes of data for research notes.</p> <p>We can also help you manage the returned and undeliverable mailed checks.</p>

**2) Do you offer name verification (payee validation) under positive pay? For checks with multiple payees printed on multiple lines, is payee verification done on the first line only or on the first two lines? How restrictive are name specifications for the printed checks? Do you have restrictions such as 12-point font, no bolded names, etc.? Do you have high read rates?**

Yes, MUFG Union Bank includes payee match as part of our Positive Pay service. We review payee names with leading technology to match and detect alterations to the payee name—any discrepancies between your issue data and the check are brought to your attention for a pay/ no pay decision. Details of check specifications are included as **Exhibit 03**.

**Features**

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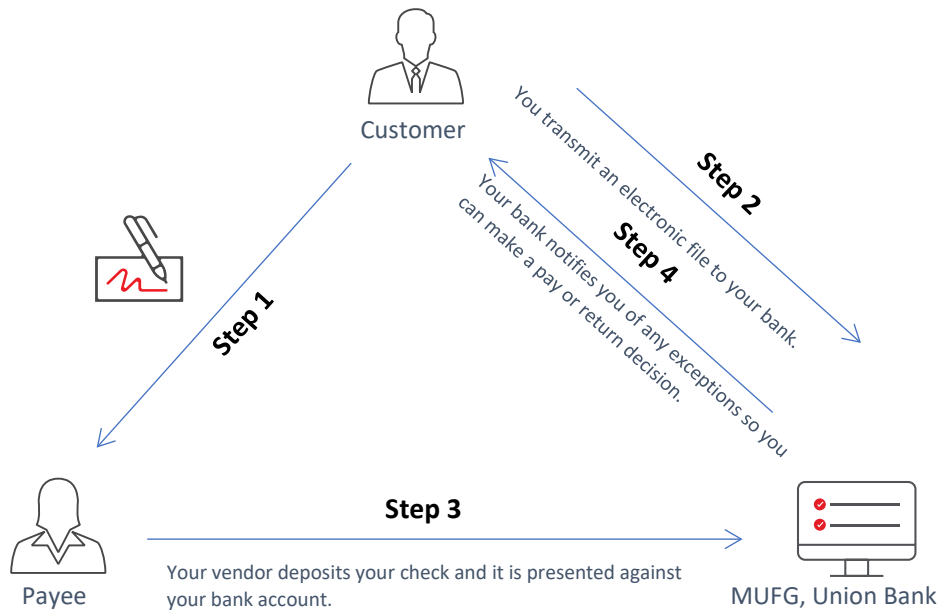
MUFG Union Bank digitally matches the payee name of each check to the payee name on the issue record.

- Our specialized review/scrubbing process helps eliminate false positives.
- If the names do not match, the check is flagged as an exception and presented for decision online.
- We include teller line protection as part of the standard Payee service.

**EARLY DETECTION OF ALTERED OR UNAUTHORIZED CHECKS PROVIDES EFFECTIVE, AUTOMATED FRAUD PREVENTION**

- Checks posting for payment are matched against issue file to find mismatches
- All exceptions which cannot be corrected are escalated to Positive Pay on the Web for the customer to decision pay or return
- If the customer does not decision the banks default is return for exceptions
- Past deadline – the custom default decision or the bank rules apply

How does it work?



(ACCT #)	(CHECK #)	(DOLLAR AMT)	(DATE)	(PAYEE)
1234567890	0000010001000000003220180509			ELECTRIC CO
1234567890	00000100020000005824020180509			WATER CO.
1234567890	0000010003000064383220180509			

Teller line protection available—tellers validate checks presented against Positive Pay accounts (not for RPP)

## POSITIVE PAY KEY FEATURES

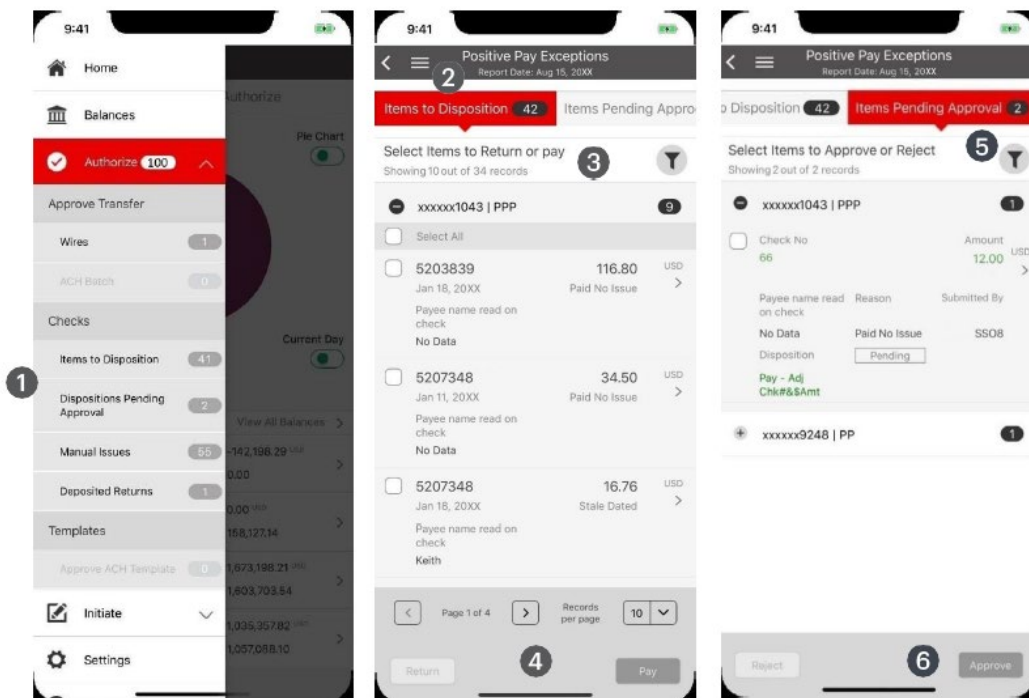
- 120 Days of history
- Check details displayed
  - Check Number
  - Amount
  - Date
  - Payee\*
  - Reason for exception
- View Check Images
- Print Check Images
- 13 dispositions to select from
- Pay/Return All option
- Sort by:
  - Date
  - Account Number
  - Account Type
  - Disposition
- Dual control capability
- Email notifications
- CSV download capability
- Flexible file mapping and upload
- Max Dollar Threshold Setting

The screenshot shows the UnionBank Positive Pay interface. At the top, there are navigation links for Preferences, Help, and Return to My Services. Below this, a reminder states: "Default disposition for Payee, Full, and Basic Pos Pay is 'Return' & 'Pay' for RPP-1ST1-Mess2". The main section is titled "Positive Pay:" and has tabs for PAID ITEMS, EXCEPTION ITEMS (selected), EXCEPTION HISTORY, ISSUES, and ISSUE HISTORY. A "View exception reports for one or more accounts." section allows filtering by account number, with "1111111118 - PPP" selected. Below this is a "Show By:" dropdown set to "-SELECT-" and a "Reset" button. The main table displays "Items to Disposition (8)", "Items Pending Review (4)", and "Decided Items (0)". The table columns are Check #, Amount, Date, Payee, Reason, and Disposition. A dropdown menu is open over the "Disposition" column, listing 13 options: Pay, Pay & Adjust \$amt, Pay & Adjust Check#, Pay - Adj Chk#&\$amt, RTRN-Amts Differ, RTRN-Check Altered, RTRN-Counterfeit, RTRN-Endorsement, RTRN-Missing Sign, RTRN-Post Dated, RTRN-Refer to Maker, RTRN-Sign Irregular, and RTRN-State Dated. A blue arrow points from the "Pay" option in the dropdown to the "Pay" disposition in the table below.

Check #	Amount	Date	Payee	Reason	Disposition	Status	Submitted By
Account Number: 1111111118							
7924	\$334.56		VENDOR...	Payee Mismatch	Pay	Approve   Reject	UNION BANK USER 1
7925	\$5645.00		VENDOR...	Payee Mismatch	RTRN-State Dated	Approve   Reject	UNION BANK USER 1
7950	\$65.44		VENDOR...	Payee Mismatch	RTRN-Missing Sign	Approve   Reject	UNION BANK USER 1

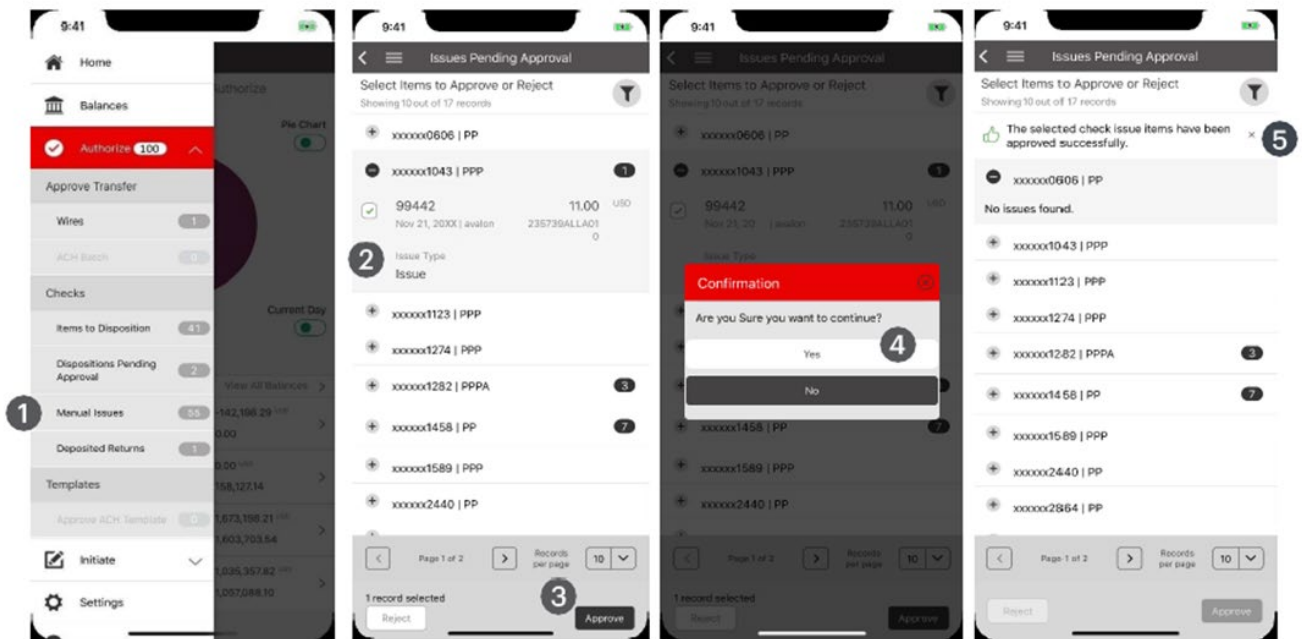
## POSITIVE PAY MOBILE ACCESS

1. Users can navigate to Items to Disposition page and Items Pending Approval from Checks
2. Click on the Items to Disposition tab to see the Exceptions
3. First record will be expanded by default. Click on the '+/-' to show or hide the exception details
4. Action buttons which user can use to perform specification on selected Items. By default, all the buttons will be disabled and will be enabled only when user selects.
5. Click on the Items Pending Approval tab to see all the Exceptions
6. Action buttons which user can use to perform specific action on selected Items. By default, all the buttons will be disabled and will be enabled only when user selects.



## POSITIVE PAY MOBILE ACCESS

1. Click on Manual Issues to see Issues Pending Approval
2. User can see the Issues list, where user can perform actions by selecting single record or multiple records.
3. Select the record from Issues list and click Approve
4. Click “Yes” on confirmation dialog to Approve
5. Confirmation message shows in top after Approved Successfully



### 3) How are exception items under Positive Pay reported to the County? Describe how the bank provides image viewing for exception items.

MUFG Positive Pay exception reports are delivered online (desktop and mobile).

### 4) How are exception items under Positive Pay reported to the County? Describe how the bank provides image viewing for exception items.

MUFG Positive Pay exception reports are delivered online (desktop and mobile).

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**5) What level of information on positive pay rejections and exceptions is provided?**

Yes. On each Business Day, we provide you with a report of checks presented to us for payment on the prior Business Day that have been identified as exceptions.

For customers utilizing the Controlled Disbursement service, the Same Day Positive Pay option is available to view exceptions identified on the same Business Day allowing you to achieve perfect posting and single day reconciliation.

Same-day detail information includes check serial numbers and dollar amounts.

**6) Can check status be viewed online via PC?**

Yes. MUFG Union Bank provides reports that list paid items and any outstanding (unpaid) items. Reports are available online or through transmission.

**7) Will your bank charge non-account holders a fee to cash our checks? The County's expectation is that this service be at no cost to the payee attempting to negotiate a check drawn from proposer's entity to all payees, whether they have a banking relationship or not with proposer.**

No, MUFG Union Bank will not charge non-account holders a fee to cash the County's checks.

**8) Will the bank charge a foreign ATM charge when EBT participants utilize the Bank's ATM?**

No. MUFG Union Bank will not charge a foreign ATM charge when EBT participants make use of the Bank's ATMs.



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## 4. Wires and ACH

- 1) **The County uses ACH for Direct Deposit of employee’s payroll. What are your cutoff times for delivery of a direct deposit file? What is the ‘drop dead’ deadline to guarantee employee posting? Are there fees associated with missing the standard deadline? Are fees different if the direct deposit files are delivered prior to deadline date? Describe types of direct deposit files acceptable to the bank.**

Standard ACH Processing Deadlines – Credit and Debit Origination

- 6:00 p.m., Pacific Time

Same Day ACH Processing Deadlines-Credit and Debit Origination

- WEB - 12:00 p.m., Pacific Time
- Transmission - 12:00 p.m., Pacific Time

Additional fees apply to same day ACH payments.

- 2) **Describe the acknowledgments you provide when you receive a file transmission, including the level of detail, the information required, and the reconciliation procedures involved. Describe security measures.**

MUFG Union Bank provides confirmation after we receive the reference number from Fed, CHIPS, and SWIFT. We base confirmations on how you initiate your wires.

Wire initiation channel	How you receive the confirmation
Online	Online
Transmission	Confirmation file
Integrated Payables	Message acknowledgements
Phone	Phone



### 24/7 MONITORING

View wires online and via mobile device anytime

Wire transfer information and confirmations are also available through our Information Reporting service and alerts and notifications services. You can define these alerts based on dollar thresholds and choose to receive them by text, email, or telephone.

All detail information is reported through SWIFT advices, SWIFT 950 statements, and various online reports, including Information Reporting service reports.

Wire transactions for demand deposit accounts (DDA) are updated in real time through our Information Reporting service. The report displays complete wire detail information, including the amount of the wire, sending or receiving bank name, beneficiary name, MUFG Union Bank transaction reference number, MUFG Union Bank account number to be debited or credited, and subtotals of debits and credits for each account. The entire day's transactions can be reported or just those wire transactions processed since your last report-access session earlier in the day.

Foreign currency demand account (FCDA) wire transactions are updated hourly from 8:00 a.m. to 5:00 p.m. PT each business day, excluding federal holidays.

### **About Acknowledgements**

MUFG Connect provides robust feedback for files and transactions throughout the lifecycle of a payment.

Acknowledgements are available at each system handoff (i.e., level) and include reference (e.g., Fedwire, SWIFT, Chips) numbers and feedback that are positive only, negative only, or both positive and negative. Additional features include:

- Duplicate checking, content, and account number validations
- File- and item-level rejection options

We offer traditional multi-level acknowledgements using ANSI X12 EDI standards (X12.997 and X12.824), as well as ISO20022 acknowledgment standards (pain002 version 3), and other formats that you require (NACHA, CSV, Flat File, Modified Standard, or other proprietary formats).

For X12 acknowledgements, MUFG Union Bank offers the following options in a single file:

- Transmit wrapped 997/824
- Transmit unwrapped 997/824
- Multiple 997/824 interchange

### **Payment acknowledgements**

Payment processing acknowledgements can be pushed to you or pulled by you through any secure unattended host-to-host protocol (e.g., sFTP, AS2, VAN), transmitted via SWIFT FileAct, and manually retrieved (i.e., attended) via our online interface (i.e., https).

- Level 1 – Initial receipt and processing of a file
- Level 2 – Processing complete by the payment system
- Level 3 (wires only) – Processing complete by the clearing system

### **24/7 WIRE MONITORING**

View wires  
information online and  
via mobile device  
anytime

## File-based acknowledgements details

Acknowledgement Matrix				
Level	Description	Wires	Positive Pay	ACH
Level 1	<ul style="list-style-type: none"> <li>Syntax and content validation</li> <li>The EDI system received and is able/not able to process the transactions</li> </ul>	✓	✓	✓
Level 2	<ul style="list-style-type: none"> <li>Transaction processing system acknowledgement</li> <li>The payment system received and is able/not able to process the transactions</li> </ul>	✓	✓	✓
Level 3	<ul style="list-style-type: none"> <li>Clearing system acknowledgement</li> <li>The clearing system received and processed the transactions</li> </ul>	✓	▪	▪

## ACH acknowledgements

Transmission ACH clients must confirm ACH File Control totals via ACH Exchange before files are transmitted to the Bank. This process confirms the authenticity of the file for MUFG Union Bank.

- When received, our back end ACH processing system, PEP+, matches totals entered and Addenda Entry counts.
- The ACH Exchange system generates an email confirming whether or not the totals entered match. If totals do not match, Electronic Banking/ACH Operations contacts you.

ACH Transmission provides ACH File Acknowledgments with no need for customization:

- The ACH Exchange system generates an email acknowledgment when the ACH originator confirms a total in ACH Exchange and PEP+ receives file
- PEP+ ASAP sends an email acknowledgement
- When a file is received by MUFG Union Bank, the Electronic Banking Authority (EBA) Alerts also sends transmission event notification emails or SMS alerts.

We can also provide custom acknowledgements in addition to these three acknowledgments

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### 3) Do you recommend pre-notifications for every transaction prior to transfer?

Yes. We recommend the use of pre-notifications for recurring entries to avoid unnecessary returns to dollar-valued transactions due to incorrect account numbers, closed accounts, or other situations.

Although pre-notifications are no longer required under NACHA rules, we strongly recommend the use of pre-notifications for recurring ACH entries. This practice may avoid unnecessary returns with incorrect account number, ABA number, or closed account status.

### 4) Describe how you handle return items and returned pre-notifications.

MUFG Union Bank takes multiple steps to repair wires based on each situation. There are situations where we return the wire with an explanation (e.g., no clearly identified account number to credit, account number and name do not match, incomplete ABA number or SWIFT address) and request that you reissue the wire with amended instructions, sometimes with additional details.

An investigation is always initiated to determine whether to apply funds or return them.

The County will receive notification of administrative returns, ACH returns, or notification of change through our ACH online services, or file transmission.

### 5) Are there any restrictions on the software we can use to prepare our payroll in order to be compatible with your direct deposit service?

No. At MUFG Union Bank, our goal is to simplify connectivity. MUFG Connect accomplishes this using a three-pronged approach to integration.

#### 1. A range of standard formats and connectivity options

- Formats: ISO 20022 XML, ASC X12 EDI, NACHA, BAI, BAI2, SWIFT, and other commonly used formats such as CSV and others.
- Connectivity: Direct connectivity options include commonly used protocols such as SFTP, FTPS, and AS2 as well as Value Added Networks (VANs). We also offer an internet-based small file upload feature via our online platform. In addition, we support SWIFT Corporate Access for FIN and FileAct.

#### 2. Format Translation Services: format transformation as a service—no coding because we conform to your format requirements

We recognize technical resources are precious. Format transformation is an integral component of the MUFG Union Bank transmission-based services so that the County can make a transition to a new banking partner easily. To remove the complexity of bank change management processes, we shorten the implementation time by providing mapping as an operationally delivered service.

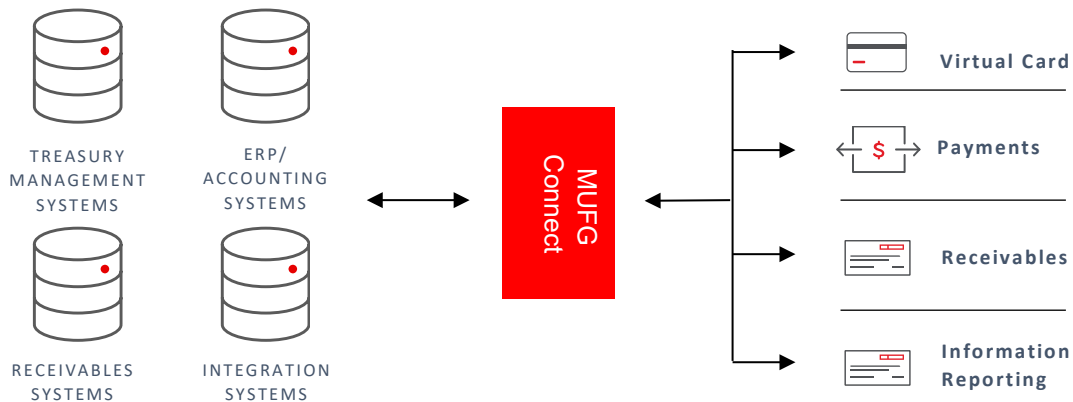
### 3. Vendor Integration Program (VIP): standard connectivity with application providers

We have strong relationships and standard processes already established with ERP and Treasury Management System (TMS)/Treasury Workstation providers. Simply let us know what kind of payments you want to make, acknowledgements to be received, and balance and transaction information to be delivered to you because full integration is already in place. This removes the need to discuss format, protocol, and data security. It also significantly reduces or eliminates the need for file testing.

In addition, a key MUFG Union Bank objective is to leverage API as the basis for standardized connectivity with vendors in the near future.

#### Vendor Integration Program

Established connectivity with ERP, TMS, receivables, and integration providers



MUFG Connect provides a range of transmission options to meet your needs, including commonly used protocols (e.g., SFTP, AS2) and others:

Protocol	More information
Secure FTP	<p>We support secure FTP if you want to transmit files in an “unattended”, straight-through processing environment</p> <p><b>Encryption/Data Security:</b></p> <p>You can send files using secure FTP; that is, you must use a form of encryption.</p> <ul style="list-style-type: none"> <li>• The standard encryption method is Secure Shell (SSH sFTP).</li> <li>• Additional encryption on the file, such as PGP, is optional.</li> <li>• SSL has been replaced by TLS 1.2, which we support. MUFG Union Bank adheres to the highest level of security, but recognizes that protocols determined to be less secure (e.g., SSL) are still in use. To maintain security standards, clients using SSL are required to use additional encryption on the file, such as PGP encryption.</li> </ul>

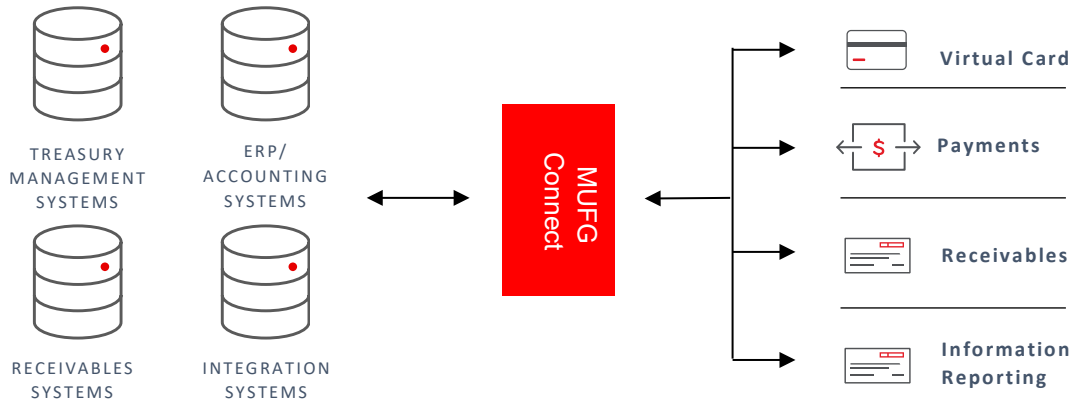
Protocol	More information
Applicability Statement 2 (AS2)	AS2 is a securely encrypted transmission type <ul style="list-style-type: none"> <li>AS2 Software is certified for interoperability by Drummond Group</li> <li>Requires a digital certificate</li> </ul>
Value-Added Network (VAN)	<ul style="list-style-type: none"> <li>MUFG Union Bank uses IBM as our VAN</li> <li>We can establish connectivity from our VAN to any VAN of your choosing</li> </ul>
FIN and FileAct	For our clients that use SWIFT, we support corporate access via both FIN and FileAct
Hypertext Transfer Protocol Secure (https)	To upload to our portal, we offer an internet-based small-file manual upload feature via our online platform (MUFG Exchange) using a native browser (i.e., https) and associated native data security (128- or 256-bit encryption)
IBM® Sterling Connect:Direct®	<ul style="list-style-type: none"> <li>Secure Plus data security</li> <li>Formerly known as Network Data Mover (NDM)</li> </ul>

**6) The County uses ACH to pay vendor invoices and employee reimbursements via a single ACH file transmission to the bank that includes both PPD and CCD ACH Standard Entry Class (SEC) payment types, as classified by NACHA. PPD is used for payments/distributions to employees, while CCD is used for all other payments/distributions (vendors, taxing entities, etc.) types. What are your different file transmission options? What are your delivery and transmission deadlines? Can transmissions be initiated and monitored online?**

MUFG Union Bank supports the following standard entry class payments types:

- CCD- Corporate credit or debit
- CCD+ - Corporate credit or debit with simple remittance
- CTX- Corporate Trade Exchange
- PPD – preauthorized consumer payment or deposit
- WEB – consumer-initiated internet or mobile entry
- TEL – Telephone initiated entry
- Other – Additional entry class codes such as IAT, BOC, ENR, DNE are supported if needed.

Connectivity: Direct connectivity options include commonly used protocols such as SFTP, FTPS, and AS2 as well Value Added Networks (VANs). We also offer an internet-based small file upload feature via our online platform. In addition, we support SWIFT Corporate Access for FIN and FileAct.



**7) The County submits federal and state tax payments by ACH file transmission. What options do you offer for initiating ACH transactions for tax payments? What are your delivery and transmission deadlines? Can transmissions be initiated and monitored online?**

The following delivery options are available for the County to make tax payments.

- 1) Instatax online – module of MUFG Exchange portal specifically dedicated to federal, state and local payments with pre-formatted tax templates. Payment deadline is 3:00 p.m. Pacific Time, 2 days prior to due dates.
- 2) ACH Online system has preformatted tax templates based on tax types for the specific agency. This payment option includes dual and multiple approval options. Client can also add and make a new tax payment without coordinating a new setup with the bank. With credit approved clients, payments can be made same day (dependent on taxing authority) and up to 30 days in advance. Payment deadline is 6:00 p.m. Pacific Time.
- 3) Direct file transmission – If your systems can create tax payments formatted according to NACHA and taxing agency requirements, the bank can accept and process those payments. With credit approved clients, payments can made 1 day prior to due dates. Payment deadlines is 6:00 p.m. Pacific Time.

**8) If we use your service for making tax payments, do you guarantee the timing of the payment? If the payment has been made within your cutoff time but is delayed, will you absorb any penalties and interest charges assessed by the tax authority? Describe any restrictions or limitations.**

Yes. We guarantee the timing of the payment, and we absorb any penalties and interest charges assessed by the tax authority. There are no restrictions or limitations

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**9) Do we have the ability to change, add or delete an item after transmitting our ACH file to you? If yes, describe the procedure and cutoff times?**

The County may choose to delete a file, batch, or a transaction that has not yet been sent to the ACH network.

For payments initiated via ACH online, you may request deletions or reversals via our ACH Online system. Changes for ACH Transmission can be made via our ACH Exchange system.

In correcting a file, batch, or detail ACH entry, correcting files, batches or entries must be resubmitted to the Bank for processing within our standard processing deadlines.

**10) Describe your system security in general and how it will guard against unauthorized ACH debits to the Treasurer's accounts. If unauthorized ACH transactions post to a Treasurer account, describe how the transaction would be resolved.**

We offer a variety of fraud protection services including ACH blocks and Electronic Payment Authorization service that help detect and manage unauthorized ACH activity before it posts to your bank account.

Our Electronic Payment Authorization, EPA (ACH Positive Pay) service is similar to Positive Pay service for checks. You provide a one-time notification of all recurring authorizations. The recurring authorizations are then posted when the entries fit within the criteria. Reports of unauthorized ACH activity are available and enable you to permit certain transactions even if they were not in the payment parameters you originally designated.

You can selectively accept ACH debits only from originators you authorize. Exchange supports maintenance and Decisioning of EPAs. We also offer Universal Payment Identification Codes (UPIC). A UPIC is a unique number assigned to a bank account coupled with a universal routing and transit number. It increases the security of electronic payments by allowing customers to initiate electronic ACH credit payments without having to publish sensitive bank account details. Essentially, the UPIC becomes the organization's ACH remittance address.

**11) What assistance do you provide in establishing a new ACH transmission? Do you provide access to a database of ACH member institutions and ABA transit routing codes?**

The County will be assigned an implementation manager after we receive and confirm the setup documentation. The implementation steps include:

- Providing user guides
- Confirming customer requirements
- Document testing
- Completing the terms and conditions agreement and necessary forms
- Implementing services based on your requirements
- Testing transmission service



- 
- Scheduling phone, Webinar, or on-site training

After we receive and confirm the setup documentation, including the terms and conditions agreement, all steps are generally completed within two to four weeks depending on the complexity of the implementation.

The bank also can provide a database of ACH member institution and ABA routing codes via transmission.

Please refer to **Exhibit 04** for a Sample Implementation Timeline.

## **12) Describe the Bank’s online wire transfer capabilities. What is the cut-off time in Pacific Standard Time for initiating wire transfers to ensure same-day execution?**

The MUFG Union Bank online interface makes it easy for you to manage wires conveniently online. The County can add and delete users and update:

- Account number access
- Approval capability
- User aggregate daily dollar amount limits
- User aggregate daily transaction limits
- User function capability
- User create capability
- User dollar limits
- Template creation capability
- Individual wire user dollar limits

In addition to managing users and initiating and cancelling wires, you can monitor wires 24/7 online. The County can also make any type of wire payment and view the status of each wire via a mobile device.

## **13) What safeguards and security measures does the bank have in place to protect the County, especially against unauthorized use of the system? Are there daily limits on wire transfers?**

Yes. The County limits are established based on your specific requirements for funding limits and fraud prevention. When a limit is exceeded, further wire activity requires manual intervention after appropriate approval or additional funds are credited to the account.

All data transmission methods incorporate encryption and authentication procedures and processes. The process and/or technology used depends on the transmission protocol. Additional security is provided by requiring user ID and password.

Security of the County’s data and systems is our top priority. MUFG Union Bank:

- Takes a multi-layered security approach
- Continuously monitors, evaluates, and invests in new fraud-prevention technologies
- Has a dedicated Fraud Management team, which monitors online activity and immediately responds to potential fraud

**Approach**

At MUFG Union Bank, managing and protecting against fraud is delivered in two primary ways.

1. Fraud prevention processes, procedures, and technology are integrated into our basic systems infrastructure to protect you from evolving fraud schemes.
2. The County can choose to apply additional fraud prevention products and services based on your specific needs.

Our online portal, MUFG Exchange, is designed to provide maximum online protection of your financial data and transactions through the following solutions.

Fraud solution	Description
Multi-layered security approach	Detects suspicious activities associated with user logins and transaction initiations using various technologies.
Security tokens (mobile and physical)	Enables two-factor authentication that is required for payment authorizations.  We also recommend that tokens be used at login for enhanced security.
IP address restriction	Restricts access to your accounts by approved IP addresses.
Account activity alerts	Provides the County with insights into any unusual activity on each account.
Anti-virus threat protection software	Protects desktops from malware, viruses, and phishing attacks. This is a complimentary application provided to the County.
Check and ACH Positive Pay services	Enables the County to review check-exception items and unauthorized ACH transactions online to make final pay/no pay decisions  <ul style="list-style-type: none"> <li>• Minimizes the risk of fraud</li> <li>• Improves overall treasury management control</li> </ul>

**A LAYERED APPROACH TO MITIGATING FRAUD**

We apply best practices and practical knowledge to layering security both online and offline.

**Assessing new fraud prevention opportunities**

MUFG Union Bank assesses best practices and technologies on an ongoing basis to incorporate the best available, effective fraud prevention techniques.

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**14) Describe your procedure for notifying us when an ACH or wire transmission fails. How soon will the notification occur?**

Electronic Banking will contact the customer immediately if any ACH files sent via FTP fail at PEP+, the Bank's ACH processing system, and cannot be processed for release in the next scheduled distribution. The Electronic Banking message will indicate what caused the failure and work with the County to correct and re-transmit. Because settlement of the files does not actually take place until a file is processed successfully, the customer's offset account is not impacted until the file is fully processed. There is no need for funds to be returned because the debit or credit to the customer's account occurs only after a successful PEP+ entry and the file is released to the ACH network for processing.

**15) Is your bank both a sending and receiving bank of the National Automated Clearing House Association (NACHA)?**

Yes. MUFG Union Bank is both a sending and receiving bank of NACHA.

**16) With regards to your ACH and wire services, what are the bank's contingency plans in the event of a system failure? Do you offer these services by a means other than computer – a backup process if internet/transmission lines are unavailable?**

Many of our customers have a backup Internet service provider (ISP) available as part of their disaster recovery plan.

**MUFG Connect**

If standard file transmission delivery mechanisms fail, you can attach and upload files using a secure channel provided through MUFG Exchange.

If a disaster prevents the County from initiating wire instructions using your preferred method, you can send us instructions using the backup method specified in your agreement. We also work with the County to set up an alternative processing option for the duration of the situation.

**17) What type of ACH blocks or filters are offered? Please explain in detail all types.**

Yes. We offer a variety of fraud protection services including ACH blocks and Electronic Payment Authorization service that help detect and manage unauthorized ACH activity before it posts to your bank account.

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## 5. Deposit Activity

### 1) Describe the bank's required preparation for the cash and check deposits, including both encoded and un-encoded check deposits. How does the proposer handle unbundled currency and coin? Occasionally the county does receive foreign checks, describe the capabilities to process foreign checks. Please include any associated fees with this process in the schedule of fees.

MUFG Union Bank provides procedures for unencoded deposits in order to accelerate processing.

- Checks only (we can provide cash vault services for your cash and coin deposit needs)
- Include a completed deposit slip
  - 250 checks or less per deposit slip
  - Use rubber bands only to bundle check deposits of up to 250 checks
- Include an adding machine tape (list each check amount and a total)
- Place inside a deposit bag
- On the outside of the bag include the following:
  - Your Company Name
  - Total dollar amount for the deposits within the bag
  - Note "MUFG" on the bag

Large amounts of coin should be bagged loose, not rolled. All bagged coin or bulk coin deposits should be delivered by armored carrier to one of our commercial cash vaults. Rolled coin deposits may incur additional fees. A small amount of coin (e.g., 30 coins or fewer, < \$10 in value) may be included with currency deposits.

We provide detailed deposit instructions to all clients.

Please refer to the **MUFG Union Bank Pricing Schedule** for any fees for depositing loose or rolled coin.

Canadian items in USD receive 4 days float. All other items are sent for collection and funds are made available upon receipt from the paying bank.

### 2) Will the bank be able to fulfill our requirement that all returned deposit items will be re-deposited at least once? Is there a charge for this? Is there a NSF check fee for the first and/or second return on the same deposit?

Yes. Returns may be automatically re-deposited one time in conjunction with federal regulations. Non-sufficient funds (NSF) and uncollected funds (UCF) items may be re-cleared two times.

The County can view return items via our Deposited Items Returned online service. In addition, you can re-clear or chargeback eligible returns.

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**3) What availability will we receive for check deposits? Are your availability policies different from the Federal Reserve Bank's availability schedule? Will we receive same day availability of funds for all deposited checks drawn on the bank?**

The County will receive same day Ledger Availability if the Ledger deadlines are met. Collected availability is determined by the County's availability schedule. Please see **Exhibit 05** for the County's availability schedule.

**4) Describe how the bank handles any deposit discrepancies. Is there a minimum adjustment amount? What supporting documents are provided for deposit adjustments? How will you notify the Treasury?**

We differentiate between a deposit correction and an adjustment. Our check processing area balances and corrects deposits each business day. The credit or debit transaction created to balance is referred to as a deposit correction. For deposit corrections, a reconciliation report is available on a daily basis, or a deposit reconciliation file is available via transmission daily, weekly, or at the end of the monthly account cycle.

Adjustments are defined as corrections that are made a day or more after the day of deposit (e.g., an adjustment for an encoding error that did not cause an out of balance condition). Notices detailing the cause of deposit corrections or adjustments are mailed to either the location specified or to corporate headquarters.

A notice detailing the cause of a cash-vault adjustment is delivered by e-mail and is available online. Backup documentation is available upon request. In most cases, cash deposit corrections are processed on the business day following the deposit.

Corrections and/or adjustment amounts are reported on your prior-day information reporting. You can review the deposited items returned through our online service. We will also mail detailed notices.

In addition, we recommend that you review your account analysis statement within 30 days of the statement or billing date, and report any inaccuracies, errors, or questioned entries in writing. If we receive a written notice from you within this 30-day period, we may make correcting entries or revisions for the most recent period covered by analysis, which is reflected on the next statement.

We provide all pertinent information, including currency denomination, deposit slip, and location data with deposit adjustments.

We notify you by generating and mailing a deposit correction notice. The deposit correction notice includes:

- Deposit account number
- Deposit amount and posting date
- Location (if applicable)
- Alternate account charged (if applicable)
- Message including capture date and bank reference number
- Reason for correction
- Documentation for deposit correction items greater than or equal to \$50.

**5) Describe your return procedures for checks. Can you return the original check? Can you provide an internet based returned-check list with images both front and back?**

Yes, we can return the original check as well as providing an internet based returned check list with images both front and back through our online Deposited Items Returned services.

The MUFG Union Bank online Deposited Items Returned service provides you with access to images of the front and back of deposited items returned for a given business day that are scheduled to be charged back or re-cleared to the account that night.

**DEPOSITED ITEMS RETURNED**

The MUFG Deposited Items Returned service enables The County to review and decision each individual item conveniently online.

In addition, the return system also allows you to set default business rules to charge back or re-clear the items or establish dollar value thresholds for the County to make the decisions on the items. The items can be saved for the County to your accounts receivable system and import into a collection letter.

**Image on Demand**

The MUFG Image on Demand service enables the County to view a seven-year archive of images of deposit tickets and the front and back of deposited checks (as well as paid checks).

Channel	Accessibility details
Online	You can access checks for the past seven years
Online download	Images are available for download for 14 days
Transmission	Images are accessible for 14 days from the date of transmission

MUFG Union Bank enables you to access prior and current day account balances with transaction detail online through the following options.

Option	Details
<b>Information Reporting Landing Page: Balance Screens</b>	<p>Access information quickly from the Information Reporting page:</p> <ul style="list-style-type: none"> <li>• Balances (i.e., balance screen) for those users with access</li> <li>• Complete transaction (e.g., ACH, wires) detail and images are immediately available by clicking on the date link on the balances screen</li> <li>• Five days of historical data and 120 calendar days of historical data</li> </ul>
<b>Reports</b>	<p>Standard and other text-based reports (i.e., special reports ) provide balance and transaction detail information:</p> <ul style="list-style-type: none"> <li>• 120 calendar days of historical data</li> <li>• Customized reports for quick, ongoing access</li> </ul>

Option	Details
<b>Transaction Search</b>	<p>Search for a specific transaction or a group of transactions by the following categories.</p> <ul style="list-style-type: none"> <li>• Account</li> <li>• Transaction Type</li> <li>• Criteria</li> <li>• Date</li> <li>• Serial number</li> <li>• Amount</li> <li>• Customer Reference number</li> <li>• Bank Reference number</li> </ul> <p>Images (if available for the specific transactions) are provided on the transactions results page.</p>
<b>Export</b>	<p>Export account balances and transaction information in a variety of industry-standard and character-delimited formats.</p> <ul style="list-style-type: none"> <li>• BAI2</li> <li>• Comma separated</li> <li>• QuickBooks</li> <li>• Semicolon separated</li> <li>• SWIFT</li> <li>• Tab Separated</li> </ul>

## Features

Feature	Details
<b>Historical data access</b>	<p>Determine an overall integrated treasury position by viewing historical information is available for up to 120 prior calendar days for your MUFG Union Bank USD and foreign currency demand accounts and other non-MUFG Union Bank accounts.</p>
<b>Customization</b>	<p>Flexible, user-friendly data selection capabilities enable you to customize standard reports for:</p> <ul style="list-style-type: none"> <li>• All or specific accounts</li> <li>• Reference numbers (e.g., check numbers and amount ranges)</li> <li>• Deposit locations</li> <li>• Date ranges</li> <li>• Transaction types</li> </ul> <p>Save customized reports with frequently selected criteria for a single user or multiple users.</p> <p>Easily edit and delete reports from within a user's list as needs change.</p>

Feature	Details
<b>Data search</b>	<p>Select a single date, range of dates or relative and absolute dates and choose from pre-defined types of data (e.g., all credits, ACH debits, wire debits and credits).</p> <p>For example, view all incoming wire transactions greater than \$25,000 for a specified account.</p>

MUFG Union Bank provides a full range of prior day reports to meet your specific needs.

Prior day reports	
Report name	Description
<b>Prior Day Summary</b>	<p>Posted information for USD and foreign currency accounts:</p> <ul style="list-style-type: none"> <li>• Closing ledger balance</li> <li>• Opening and closing available balance</li> <li>• Total float, one day float, and two-or-more days float</li> <li>• Dollar totals for all credits and debits</li> <li>• Number of credits and debits</li> <li>• Dollar totals for ACH, wire transfer, zero-balance accounting, deposited items returned, sweep, and lockbox transactions</li> <li>• Adjusted ledger balance after back-valued transactions (which change the previously reported closing ledger balance) posted to MUFG Union Bank foreign currency accounts</li> </ul>
<b>Prior Day Detail</b>	<ul style="list-style-type: none"> <li>• Posted transactions on individual credits and debits for MUFG Union Bank USD and foreign currency accounts as well as non-MUFG Union Bank accounts</li> <li>• Complete transaction detail reported on ACH and Wire debit and credit transactions, if the account is also set up for current day reporting. All other transactions display description, amount, reference information (e.g., batch, sequence, check numbers, descriptive text)</li> <li>• Transaction types or individual BAI type codes can be selected for all posted debits and credits for ACH, account reconciliation, lockbox, wires, deposits, checks, investments, sweeps, deposited items returned, securities, treasuries, international, and zero-balance transactions</li> </ul>
<b>Prior Day Combination</b>	<p>All posted account summary and detail information from the prior day summary and detail reports.</p> <p>The summary and detail sections are displayed together for each account.</p>



Prior day reports	
Report name	Description
Paid Check	Paid checks, including check number for BAI type code 475 – Check Paid.
Prior Day Detail No Check	The same information as the Prior Day Detail, excluding the Check Paid detail type code (i.e., BAI 475).
Multi-Day Statement	<p>Prior day information from the beginning of the current month through the last prior day for which transactions were posted.</p> <ul style="list-style-type: none"> <li>• Opening ledger (from the first business day reported)</li> <li>• Total debits, reflecting the total for all dates that Transactions display</li> <li>• Total credits, reflecting the total for all dates that Transactions display</li> <li>• Closing ledger (from the last business day reported)</li> <li>• All transactions for the posted dates in the report</li> <li>• Transactions for each account listed in BAI type code order (e.g., ACH Credit (165) ,Wire Credit (195)). Credits are listed first, then debits.</li> </ul> <p>Transaction information includes:</p> <ul style="list-style-type: none"> <li>• Posted date</li> <li>• Transaction name</li> <li>• Amount</li> <li>• Bank reference number</li> <li>• Customer reference number</li> <li>• Transaction detail</li> </ul>
Positive Pay Exception Report	<ul style="list-style-type: none"> <li>• Previous day summary totals for all provisionally paid exception items detected after processing of paid checks in the Account Reconciliation system (i.e., BAI type codes 478 and 479).</li> <li>• Previous day information for all exception items detected after the processing of your paid checks in the Account Reconciliation system. The report also lists check number and reason for each exception item.</li> </ul>
Deposits Processed	<ul style="list-style-type: none"> <li>• Previous day information on deposits by date, amount, division, location, and type.</li> <li>• The MICR line encoded on each deposit ticket contains the location and type of deposit</li> </ul>
EDI Receipt Report	<ul style="list-style-type: none"> <li>• Incoming ACH, lockbox, and wire payments from your trading partners</li> <li>• Payments and remittance data displayed include debit/credit party routing numbers, company ID, trace numbers, and receiver/originator information</li> </ul>

Prior day reports	
Report name	Description
Money Market	<ul style="list-style-type: none"> <li>• Money market account ledger balances, accrued interest, interest paid, location names, escrow names, and numbers as of close of business the previous day</li> <li>• Details listed by account and subtotaled by location</li> </ul> <p>Reports are available by account or escrow number</p>

Please see the Exhibit 01 for sample reports.

**6) What are the cut-off times for cash and check deposits at the banks operations center to ensure same day ledger credit? Provide the deposit location for cash armored car deliveries and check courier deliveries.**

Cut-off times to ensure same-day ledger credit vary based on the type of service:

**Cash Vaults**

- Cash deposits: 8:00 p.m. local time in most major metropolitan areas
- Smart Safe deposits: 8:00 p.m., Pacific Time

**Branches**

Monday through Friday - 5:00 p.m., Pacific Time

**Remote Deposit Service**

8:00 p.m., Pacific Time

**Image Cash Letter:**

10:30 p.m., Pacific Time

Customers have access to a network of over 130 vault processing centers across the U.S. which are operated by Loomis, Brink's or Garda through strategic agreements with MUFG Union Bank, N.A.

All of our vaults offer a full suite of traditional cash services including deposit processing and fulfillment of change orders. Most also offer image-based check capture services.

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**7) The Treasurer’s office, located in Redwood City, CA, requires daily cash and minimal coin deposits delivery to the bank. Pickup will need to be arranged during regular business hours Monday – Friday between 9:00AM- 5:00PM. Does the bank, or a third party, provide secure transportation services/armored courier for deposits? What are the costs for these services? Can these costs be paid from earning allowance credits through the Bank’s monthly Account Analysis Statement? Seasonally, the Treasurer’s office will require armored courier services to pick up deposits from our South San Francisco location, describe the process of adding seasonal service then ceasing service. No other armored courier services will be needed. It is the County’s desire to keep this service within the banking contract, contracting this service out independently would be highly undesirable.**

The bank will continue to support the County’s current Armored Carrier contract.

Yes, MUFG Union Bank contracts cash vault services with 4 national armored carrier providers. Contracted provider’s cash vault teller will open all deposit bags in dual custody in a staging area staffed by several employees under Closed Circuit Television (CCTV). All deposits verified are entered into vault system where timestamp can be reviewed on CCTV recording to identify any issues.

The costs are negotiated with the County and the carrier, and fees are billed through account analysis. The County can switch between payment in combinations of compensating balances, soft dollars and hard dollar payments for all charges billed through AAA.

Seasonal changes to the armored transportation pickup schedule are coordinated with vendor directly by the County.

**8) What is the same-day ledger cut-off for direct local branch deposits, should that ever be necessary? Does the bank have at least one branch in the City of Redwood City? Where are bank branches located in Redwood City? Due to unforeseen circumstances, departments may need to deposit collected funds themselves directly to a branch, are branches able to facilitate such occurrence?**

Cut-off times to ensure same-day ledger credit vary based on the type of service:

**Cash Vaults**

- Cash deposits: 8:00 p.m. local time in most major metropolitan areas
- Smart Safe deposits: 8:00 p.m., Pacific Time

**Branches**

Monday through Friday - 5:00 p.m., Pacific Time

**Remote Deposit Service**

8:00 p.m., Pacific Time

**Image Cash Letter:**

10:30 p.m., Pacific Time

Yes, MUFG Union Bank has a branch located in Redwood City. Its address is:

675 Jefferson Avenue  
Redwood City, CA 94063

The branch is open Monday - Thursday, 9:00 AM - 5:00 PM; Friday, 9:00 AM - 6:00 PM.

**9) Do you provide an online reporting system whereby images of checks deposited may be viewed electronically by the Treasurer?**

Yes. MUFG Exchange is a robust online platform that is your single point of access to online treasury, trade as well as trust and custody services. Dashboard technology aggregates your financial data based on preferences for a personalized, consolidated view to enhance your ability to make efficient, informed decisions across multiple products and services.

**MUFG Exchange features**

Feature	Details
Single point of access to all of your online services	<p>Access MUFG Union Bank applications from one point of entry. Following are just some of the services that are accessible:</p> <ul style="list-style-type: none"> <li>• Automated Clearing House (ACH) Origination</li> <li>• Check and ACH Positive Pay</li> <li>• Information Reporting</li> <li>• Lockbox Online</li> <li>• Wire and Internal Transfer services</li> <li>• Payables services</li> </ul>
Quick access to critical information through a home page dashboard	<p>View personalized snapshots of aggregated financial data based on preferences on the home page to make informed and expedited decisions.</p> <ul style="list-style-type: none"> <li>• Widgets aggregate data from various applications with account information summary and single click access to critical data. (This information is refreshed each time the user navigates away from the dashboard home page.) <ul style="list-style-type: none"> <li>○ Action Items: the number of transactions and/or administration activities that require approval</li> <li>○ Balances: a quick glance of current available and prior day closing ledger balances for up to 400 accounts</li> <li>○ Favorite Templates and Favorite Reports: fast access to commonly used templates and reports</li> </ul> </li> <li>• Account alerts and product notifications are easily visible on the landing page</li> </ul>



Feature	Details
	<ul style="list-style-type: none"> <li>Real-time account balances are available upon login</li> </ul>
Fast navigation between services	Access services via mega menus available from anywhere within MUFG Exchange. View action items, alerts, and a help menu from any application.
Personalization	<p>Individualized content and design provides enhanced usability.</p> <p>Personalization:</p> <ul style="list-style-type: none"> <li>Available menu items and widgets are tailored to each user's entitlements to streamline navigation</li> <li>Widget content can be customized by each user</li> <li>A bypass feature allows the user to choose to skip the default landing page upon login to go to specific service</li> </ul> <p>Responsive design:</p> <ul style="list-style-type: none"> <li>Supports multiple devices (e.g., desktop, tablet, and mobile). The dashboard automatically resizes and formats menus and widgets to accommodate the user's screen size</li> </ul>
Easy and fast self service	<p>Submit service requests online for Remote Deposit, Lockbox, Deposited Items Returned, ACH Origination, and ACH Exchange.</p> <ul style="list-style-type: none"> <li>Send requests directly to the implementation team for faster processing, and then easily track them</li> <li>Search service requests from a 365-day archive</li> </ul> <p>Register for live product training sessions with our knowledgeable trainers through the Training Center.</p> <p>View product user guides and training videos.</p>
Security administration controls	<p>Assign users to certain accounts and/or to certain services.</p> <ul style="list-style-type: none"> <li>Set up and manage access for all users</li> <li>Add, delete, and reset passwords and assign security tokens</li> <li>Edit entitlements and view and download user-entitlement reports</li> <li>Establish automatic security settings for MUFG Exchange</li> <li>Access a 90-day history of any service-change requests</li> </ul> <p>Only your contracting officers who are the County's decision-makers for banking products and services and web administrators can access and manage the information.</p>
Security	<p>Rely on a high-level of protection of your financial data and transactions.</p> <ul style="list-style-type: none"> <li>Our multi-layered security approach helps detect suspicious activities associated with user logins and transaction initiations.</li> </ul>

Feature	Details
	<ul style="list-style-type: none"> <li>• Physical and mobile token authentication continuously generates a six-digit number used along with a user ID. This unique passcode is extremely difficult to replicate.</li> <li>• Dual control security requires a secondary officer or administrator to review service requests before they are processed.</li> <li>• IP address restriction allows only approved IP addresses to access your accounts.</li> <li>• Complimentary anti-virus threat protection software protects devices from malware, viruses, and phishing attacks.</li> <li>• Account activity alerts provide timely insights into any unusual activity on an account.</li> </ul> <p>MUFG Union Bank also has a dedicated Fraud Management team that monitors online activity and immediately responds to potential fraud.</p>
In-person training	Attend private and group training sessions for hands-on and personalized training.

**10) Do you guarantee immediate credit (same day funds credit) on all incoming wire transfer and U.S. Treasury and State of California checks upon receipt? Are you an approved State Depository?**

Yes. MUFG Union Bank processes all wires received daily until the Federal Reserve cut-off at 3:15 p.m., Pacific Time. In the event the Federal Reserve extends the processing deadline, we will stay on-site processing until the Fed closes, whatever hour that may be. Items received after our DDA posting deadline will be back-valued to the date of receipt. For intrabank transfers between accounts of the same company maintained in the Bank, you have a cutoff of 9:00 pm Pacific Time.

Yes. MUFG Union Bank is a depository eligible to receive public funds deposits pursuant to California Government Code section 53630 et seq. Public fund balances deposited at MUFG Union Bank are collateralized in compliance with the requirements of Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the California Government Code.

MUFG Union Bank uses Federal National Mortgage Association (FNLA or “Fannie Mae”), Federal Home Loan Mortgage Corp (FHLMC or “Freddie Mac”) bonds, and other qualified governmental securities to meet these requirements.

We have the ability to customize collateralization using these securities to meet the code requirements.

As of December 15, 2021, MUFG Union Bank held \$4.27 Billion of public fund deposits in California and \$4.77 Billion in related collateral.

**11) Does the bank accept State of California warrants from the State Controller for immediate deposit and credit to the County’s account? Will the bank provide FAX/Email notification of the deposit to the County Treasurer? By what time will the County receive notification? More on this requirement on section 11.**

Yes, the bank accepts State of California warrants from the State Controller for immediate deposits and credit to the County’s account. The bank will provide an FAX / Email notification of the deposit to the County Treasurer. The courier service that picks up warrants from the State Controller’s office sends an email between 7:00am – 9:00 a.m. advising agencies if they should expect to receive a deposit.

The Bank picks up warrants from the State Controller’s Office daily for credit to The County’s account. An image of the remittance advice is emailed to The County the morning of the day the funds are credited. Our courier picks up warrants from the California State Controller’s Office and delivers them to the California State Treasurer’s Office for same day payment. The state provides MUFG Union Bank with same-day monies if the warrants are delivered to the State Treasurer’s Office by its deadline of 10:00 a.m. Pacific Time. The Bank in turn, will credit The County’s account the same day payment is received from the State Treasurer’s Office.

The County can confirm the deposits the following day by 5:30 a.m. Pacific Time through our Information Reporting service.

**12) Will lockbox deposits of CA State checks receive immediate credit? At what time of the day is the information reported and will the bank provide FAX/Email notification to the County Treasurer?**

Yes, the lockbox deposits of CA State checks will receive immediate credit.

MUFG Lockbox Operations prepares image deposits on x9.37 files and submits them to MUFG Item Processing each day by defined clearing deadlines. Clearing float is assigned on a per item/check basis according to our preferred lockbox availability schedule.

- Float is assigned by MUFG Item Processing (which is separate from Lockbox Operations)
- The Lockbox availability schedule provides the most advantageous MUFG Union Bank clearing schedule for checks of all dollar sizes

**Premium Lockbox schedule**

MUFG Union Bank provides a specialized, premium schedule to Lockbox clients in recognition of the float sensitively of lockbox processing. This schedule:

- Enables all endpoints across the nation to receive no more than one day of float
- Applies to checks of all dollar sizes

The MUFG Union Bank reporting times (Monday through Friday, excluding federal holidays):

Reporting	Times and details
Intraday information	Beginning at 8:00 a.m. PT via our Information Reporting service

Reporting	Times and details
Prior day summary and transactions	By 5:00 a.m. PT
First deposit	At 8:00 a.m. PT for early release clients (the time is mutually established if you request this notification)
Daily deposits	Multiple deposits made in a day are reported within the same business day

**13) We have seen an increase in ACH direct deposits without clear documentation as to the source of the funds. This makes it difficult to identify the recipient department. Can the bank propose a cost-effective solution to this problem?**






Yes, the bank can offer a cost effective solution by offering extensive ACH reporting. Once the transaction is received, we can offer information reporting or a transaction report via transmission containing the payment information to assist with research.

**14) Does the bank accept remote deposits?**



Yes. The MUFG Union Bank Remote Deposit service offers many benefits, beginning with our commitment to an exceptional client experience. To ensure a superior product, we purchased our image capture technology from a leading technology partner in the industry that has won many awards for its product innovation.

Since our initial rollout, we have invested substantial resources to support continuous enhancements.

**MUFG Union Bank Remote Deposit features**

Feature	Benefits
 Deposit receipt verification	Deposit receipt verification provides confirmation that your submitted deposit was received by the Bank
 Later deposit deadline	An extended deposit deadline (8:00 p.m. PT) for same-day ledger credit gives you faster access to funds
 Location identification	Activity for multiple sites can be viewed so the County can monitor and track the deposit by site
 Integration	Integration capabilities to easily upload deposit information to your ERP and/or treasury management systems.
 Intelligent entry keying for recurring customer check payments	Customizable data fields from a check can be input so that these fields automatically pre-populate each time you scan a check from your customer.



Feature	Benefits
 Virtual endorsement	Automatically applies an endorsement on the check image to eliminate the need to manually endorse checks
 Self-service administration	The County administrator(s) can add and update users, roles, locations, and existing accounts conveniently.

### Imaging capabilities

The Bank’s check and document imaging capabilities are extensive and designed to meet The County unique needs and budget. MUFG Exchange provides convenient access for viewing check images and other services.

- **Scanning speed based on your needs:** The read rate for our desktop scanners varies from a few checks per minute to up to 100 checks per minute. Document feeders can accommodate up to 100 checks at a time.
- **Image quality:** The standard setup for our service is designed to ensure images meet our requirements for processing using image quality acceptability (IQA).
- **Scanner protection:** Extended warranties of up to 36 months are also available. Scanner warranties vary by manufacturer.

### Ongoing service enhancements

Key MUFG Union Bank business units are actively involved in industry councils and advisory boards to help drive future product development to exceed the needs of an ever-evolving market. We create and maintain a progressive product development roadmap to take advantage of new technologies and improve our client experience.

## Client-service focused

Providing you with the best possible client service is a cornerstone of the MUFG Remote Deposit service. You can expect a high level of personalized service.

## Streamlined implementations

Dedicated service representatives work with you for implementation and training based on your specific needs.

## Manage returns conveniently: Deposited Items Returned

MUFG Union Bank provides multiple ways for you to access return item details.

## Online

Returns are updated five times per business day and can be viewed online for 62 days.

### CONVENIENT REPORTING WITHIN THE REMOTE DEPOSIT SERVICE

Access reports free of charge directly within the Remote Deposit service.

Feature	Details
We charge back or re-clear items returned per your guidelines.	This information is posted online for quick and easy access: Notification as early as 6:30 a.m. PT of current day returned items so you can make more informed cash management decisions earlier in the business day.
Fast access to returned items	View the front and back of returned items in PDF format and zoom or rotate images to better identify dates, signatures, and other important information.  All items are available online for 62 calendar days.
Early warnings	With this special feature, receive advance notification of deposited items in amounts of \$5,000.00 or more that may be returned.  Warnings are updated five times daily to give you the opportunity to react quickly.
Flexible to use:	Access information based on your needs: <ul style="list-style-type: none"><li>• Select any account/location combinations to be reviewed</li><li>• For decisioning, select a disposition on all eligible items: Re-clear or Charge Back</li><li>• Download comma-delimited text files to build negative files</li><li>• View the front and back of returned items in PDF format</li></ul>

We can also provide a detailed returned item transmission via MUFG Connect, which includes data MICR line data, amount of the check, return reason, and any data fields keyed (does not include images).

The easy-to-use Image on Demand service is affordable as it is billed at the client level (not by account) monthly and enables the client to easily self-service for access to images. The first 100 images are \$0.05 per item.

**Research conveniently: Image on Demand**

The County can also use our Image On Demand service to search and access images of deposit tickets and the front and back of deposited checks as well as paid checks.

Channel	Accessibility details
Online	You can access checks for the past seven years
Online download	Images are available for download for 14 days
Transmission	Images are accessible for 14 days from the date of transmission

**15) Please explain Image Cash Letter (ICL) services that proposer can offer. What are requirements your clients must adhere to in order to ensure smooth transmission and funds be available to the County by the established cutoff times?**

The MUFG Union Bank Image Cash Letter service enables the County to create your own file or use a third party to create and send check images to the Bank. Check deposits received via Image Cash Letter prior to 10:30 p.m. PT receive same-day ledger credit.

**Features**

- We provide the file format specifications, which is a version of the ANSI X9.37 file. Our testing team works directly with the County in testing the file and image quality to ensure a successful file transmission.
- Email notification can be set up to notify the County of the Bank's receipt of the file and successful processing.
- Non-conforming images can be securely emailed the same day they are received, allowing the County to re-image and re-submit the item(s).

**LOWER PERCENTAGE OF NON-CONFORMING IMAGE (NCI) RETURNS**

We manually review all suspect images and remove false positives (and then clear those items), so typically only true NCIs are returned

Image Cash Letter (ICL) is part of MUFG Union Bank's Check Deposit Imaging Solutions set allowing image-enabled check or remittance processing customers to prepare and transmit electronic deposit information and check images instead of preparing and depositing paper cash letters and associated original checks.

ICL is a national electronic deposit product offering customers a virtual check depository relationship with MUFG Union Bank. In return, customers benefit from reduced trips to the Bank or cash letter presentment point, competitive float and availability, reduced internal operating costs for deposit and payment processing, later deposit deadlines than paper for same day deposit credit, lower cost opportunities to concentrate funds,

and the ability to concentrate their depository relationships with MUFG Union Bank regardless of their physical operating locations. The product supports MUFG Union Bank preferred transmission protocol.

## 6. Reporting and Cash Position Management

### 1) Describe the bank’s online information reporting system and capabilities. Describe or provide a sample copy of PC screens that show the information reports that we can obtain from your system. Are all reports available over the internet?

MUFG Exchange is a robust online platform that is your single point of access to online treasury, trade as well as trust and custody services. Dashboard technology aggregates your financial data based on preferences for a personalized, consolidated view to enhance your ability to make efficient, informed decisions across multiple products and services.

#### MUFG Exchange features

Feature	Details
Single point of access to all of your online services	<p>Access MUFG Union Bank applications from one point of entry. Following are just some of the services that are accessible:</p> <ul style="list-style-type: none"> <li>• Automated Clearing House (ACH) Origination</li> <li>• Check and ACH Positive Pay</li> <li>• Information Reporting</li> <li>• Lockbox Online</li> <li>• Wire and Internal Transfer services</li> <li>• Payables services</li> </ul>
Quick access to critical information through a home page dashboard	<p>View personalized snapshots of aggregated financial data based on preferences on the home page to make informed and expedited decisions.</p> <ul style="list-style-type: none"> <li>• Widgets aggregate data from various applications with account information summary and single click access to critical data. (This information is refreshed each time the user navigates away from the dashboard home page.) <ul style="list-style-type: none"> <li>○ Action Items: the number of transactions and/or administration activities that require approval</li> <li>○ Balances: a quick glance of current available and prior day closing ledger balances for up to 400 accounts</li> <li>○ Favorite Templates and Favorite Reports: fast access to commonly used templates and reports</li> </ul> </li> <li>• Account alerts and product notifications are easily visible on the landing page</li> <li>• Real-time account balances are available upon login</li> </ul>
Fast navigation between services	<p>Access services via mega menus available from anywhere within MUFG Exchange. View action items, alerts, and a help menu from any application.</p>
Personalization	<p>Individualized content and design provides enhanced usability.</p> <p>Personalization:</p> <ul style="list-style-type: none"> <li>• Available menu items and widgets are tailored to each user’s entitlements to streamline navigation</li> <li>• Widget content can be customized by each user</li> </ul>

Feature	Details
	<ul style="list-style-type: none"> <li>• A bypass feature allows the user to choose to skip the default landing page upon login to go to specific service</li> </ul> <p>Responsive design:</p> <ul style="list-style-type: none"> <li>• Supports multiple devices (e.g., desktop, tablet, and mobile). The dashboard automatically resizes and formats menus and widgets to accommodate the user's screen size</li> </ul>
Easy and fast self service	<p>Submit service requests online for Remote Deposit, Lockbox, Deposited Items Returned, ACH Origination, and ACH Exchange.</p> <ul style="list-style-type: none"> <li>• Send requests directly to the implementation team for faster processing, and then easily track them</li> <li>• Search service requests from a 365-day archive</li> </ul> <p>Register for live product training sessions with our knowledgeable trainers through the Training Center.</p> <p>View product user guides and training videos.</p>
Security administration controls	<p>Assign users to certain accounts and/or to certain services.</p> <ul style="list-style-type: none"> <li>• Set up and manage access for all users</li> <li>• Add, delete, and reset passwords and assign security tokens</li> <li>• Edit entitlements and view and download user-entitlement reports</li> <li>• Establish automatic security settings for MUFG Exchange</li> <li>• Access a 90-day history of any service-change requests</li> </ul> <p>Only your contracting officers who are the County's decision-makers for banking products and services and web administrators can access and manage the information.</p>
Security	<p>Rely on a high-level of protection of your financial data and transactions.</p> <ul style="list-style-type: none"> <li>• Our multi-layered security approach helps detect suspicious activities associated with user logins and transaction initiations.</li> <li>• Physical and mobile token authentication continuously generates a six-digit number used along with a user ID. This unique passcode is extremely difficult to replicate.</li> <li>• Dual control security requires a secondary officer or administrator to review service requests before they are processed.</li> <li>• IP address restriction allows only approved IP addresses to access your accounts.</li> <li>• Complimentary anti-virus threat protection software protects devices from malware, viruses, and phishing attacks.</li> <li>• Account activity alerts provide timely insights into any unusual activity on an account.</li> </ul> <p>MUFG Union Bank also has a dedicated Fraud Management team that monitors online activity and immediately responds to potential fraud.</p>
In-person training	Attend private and group training sessions for hands-on and personalized training.

**2) At what time is prior day information available for access by the Treasurer? Can the Treasurer receive intra-day information via Internet? How often is intra-day information updated? Please list all reports (Intra- day, daily, weekly, monthly, quarterly, and annually) that are available to review. Please provide a sample copy of each sample report.**

The MUFG Union Bank service level agreement has set deadlines for prior day reporting, but we typically exceed our standards and send reporting earlier.

Channel	Timing
Online	Prior day balance summary and transaction detail information are available by 5:00 a.m. PT every business day (excluding federal holidays) Typically available by 4:00 a.m. PT
Transmission	File transmissions are sent by 6:00 a.m. PT every business day (excluding federal holidays) and on Saturday (as required) Typically sent by 4:00 a.m. PT

Prior day incoming data exchange files are available Monday through Friday (excluding federal holidays) at the following times:

Pacific Time	6:00 a.m.	8:00 a.m.	9:30 a.m.	12:30 p.m.
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MUFG Union Bank enables you to access prior and current day account balances with transaction detail online through the following options.

Option	Details
Information Reporting Landing Page: Balance Screens	Access information quickly from the Information Reporting page: <ul style="list-style-type: none"> <li>Balances (i.e., balance screen) for those users with access</li> <li>Complete transaction (e.g., ACH, wires) detail and images are immediately available by clicking on the date link on the balances screen</li> <li>Five days of historical data and 120 calendar days of historical data</li> </ul>
Reports	Standard and other text-based reports (i.e., special reports) provide balance and transaction detail information: <ul style="list-style-type: none"> <li>120 calendar days of historical data</li> <li>Customized reports for quick, ongoing access</li> </ul>

Option	Details
Transaction Search	<p>Search for a specific transaction or a group of transactions by the following categories.</p> <ul style="list-style-type: none"> <li>• Account</li> <li>• Transaction Type</li> <li>• Criteria</li> <li>• Date</li> <li>• Serial number</li> <li>• Amount</li> <li>• Customer Reference number</li> <li>• Bank Reference number</li> </ul> <p>Images (if available for the specific transactions) are provided on the transactions results page.</p>
Export	<p>Export account balances and transaction information in a variety of industry-standard and character-delimited formats.</p> <ul style="list-style-type: none"> <li>• BAI2</li> <li>• Comma separated</li> <li>• QuickBooks</li> <li>• Semicolon separated</li> <li>• SWIFT</li> <li>• Tab Separated</li> </ul>

## Features

Feature	Details
Historical data access	<p>Determine an overall integrated treasury position by viewing historical information is available for up to 120 prior calendar days for your MUFG Union Bank USD and foreign currency demand accounts and other non-MUFG Union Bank accounts.</p>
Customization	<p>Flexible, user-friendly data selection capabilities enable you to customize standard reports for:</p> <ul style="list-style-type: none"> <li>• All or specific accounts</li> <li>• Reference numbers (e.g., check numbers and amount ranges)</li> <li>• Deposit locations</li> <li>• Date ranges</li> <li>• Transaction types</li> </ul> <p>Save customized reports with frequently selected criteria for a single user or multiple users.</p> <p>Easily edit and delete reports from within a user's list as needs change.</p>
Data search	<p>Select a single date, range of dates or relative and absolute dates and choose from pre-defined types of data (e.g., all credits, ACH debits, wire debits and credits).</p> <p>For example, view all incoming wire transactions greater than \$25,000 for a specified account.</p>

MUFG Union Bank provides a full range of prior day reports to meet your specific needs.

Prior day reports	
Report name	Description
Prior Day Summary	<p>Posted information for USD and foreign currency accounts:</p> <ul style="list-style-type: none"> <li>• Closing ledger balance</li> <li>• Opening and closing available balance</li> <li>• Total float, one day float, and two-or-more days float</li> <li>• Dollar totals for all credits and debits</li> <li>• Number of credits and debits</li> <li>• Dollar totals for ACH, wire transfer, zero-balance accounting, deposited items returned, sweep, and lockbox transactions</li> <li>• Adjusted ledger balance after back-valued transactions (which change the previously reported closing ledger balance) posted to MUFG Union Bank foreign currency accounts</li> </ul>
Prior Day Detail	<ul style="list-style-type: none"> <li>• Posted transactions on individual credits and debits for MUFG Union Bank USD and foreign currency accounts as well as non-MUFG Union Bank accounts</li> <li>• Complete transaction detail reported on ACH and Wire debit and credit transactions, if the account is also set up for current day reporting. All other transactions display description, amount, reference information (e.g., batch, sequence, check numbers, descriptive text)</li> <li>• Transaction types or individual BAI type codes can be selected for all posted debits and credits for ACH, account reconciliation, lockbox, wires, deposits, checks, investments, sweeps, deposited items returned, securities, treasuries, international, and zero-balance transactions</li> </ul>
Prior Day Combination	<p>All posted account summary and detail information from the prior day summary and detail reports.</p> <p>The summary and detail sections are displayed together for each account.</p>
Paid Check	<p>Paid checks, including check number for BAI type code 475 – Check Paid.</p>
Prior Day Detail No Check	<p>The same information as the Prior Day Detail, excluding the Check Paid detail type code (i.e., BAI 475).</p>
Multi-Day Statement	<p>Prior day information from the beginning of the current month through the last prior day for which transactions were posted.</p> <ul style="list-style-type: none"> <li>• Opening ledger (from the first business day reported)</li> <li>• Total debits, reflecting the total for all dates that Transactions display</li> <li>• Total credits, reflecting the total for all dates that Transactions display</li> <li>• Closing ledger (from the last business day reported)</li> <li>• All transactions for the posted dates in the report</li> <li>• Transactions for each account listed in BAI type code order (e.g., ACH Credit (165), Wire Credit (195)). Credits are listed first, then debits.</li> </ul>



Prior day reports	
Report name	Description
	<p>Transaction information includes:</p> <ul style="list-style-type: none"> <li>• Posted date</li> <li>• Transaction name</li> <li>• Amount</li> <li>• Bank reference number</li> <li>• Customer reference number</li> <li>• Transaction detail</li> </ul>
Positive Pay Exception Report	<ul style="list-style-type: none"> <li>• Previous day summary totals for all provisionally paid exception items detected after processing of paid checks in the Account Reconciliation system (i.e., BAI type codes 478 and 479).</li> <li>• Previous day information for all exception items detected after the processing of your paid checks in the Account Reconciliation system. The report also lists check number and reason for each exception item.</li> </ul>
Deposits Processed	<ul style="list-style-type: none"> <li>• Previous day information on deposits by date, amount, division, location, and type.</li> <li>• The MICR line encoded on each deposit ticket contains the location and type of deposit</li> </ul>
EDI Receipt Report	<ul style="list-style-type: none"> <li>• Incoming ACH, lockbox, and wire payments from your trading partners</li> <li>• Payments and remittance data displayed include debit/credit party routing numbers, company ID, trace numbers, and receiver/originator information</li> </ul>
Money Market	<ul style="list-style-type: none"> <li>• Money market account ledger balances, accrued interest, interest paid, location names, escrow names, and numbers as of close of business the previous day</li> <li>• Details listed by account and subtotaled by location</li> </ul> <p>Reports are available by account or escrow number</p>

Please see **Exhibit 01** for sample reports.

**3) Currently the County uses controlled disbursements. Do you offer controlled disbursements for County issued checks? Do you provide same day notification of check clearing totals? At what time will the check clearing totals be available? Under controlled disbursements where would the clearing branch be located and what would be the increase in cost per check?**

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Yes. MUFG Union Bank has provided Controlled Disbursement services for more than 30 years. Our service includes features to support your efficient and more exact treasury management.

- We notify you of the checks presented for payment on your account before they are posted. This allows you to transfer funds to cover checks only when they are presented to the bank, not when they are written and mailed.
- The MUFG Union Bank Same Day Positive Pay service works with our Controlled Disbursement service to enable you to reconcile your accounts within a single day.

Same Day Positive Pay exceptions can be viewed online at 9:00 a.m., Pacific Time.

#### **4) Describe the systems security, including whether passwords, authentication, and/or encryption techniques are used to protect access to the Treasurer's data?**

The Bank takes steps to protect both physical and electronic information to provide confidentiality, integrity, authenticity, and availability in accordance with applicable laws, regulations, and financial industry guidelines. The Bank is committed to safeguarding the information entrusted to it and has developed enterprise-wide programs in compliance with applicable laws and regulations.

The Bank has policies and procedures in place designed to protect data throughout its lifecycle, as well as to assess, identify, and remediate vulnerabilities.

The Bank's programs are designed to:

- Provide information security policies, procedures, and controls
- Manage risk in accordance with legal and regulatory requirements and Bank policy
- Grant access to information only to those who are authorized to do so
- Ensure network and endpoint controls are in place
- Use change control procedures to maintain software integrity
- Maintain a physical security program with appropriate controls over data access points and hard copy documents
- Maintain an effective incident response program
- Maintain a vendor management program that applies privacy and information security standards to the Bank's vendors
- Require employees to take annual information security and privacy training

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## Information Security

The Bank's Information Security Program is regularly reviewed by federal regulators, including the Office of the Comptroller of the Currency (OCC), the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), and the U.S. Securities and Exchange Commission (SEC). In addition, the Bank's internal and external examiners perform audits and evaluations of the Bank's internal control environment.

The Information Security Program has the following objectives:

- To comply with Gramm-Leach-Bliley Act (GLBA) and other applicable laws, regulatory guidance and financial institution standards to protect the confidentiality, integrity and availability of non-public personal information.
- To oversee the necessary control framework to mitigate information security risks and detect emerging threats
- To maintain the appropriate governance model to oversee information security compliance from executive management through system stewards
- To sponsor and implement relevant activities and projects across the enterprise to strengthen the Information Security Program

The Information Security Program areas of focus include:

- Identity and Access Management: Employees and contingent workers are subject to background reviews including fingerprinting and criminal records checks. Each production computer system requires a unique user ID. Access is based on an employee's business need.
- Endpoint Controls: Content on laptop and desktop computers is encrypted, as are portable storage devices such as flash drives or removable hard drives. Employee-owned smartphones are allowed to connect to the Bank's email system only when encryption software is installed that also allows the Bank to wipe the data remotely should the phone be lost or stolen.
- Network Controls: The Bank has a perimeter network security system composed of firewalls, secure routers, and intrusion detection/prevention systems. In addition, the Bank runs anti-virus software on workstations and servers throughout the enterprise
- Data Loss Prevention: Tools are in place to prevent sensitive and confidential data from leaving the Bank.
- Monitoring and Vulnerability Assessments: Public access and Internet-facing applications are scanned by Enterprise Information Security staff, and the Bank contracts with an independent security firm for annual reviews and vulnerability assessments of its network controls.
- Change Management: Changes to the Bank's systems, applications, and software are managed by a structured program that requires documentation, review, testing, and approval before changes are implemented.

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- Security Awareness: The Bank's Security Awareness program includes mandatory training and certification for all employees and contingent workers that must be completed on an annual basis.
  - Multi-factor Authentication: The Bank has implemented multi-factor authentication and layered security controls in compliance with federal guidance to mitigate the risk of unauthorized access and fraudulent transactions.

### Physical Security

The Bank provides a comprehensive security program for the protection of its employees and assets. The program is risk based and meets the requirements of the Bank Protection Act as it pertains to physical controls, including physical barriers, controlled access doors, surveillance cameras, guards, and alarm systems.

### Privacy

The Bank's policy is to comply with applicable privacy laws and regulations. The Bank is required to provide a copy of its Privacy Notice to all consumer customers and to anyone who requests it as required by Gramm-Leach-Bliley Act (GLBA). In addition, the California Privacy Notice (Important Privacy Choices) is provided to California consumer customers. The Bank's privacy notices and online privacy practices may be viewed on the Bank's Privacy and Security Center at <https://www.unionbank.com/personal-banking/privacy-security/index.jsp>.

### Employee Training and Compliance

All Bank employees are responsible for appropriately handling and maintaining the confidentiality of customer information. Additionally, all employees are responsible for adhering to the Bank's Business Standards for Ethical Conduct policy, as well as to all policies and procedures pertaining to the access, use, and protection of customer information. All employees are required to take annual privacy, incident notification, and information security training and recertification testing. Violation of policies concerning access, use, or the protection of customer information, or negligent failure to properly protect customer information, may result in disciplinary action, including termination.

## 5) Provide a report showing system down time for the past year, including types of services unavailable and how it was communicated. Describe your backup procedures for times when the system is unavailable.

From November 2020 through October 2021, Bank systems were available 99.46% of the time. Detailed reports of system downtime are confidential. Based on the nature of any downtime, the Bank will release broadcast messages to inform impacted parties or activate system maintenance pages on the impacted site pages.

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All deployed core applications (e.g. MUFG Exchange and Information Reporting) have built-in redundant telecommunications, server, storage, and software recoverability. All core applications are tested for recoverability prior to deployment. The Bank operates an Operations, Technology, and Networking infrastructure to provide continuity of services and timeliness of delivery through all reasonable scenarios.

**6) How long is information maintained? Is full history accessible via PC? If not, describe the procedure for accessing the information.**

Yes. MUFG Union Bank provides up to 120 calendar days of historical data in BAI2, Comma Separated, QuickBooks, Semicolon Separated, SWIFT, and Tab Separated formats.

In addition, the County can access seven years of historical information via Online Statements that can be downloaded in PDF and CSV formats.

**7) With regards to this category, what are the bank's contingency plans in the event of systems failure or natural disaster?**

MUFG Union Bank actively augments its operations, technology, and networking infrastructure. All deployed core applications have built-in redundant telecommunications, server, storage, and software recoverability. All core applications are tested for recoverability prior to deployment. The Bank operates an operations, technology, and networking infrastructure to provide continuity of services and timeliness of delivery through all reasonable scenarios.

The Bank has diversified its technology services through geographically dispersed data centers in different states (California and Arizona). The centers are interconnected through high-speed telecommunication links through multiple redundant systems and are able to process in both standalone and connected states. The Bank's other core services are redundantly backed up. Internet services include intrusion detection and firewalls that are tested by third parties. The power to both data centers is fully redundant with UPS modules and generators which remain primed and readily available for use if necessary.

The Bank has procedures in place to recover historical information reporting files that have been lost, destroyed, or corrupted. Additionally, the day-to-day operations recovery of mainframe applications is addressed through backups of applications that allow recovery at strategic points in the applications before and after updates to batch files.

Additionally, we have a procedure in place to prepare for recovery while backups are executing and to prepare for situations where data is corrupted after the backup takes place. This allows the application to restore files to the point where the backup was taken, implement changes to correct the data corruption, and rerun steps to return the application to its operational status.

**8) Does the bank offer Account Reconciliation Program (ARP) services for controlled disbursements and non- controlled disbursements accounts?**

Yes, MUFG Union Bank provides an optional Account Reconciliation service. The County can choose the best program for your needs.

Service	Details
Full Account Reconciliation	<p>Reports both check and deposit activity reconciled to your bank statement. Reconciliation is based on check issue input you provide to us.</p> <ul style="list-style-type: none"> <li>• The County provides the Bank with a list of checks issued</li> <li>• Flexible reporting periods</li> <li>• Unique stale date parameter (enables escheatment reporting)</li> <li>• Branch accounting processing</li> <li>• Both standard and optional reconciliation reports are available. Reports are available online in both PDF and CSV formats.</li> <li>• Check images are available through Image on Demand, transmissions, or CD</li> <li>• Stop payments can be automatically renewed</li> </ul>
Partial Account Reconciliation	<p>There is no need to send issue records to MUFG Union Bank because we capture all posting items.</p> <ul style="list-style-type: none"> <li>• Flexible reporting periods</li> <li>• Both standard and optional reconciliation reports are available</li> <li>• Reconciliation reports are available online in both PDF and CSV formats</li> <li>• Check images available through Image on Demand, transmissions, or CD</li> <li>• Receive daily transmission of paid items</li> <li>• Stop payments can be automatically renewed</li> </ul>
Managed Solution	<ul style="list-style-type: none"> <li>• Identifies your deposit activity by location and type on a reporting frequency of your choice.</li> <li>• You can maintain multiple deposit locations using a single demand deposit account (DDA)</li> <li>• Reports:               <ul style="list-style-type: none"> <li>• Deposit Recap report: provides a snapshot of total deposits by date</li> <li>• Deposit Detail report: lists each deposit transaction by location for the reconciliation period</li> <li>• Reports are available online in both PDF and CSV formats</li> </ul> </li> <li>• Each individual location is balanced at the end of every period and included in the recap total</li> <li>• Deposit images are available through our Image on Demand service online or via transmission</li> </ul>

**9) Describe the bank’s full or partial reconciliation services.**

MUFG Union Bank provides both full or partial Account Reconciliation services. The County can choose the best program for your needs.

Service	Details
Full Account Reconciliation	<p>Reports both check and deposit activity reconciled to your bank statement. Reconciliation is based on check issue input you provide to us.</p> <ul style="list-style-type: none"> <li>• The County provides the Bank with a list of checks issued</li> <li>• Flexible reporting periods</li> <li>• Unique stale date parameter (enables escheatment reporting)</li> <li>• Branch accounting processing</li> <li>• Both standard and optional reconciliation reports are available. Reports are available online in both PDF and CSV formats.</li> <li>• Check images are available through Image on Demand, transmissions, or CD</li> <li>• Stop payments can be automatically renewed</li> </ul>
Partial Account Reconciliation	<p>There is no need to send issue records to MUFG Union Bank because we capture all posting items.</p> <ul style="list-style-type: none"> <li>• Flexible reporting periods</li> <li>• Both standard and optional reconciliation reports are available</li> <li>• Reconciliation reports are available online in both PDF and CSV formats</li> <li>• Check images available through Image on Demand, transmissions, or CD</li> <li>• Receive daily transmission of paid items</li> <li>• Stop payments can be automatically renewed</li> </ul>
Managed Solution	<ul style="list-style-type: none"> <li>• Identifies your deposit activity by location and type on a reporting frequency of your choice.</li> <li>• You can maintain multiple deposit locations using a single demand deposit account (DDA)</li> <li>• Reports:               <ul style="list-style-type: none"> <li>• Deposit Recap report: provides a snapshot of total deposits by date</li> <li>• Deposit Detail report: lists each deposit transaction by location for the reconciliation period</li> <li>• Reports are available online in both PDF and CSV formats</li> </ul> </li> <li>• Each individual location is balanced at the end of every period and included in the recap total</li> <li>• Deposit images are available through our Image on Demand service online or via transmission</li> </ul>

**10) Describe the level of customization reports can be created and shared among user groups within the organization. Please provide a sample of standardized reports available which your clients may use to help balance previous day’s activities.**

Custom favorite reports can be created and saved by users within the Standard Reports module within Information Reporting. The reports can be saved at the user or client level (which can be shared among multiple users).

**7. Sweep Services**

**1) Do you offer an overnight sweep service for collected balances at the end of the day with automatic fund transfer?**

We offer a next-day sweep, which is based on end-of-day balances.

**2) Please describe in detail the investment options available under the sweep. Include rates of return for each option and how often rates change.**

Money Market Mutual Funds ( MMMF ) are available to public funds clients based on the following guidelines:

<https://www.treasurer.ca.gov/cdiac/LAIG/guideline.pdf>

The County should validate details on the fund prospectus, fact sheet, and credit ratings. Per the guidelines above the MMMFs the bank makes available to clients have the highest rates for Moodys and S&P, and Federated/Goldman have been operating over 5yrs and have AUM over \$500m.

Investment Option	Ticker Symbol/CUSIP (if applicable)
Federated Government Obligations Fund	<a href="#">GOSXX</a>
Federated Treasury Obligations Fund	<a href="#">TOSXX</a>
Goldman Sachs FSQ Government	<a href="#">FGTXX</a>
Goldman Sachs FSQ Treasury Instruments	<a href="#">FTIXX</a>

Please see the fund fact sheets and prospectuses included as exhibits **Sweep 01-04** of this response for complete details and disclaimers.



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Sweep services automatically invest available funds into Money Market Mutual Funds (MMMF) to optimize the value of your daily collected balances<sup>1</sup> and potentially increase interest income. The service reviews your MUFG Union Bank checking accounts every day to identify collected balances over your specified target balance. These funds are then applied to your choice of investment options.

A monthly statement is provided that includes summary and detailed sweep activity information.

*Before electing a Money Market Mutual Fund, you must receive and review a prospectus. Mutual fund investing involves risk, including possible loss of principal. Carefully consider the investment objectives, risks, and charges and expenses before investing. A prospectus, which contains this and other important information, may be obtained from your Transaction Banking Account Officer or by calling 1-800-341-7400. Please be sure to read the prospectus carefully before investing.*

*Investments allocated to a money market fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. It is fundamental policy to use every effort to maintain a stable net asset value of \$1.00. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Please obtain a prospectus and read it carefully before you invest.*

**3) If an option includes repurchase agreements, do you offer collateralization at 102%. Do you offer securities as collateral that are 5 years and under?**

The Bank places the investments in its trust and agency accounts in the joint custody or control of not less than two officers or employees designated for that purpose by the board of directors of the Bank. When the Bank is acting as trustee or has investment management authority for an account, the Bank is required to pledge or set aside collateral to further protect account assets which are invested in deposit accounts with the Bank. As a result, those client deposits are covered by FDIC insurance up to applicable limits, and above FDIC insurance limits, by collateral required by government regulation. The requirement to pledge or set aside collateral does not apply to agency accounts for which the Bank does not have investment management authority. The Bank also pledges or sets aside collateral to further protect governmental custody accounts' deposits in Bank deposit accounts beyond FDIC insurance coverage limits in accordance with applicable state statutes.

**4) Is there a maximum amount you will accept in the sweep? If we anticipate a large sweep balance, must we provide notice to sweep personnel? What size sweep balance would require giving notice?**

At this time, there is no maximum allowable deposit, but the bank and funds providers reserve the right to impose one based on market conditions.

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<sup>1</sup> Collected Balance means the Checking Account's ending ledger balance, less float.

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**5) What are the total assets in your sweep program and what is the largest individual customer balance in the last month?**

As of November 30, 2021, total assets in our sweep program were \$1.2 billion, and our largest individual customer balance was \$428 million.

**8. Conversion Process**

**1) How long does a typical installation take? What factors may alter that time period?**

MUFG Union Bank places great emphasis on providing you with high-quality, personal service and the effective delivery of our Treasury Management services. We place equal importance on a seamless transfer of your banking services from other financial institutions. To ensure that you will have a smooth transition to MUFG Union Bank we will provide you with a team of professionals who have in-depth knowledge of all operational aspects of our services. This team, who is thoroughly versed in all operational aspects of the Bank's services, banking and best practices, will support you during and after the implementation process.

The County will have a designated Client Onboarding Manager, who will be responsible for overseeing and executing the on-boarding process from the start of on-boarding until after the Go Live Date. The Client Onboarding Manager will help create efficiencies and improve your overall onboarding experience. We will schedule a kick-off meeting with all parties to discuss the project plan in detail and as well as assisting the County to complete all required documentation. The onboarding process will include account openings, documentation preparation, product and service setup, and any training needed.

To ensure a successful and timely implementation, we recommend the following:

- Ensure that all resources have an understanding on the overall timeline and that any competing projects, constraints or blackout periods be discussed upfront to plan accordingly.
- Although weekly calls will be scheduled, Questions or Issues should be brought up as soon as possible so to avoid delay
- Determine distribution list for emails sent throughout the implementation to avoid missed messages

The County can assist in a faster and easier implementation by committing both the business and technical staff needed for the transition.

The specific resources vary based on your organizational structure. Individuals from the following functional areas are typically part of the implementation team: treasury, accounts receivables and/or credit, information systems, and telecommunications.

Clearly defined project goals and objectives, team members with assigned roles and responsibilities, well-rounded test plans, and constant communication are the critical factors that can impact implementation lead-time.

As your current provider conversion of the County's current implemented banking services is not required.

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**2) Provide a proposed, detailed implementation schedule for our project. Include names and specific titles of the parties involved, including the person who will lead the conversion. Include your estimated hours for each major task.**

Our Bank utilizes the Project Delivery Framework methodology which sets the foundation for a successful implementation and client onboarding. There are 5 key phases that make up the lifecycle of an implementation to ensure a smooth transition to business-as-usual: 1) Scope 2) Define 3) Build 4) Test 5) Go Live.

One important tool utilized is a Project Charter, a document that defines the purpose, scope, objective, and participants involved in an implementation. It is an agreement between the client, Treasury Relationship Manager and Client Onboarding Manager about what the team will accomplish. It clarifies what is expected of the team, keeps the team focused, and ensures the team is aligned with the priorities.

The following tools may also be utilized based on the complexity of the implementation:

- Project Charter
- Kick-off meeting agenda and recap
- Weekly meeting agendas & recaps
- RAIL (Rolling Action Items Log), as needed
- Handover Document

Please see the implementation schedule included as Exhibit 04.

As your current provider conversion of the County's current implemented banking services is not required.

**3) Provide a sample conversion timetable/schedule.**

Please see the implementation schedule included as Exhibit 04.

As your current provider conversion of the County's current implemented banking services is not required.

**4) Will all training be on-site or will our staff need to attend training at your facilities? If off-site training is required, where are the training facilities located? Describe support to be provided to County staff during this conversion period and throughout the term of the contract.**

Any training for your staff would be conducted either on-site at the County's facilities, or remotely using online resources.

At MUFG Union Bank, we are all about enabling your teams to be successful using our platform, products and tools. There are several ways in which we will educate your team and each is geared to helping you become self-sufficient and more productive quickly.

A designated Client Onboarding Manager is assigned to ensure that the deliverables and activities run smoothly and on time. It is important to us that the implementation process is simple and easy for you. The

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Client Onboarding Manager plays a critical role of owning and managing the Implementation from End-to-End and will answer your questions and make recommendations as you go through the rollout process. Your satisfaction will be measured and we welcome all feedback.

We conduct weekly calls with the County to track progress and post implementation check-ins to ensure all services are working as expected. In addition, we conduct file testing prior to going live to ensure the client and bank are clear on file specifications, etc. Some of our products require training prior to go live and after you have access to the systems.

Our TBA Learning Team will work with you to ensure you are prepared and ready to conduct business. Our TBA Learning Team provides a variety of learning solutions to meet your every need and at your convenience. We offer ongoing public webinars (usually no more than three people on the call) where you can interact with our Facilitators and ask questions in a very social learning environment. These courses are offered by product on an ongoing basis and scheduled months in advance. It's simple to sign up from the MUFG Exchange Training Tab.

We also offer private training sessions and are for the County only. The County can invite as many people as required who need to have the knowledge, so they are prepared to perform using your MUFG Union Bank solutions. Simply work with your Treasury Relationship Manager to get this learning scheduled.

Lastly, our team has created a series of short online learning videos (from 2-7 minutes each) on some of our most requested topics and processes that are easy to complete when it's convenient for you.

As your current provider conversion of the County's current implemented banking services is not required.

**5) Will the conversion be at no cost to the County? Will the bank provide a conversion allowance to the County? How much?**

As your current provider conversion of the County's current implemented banking services is not required. The bank will provide 1-year free banking as part of the County's conversion allowance.

**6) Will the Bank take the lead and responsibility for conversion progress, with weekly updates of progress to staff?**

Yes. We conduct weekly calls with the County to track progress and post implementation check-ins to ensure all services are working as expected. In addition, we conduct file testing prior to going live to ensure the client and bank are clear on file specifications, etc. Some of our products require training prior to go live and after you have access to the systems.

Our TBA Learning Team will work with you to ensure you are prepared and ready to conduct business. Our TBA Learning Team provides a variety of learning solutions to meet your every need and at your convenience. We offer ongoing public webinars (usually no more than three people on the call) where you can interact with our Facilitators and ask questions in a very social learning environment. These courses are

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offered by product on an ongoing basis and scheduled months in advance. It's simple to sign up from the MUFG Exchange Training Tab.

We also offer private training sessions and are for the County only. The County can invite as many people as required who need to have the knowledge so they are prepared to perform using your MUFG Union Bank solutions. Simply work with your Treasury Relationship Manager to get this learning scheduled.

Lastly, our team has created a series of short online learning videos (from 2-7 minutes each) on some of our most requested topics and processes that are easy to complete when it's convenient for you.

As your current provider conversion of the County's current implemented banking services is not required.

## **7) Do you provide written user manuals for all services? How often are manuals updated?**

MUFG Union Bank makes a variety of user guides available to our clients and their teams. See Exhibits 06-09 for samples:

- **Exhibit 06** MUFG Information Reporting User Guide
- **Exhibit 07** MUFG Exchange Account Activity Alerts
- **Exhibit 08** MUFG Product deadlines, timing, and retention

User guides are reviewed at least annually and updated on an as needed basis.

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## 9. Payment for Services – Bank compensation:

### 1) Does the bank accept compensation in fees, balances, or a combination of the two? Is the price schedule the same either way?

Yes. We accept compensation in the form of fees, balances, or a combination of the two. There is no surcharge or price differential based upon the compensation option chosen.

### 2) If you accept collected balances for payment, give the complete formula for calculating the earnings credit. What is the Bank's Earning's Credit Rate based on, how is it calculated, and how frequently does it change? Is the reserve requirement deducted from the available balance before the earnings allowance is calculated? Are the balances of all accounts consolidated for this calculation? Please list your actual earnings credit rate for each of the last 12 months.

The ECR is a bank managed rate dependent upon current market conditions. The reserves, if applicable, are deducted from the available balance before the ECR is applied. As of December 2021, there is no reserve requirement for the County of San Mateo accounts, balances of all accounts are consolidated for the County's ECR calculation.

The ECR is applied to the balance that is available to support activity. The balance available to support activity is calculated as follows:

Average monthly adjusted ledger balance

Less: Average monthly uncollected funds (float)

Equals: Average collected balance

Average collected balance

Plus: Average monthly funds advanced to cover any uncollected position

Less: Reserves

Less: Any compensating balances

Equals: Balance available to support activity

The ECR varies by market segment and is tiered by balances. The ECR for our Government Services markets for the period of December 2020 through November 2021 was:

Balance Tier	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021
\$0 - \$500,000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
\$500,000.01 - \$1,250,000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
\$1,250,000.01 - \$5,000,000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
\$5,000,000.01 +	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500

**3) What is the bank’s time horizon for an excess/deficit earnings credit relative to fees? Is it carried forward to future billing periods? For how long? Describe any limitations or policies related to this compensation method.**

Excess balances are not carried forward for most market price schedules. We have the ability to grant an extended settlement cycle, such as quarterly or annually, on an exception basis. Effectively, the extended cycle has some provision for excess balance accumulation. However, at the end of the extended cycle, excess balances would not be carried forward into a new cycle.

**4) What is your charge rate for a negative collected funds balance? What is the Bank’s Negative Collected Use of Fund Rate based on, how is it calculated, and how frequently does it change? Are the balances of all accounts consolidated for this calculation? Please list your actual negative collected funds rate for each of the last 12 months.**

Balance calculation standards vary by market price schedule. Most do not net by default. Processing may be changed to allow netting on an exception basis. Certain markets, such as government and HOA, are set to net by default.

**5) Is the available balance assessed an FDIC deposit insurance assessment and what is the current rate?**

Yes, we charge a Deposit Administration Fee which may include FDIC assessment charges. The Deposit Administration Fee may include FDIC assessment charges, financing corporation (FICO) charges, and other charges provided by law and may also include administrative expense incurred by the Bank in providing depository services. The FDIC charges member Insured Depository Institutions risk-based assessments to cover the costs associated with providing deposit insurance under the Federal Deposit Insurance Act, as well

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as FICO assessments to cover the financing costs associated with the Federal Savings and Loan Crisis of 1987. The Deposit Administration Fee will be assessed monthly at a rate per \$1,000 of average monthly adjusted ledger balance. The charge is variable and is subject to change by the Bank at any time without notice. Currently the rate is .125/\$1,000.

**6) Are AFP codes included on the Account Analysis Statement? Can the statement be delivered electronically each month? How quickly can we expect delivery?**

Yes, AFP enhanced statements are an available option.

A) We use the 2020 AFP Domestic Service Codes.

B) The AFP Service Codes are available on both paper and electronic statements.

C) Yes. MUFG Union Bank is recognized as an approved AFP service codes accredited provider.

We typically run statements on the second weekend following month-end. Therefore, account analysis statements are generally available within 15 calendar days of the close of the billing period.

We provide electronic delivery by the ASC X12 822, version 4010. We support BAI2, CSV, and XML data formats. Information downloaded in CSV format displays in an Excel format and the data may then be uploaded into a variety of accounting systems and ERPs.

We can transmit the analysis through our own secure transmission service or through our secure mail center.

**About MUFG Connect**

MUFG Connect removes the complexity of file-based services. It is designed to be simple and straightforward—beginning with implementation and on an ongoing basis. The service allows you to connect easily and flexibly based on your specific needs.

- **Format transformation as a service—no coding or testing because we conform to your format requirements**

We recognize technical resources are precious. Format transformation is an integral component of the MUFG Union Bank transmission-based services so that The County can make a transition to a new banking partner easily. To remove the complexity of bank change management processes, we shorten the implementation time by providing mapping as an operationally delivered service.

- **Vendor Integration Program (VIP): standard connectivity with application providers**

We have strong relationships and standard processes already established with ERP, treasury management system (TMS), and treasury workstation providers. Simply let us know what kind of payments you want to make because full integration is already in place. This removes the need to discuss format, protocol, and data security. It also significantly reduces or eliminates the need for file testing.



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**7) Can the Account Analysis Statement be prepared in the following forms, one statement encompassing of all activities, broken down by category, AFP coding, pricing, sub-total, and another separate analysis similar breakdown by each unique account? Departments are invoiced for their specific usage so a clear presentation to each department would be necessary. A complete analysis would also be necessary for reconciliation purposes.**

Yes, your Account Analysis Statement can be prepared as described above.

Account Analysis provides you with an overview of your depository account balances and activity, your use of bank services, and your fees and charges for services used. This detailed, comprehensive information is useful for improving treasury management methods and pinpointing ways of use the Bank's services more cost-effectively. Your Automated Account Analysis (AAA) Statement shows your account's exact monthly earnings allowance. Your earnings allowance may be used to offset all or part of your service charges each month.

Use our Online Statements service to view and download your Account Analysis Statement. Seven years of analysis history is available through our online service. Multiple export formats allow you to manage data for easier analysis.

AFP enhanced statements are an available option.

- A) We use the 2020 AFP Domestic Service Codes.
- B) The AFP Service Codes are available on both paper and electronic statements.
- C) MUFG Union Bank is recognized as an approved AFP service codes accredited provider.

**8) Please provide an example of your Account Analysis Statement as an exhibit.**

Please see **Exhibit 09 MUFG Account Analysis Statement** included with this response.

**9) Does the bank have any special charges not specified in the pricing schedule that relates to operations of the bank account? For example, do you charge for an excessive error rate on encoding?**

No. All fees are disclosed on the Bank's pricing schedule.

**10) Will your bank guarantee the prices in this proposal for the next three years? If not, how will future price increases be calculated? How would pricing be reflected if electing a renewal option.**

Yes, the bank will guarantee the prices in this proposal for the next three years. The bank will continue to guarantee the prices in the proposal if the County chooses to elect a renewal option

## 11) Explain the firm's earnings allowance calculations.

The ECR is a bank managed rate dependent upon current market conditions. The reserves, if applicable, are deducted from the available balance before the ECR is applied. As of December 2021, there is no reserve requirement for the County of San Mateo accounts, balances of all accounts are consolidated for the County's ECR calculation.

The ECR is applied to the balance that is available to support activity. The balance available to support activity is calculated as follows:

Average monthly adjusted ledger balance

Less: Average monthly uncollected funds (float)

Equals: Average collected balance

Average collected balance

Plus: Average monthly funds advanced to cover any uncollected position

Less: Reserves

Less: Any compensating balances

Equals: Balance available to support activity

The ECR varies by market segment and is tiered by balances. The ECR for our Government Services markets for the period of December 2020 through November 2021 was:

Balance Tier	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
	2020	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
\$0 - \$500,000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
\$500,000.01 - \$1,250,000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
\$1,250,000.01 - \$5,000,000	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
\$5,000,000.01 +	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500

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## 10. Sacramento Lockbox

*Currently, County has one lockbox location in Sacramento for Warrant payments from the State of California. The proposer must have a wholesale lockbox processing facility in Sacramento, CA for State of California payments. Amounts and quantities vary daily.*

*Bank must provide same-day credit for payments received from the State of California.*

*County must be notified same day electronically (email, online reporting, facsimile, etc.) by 10:00 a.m. local time. At minimum, details required to be reported consist of a remittance advice and front side image of the warrant being deposited.*

*Deposits must be made to the County's main account where all ZBA accounts roll up to.*

*All Direct Deposit Advice correspondence must be communicated to the County electronically.*

The Bank accepts State of California warrants from the State Controller for immediate deposits and credit to the County's account. The courier service that picks up warrants from the State Controller's office sends an email between 7:00am – 9:00 a.m. advising agencies if they should expect to receive a deposit.

The Bank picks up warrants from the State Controller's Office daily for credit to The County's account. An image of the remittance advice is emailed to The County the morning of the day the funds are credited. Our courier picks up warrants from the California State Controller's Office and delivers them to the California State Treasurer's Office for same day payment. The state provides MUFG Union Bank with same-day monies if the warrants are delivered to the State Treasurer's Office by its deadline of 10:00 a.m. Pacific Time. The Bank in turn, will credit The County's account the same day payment is received from the State Treasurer's Office.

The County can confirm the deposits the following day by 5:30 a.m. Pacific Time through our Information Reporting service.

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## 11. Tax Collector Office

**The following are banking needs of the Tax Collector's office. Advise on the services available to service the listed needs.**

- **Lockbox is a system that takes in property tax payments (checks/money orders) and statements (stubs) and sends the data and corresponding report to the Tax Collector's office.**

MUFG Union Bank lockbox has extensive experience processing tax payments for the County to include many clients in the Public Sector throughout California. MUFG Union Bank recommends the County utilize our Wholetail Lockbox services for their property tax payments. MUFG Union Bank, can help you streamline your remittance processing and gain faster access to funds—from pick-up to posting—anywhere you do business in the U.S. We offer a consumer to business paper-based remittance processing service that is a hybrid of Retail Lockbox and Wholesale Lockbox features. Wholetail Lockbox at MUFG Union Bank is a combination of high-speed retail lockbox processing with the flexibility and data collection capabilities of low-volume wholesale lockbox processing. The product is designed to minimize mail, processing and clearing float and to streamline the User's internal receivables management resources.

By using our online service, you'll have efficient on-line access to images of checks and correspondence, so you can research exceptions, eliminate in-house processing, and quickly update receivables. It's all designed to help you reduce processing costs and collection time, while improving cash flow.

### **How it works**

Consumer payers mail payments to a post office box. They are picked up and brought back to an MUB processing facility where they are typically processed on medium or high-speed capture equipment and deposited. Information is provided back the User about the amount deposited (MICR data) and other detailed information about the payments received (OCR data). The product is made up of image-based processing. Payment information is provided to the client online, via automated data files, automated image files, CD ROMs or via paper remittance packages and reports. Images of captured transactions are archived for User retrieval online via a dedicated User portal/interface. The hard copy paper is stored temporarily and then destroyed.

The product also offers a series of optional features such as stop file processing, image file transmissions, positive file processing, and MICR history data base matching.

Wholetail Lockbox at MUFG Union Bank is normally distinguished by moderate volumes (<100k monthly) of low dollar value payments. Payments are made up of a check and an accompanying coupon/voucher with a OCR scannable line of information that contains information about the consumer such as account number and amount due. It is not a cash processing service. It includes a mixture of barcoded coupons, OCR coupons and non-standard/non-OCR coupons that include but are not limited to 8 ½ by 11's. Scannable coupons make up approximately 60 to 90 percent of the workflow. The User may require additional Value-Added Keying (VAK) above and beyond what is allowed by standard high-speed Retail processing. The product can support single matched, multiples (multi check/one coupon, multi coupon/one check, multi

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check/multi coupon), check only, check and list, and correspondence payment types. It also supports supplemental keying of correspondence and imaging of 8 ½ X 11 correspondence. Payments are mostly uniform with non-complex processing instructions. However, supplemental VAK of payment information can be performed along with other optional processing instructions.

Simply provide your customers with Optical Character Recognition (OCR) scannable remittances to mail directly to the lockbox location(s) closest to them. We collect the remittances at frequent intervals throughout the business day and deposit them with same-day ledger credit. Scanned payment details are formatted to either our standard or your custom format for electronic updates to your accounts receivable system.

### **Convenient online access to payment information**

With our Lockbox service, the County will have immediate online access to all collection information for the latest processing day (updated throughout the day). In addition, our system archive provides up to seven years of history and images of scanned remittances. Images of all payments are available online for easy and convenient research. We also offer the ability to review and correct payment exceptions quickly and efficiently online during the business day. The user can then submit them back to MUFG Union Bank for processing into their Lockbox. The County won't have to wait for paper packages of rejected payments to research. All of these features help the client reduce cost, save time and improve cash flow.

### **Enhanced differentiators**

Over the past year MUFG Union Bank has expanded its processing centers to be truly national in scope and fully integrated on a single platform. We offer processing in three major time zones (ET, CT and PT) in cities that include Los Angeles, San Francisco, Atlanta, Boston, Dallas, Chicago, Philadelphia and New York. This gives our clients the most consistent level of delivery in cities that match their remittance patterns.

As a sign of our continued and long-term commitment to outstanding Lockbox service, we are pleased to tell you that we are investing in an improved Lockbox system. The upgraded system will feature a series of improvements to the overall features and functionality. The transition process to the updated system will take place throughout 2020. However, you will not have to change anything! Just enjoy the benefits.

### **Benefits of Our Updated Platform**

- Fully redesigned online lockbox interface. It is Dashboard driven with improved navigation and usability. New functionalities added to the lockbox online interface include:
- Data related to all lockboxes the user has access rights to review, are presented on the dashboard upon login.
- Editable graphic charts of activity are presented on the dashboard.
- The dashboard prompts the user to actionable items immediately upon login.
- Multiple day decision dead line for online exception transactions. Now up to 3 days to decision an item.
- New exception decisions activity reporting features.
- Ability for the user to assign a reason for rejecting a transaction.
- Excel data export option in addition to the current CSV and PDF options.
- Ability to print >50 images in one PDF export request.
- Additional custom report building tools.

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- Enhanced ability to sort and filter search results.
  - Images presented in color for enhanced readability.
  - Expanded Image Archive
  - The image archive has 7 years of history.
  - All image history is fully accessible online.

### **Commitment, expertise, and technology make the difference**

No matter the size of your organization, our Wholetail Lockbox service offers you a flexible, high-quality solution that can accommodate your check collection needs. So if you process a high volume of check payments per month, you'll benefit from our sophisticated collection reporting, extensive national lockbox network, and leading technology—delivered by our professional staff and supported by a dedicated customer service team.

- **Process the Tax Collector's Office Secured, Supplemental, Unsecured, and Redemption payments which are mailed to the lockbox PO Box.**

MUFG Union Bank operates an industry leading lockbox processing system for its extensive public sector client base.

For Retail and Wholetail processing, payments are sorted into separate batches:

- Singles: one coupon, one check
- Multis: one check-multiple coupon or multiple checks with one coupon
- Check only
- Correspondence only

For Retail and Wholetail lockboxes: Check only and multis are processed on low-speed capture devices versus a high-speed capture device (e.g., OPEX 150 with IEM) for singles.

Corporate payments with non-scannable/non-OCR remit documents are handled within a wholesale lockbox processing stream on low-speed capture devices. Payments are batched similarly.

- **During certain days, return envelopes of unopened mail that come in after a delinquent date. Process batches that contain only checks.**

We can build these requirements into the Wholetail box instructions. They are common for public sector lockboxes, and we support similar requirements for other clients.

- **Process batches that only contain stubs.**

Yes, this requirement can be built into the Wholetail lockbox daily processing instructions.

- **Transfer file containing the payment information to the Tax Collector’s Office.**

Yes, MUFG Union Bank lockbox will build a data transfer file to the specifications of San Mateo and transmit it via sFTP with PGP encryption.

Please note that MUFG Union Bank also offers a robust Integrated Receivables reporting service that combines ACH transactions, lockbox transactions, and incoming wire transfers in EDI 820 and SAP IDOC formats. We also support other industry formats (e.g., CSV, text), formats required by ERP systems and custom formats.

We work with you to support your preferred formats (e.g., CSV, text, custom) formats required by your ERP system. We are also flexible on the delivery time and number of reports sent daily.

- **Provide reports that provide reconciliation and deposits and summarize items processed and rejected via electronic transmission to the Tax Collector’s Office.**

MUFG Union Bank enables you to access prior and current day account balances with transaction detail online through the following options.

Option	Details
Information Reporting Landing Page: Balance Screens	<p>Access information quickly from the Information Reporting page:</p> <ul style="list-style-type: none"> <li>• Balances (i.e., balance screen) for those users with access</li> <li>• Complete transaction (e.g., ACH, wires) detail and images are immediately available by clicking on the date link on the balances screen</li> <li>• Five days of historical data and 120 calendar days of historical data</li> </ul>
Reports	<p>Standard and other text-based reports (i.e., special reports) provide balance and transaction detail information:</p> <ul style="list-style-type: none"> <li>• 120 calendar days of historical data</li> <li>• Customized reports for quick, ongoing access</li> </ul>
Transaction Search	<p>Search for a specific transaction or a group of transactions by the following categories.</p> <ul style="list-style-type: none"> <li>• Account</li> <li>• Transaction Type</li> <li>• Criteria</li> <li>• Date</li> <li>• Serial number</li> <li>• Amount</li> <li>• Customer Reference number</li> <li>• Bank Reference number</li> </ul> <p>Images (if available for the specific transactions) are provided on the transactions results page.</p>
Export	<p>Export account balances and transaction information in a variety of industry-standard and character-delimited formats.</p> <ul style="list-style-type: none"> <li>• BAI2</li> <li>• Comma separated</li> </ul>

Option	Details
	<ul style="list-style-type: none"> <li>• QuickBooks</li> <li>• Semicolon separated</li> <li>• SWIFT</li> <li>• Tab Separated</li> </ul>

## Features

Feature	Details
Historical data access	Determine an overall integrated treasury position by viewing historical information is available for up to 120 prior calendar days for your MUFG Union Bank USD and foreign currency demand accounts and other non-MUFG Union Bank accounts.
Customization	<p>Flexible, user-friendly data selection capabilities enable you to customize standard reports for:</p> <ul style="list-style-type: none"> <li>• All or specific accounts</li> <li>• Reference numbers (e.g., check numbers and amount ranges)</li> <li>• Deposit locations</li> <li>• Date ranges</li> <li>• Transaction types</li> </ul> <p>Save customized reports with frequently selected criteria for a single user or multiple users.</p> <p>Easily edit and delete reports from within a user's list as needs change.</p>
Data search	<p>Select a single date, range of dates or relative and absolute dates and choose from pre-defined types of data (e.g., all credits, ACH debits, wire debits and credits).</p> <p>For example, view all incoming wire transactions greater than \$25,000 for a specified account.</p>

MUFG Union Bank provides a full range of prior day reports to meet your specific needs.

Prior day reports	
Report name	Description
Prior Day Summary	<p>Posted information for USD and foreign currency accounts:</p> <ul style="list-style-type: none"> <li>• Closing ledger balance</li> <li>• Opening and closing available balance</li> <li>• Total float, one day float, and two-or-more days float</li> <li>• Dollar totals for all credits and debits</li> <li>• Number of credits and debits</li> <li>• Dollar totals for ACH, wire transfer, zero-balance accounting, deposited items returned, sweep, and lockbox transactions</li> <li>• Adjusted ledger balance after back-valued transactions (which change the previously reported closing ledger balance) posted to MUFG Union Bank foreign currency accounts</li> </ul>
Prior Day Detail	<ul style="list-style-type: none"> <li>• Posted transactions on individual credits and debits for MUFG Union Bank USD and foreign currency accounts as well as non-MUFG Union Bank accounts</li> </ul>



Prior day reports	
Report name	Description
	<ul style="list-style-type: none"> <li>Complete transaction detail reported on ACH and Wire debit and credit transactions, if the account is also set up for current day reporting. All other transactions display description, amount, reference information (e.g., batch, sequence, check numbers, descriptive text)</li> <li>Transaction types or individual BAI type codes can be selected for all posted debits and credits for ACH, account reconciliation, lockbox, wires, deposits, checks, investments, sweeps, deposited items returned, securities, treasuries, international, and zero-balance transactions</li> </ul>
Prior Day Combination	<p>All posted account summary and detail information from the prior day summary and detail reports.</p> <p>The summary and detail sections are displayed together for each account.</p>
Paid Check	Paid checks, including check number for BAI type code 475 – Check Paid.
Prior Day Detail No Check	The same information as the Prior Day Detail, excluding the Check Paid detail type code (i.e., BAI 475).
Multi-Day Statement	<p>Prior day information from the beginning of the current month through the last prior day for which transactions were posted.</p> <ul style="list-style-type: none"> <li>Opening ledger (from the first business day reported)</li> <li>Total debits, reflecting the total for all dates that Transactions display</li> <li>Total credits, reflecting the total for all dates that Transactions display</li> <li>Closing ledger (from the last business day reported)</li> <li>All transactions for the posted dates in the report</li> <li>Transactions for each account listed in BAI type code order (e.g., ACH Credit (165), Wire Credit (195)). Credits are listed first, then debits.</li> </ul> <p>Transaction information includes:</p> <ul style="list-style-type: none"> <li>Posted date</li> <li>Transaction name</li> <li>Amount</li> <li>Bank reference number</li> <li>Customer reference number</li> <li>Transaction detail</li> </ul>
Positive Pay Exception Report	<ul style="list-style-type: none"> <li>Previous day summary totals for all provisionally paid exception items detected after processing of paid checks in the Account Reconciliation system (i.e., BAI type codes 478 and 479).</li> <li>Previous day information for all exception items detected after the processing of your paid checks in the Account Reconciliation system. The report also lists check number and reason for each exception item.</li> </ul>
Deposits Processed	<ul style="list-style-type: none"> <li>Previous day information on deposits by date, amount, division, location, and type.</li> <li>The MICR line encoded on each deposit ticket contains the location and type of deposit</li> </ul>
EDI Receipt Report	<ul style="list-style-type: none"> <li>Incoming ACH, lockbox, and wire payments from your trading partners</li> </ul>

Prior day reports	
Report name	Description
	<ul style="list-style-type: none"> <li>• Payments and remittance data displayed include debit/credit party routing numbers, company ID, trace numbers, and receiver/originator information</li> </ul>
Money Market	<ul style="list-style-type: none"> <li>• Money market account ledger balances, accrued interest, interest paid, location names, escrow names, and numbers as of close of business the previous day</li> <li>• Details listed by account and subtotaled by location</li> </ul> <p>Reports are available by account or escrow number</p>

Please see **Exhibit 01** for sample reports.

- **Provide online access to current check and stub images for a period of 18 months. Provide access to archived images of checks and stubs for a period of seven years.**

MUFG Union Bank provides a full archive history (up to 7 prior years) online.

- **Provide electronic copies of encoded stubs, checks and indexes to the Tax Collector’s office for the purpose of loading the data into a Document Management System.**

MUFG Union Bank can provide full detail of all payments processed online and/or via hard copy returned to San Mateo. MUFG Union Bank provides a full archive history (up to 7 prior years) online, including electronic copies of encoded stubs, checks and indexes. MUFG Union Bank hosts the archive.

- **Work with the Tax Collector’s staff to develop business rules for accepting/rejecting payments.**

MUFG Union Bank will work with the Tax Collector’s staff to review your existing business rules for accepting/rejecting payments, and identify any necessary updates. We will meet with the County on a regular basis to ensure the business rules for the County are in place

Overall, MUFG Union Bank maintains a less than 1% OCR document scanning reject rate thanks to the stringent testing standards employed during the onboarding process. These standards help ensure high capture rates where only damaged coupons (e.g., torn, smudged) fall out as exceptions or rejects.

We continuously meet with the County and review technologies that can support efficient processing, and include machine learning and artificial intelligence technologies as part of our processing.

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- **Work with the County to explore ways to address the discrepancy between the date of a tax payment check received on one day by the County for processing and the date it is deposited into the bank.**

MUFG Union Bank will work with the County to explore ways to address discrepancies between the date a tax payment check is received by the County for processing and the date it is deposited into the bank.

- **Provide local addresses to where payments should be mailed, ideally within San Mateo County, within California is a firm requirement.**

The County currently utilizes the following lockbox addresses:

PO BOX 45878

SAN FRANCISCO CA 94145-0878

PO BOX 45901

SAN FRANCISCO CA 94145-0901

- **The Tax Collector utilizes a separate payment portal for processing electronic payments such as credit cards, debit cards, and electronic check (e-check). Elaborate on proposer's capabilities or services to support these methods of payments. Physical checks presented to the Tax Collector's office for payment are tendered using the Property Tax Collection System (Grant Street Group - Taxsys) and then remotely deposited into one of the Tax Collector's banking general accounts. This is part of the overall remote deposit activities for the County. Cash is captured using the same system but collected in the Treasurer's division, deposited separately in separate deposit bags, to one of the Tax Collector's general banking accounts**

Lockbox can process paper-based remittances containing credit card information from the remitter if located on a remittance stub.

MUFG Union Bank can support processing electronic check (a.k.a. e-check or Automated Clearing House) transactions and serve as the Originating Depository Financial Institution (ODFI) for these property tax payments from the existing Grant Street Group payment site, which would directly deposit funds to an MUFG Union Bank bank account. Through our marketing alliance with Worldpay and other approved merchant processors, merchant processing can be supported for the primary tax payment along with a Service Fee transaction, which is a percentage-based fee. In these cases, a separate card transaction is processed to cover the cost of card acceptance as the County may not be able to absorb these card costs.

Physical checks can continue to be captured through the Grant Street Group – Taxsys system and remote capture equipment. The Taxsys system can likely create an Image Cash Letter, which can be directed to MUFG Union Bank for deposit to your bank account.

Cash can be deposited to a local MUFG Union Bank branch.

- 
- **E-check is captured and processed using the taxpayer portal of the property tax collection system, information about the check itself is generally available to the Tax Collector's office soon after payment is processed. Explain proposer's ability to support this method of payment and integration with existing systems.**

When an e-Check (a.k.a. Automated Clearing House consumer Internet-Initiated (WEB) or Commercial Credit or Debit (CCD)) transaction is initially validated through Total Biller Solution's API Catalogue or other TBS interfaces and loaded for subsequent processing, Total Biller Solution can send back a message via the County's API REST or SOAP catalogue via a real-time post-back. Additional fees apply for the real-time integration work. We can also send an e-mail summary of the transaction to a designated email address for ingestion and update by the County to their tax system. We will also send a reconciliation file of transactions each business day after the Monday-Friday 6 pm PST deadline.

## 12. E-Lockbox

**The following are banking needs for the Tax Collector's office. Advise on the services available to service the listed needs.**

**The Tax Collector's office utilizes e-lockbox to receive payments from taxpayers who pay through a source such as personal online bill pay program. Please explain what service you provide to facilitate the transmission of such payment. What are your bank's timelines for fund availability or accessibility? Can these funds be routed to a ZBA account? What is the process for addressing reversals? Please include pricing in the fee schedule proposal, are there different prices for items received based on volume? This account would tend to see higher volume in December and April due to the deadlines associated with property tax collection.**

The E-Lockbox services enables you to automate the receipt of consumer online bill payments to expedite the County's access to funds.

### Background

Consumers continue to use their own home banking online bill payment services to pay bills.

- This can result in exception items if your customers incorrectly set up their online banking payee information incorrectly.
- Additionally, some online banking sites may generate a check and list payment representing many customer payments.

Our E-Lockbox service automates the receipt of consumer-initiated online banking payments as funds and the associated payment data is also delivered to the County electronically.

### Validating payments to reduce exception errors

The E-Lockbox service provides you with a more efficient solution for two common exception errors we see associated with payments initiated through online banking bill pay payments:

- 
1. Online banking payments associated with incorrect bill account numbers due to customers:
    - Incorrectly entering their account numbers when initially inputting your organization information in their bank bill pay systems
    - Not updating account number information

2. Recurring and scheduled payments for bills that have been paid in full or accounts that no longer exist

E-Lockbox validates payments to improve the accuracy of remittance data. We prescreen the account number mask structure information to ensure only valid payments are accepted by the bill service providers.

The County can also choose to have remittance information validated against a:

- File provided by the County or built by MUFG Union Bank
- Account master file supplied by the County
- Stop file provided by the County

#### **Key E-Lockbox benefits**

- Consolidated same-day deposits for faster payment posting to reduce float and optimize working capital
- Robust payment validation features to improve the accuracy of remittance data received, free staff time associated with managing exceptions, and reduce paperwork
- An easy-to-use self-service online portal that allows the County to easily manage any exceptions and maximize the volume of home banking payments received and processed in a straight through manner
- Simple and straightforward connectivity for file delivery so that you can connect easily and flexibly based on your specific needs








## 13. Remote Deposit Capture

### 1) What is the bank’s remote deposit capture service and limitations/restrictions associated with such service?

The MUFG Remote Deposit service offers many benefits, beginning with our commitment to an exceptional client experience. To ensure a superior product, we purchased our image capture technology from a leading technology partner in the industry that has won many awards for its product innovation.

Since our initial rollout, we have invested substantial resources to support continuous enhancements.

#### MUFG Remote Deposit features

Feature	Benefits
 Deposit receipt verification	Deposit receipt verification provides confirmation that your submitted deposit was received by the Bank
 Later deposit deadline	An extended deposit deadline (8:00 p.m. PT) for same-day ledger credit gives you faster access to funds
 Location identification	Activity for multiple sites can be viewed so the County can monitor and track the deposit by site
 Integration	Integration capabilities to easily upload deposit information to your ERP and/or treasury management systems.
 Intelligent entry keying for recurring customer check payments	Customizable data fields from a check can be input so that these fields automatically pre-populate each time you scan a check from your customer.
 Virtual endorsement	Automatically applies an endorsement on the check image to eliminate the need to manually endorse checks
 Self-service administration	The County administrator(s) can add and update users, roles, locations, and existing accounts conveniently.

#### Imaging capabilities

The Bank’s check and document imaging capabilities are extensive and designed to meet the County’s unique needs and budget. MUFG Exchange provides convenient access for viewing check images and other services.

- Scanning speed based on your needs:** The read rate for our desktop scanners varies from a few checks per minute to up to 100 checks per minute. Document feeders can accommodate up to 100 checks at a time.

- **Image quality:** The standard setup for our service is designed to ensure images meet our requirements for processing using image quality acceptability (IQA).
- **Scanner protection:** Extended warranties of up to 36 months are also available. Scanner warranties vary by manufacturer.

### Ongoing service enhancements

Key MUFG Union Bank business units are actively involved in industry councils and advisory boards to help drive future product development to exceed the needs of an ever-evolving market. We create and maintain a progressive product development roadmap to take advantage of new technologies and improve our client experience.

#### Client-service focused

Providing you with the best possible client service is a cornerstone of the MUFG Remote Deposit service. You can expect a high level of personalized service.

#### CONVENIENT REPORTING WITHIN THE REMOTE DEPOSIT SERVICE

Access reports free of charge directly within the Remote Deposit service.

#### Streamlined implementations

Dedicated service representatives work with you for implementation and training based on your specific needs.

### Manage returns conveniently: Deposited Items Returned

MUFG Union Bank provides multiple ways for you to access return item details.

#### Online

Returns are updated five times per business day and can be viewed online for 62 days.

Feature	Details
We charge back or re-clear items returned per your guidelines.	This information is posted online for quick and easy access: Notification as early as 6:30 a.m. PT of current day returned items so you can make more informed cash management decisions earlier in the business day.
Fast access to returned items	View the front and back of returned items in PDF format and zoom or rotate images to better identify dates, signatures, and other important information.  All items are available online for 62 calendar days.
Early warnings	With this special feature, receive advance notification of deposited items in amounts of \$5,000.00 or more that may be returned.

Feature	Details
	Warnings are updated five times daily to give you the opportunity to react quickly.
Flexible to use:	Access information based on your needs: <ul style="list-style-type: none"> <li>• Select any account/location combinations to be reviewed</li> <li>• For decisioning, select a disposition on all eligible items: Re-clear or Charge Back</li> <li>• Download comma-delimited text files to build negative files</li> <li>• View the front and back of returned items in PDF format</li> </ul>

We can also provide a detailed returned item transmission via MUFG Connect, which includes data MICR line data, amount of the check, return reason, and any data fields keyed (does not include images).

The easy-to-use Image on Demand service is affordable as it is billed at the client level (not by account) monthly and enables the client to easily self-service for access to images. The first 100 images are \$0.05 per item.

**Research conveniently: Image on Demand**

The County can also use our Image On Demand service to search and access images of deposit tickets and the front and back of deposited checks as well as paid checks.

Channel	Accessibility details
Online	You can access checks for the past seven years
Online download	Images are available for download for 14 days
Transmission	Images are accessible for 14 days from the date of transmission

**2) Describe the procedures on processing non-standard checks such as money orders, credit card checks, etc.**

The County can deposit non-standard check items such as money orders and credit card checks through the MUFG Remote Deposit service.

Foreign checks and other items not passing image quality acceptability (IQA) need to be deposited using the traditional paper method at a branch or by USPS. Separate deposit slips are required if depositing at the branch or by mail.

**3) Does the bank allow for multiple deposits in a single day? Discuss any limitations.**

Yes, there are no limitations. The County can make multiple deposits in a single day from any number of locations.



**4) What methodology does the remote deposit service use to identify duplicate or “piggyback” items?**

The MUFG Remote Deposit service utilizes duplicate-item detection based on the item’s original MICR line to help prevent duplicate scanning into the system.

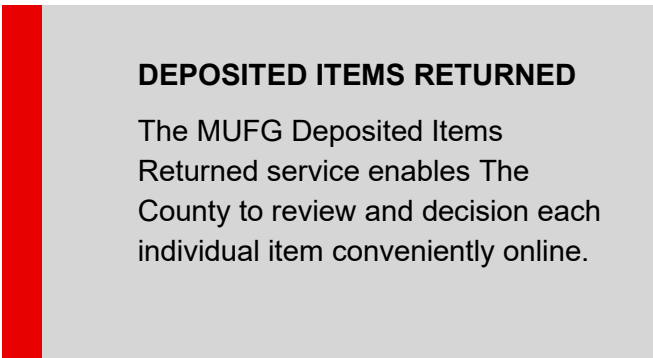
- The check is verified against items scanned from the same location over the last 90 days
- Our check processing system also has a deposit-level duplicate detection capability for added security

**5) Describe the firm’s steps for processing remote deposit items that are returned as unpaid.**

The MUFG Union Bank online Deposited Items Returned service provides you with access to images of the front and back of deposited items returned for a given business day that are scheduled to be charged back or re-cleared to the account that night.

In addition, the return system also allows you to set default business rules to charge back or re-clear the items or establish dollar value thresholds for the County to make the decisions on the items.

The items can be saved for the County to your accounts receivable system and import into a collection letter.



**DEPOSITED ITEMS RETURNED**

The MUFG Deposited Items Returned service enables The County to review and decision each individual item conveniently online.

**Image on Demand**

The MUFG Union Bank Image on Demand service enables the County to view a seven-year archive of images of deposit tickets and the front and back of deposited checks (as well as paid checks).

Channel	Accessibility details
Online	You can access checks for the past seven years
Online download	Images are available for download for 14 days
Transmission	Images are accessible for 14 days from the date of transmission

**6) Describe the document retention policy for checks converted to ACH or processed via remote deposit capture.**

MUFG Union Bank recommends that the County determine what the best retention schedule would be based on your business needs. However, we recommend that you securely store the checks until destroyed. At your discretion, you can contract with a third-party vendor to destroy your documents. It would be the County’s responsibility to thoroughly assess the third-party vendor on ensuring the security of handling of the checks up to the time of destruction of these items.

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**7) Several departments utilize remote deposit to deposit checks received directly to their associated bank account rather than deposit with the County Treasurer’s office in Redwood City, CA. What are the requirements for a proposer bank to accept remote deposits? Equipment requirements? What are the potential fees involved in this option?**

The Bank’s check and document imaging capabilities are extensive and designed to meet the County’s unique needs and budget. MUFG Exchange provides convenient access for viewing check images and other services.

- Scanning speed based on your needs: The read rate for our desktop scanners varies from a few checks per minute to up to 100 checks per minute. Document feeders can accommodate up to 100 checks at a time.
- Image quality: The standard setup for our service is designed to ensure images meet our requirements for processing using image quality acceptability (IQA).
- Scanner protection: Extended warranties of up to 36 months are also available. Scanner warranties vary by manufacturer.

The Remote Deposit service software is self-installable when the user has system administrative rights to download drivers. MUFG Union Bank also offers technical assistance for software installation, if needed.

The County may continue to use your existing equipment or explore alternative options. MUFG Union Bank offers the following certified scanners for purchase or lease:

- Panini – My Vision X
- Panini – Ideal
- Digital Check – TS220, TS230, TS240
- Digital Check – CheckXpress CX30

Our service is also compatible with widely used scanner brands and models (e.g., Canon CR25, CR55, and CR180, and Epson Capture One) you may already use.

**8) Several departments utilize Turbo Data Systems as their vendor to process citations, is proposer able to work with 3rd party entities to facilitate remote depositing efforts? Presently, Turbo Data Systems, Inc. is provided a generic login to log in to specific bank accounts such as SMC Sheriff’s office and Parks Dept. to conduct remote deposit activities only.**

Yes. The Bank allows 3rd Party entities to use remote deposit and make deposits for their clients on an exception basis.

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## 14. Customer Service

### 1) Describe the firm's client service team. Will the firm assign one client relationship manager to the County for all inquiries? If so, please name the designated client relationship manager and their respective back-up.

#### Platinum Service Model

As a Platinum Service Level client with MUFG Union Bank, the County is supported by Joanne Crouch, your dedicated Client Service Officer (CSO), as well as our Transaction Banking Client Service Team. Joanne serves as your ongoing single point of contact for day-to-day operational needs. She has specialized training about your industry and the detailed knowledge to support your inquiries.

MUFG Union Bank recognizes the importance of customer service and direct contact. We continually evaluate our client delivery options and listen to the voice of the client for change. Our Platinum Service Level service model will continue to save you time and effort when you manage your business with us. In addition to direct access to your dedicated CSO, the Platinum Level service also provides you with:

- Dedicated backup Robert Raya - CSO , in the event that Joanne is unavailable for any reason
- Automatic routing to a Priority Support team, if necessary
- Live client service available from 5:00 a.m. to 7:00 p.m., Pacific Time, Monday to Friday, excluding federal holidays
- Proactive outreach for specific account issues and reviews
- Priority support email team to quickly address and resolve your electronic requests
- Single point of contact for issue resolution

If awarded the proposed business, MUFG Union Bank intends to maintain Joanne Crouch as the County's primary Client Service Officer (CSO).

### 2) Describe the firm's customer service procedures. Does the firm have rules on how many hours within which the firm shall respond to the County's inquiries?

Our TB Client Service group addresses inquiries on a one-on-one basis until the inquiry has been researched and resolved.

There are established turnaround times or service level agreements (SLA) for responses and adjustments. Basic inquiries are handled immediately or same day. Emails will receive a response from the system automatically to confirm that they were successfully received and placed in our queue for assignment. Our SLA for responding with resolution or with a timeframe for resolution is 24 hours. Requests that require more extensive research may take several days to complete. The Bank has a formal research and problem resolution team that supports your dedicated industry associates. This will ensure all research, adjustments, collections, etc. are handled expeditiously and accurately.

Our TB Client Service team has Service Level Agreements (SLA) for resolving issues:

- Acknowledge Receipt of Case - Immediate

- 
- Resolve Request or Provide a Timeline for Resolution – 24 hours

If final resolution has not been determined within 24 hours, the client will be notified what the anticipated timeframe will be.

**3) Describe any limitations on the customer service, such as hours of availability, extended hours, or special emergency procedures.**

Transaction Banking Client Service is available from 5:00 a.m. to 6:00 p.m., Pacific Time, Monday to Friday, excluding federal holidays.

**4) Describe how the firm measures and evaluates the quality of the customer services.**

Customer satisfaction is a key component that determines how we conduct business. Our sales and client service staffs meet regularly to identify trends that can benefit customers. In addition, we seek customer feedback and have an ongoing, open dialog with our customers.

The performance of our Client Service Department is measured by established service level agreements which include average speed of answer, abandoned call tracking, quality monitoring and response time adherence. Metrics are recorded, reported and reviewed daily by the Transaction Banking Client Service management team.

In addition, MUFG Union Bank has a formal quality improvement program in place for all cash management services. We use internal indicators to measure performance. We also review statistics to identify areas where we can improve performance.

We monitor and report on performance every day and make recommendations to improve quality on a monthly basis. Key technical, product management, relationship management, systems, and executive management personnel participate in these monthly quality meetings to ensure improved quality initiatives are implemented and followed.

**5) Describe the backup procedures for situations where the firm's online system is not available to the clients.**

In the rare event that the Information Reporting system is unavailable, we communicate updates on our online portal. A message appears on the dashboard to all users and provides status updates as they become available until the issues are resolved and the system is running in its normal state.

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**6) How often or promptly does the firm communicate with the County of new banking laws, c?**

Your Treasury Relationship Manager, Malisa Day, will immediately contact the County with updates on new banking laws and regulations as well as services that may have an impact on the County's operations.

**7) How often will the client relationship manager and other representatives from the firm meet with County staff? How committed are the representatives from the firm to attend County ad-hoc meetings when called upon? How much lead time is required?**

MUFG Union Bank will meet with the County as often as requested. Currently, we conduct a bi-monthly touch-base meeting with a detailed action plan of all items. The client team and representatives are extremely committed to meeting with the County as often as needed. We will continue to conduct ad-hoc meetings on an as needed basis as well as conducting bi-annual full banking / relationship reviews. We do not require any lead time, we will meet with the county upon their request even if it is same-day. The client team and relationship manager is very committed to being proactive with the County's needs.

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## 15. Cost Proposals

All banks must complete the “Various Months Pricing Worksheet”, Appendix D, at the end of this RFP and include it in the proposal as an exhibit. Monthly volumes for August 2020, November 2020, & December 2020 are shown in three separate tabs and are to be used for your pricing proposal. This requirement is in addition to providing a complete and detailed schedule of fees for all services provided as previously stated in this RFP.

It may be necessary to add additional items or divide some if there are different prices for various parts of a service. The bank must include any service and applicable fee, which it reasonably knows will be necessary to service a public entity account such as ours.

For cost preparation and analysis, you will also be provided a redacted Account Analysis Statement for the abovementioned months which also include a balance summary and full listing of services the County will need from a proposer.

Please see the completed Appendix D as well as the MUFG Pricing Schedule included as Exhibit 10.

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## 16. Additional Information & Questions:

### 1) What differentiates your products and services from other banks? Why should we select your bank?

- Global strength and stability
- Our commitment to the community and corporate responsibility
- Our People
- Continuous Investment in Technology over \$1 billion investment in technology, platforms and people to modernize, digitize and standardize with seamless system integration
- Over 50+ years of Local Government Expertise and Experience
- Expertise with Large Counties, State, Cities, Public Utility Providers
- Continued Dedicated Client Team
- Value Proposition
- MUFG Union Bank's vision is to become a leading global institution offering advanced capabilities across all major markets
- Technology is evolving and the Bank is committed to continue to invest significant resources in its core infrastructure in both dollars and human capital
- We continue to invest in our suite of services to ensure our products exceed customer expectations

MUFG Union Bank is committed to offering high-quality depository services that exceed our customers' expectations. We are considered a superior provider because we:

- Leverage the technologies that provide you with scalable check processing solutions, faster access to your deposits, and easier reporting
- Offer a variety of national depository services tailored to your needs including remote deposit, image cash letter, cash vault, smart safe, and lockbox services
- Were among the first in the financial services industry to establish and promote the remote deposit service, and are experienced in providing this time-saving, flexible service to customers
- Have extended deposit deadlines with same day ledger credit for remote deposit customers
- Offer expanded remote deposit services conveniently in select cash vault locations throughout the United States
- Participate in the leading edge SVPCO Image Payments Network and continue to add exchange partners as well as participate in Fed Forward and Fed Receipt Image Clearing
- Have integrated systems so we are able to consolidate all cash order and deposit reporting for deposits from all of our processing sites
- Guarantee the float assigned at the time of deposit, rather than actual processing times
- Have float reporting options to analyze your deposit funds availability by destination and endpoints
- Offer deposited return items solutions that provide images and decisioning online
- Continue processing deposited items into the early morning hours to help you better manage your cash flows
- Have sophisticated fraud monitoring capabilities to protect your deposits
- Provide dedicated customer service through a specialized customer service unit

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- Have staff with the expertise you would find from a large institution with the individual attention found at a smaller institution

**2) Will the bank interface directly with, and assume full responsibility for, any and all third-party service providers, such as armored carriers and couriers?**

Yes, the Bank interfaces directly with, and assumes full responsibility for, any and all third-party service providers, including armored carriers and couriers related to the County's accounts.

Vendor risk management and cybersecurity is crucial. MUFG Union Bank has a rigorous selection process in addition to a detailed vendor risk management process for onboarding. Within the vendor selection process, we have specific requirements for protection of personally identifiable information and other non-public information.

MUFG Union Bank manages the platforms used to deliver our overall card program. While we are not the developer of the systems, we selectively chose our partners to create an integrated program leveraging the latest technology. This structure allowed MUFG Union Bank to launch our program at parity with issuer programs that have been in market for 20+ years and feature ePayables programs. The County's feedback, industry trends and opportunities drive upcoming enhancements.

**3) Does your bank have any pending litigation with any California government agency clients regarding banking services? If so, please describe each instance.**

We are subject to various pending and threatened legal actions that arise in the normal course of business. We maintain liabilities for losses from legal actions that are recorded when they are determined to be both probable in their occurrence and can be reasonably estimated. We believe the disposition of all claims currently pending, including potential losses from claims that may exceed the liabilities recorded, and claims for loss contingencies that are considered reasonably possible to occur, will not have a material effect, either individually or in the aggregate, on our consolidated financial position, results of operations, or liquidity.

**4) Is a formal disaster recovery plan in place in the event of a system failure or other disaster at the banks primary processing site? Is there a 'hot' backup site? When was the plan last updated and tested?**

The Bank's Business Continuity Program utilizes a corporate-wide framework to initiate enterprise-wide global response and recovery for all events that potentially impact the brand, reputation, and / or financial solvency of the Bank. Our "all-hazards response" includes planning for many scenarios, including the possibility of a pandemic influenza. Our goal is to protect our employees as well as to mitigate impact to critical business functions. We have created and exercised through real events, the all-hazards response approach, involving corporate support organizations, business leadership, risk managers, and key senior leadership. As part of the all hazards planning, the Bank has developed multiple solution strategies that should enable it to recover business operations after experiencing virtually any form of reasonable disruption or outage. The program



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governance follows a structure that includes Board of Directors review and approval of the Business Continuity Program, Business Continuity Risk and Working Committees, policies and standards, and internal and external audits to ensure compliance with regulatory requirements.

MUFG Union Bank actively augments its operations, technology, and networking infrastructure. All deployed core applications have built-in redundant telecommunications, server, storage, and software recoverability. All core applications are tested for recoverability prior to deployment. The Bank operates an operations, technology, and networking infrastructure to provide continuity of services and timeliness of delivery through all reasonable scenarios.

The Bank has diversified its technology services through geographically dispersed data centers in different states. The centers are interconnected through high-speed telecommunication links through multiple redundant systems and are able to process in both standalone and connected states. The Bank's other core services are redundantly backed up. Internet services include intrusion detection and firewalls that are tested by third parties. The power to both data centers is fully redundant with UPS modules and generators which remain primed and readily available for use if necessary.

The Bank is comprised of bicoastal teams supporting the Bank's wire department. Additionally, the Bank's check printing services has a primary site and back up printing site in geographically dispersed locations. The Bank has recovery plans in place to failover from primary and back-up sites with limited to no interruption.

**5) Please provide key measures of your bank's financial strength, including total assets, market capitalization, ratings from Standard and Poor's and Moody's. Include a copy of the banks most recent audited financial statement in the exhibits.**

MUFG Union Bank, N.A., is a member of Mitsubishi UFJ Financial Group (MUFG), one of the world's leading financial groups. MUFG is headquartered in Tokyo and with over 360 years of history, MUFG has a global network with over 1,800 locations in more than 50 countries. The Group has over 150,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges. For more information, visit

<https://www.mufg.jp/english>.

As a principal subsidiary of MUFG Americas Holdings Corporation (MUAH), one of the largest regional bank holding companies in the United States, MUFG Union Bank, N.A. has a solid balance sheet with a high-quality capital base and strong liquidity. As of June 30, 2021:

- Our strong liquidity position includes \$17.4 billion cash and cash equivalents, \$21.1 billion securities available for sale, and \$7.8 billion securities held to maturity.
- Our unpledged securities total \$25.5 billion.
- MUFG Union Bank has \$4.1 billion of borrowings outstanding with the FHLB of San Francisco, and a remaining unused borrowing capacity from the FHLB of San Francisco of \$14.9 billion.

- Our conservative risk culture has resulted in a high-quality loan portfolio with strong credit performance.

Please see **Exhibits 11-13** for the Bank’s Call Report, 10-K, and Designed for Resilience documents for greater detail on the Bank’s financial strength.

Current ratings for MUFG Union Bank as of September 24, 2021 are below:

			MUFG Union Bank, N.A.		MUFG Securities Americas Inc.	MUFG Americas Holdings Corporation
	Last Public Announcement		Deposits	Senior Debt	Senior Debt	Senior Debt
Moody's	9/21/2021	Long-Term	Aa3	A2 <sup>1</sup>	--	A3 <sup>2</sup>
		Short-Term	P-1	P-1 <sup>1</sup>	--	--
Standard & Poor's	9/23/2021	Long-Term	--	A <sup>3</sup>	A	A-
		Short-Term	--	A-1 <sup>3</sup>	A-1	A-2
Fitch	9/22/2021	Long-Term	A+	A <sup>4</sup>	A <sup>5</sup>	A <sup>5</sup>
		Short-Term	F1	F1 <sup>4</sup>	F1 <sup>5</sup>	F1 <sup>5</sup>

-- means not rated

1. On review of upgrade
2. On review for downgrade
3. On CreditReview positive
4. On rating watch positive
5. On rating watch negative



Additional financial information about the Bank is available through the Investor Relations page of the Bank website: <https://www.unionbank.com/about-us/investor-relations>

**6) Describe the bank’s experience in providing services to the public sector. Include exclusive resources dedicated to the public sector.**

MUFG Union Bank has supported public sector clients for more than 150 years. Our specialized Public Finance division currently services 540 local public agency clients.

Our Public Finance professionals have extensive knowledge and experience in providing cash management, institutional trust, credit, and employee banking services to the public sector. Our experience has shown that bankers must have a good understanding of the California Government Code to ensure that the specialized needs of the public sector are met, and to better serve our customers.



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**7) Describe the bank’s community involvement. What has the bank done to help local communities in the past 10 years?**

MUFG Union Bank, N.A. is pleased to announce that we were notified by our regulator, the Office of the Comptroller of the Currency (OCC) that we have achieved an "Outstanding" rating based on the federal agency’s Community Reinvestment Act (CRA) Performance Evaluation for 2015 – 2018.

MUFG Union Bank is only able to provide information for the last three years, rather than the 10 years requested. Please see our community involvement for San Mateo County for years 2018 – 2020:

**Community Development Investments & Donations:**

2018 - no investments, 10 donations totaling \$54,500

2019 – no investments, 3 donations totaling \$16,250

2020 – 1 LIHTC (low-income housing tax credit) totaling \$29 million / 14 donations totaling \$159,750

**Community Development Loans:**

2018 – originated 2 CD loans totaling \$5,105,805.41

2019 - originated 3 CD loans totaling \$53,502,214.00

2020 – originated 2 CD loans totaling \$4,832,283.00

**Volunteerism**

MUFG Union Bank employees provided many hours to San Mateo County non-profits, offering technical assistance and financial literacy. Many employees serve on the Board of Directors for various non-profits that provide supportive services to low- and moderate-income individuals and families

2018 – 134 employee volunteer hours

2019 – 342 employee volunteer hours

2020 – 289.50 employee volunteer hours

The MUFG Union Bank, N.A., 2016-2020 Community Service Action Plan (CSAP) outlines the bank’s five-year community commitment. The CSAP has 11 tenets of focus: Economic Development, Small Business Lending, Multi-family Affordable Housing Lending, Single Family Affordable Housing Lending, Branch Technology and Deposit Products, Philanthropy, Environmental Stewardship, Community Advisory Board, Supplier Diversity, Innovation, and Workforce and Board Diversity. This marks the bank’s third CSAP in more than 20 years.

**Foundation Grants**

The MUFG Union Bank Foundation, a nonprofit public benefit corporation, serves as an agent for charitable contributions made by MUFG Union Bank, N.A. Throughout its history, the Foundation has supported the bank’s commitment to help meet the needs of the communities it serves.

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## **Our Vision**

A sustainable and aspiring society with equitable access to opportunity.

## **Our Mission**

Make philanthropic investments that expand access to economic opportunity in low- and moderate-income communities specifically in the areas of affordable housing, community economic development, education, human services and the environment.

## **Our Focus**

We believe that the MUFG Union Bank Foundation can achieve the greatest impact on the health of communities by targeting the following strategic funding categories: affordable housing, community economic development; education; environment, and human services.

In terms of local discretion to implement this, we ensure there is representation from people from and who cover markets on our contributions committee. Their voice and recommendations are critical to the actions we take in this market in terms of both our financial and volunteer resources.

Our commitment to our communities runs deep and throughout all of MUFG. The Board of Directors, the Executive Committee of the Americas, and a community advisory board work through the Community Reinvestment Act (CRA) Commitment and Corporate Social Responsibility of the Americas (CSRA) group to lead our efforts in this space in the Americas. In turn, the CRA Officer and CSRA group coordinate with the CRA Committee, our lending team and branch staff, and our Compliance Group, as well as community advocacy groups and partners.

Like all of our work, our community reinvestment efforts are based on the principles of sustainability. We recognize that the health of the bank is interconnected to the health of our communities, and therefore we endeavor to promote financial prosperity and sociocultural equity across the regions we serve. To promote financial inclusion and alleviate barriers related to finance, we partner with small businesses and CDFIs (Community Development Financial Institutions) to drive growth at all levels of development. We also offer financial education opportunities for our clients, and work to improve access to financial services for low- and moderate-income community members. Much of this work is facilitated through community partnerships, colleague community engagement, and local initiatives, specifically focusing on addressing the urban housing crisis affecting many communities. We also give back through the bank's charitable contributions program, including grants made through the MUFG Union Bank Foundation as well as donations and sponsorships made directly by the bank.

Toward the end of our fiscal year (April 1, 2019 to March 31, 2020) the COVID-19 pandemic had taken hold. As a financial institution, we quickly adapted and were on the front lines supporting our clients with uninterrupted access to financial services in addition to guidance, resources, and tools. Community reinvestment became more critical than ever, and we knew we were in a situation to provide a lifeline to our clients, communities, and colleagues. This experience has taught us lessons in client and community support that we aim to continue and strengthen through our work.

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Looking forward, we will continue to lead in key areas important to the bank: social and racial equity, financial education, affordable housing, and environmental stewardship.

Below is a link to our 2019 Corporate Social Responsibility (CSR) Report:

<https://mufgamericas.com/who-we-are/corporate-social-responsibility/2019-corporate-social-responsibility-report>




**8) Describe the firm’s philosophy with respect to innovation and technology. What has the firm done to better serve the clients via new innovation and improving technology in the past 10 years?**

The industry is rapidly changing in the payments space from a rapid to near real time payments. Technology is evolving and the Bank is committed to investing significant resources in both dollars and human capital over the next 3-5 years to enhance the core infrastructure to be nimble and have flexibility to partner with all customers. This will provide both internal and external efficiencies that will enhance automation and the customer experience from both a servicing and technology perspective. We continue to invest in our suite of services to ensure our products exceed customer expectations. Below are a few current and future product enhancements:

- Expanded mobile app with biometric login and payment approval capability to enhance the client experience (in production)
- Delivered automated instant soft/mobile token provisioning versus waiting for a physical device to be mailed (in production)
- Delivered 24/7 alert capabilities for customers to have real time visibility of their transactions (in production)
- Enhancing the online self-service capabilities for customers to make payment entitlement changes “on the spot” (additional capability in production)
- Developing Invoice to Pay to improve invoice and payment automation (in development)
- Developing “state of the art” easy to use payment and reporting applications (in development)
- The development and use of APIs to integrate deeper into your treasury management or ERP system (planned)



## A commitment to providing leading technology and support

MUFG Union Bank is committed to providing the highest quality experience by investing in the best possible technology and an experienced team that provides personalized service. As part of our ongoing development process, we continuously monitor our services to meet the changing technology needs of our clients and the business environment.

Feature	Benefits
 <p>Data security and privacy</p>	<p>MUFG Union Bank is an industry leader in data security, which is a top priority for the Bank.</p> <p>We assess and improve security options to remain at the forefront of data security and fraud prevention strategies.</p>
 <p>Experienced, personalized support</p>	<p>While self-service tools are available and critical to your everyday needs, we also provide dedicated service through a specialized client service team.</p> <p>This gives you access to the expertise you would expect from a larger bank coupled with the personalized service of a smaller bank.</p>
 <p>Monitoring trends with active leadership</p>	<p>Our dedicated product management and operations team members actively participate in industry conferences, seminars, and workshops, including the Association for Financial Professionals (AFP), NACHA – The Electronic Payments Association, and The Association for Work Process Improvement (TAWPI).</p>

Flexible features that meet the County's specific needs

Our reporting supports your needs for monitoring balance and account information in versatile formats.

Feature	Benefits
 <p>User-friendly data selection</p>	<p>Timely, accurate account balance and transaction information in versatile formats enables the County to make critical decisions and capitalize on investments and loan balance paydown opportunities</p> <p>Standard and customized reports are available for:</p> <ul style="list-style-type: none"> <li>• One or more accounts</li> <li>• A single day or range of days</li> <li>• A certain report criteria (e.g., all credits, all debits)</li> <li>• Individual and/or group BAI type code(s)</li> </ul>
 <p>Flexible report views based on the County's specific needs</p>	<p>Access reports the way you need them</p> <ul style="list-style-type: none"> <li>• Quickview reports provide a daily status of all accounts and reports with a simple click</li> <li>• Customized reports are accessible any time after you create them</li> <li>• Reports are available online or through data transmissions in your preferred format (e.g., BAI, XML, CSV)</li> </ul>

## Online service security and access

We maintain multiple levels of additional security for single sign-on online access to Information Reporting and other MUFG Union Bank services.



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## MUFG Connect Online service security and access

At MUFG Union Bank, our goal is to simplify connectivity. MUFG Connect accomplishes this using a three-pronged approach to integration.

### 1. A range of standard formats and connectivity options

- Formats: ISO 20022 XML, ASC X12 EDI, NACHA, BAI, BAI2, SWIFT, and other commonly used formats such as CSV and others.
- Connectivity: Direct connectivity options include commonly used protocols such as SFTP, FTPS, and AS2 as well Value Added Networks (VANs). We also offer an internet-based small file upload feature via our online platform. In addition, we support SWIFT Corporate Access for FIN and FileAct.

### 2. Format Translation Services: format transformation as a service—no coding because we conform to your format requirements

We recognize technical resources are precious. Format transformation is an integral component of the MUFG Union Bank transmission-based services so that the County can make a transition to a new banking partner easily. To remove the complexity of bank change management processes, we shorten the implementation time by providing mapping as an operationally delivered service.

### 3. Vendor Integration Program (VIP): standard connectivity with application providers

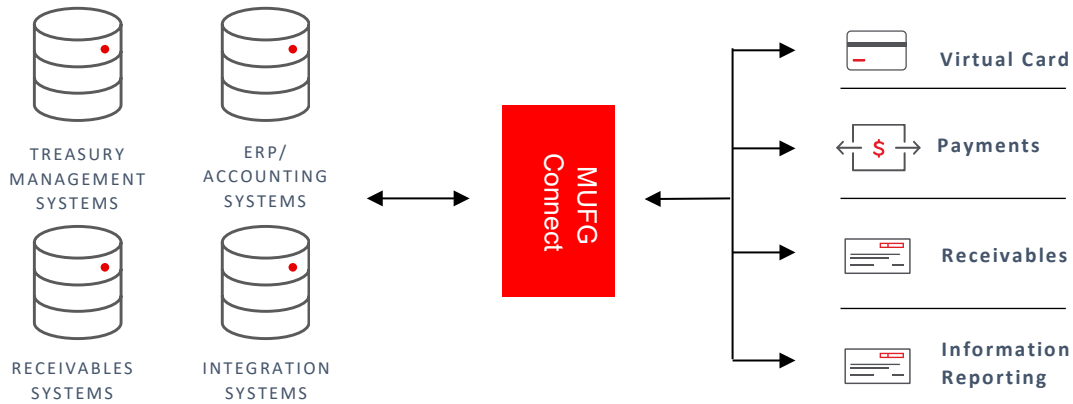
We have strong relationships and standard processes already established with ERP and Treasury Management System (TMS)/Treasury Workstation providers. Simply let us know what kind of payments you want to make, acknowledgements to be received, and balance and transaction information to be delivered to you because full integration is already in place. This removes the need to discuss format, protocol, and data security. It also significantly reduces or eliminates the need for file testing.

In addition, a key MUFG Union Bank objective is to leverage API as the basis for standardized connectivity with vendors in the near future.

## Vendor Integration Program

Established connectivity with ERP, TMS, receivables, and integration providers





MUFG Connect provides a range of transmission options to meet your needs, including commonly used protocols (e.g., SFTP, AS2) and others:

Protocol	More information
Secure FTP	<p>We support secure FTP if you want to transmit files in an “unattended”, straight-through processing environment</p> <p><b>Encryption/Data Security:</b></p> <p>You can send files using secure FTP; that is, you must use a form of encryption.</p> <ul style="list-style-type: none"> <li>• The standard encryption method is Secure Shell (SSH sFTP).</li> <li>• Additional encryption on the file, such as PGP, is optional.</li> <li>• SSL has been replaced by TLS 1.2, which we support. MUFG Union Bank adheres to the highest level of security, but recognizes that protocols determined to be less secure (e.g., SSL) are still in use. To maintain security standards, clients using SSL are required to use additional encryption on the file, such as PGP encryption.</li> </ul>
Applicability Statement 2 (AS2)	<p>AS2 is a securely encrypted transmission type</p> <ul style="list-style-type: none"> <li>• AS2 Software is certified for interoperability by Drummond Group</li> <li>• Requires a digital certificate</li> </ul>
Value-Added Network (VAN)	<ul style="list-style-type: none"> <li>• MUFG Union Bank uses IBM as our VAN</li> <li>• We can establish connectivity from our VAN to any VAN of your choosing</li> </ul>
FIN and FileAct	<p>For our clients that use SWIFT, we support corporate access via both FIN and FileAct</p>
Hypertext Transfer Protocol Secure (https)	<p>To upload to our portal, we offer an internet-based small-file manual upload feature via our online platform (MUFG Exchange) using a native browser (i.e., https) and associated native data security (128- or 256-bit encryption)</p>

Protocol	More information
IBM® Sterling Connect:Direct®	<ul style="list-style-type: none"> <li>Secure Plus data security</li> <li>Formerly known as Network Data Mover (NDM)</li> </ul>

### MUFG Connect Connection Options

We provide multiple secure connection methods.

Connection Method	Option	Data Security
Manual Upload / Download	Online Portal	HTTPS with SSO and token Optional PGP encryption
Automated / Unattended	Direct Transmissions / H2H	SFTP, AS2 with optional PGP encryption on the file
Automated / Unattended	SWIFT FIN / FileAct	SWIFTNet Security
Treasury Management System (VIP)	Direct or SWIFT	Direct or SWIFT

### Streamlined implementations

Dedicated service representatives work with you for implementation and training based on your specific needs. For online services, the County's Information Reporting service can be set up within as little as 48 hours.

## 9) Describe the firm's dispute resolution and customer service/feedback process.

Our Transaction Banking Client Service group addresses inquiries on a one-on-one basis until the inquiry has been researched and resolved. There are established turnaround times or service level agreements (SLA) for responses and adjustments. Requests that require more extensive research may take several days to complete. The Bank has a formal research and problem resolution team that supports your dedicated industry associates. This will ensure all research, adjustments, collections, etc. are handled expeditiously and accurately. Basic inquiries are handled immediately or same day. Emails will receive a response from the system automatically to confirm that they were successfully received and placed in our queue for assignment.

Our TB Client Service team has Service Level Agreements (SLA) for resolving issues:

- Acknowledge Receipt of Case - Immediate
- Resolve Request or Provide a Timeline for Resolution – 24 hours

If final resolution has not been determined within 24 hours, the client will be notified of the anticipated timeframe.

Customer satisfaction is a key component that determines how we conduct business. Our sales and client service staffs meet regularly to identify trends that can benefit customers. In addition, we seek customer feedback and have an ongoing, open dialog with our customers.

The performance of our Client Service Department is measured by established service level agreements.

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In addition, MUFG Union Bank invests in technology and our people to provide the County with first-class customer service. We measure customer satisfaction through regularly scheduled customer calls and external surveys by leading national research organizations. We have received national and regional recognition for excellence in customer support and overall banking services.

## References

In the exhibits section, please provide a complete list of the current public clients to whom you provide full banking services in California. In addition, provide **three** references that are of similar size and scope of services as the County.

Please include the following information for each reference:

- **Contact Name and Title:**
- **Name of Client:**
- **Address:**
- **Telephone Number:**
- **Years as Client:**
- **Brief description of the services provided:**

<b>Customer Name</b>	County of Riverside	
<b>Customer Address</b>	4080 Lemon St, 4 <sup>th</sup> Floor Riverside CA, 92502	
<b>Customer Contact Name and Title</b>	Giovane Pizano Chief Investment Manager	
<b>Customer Telephone</b>	951-955-3944	
<b>Customer E-mail</b>	<a href="mailto:gpizano@co.riverside.ca.us">gpizano@co.riverside.ca.us</a>	
<b>Relationship Term</b>	From: 10/1988	To: Present
<p>MUFG Union Bank provides complete banking services to the County of Riverside. Services include: Check Processing, Account Reconciliation, Cash Vault, Deposited Items Returned, Check Image, Information Reporting, Stop Payments, Online Banking, Wires, Bill Concentration, Electronic Tax Deposit, Outsource Payables, Institutional Investments, Wholesale Lockbox, Wholetail Lockbox, Zero Balance Accounts, ACH Origination Services, and Vendor Services.</p>		

<b>Customer Name</b>	County of Alameda	
<b>Customer Address</b>	1221 Oak Street Oakland CA 94612	
<b>Customer Contact Name and Title</b>	Vishal B. Thacker CIO & Assistant Treasurer	
<b>Customer Telephone</b>	510-272-6837	
<b>Customer E-mail</b>	<a href="mailto:vishal.thacker@acgov.org">vishal.thacker@acgov.org</a>	
<b>Relationship Term</b>	From: 10/2004	To: Present
<p>MUFG Union Bank provides complete banking services to the County of Alameda. Services include: Check Processing, Account Reconciliation, Cash Vault, Deposited Items Returned, Check Image Information Reporting, Stop Payments, Online Banking, Wires, Certificate of Deposit, Automated Property Tax Payment, Electronic Data Interchange, Electronic Tax Deposit, Wholesale Lockbox, Wholetail Lockbox, ACH Origination Services, and Zero Balance Accounts.</p>		

<b>Customer Name</b>	City of Oakland	
<b>Customer Address</b>	150 Frank H. Ogawa Plaza Suite 6353 Oakland CA, 94612	
<b>Customer Contact Name and Title</b>	David Jones Finance Director	
<b>Customer Telephone</b>	510-238-6100	
<b>Customer E-mail</b>	<a href="mailto:DfJones@oaklandca.gov">DfJones@oaklandca.gov</a>	
<b>Relationship Term</b>	From: 05/2018	To: Present
<p>MUFG Union Bank provides complete banking services to the City of Oakland. Services include: Check Processing, Account Reconciliation, Cash Vault, Deposited Items Returned, Information Reporting, Stop Payments, Online Banking, Wires, Zero Balance Account Services, Vendor Services, Transportation Services, Electronic Tax Services, Controlled Disbursements, Check Imaging, Bill Concentration Service, Lockbox, ACH Origination Services, Remote Deposit, ACH Positive Pay.</p>		

<b>Customer Name</b>	Imperial County	
<b>Customer Address</b>	940 Main St Suite 105 El Centro CA, 92243	
<b>Customer Contact Name and Title</b>	Suzanne Bermudez	
<b>Customer Telephone</b>	442-265-1255	
<b>Customer E-mail</b>	<a href="mailto:suzannebermudez@co.imperial.ca.us">suzannebermudez@co.imperial.ca.us</a>	
<b>Relationship Term</b>	From: 06/1992	To: Present
<p>MUFG Union Bank provides complete banking services to Imperial County. Services include: Check Processing, Account Reconciliation, Cash Vault, Deposited Items Returned, Information Reporting, Stop Payments, Online Banking, Wires, Zero Balance Account Services, Image Cash Letter, Transportation Services, Investment Sweep, Check Imaging, ACH Origination Services, ACH Positive Pay, Payee Positive Pay, and ACH Debit Block.</p>		

<b>Customer Name</b>	City of Long Beach	
<b>Customer Address</b>	333 W Ocean Blvd Long Beach CA, 90802	
<b>Customer Contact Name and Title</b>	Cassandra Tan Assistant City Treasurer	
<b>Customer Telephone</b>	562-570-6169	
<b>Customer E-mail</b>	<a href="mailto:Cassandra.tan@longbeach.gov">Cassandra.tan@longbeach.gov</a>	
<b>Relationship Term</b>	From: 09/2002	To: Present
<p>MUFG Union Bank provides complete banking services to the City of Long Beach. Services include: Check Processing, Account Reconciliation, Cash Vault, Deposited Items Returned, Information Reporting, Stop Payments, Online Banking, Wires, Zero Balance Account Transportation Services, Vendor Services, Electronic Tax Services, Controlled Disbursements, Check Imaging, Bill Concentration Service, and Institutional Investments</p>		

We will provide additional references upon a finalist interview and or award. We are obligated by our Legal department to reach out to every client individually prior to providing a reference.

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**In the Exhibits, please provide a copy of all contracts or agreements that will be required to initiate services. The County prefers using a master contract with additional subcontracts as needed.**

As a current client, we will use existing documents on file for services currently in place. However, we have also included the following documents for your review.

- Exhibit 14\_Business Accounts & Services and Transaction Banking Services Disclosure and Agreement 2022Y
- Exhibit 15\_Signature Card (“Depositor and TB Services Agreement Customer Acknowledgement”)
- Exhibit 16\_Authorization and Agreement for Treasury Management Services
- Exhibit 17\_Funds Transfer Authorization

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**Price Menu**  
**COUNTY OF SAN MATEO**  
**August 2021**

**UNION BANK**

<b>BALANCE SUMMARY</b>	
Average Ledger Balance	<b>\$39,022,430.00</b>
Less: Average Uncollected (FLOAT)	<b>\$0.00</b>
Average Collected Balance	<b>\$39,022,430.00</b>
Less: Reserve Requirement (0%)	<b>\$0.00</b>
Less: Sweep Compensating Balance	<b>\$0.00</b>
Balance Available to Support Activity	<b>\$39,022,430.00</b>

<b>ACCOUNT POSITION</b>	
Earnings Credit Rate	<b>0.50%</b>
Number of Days in Month	<b>31</b>

**1st Month**

Earnings Credit:	<b>\$16,571.17</b>
Less: Interest Paid on Interest Bearing Accounts	<b>\$0.00</b>
Net Earnings Allowance - This Month	<b>\$16,571.17</b>
Less: Charges for Balance Compensated Services	<b>\$18,053.90</b>
Less: One-Time Setup Fees	<b>\$550.00</b>
Net Earnings Allowance (1st Month)	<b>(\$2,032.73)</b>

**Recurring Months**

Earnings Credit:	<b>\$16,571.17</b>
Less: Interest Paid on Interest Bearing Accounts	<b>\$0.00</b>
Net Earnings Allowance - This Month	<b>\$16,571.17</b>
Less: Charges for Balance Compensated Services	<b>\$18,053.90</b>
Net Earnings Allowance (Recurring)	<b>(\$1,482.73)</b>

<b>OVERDRAFT / UNCOLLECTED FUNDS CHARGES</b>
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**Uncollected Funds**

*Customer usage of uncollected funds is charged the Union Bank Reference Rate plus 4.0% per annum, computed on the average daily usage of uncollected funds for the month in question.*

**Overdrafts**

*Overdraft balances and related fees are charged the Union Bank Reference Rate plus 4.0% per annum, computed daily, with a minimum daily charge of \$10.00, assessed from the time such overdraft balances are created and related fees incurred. The minimum daily charge and accrued interest are then added to the overdraft balance.*

*Checks or other transactions presented against insufficient funds whether paid or unpaid are assessed at \$35 per item.*

*This Pro Forma Account Analysis is an estimate based on assumptions about the services and volumes that will be used. Every effort has been made to provide an accurate estimate, but actual usage may vary and cause the results to differ. We reserve the right to bill for services that are not included in the above estimate if the applicable services are implemented by the bank and utilized by you.*



**Price Menu**  
**COUNTY OF SAN MATEO**  
**November 2021**

**UNION BANK**

<b>BALANCE SUMMARY</b>	
Average Ledger Balance	\$150,629,708.79
Less: Average Uncollected (FLOAT)	\$75,997.00
Average Collected Balance	\$150,553,711.79
Less: Reserve Requirement (0%)	\$0.00
Less: Sweep Compensating Balance	\$0.00
Balance Available to Support Activity	\$150,553,711.79

<b>ACCOUNT POSITION</b>	
Earnings Credit Rate	0.50%
Number of Days in Month	30

**1st Month**

Earnings Credit:	\$61,871.39
Less: Interest Paid on Interest Bearing Accounts	\$0.00
Net Earnings Allowance - This Month	\$61,871.39
Less: Charges for Balance Compensated Services	\$36,556.95
Less: One-Time Setup Fees	\$550.00
Net Earnings Allowance (1st Month)	\$24,764.44

**Recurring Months**

Earnings Credit:	\$61,871.39
Less: Interest Paid on Interest Bearing Accounts	\$0.00
Net Earnings Allowance - This Month	\$61,871.39
Less: Charges for Balance Compensated Services	\$36,556.95
Net Earnings Allowance (Recurring)	\$25,314.44

<b>OVERDRAFT / UNCOLLECTED FUNDS CHARGES</b>
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**Uncollected Funds**

*Customer usage of uncollected funds is charged the Union Bank Reference Rate plus 4.0% per annum, computed on the average daily usage of uncollected funds for the month in question.*

**Overdrafts**

*Overdraft balances and related fees are charged the Union Bank Reference Rate plus 4.0% per annum, computed daily, with a minimum daily charge of \$10.00, assessed from the time such overdraft balances are created and related fees incurred. The minimum daily charge and accrued interest are then added to the overdraft balance.*

*Checks or other transactions presented against insufficient funds whether paid or unpaid are assessed at \$35 per item.*

*This Pro Forma Account Analysis is an estimate based on assumptions about the services and volumes that will be used. Every effort has been made to provide an accurate estimate, but actual usage may vary and cause the results to differ. We reserve the right to bill for services that are not included in the above estimate if the applicable services are implemented by the bank and utilized by you.*

**UNION BANK**  
**GOVERNMENT SERVICES SCENARIO**  
**COUNTY OF SAN MATEO**  
**November 2021**

<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>ACCOUNT ANALYSIS</b>						
AAA003	010400	ACCT MAINTENANCE - WEB	65	3.0000	195.00	527,222.22
<b>SUBTOTAL</b>					<b>195.00</b>	<b>527,222.22</b>
<b>ACCOUNT RECONCILIATION</b>						
ARP002	200010	FULL RECON MONTHLY MAINT	14	10.0000	140.00	378,518.52
ARP003	200020	PARTIAL RECON MONTHLY MAINT	2	10.0000	20.00	54,074.07
ARP006	150030	POS PAY MONTHLY MAINT	9	0.0000	0.00	0.00
ARP012	20020F	TRANSMISSION ISSUE INPUT-BASE	121	1.0000	121.00	327,148.15
ARP013	200201	TRANSMISSION ISSUE INPUT-ITEM	18,436	0.0200	368.72	996,909.63
ARP023	999999	PAPER LISTING	*	0.3500	0.00	0.00
ARP024	200211	RECORD MAINTENANCE - PER ISSUE	*	0.2500	0.00	0.00
ARP027	200201	ISSUE INPUT ADDL 40 BYTE DATA	3,170	0.0400	126.80	342,829.63
ARP031	150102	CHECK PAID TRUNCATED	5,000	0.0400	200.00	540,740.74
ARP031	150102	CHECK PAID TRUNCATED	13,707	0.0400	548.28	1,482,386.67
ARP034	150102	CHECK PAID PARTIAL - TRUNCATED	908	0.0600	54.48	147,297.78
ARP051	200301	DAILY PAID REPORT	16	0.0000	0.00	0.00
ARP057	150322	EXCEPTION ITEMS RETURNED	32	0.0000	0.00	0.00
ARP061	200310	OUTSTANDING ONLY REPORT	13	10.0000	130.00	351,481.48
ARP062	20030Z	OUTSTANDING CHECK REGISTR-ITEM	31,699	0.0000	0.00	0.00
ARP065	200310	PAID NO ISSUE REPORT	6	10.0000	60.00	162,222.22
ARP066	200310	PAID NO ISSUE - PER ITEM	1	0.0000	0.00	0.00

**UNION BANK**  
**GOVERNMENT SERVICES SCENARIO**  
**COUNTY OF SAN MATEO**  
**November 2021**

<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Proposed</b>	<b>Required</b>
				<b>(D)</b>	<b>Price \$</b>	<b>(E)/ECR*365</b>
					<b>(E)=(A)*(D)</b>	<b>/Days/0.9</b>
ARP071	200325	CANCEL CHECK REPORT	13	10.0000	130.00	351,481.48
ARP072	200325	ADDITIONAL STANDARD RPT	2	10.0000	20.00	54,074.07
ARP081	150410	RECON STOP PAYMENTS - NEW	*	10.0000	0.00	0.00
ARP082	150412	RECON STOP PAYMENTS - RENEWAL	5	5.0000	25.00	67,592.59
ARP084	150412	RECON STOP PAYMT-RANGE RENEWAL	*	8.0000	0.00	0.00
ARP085	150230	STALE DATE FEATURE - BASE	13	5.0000	65.00	175,740.74
ARP086	150230	STALE DATE LISTING - ITEM	7,749	0.0400	309.96	838,040.00
ARP113	200620	TRANSMISSION OUTPUT- PER TX	318	1.0000	318.00	859,777.78
ARP114	200620	TRANSMISSION OUTPUT - PER ITEM	51,353	0.0030	154.06	416,532.59
ARP143	151353	IMAGE CD - ROM	1	5.0000	5.00	13,518.52
ARP151	151351	CHECK CAPTURE	15,530	0.0200	310.60	839,770.37
ARP180	200310	PAPER REPORT PRINT & SHIPPING	*	15.0000	0.00	0.00
ARP182	151200	SPECIAL MAIL-HANDLING	3	5.0000	15.00	40,555.56
ARP200	150030	WEB POS PAY-ACCOUNT BASE	14	0.0000	0.00	0.00
ARP235	150311	WEB POS PAY-EXCEPTIONS	580	0.2000	116.00	313,629.63
ARP240	150310	POSITIVE PAY-PNI EXCEPTIONS	14	0.0000	0.00	0.00
ARP245	151355	WEB POS PAY-IMAGES	562	0.5000	281.00	759,740.74
ARP260	200210	WEB POS PAY-MANUAL ISSUE	23	0.2500	5.75	15,546.30
ARP265	20020B	WEB POS PAY-IMPORTED ISSUE	667	0.1800	120.06	324,606.67
ARP275	151355	WEB POS PAY-HISTORY IMAGES	1	0.5000	0.50	1,351.85
ARP280	151355	WEB REV POS PAY-HISTORY IMAGES	*	0.5000	0.00	0.00
ARP354	150122	PAYEE NAME VALIDATION	13,160	0.0200	263.20	711,614.81
ARP364	150311	PAYEE EXCEPTION PROCESSING	535	1.0000	535.00	1,446,481.48

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<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
ARP502	200601	ACCT RECON CSV RPT MTHLY MNT	15	5.0000	75.00	202,777.78
ARP503	200621	ACCT RECON CSV RPT-PER ITEM	*	0.0080	0.00	0.00
ARP503	200621	ACCT RECON CSV RPT-PER ITEM	124,913	0.0040	499.66	1,350,932.59
<b>SUBTOTAL</b>					<b>5,018.07</b>	<b>13,567,374.44</b>
<b>TRANSPORTATION SERVICES (YOU MUST INCLUDE ONE-TIME INTERNAL COSTS)</b>						
CAR001	101020	COURIER SERVICES	Courier Contract	0.0000	0.00	0.00
CAR002	101010	ARMORED CAR SERVICES	Courier Contract	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>0.00</b>	<b>0.00</b>
<b>BUSINESS CHECKING</b>						
CHK010	100000	BRANCH DEPOSIT	4	2.0000	8.00	21,629.63
CHK011	010101	ELECTRONIC CREDIT	1,319	0.0400	52.76	142,647.41
CHK020	150100	PAID CHECK CHARGE	85	0.1700	14.45	39,068.52
CHK021	010100	ELECTRONIC DEBIT	349	0.0400	13.96	37,743.70
CHK060	251052	ACH BLOCK	1	2.0000	2.00	5,407.41
CHK060	251052	ACH BLOCK	5	2.0000	10.00	27,037.04
CHK060	251052	ACH BLOCK	23	2.0000	46.00	124,370.37
CHK111	010307	BANK STATEMENT WEB	85	2.5000	212.50	574,537.04
CHK750	000230	DEPOSIT ADMIN FEE (000's)	150,705.7	0.0010	150.71	407,475.19
<b>SUBTOTAL</b>					<b>510.38</b>	<b>1,379,916.30</b>

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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>CHECK PROCESSING</b>						
CKP001	100200	PRE-ENCODED COURIER DEPOSIT	*	3.0000	0.00	0.00
CKP002	100200	UNENCODED COURIER DEPOSIT	*	3.0000	0.00	0.00
CKP020	100220	UB CHECKS	*	0.0000	0.00	0.00
CKP137	100222	LOCAL CLR.HSE./BRANCH DEP.	*	0.2500	0.00	0.00
CKP138	100223	LOCAL FED DIST 12 - BRANCH DEP	1	0.2500	0.25	675.93
CKP139	100224	OTHER FED - BRANCH DEPOSIT	*	0.2500	0.00	0.00
CKP147	100310	CANADIAN ITEMS IN US DOLLARS	*	3.0000	0.00	0.00
CKP150	100220	UB CHECKS SERV. CTR DEPOSIT	942	0.0200	18.84	50,937.78
CKP167	100222	LOCAL CLR. HSE./SER. CTR	28,009	0.0100	280.09	757,280.37
CKP168	100223	LOCAL FED DIST 12-SERV CTR DEP	22,316	0.0100	223.16	603,358.52
CKP169	100228	ENCODING FEE - SERV. CTR. DEP.	339	0.0000	0.00	0.00
CKP170	100224	OTHER FED - SERV CTR DEPOSIT	4,660	0.0100	46.60	125,992.59
CKP181	100230	CHECK PROCESSING REJECTS	*	0.6500	0.00	0.00
CKP190	100502	DEBIT ERROR NOTICE	*	5.0000	0.00	0.00
CKP191	100502	CREDIT ERROR NOTICE	*	5.0000	0.00	0.00
CKP241	999999	SUBVENTIONS - CUST. UNSCHED	*	5.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>568.94</b>	<b>1,538,245.19</b>
<b>ACH SERVICES</b>						
CPY006	250000	DIRECT SEND MONTHLY BASE FEE	16	10.0000	160.00	432,592.59
CPY007	250101	DIRECT SEND CREDIT TRANSACTION	*	0.0300	0.00	0.00
CPY007	250101	DIRECT SEND CREDIT TRANSACTION	*	0.0300	0.00	0.00

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<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
CPY007	250101	DIRECT SEND CREDIT TRANSACTION	*	0.0300	0.00	0.00
CPY007	250101	DIRECT SEND CREDIT TRANSACTION	38,705	0.0300	1,161.15	3,139,405.56
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	421	0.0300	12.63	34,147.78
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	*	0.0300	0.00	0.00
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	*	0.0300	0.00	0.00
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	*	0.3000	0.00	0.00
CPY017	250400	DIRECT SEND RETURNS FILE	8	5.0000	40.00	108,148.15
CPY018	250401	DIRECT SEND RETURNS FAX	20	7.0000	140.00	378,518.52
CPY020	2506ZZ	DIRECT SEND REJ/REV/DEL	1	25.0000	25.00	67,592.59
CPY026	251010	DIRECT SEND TRACERS	1	25.0000	25.00	67,592.59
CPY028	251071	DIRECT SEND NOC FAX	14	3.0000	42.00	113,555.56
CPY029	250400	DAILY RETURN FILE	2	50.0000	100.00	270,370.37
CPY030	251070	DIRECT SEND NOC TRANSMISSION	19	3.0000	57.00	154,111.11
CPY032	250501	INPUT - DATA TRANSMISSION	95	5.0000	475.00	1,284,259.26
CPY035	250120	ADDENDA RECORDS	1,158	0.0100	11.58	31,308.89
CPY049	250632	SUSPENDS	*	75.0000	0.00	0.00
CPY058	250702	ACH ACK. REPORT	18	1.0000	18.00	48,666.67
CPY060	250702	ACH FILE ACK-EMAIL-DIRECT SEND	16	7.0000	112.00	302,814.81
CPY206	250000	ACH VENDOR MONTHLY BASE FEE	2	25.0000	50.00	135,185.19
CPY207	250101	VENDOR ACH CREDIT TRANSACTIONS	*	0.0200	0.00	0.00
CPY207	250101	VENDOR ACH CREDIT TRANSACTIONS	882	0.0200	17.64	47,693.33
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	*	0.0200	0.00	0.00
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	21,363	0.0200	427.26	1,155,184.44

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<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	*	0.0200	0.00	0.00
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	*	0.0100	0.00	0.00
CPY215	999999	UNAUTHORIZED RETURNS	1	10.0000	10.00	27,037.04
CPY217	999999	VENDOR RETURNS TRANSMISSION	156	7.0000	1,092.00	2,952,444.44
CPY218	250401	VENDOR RETURNS FAXED	*	10.0000	0.00	0.00
CPY228	251071	VENDOR NOC FAX	*	8.0000	0.00	0.00
CPY230	251070	VENDOR NOC TRANSMISSION	81	7.0000	567.00	1,533,000.00
CPY232	251040	VENDOR INPUT DATA TRANSMISSION	28	5.0000	140.00	378,518.52
CPY299	250141	VENDOR SAME DAY-DB CLIENT ORIGINATION	1,062	0.7500	796.50	2,153,500.00
CPY406	250000	ACH WEB MONTHLY BASE FEE	2	25.0000	50.00	135,185.19
CPY409	250100	ACH WEB DEBIT TRANSACTION	100	0.0200	2.00	5,407.41
CPY409	250100	ACH WEB DEBIT TRANSACTION	117	0.0200	2.34	6,326.67
CPY417	250400	ACH WEB RETURNS TRANSMISSION	1	2.0000	2.00	5,407.41
CPY430	251070	ACH WEB NOC TRANSMISSION	*	7.0000	0.00	0.00
CPY432	250505	ACH WEB BATCH RELEASE	3	2.0000	6.00	16,222.22
CPY435	250120	WEB ADDENDA RECORDS	79	0.0100	0.79	2,135.93
<b>SUBTOTAL</b>					<b>5,542.89</b>	<b>14,986,332.22</b>
<b>CASH VAULT SERVICES</b>						
CSH007	100141	AUTOMATED ORDER-WEB/VRU	*	3.2500	0.00	0.00
CSH008	100148	CURRENCY ORDERED -(000'S) (000's)	*	1.1000	0.00	0.00
CSH009	100144	ROLLED COIN (INDIVIDUAL ROLLS)	*	0.1500	0.00	0.00
CSH019	100146	ROLLED COIN (BOXED)	*	5.0000	0.00	0.00

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<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
CSH021	100111	COIN DEPOSITED NON-STANDARD	*	4.0000	0.00	0.00
CSH025	100100	DEPOSIT-MIXED CASH CHECK	41	1.0000	41.00	110,851.85
CSH028	100100	DEPOSIT - CASH OR COIN ONLY	79	1.4500	114.55	309,709.26
CSH030	100114	CURRENCY DEPOSITED-UNSTRAPPED (000's)	2,881.4	1.2000	3,457.65	9,348,461.11
CSH035	100501	DEPOSIT ADJUSTMENT	1	0.0000	0.00	0.00
CSH045	100110	ROLLED COIN IN BAG-SURCHARGE	*	5.0000	0.00	0.00
CSH100	100145	HALF-BOX COIN (5, 25,\$1 ONLY)	*	2.5000	0.00	0.00
CSH109	10014B	FIT CURR FURN - PARTIAL STRAP	*	2.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>3,613.20</b>	<b>9,769,022.22</b>
<b>CUSTOMER SERVICE ACTIVITIES</b>						
CUS045	010610	PRINTER CHARGES	*	0.0000	0.00	0.00
CUS300	150412	DDA AUTO-RENEWED STOP PMT	9	6.0000	54.00	146,000.00
CUS301	150501	NON-CUSTOMER CASH PAID ON-US	117	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>54.00</b>	<b>146,000.00</b>
<b>E-LOCKBOX SERVICE</b>						
ELB101	310001	MONTHLY MAINTENANCE	1	100.0000	100.00	270,370.37
ELB102	310420	PER ITEM	*	0.0500	0.00	0.00
ELB102	310420	PER ITEM	*	0.0500	0.00	0.00
ELB102	310420	PER ITEM	*	0.0500	0.00	0.00
ELB102	310420	PER ITEM	2,386	0.0500	119.30	322,551.85
ELB104	310429	E-LOCKBOX REVERSAL	22	1.0000	22.00	59,481.48



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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
ELB109	999999	TRANSMISSION	19	10.0000	190.00	513,703.70
<b>SUBTOTAL</b>					<b>431.30</b>	<b>652,403.70</b>
<b>ELECTRONIC PAYMENT AUTHORIZAT</b>						
EPA001	251056	EPA SETUP	*	0.0000	0.00	0.00
EPA006	251050	EPA MONTHLY MAINTENANCE	1	15.0000	15.00	40,555.56
EPA006	251050	EPA MONTHLY MAINTENANCE	9	10.0000	90.00	243,333.33
EPA006	251050	EPA MONTHLY MAINTENANCE	11	10.0000	110.00	297,407.41
EPA007	251056	EPA TRADING PARTNER SETUP	1	15.0000	15.00	40,555.56
EPA010	251057	EPA FILTER MAINTENANCE	*	5.0000	0.00	0.00
EPA036	251053	EPA ACTIVITY REPORT	2	10.0000	20.00	54,074.07
<b>SUBTOTAL</b>					<b>250.00</b>	<b>675,925.93</b>
<b>ELECTRONIC TAX DEPOSIT</b>						
ETD001	25010B	PHONE INSTATAX PAYMENT	*	5.0000	0.00	0.00
ETD011	250710	INSTATAX FAXED RECEIPT	4	1.0000	4.00	10,814.81
ETD012	250710	INSTATAX MAILED RECEIPT	5	2.0000	10.00	27,037.04
ETD014	250620	INSTATAX PAYMENT DELETION	2	0.0000	0.00	0.00
ETD020	250700	INSTATAX QUARTERLY STATEMENT	*	15.0000	0.00	0.00
ETD021	250720	INSTATAX MONTHLY STATEMENT	2	15.0000	30.00	81,111.11
ETD130	250000	WEB INSTATAX MONTHLY MAINT	45	0.0000	0.00	0.00
ETD132	25010B	WEB INSTATAX PAYMENT	129	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>44.00</b>	<b>118,962.96</b>

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<b>FUNDS ADVANCED</b>						
FAD001	000200	INT ON FUNDS ADV-LDGR OD	*	0.00	0.00	0.00
FAD002	000210	INT ON FUNDS ADV-UNCOL FUNDS	*	0.00	0.00	0.00
FAD004	000299	SERVICE COMPENSATING BALANCE	*	0.00	0.00	0.00
FAD310	150341	NSF ITEMS PAID	*	35.0000	0.00	0.00
FAD311	150342	NSF ITEMS RETURNED	*	35.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>0.00</b>	<b>0.00</b>
<b>IMAGE CHECK</b>						
ICK121	101301	ICL MAINTENANCE - DIRECT SEND	1	50.0000	50.00	135,185.19
ICK122	101301	ICL ADD/I ACCT MAINT. - DIRECT	4	10.0000	40.00	108,148.15
ICK139	101321	ICL PER ITEM - DIRECT SEND	19,737	0.0100	197.37	533,630.00
ICK190	101324	ICL FILE TRANSMISSION	75	5.0000	375.00	1,013,888.89
ICK191	101324	ICL PER DEPOSIT - DIRECT SEND	120	2.5000	300.00	811,111.11
ICK221	101300	REMOTE DEPOSIT MONTHLY MAINT	6	50.0000	300.00	811,111.11
ICK222	101300	REMOTE DEPOSIT ADD'L ACCT	1	25.0000	25.00	67,592.59
ICK222	101300	REMOTE DEPOSIT ADD'L ACCT	*	25.0000	0.00	0.00
ICK240	100220	REMOTE DEPOSIT ON US	69	0.0200	1.38	3,731.11
ICK241	10022Z	REMOTE DEPOSIT PER TRANSIT	739	0.0600	44.34	119,882.22
ICK291	101323	REMOTE DEPOSIT PER DEPOSIT	110	0.5000	55.00	148,703.70
<b>SUBTOTAL</b>					<b>1,388.09</b>	<b>3,752,984.07</b>

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CODE	TMA	DESCRIPTION	(A)	Price \$ (D)	Proposed Price \$ (E)=(A)*(D)	Required (E)/ECR*365 /Days/0.9
<b>CHECK IMAGE</b>						
IMG401	151350	IOD MONTHLY MAINTENANCE FEE	1	5.0000	5.00	13,518.52
IMG402	151351	IOD PER ITEM FEE	72	0.0500	3.60	9,733.33
IMG402	151351	IOD PER ITEM FEE	*	0.2500	0.00	0.00
<b>SUBTOTAL</b>					<b>8.60</b>	<b>23,251.85</b>
<b>INFORMATION REPORTING</b>						
INF210	400222	DIRECT TRANSMISSION ITEMS	1,584	0.0250	39.60	107,066.67
INF249	400110	DIRECT TRANSMISSION	19	2.0000	38.00	102,740.74
INF407	400052	WEB PRIOR DAY REPORT ACCOUNTS	1	10.0000	10.00	27,037.04
INF407	400052	WEB PRIOR DAY REPORT ACCOUNTS	1	10.0000	10.00	27,037.04
INF408	400052	WEB PRIOR DAY REPORT ACCOUNT	1	10.0000	10.00	27,037.04
INF408	400052	WEB PRIOR DAY REPORT ACCOUNT	10	10.0000	100.00	270,370.37
INF408	400052	WEB PRIOR DAY REPORT ACCOUNT	52	10.0000	520.00	1,405,925.93
INF411	400270	WEB PD BAL/SUM UPDATED	8,889	0.0500	444.45	1,201,661.11
INF412	400271	WEB PD TRANSACTIONS UPDATED	5,195	0.0500	259.75	702,287.04
INF413	400273	WEB CD BAL/SUM UPDATED	4,056	0.0500	202.80	548,311.11
INF414	400274	WEB CD TRANSACTIONS UPDATED	2,861	0.0500	143.05	386,764.81
INF425	400055	WEB CURRENT DAY RPT ACCOUNTS	1	10.0000	10.00	27,037.04
INF425	400055	WEB CURRENT DAY RPT ACCOUNTS	1	10.0000	10.00	27,037.04
INF429	400055	WEB CURRENT DAY REPT ACCOUNT	1	10.0000	10.00	27,037.04
INF429	400055	WEB CURRENT DAY REPT ACCOUNT	60	10.0000	600.00	1,622,222.22
INF450	151355	IMAGE ITEM PRIOR DAY STMT	12	0.0000	0.00	0.00

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<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
INF458	401030	PRIOR DAY (COST ONLY) -2 HRS	2	0.0000	0.00	0.00
INF495	050406	WEB LBOX DETAIL RPT ACCT	1	10.0000	10.00	27,037.04
INF495	050406	WEB LBOX DETAIL RPT ACCT	1	10.0000	10.00	27,037.04
<b>SUBTOTAL</b>					<b>2,427.65</b>	<b>6,563,646.30</b>
 <b>ONLINE BUSINESS CENTER</b>						
OBC207	010823	ISSUE PASSWORD - BANK	8	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>0.00</b>	<b>0.00</b>
 <b>DEPOSITED ITEMS RETURNED</b>						
RET062	100402	DEPOSITD ITEMS RETURNED-RECLEAR	95	1.0000	95.00	256,851.85
RET063	100400	DEPOSITD ITEMS RETURNED-CHRGBK	95	2.2500	213.75	577,916.67
RET064	100401	ENDORSEMENT GUARANTEE/RECLEAR	*	5.0000	0.00	0.00
RET411	100416	WEB RI INQ ITMS AVL FOR INQ	190	1.5000	285.00	770,555.56
RET470	100405	WEB RI - MONTHLY MAINTENANCE	1	2.0000	2.00	5,407.41
<b>SUBTOTAL</b>					<b>595.75</b>	<b>1,610,731.48</b>
 <b>OFFICE CASH SERVICES</b>						
ROC015	100015	DEPOSITED CURRENCY (000's)	0.1	1.5000	0.09	243.33
<b>SUBTOTAL</b>					<b>0.09</b>	<b>243.33</b>

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		BILLABLE		Proposed	Extended	Comp. Balance
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<b>ACH EXTRACT REPORTING</b>						
RPY607	250101	ACH CREDIT TRANSACTIONS	461	0.0200	9.22	24,928.15
RPY609	250640	ACH DEBIT TRANSACTIONS	*	0.1500	0.00	0.00
RPY635	250120	ADDENDA	430	0.0100	4.30	11,625.93
RPY669	250701	TRANSMISION	16	5.0000	80.00	216,296.30
<b>SUBTOTAL</b>					<b>93.52</b>	<b>252,850.37</b>
<b>COMMERCIAL CUSTOMER SUPPLIES</b>						
SUP001	100830	CASH VAULT BAGS-LARGE	*	32.5000	0.00	0.00
SUP004	100830	CASH VAULT BAGS-SMALL	*	22.7000	0.00	0.00
SUP017	100830	COIN BAGS-PLASTIC	*	8.2000	0.00	0.00
SUP103	100899	CHECK TRANSIT BOX	*	12.0000	0.00	0.00
SUP104	100899	CHECK TRANSIT BOX-FILLER	*	10.5000	0.00	0.00
SUP105	100899	CHECK TRANSIT BOX-COVER	*	10.5000	0.00	0.00
<b>SUBTOTAL</b>					<b>0.00</b>	<b>0.00</b>
<b>TEAM STOP PAYMENTS</b>						
TSP410	150410	WEB ACCT RECON STOP PMT	104	3.0000	312.00	843,555.56
TSP418	150412	WEB STOP PAYMENT RENEWAL	940	2.0000	1,880.00	5,082,962.96
TSP420	150411	WEB ACCT RECON RANGE STOP PMT	*	15.0000	0.00	0.00
TSP450	150400	WEB STOP SINGLE INQUIRY	52	1.0000	52.00	140,592.59
TSP470	150400	WEB STOP RANGE INQUIRY	*	3.0000	0.00	0.00
TSP994	150410	WEB NUMBER STOP ACCOUNTS	25	0.0000	0.00	0.00

**UNION BANK**  
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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>SUBTOTAL</b>					<b>2,244.00</b>	<b>6,067,111.11</b>
<b>WIRE TRANSFERS</b>						
WIR001	350300	INCOMING DOMESTIC WIRE	31	5.0000	155.00	419,074.07
WIR009	350330	INCOMING WIRE REPAIR	*	5.0000	0.00	0.00
WIR021	350310	INCOMING INTL USD WIRE	3	11.0000	33.00	89,222.22
WIR031	350320	INTERNAL WIRE	3	5.0000	15.00	40,555.56
<b>SUBTOTAL</b>					<b>203.00</b>	<b>548,851.85</b>
<b>WHOLETAIL LOCKBOX</b>						
WTL001	050020	MONTHLY BASE CHARGE	2	10.0000	20.00	54,074.07
WTL002	050100	ITEMS PROCESSED - SINGLES	55,589	0.0050	277.95	751,494.44
WTL016	050530	REJECTS/CORRESPONDENCE	1,261	0.1500	189.15	511,405.56
WTL017	050103	ITEMS PROCESSED - MULTIPLES	20,568	0.3000	6,170.40	16,682,933.33
WTL038	050520	OCR SCAN LINE REPAIR	58,308	0.0200	1,166.16	3,152,951.11
WTL041	050102	NON-MATCHED ITEMS	691	0.3500	241.85	653,890.74
WTL044	050400	DATA TRANSMISSION	1	10.0000	10.00	27,037.04
WTL045	050401	DATA TRANSMISSION/MEDIA	55,589	0.0050	277.95	751,494.44
WTL067	050131	PAYEE VERIFICATION	55,589	0.0000	0.00	0.00
WTL071	050022	POSTAL BOX RENTAL	252	252.0000	252.00	681,333.33
WTL080	050300	LOCKBOX DEPOSIT	19	1.0000	19.00	51,370.37
WTL089	05013B	CASH DEPOSIT	*	12.5000	0.00	0.00
WTL105	05042Z	IMAGE DELIVERY MO MAINT	2	10.0000	20.00	54,074.07

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<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
WTL106	050620	EXTENDED IMAGE ARCHIVE - 7 YR	55,589	0.0000	0.00	0.00
WTL107	050405	CD-ROM PRODUCED	6	10.0000	60.00	162,222.22
WTL109	050142	CHECK IMAGE	55,589	0.0300	1,667.67	4,508,885.56
WTL111	050144	DOCUMENT IMAGE	78,081	0.0300	2,342.43	6,333,236.67
WTL113	050424	IMAGE ACCESS	197	0.0300	5.91	15,978.89
<b>SUBTOTAL</b>					<b>12,720.47</b>	<b>34,392,381.85</b>
<b>ELECTRONIC WIRE TRANSFER</b>						
WTM436	350120	ACCT TRANSFER END-OF-DAY/WEB	99	2.5000	247.50	669,166.67
WTM442	350000	WIRE TRANSFER MONTHLY FEE/WEB	1	10.0000	10.00	27,037.04
WTM443	350100	OUTG DOM WIRE - WEB	53	4.0000	212.00	573,185.19
WTM445	350110	OUTG INTL USD WIRE - WEB	*	20.0000	0.00	0.00
WTM447	350120	INTERNAL BOOK TRANSFER - WEB	4	4.0000	16.00	43,259.26
<b>SUBTOTAL</b>					<b>485.50</b>	<b>1,312,648.15</b>
<b>ZERO BALANCE ACCOUNTS</b>						
ZBA001	010020	CONCENTRATION ACCOUNT	1	10.0000	10.00	27,037.04
ZBA200	010021	MULTI-LEVEL SUBSIDIARIES	10	2.5000	25.00	67,592.59
ZBA200	010021	MULTI-LEVEL SUBSIDIARIES	51	2.5000	127.50	344,722.22
<b>SUBTOTAL</b>					<b>162.50</b>	<b>439,351.85</b>
<b>MONTHLY SERVICE TOTAL</b>					<b>36,556.95</b>	<b>98,839,161.11</b>

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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>SETUP AND ONE-TIME FEES</b>						
RPY606	250000	MONTHLY BASE FEE	2	50.0000	100.00	270,370.37
WTL069	050800	PROGRAMMING	6	75.0000	450.00	1,216,666.67
<b>SETUP AND ONE-TIME FEES TOTAL</b>					<b>550.00</b>	<b>1,487,037.04</b>

**This Pro Forma Account Analysis is an estimate based on assumptions about the services and volumes that will be used. Every effort has been made to provide an accurate estimate, but actual usage may vary and cause the results to differ. We reserve the right to bill for services that are not included in the above estimate if the applicable services are implemented by the bank and utilized by you.**



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**COUNTY OF SAN MATEO**  
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**UNION BANK**

BALANCE SUMMARY	
Average Ledger Balance	\$161,311,709.59
Less: Average Uncollected (FLOAT)	\$45,226,014.03
Average Collected Balance	\$116,085,695.56
Less: Reserve Requirement (0%)	\$0.00
Less: Sweep Compensating Balance	\$0.00
Balance Available to Support Activity	\$116,085,695.56

ACCOUNT POSITION	
Earnings Credit Rate	0.50%
Number of Days in Month	31

**1st Month**

Earnings Credit:	\$49,296.67
Less: Interest Paid on Interest Bearing Accounts	\$0.00
Net Earnings Allowance - This Month	\$49,296.67
Less: Charges for Balance Compensated Services	\$32,833.03
Less: One-Time Setup Fees	\$550.00
Net Earnings Allowance (1st Month)	\$15,913.64

**Recurring Months**

Earnings Credit:	\$49,296.67
Less: Interest Paid on Interest Bearing Accounts	\$0.00
Net Earnings Allowance - This Month	\$49,296.67
Less: Charges for Balance Compensated Services	\$32,833.03
Net Earnings Allowance (Recurring)	\$16,463.64

OVERDRAFT / UNCOLLECTED FUNDS CHARGES
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**Uncollected Funds**

*Customer usage of uncollected funds is charged the Union Bank Reference Rate plus 4.0% per annum, computed on the average daily usage of uncollected funds for the month in question.*

**Overdrafts**

*Overdraft balances and related fees are charged the Union Bank Reference Rate plus 4.0% per annum, computed daily, with a minimum daily charge of \$10.00, assessed from the time such overdraft balances are created and related fees incurred. The minimum daily charge and accrued interest are then added to the overdraft balance.*

*Checks or other transactions presented against insufficient funds whether paid or unpaid are assessed at \$35 per item.*

*This Pro Forma Account Analysis is an estimate based on assumptions about the services and volumes that will be used. Every effort has been made to provide an accurate estimate, but actual usage may vary and cause the results to differ. We reserve the right to bill for services that are not included in the above estimate if the applicable services are implemented by the bank and utilized by you.*

**UNION BANK**  
**GOVERNMENT SERVICES SCENARIO**  
**COUNTY OF SAN MATEO**  
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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>ACCOUNT ANALYSIS</b>						
AAA003	010400	ACCT MAINTENANCE - WEB	65	3.0000	195.00	510,215.05
<b>SUBTOTAL</b>					<b>195.00</b>	<b>510,215.05</b>
<b>ACCOUNT RECONCILIATION</b>						
ARP002	200010	FULL RECON MONTHLY MAINT	14	10.0000	140.00	366,308.24
ARP003	200020	PARTIAL RECON MONTHLY MAINT	2	10.0000	20.00	52,329.75
ARP006	150030	POS PAY MONTHLY MAINT	9	0.0000	0.00	0.00
ARP012	20020F	TRANSMISSION ISSUE INPUT-BASE	145	1.0000	145.00	379,390.68
ARP013	200201	TRANSMISSION ISSUE INPUT-ITEM	17,423	0.0200	348.46	911,741.22
ARP023	999999	PAPER LISTING	*	0.3500	0.00	0.00
ARP024	200211	RECORD MAINTENANCE - PER ISSUE	*	0.2500	0.00	0.00
ARP027	200201	ISSUE INPUT ADDL 40 BYTE DATA	1,754	0.0400	70.16	183,572.76
ARP031	150102	CHECK PAID TRUNCATED	5,000	0.0400	200.00	523,297.49
ARP031	150102	CHECK PAID TRUNCATED	14,523	0.0400	580.92	1,519,969.89
ARP034	150102	CHECK PAID PARTIAL - TRUNCATED	911	0.0600	54.66	143,017.20
ARP051	200301	DAILY PAID REPORT	16	0.0000	0.00	0.00
ARP057	150322	EXCEPTION ITEMS RETURNED	55	0.0000	0.00	0.00
ARP061	200310	OUTSTANDING ONLY REPORT	13	10.0000	130.00	340,143.37
ARP062	20030Z	OUTSTANDING CHECK REGISTR-ITEM	31,304	0.0000	0.00	0.00
ARP065	200310	PAID NO ISSUE REPORT	6	10.0000	60.00	156,989.25
ARP066	200310	PAID NO ISSUE - PER ITEM	1	0.0000	0.00	0.00

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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
ARP071	200325	CANCEL CHECK REPORT	13	10.0000	130.00	340,143.37
ARP072	200325	ADDITIONAL STANDARD RPT	2	10.0000	20.00	52,329.75
ARP081	150410	RECON STOP PAYMENTS - NEW	*	10.0000	0.00	0.00
ARP082	150412	RECON STOP PAYMENTS - RENEWAL	7	5.0000	35.00	91,577.06
ARP084	150412	RECON STOP PAYMT-RANGE RENEWAL	*	8.0000	0.00	0.00
ARP085	150230	STALE DATE FEATURE - BASE	13	5.0000	65.00	170,071.68
ARP086	150230	STALE DATE LISTING - ITEM	7,902	0.0400	316.08	827,019.35
ARP113	200620	TRANSMISSION OUTPUT- PER TX	354	1.0000	354.00	926,236.56
ARP114	200620	TRANSMISSION OUTPUT - PER ITEM	52,277	0.0030	156.84	410,369.89
ARP143	151353	IMAGE CD - ROM	1	5.0000	5.00	13,082.44
ARP151	151351	CHECK CAPTURE	16,119	0.0200	322.38	843,503.23
ARP180	200310	PAPER REPORT PRINT & SHIPPING	*	15.0000	0.00	0.00
ARP182	151200	SPECIAL MAIL-HANDLING	3	5.0000	15.00	39,247.31
ARP200	150030	WEB POS PAY-ACCOUNT BASE	14	0.0000	0.00	0.00
ARP235	150311	WEB POS PAY-EXCEPTIONS	674	0.2000	134.80	352,702.51
ARP240	150310	POSITIVE PAY-PNI EXCEPTIONS	12	0.0000	0.00	0.00
ARP245	151355	WEB POS PAY-IMAGES	712	0.5000	356.00	931,469.53
ARP260	200210	WEB POS PAY-MANUAL ISSUE	33	0.2500	8.25	21,586.02
ARP265	20020B	WEB POS PAY-IMPORTED ISSUE	1,029	0.1800	185.22	484,625.81
ARP275	151355	WEB POS PAY-HISTORY IMAGES	1	0.5000	0.50	1,308.24
ARP280	151355	WEB REV POS PAY-HISTORY IMAGES	*	0.5000	0.00	0.00
ARP354	150122	PAYEE NAME VALIDATION	15,572	0.0200	311.44	814,878.85
ARP364	150311	PAYEE EXCEPTION PROCESSING	597	1.0000	597.00	1,562,043.01

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<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
ARP502	200601	ACCT RECON CSV RPT MTHLY MNT	15	5.0000	75.00	196,236.56
ARP503	200621	ACCT RECON CSV RPT-PER ITEM	*	0.0080	0.00	0.00
ARP503	200621	ACCT RECON CSV RPT-PER ITEM	124,195	0.0040	496.78	1,299,818.64
<b>SUBTOTAL</b>					<b>5,333.49</b>	<b>13,955,009.68</b>
<b>TRANSPORTATION SERVICES (YOU MUST INCLUDE ONE-TIME INTERNAL COSTS)</b>						
CAR001	101020	COURIER SERVICES	Courier Contract	0.0000	0.00	0.00
CAR002	101010	ARMORED CAR SERVICES	Courier Contract	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>0.00</b>	<b>0.00</b>
<b>BUSINESS CHECKING</b>						
CHK010	100000	BRANCH DEPOSIT	6	2.0000	12.00	31,397.85
CHK011	010101	ELECTRONIC CREDIT	1,444	0.0400	57.76	151,128.32
CHK020	150100	PAID CHECK CHARGE	50	0.1700	8.50	22,240.14
CHK021	010100	ELECTRONIC DEBIT	404	0.0400	16.16	42,282.44
CHK060	251052	ACH BLOCK	1	2.0000	2.00	5,232.97
CHK060	251052	ACH BLOCK	5	2.0000	10.00	26,164.87
CHK060	251052	ACH BLOCK	23	2.0000	46.00	120,358.42
CHK111	010307	BANK STATEMENT WEB	85	2.5000	212.50	556,003.58
CHK750	000230	DEPOSIT ADMIN FEE (000's)	161,243.7	0.0010	161.25	421,908.60
<b>SUBTOTAL</b>					<b>526.17</b>	<b>1,376,717.20</b>

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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>CHECK PROCESSING</b>						
CKP001	100200	PRE-ENCODED COURIER DEPOSIT	*	3.0000	0.00	0.00
CKP002	100200	UNENCODED COURIER DEPOSIT	*	3.0000	0.00	0.00
CKP020	100220	UB CHECKS	*	0.0000	0.00	0.00
CKP137	100222	LOCAL CLR.HSE./BRANCH DEP.	1	0.2500	0.25	654.12
CKP138	100223	LOCAL FED DIST 12 - BRANCH DEP	*	0.2500	0.00	0.00
CKP139	100224	OTHER FED - BRANCH DEPOSIT	2	0.2500	0.50	1,308.24
CKP147	100310	CANADIAN ITEMS IN US DOLLARS	*	3.0000	0.00	0.00
CKP150	100220	UB CHECKS SERV. CTR DEPOSIT	753	0.0200	15.06	39,404.30
CKP167	100222	LOCAL CLR. HSE./SER. CTR	17,474	0.0100	174.74	457,205.02
CKP168	100223	LOCAL FED DIST 12-SERV CTR DEP	15,361	0.0100	153.61	401,918.64
CKP169	100228	ENCODING FEE - SERV. CTR. DEP.	353	0.0000	0.00	0.00
CKP170	100224	OTHER FED - SERV CTR DEPOSIT	3,076	0.0100	30.76	80,483.15
CKP181	100230	CHECK PROCESSING REJECTS	*	0.6500	0.00	0.00
CKP190	100502	DEBIT ERROR NOTICE	*	5.0000	0.00	0.00
CKP191	100502	CREDIT ERROR NOTICE	*	5.0000	0.00	0.00
CKP241	999999	SUBVENTIONS - CUST. UNSCHED	*	5.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>374.92</b>	<b>980,973.48</b>
<b>ACH SERVICES</b>						
CPY006	250000	DIRECT SEND MONTHLY BASE FEE	16	10.0000	160.00	418,637.99
CPY007	250101	DIRECT SEND CREDIT TRANSACTION	*	0.0300	0.00	0.00
CPY007	250101	DIRECT SEND CREDIT TRANSACTION	*	0.0300	0.00	0.00

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<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
CPY007	250101	DIRECT SEND CREDIT TRANSACTION	*	0.0300	0.00	0.00
CPY007	250101	DIRECT SEND CREDIT TRANSACTION	43,319	0.0300	1,299.57	3,400,308.60
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	441	0.0300	13.23	34,616.13
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	*	0.0300	0.00	0.00
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	*	0.0300	0.00	0.00
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	*	0.3000	0.00	0.00
CPY017	250400	DIRECT SEND RETURNS FILE	6	5.0000	30.00	78,494.62
CPY018	250401	DIRECT SEND RETURNS FAX	24	7.0000	168.00	439,569.89
CPY020	2506ZZ	DIRECT SEND REJ/REV/DEL	7	25.0000	175.00	457,885.30
CPY026	251010	DIRECT SEND TRACERS	1	25.0000	25.00	65,412.19
CPY028	251071	DIRECT SEND NOC FAX	9	3.0000	27.00	70,645.16
CPY029	250400	DAILY RETURN FILE	2	50.0000	100.00	261,648.75
CPY030	251070	DIRECT SEND NOC TRANSMISSION	30	3.0000	90.00	235,483.87
CPY032	250501	INPUT - DATA TRANSMISSION	103	5.0000	515.00	1,347,491.04
CPY035	250120	ADDENDA RECORDS	1,605	0.0100	16.05	41,994.62
CPY049	250632	SUSPENDS	1	75.0000	75.00	196,236.56
CPY058	250702	ACH ACK. REPORT	17	1.0000	17.00	44,480.29
CPY060	250702	ACH FILE ACK-EMAIL-DIRECT SEND	19	7.0000	133.00	347,992.83
CPY206	250000	ACH VENDOR MONTHLY BASE FEE	2	25.0000	50.00	130,824.37
CPY207	250101	VENDOR ACH CREDIT TRANSACTIONS	*	0.0200	0.00	0.00
CPY207	250101	VENDOR ACH CREDIT TRANSACTIONS	913	0.0200	18.26	47,777.06
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	*	0.0200	0.00	0.00
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	21,194	0.0200	423.88	1,109,076.70

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<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	*	0.0200	0.00	0.00
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	*	0.0100	0.00	0.00
CPY215	999999	UNAUTHORIZED RETURNS	14	10.0000	140.00	366,308.24
CPY217	999999	VENDOR RETURNS TRANSMISSION	194	7.0000	1,358.00	3,553,189.96
CPY218	250401	VENDOR RETURNS FAXED	*	10.0000	0.00	0.00
CPY228	251071	VENDOR NOC FAX	*	8.0000	0.00	0.00
CPY230	251070	VENDOR NOC TRANSMISSION	123	7.0000	861.00	2,252,795.70
CPY232	251040	VENDOR INPUT DATA TRANSMISSION	28	5.0000	140.00	366,308.24
CPY299	250141	VENDOR SAME DAY-DB CLIENT ORIGATION	2,711	0.7500	2,033.25	5,319,973.12
CPY406	250000	ACH WEB MONTHLY BASE FEE	2	25.0000	50.00	130,824.37
CPY409	250100	ACH WEB DEBIT TRANSACTION	100	0.0200	2.00	5,232.97
CPY409	250100	ACH WEB DEBIT TRANSACTION	120	0.0200	2.40	6,279.57
CPY417	250400	ACH WEB RETURNS TRANSMISSION	1	2.0000	2.00	5,232.97
CPY430	251070	ACH WEB NOC TRANSMISSION	*	7.0000	0.00	0.00
CPY432	250505	ACH WEB BATCH RELEASE	2	2.0000	4.00	10,465.95
CPY435	250120	WEB ADDENDA RECORDS	81	0.0100	0.81	2,119.35
<b>SUBTOTAL</b>					<b>7,929.45</b>	<b>20,747,306.45</b>
<b>CASH VAULT SERVICES</b>						
CSH007	100141	AUTOMATED ORDER-WEB/VRU	*	3.2500	0.00	0.00
CSH008	100148	CURRENCY ORDERED -(000'S) (000's)	*	1.1000	0.00	0.00
CSH009	100144	ROLLED COIN (INDIVIDUAL ROLLS)	*	0.1500	0.00	0.00
CSH019	100146	ROLLED COIN (BOXED)	*	5.0000	0.00	0.00

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<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
CSH021	100111	COIN DEPOSITED NON-STANDARD	*	4.0000	0.00	0.00
CSH025	100100	DEPOSIT-MIXED CASH CHECK	55	1.0000	55.00	143,906.81
CSH028	100100	DEPOSIT - CASH OR COIN ONLY	73	1.4500	105.85	276,955.20
CSH030	100114	CURRENCY DEPOSITED-UNSTRAPPED (000's)	2,122.6	1.2000	2,547.09	6,664,429.03
CSH035	100501	DEPOSIT ADJUSTMENT	1	0.0000	0.00	0.00
CSH045	100110	ROLLED COIN IN BAG-SURCHARGE	*	5.0000	0.00	0.00
CSH100	100145	HALF-BOX COIN (5, 25,\$1 ONLY)	*	2.5000	0.00	0.00
CSH109	10014B	FIT CURR FURN - PARTIAL STRAP	*	2.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>2,707.94</b>	<b>7,085,291.04</b>
<b>CUSTOMER SERVICE ACTIVITIES</b>						
CUS045	010610	PRINTER CHARGES	*	0.0000	0.00	0.00
CUS300	150412	DDA AUTO-RENEWED STOP PMT	19	6.0000	114.00	298,279.57
CUS301	150501	NON-CUSTOMER CASH PAID ON-US	138	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>114.00</b>	<b>298,279.57</b>
<b>E-LOCKBOX SERVICE</b>						
ELB101	310001	MONTHLY MAINTENANCE	1	100.0000	100.00	261,648.75
ELB102	310420	PER ITEM	*	0.0500	0.00	0.00
ELB102	310420	PER ITEM	*	0.0500	0.00	0.00
ELB102	310420	PER ITEM	*	0.0500	0.00	0.00
ELB102	310420	PER ITEM	2,554	0.0500	127.70	334,125.45
ELB104	310429	E-LOCKBOX REVERSAL	53	1.0000	53.00	138,673.84



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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
ELB109	999999	TRANSMISSION	22	10.0000	220.00	575,627.24
<b>SUBTOTAL</b>					<b>500.70</b>	<b>734,448.03</b>
<b>ELECTRONIC PAYMENT AUTHORIZAT</b>						
EPA001	251056	EPA SETUP	*	0.0000	0.00	0.00
EPA006	251050	EPA MONTHLY MAINTENANCE	1	15.0000	15.00	39,247.31
EPA006	251050	EPA MONTHLY MAINTENANCE	9	10.0000	90.00	235,483.87
EPA006	251050	EPA MONTHLY MAINTENANCE	11	10.0000	110.00	287,813.62
EPA007	251056	EPA TRADING PARTNER SETUP	*	15.0000	0.00	0.00
EPA010	251057	EPA FILTER MAINTENANCE	*	5.0000	0.00	0.00
EPA036	251053	EPA ACTIVITY REPORT	2	10.0000	20.00	52,329.75
<b>SUBTOTAL</b>					<b>235.00</b>	<b>614,874.55</b>
<b>ELECTRONIC TAX DEPOSIT</b>						
ETD001	25010B	PHONE INSTATAX PAYMENT	*	5.0000	0.00	0.00
ETD011	250710	INSTATAX FAXED RECEIPT	8	1.0000	8.00	20,931.90
ETD012	250710	INSTATAX MAILED RECEIPT	7	2.0000	14.00	36,630.82
ETD014	250620	INSTATAX PAYMENT DELETION	1	0.0000	0.00	0.00
ETD020	250700	INSTATAX QUARTERLY STATEMENT	2	15.0000	30.00	78,494.62
ETD021	250720	INSTATAX MONTHLY STATEMENT	2	15.0000	30.00	78,494.62
ETD130	250000	WEB INSTATAX MONTHLY MAINT	45	0.0000	0.00	0.00
ETD132	25010B	WEB INSTATAX PAYMENT	143	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>82.00</b>	<b>214,551.97</b>

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**COUNTY OF SAN MATEO**  
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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>FUNDS ADVANCED</b>						
FAD001	000200	INT ON FUNDS ADV-LDGR OD	*	0.00	0.00	0.00
FAD002	000210	INT ON FUNDS ADV-UNCOL FUNDS	*	0.00	0.00	0.00
FAD004	000299	SERVICE COMPENSATING BALANCE	*	0.00	0.00	0.00
FAD310	150341	NSF ITEMS PAID	*	35.0000	0.00	0.00
FAD311	150342	NSF ITEMS RETURNED	*	35.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>0.00</b>	<b>0.00</b>
<b>IMAGE CHECK</b>						
ICK121	101301	ICL MAINTENANCE - DIRECT SEND	1	50.0000	50.00	130,824.37
ICK122	101301	ICL ADD/I ACCT MAINT. - DIRECT	4	10.0000	40.00	104,659.50
ICK139	101321	ICL PER ITEM - DIRECT SEND	23,624	0.0100	236.24	618,119.00
ICK190	101324	ICL FILE TRANSMISSION	82	5.0000	410.00	1,072,759.86
ICK191	101324	ICL PER DEPOSIT - DIRECT SEND	146	2.5000	365.00	955,017.92
ICK221	101300	REMOTE DEPOSIT MONTHLY MAINT	6	50.0000	300.00	784,946.24
ICK222	101300	REMOTE DEPOSIT ADD'L ACCT	1	25.0000	25.00	65,412.19
ICK222	101300	REMOTE DEPOSIT ADD'L ACCT	*	25.0000	0.00	0.00
ICK240	100220	REMOTE DEPOSIT ON US	93	0.0200	1.86	4,866.67
ICK241	10022Z	REMOTE DEPOSIT PER TRANSIT	1,021	0.0600	61.26	160,286.02
ICK291	101323	REMOTE DEPOSIT PER DEPOSIT	137	0.5000	68.50	179,229.39
ICK439	101322	ICL PER ITEM - VENDOR SEND	1	0.0600	0.06	156.99
<b>SUBTOTAL</b>					<b>1,557.92</b>	<b>4,076,278.14</b>

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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>CHECK IMAGE</b>						
IMG401	151350	IOD MONTHLY MAINTENANCE FEE	1	5.0000	5.00	13,082.44
IMG402	151351	IOD PER ITEM FEE	82	0.0500	4.10	10,727.60
IMG402	151351	IOD PER ITEM FEE	*	0.2500	0.00	0.00
<b>SUBTOTAL</b>					<b>9.10</b>	<b>23,810.04</b>
<b>INFORMATION REPORTING</b>						
INF210	400222	DIRECT TRANSMISSION ITEMS	1,785	0.0250	44.63	116,773.84
INF249	400110	DIRECT TRANSMISSION	22	2.0000	44.00	115,125.45
INF407	400052	WEB PRIOR DAY REPORT ACCOUNTS	1	10.0000	10.00	26,164.87
INF407	400052	WEB PRIOR DAY REPORT ACCOUNTS	1	10.0000	10.00	26,164.87
INF408	400052	WEB PRIOR DAY REPORT ACCOUNT	1	10.0000	10.00	26,164.87
INF408	400052	WEB PRIOR DAY REPORT ACCOUNT	10	10.0000	100.00	261,648.75
INF408	400052	WEB PRIOR DAY REPORT ACCOUNT	52	10.0000	520.00	1,360,573.48
INF411	400270	WEB PD BAL/SUM UPDATED	10,074	0.0500	503.70	1,317,924.73
INF412	400271	WEB PD TRANSACTIONS UPDATED	5,862	0.0500	293.10	766,892.47
INF413	400273	WEB CD BAL/SUM UPDATED	4,773	0.0500	238.65	624,424.73
INF414	400274	WEB CD TRANSACTIONS UPDATED	3,274	0.0500	163.70	428,319.00
INF425	400055	WEB CURRENT DAY RPT ACCOUNTS	1	10.0000	10.00	26,164.87
INF425	400055	WEB CURRENT DAY RPT ACCOUNTS	1	10.0000	10.00	26,164.87
INF429	400055	WEB CURRENT DAY REPT ACCOUNT	1	10.0000	10.00	26,164.87
INF429	400055	WEB CURRENT DAY REPT ACCOUNT	60	10.0000	600.00	1,569,892.47

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<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Proposed</b>	<b>Required</b>
				<b>(D)</b>	<b>Price \$</b>	<b>(E)/ECR*365</b>
					<b>(E)=(A)*(D)</b>	<b>/Days/0.9</b>
INF450	151355	IMAGE ITEM PRIOR DAY STMT	1	0.0000	0.00	0.00
INF458	401030	PRIOR DAY (COST ONLY) -2 HRS	*	0.0000	0.00	0.00
INF495	050406	WEB LBOX DETAIL RPT ACCT	1	10.0000	10.00	26,164.87
INF495	050406	WEB LBOX DETAIL RPT ACCT	1	10.0000	10.00	26,164.87
<b>SUBTOTAL</b>					<b>2,587.78</b>	<b>6,770,893.91</b>
 <b>ONLINE BUSINESS CENTER</b>						
OBC207	010823	ISSUE PASSWORD - BANK	8	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>0.00</b>	<b>0.00</b>
 <b>DEPOSITED ITEMS RETURNED</b>						
RET062	100402	DEPOSITD ITEMS RETURNED-RECLEAR	149	1.0000	149.00	389,856.63
RET063	100400	DEPOSITD ITEMS RETURNED-CHRGBK	113	2.2500	254.25	665,241.94
RET064	100401	ENDORSEMENT GUARANTEE/RECLEAR	*	5.0000	0.00	0.00
RET411	100416	WEB RI INQ ITMS AVL FOR INQ	262	1.5000	393.00	1,028,279.57
RET470	100405	WEB RI - MONTHLY MAINTENANCE	1	2.0000	2.00	5,232.97
<b>SUBTOTAL</b>					<b>798.25</b>	<b>2,088,611.11</b>
 <b>OFFICE CASH SERVICES</b>						
ROC015	100015	DEPOSITED CURRENCY (000's)	3.5	1.5000	5.24	13,710.39
<b>SUBTOTAL</b>					<b>5.24</b>	<b>13,710.39</b>

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**December 2021**

<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>ACH EXTRACT REPORTING</b>						
RPY607	250101	ACH CREDIT TRANSACTIONS	1,365	0.0200	27.30	71,430.11
RPY609	250640	ACH DEBIT TRANSACTIONS	*	0.1500	0.00	0.00
RPY635	250120	ADDENDA	1,316	0.0100	13.16	34,432.97
RPY669	250701	TRANSMISION	17	5.0000	85.00	222,401.43
<b>SUBTOTAL</b>					<b>125.46</b>	<b>328,264.52</b>
<b>COMMERCIAL CUSTOMER SUPPLIES</b>						
SUP001	100830	CASH VAULT BAGS-LARGE	*	32.5000	0.00	0.00
SUP004	100830	CASH VAULT BAGS-SMALL	*	22.7000	0.00	0.00
SUP017	100830	COIN BAGS-PLASTIC	*	8.2000	0.00	0.00
SUP103	100899	CHECK TRANSIT BOX	*	12.0000	0.00	0.00
SUP104	100899	CHECK TRANSIT BOX-FILLER	*	10.5000	0.00	0.00
SUP105	100899	CHECK TRANSIT BOX-COVER	*	10.5000	0.00	0.00
<b>SUBTOTAL</b>					<b>0.00</b>	<b>0.00</b>
<b>TEAM STOP PAYMENTS</b>						
TSP410	150410	WEB ACCT RECON STOP PMT	124	3.0000	372.00	973,333.33
TSP418	150412	WEB STOP PAYMENT RENEWAL	1,028	2.0000	2,056.00	5,379,498.21
TSP420	150411	WEB ACCT RECON RANGE STOP PMT	*	15.0000	0.00	0.00
TSP450	150400	WEB STOP SINGLE INQUIRY	99	1.0000	99.00	259,032.26
TSP470	150400	WEB STOP RANGE INQUIRY	13	3.0000	39.00	102,043.01

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<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
TSP994	150410	WEB NUMBER STOP ACCOUNTS	25	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>2,566.00</b>	<b>6,713,906.81</b>
<b>WIRE TRANSFERS</b>						
WIR001	350300	INCOMING DOMESTIC WIRE	49	5.0000	245.00	641,039.43
WIR009	350330	INCOMING WIRE REPAIR	3	5.0000	15.00	39,247.31
WIR021	350310	INCOMING INTL USD WIRE	2	11.0000	22.00	57,562.72
WIR031	350320	INTERNAL WIRE	14	5.0000	70.00	183,154.12
<b>SUBTOTAL</b>					<b>352.00</b>	<b>921,003.58</b>
<b>WHOLETAIL LOCKBOX</b>						
WTL001	050020	MONTHLY BASE CHARGE	2	10.0000	20.00	52,329.75
WTL002	050100	ITEMS PROCESSED - SINGLES	36,312	0.0050	181.56	475,049.46
WTL016	050530	REJECTS/CORRESPONDENCE	2,050	0.1500	307.50	804,569.89
WTL017	050103	ITEMS PROCESSED - MULTIPLES	6,794	0.3000	2,038.20	5,332,924.73
WTL038	050520	OCR SCAN LINE REPAIR	17,154	0.0200	343.08	897,664.52
WTL041	050102	NON-MATCHED ITEMS	399	0.3500	139.65	365,392.47
WTL044	050400	DATA TRANSMISSION	1	10.0000	10.00	26,164.87
WTL045	050401	DATA TRANSMISSION/MEDIA	36,312	0.0050	181.56	475,049.46
WTL067	050131	PAYEE VERIFICATION	36,312	0.0000	0.00	0.00
WTL071	050022	POSTAL BOX RENTAL	252	252.0000	252.00	659,354.84
WTL080	050300	LOCKBOX DEPOSIT	9	1.0000	9.00	23,548.39
WTL089	05013B	CASH DEPOSIT	*	12.5000	0.00	0.00

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<b>BILLABLE</b>			<b>VOLUME</b>	<b>Proposed</b>	<b>Extended</b>	<b>Comp. Balance</b>
<b>CODE</b>	<b>TMA</b>	<b>DESCRIPTION</b>	<b>(A)</b>	<b>Price \$</b>	<b>Price \$</b>	<b>Required</b>
				<b>(D)</b>	<b>(E)=(A)*(D)</b>	<b>(E)/ECR*365</b>
						<b>/Days/0.9</b>
WTL105	05042Z	IMAGE DELIVERY MO MAINT	2	10.0000	20.00	52,329.75
WTL106	050620	EXTENDED IMAGE ARCHIVE - 7 YR	36,312	0.0000	0.00	0.00
WTL107	050405	CD-ROM PRODUCED	2	10.0000	20.00	52,329.75
WTL109	050142	CHECK IMAGE	36,312	0.0300	1,089.36	2,850,296.77
WTL111	050144	DOCUMENT IMAGE	44,898	0.0300	1,346.94	3,524,251.61
WTL113	050424	IMAGE ACCESS	392	0.0300	11.76	30,769.89
<b>SUBTOTAL</b>					<b>5,970.61</b>	<b>15,622,026.16</b>
<b>ELECTRONIC WIRE TRANSFER</b>						
WTM436	350120	ACCT TRANSFER END-OF-DAY/WEB	111	2.5000	277.50	726,075.27
WTM442	350000	WIRE TRANSFER MONTHLY FEE/WEB	1	10.0000	10.00	26,164.87
WTM443	350100	OUTG DOM WIRE - WEB	75	4.0000	300.00	784,946.24
WTM445	350110	OUTG INTL USD WIRE - WEB	4	20.0000	80.00	209,319.00
WTM447	350120	INTERNAL BOOK TRANSFER - WEB	8	4.0000	32.00	83,727.60
<b>SUBTOTAL</b>					<b>699.50</b>	<b>1,830,232.97</b>
<b>ZERO BALANCE ACCOUNTS</b>						
ZBA001	010020	CONCENTRATION ACCOUNT	1	10.0000	10.00	26,164.87
ZBA200	010021	MULTI-LEVEL SUBSIDIARIES	10	2.5000	25.00	65,412.19
ZBA200	010021	MULTI-LEVEL SUBSIDIARIES	51	2.5000	127.50	333,602.15
<b>SUBTOTAL</b>					<b>162.50</b>	<b>425,179.21</b>

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<u>CODE</u>	<u>TMA</u>	<u>BILLABLE DESCRIPTION</u>	<u>VOLUME (A)</u>	<u>Proposed Price \$ (D)</u>	<u>Extended Proposed Price \$ (E)=(A)*(D)</u>	<u>Comp. Balance Required (E)/ECR*365 /Days/0.9</u>
<b>MONTHLY SERVICE TOTAL</b>					<b>32,833.03</b>	<b>85,907,211.11</b>
<b>SETUP AND ONE-TIME FEES</b>						
RPY606	250000	MONTHLY BASE FEE	2	50.0000	100.00	261,648.75
WTL069	050800	PROGRAMMING	6	75.0000	450.00	1,177,419.35
<b>SETUP AND ONE-TIME FEES TOTAL</b>					<b>550.00</b>	<b>1,439,068.10</b>

**This Pro Forma Account Analysis is an estimate based on assumptions about the services and volumes that will be used. Every effort has been made to provide an accurate estimate, but actual usage may vary and cause the results to differ. We reserve the right to bill for services that are not included in the above estimate if the applicable services are implemented by the bank and utilized by you.**



EFFECTIVE JANUARY 1, 2022

Business  
Accounts &  
Services and  
Transaction  
Banking Services

**Disclosure and Agreement**





EFFECTIVE JANUARY 1, 2022

# Business Accounts & Services

**Disclosure and Agreement**



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## INTRODUCTION

Welcome to MUFG Union Bank, N.A. ("Union Bank"). Your account is backed by the reputation and resources of one of the largest banks on the West Coast, as well as by coverage of the Federal Deposit Insurance Corporation (FDIC) to permissible limits.

Most accounts may be accessed in person at a Union Bank® branch location, through Online Banking, Mobile Banking or Telephone Banking, or by using your ATM Card or Union Bank Debit Mastercard BusinessCard® ("Debit Card"). Not all accounts and services are offered at all times at every Union Bank branch for all account types.

This *Business Account & Services Disclosure and Agreement* ("Account Agreement"), the Bank Depositor Agreement, applicable fee schedule, other related documents we may provide you, and any amendments to the foregoing contain the terms of our agreement with you for your account and any related services. This Account Agreement supersedes all previous agreements related to its subject matter including any oral or written communication. Except as otherwise stated, this Account Agreement does not alter or amend the terms or conditions of any other agreement you have with us.

### English as the Primary Account Language

***How this affects our communications with you*** – English is the controlling language of this Account Agreement. If there is any inconsistency between English and another language that we use to communicate with you, the English version shall control unless we agree otherwise in writing or the laws governing your account specifically require a different result.

***How this affects the way you communicate with us*** – All written instructions that you give us (e.g., on a check) must be in English. We may decline to process any instruction written in a language other than English, whether issued by you or another person. We are not responsible for any liability you may incur as a result of our failure to honor such instructions.

### Business Accounts

Business accounts are those accounts used for purposes other than personal, family, or household purposes.

### Customer Identification

***Important information about procedures for opening a new account*** – To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, record, and retain information that identifies each person who opens an account.

***What this means for you*** – When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your



driver's license or other identifying documents in order to verify your identity.

We may further ask you for specific information regarding the nature of anticipated activity, the sources of your funds, the purposes of transactions, the anticipated frequency of such transactions, the relationship you have with persons to whom you send funds and the persons who send funds to you, the ultimate beneficiaries of funds you send and receive, and other questions that may help us clarify the nature and purpose of transactions and of your overall banking relationship with Union Bank.

We may, at our sole discretion, elect not to open an account or close any existing account, with or without cause. We may, at our sole discretion, open additional accounts upon your telephone, written, or online instructions. These accounts must be in the same title as previously established accounts you maintain with us.

We may close accounts if we are unable to understand the purpose of the account and its transactions, the structure of an account or organization, the authority of the signers, the documentation provided, or the general risk associated with the establishment of the account. We may elect not to disclose the specific reason for our action.

**Identification for certain cash transactions** – The Bank may ask all individuals for certain identification when making certain cash transactions:

- Union Bank account holders will be required to provide their ATM or debit card, or a valid government-issued ID, driver's license, or passport.
- Non-clients will be required to provide a valid government-issued ID, driver's license, or passport.

**Customer Due Diligence** – To aid us in complying with the Bank Secrecy Act and related laws and regulations, we may also ask you for specific information regarding the nature of your anticipated account activity, the source of your funds, the purposes of your transactions, the anticipated frequency of such transactions, the relationship you have with persons to whom you send funds and the persons who send funds to you, the ultimate beneficiaries of funds you send and receive, and other questions that may help to clarify the nature and purpose of your transactions. We may, at our sole discretion, elect not to open an account or close accounts if we are unable to understand the purpose of the account and its transactions, the structure of the account (e.g., trustee, estates, conservatorships, etc.), the authority of the signers, the documentation provided, the general risk associated with the establishment of the account, or for any other reason. We may elect not to disclose the specific reason for our action. Owners or fiduciaries may also be asked at account opening and from time to time to provide us with a trust certification, court orders, and any other documents deemed necessary by us.

## ERISA STATUS

You will notify us in writing, in advance of the account opening, if any account or monies you hold or deposit with us are, or will be subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), together with all the rules promulgated thereunder, or Section 4975 of the Internal Revenue Code of 1986, as amended, (the “Code”), together with all the rules promulgated thereunder. We may in our sole discretion and subject to such further conditions as we may impose, including, without limitation, execution of further documentation in a form and manner acceptable to us, permit the holding of such accounts or deposits or receipt of funds. You represent and warrant to us on a continuing basis that any transaction in connection with the account shall not result in a prohibited transaction under ERISA (or the Code) or shall otherwise be exempt, and you further agree to indemnify and hold us harmless from any loss, cost, tax or claim arising therefrom.

## DEFINITION OF CERTAIN TERMS

**Adjustments** – Corrections or changes we make to your account (both credit and debit). For example, corrections or changes made as a result of deposits recorded on deposit slips in the wrong amount, or Items you deposit that are returned unpaid.

**Annual Percentage Yield (APY)** – A percentage rate reflecting the total amount of interest paid on an account, based on the interest rate and the frequency of compounding. Unless otherwise noted, it is based on a 365-day period (366 days each leap year).

**Annual Percentage Yield Earned (APYE)** – An annualized rate that reflects the relationship between the amounts of interest actually earned on your account during a statement period and the average daily ledger balance in the account for that period.

**Authorized Signer** – Authorized Signers on your account are those noted on the signature card or as authorized by you in writing. An Authorized Signer acts on behalf of the Owner when taking an action on the account.

**Available Balance (or Available Funds)** – The amount of funds available in your account for withdrawal. This amount may be different from your **Ledger Balance** or **Collected Balance**.

**Average Monthly (Ledger) Balance (Statement Average Ledger Balance)** – The amount calculated by adding the Ledger Balance in the account for each day of the statement period (excludes interest paid on the last day of the statement period) and dividing that figure by the number of days in the period. The Average Monthly Ledger Balance, which may be used to avoid the Monthly Service Charge, is based on a monthly statement period.

**Business Days** – Monday through Friday, excluding Federal holidays, even though we may be open on a Saturday or Sunday. Unless otherwise noted, time refers to Pacific Time.

**Collected Balance** – The Ledger Balance minus the amount of your uncollected funds.

**Combined Balance** – This applies to one or more accounts that you have agreed to link to your primary checking account. The Combined Balance may be used to determine whether or not you will be assessed a Monthly Service Charge. You must ask us to link your accounts to your primary checking account to have those account balances included in your Combined Balance. We do not automatically link accounts or otherwise consider non-linked account balances when determining your Combined Balance. The Combined Balance is determined by combining the following balance information from accounts you requested we link to your primary checking account:

- The previous monthly statement's Average Monthly Ledger Balance in all Linked Accounts plus the current monthly statement Average Monthly Ledger Balance in your primary checking account; and if linked,
- The previous day's Ledger Balance in accounts for which a statement has not been generated (e.g., time deposit accounts).

**You can ask us to link the following accounts to calculate your Combined Balance:**

- Eligible checking, savings, money market, and time deposit accounts. Restrictions may apply.
- Priority Banking® and The Private Bank clients ONLY may also link amounts held in Individual Retirement Accounts (IRAs)<sup>1</sup>; some Union Bank business accounts (excludes analyzed accounts); UnionBanc Investment Services®<sup>1</sup> accounts and Portfolio Connection®<sup>1</sup> Accounts.

**The following restrictions apply when linking accounts to calculate your Combined Balance:**

- You cannot link accounts to more than one checking account for Combined Balance purposes.
- Combined Balance excludes PurePoint® Financial accounts.

**Combined Transactions** – Includes each check deposited, each debit or paid item, and each credit or deposit. Bank transactions, such as fees or adjustments, are excluded. For example, a deposit of 5 checks is considered 6 Combined Transactions; 1 transaction for each check and a separate transaction for the deposit itself. Each check deposited through a mobile device

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<sup>1</sup> Brokerage and investment advisory services (including Portfolio Connection accounts) available through UnionBanc Investment Services LLC, an SEC-registered broker-dealer, investment adviser, member FINRA/SIPC, and subsidiary of MUFG Union Bank, N.A.:

- **Are NOT deposits or other obligations of, or guaranteed by, the Bank or any Bank affiliate**
- **Are NOT insured by the FDIC or by any other federal government agency**
- **Are subject to investment risks, including possible loss of the principal amount invested**

will count as one Combined Transaction. Each ATM deposit will count as one Combined Transaction regardless of the number of checks included.

**Contracting Officer** – Designated by corporate resolution or by a company’s governing body and is authorized to enter into deposit account, funds transfer, or treasury management services agreements with us, to request an account be converted to a different account type, and to authorize individuals to withdraw funds, initiate payment orders, execute service agreements, close the account, and otherwise give instructions on behalf of a company with respect to its deposit accounts and treasury management services. A Contracting Officer acts on behalf of the Owner when taking an action on the account.

**Daily Minimum Balance** – The lowest Ledger Balance in the account for any day of the monthly period.

**Debit** – An entry that reduces the Available Balance in your deposit account, such as checks you write or other Items authorized or presented for payment. Debits presented for payment against an insufficient Available Balance and returned unpaid may be re-presented for payment by the payee’s financial institution until the Debit is paid.

**Item** – An order, instruction, or authorization to withdraw or pay funds or money from an account, such as a check; substitute check; electronic transaction; draft; demand draft (commonly referred to as a remotely created check); or other order or instruction for the payment, transfer, or withdrawal of funds. Items presented for payment against an insufficient Available Balance and returned unpaid may be re-presented for payment by the payee’s financial institution until the Debit is paid.

**Ledger Balance** – The total collected and uncollected funds shown for your account in our records.

**Linked Account** – A Union Bank Business account can be linked for relationship purposes to another Union Bank Business account with similar ownership (excludes PurePoint Financial accounts and Analyzed accounts). To link accounts you are required to contact us to make the request. Linked Accounts are sometimes used in order to receive a higher interest rate, bonus, or other enhanced account benefit(s). For this purpose, the balance history, transaction activity, or other factors may be taken into consideration. Linked Accounts must have at least one identical Owner (the same name and in the same capacity on both accounts). Other restrictions may apply. Information about Linked Accounts, including account numbers and balances, may appear on combined statements. For questions or assistance to link accounts, call us at 877-671-6877 or stop by any Branch office.

**MICR** – An acronym for Magnetic Ink Character Recognition. MICR line refers to the numerical information contained on the bottom line of a check or deposit slip, which includes the bank routing number, depositor account number, check serial number, and dollar amount of the check or deposit slip.

**Overdraft** – A negative balance in your account resulting from Debits presented or re-presented against an insufficient Available Balance. An Overdraft does not guarantee payment of such Debits.

**Overdraft Fees** – Refers to Overdraft Item Paid, Overdraft Item Returned, and Continued Overdraft Fees.

**Owner** – Refers to the legal entity owner of the account, including any business entity, sole proprietor, partnership, limited liability company, or public agency.

**PIN** – Refers to your personal identification number.

**Service** – “Service” or “Services” shall mean one or more of the Services associated with your deposit account, as described in this Account Agreement.

**We, our, us, and the Bank** – Refers to MUFG Union Bank, N.A., including, without limitation, any branch, division, or other unit of MUFG Union Bank, N.A., and to Union Bank, a registered trademark and brand name of MUFG Union Bank, N.A.

**You and your** – The words “you” and “your” refer to an Owner of an account, or anyone the Owner authorizes to either act on your behalf or to appoint others that can act on your behalf.

## **ANALYZED BUSINESS CHECKING**

Accounts on analysis typically have a high volume of activity or are linked to treasury management services. Account analysis is used to assess bank fees and other charges on accounts maintained by both for-profit and non-profit organizations. You may request that one or more accounts be added to account analysis. We may also review an account’s activity to determine if it should be added to account analysis. Upon review, we may determine, in our sole discretion, to add an account to analysis and will notify you accordingly. If a money market account is linked to an analyzed business checking account for your analyzed relationship, please refer to the Accounts on Analysis section in your applicable *Fee Schedule* for the appropriate fees.

**Fees and Charges** – Bank fees and other charges are reflected on your periodic Account Analysis statement. Your service charge for each settlement period is based on the activity of your account and the fees associated with that activity, as described in the applicable *Fee Schedule*.

We will calculate an Earnings Allowance by applying the Earnings Credit Rate to the balance available to support activity for each settlement period. The “balance available to support activity” is calculated as follows: Ledger Balance plus funds advanced; plus or minus adjustments; minus uncollected funds; minus Other Compensating Balance requirements that may be required to offset charges for bank services. For interest-earning accounts, with the exception of the Analyzed Business Interest Checking account, the interest accrued or paid for the month is deducted from the Earnings Allowance for the month.

- *Other Compensating Balances* may include special pricing for loans or other services that may be agreed upon in return for maintaining a minimum average Collected Balance in your account.

If your Monthly Service Charge for the settlement period is the same as or less than your Earnings Allowance, you will not be assessed a Monthly Service Charge. If your Monthly Service Charge for the settlement period exceeds your Earnings Allowance, you will be charged for the amount by which your Monthly Service Charge exceeds your Earnings Allowance.

We will charge your account for the amount due within 30 days after the end of the settlement period. If you are invoiced, we will send an invoice for the amount due approximately 2 weeks after the end of the settlement period. You agree either to have your account charged by us or to pay the invoice upon receipt. Any excess Earnings Allowance will not be paid to you and does not accumulate from settlement period to settlement period.

**Multiple Accounts** – More than one account may be linked on account analysis for purposes of determining Monthly Service Charges, and the Earnings Allowance. Ownership of all Linked Accounts may differ. If more than one account is linked, one account will be designated as the “master account,” and the Owner of the “master account” will be responsible to the Bank for all monthly charges on all Linked Accounts. By including an account under analysis, all account Owners waive any requirement for advance notice for any changes to a charge tied to the Reference Rate.

**Earnings Credit Rate** – Your Earnings Credit Rate appears on each analysis statement. Your Earnings Credit Rate is determined by us, and is set each month based on market conditions, account balances, and market segment. You agree that this rate is subject to change without prior notice to you. Our current Earnings Credit Rate may be obtained by contacting us.

**Earnings Allowance** – The Earnings Allowance is the earnings credit minus earned interest (if applicable) for the current settlement period. It is applied only to the current settlement period’s service charges.

**Reference Rate** – The Reference Rate is the rate of interest periodically indicated by us. Our current Reference Rate may be obtained by contacting us. This rate is subject to change without prior notice to you. Our Reference Rate and charges tied to it may vary as often as daily.

**Compensating Balances** – In some instances, special pricing for loans may be agreed upon in return for maintaining a minimum Collected Balance in your account(s). The Compensating Balances amount indicates the minimum balance agreed upon.

**Termination of Analysis Service** – We may terminate analysis service on an account upon prior written notice. In such a case, any remaining amounts payable may be charged to your account.

**Overdrafts** – Interest charges for funds advanced due to an insufficient Available Balance during the settlement period are determined by using our Reference Rate plus a differential. See the *Overdraft Services* section of this Account Agreement for more information.

We may advance funds, from time to time, to cover a Debit presented or re-presented against an insufficient Available Balance. If we do so, and unless a different rate is expressly agreed to in writing, we will charge interest daily on the funds advanced at the rate published in the applicable *Fee Schedule*. The daily rate is calculated using a 360-day year and computed on the daily usage of insufficient funds for the month. Interest is assessed from the date an overdraft balance is incurred, and then added to the overdraft balance along with any Overdraft Fees assessed.

## **ANALYZED BUSINESS INTEREST CHECKING**

The Analyzed Business Interest Checking account has the same features as the Analyzed Business Checking account with the exception of the features listed in this section. The Analyzed Business Interest Checking account is an interest-bearing transaction account that allows deposit balances to first pay for fees as outlined in the *Fees and Charges* paragraph above. This account type is not offered to sole proprietors.

**Multiple Accounts** – More than one account may be linked on account analysis for purposes of determining Monthly Service Charges and Earnings Allowance. All accounts in an Analyzed Business Interest Checking relationship must be Analyzed Business Interest Checking. If any other account type is included in the account analysis relationship, interest will not accrue and will not be paid on the Analyzed Business Interest Checking account balances.

### **Interest:**

- The interest rate for the account is variable and is set at our discretion. The interest rate may change as often as daily without notice to you. We reserve the right to change the balance ranges or to apply the same interest rate to more than one balance range.
- Interest is accrued and paid monthly using a 365-day year (366 days each leap year). We will pay interest based on the calculated Excess Earnings Balance. The Excess Earnings Balance is the balance equivalent of Earnings Allowance minus fees, or zero, whichever is greater. The interest paid on the Excess Earnings Balance may differ from the Earnings Credit Rate applied to your balances to calculate the Earnings Allowance. For accounts owned by Public Agencies, interest is calculated as stipulated by state laws. State statutes may require interest to be calculated on a 360-day year. Please refer to the laws in your state for more information.
- Interest is accrued for the entire analysis relationship. Interest is paid only to the account designated as the “billing account.”
- Interest is paid monthly, generally before the 22nd of the

month following the checking account statement month, and is calculated based upon the number of days in the month in which interest is paid.

- If your relationship is closed before interest is calculated, your account will not be paid any interest for the cycle.

## **INTEREST ON LAWYERS TRUST ACCOUNT (IOLTA)**

An IOLTA is available to attorneys and law firms required to establish such accounts under state law. It is an interest-earning trust account for the purpose of receiving and disbursing client funds that are nominal in amount or on deposit for a short time. The interest earned, less permitted charges, is paid to the agency stipulated by state law.

### ***Additional Fees:***

- Fees or charges will be deducted from the IOLTA as permitted by applicable state law. If such charges are not permitted to be deducted from the IOLTA, we may deduct them from another operating account maintained with us by the Owner of the IOLTA.

### ***Interest:***

- The interest rate on the IOLTA is set according to state law and guidelines published by the applicable state agency or association. In the absence of such law or guidelines, the interest rate is set at our discretion and may change as often as daily.
- Interest is calculated on the Collected Balance and compounded daily, using a 365-day year (366 days each leap year), and paid monthly.
- Interest begins to accrue no later than the Business Day we receive credit for the deposit of cash and non-cash Items, such as checks. No interest accrues unless the principal balance in the account is sufficient to earn at least 1/10 of one cent per day at the daily periodic rate then in effect.

### ***Other:***

- An IOLTA cannot be linked to other accounts owned by your law firm for purposes of analysis.

## **SAVINGS AND MONEY MARKET ACCOUNTS – GENERAL INFORMATION**

### ***Interest:***

- The interest rate and corresponding APY for business savings and business money market accounts are variable and are set at our discretion. Except for time deposits (which usually earn the same interest rate through maturity), the interest rate and Annual Percentage Yield on deposit can change as often as daily, at our sole discretion, without prior notice to you. Interest rates and APYs for different balance ranges are listed on the interest rate sheet, which is provided separately as part of this Account Agreement. We reserve the right to change



balance ranges or to apply the same interest rate to more than one balance range.

- On tiered-rate accounts, the interest rate for the account is determined by its range of balance amounts for each interest rate tier. The entire balance is subject to the interest rate tier based on the Collected Balance at the end of each day. We reserve the right to change balance ranges within each interest rate tier and to apply the same interest rate tier to more than one balance range. Please see your Interest Rate Sheet for additional information.
- We use the daily balance method to calculate the interest. We apply a daily periodic rate to the Collected Balance in the account each day.
- Interest on cash deposits, electronic payments, and checks drawn on Union Bank begins to accrue on the Business Day we receive the deposit.
- Interest compounds (is paid on both principal and accrued interest) daily on savings accounts and monthly on interest-bearing checking accounts and money market accounts.
- No interest accrues unless the Collected Balance in the account is sufficient to earn at least 1/10 of one cent per day at the daily periodic rate in effect.
- Interest is credited to interest-bearing checking and money market accounts monthly on the last day of the cycle period. Interest will be paid to savings accounts quarterly on the last Business Day of each quarter. If an account is closed during a month, accrued interest will be paid up to (but not including) the closing date. If an account is converted to a non-interest earning account, accrued but not yet paid interest will be forfeited. For accounts with special statements (e.g., weekly, dated, or flexible), interest will be paid on the last Business Day of the month.

**Interest on Accounts Owned by Public Agencies** – Interest on business savings and business money market accounts owned by public agencies is calculated and paid as described above, except as follows:

- Interest is calculated as stipulated by state laws governing public funds accounts. State statutes may require interest to be calculated on a 360-day year. Please refer to the laws in your state for more information.
- Interest on a business money market account is compounded monthly. Three balance ranges are established, and a different interest rate may apply to each. One interest rate applies to the balances below \$2,500. If the account has a balance of \$2,500 to \$100,000, then the entire balance (including the first \$2,500) earns interest at the rate set for the balance range of \$2,500 to \$100,000. A different interest rate may be established for balances greater than \$100,000, and will be applied only to amounts in excess of \$100,000. This means that only that portion of the account balance in excess of \$100,000 will earn interest at the rate established for the highest balance range. We reserve the right to change balance ranges or to apply the same interest rate to more than one balance range.

**Advance Notice of Withdrawals/Transfers** – We reserve the right to require 7 days’ advance written notice before you withdraw funds from your savings and money market deposit account.

**Transaction Limitations for Savings and Money Market**

**Accounts** – We may impose limitations on transactions involving certain savings and money market accounts held with the Bank. These limitations do not apply to accounts (i) established at a Union Bank branch or with The Private Bank or (ii) characterized by us as Small Business accounts.<sup>1</sup> For more information on applicable account transaction limitations, please contact your Relationship Manager.

Such accounts may be limited to no more than 6 transfers and/or withdrawals (subject to Available Balance):

- Per calendar month for savings accounts
- Per monthly statement period for money market accounts
- Per calendar month for money market accounts if statements were requested to be on a specific day each month

By:

**Limited Transactions** (subject to Available Balance):

	Savings	Money Market
Business Deposit Overdraft Protection Transfers	●	●
Checks	N/A	●
Debit Card (or ATM card) purchases or payments	●	●
Preauthorized or automatic transfers to another payee or institution (includes ACH, wires) or to a Union Bank account	●	●
Online banking bill payments	N/A	●
Mobile banking bill payments	N/A	●
Online banking transfers	●	●
Mobile banking transfers	●	●
Telephone transfers	●	●

<sup>1</sup> Notwithstanding the foregoing, depending on the Combined Balance of your account(s), we may, in our sole discretion, elect to transfer your account(s) established at or managed by a Union Bank branch or Private Bank office to another commercial banking division of the Bank. In this case, transaction limitations may apply to your account(s) upon notice to you.

## **Unlimited Transactions** (subject to Available Balance):

	Savings	Money Market
ATM transactions	●	●
In-person transactions (includes Express Banking kiosks)	●	●
Automatic transfers to make a Union Bank loan payment	●	●
Deposits of any kind	●	●

If you exceed these limitations, we may refuse to honor the excessive transactions, remove your transfer privileges, close your account without prior notice, or convert it to another type of account without prior notice. If we convert your account to a non-interest earning account, accrued but not yet paid interest will be forfeited. If your account is closed or converted as a result of excessive transactions, you will not be able to open another savings and/or money market account with us for 12 months from the time the account is closed or converted. If you use Online Banking Bill Pay, we recommend you do not use a money market account as your bill payment account because of these limits on transfers.

**Please note:** We count a transaction as of the date we post it to your account (not the date you initiate the transaction or write the check). Therefore, a transaction initiated by you during one statement period may not be counted against the 6-transaction limit until a later statement period.

## **INFORMATION RELATING TO CHECKING, SAVINGS, AND MONEY MARKET ACCOUNTS**

### **Account Statements**

We will make account statements available to you as required by law or upon request. In any case, you will get a statement at least quarterly, unless your account is inactive or in default.

#### **Statement Options:**

- **Online Statement** – Your statement is available electronically and can be accessed through the Bank’s Online Banking service at *unionbank.com*. Each statement lists your deposit and withdrawal activity and allows you to view the front and back of checks and deposit tickets posted to your account during the statement period.
- **Paper Statement** – We will mail you a statement that lists your deposit and withdrawal activity. With a paper statement, you may request the check image service for a fee. This includes an image of the front of each check, or the front and back of each check, posted to your account during the statement period. Check image is not available for money market accounts or Foreign Currency Demand Accounts.

**Combined Statements** – You may request, and we may require, combined statements if you have more than one eligible account with us. You may designate up to 20 checking, savings, and

money market accounts to appear on one comprehensive monthly statement with your designated primary checking account. All accounts combined for one statement will have the same monthly cutoff date. You may choose the online statement or paper statement option for your primary checking account. All other accounts combined for the statement will be assigned the paper statement unless the preference is to receive online statements. If you opt to receive online statements, the primary checking account and each of the sub-accounts that are linked to the primary account must be signed up for online statements. The combined statement will be delivered to the address of your primary checking account.

When periodic statements are combined, you agree that copies of these statements, which include information such as account numbers and balances, may be provided to any Owner, Contracting Officer, Authorized Signer, or other person authorized by any of them.

### **Special Statement Services:**

The following special statement services are available.

- **Snapshot Statement** – Lists all activity for your account since the beginning of the statement period; ordered through Telephone Banking or at a branch
- Month-end cycle statement
- Flexible statement rendering on your custom calendar (up to 5 statements per month)
- Overnight or express courier

**Reviewing Statements** – You are responsible for monitoring and reviewing the activity on your account. You agree to inspect your statements as soon as you receive them and to promptly report any irregularities to us. We recommend that you have at least 2 individuals inspect your statements. You should not permit the same person who issues checks to review paid checks and reconcile your bank statements. Failure to separate these functions may allow a wrongdoer to avoid detection.

- **Time Limit for Claims** – If you think there is an error or an unauthorized transaction shown on your statement, you must notify us immediately and in no case later than 30 days after we mail, deliver, or otherwise make the statement available to you. If you do not, we may refuse to reimburse you for future unauthorized transactions by the same wrongdoer(s). In addition, if you do not report an error or unauthorized transaction within 6 months after we mail, deliver, or otherwise make the statement available to you, the account balance indicated on your statement will be considered correct. We are not responsible for any liability you may incur as a result of your failure to timely notify us of errors and you lose any and all rights you may have to assert the errors or unauthorized transaction against us.
- **Claim of Loss** – If you claim a credit or refund because of a forgery, alteration, missing endorsement, or any other unauthorized withdrawal, you agree to cooperate with us in

the investigation of the loss, including giving us an affidavit containing any reasonable information we require concerning your account, the transaction(s), and the circumstances surrounding the loss. You also agree to file a police report if we request you to do so.

You agree that we have a reasonable period of time to investigate the facts and circumstances surrounding any claimed loss, and we have no obligation to provisionally credit your account. Our maximum liability is the lesser of your actual damages proved or the amount of the forgery, alteration, or other unauthorized withdrawal reduced by an amount that could have been avoided by 1) your use of ordinary care; 2) your compliance with the requirements of this Account Agreement; and 3) any proceeds from any insurance carrier or other third party that you receive or are entitled to receive.

You will pursue all rights you may have under any insurance coverage you maintain before making a claim against us and provide us with all reasonable information about your coverage, including your insurance carrier, policy number, policy limits, and applicable deductibles. If we repay you for the loss before you receive compensation, you agree to assign us your rights under your insurance policy.

As indicated in the section of this Account Agreement entitled "Fraud Detection, Deterrence, and Safeguarding Your Account" (the "Fraud Detection Section"), you agree that if you fail to implement the available products or services (set forth in that Section or as otherwise may be recommended or required by us, including but not limited to Positive Pay Services) or fail to follow precautions reasonable for your particular circumstance, you may be unreasonably exposing your Account and the Bank to risk of fraud and related losses. As a result, you acknowledge that to the maximum extent permitted by law, you may be liable for any such losses as a result of being precluded from asserting any claims against us for paying any unauthorized, altered, counterfeit, or other fraudulent Item that the products or services listed in the Fraud Detection Section (or others as may be recommended or required by us) were designed to deter or detect, and you will hold harmless and release the Bank from any liability for paying such Items. For more information, please refer to the Fraud Detection Section and, if applicable, the section of the Transaction Banking Services Disclosure and Agreement entitled "Positive Pay." The costs associated with Positive Pay and other fraud prevention products and services are set forth in the applicable *Fee Schedule*.

If you have experienced an unauthorized, missing, or improper signature; an alteration; or any other evidence of possible fraudulent activity on your account, we may at our sole option require you to:

- Subscribe to Basic Positive Pay or Positive Pay and/or any other fraud prevention products reasonable for your circumstances; and/or
- Close the account

After experiencing fraud on your account, if you and the Bank agree to keep the account open (in lieu of closing the affected account and opening a new one as a way to prevent continuing instances of fraud and potential loss), you agree to hold harmless and release the Bank from all liability for later fraudulent Items paid on the account as a condition to maintaining the opened account. For more information, please refer to the section entitled Fraud Detection, Deterrence, and Safeguarding your Account herein.

Our brochure, *Safeguards Against Internal Fraud and Embezzlement*, discusses many procedures proven effective in preventing fraud. Ask us for a copy. You should consult your own auditors and accountants to determine the internal controls best suited for your business.

## **Available Balance Determination and Use**

The Available Balance in your deposit account is the amount we can use to pay Debits presented or re-presented for payment.

Some or all of the funds in your deposit account may not be immediately available for withdrawal or use because of a delay in availability pursuant to our *Funds Availability Policy* or a hold as allowed under law or this Account Agreement.

Specifically, we calculate your Available Balance as follows:

Each Business Day, we start with the ending balance in your deposit account from the previous Business Day, which is a result of our overnight processing of all transactions that were presented for debit or credit to your deposit account. This ending balance is also referred to as your "Ledger Balance."

We start with the Ledger Balance and then we:

- Add all incoming credits.
- Subtract any amounts you cannot immediately withdraw or use due to a hold we placed including holds due to our *Funds Availability Policy*.
- Subtract funds held in connection with an adverse claim, a dispute, a levy, or other legal process; or funds held because of a security agreement.
- Subtract funds held in connection with transactions identified in a notice of presentment or return.
- Subtract your pending Debit transactions that are known to us, such as debit card purchases, ATM withdrawals, or other preauthorized withdrawals and applicable fees.

Debit or credit transactions presented during the day are "pending" until we "post" them through our nightly batch process each Business Day. Transactions presented on a non-Business Day will be pending until we post them on the next Business Day.

**Please note:** Your Available Balance will not reflect the following:

- Credits for outstanding ATM deposits that were made after the applicable cutoff hour.

- Debits that are received after the applicable cutoff hour, such as outstanding checks you have written and preauthorized one-time or recurring automatic debits.

## **How ATM and Debit Card Transactions Affect Your Available Balance**

**Transaction Authorizations** – If we authorize an ATM or debit card transaction, we will reduce your Available Balance by the amount we authorized (“Transaction Authorization”) until we receive the merchant’s request for final payment or the Transaction Authorization expires. Once authorization is given to the merchant, we are obligated to pay the merchant upon the merchant’s request for final payment.

**Final Payments** – Merchants will generally request final payment within 2 Business Days after we receive the request for authorization, but may take up to 30 Business Days. When we receive the merchant’s request for final payment, we will then post the Debit to your deposit account during our nightly batch process. This means there is a delay between the time we provide the Transaction Authorization to the merchant and when the merchant requests final payment from us. Therefore, Transaction Authorization and final payment of debit card transactions do not occur simultaneously.

**Transaction Authorization Period** – For the purposes of this Agreement, “Transaction Authorization Period” means the period of time between when we provide Transaction Authorization to the merchant and when we either pay the merchant’s request for final payment or the Transaction Authorization expires.

**Transaction Authorization Expiration** – If the merchant takes more than 7 Business Days to request final payment, in most cases the Transaction Authorization will expire on the 8th Business Day and the Available Balance will no longer be reduced by the Transaction Authorization amount. If the merchant submits a request for final payment after the Transaction Authorization expires, Overdraft Fees may apply. Please see *“How Transaction Authorizations for ATM and Debit Card Transactions May Lead to Overdraft Fees.”*

Also, it may be possible that the amount presented to us for final payment is lower or higher than the Transaction Authorization amount. For example, if the Transaction Authorization for a debit card transaction was prior to any tip you added; or a merchant such as a gas station, hotel, or car rental agency estimated the Transaction Authorization amount of the purchase.

## **How Transaction Authorizations for ATM and Debit Card Transactions May Lead to Overdraft Fees**

It is your responsibility to have a sufficient Available Balance in your deposit account for ATM transactions, debit card transactions, and other Debits (e.g., check, ACH, etc.) that may post to your deposit account during the Transaction

Authorization Period. If you do not have a sufficient Available Balance to cover those other Debits, then you may be subject to one or more Overdraft Fees.

ATM and debit card transactions also may be subject to Overdraft Fees if for example:

- the final payment amount exceeds the Transaction Authorization amount and you do not have a sufficient Available Balance in your deposit account for the final payment amount (e.g., you added a tip to the bill after the merchant received an authorization from us);
- we did not receive an authorization request from the merchant and you do not have a sufficient Available Balance in your deposit account for the final payment; or
- the transaction was presented by the merchant for final payment after the Transaction Authorization expires and you do not have a sufficient Available Balance in your deposit account.

Please see the discussion on “Overdrafts” below for further information.

## Changing Account Types

**How this affects your account number** – If you make a request to change your account type, you may be able to do so without changing your account number or ordering new checks. Any applicable service charge will be based on the new type of account.

**When the change will take effect** – When you request to convert your account to a different product, the conversion to the new product will take effect the Business Day of the product conversion. Conversions on Saturday will be effective the next Business Day. For Analyzed products converting to a Non-Analyzed product, the product conversion may take up to five business days.

**How this may affect interest on your account:**

- **When you change to an account that does not earn interest** – You will forfeit the interest accrued but not yet paid on your account since the end of your last monthly statement period.
- **When you change to an account that earns interest** – You will begin earning interest no later than the Business Day following the day of the change. If you change from an account that earns interest to another type of account that also earns interest, the new interest rate becomes effective that day. All interest earned until the day of the change will remain in your account, and your account will begin earning interest based on the new type of account.

## Check Orders and Bank-by-Mail Kits

You may order personalized checks, Bank-by-Mail kits, and deposit slips by contacting us or ordering online. Applicable fees will automatically be deducted from your account. You must verify the accuracy of all information shown on your



checks. If you find an error, do not use the checks and notify us immediately of the error.

## Overdraft

### How Overdrafts Occur

When a Debit is presented or re-presented against an insufficient Available Balance we will look to any linked Overdraft Protection Services you established for your account. If you do not have sufficient available balances in your linked Overdraft Protection Service(s) to pay the Debit, then your deposit account will be overdrawn.

You can check your account activity through Online Banking or Mobile Banking or contact us. We also offer the ability for you to enroll in Alerts through Online Banking or Mobile Banking in order to get account balance information through email and text alerts and/or push notifications.

### Overdraft Services

We offer two categories of overdraft services. One category is Overdraft Protection Services and the other category is Overdraft Coverage Services.

#### Overdraft Protection Services

Our Overdraft Protection Services involve either an Available Balance that you maintain in another eligible business deposit account held with the Bank, or available credit on an eligible line of credit (subject to credit approval). Overdraft Protection Services may be less costly than paying Overdraft Fees.

**Please Note:** Overdraft Protection Services will not be used in circumstances that involve an account having an insufficient Available Balance to pay a Debit due to a hold we placed on your funds pursuant to this Account Agreement (e.g., a hold placed by us pursuant to our *Funds Availability Policy* or in connection with an adverse claim, a dispute, a levy, or other legal process). For example, if your business checking account has an insufficient Available Balance to pay a Debit presented or re-presented for payment because the funds are subject to a hold we placed, then we will not use available funds from another deposit account, such as your savings account, or available credit from a line of credit, such as your Business Cash Reserve Account, to pay the Debit.

#### Business Deposit Overdraft Protection

**What is Business Deposit Overdraft Protection** – With this service, you authorize the Bank to make automatic transfers from your eligible checking, money market, or savings account (“Business Deposit Overdraft Protection Account”) to your business checking account to cover Debits (including transfers between checking, money market, and savings accounts) authorized, presented, or re-presented for payment against an insufficient Available Balance. This service allows you to

designate only one eligible deposit account as the Business Deposit Overdraft Protection Account. Please see the heading, “*Transaction Limitations for Savings and Money Market Accounts*” of this Account Agreement for further information.

**How does Business Deposit Overdraft Protection work –**

Each Business Day one or more Debits are presented or re-presented for payment against an insufficient Available Balance in your business checking account, we will transfer the exact amount from your Business Deposit Overdraft Protection Account needed to cover each Debit plus the amount of our Business Deposit Overdraft Protection Transfer Fee (“Transfer Fee”) and place it in your checking account. However, we will only make a transfer from your Business Deposit Overdraft Protection Account if your Available Balance in the Business Deposit Overdraft Protection Account will be enough to cover at least one entire Debit presented or re-presented against the insufficient Available Balance in your checking account **and** the Transfer Fee. We will make transfers only once each Business Day. Also, the Available Balance in your Business Deposit Overdraft Protection Account may be reduced to as low as a \$1, unless you specify a different minimum dollar amount that must remain in your Business Deposit Overdraft Protection Account as the Available Balance in connection with Business Deposit Overdraft Protection.

We will deduct the Transfer Fee when we post the Debits to your checking account. We only charge the Transfer Fee once per Business Day, as applicable. Please see the applicable *Fee Schedule* for further information.

At our discretion, we will either pay or return Debits that cannot be covered by the combination of the Available Balance in both your checking account and Business Deposit Overdraft Protection Account. Either action will cause you to incur Overdraft Fees and may cause your checking account to remain overdrawn (see the applicable Fee Schedule).

If your checking account remains overdrawn and your Business Deposit Overdraft Protection Account later contains a sufficient Available Balance to cover part or all of the overdrawn amount, we will then transfer funds from your Business Deposit Overdraft Protection Account to cover or reduce the overdrawn amount. In this instance, we will not charge our Transfer Fee.

**What happens when you have multiple overdraft services –**

Please see below, under the heading, “**Processing Order for Multiple Overdraft Services,**” for further information on how transfers or advances are processed when you have multiple overdraft services.

**Business Cash Reserve Account**

Business Cash Reserve Account is no longer offered by Union Bank. Any references to or information about Business Cash Reserve are for existing Business Cash Reserve Account clients only.

**What is Business Cash Reserve Account** – This service involves a revolving line of credit. Specifically for clients who have an existing Business Cash Reserve Account, we will make automatic advances from your Business Cash Reserve Account to cover Debits (including transfers between checking, money market, and savings accounts) authorized, presented, or re-presented for payment against an insufficient Available Balance in your checking account. You agree and acknowledge that any advances made by us in connection with Business Cash Reserve Account are subject to your available Business Cash Reserve Account limit. Further, you agree and acknowledge that all advances from your Business Cash Reserve Account are subject to the terms and conditions of our *Business Cash Reserve Account Disclosure and Agreement*, including, but not limited to, the terms and conditions covered in the *Business Cash Reserve Account Disclosure and Agreement*.

**How does Business Cash Reserve Account work** – Each Business Day one or more Debits are presented or re-presented for payment against an insufficient Available Balance in your checking account, we will advance the total amount for each Debit, rounded to the nearest whole dollar, from your Business Cash Reserve Account. We will charge a Cash Reserve Advance Fee to your Business Cash Reserve Account, which will be listed on your Business Cash Reserve Account statement as a “Cash Reserve Advance Fee” when we make automatic advances from your Business Cash Reserve Account pursuant to the *Business Cash Reserve Account Disclosure and Agreement*. We will make advances only once each Business Day.

However, we will only make an automatic advance from your Business Cash Reserve Account if your Business Cash Reserve Account available credit will be enough to cover at least one entire Debit presented or re-presented against the insufficient Available Balance in your checking account and the Cash Reserve Advance Fee. The Advance Fee does not apply to advances of less than \$10 or to Cash Reserve Accounts originated in the state of Washington.

Also, Debits that cannot be covered by the combination of the Available Balance in your checking account and the Business Cash Reserve Account available credit may be returned unpaid. Our decision to pay or return the Debit will cause you to incur Overdraft Fees and may cause your checking account to remain overdrawn (see the applicable Fee Schedule).

If your checking account remains overdrawn and any funds become available in the Business Cash Reserve Account on a later date, we will advance funds from your Business Cash Reserve Account to cover or reduce the overdrawn amount. In this instance, we will not charge our Cash Reserve Advance Fee.

**What happens when you have multiple overdraft services –**

If you are enrolled in a Business Cash Reserve Account, then your checking account will not be eligible for Overdraft Coverage or Business Line Overdraft Protection.

**Accounts enrolled in Business Deposit Overdraft Protection that have Business Cash Reserve Account covering the same checking account –**

In the event a checking account is enrolled in both Business Deposit Overdraft Protection and Business Cash Reserve Account and you do not have a sufficient Available Balance in Business Deposit Overdraft Protection to cover an entire Debit, the Available Balance from the Business Deposit Overdraft Protection Account will be used first, and then the remaining amount needed to cover the Debit will be advanced from the Business Cash Reserve Account. In these instances, a Business Deposit Overdraft Protection Transfer Fee will be charged to the checking account and a Cash Reserve Advance Fee will be charged to your Business Cash Reserve Account.

Please see below, under the heading, **“Processing Order for Multiple Overdraft Services,”** for further information on how transfers or advances are processed when you have multiple overdraft services.

## **Business Line Overdraft Protection**

**What is Business Line Overdraft Protection –** With this service, you authorize the Bank to use your business line of credit to make automatic advances to cover Debits presented or re-presented for payment against an insufficient Available Balance in one or more designated eligible checking accounts. This service will not be used to authorize payment of transactions on the designated accounts during the day, such as ATM and debit card transactions. Advances can be made up to your available business line of credit limit or the Line Overdraft Protection Service daily limit, whichever is less. You agree and acknowledge that all advances from your business line of credit are subject to the terms and conditions that govern your loan. Line terms are determined in accordance with your loan documents.<sup>1</sup>

**How does Business Line Overdraft Protection Work –**

Each Business Day one or more Debits are presented or re-presented for payment against an insufficient Available Balance in your designated eligible checking account(s), we will advance the exact amount needed to pay each Debit from the business line of credit plus a daily advance fee. We will make overdraft advances once each Business Day.

However, we will only make an automatic advance from your business line of credit if your available business line

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<sup>1</sup> Subject to credit approval. Certain fees apply. Terms and conditions subject to change. Refer to your loan documents for full details.

of credit will be enough to cover at least one entire Debit presented or re-presented against the insufficient Available Balance in your checking account.

Also, Debits that cannot be covered by the combination of the Available Balance in your checking account and the available business line of credit will be returned unpaid. Our decision to pay or return the Debit will cause you to incur Overdraft Fees and may cause your checking account to remain overdrawn (see the applicable Fee Schedule).

If your checking account remains overdrawn and your Business Line Overdraft Protection Account later contains a sufficient Available Balance to cover part or all of the overdrawn amount, we will then transfer funds from your Business Line Overdraft Protection Account to cover or reduce the overdrawn amount. In this instance, we will not charge an advance fee.

Further service terms are contained in the *Line Overdraft Protection Service Agreement and Disclosure*.<sup>2</sup>

**What happens when you have multiple overdraft services** – If you are enrolled in Business Line Overdraft Protection, then your checking account will not be eligible for Overdraft Coverage, Business Deposit Overdraft Protection, or Business Cash Reserve Account.

## Overdraft Coverage

Our Overdraft Coverage Service serves as an accommodation, and is based on our sole discretion. Whether we authorize or pay a Debit presented or re-presented against an insufficient Available Balance in your checking or money market account depends upon several factors, including your account-related behavior. For example, we typically do not authorize or pay such Debits if your checking or money market account is not in good standing or you are not making regular deposits. We may not authorize or pay Debits presented or re-presented against an insufficient Available Balance in a new account for approximately 30 calendar days after the date of account opening.

Enrollment in Overdraft Coverage is not guaranteed. Further, you agree and acknowledge that we reserve the right not to pay a Debit presented or re-presented against an insufficient Available Balance if your checking or money market account is not in good standing. Authorization or payment of a Debit presented or re-presented against an insufficient Available Balance is always at our sole discretion. The dollar amount we may authorize or pay under Overdraft Coverage is subject to change daily without prior notice to you.

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<sup>2</sup> Subject to credit approval. Certain fees apply. Terms and conditions subject to change. Refer to the *Line Overdraft Protection Service Agreement and Disclosure* for full details.

**What is Overdraft Coverage** – With this service, we may, at our sole discretion, pay checks, bill payments, ACH Debits, ATM or debit card transactions, and other Debits when they are presented or re-presented to us for payment or authorization and you do not have a sufficient Available Balance to cover the Debit.

**How does Overdraft Coverage work** – Each time a Debit is presented or re-presented to us for payment or authorization and you do not have a sufficient Available Balance at the time, we will look to see if you have enrolled in Business Deposit Overdraft Protection. Specifically, if you do not have Business Deposit Overdraft Protection or the Business Deposit Overdraft Protection Account is otherwise not available for use, then we will look to your Overdraft Coverage to decide whether we will pay the Debit presented or re-presented for payment or authorization against the insufficient Available Balance in your checking or money market account. If you are enrolled in and are still eligible for Overdraft Coverage, we may decide to pay the Debit. This will cause you to incur Overdraft Fees and will cause your checking or money market account to be overdrawn (see the applicable Fee Schedule).

Your checking or money market account is automatically enrolled into Overdraft Coverage approximately 30 calendar days after account opening. However, enrollment does not guarantee we will use Overdraft Coverage.

You may cancel Overdraft Coverage at any time by contacting us. If you cancel Overdraft Coverage and you do not have a sufficient Available Balance in your checking or money market account to cover a Debit, we will return the Debit and charge you an Overdraft Fee (see the applicable Fee Schedule). You may incur additional fees from the merchant or payee.

**What deposit accounts are not eligible for Overdraft Coverage** – Checking accounts enrolled in Business Cash Reserve Account or Business Line Overdraft Protection are not eligible for Overdraft Coverage.

Please see below, under the heading, **“Processing Order for Multiple Overdraft Services,”** for further information on how transfers or advances are processed when you have multiple overdraft services.

### **Processing Order for Multiple Overdraft Services**

Depending upon the Overdraft Protection Services and/or Overdraft Coverage Service linked to your deposit account, Debits presented or re-presented for payment or authorization when your deposit account has an insufficient Available Balance will be covered first by Business Deposit Overdraft Protection and then Business Cash Reserve Account or Overdraft Coverage as applicable.

## Postdated Checks

Postdated checks are checks you issue that are dated in the future, but are presented for payment prior to the date on the check. If a postdated check is presented for payment, we may pay the check and debit your account, even if before the date on the check.

### ***What is required to prevent a postdated check from***

***processing*** – To stop payment on a postdated check, you must provide us with the following: the **exact** amount (dollars and cents), account number, check number, date of the check, and name of the payee. And you must provide this information in a time and manner that allows us a reasonable opportunity to act on it (e.g., in writing at a branch or through the Telephone Banking Service). You are responsible for instructing us to cancel the stop payment when you are ready to have the check paid.

***How we honor a written notice*** – If a check is presented to us prior to the date indicated on the stop payment (up to 6 months from the date of the stop payment or date of the check, whichever is earlier), we will not pay the check and may return it marked “payment stopped,” “postdated,” or otherwise. After 6 months, a stop payment is no longer effective and must be renewed.

***What happens when you don’t provide accurate and timely information*** – We may pay the check before the date stated on the check.

***About fees*** – We may charge a Postdated Fee for each notice.

***If we pay a postdated check over a valid and timely stop payment*** – If we recredit your account, you agree to assign to us all rights against the payee, and/or any other holder of your check, and you agree to cooperate with us in any legal action that we may take against such persons.

## Stale-Dated (Old) Checks

If a check is presented to us for payment more than 6 months after it is written/dated (a “stale-dated check”), we may pay or reject the check at our sole discretion, even if the presentment occurs after the expiration of a stop payment order. We normally do not examine the date on checks presented for payment. You agree that we are not required to identify stale-dated checks or to seek your permission to pay them.

Cashier’s checks must be cashed or deposited within 3 years of the date printed on the cashier’s check. The Bank may not accept a cashier’s check for deposit if the date on the cashier’s check is older than 3 years.

## Stop Payments

Contact us or visit us online in order to initiate a stop payment request for a check. You agree to pay us a fee for each stop payment order you place. This section does not apply to cancellation of electronic transactions. Refer to the *Electronic*

*Transaction Cancellations* section of this Account Agreement for information on cancelling electronic transactions.

We will send you a confirmation notice of your stop payment request. You must notify us immediately if it contains any errors; otherwise our records will be considered conclusive proof of the accuracy of the stop payment order.

**Paper Checks** – You may ask us to stop payment on a check. When you request a stop payment, you must provide us with the following: a) your account number; b) the check number; and c) the **exact** dollar amount of the check. We may also request the payee name or check date. We will not be liable for paying a check or transaction over a stop payment order if the order is incomplete or incorrect. If the bank needs additional time to research incorrect or incomplete stop payment orders, this may delay return of the item and may cause an Overdraft. We must receive a stop payment order from you early enough to allow us reasonable time to act on it before your check is presented. A stop payment order becomes effective after we have verified that the check has not been paid and have processed your request. If you request a stop payment on a check that has been previously paid, the stop payment order is void. We will research whether a check has been paid up to 90 days prior to your request. We are not responsible for any liability you may incur as a result of placing a stop payment order on a check regardless of when it was negotiated or paid.

Stop payments expire 6 months after the date we process the order. If you wish to reactivate an expired or released stop payment order, you must place a new order. If your account is on automated account analysis, the stop payment will automatically renew at 6-month intervals until you request its release. If a stop payment order expires or is canceled by you, we may pay the check if it is presented for payment, even though it may be stale-dated by that time.

We may process stop payment orders that cover a range of checks that are missing or stolen without you specifying the dollar amount. In this case, we may require you to close your account and open a new one.

You should be aware that anyone holding your check, including us, may be entitled to enforce payment against you despite the stop payment order.

If we pay your check over a valid stop payment order, we will credit your account for the amount of loss you prove has occurred or the face amount of the check, whichever is less. However, we must have a reasonable period of time to research the circumstances concerning any such check before crediting your account. Until such research is complete, we have no obligation to “provisionally” credit your account. You agree to assign to us all rights against the payee, and/or any other holder of your check, and agree to cooperate with us in any legal action that we may take against such persons.



**Cashier's Checks** – You do not automatically have the right to stop payment on cashier's checks you purchase from us. In the event that a cashier's check is lost, stolen, or destroyed, please contact us for the procedures to follow to obtain reimbursement or have the cashier's check reissued. In general, you will have to complete a Declaration of Loss of Cashier's Check form, describing the cashier's check and how it came to be lost, stolen, or destroyed, and sign the declaration under penalty of perjury. We must then wait 90 days from the date the cashier's check was issued before we can pay your claim. If 90 days have already passed, then we will act on your claim within a reasonable time. If the cashier's check is presented during the 90-day waiting period, we may pay the cashier's check to a person entitled to enforce it. If this happens, we will not pay your claim.

## **Sub-Accounts**

**Why sub-accounts are created** – For regulatory reporting and reserve purposes, we divide checking accounts into 2 sub-accounts: a checking sub-account and a savings sub-account. At the beginning of the month, we allocate funds between the 2 sub-accounts as we deem appropriate. Items are paid from the transaction sub-account. Funds are transferred from the savings sub-account to the transaction sub-account as needed to cover checks and other debit transactions. For certain accounts, on the 6<sup>th</sup> transfer from the savings sub-account during a statement period, all of the funds from the savings sub-account will be transferred to the transaction sub-account. Refer to the *Savings and Money Market Accounts – General Information* section, *Transaction Limitation for Savings and Money Market Accounts* section, of this Account Agreement.

Your access to your checking account occurs at the master account level, and your periodic statements will reflect transactions at the master account level, without reference to either sub-account. The master account and the sub-accounts are maintained on our books, but you do not have direct access to the sub-accounts. Except as provided in this paragraph, the provisions of this Account Agreement apply to your checking account as a whole.

If you have an interest-bearing checking account, the interest rate for your account applies to the Combined Balance of the sub-accounts, and a single interest rate will appear on periodic statements. We will use the Combined Balance of the sub-accounts to determine if your checking account qualifies for applicable fee waivers.

## **Substitute Checks**

**What is a substitute check** – A substitute check, which is the legal equivalent of the original check from which it was created, may be accepted for deposit only if the Item has been returned unpaid and is being redeposited. Unless we agree otherwise in writing, our acceptance of substitute checks shall

not obligate us to accept such Item at a later time, and we may cease doing so without prior notice. If we approve the deposit of substitute checks, you agree to indemnify, defend, and hold us harmless from all losses, costs, and expenses (including attorneys' fees), claims, actions, and proceedings that we incur as a result of such checks, including, without limitation, any indemnity or warranty claim that is made against us because: a) the check fails to meet the requirements for legal equivalence; b) a claimant makes a duplicate payment based on the original check, the substitute check, or a paper or electronic copy of either; or c) a loss is incurred due to the receipt of the substitute check rather than the original check. Upon our request, you agree to promptly provide us with the original check or a copy that accurately reflects all of the information on the front and back of the original check when it was truncated (that is, converted from physical to electronic form). We may convert original checks to substitute checks.

The information below describes rights you have when you receive substitute checks from us. These rights do not apply to original checks or to electronic debits to your account; however, you have rights under other laws with respect to those transactions. Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us.

**Substitute checks and your rights** – To make check processing faster, federal law permits banks to replace original checks with “substitute checks” (as defined in the Check Clearing for the 21st Century Act). These checks are similar in size to original paper checks, with a slightly reduced image of the front and back of the original check. The front of a substitute check states: “This is a legal copy of your check. You can use it the same way you would use the original check.” You may use a substitute check as proof of payment, just like the original check.

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that the bank withdrew the wrong amount from your account or that the bank withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, returned check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of

your refund (plus interest if your account earns interest) within 10 Business Days after the bank receives your claim and the remainder of the refund (plus interest if your account earns interest) no later than 45 calendar days after your claim was received.

The bank may reverse the refund (including any interest paid on the refund) if at a later date the bank is able to demonstrate that the substitute check was correctly posted to your account.

**How do you make a claim for a refund** – If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 877-671-6877. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include all of the following:

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect)
- An estimate of the amount of your loss
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss
- A copy of the substitute check and/or the following information to help us identify the substitute check:
  - a. Your name and account number
  - b. The check number
  - c. The date the substitute check was charged to your account
  - d. The name of the person to whom you wrote the check
  - e. The exact amount of the check (dollars and cents)

## **Transaction Posting Order**

Each Business Day, we post debit and credit transactions to your deposit account during our nightly batch process in the following order:

First, we post all credit transactions that we receive before the applicable cutoff hour.

Next, we post debit Adjustments, Union Bank fees, and Debits that we have previously authorized and are required to pay (such as ATM withdrawals, ATM and debit card transactions, legal orders, and chargebacks). Some fees will post with the affected transaction and not separately. Fees related to the balance in your deposit account will post at the end of the batch process. We will sort like transactions into separate groups and post transactions in each group in ascending order (lowest to highest) by amount.

Finally, we post all the remaining Debit transactions in descending order (highest to lowest) by amount. These transactions include checks, bill payments, one-time and

recurring transfers from your deposit account to another deposit account or Union Bank loan account, electronic debits (such as ACH), and any remaining fees that have not posted (such as a Monthly Service Charge and other fees that are based on your ending Ledger Balance).

**Please Note:** Our transaction posting order may affect the number of Overdraft Fees assessed when there is an insufficient Available Balance in your deposit account to cover all Debits processed on a given Business Day.

## **Debit/Item Re-presentation**

If Debits/Items that you originate are presented for payment against an insufficient Available Balance and are returned to the payee unpaid, the payee may re-present the Debit/Item for payment. Such Debits/Items will be processed.

## **What We Do If Overdrafts Occur**

If an Overdraft occurs, we can exercise our discretion to pay the Debit or return the Debit unpaid. If we return the Debit unpaid, the amount of the Debit will be credited to your account the following Business Day.

## **When We Charge Overdraft Fees**

**Overdraft Fee (Overdraft Item Paid or Overdraft Item Returned Fees)** – We may charge Overdraft Fees when Debits are presented or re-presented against an insufficient ending Available Balance (up to the daily maximum), whether we pay or return a Debit. We may assess this fee each time we pay or return a Debit when your ending Available Balance is overdrawn by \$5 or more at the end of overnight processing. For the purpose of charging Overdraft Fees, we consider the “ending” Available Balance as your Ledger Balance minus your pending Debit transactions that are known to us, such as debit card purchases.

**Continued Overdraft Fee** – Depending on your applicable Fee Schedule, if you overdraw your deposit account and fail to deposit enough funds to fully cover any overdraft amount by the 7th consecutive calendar day that your deposit account has been overdrawn, we will charge you a Continued Overdraft Fee. For this purpose, the 1st day is the day the overdraft occurred. Starting on the 7th calendar day, we will charge this fee for each Business Day that the account remains overdrawn for up to 5 Business Days.

For further information on Overdraft Fees, please see the applicable *Fee Schedule*.

## **Your Obligation to Cover Overdrafts**

In the event your deposit account is overdrawn, you agree to pay the amount of the overdraft promptly, without notice or demand from us. Also, you agree that each account Owner is jointly and severally responsible for paying any overdrafts

created by an Owner or Authorized Signer(s) or party to the account, whether or not the Owner participates in the transaction or benefits from its proceeds.

You agree and acknowledge that our decision to pay one or more Debit transactions presented or re-presented against an insufficient Available Balance in your deposit account which will result in an overdraft in no way obligates us to continue the practice at a later time. Also, you agree and acknowledge that we can discontinue the practice at any time without cause or notice to you.

Further, you agree that we may use subsequent deposits and other credits to the account, including, without limitation, deposits of state and federal benefit payments, such as deposits of government, welfare, retirement, and Social Security benefits, to cover any overdraft existing in your deposit account, to the fullest extent permitted by law.

## **FRAUD DETECTION, DETERRENCE, AND SAFEGUARDING YOUR ACCOUNT**

There are precautions that you can and should take to decrease the risk of unauthorized transactions from your account(s). Such precautions include, without limitation:

- Safeguarding and not disclosing to third parties information about your account, such as your account number(s).
- Safeguarding materials and information that can be used to access your account, including, but not limited to, your checkbook; blank or unused checks and deposit slips; electronic access devices, including Deposit Cards, ATM Cards, and Debit Cards; personal identification numbers (PINs); security tokens; and any passwords or other access-related information, to prevent them from being misused by an unauthorized party.
- Calling us immediately if you suspect any problem with your account or if your account, card, PIN, other access code, or other service might be compromised in any way.
- Placing stop payments immediately on your unused checks if lost, stolen, or misplaced.
- Reviewing carefully your checkbook and unused checks for unauthorized activity if you suspect that any of these items may have been stolen or tampered with, or if you are the victim of theft or your property is burglarized.
- Keeping accurate records of your transactions.
- Promptly and carefully reviewing your statements for unauthorized activity or missing deposits.
- Closing your account immediately upon discovery of any known or suspected unauthorized activity. When you report missing, stolen, or unauthorized checks, we may recommend that any account(s) that has been compromised by unauthorized or fraudulent activity be closed. If you decline this recommendation and elect to leave your account open, you agree that we shall not be liable to you for subsequent losses on the account due to unauthorized activity, and you

agree to indemnify us for any losses we incur as well.

- Maintaining close control over your facsimile signature devices to immediately detect any unauthorized use of those devices.
- Issuing any checks with care to avoid alterations or forgeries. Precautions include, without limitation, using a dark-colored permanent ink to write out your checks, making sure the numeric and written amounts match and are readable, and making sure there are no blank or open spaces in the body of the instrument where words or figures can be inserted.
- Segregating employee duties whenever possible. For instance, payables personnel should not be responsible for reconciling bank accounts.

In addition, we make available to you certain products and services designed to detect and/or deter fraud. While no product or service can provide complete protection from all potential sources of risk or fraud, we believe that using available fraud protection products in conjunction with appropriate internal controls within your operation can reduce the likelihood of fraud on your account. Such products include, without limitation:

- **Positive Pay Services (Positive Pay(ee), Basic Positive Pay(ee), Reverse Positive Pay, and Basic Reverse Positive Pay)** – Provides early fraud detection and prevention when issuing checks on an account, and allows you to block payment of unauthorized checks.
- **ACH Block** – The ACH Block service allows you to restrict the posting of all ACH transactions, debits, credits, or both. We will return, unprocessed, all ACH Transactions, debits, credits, or both, presented against your account.
- **Electronic Payment Authorization (EPA) ACH Positive Pay** – The EPA service allows you to filter the posting of ACH Transactions to your account. We will return, unprocessed, ACH Transactions presented against your account that do not match the parameters you provided. You will be responsible for adding EPA/ACH Positive pay filters through the ACH Exchange online system.
- **Universal Payment Identification Code or UPIC** – Is an account feature that is a permanent and secure account identifier that you can freely distribute to encourage the receipt of electronic payments to your account. The UPIC number should only be used for incoming electronic credits of ACH entries. This feature may not be available in all markets.
- **Information Reporting** – Enables review of all transactions posted to your account daily.
- **View Image** – Allows you to view images of paid checks.

Please note—as set forth in the section of this Account Agreement entitled “Information Relating to Checking, Savings, and Money Market Accounts” pertaining to unauthorized, missing/improper signatures, alterations or other instances of possible fraudulent activity, if you fail to implement the available products or services (set forth in that Section or as otherwise may be recommended or required by us, including but not limited to Positive Pay Services) or fail to follow

precautions reasonable for your particular circumstance, you may (to the maximum extent permitted by law) be liable for losses resulting from such fraudulent activity as a result of being precluded from asserting any claims against us for paying any unauthorized, altered, counterfeit, or other fraudulent Item which the above-listed products, services, or precautions were designed to deter or detect, and you will hold harmless and release the Bank from any liability for paying such Items.

Additional security measures include:

### **Checks**

- Write checks in dark ink and fill in all lines completely. Make sure all numbers begin at the far left of the line.
- Do not keep blank checks with bank statements and paid checks.
- Do not give anyone a pre-signed check (a check signed by the maker but with the amount and/or payee designation blank) or allow someone else to sign your name on a check.
- Only use checks ordered through Union Bank.
- Do not include your driver's license, tax identification, or Social Security number on a check unless you believe it is necessary and you are directly providing the check to a trusted person.

### **Online**

- Do not share your User ID, PIN, or password with anyone.
- Closely scrutinize employee entitlements. Allow access to only those services necessary to perform the job.
- Use security tokens, if available, for online sign-on. You can obtain these tokens from us. Report lost or stolen tokens to us immediately.
- Use IP address restrictions. This will restrict online access to your bank information based on IP addresses you provide us.
- Use dual control for making online payments such as wires and ACH and for managing user entitlements, where possible.
- Check your account balance and transactions regularly, and check your notifications as applicable.
- Avoid using public or shared computers to access Online Banking services.
- Set up dedicated computers and use them for online banking only. Keep the computers in a secure location and limit access.
- Install a reputable vendor security software suite that includes firewall security, anti-virus, anti-spyware, and malware and adware detection, and keep it up to date. Run periodic scans.
- Routinely install all new operating system and browser software and hardware patches, or use the automatic update feature when available.
- Routinely install all patches and updates for software applications (e.g., operating systems, browsers, etc.).
- Educate employees on good cyber security practices.
- Do not open any attachments or click any link in an email requesting your account information. *We do not request information about you or your accounts by email.* If you receive such an email request, call us immediately.

- Use our secure message system when sending confidential information, such as account numbers or financial data, to Bank staff.
- Tell your employees not to open email or attachments from unknown senders.
- Periodically engage a security expert to test your network or run security software that will help close known vulnerabilities.

### ***Mobile Devices***

- Download and apply security updates provided by Apple and Google. These are designed to provide you with protection from known possible security problems.
- To prevent viruses or other unwanted problems, do not open attachments from unknown or untrustworthy sources.
- Do not install pirated software or software from unknown sources.
- Protect against unauthorized access to your mobile device.
- Do not leave your mobile device unattended during an open Mobile Banking session.
- Never save your User ID and Password in the mobile device, in memos, or anywhere on your device.
- Always remember to log off properly by selecting the “Sign Out” button when you have completed your Mobile Banking activities.
- Be aware of the potential for fraudulent text or multimedia messages (SMS/MMS). The bank will never request or invite customers to sign on to its Mobile Banking via an SMS/MMS message.
- Be aware of the potential for fraudulent Mobile Banking apps.
- Take caution when jailbreaking or rooting your device.

### ***Deposit Cards, ATM Cards, and Debit Cards***

ATMs are convenient and provide many of the banking services you need. To ensure your safety when using an ATM, remember the following:

- When entering your PIN at an ATM or in a public place, cover the PIN pad while entering the number.
- Never disclose your PIN to anyone, including Bank employees, merchants, government officials, or law enforcement.
- When selecting or changing a PIN, do not use any number or word that appears in your wallet (e.g., birth date, address, phone number, or Social Security number).
- Memorize your PIN; do not write it down or carry it with you.

### ***ATM and Night Depository Safety***

- Be aware of your surroundings, particularly at night.
- Park nearby, in a well-lighted area.
- Look around. If you notice anything or anyone suspicious, use another ATM or come back later.
- Stand in a position so the person behind you cannot see you enter your PIN.
- Ensure Items have been fully accepted into the ATM or night depository.



- Always take your receipt with you to keep your account information confidential.
- Do not accept offers of help from anyone you do not know. If you have a problem or question, contact your branch.
- Make sure the passenger windows in your vehicle are closed and your doors are locked when you are using a drive-up ATM or night depository.
- Do not display your cash. Pocket it and count it later in the safety of your car, office, or home.

### **Mail**

- Deposit mail only in a locked U.S. Postal Service mailbox. Do not leave outgoing mail for pickup from your home or an unsecured area at your work.
- Pick up your mail as soon as possible each day and promptly pick up any statements or other mail held for you at one of our branches.
- Call or otherwise contact us immediately if you do not receive communications from us as expected.

## **COMMERCIAL CASH SERVICES**

Our Commercial Cash Services allow you to place orders for coin or currency from our cash vaults, and to make cash and check deposits at our processing centers. To do this, you must enter into a separate contract with an armored carrier service acceptable to us. Refer to the *Transportation* section of the *Deposits* section and procedures described in the *Deposit Delivery Handbook*.

With our consent, you may arrange for a local branch to provide currency or coin for subsequent transport by you, your employees, Authorized Signers, or an armored carrier. Special currency or coin order procedures and requirements may be specified by the branch that fulfills the order. We will require reasonable advance notice for all branch-fulfilled coin and currency requests.

We will determine and assign to you a new relationship cash order limit. If the total amount of coin and currency orders for all of your locations exceeds this limit, we will have no obligation to ship any amount in excess of this limit, and we may determine, at our sole discretion, which of your locations will receive delivery of that portion of that order that does not exceed such limit. You may select a separate cash order limit for each of your locations. We reserve the right not to ship coin and currency orders exceeding a location's cash order limit without your express prior instructions to do so on each occasion. You may authorize us to ship all orders and disregard location cash order limits, provided, however, that we will have no obligation to ship to your locations any amount in excess of your relationship cash order limit.

## **BSA/CTR/OFAC Compliance for Financial Institution Clients**

You are responsible for filing all reports as required by the Bank Secrecy Act (BSA), including, but not limited to, Currency Transaction Reports (CTR), and Report of International Transportation of Cash or Monetary Instruments, with the Financial Crimes Enforcement Network (“FinCEN”) of the United States Department of the Treasury (the “Treasury”) for transactions with your customers.

As required by law and if applicable, your policies and procedures must be able to identify suspicious transactions or activities, including but not limited to the structuring of cash transactions to avoid reporting requirements. If required by law, you will file, where appropriate, Suspicious Activity Reports (SAR) with FinCEN for such suspicious cash transactions or activities.

You further agree to abide by all economic and trade sanctions administered and enforced by the Office of Foreign Asset Control (“OFAC”) of the Treasury.

You represent and warrant, for each Money Service Business (“MSB”), as defined by federal regulation and for which you provide cash, that it:

- Is properly licensed with each state that has a licensing requirement to transact business in that state
- Confirm FinCEN registration, if required
- Maintains an Anti-Money Laundering and Bank Secrecy Act compliance program

## **Order and Delivery of Coin and Currency**

We may charge your account for the amount of each order placed. A copy of the order will be forwarded with each cash shipment. You agree to inspect all cash shipments prior to accepting them from the armored carrier by examining the bag and bag seal for integrity and condition. You also agree to refuse damaged or torn shipping bags or bags with loose or missing seals, as well as to visually verify the shipment strap count through the shipping bag before you accept it from the armored carrier. You must, within 24 hours after your acceptance and before you use any of its contents, open and piece-count the bag, in dual custody and/or under surveillance, to verify the order.

You must, within 5 Business Days of the receipt of the cash order, report to us in writing any discrepancy between the amount you verify and the amount we have charged your account (the “Difference”). Each report of a Difference must be accompanied by the strap in which the Difference occurred, the shrink-wrap packaging around the strap and, if possible, the shipping bag and bag shipping seal.

Each Difference of \$50 or more must be reported to us immediately by telephone, followed by written notice in the manner described above.

You authorize us to debit your account for any cash order overage and credit the account for any cash order shortage.

You agree that we may charge your account for the amount of each order placed and any applicable fees. A copy of the cash order receipt will be included with each cash shipment detailing denomination, cash order number, and customer information.

We shall be protected in acting on any verbal or written batch file and web portal request believed in good faith to be genuine and to have been made by you or your authorized agents.

You assume all risk and liability associated with the pickup, transport, and delivery of currency and coin by your contracted armored carrier. The carrier is not our agent. We are not responsible for any losses associated with the transport of the currency and coin to your location. You further agree to notify us in writing of any change in location, standing orders, account numbers, or armored carrier.

## **INSTATAX®**

InstaTax is designed to enable its users to initiate federal and state tax deposits via the web or telephone. The service allows electronic payments of federal taxes via the Internal Revenue Service Electronic Tax Payments Service and certain state electronic tax payment services.

### **Federal Tax Deposits**

We will debit your account on the Business Day you initiate instructions for a tax payment. We will then make the tax deposit on your behalf on the tax due date, except that Federal tax types 720, CT-1, and 1042 will be remitted on the 2nd Business Day after the Business Day you initiate the tax payment.

### **Security Procedure**

The Security Procedure for InstaTax is a user identification code ("User ID") and a password.

In addition, the Bank makes available to you upon your request, a token for your use at login to InstaTax. Such token may be made mandatory for use with InstaTax as communicated to you from time to time.

You agree to use InstaTax in accordance with the Security Procedure described above. The purpose of the Security Procedure is to verify the authenticity of the payment order delivered to us in your name and not to detect errors in the transmission or content of a payment order. You further agree that this Security Procedure best meet your needs given the size, type and frequency of your payment orders, and is a commercially reasonable Security Procedure for you. You agree that any payment order, the authenticity of which has been verified through the use the Security Procedure, shall be effective, whether or not it was in fact authorized, by you. You agree to preserve the confidentiality of the Security Procedure

and promptly notify us of any compromise of the integrity of the Security Procedure.

## **Administrative Controls**

Additionally, we recommend the following optional Administrative Controls offered by the Bank, (which may change from time to time), for your use with the InstaTax Service to further assist you in mitigating fraud: malware detection for use with your device, IP address restrictions, payment and user entitlements, dual approval for payments and administration to the extent available, alerts for administrative changes, limitations on payment amounts and access and administration controls.

## **State Tax Deposits**

We will debit your account on the Business Day you initiate instructions for the tax payment. We will make the tax deposit on your behalf on the 2nd Business Day after the Business Day you initiate the tax payment.

## **Other Terms and Conditions**

**Your Instructions** – You will furnish us with all required data, authorizations, and tax identification numbers. You assume the risk of failure of telephone or other communications facilities to transmit the data to us accurately or in time for us to perform the service.

**Business Day of Receipt** – Instructions received after 3:00 p.m. Pacific Time on the Business Day of receipt will be deemed received the next Business Day.

**Payment for Services** – You authorize us to debit your account for the tax deposits, and our fees and charges to cover the tax deposits. If your account does not have sufficient funds, we will have no obligation to perform the service.

Interruption of the service due to causes beyond our reasonable control shall not relieve you of your obligation to make any tax deposit, and we shall not be responsible for any liability you may incur as a result of your failure to make any required tax payment by other means in the event of such interruption.

**Limitation of Liability** – Our liability, if any, shall be limited to the amount of penalty imposed on you by government taxing authorities for failing to make a tax deposit due to our sole error.

**Charge to Bank Account and Cancellation** – Funds that have been debited from your account for tax payments will not earn interest or earnings credit. You may cancel a tax deposit prior to the time we remit the deposit to a tax agency if you give us notice of cancellation in sufficient time to afford us a reasonable opportunity to act.

Tax liabilities and due dates will be calculated only on tax payments made through the InstaTax service and will not include tax payments initiated by any other means, such as

wire transfers or tax coupons. If you make a tax deposit by means other than the InstaTax service, we will not be liable for any penalty and/or interest charges that may arise because tax payments are not aggregated during the tax reporting period, resulting in calculation of an erroneous tax due date.

**Lapse of Access Code** – We may terminate the service by giving you prior written notice. If an access code has not been used for 6 months, the access code may be deleted from the InstaTax system without notice to you. You will not be able to initiate tax payments using that access code.

## **ELECTRONIC BANKING SERVICES**

The following terms and conditions apply to all electronic banking services to or from business accounts. These services generally include transfers made using your Union Bank Business Deposit ATM Card (“Deposit Card”), Savings and Business Full Service ATM Card (“ATM Card”), or Union Bank Debit Mastercard BusinessCard (“Debit Card”), ACH, or Online or Mobile Banking. The Electronic Fund Transfer Act or Regulation E does not apply to business accounts.

### **Automated Clearing House (ACH) Services**

ACH is a method of processing electronic transactions to and from your bank accounts. ACH transactions refer to ACH debits, ACH credits, or both ACH debit and credit transactions (“ACH Transactions”).

**Applicable Law Regarding ACH Transfers** – You agree that each ACH Transaction on your account is subject to the National Automated Clearing House Association (NACHA) Rules as these may be amended from time to time. You agree that we may rely on the representations and warranties contained in these NACHA Rules, and may either debit or credit your account as instructed by the originator of the ACH Transaction. ACH entries originated or received on your behalf may be transmitted through one or more clearing houses. Your rights and obligations regarding these transfers are governed by applicable law.

### **ACH Provisional Payment** –

When an ACH transfer is made, credit for the transfer is provisional (temporary and subject to reversal) until final payment is received by the payee’s financial institution. Until that happens, the party originating the transfer is not considered to have made payment to the payee, and the payee’s bank is entitled to a refund of the provisional credit.

If we give you provisional credit for an ACH transfer but do not receive final payment, we may charge your account for the amount of the credit.

## **Notice of Incoming Transfer –**

We are not required to give you a separate notice of our receipt of an ACH transfer. You will receive notice of the transfer on your next regular periodic statement.

To verify that a transfer has occurred, you may contact your local branch or Retail Customer Service, or use Online or Mobile Banking.

## **Automatic Transfer Service**

The Automatic Transfer Service allows you to establish recurring transfers on a fixed daily, weekly, monthly, or quarterly schedule between your Union Bank checking, money market, savings account, and IRA account. Recurring transfers can be set up through Online or Mobile Banking for Small Business, Telephone Banking Services (refer to the *Telephone Banking* subsection of this Account Agreement), or a Union Bank branch (restrictions may apply). If the date of the transfer is not a Business Day, the transfer will be made on the following Business Day. These transfers are not considered direct deposits.

Changes in or cancellations of recurring transfers established through Online or Mobile Banking for Small Business must be made through Online or Mobile Banking for Small Business. Changes in or cancellation of recurring transfers established through Telephone Banking can be made through Telephone Banking or a branch. Changes in or cancellations of recurring transfers established at a branch must be made through the branch by completing a form.

You are responsible for ensuring there is a sufficient Available Balance in the account being debited on the date of the transfer. If there is an insufficient Available Balance, the transfer will be subject to Overdraft fees or Overdraft Protection transfer or advance fees, as applicable.

Transaction limitations may apply to certain savings and money market accounts. Refer to the *Savings and Money Market Accounts—General Information* section, *Transaction Limitation for Savings and Money Market Accounts* section, of this Account Agreement.

## **Deposit Card, ATM Card, and Debit Card Services**

The Deposit Card, ATM Card, and Debit Card are the property of Union Bank. We establish card usage limits and will communicate those limits to you. We also reserve the right to discontinue the privileges associated with your Deposit Card (may not be available for all account types), ATM Card, or Debit Card at any time without prior notice. If you no longer wish to use your Deposit Card, ATM Card, or Debit Card, notify us immediately and destroy any existing cards.

For Union Bank transactions, you may link up to 9 accounts in addition to your primary checking account to your Deposit Card, ATM Card, and/or Debit Card. These 9 accounts may be

checking, savings, or money market accounts. If you are a sole proprietor and only have savings accounts, you may link up to 9 additional savings accounts to a savings ATM Card. There may be limitations on the number and types of transfers from some of these accounts. Refer to your specific account type for a description of any transfer limitations, as well as the *Savings and Money Market Accounts – General Information* section, *Transaction Limitation for Savings and Money Market Accounts* section, of this Account Agreement.

**ATM Card** – An ATM Card is generally available to any customer who has a checking, savings, or money market account, and can be used at most ATMs worldwide. If your ATM Card is linked to a checking or money market account, you may make point-of-sale purchases at participating merchants. The amount of your purchase is subtracted from your designated primary account. Point-of-sale purchases cannot be made if your ATM Card is linked only to a savings account.

**Deposit Card** – You can authorize another person to make deposits to a linked business checking, savings, or money market account by using a Deposit Card. It cannot be used to make ATM withdrawals, balance inquiries, transfers, or point-of-sale transactions. This card can be used only at Union Bank ATMs.

**ATMs** – With your ATM Card and PIN, you can conduct the following types of transactions at Union Bank ATMs:

- Withdraw cash: Your withdrawals (or purchases at participating merchants) may be limited to the lesser of your daily ATM Card limit or your Available Balance.
- Make balance inquiries.
- Transfer funds between your designated Union Bank primary checking, savings, and money market accounts.

Generally, we do not charge you a fee when you access your Union Bank account at a Union Bank ATM. We may charge you a fee when you access your Union Bank account at a non-Union Bank ATM. If you use a non-Union Bank ATM, you may also be imposed a surcharge by the operator of that ATM. If you are assessed a surcharge, that fee will be disclosed on the ATM screen.

When you use your ATM Card at a non-Union Bank ATM, you will have access to your designated primary checking, savings, or money market accounts. At some locations outside of the United States, you may not be able to access your savings or money market account(s) or perform certain other transactions.

**Union Bank ATMs** – In addition, if you use a Union Bank ATM, you can generally:

- Deposit currency or checks to any of your Union Bank accounts that are linked to your card. Deposits cannot be made at certain locations; such locations are clearly marked.
- Transfer funds between any accounts linked to your card.

Our ATM service is available 7 days a week, 24 hours a day, although access and services may be limited at some locations and during certain time periods.

**Debit Card** – A Debit Card has all the features of an ATM Card and can also be used for purchases everywhere Mastercard® debit cards are accepted. Your Debit Card must be activated before you can use it. Activation instructions will be mailed with the Debit Card.

When using your Debit Card to make a purchase, a merchant may ask you to sign a receipt or enter your PIN. Some merchants may not require you to do either. You also may be asked to provide personal identification or other information from your card.

All Debit Card purchases are deducted from your designated primary account. Debit Card purchases may be limited to the lesser of your Debit Card's daily limit or your Available Balance. Merchants may charge a fee, which will be displayed separately and added to the purchase amount before the transaction is sent to us and deducted from your account.

We offer Mastercard SecureCode as added security protection when making purchases through the Internet. This service adds an extra layer of security at the point where you enter debit card information online and helps prevent unauthorized online use before it happens.

After you enter your card number and submit your order, a processing window will appear. Based on several factors about that transaction, you may or may not be asked to verify additional information to complete the transaction.

**ATM Card or Debit Card Transaction Holds** – When you use your ATM Card or Debit Card to pay for goods or services, certain merchants may ask us to authorize the transaction in advance. When we do, we commit to paying the merchant and may immediately place a temporary hold on your account for the amount requested by the merchant. Therefore, you should ensure that you have a sufficient Available Balance in your account before making a transaction. Until the transaction finally settles or we determine that it is unlikely to be processed, the funds subject to the hold will not be available to you for other purposes.

If a merchant makes an error or fails to notify us that a transaction has been canceled and you incur Overdraft Fees as a result, please contact us.

**Transactions Outside of the U.S.** – If you use your ATM Card or Debit Card to conduct a transaction in a currency other than U.S. dollars, the merchant, network, or card association that processes the transaction may convert any related debit or credit into U.S. dollars in accordance with its then-current policies. Mastercard currently uses a conversion rate that is either a) selected from a range of rates available in the wholesale currency markets (this rate



may be different from the rate that Mastercard receives); or b) the government-mandated rate. The conversion rate may be different from the rate in effect on the date of your transaction and the date it is posted to your account.

A foreign purchase fee equal to 2% of the transaction amount (including credits and reversals) may be imposed for each transaction you conduct outside of the 50 United States, even if the transaction is conducted in U.S. dollars.

**Mastercard Limitation of Liability of Cardholders for Unauthorized Use** – If there is an unauthorized transaction involving a Debit Card that has been issued under the Mastercard small business program, then your liability for an unauthorized transaction may be limited. Specifically, under Mastercard’s limitation of liability of cardholders for unauthorized use rules (“Mastercard Zero Liability Protection”) for small business programs, your liability will be \$0 for an unauthorized transaction, including a PIN-based transaction at a point-of-sale terminal or ATM, conducted with a Mastercard branded card, meaning the Mastercard logo is on the front of the card. However, the Mastercard Zero Liability Protection only applies so long as you have exercised reasonable care in safeguarding the card from risk of loss or theft and, upon becoming aware of such loss or theft, promptly reported the loss or theft of the card to us. Also, the Mastercard Zero Liability Protection applies to domestic debit cards issued to natural persons, either for consumer or business purposes if the card is a “small business” debit card described on Mastercard’s website. The Mastercard Zero Liability Protection is based on the Mastercard rules as they may be amended from time to time. We reserve the right to apply the Mastercard Zero Liability Protection as in effect at the time you make your claim for unauthorized use unless prohibited by applicable law. For further information about Mastercard Zero Liability Protection, please visit [www.mastercard.us/small-business/index.html](http://www.mastercard.us/small-business/index.html).

## Documentation of Transfers

- **ATM Transactions** – You will generally be issued a receipt when you use an ATM. At some ATMs, you will be given the choice of having a receipt printed. If a receipt is unavailable, you will be notified prior to completing your transaction and will be given the option to cancel it.
- **Express Banking kiosks** – You will generally be issued a receipt when you use an Express Banking kiosk. At the Express Banking kiosk, you will be given the choice of having a receipt printed or emailed to your email address on file. If a receipt is unavailable, you will be notified prior to completing your transaction.
- **Point-of-Sale Transactions** – You will usually be issued a receipt when making a purchase using your ATM Card or Debit Card. For smaller purchase transactions, you may not be issued a receipt automatically; however, you may request one. If you want a receipt and the merchant is unable to provide one, you may cancel your transaction.

- **Periodic Statements** – We will make account statements available to you as required by law or upon request. In any case, you will get a statement at least quarterly, unless your account is inactive or in default. For electronic funds transfers made between Union Bank accounts, the periodic statement will document the account number of both debited and credited accounts.
- **Electronic Check Conversions** – After a merchant scans a check you use for an electronic check conversion, the merchant should mark the check “void” and return it to you.

## **Electronic Funds Transfers Initiated by Third Parties**

You may authorize a third party to initiate electronic fund transfers between your account and a third party’s account. These transfers to make or receive payment may be a one-time occurrence or may be recurring. These transfers may use the Automated Clearing House (and may therefore be subject to the NACHA Rules) or other payment networks. Your authorization to the third party to make these transfers can occur in a number of ways. In some cases, your authorization can occur when the merchant posts a sign informing you of its policy. In all cases, the transaction will require you to provide the third party with your account information. The merchant does not need your written consent. Examples of these transfers include:

**Electronic Check Conversion** – You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your paper check to pay for purchases or pay bills.

**Electronic Returned Check Charge** – You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

## **Electronic Transaction Cancellations**

**Right to Stop Payment and Procedure for Doing So** – If you have told us in advance to make recurring payments out of your account, you can cancel any of these payments. Call us or write us in time for us to receive your request 3 Business Days or more before your payment is scheduled to be made. Refer to the *Communication with Us* section at the end of this Account Agreement for information about how to contact us. If you call, we may also require you to put your request in writing and get it to us within 14 calendar days after you call. ACH stop payment orders are valid either until the account holder requests the removal of the order or until after the identified electronic transaction has been returned. We will charge you a fee for each transaction cancellation request.

You may not stop payment on ATM, one-time point-of-sale (POS), or one-time debit card transactions.

**Cancelling Preauthorized Debits/ACH** – If you have authorized a company (or us) to charge your account electronically to

make one or more payments, you can cancel the payment(s) by contacting us or visiting our website. We must receive your request to cancel such a payment at least 3 Business Days before the date the payment is scheduled to be made.

We must have all of the following information before we can cancel your payment request:

- Your account number
- The exact amount of the ACH transaction
- The payee or company initiating the ACH transaction
- The reason for cancelling payment
- The check number (applicable only for check entries that are collected electronically via the ACH)

In accordance with the above (or with this Section entitled *Cancelling Preauthorized Debits/ACH*), you may cancel an ACH payment under the following circumstances:

- ***Cancelling One Authorized Payment*** – Contact us if you would like to cancel only the next ACH transaction from a company, but still want all future transactions to be charged to your account. The cancellation request will be automatically removed after the next ACH transaction from the company is returned. If your account is still debited, contact us to file a claim.
- ***Cancelling Authorized Recurring Payments*** – Contact us if you previously authorized a company to debit your account but have now revoked that authorization. This cancellation is valid for one year from the date placed. If your account is still debited, contact us to file a claim.
- ***Cancelling an Unauthorized or Erroneous ACH Payment*** – Contact us if you have received an unauthorized or erroneous ACH debit entry and want to prevent any future debits from posting to the account. We may require you to complete any necessary forms, including a Written Statement of Unauthorized Debit. This cancellation is valid for one year from the date placed. If your account is still debited, contact us to file a claim.

We may require you to give us a copy of your written instructions to the company revoking its authority to debit your account. If you do not provide the copy within 14 days after you contact us, we may block the company from debiting your account for the 14-day period, but we may honor any debits the company may send us thereafter. We are not responsible for any loss you may incur as a result of your failure to timely provide the requested documentation and our subsequent honoring of previously authorized payments.

***Cancelling a Recurring Debit Authorized with a Debit Card*** –

If you wish to cancel a recurring debit you authorized with a Debit Card, contact us in time for us to receive your request 3 Business Days or more before the payment is scheduled to be made. We may ask that you first contact the payee (the merchant or other creditor to whom the payments are made) and cancel the authorization before your account is debited.

**Cancelling Bill Payments** – Bill payments you request through Online or Mobile Banking can be canceled at any time before the Business Day the transaction is scheduled to take place or before 11:45 p.m. (Pacific Time) on the Business Day the transaction is scheduled to take place. Once processed, a transaction cannot be canceled.

## **Express Banking**

The Express Banking service is offered through one or more kiosks at certain branches. The Express Banking kiosks can be accessed through the use of your ATM Card or Debit Card or with the assistance of a Union Bank Banker (upon proper identification).

You agree and acknowledge that when you use your ATM Card or Debit Card to access or use the Express Banking kiosks, the terms and conditions of your ATM Card or Debit Card will continue to govern your ATM Card or Debit Card. Further, you agree and acknowledge that any person authorized to make withdrawals from your account may make withdrawals at one or more Express Banking kiosks and that the authentication methods we use for in-person transactions at an Express Banking kiosk are commercially reasonable security procedures.

The Express Banking kiosks allow you to:

- Access deposit account details
- Access credit card details
- Make transfers between your checking, savings, or money market accounts
- Withdraw cash from your checking, savings, or money market accounts
- Make deposits into your checking, savings, or money market accounts, including receiving cash back
- Exchange currency (U.S. currency exchanged for different denominations of U.S. currency)
- Engage in other transactions and services as available

## **In Case of Errors or Questions about Your Electronic Transfers**

**Telephone or write us as soon as you can** if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. Refer to the *Communication with Us* section at the end of this Account Agreement for information about how to contact us.

We will need all of the following information:

- Your name
- Your account number
- The date, type, and dollar amount of the transaction or suspected error
- Your ATM Card or Debit Card number, if applicable
- A description of the problem

- A clear explanation of why you think there is an error or why you need more information about the transaction
- Upon request, a Written Statement of Unauthorized Debit

We must hear from you no later than 30 days after we mail, deliver, or otherwise make available to you the first statement on which the error or problem appears. If you do not notify us within 30 days after the first statement that shows these transactions was mailed, delivered, or otherwise made available to you, the account balance indicated on your statement will be conclusively considered correct, and we will have no further responsibility or liability to you with respect to such statement and the electronic transactions reflected therein. If you notify us by phone or in person, we may require that you send us your complaint or question in writing.

These procedures do not apply to disputes with a merchant about the quality or delivery of goods or services you authorized and/or purchased using your ATM Card, Debit Card, electronic check, or other electronic transaction. You must settle the dispute directly with the merchant.

### **Limitation on Transfers**

- We may limit the amount of cash withdrawals or point-of-sale purchases made with your ATM Card or Debit Card to the lesser of your daily ATM Card or Debit Card limit or your Available Balance.
- Certain transfers, payments/purchases, or withdrawals from savings or money market accounts are limited to 6 transfers each monthly statement period (money market accounts) or calendar month (savings accounts or money market accounts if statement was requested to be on a specific day). Refer to the *Transaction Limitation for Savings and Money Market Accounts* subsection of the *Savings and Money Market Accounts—General Information* section of this Account Agreement.
- We may limit the daily or cumulative amount that may be transferred through Telephone Banking or online. We may vary these limits without prior notice to you.
- For security reasons, we may limit the number or amount of transactions at our terminals or point-of-sale locations, or through our Online or Mobile Banking, Telephone Banking, or other electronic service.
- We may delay or reject an electronic payment or transfer if we suspect that you did not authorize it.

We will not be responsible for any liability or fees you may incur if we delay or reject your transaction because we receive transfer instructions that exceed the above limitations that we delay or reject.

### **Lost or Stolen Card or Unauthorized Transaction**

Notify us immediately if your Deposit Card, ATM Card, Debit Card, PIN, or other access code has been lost or stolen, or used without your permission. Telephoning is the best way to keep your possible losses down. You could lose all the money in your

account plus your maximum Business Cash Reserve line of credit. Refer to the *Communication with Us* section at the end of this Account Agreement for information about how to contact us.

## **Our Liability for Electronic Banking Transactions**

Electronic transfers made from any business account are not subject to the Electronic Fund Transfer Act, Regulation E, or the error resolution provisions set forth therein.

### **Preauthorized Transfers**

**Preauthorized Credits** – You can arrange for direct deposits to your checking or savings account(s). You will not receive a separate deposit receipt or notice from us.

**Preauthorized Payments** – You can arrange to pay certain recurring bills from your checking or savings account(s).

You acknowledge and agree that an ACH Transaction may be posted by the account number, even if the name and account number are not consistent and identify different parties.

### **Telephone Banking**

Telephone Banking Services –  
Contact Phone Number: 877-671-6877  
For Hearing Impaired: 800-826-7345

Telephone Banking automated services are available 24 hours a day, 7 days a week. For a Bank representative, you can contact us Monday through Friday, from 7:00 a.m. to 7:00 p.m., and Saturday, from 8:00 a.m. to 5:00 p.m. (Pacific Time), except for Federal holidays.

#### ***What our automated services allow you to do:***

- Receive account information
- Transfer funds
- Place stop payments
- Order checks
- Notify us of a change of address
- Activate your Debit Card
- Report or replace a lost or stolen ATM Card or Debit Card
- Change your card or Telephone Banking PIN
- Inquire about loan balances and obtain payoff information
- Order copies of checks, deposits, and statements

**Cutoff time for requests:** Telephone Banking transfer requests made before midnight (Pacific Time) on a Business Day will be processed on the same day. Any transfer requests made at or after midnight (Pacific Time) or on a non-Business Day will be processed on the next Business Day.

Access to Telephone Banking may not be available during system maintenance (typically between 2:00 a.m. and 4:00 a.m., Pacific Time), or due to circumstances beyond our reasonable

control, such as fire, earthquake, flood, water damage, power failure, strike, labor dispute, computer breakdown, rolling blackout, telephone line disruption, or natural disaster. We are not responsible for any loss or delay you may experience as a result of the unavailability of Telephone Banking.

You may use either your account number or an access number (usually the last 8 digits of your ATM Card or Debit Card) followed by your 4-digit PIN to access our automated services. Access to Telephone Banking is limited to an individual who is a Contracting Officer, Authorized Signer or other persons authorized by any of them and based on his or her PIN.

**Telephone Transfers** – You may request transfers to or from your Union Bank accounts by telephone at any time through our Telephone Banking services, and you may set up recurring transfers from any Union Bank account that you own. You may also make transfers to or from your accounts at other domestic financial institutions.

Telephone transfers can be made from one account to another when the caller is an Owner and/or Authorized Signer on both accounts. If you need to transfer funds to a third-party bank account or between accounts with different signature requirements, you may be required to execute the Telephone Banking Enrollment Form. The form is available on [unionbank.com](http://unionbank.com) or at your local branch.

Transferred funds may be made available immediately.

**How to cancel transfer requests:** Union Bank loan payments or transfers made through Telephone Banking can be canceled at any time before the Business Day the transaction is scheduled to take place or before midnight (Pacific Time) on the Business Day the transaction is scheduled to take place.

**Telephone Banking Limitations:** The aggregate dollar amount of funds transfers by means of our Telephone Banking service to accounts you do not own at Union Bank or to other financial institutions may not exceed a cumulative total of \$5,000 per Business Day. For security reasons, we may limit the number or amount of transactions through the service. We also may delay or reject a transfer if we suspect that you did not authorize it.

**Telephone Banking Help:** For services not listed above, you may speak to a Bank representative. If you have questions regarding Telephone Banking, contact us by mail or phone at the address and number listed in the *Communication with Us* section of this Account Agreement. If you send us a written request regarding a scheduled Telephone transfer request, it must reach us at least 3 Business Days before the transaction or payment is scheduled.

## **Your Liability for Unauthorized Electronic Funds Transfers**

By giving your ATM Card, Debit Card, PIN, or other access code to another person directly or indirectly, you take responsibility for all transactions made by that person or by anyone else to whom that person gives the ATM Card, Debit Card, PIN, or other access code, until you notify us to cancel your card and issue you a new card, or cancel your electronic service.

If your statement shows transfers, withdrawals, purchases, or other transactions that you did not make, notify us at once. If you do not notify us within 30 days after the first statement that shows these transactions was mailed, delivered, or otherwise made available to you, the account balance indicated on your statement will be conclusively considered correct, and we will have no further responsibility or liability to you with respect to such statement and the electronic transactions reflected therein.

## **Real-Time Payments (“RTP”) Service Terms for Receive Only**

When the Bank makes Receive Only RTP available, the following terms apply. Unless expressly defined, capitalized terms used herein shall have the meanings provided in the *RTP System Operating Rules*. Please call us at 877-671-6877 if you have questions concerning these Services or their availability.

### **Definitions**

**Payment Amount:** The amount of funds sent to you by a Sender through the Service.

**RTP (“RTP” or the “Service”):** An electronic payment system which allows you to receive funds in real time into your Account(s).

**RTP System Operating Rules:** The Clearing House’s operating rules governing the obligations of parties using the RTP System.

**RTP System:** The payment system accessed by the Service.

**Sender:** The person or entity who sends a payment to you through the Service.

**Sending Financial Institution:** A financial institution that participates in the RTP System and holds the Sender’s account.

**Service Transfer:** A payment made from a Sender to you through the Service.

**The Service:** The RTP Service will allow you to receive real-time payments into your Account(s) from Senders that have accounts with Sending Financial Institutions. Funds transferred to your Account(s) will be credited upon completion of the Service Transfer request and will be available for withdrawal immediately. The Service will not allow you to send payments.



You are not obligated to accept a Service Transfer. If you wish to reject a Service Transfer sent to you through the Service, please contact us at 877-671-6877.

The Service is available 24 hours a day, 7 days a week, including weekends and holidays; however, the Service may be unavailable from time to time, including due to maintenance; and we may suspend or terminate your access to the Service at any time, including if we determine that you or a Sender has used the Service in an unlawful manner. Incoming payments cannot exceed the Service Transfer limit which may be found in the *RTP System Operating Rules* as updated from time to time. If a Sender sends you a payment which exceeds the applicable Service Transfer limit or any limit set by the Sending Financial Institution, the payment will be rejected without notice to you.

The Service may be used with domestic payments only. It may not be used with senders or receivers who are not residents of or otherwise domiciled in the United States. You agree that you will comply with this restriction and with all regulations of the Office of Foreign Assets Control as well as all other laws applicable to you in connection with your use of the Service.

Payments through the Service are irrevocable and cannot be reversed; however, a Sender may request that you return the funds. If this happens, the Bank will notify you of its receipt of a Return Request from the Sending Financial Institution, and you must respond to the Bank with information requested by the Bank regarding the Return Request within three (3) Business Days of our notification to you. The Bank has no responsibility for and shall not be liable in any way in connection with a dispute between you and a Sender.

A Service Transfer may fail if: 1) there are insufficient funds in the Sender's account; 2) the Bank or the Sending Financial Institution believes that the Service Transfer does not comply with these RTP terms, or applicable law; 3) you reject or have declined to receive a Service Transfer; 4) the Transfer Request exceeds the applicable Service Transfer limit as set forth in the *RTP System Operating Rules* or the Sending Financial Institution's limits and/or the Sending Financial Institution declines to process the transaction; or 5) the Service is unavailable. In addition, completion of a Service Transfer request might be delayed if the Service Transfer is subject to review by the Sending Financial Institution. We will not contact you to notify you if the Service Transfer has failed.

## **WIRE TRANSFERS**

Funds transfers by wire are governed by the Uniform Commercial Code as adopted in the applicable state, and are *not* subject to the Electronic Fund Transfer Act or Regulation E. The following rules also apply to wire transfers that you send or receive.

## General

**Bank Fees** – You agree that we may charge fees for sending or receiving a funds transfer. You acknowledge and agree that we may deduct fees from your account or from the amount of the transfer. You further acknowledge and agree that intermediary banks may deduct their fees from the amount of the transfer that they process, whether an outgoing or incoming transfer, and that a portion of such fees may be shared with us. You authorize us and any intermediary banks to deduct such fees, and you further authorize the Bank to share in those fees with any intermediary banks. You further acknowledge and agree that you may be required to execute a Funds Transfer Agreement, which in addition to these terms and conditions, is an agreement between you and the Bank and will govern any funds transfers by wire you execute with respect to your account in accordance with its terms.

**Notice of Wire Transfers** – We will notify you of all wire activity to your account on your periodic account statement. You may choose to make special arrangements with us to receive earlier notice of wire transfer activity on your account.

**Identification of Intermediary or Beneficiary's Bank** – If your wire transfer order identifies an intermediary bank or a beneficiary's bank by both name and identifying number, we may rely on the identifying number regardless of whether the bank name and identifying number refer to different entities. We may select any intermediary bank, funds transfer system, or means of transmittal to send your payment order. We will not be responsible for any liability you may incur as a result of our selection that differs from your instructions.

## Incoming Wire Transfers

**Provisional Payment** – When we give you credit for a wire transfer credit entry, it is provisional until we receive final settlement for the entry through a Federal Reserve Bank or otherwise. If we do not receive final settlement, we are entitled to a refund for the amount credited to you, and the person who sent the credit is considered not to have paid you.

## Our Liability Concerning Wire Transfers

Business wire transfers are not subject to the Electronic Fund Transfer Act, Regulation E, or the error resolution provisions within the regulation. However, such transactions remain subject to the Uniform Commercial Code and to the remaining provisions of this Account Agreement. We are not responsible for any losses arising from or in connection with wire transfers unless such losses result solely from our intentional misconduct, or as dictated by the Uniform Commercial Code.

## Outgoing Wire Transfers

**Cutoff Time for Payment Orders** – We have different cutoff times for processing payment orders. We may treat payment

orders we receive after the cutoff time as if received the next Business Day.

**Amending or Cancelling Payment Orders** – If you request that we amend or cancel a payment order, we may make a reasonable effort to act on your request; however, we have no obligation to do so. We are not liable to you if, for any reason, a payment order is not amended or canceled. If we choose to process your request, you agree to reimburse us for any cost, losses, or damages that we incur in connection with your request.

**Inconsistent Name and Account Number** – If you designate the beneficiary of a wire transfer by both name and account number, the payment may be made according to the account number even if the name and account number are not consistent and identify different parties.

**Foreign Transfers (Sending Funds Outside the United States);**

**Currency Conversion** – In addition to any applicable terms set forth in this Account Agreement, including but not limited to those set forth in International Transactions, the following terms govern currency conversion relating to a transfer to a beneficiary in a foreign country (“Foreign Transfer”). If you are a customer of Transaction Banking Services subject to the Transaction Banking Services Disclosure and Agreement, please see the section entitled Foreign Transfers; Currency Conversion located therein. Further, to the extent there is any conflict with respect to Foreign Transfers and Currency Conversion between this Account Agreement (or the Transaction Banking Services Disclosure and Agreement) and any Master Funds Transfer Agreement to which you are subject, the terms set forth in this Section (or those located within the Transaction Banking Services Disclosure and Agreement, if applicable) shall control.

If your payment order involves Foreign Transfer, we may execute the order in the currency of the country of the beneficiary’s financial institution. Unless you notify us in writing otherwise, you consent to conversion of the funds into foreign currency by us (or our agents or processors), any correspondent bank or intermediary bank, the beneficiary’s bank, or any other third party reasonably involved in the completion of the Foreign Transfer, at conversion rates generally applied by that converting party. If the Foreign Transfer is returned for any reason, you agree to accept the refund in U.S. dollars in the amount of the foreign money credit, based on the current buying rate on the day of the refund, less any charges and expenses incurred by us (including any commissions owed to us). We will not be liable to you for a sum in excess of the amount of the payment order after we have converted it from the foreign currency to the account currency using the applicable rate of exchange in effect at the time on the day we confirm the cancellation of the payment order. We bear no liability if the applicable rate of exchange differs from rates offered or reported by us or by third parties, or based

upon different times of the day, amounts, locations or involving different systems, agents or procedures. Foreign Transfers may be subject to delays and changes in foreign currency exchange rates. Currency exchange rates fluctuate over time, based upon market conditions, liquidity and risk. You acknowledge and accept the risks of such fluctuations 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. Fees imposed by intermediary banks may be deducted from the amount of your order. A portion of those charges may be shared with us.

**Required Documentation** – Outgoing wire requests may be made directly to our Wire Services Department, provided that a properly completed Funds Transfer Agreement and other requested documentation have been received by us.

## **Your Responsibility Concerning Wire Transfers**

You agree that you are responsible for monitoring and reviewing all activity on your account. We recommend that you inspect your statements on a regular basis to look for improper or unauthorized transactions or any other irregularities, and to ensure that your accounts are being handled in a proper manner.

**Reporting Errors** – You must contact us immediately if you think there is an error or an unauthorized transaction shown on your statement or notice. If your statement includes or discloses an improper or unauthorized transaction, you must notify us in writing, stating relevant facts, within 30 days after we mail, deliver, or otherwise make the statement available to you. If you do not, we are not responsible for any liability you may incur as a result of any loss of interest arising from the unauthorized or erroneous funds transfer. In addition, if you do not report an unauthorized or improper wire transaction within 30 days from the time the statement is mailed, delivered, or made available to you, the account balance indicated on your statement will be conclusively considered correct, and we will have no further responsibility or liability to you with respect to such statement and the transactions reflected therein.

## **SAFE DEPOSIT BOX SERVICE**

Certain branches offer safe deposit box services. Your use of these services is governed by the Safe Deposit Box Renter Agreement. Box size and availability may vary by location. We rent safe deposit boxes only to customers who maintain a deposit account with us. If you close the last active deposit account you have with us, we may terminate the Safe Deposit Box Renter Agreement and ask you to close your safe deposit box and remove its contents. For further safe deposit box information, see your *Safe Deposit Box Renter Agreement*.

Please let us know if you are an active duty service member, as you and your dependents may have additional protections and/or benefits.

Safe deposit box contents are not FDIC insured. If you wish to insure the contents of your safe deposit box, you must obtain the coverage on your own. Union Bank and the FDIC do not act as insurers of the contents of a safe deposit box.

## **GENERAL BANKING INFORMATION**

### **Additions or Changes in Account Terms**

*How we will notify you of changes:* We may add to, delete, or change the terms of our Account Agreement with you at any time. If we decide to do this, we may mail, email, or deliver a notice, a statement message, or an amended Account Agreement to any of you at the last address (location or email) on file for you, your account, or the service in question.

*About notifying you before changes happen:* Unless otherwise required by law, we may amend the Account Agreement without prior notice (e.g., by posting the information in our branches or on our website, or otherwise making it available to you). We may give you prior notice if we substitute similar services or discontinue currently offered services for certain accounts. We do not have to notify you of any changes that are beneficial to you (e.g., a reduction or waiver of any fees or the addition of services) or if the change is required for security reasons.

*How do you consent to a modification to the Account Agreement:* You consent to an amendment or modification to the Account Agreement if you continue to use your account after an amendment or modification becomes effective.

### **Adjustments**

*When adjustments are made:* We make adjustments to your account whenever a correction or change is required. Adjustments might occur, for example, if deposits are recorded or keyed in the wrong amount or Items you deposit are returned unpaid.

### **Authorized Signer/Contracting Officer**

You agree that an Authorized Signer may act alone in conducting withdrawal or debit transactions and transfers from your account. Owners are responsible for the actions of the individuals they designate as Authorized Signers or Contracting Officers on accounts, and Owners are responsible for informing Authorized Signers and Contracting Officers of the terms of this Account Agreement.

You agree that we may continue to honor checks issued, and instructions given to us, by any individual who was authorized to sign on your account at the time these checks or instructions were issued, even if these checks are presented to us for payment, or these instructions are to be acted on, after you notify us that the individual is no longer an Authorized Signer. This means that you must place a stop payment order on these

checks and cancel all instructions issued by that individual that you do not wish us to act upon. In some cases, we may require you to close an account and to open a new one to prevent transactions from occurring.

## **Change of Personal or Business Information**

You agree to promptly notify us of any change in the business name, physical address, mailing address, or email address, or change of the Owners, Contracting Officers, or Authorized Signers on your account. All changes will become effective after we have had a reasonable opportunity to act upon your notice to us.

**About your address information:** The Bank makes every effort to contact you with important information that may affect your account. This includes periodic confirmation of our records. To ensure we can reach you, you authorize us to obtain address information from your state's Department of Motor Vehicles or any other government agency.

As such, you waive your rights under California Vehicle Code §1808.21 (or equivalent state statute). We may also obtain address information from the U.S. Postal Service, or any other government agency, and from public records. The Bank reserves the right to change your address based on this information.

## **Check Cashing for Non-Customers**

We generally permit the payee of a check you write on your account with us to present the check for payment at most of our full-service branches, including our Express Banking kiosks. This does not include limited-service facilities, offices that are not open to both consumers and businesses, or where otherwise posted. It also does not apply to Items that require special processing or presentment at a specific location, such as "payable at" checks. Payees should contact a local branch for more information. We may charge a fee to a non-Union Bank customer who cashes your check at one of our branches. The fee will be charged to the person cashing your check, unless you make other arrangements with us for paying the check cashing fee.

## **Check Quality**

You agree to use only checks and deposit slips obtained through us or, if obtained elsewhere, approved by us in advance. If your checks or deposit slips do not meet our processing standards, or if we encounter excessive rejects during processing, we may ask you to have your checks reprinted at your expense. After attempting to fix the problem with your checks or deposit slips, and if the problem persists, we reserve the right to charge your account for extra handling. We will not be responsible for any costs or losses that may result if our equipment is not able to read and process checks you provide or obtain elsewhere without our prior approval. You may not use check stock that cannot be photocopied.

Our liability in matters resulting from incorrectly printed checks you have obtained through us is limited to the cost of replacing the checks. We are not responsible for any damages you may incur as a result of any losses or delayed processing due to incorrectly printed checks or deposit slips.

All checks issued or deposited should be written in dark ink colors that can be recognized by imaging equipment. We reserve the right to return or charge back any checks you issue or deposit if the information on the check cannot be read. We are not responsible for any damages you may incur as a result of our returning a check to you due to our inability to process it when the ink color cannot be recognized.

Several factors influence the image quality of a check, such as a check's background design, its physical condition, or the ink color used on a check. The image quality of a check is also dependent upon the imaging capabilities of any bank that participates in the clearing of a check. In rare instances, checks may not be available or legible for viewing purposes. In such cases, please contact us for assistance.

## **Verification**

**How we verify checks:** We may process certain checks mechanically, based on the information encoded on the checks.

**About visually identifying checks:** We may not visually examine each of your checks to determine if they are properly completed and endorsed, and we assume no duty to identify and/or return duplicate checks, checks with duplicate serial numbers, improperly encoded items, or checks lacking an encoded serial number. Although we may examine checks from time to time, reasonable commercial standards do not require us to visually examine every check.

## **Checks and Deposit Slips – Changes to Banking Information**

There may be occasions when the banking information printed in the MICR line of your checks and deposit slips will change. If any MICR line information changes, we will notify you 90 days before the change becomes effective. During this 90-day period, you should obtain new deposit slips and checks with the updated information printed on the documents. Failure to do so may result in delays in processing transactions on your account.

Ninety days after we notify you of new MICR line information, we will discontinue processing your checks and deposits that contain old MICR line information. This means that checks with old MICR line information that are presented for payment more than 90 days after the date of our notice will be returned unpaid. Any electronic debits to your account will not be honored, and electronic credits (deposits) will not be posted to your account.

You are responsible for giving timely notice of changed MICR line information to any other parties who may need it.

## **Checks Payable to a Business or Trust**

All checks payable to a business must be processed by deposit to the business account. Checks payable to an individual's name in his or her professional capacity (e.g., John Smith, MD, or Jane Doe, CPA) must be deposited to a like-named business account. Similarly, checks payable to a trustee of a trust must be deposited to the appropriate trust account if we have actual knowledge of the existence of the trust.

Checks drawn on us and payable to a business that is not a Union Bank customer may, at our discretion, only be negotiated in exchange for a cashier's check payable to that exact business name. Prior to negotiation, the business entity must have the endorsement guaranteed on that check by its financial institution. We may charge a fee for this service, which may be deducted from the proceeds of the check.

## **Checks Sent for Collection**

You may ask us to send a check or Item on a collection basis for you to another bank. Also, for certain checks that you may deposit, we may not use normal check-clearing procedures. These checks include previously dishonored checks, checks with restrictive endorsements, or those drawn in a foreign currency or on a foreign bank. In these cases, we may send the check to the financial institution on which it is drawn for collection or return it to you. If we receive payment for the check, we will credit your account with the amount received on the date we receive payment, less any applicable fees.

Both Union Bank and the other financial institution may charge a fee for this service, which may be taken directly from your account or from the proceeds of the Item. Some banks require the fee to accompany the collection request and will return the collection Item without taking any action if the fee is not included. We will charge your account for the payor bank's fee, unless we otherwise agree. Our fee and any payor bank fee apply even if the collection is returned unpaid.

When a check you issued is sent to us for collection, we may charge the presenting bank a fee. If we pay the collection, we may pay the presenting bank the amount of the check, less the amount of our fee. The fee we charge the presenting bank is in addition to other fees we charge for handling collections.

## **Checks with Special Instructions**

Although we are not obligated to, we may pay or accept checks and other Items that include special restrictions or notations (e.g., "Void after 6 months," "2 Signatures Required," "Void over \$50," "Payment in Full," and the like), whether on the front or back, in any form or format. If you cash or deposit an Item or write a check with such a notation, you agree that it applies only between you and the payee or maker. The notation will have no effect on us, and you agree to accept responsibility for payment of the Item.



## **Claim of Loss**

See the *Reviewing Statements* subsection of the *Account Statements* section of this Account Agreement.

## **Closing an Account**

We may close your account, stop providing service to you, or terminate our contract for any reason unless the specific terms of your account or service state otherwise. We may attempt to contact you in advance if necessary, but we are not obligated to do so. We may close your account if you have a zero or negative account balance for more than 45 days. We may also close your account for fraud-related purposes. Your account may also be closed for insufficient funds, overdrafts, or other unsatisfactory account activity. In such cases, a report may be made to a consumer reporting agency. If we close your account, we will send any remaining funds in your account to your last address as shown on our records. If there is more than one Authorized Signer on your account, we may take instructions from any one Authorized Signer to close the account.

You may close your account at any time if the account is in good standing (e.g., does not have a negative balance or any restrictions). If you decide to close your account, your account may be subject to prorated service charges for the partial period of service between the last statement period and the date of account closure. These fees include the monthly maintenance fees and any monthly discounts or additional service charges. Specific services and per-Item charges will be assessed in full.

If you or we decide to close your account and you have recurring payments deposited directly to or withdrawn from your account, notify the company or government agency making the payments or transfers that your account will be closed. If you do not notify us of your intention to close your account, a preauthorized electronic transfer could be posted to the account. After your account is closed, we will return any payments or transfers we receive. Items presented for payment after account closure may be returned with the notation "Account Closed."

We are not responsible for any liability you may incur as a result of a dishonored Debit presented for payment.

## **Communicating with You**

Your consent and agreement granted to us in this "Communicating with You" section extend to our authorized representatives.

### ***How we may contact you:***

You give us your express consent to call you at any telephone number you have provided to us or provide to us in the future, including cellular (mobile) phone numbers. Your express consent authorizes us to use any means, including automatic dialing technology, artificial and pre-recorded voices, and

text messages, when we contact you by telephone for any servicing or non-telemarketing purpose, including, without limitation, to collect debts. You understand that your phone service provider may charge you for these calls and messages. You also agree that we may monitor and record all telephone calls, electronic communications, and other communications with you, and we may retain them for our records.

You agree that we may contact you by mail at any mailing address you have provided to us or provide to us in the future, and by courier. You agree that we may contact you electronically by email at any email address you have provided to us or provide to us in the future, and that we may also contact you electronically through our Online Banking service. Please refer to your *Mobile and Online Banking Service Agreement for Personal and Small Business Accounts* for details on invalid or undeliverable email addresses.

**What we may send to you:** You agree that we may send any notice, record, or other information about your account, such as account disclosures, change-in-terms notices, privacy disclosures, fee schedules, or transaction notices and alerts, to you at the last address (or email address) on file for your account separately or with any periodic statement we send.

**When considered delivered to you:** You agree that information or notices (including statements) are considered delivered when they are mailed or made available to you in some other way (e.g., posted on our website or sent to your email address if you have agreed to electronic communications). Information or notices sent to any account Owner or Authorized Signer are considered delivered to all account Owners and Authorized Signers.

**Where we send statements and notices:** Statements and notices are normally sent to the last address (or email address) listed with us for your account or service.

**If you do not receive your statement:** Please notify us promptly if you do not receive your statement by the date you normally would expect to receive it.

**What happens if we hold a statement or if mail is returned:** You agree that if we hold a statement or notice because you fail to provide us with a current address, it will be considered delivered to you when it is prepared (if we're holding a statement for you), or when it is made available to you in some other way (e.g., posted on our website or sent to your email address if you have agreed to electronic communications), or when it is mailed (if it's returned in the mail). At our discretion, we may destroy mail that is returned to us or determined to be undeliverable.

## **Compliance with Relevant Laws**

**Relevant Law** – Means U.S. Sanctions and all laws, statutes, rules, regulations, orders, and ordinances issued, promulgated

or administered by authorities of governments, regulatory authorities and supervisors applicable to your account(s), transactions, or related third-party transactions related to bribery, corruption, money laundering, fraud, or the funding of terrorist activities, including, without limitation, the Bank Secrecy Act, the USA PATRIOT Act, the U.S. Foreign Corrupt Practices Act of 1977, and the U.K. Bribery Act 2010.

**Relevant Person** – Means, with respect to an account, an Owner, Authorized Signer, or any other person delegated authority with respect thereto.

**Sanctioned Country** – Means a country or territory that is target by country-wide, territory-wide U.S. Sanctions.

**Sanctioned Person** – Means an individual or entity with whom a U.S. citizen, U.S. permanent resident, entity organized under the laws of the U.S. or person in the U.S. is prohibited or restricted by U.S. Sanctions from engaging in trade, business, or other activities.

**U.S. Sanctions** – Means all laws, statutes, rules, regulations, orders, and ordinances issued, promulgated or administered or enforced from time to time by any U.S. governmental authority (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury) with respect to financial and economic sanctions or trade controls.

**Compliance with Relevant Laws** – You hereby represent and warrant that (i) no Relevant Person is located, organized, domiciled, or resident in a Sanctioned Country or otherwise a Sanctioned Person; and (ii) each Relevant Person shall comply with Relevant Law in connection with use of the account(s) and Service(s). You agree to promptly notify the Bank if any such representation becomes untrue. You further agree not to access your account(s) from a Sanctioned Country, and not to use or permit the use of account(s) and Service(s) in connection with any transaction that violates, or that has the purpose of evading, Relevant Law. If the Bank, in its sole discretion, is uncertain regarding the legality of any transaction, the Bank may refuse the transaction or freeze the amount in question while we investigate the matter.

**Internet Gambling** – The Bank strictly prohibits the use of any account to conduct transactions that are related, directly or indirectly, to unlawful Internet gambling. The term “unlawful Internet gambling,” as used in this section, shall have its meaning set forth in 12 C.F.R. Section 233.2(bb). You agree not to conduct any transactions through your account(s) that directly or indirectly involves or is related to unlawful Internet gambling, including the acceptance or receipt of any funds or deposits in connection therewith.

## **Conflicting Claims to Account Ownership or Control**

*What types of disputes or problems can affect an account:*

- If there is any uncertainty about the ownership of an account or its funds, or there are conflicting demands over its ownership or control
- If we are unable to determine any person's authority to give us instructions
- If there is suspected financial abuse of an elderly or dependent adult and/or Adult Protective Services or any similar state or local agency requests us to freeze the account or reject a transaction
- If we believe a transaction may be fraudulent or may violate any law

*What we may do at our sole discretion:*

1. We may freeze the account and refuse transactions until we receive written proof in a form and substance satisfactory to us of each person's right and authority over the account and its funds.
2. We may refuse transactions and return checks, marked "Refer to Maker," or similar language.
3. We may require the signatures of all Owner(s), Contracting Officer(s), or Authorized Signer(s) when they withdraw any funds, close an account, or make any change in the account—regardless of the number of Authorized Signers on the account.
4. We may pay the funds into an appropriate court (an interpleader action) and request instructions from the court at your expense regarding the account or transaction.
5. We may continue to honor checks and other instructions given to us by persons who, based on our records, appear as Owner(s), Contracting Officer(s), or Authorized Signer(s).

Although we have the right to proceed in the ways outlined above, understand that this does not impose an obligation on us to act on these rights or to deny a transaction.

## **Credit Verification**

You agree that we may obtain information, including credit information, from consumer reporting agencies or other companies when you request to open an account with us, agree to be a signer on an account, or obtain any other service from us, in order to verify your previous banking relationships and as a basis for account qualification. We may do so at the time you open the account, at any time while your account is open, or after your account is closed if you owe us any amounts related to your account.

We may also ask for credit information on any Owner, Contracting Officer, or Authorized Signer on your account, including any principal or officer of your business. The Owner(s) or Contracting Officer(s) of your business is/are responsible for informing other Owners, Contracting Officers, or Authorized

Signers of our right to obtain credit information about them.

**Transaction Information Requirements** – When you conduct a transaction with us, we may require you to identify yourself by various means, which may include using your ATM Card or Debit Card and PIN, or answering security questions.

In order to conduct certain financial transactions, we are required to obtain certain information about the individual conducting the transaction, as well as about the individual or organization for whom the transaction is being conducted. The information includes the full name, permanent address, Social Security number and/or Employer Identification Number, driver's license or passport, or occupation or profession of the individual conducting the transaction. We also require the account Owner's full name; permanent street address; Social Security number and/or Employer Identification Number; and business, occupation, or profession. If this information is not provided, we are required to refuse to handle the transaction.

**Requests Not Made in Person** – We will accept your transaction requests or instructions not made in person only if we can reasonably ensure your identity. We may use passwords or PINs, contact you by telephone, or use other means to authenticate your identity and validate your request. Unless you have made special arrangements with us, we have no obligation to act upon instructions you give us by phone, fax, text message, email, or voicemail.

## **Death or Incompetence**

Notify us immediately if any Owner, Contracting Officer, or Authorized Signer on your account dies or is declared incompetent (by a court or as otherwise permissible, e.g., physician's letter). Until you or a court gives us written notice of such death or incompetence, we may continue to honor checks, Debits, and instructions as though all Owners, Contracting Officers, or Authorized Signers are alive and competent. We may also freeze, refuse, and/or reverse deposits and transactions if we become aware of the death or incompetence of an Owner, Contracting Officer, or Authorized Signer.

## **Demand Drafts (commonly referred to as remotely created checks)**

Demand drafts or remotely created checks do not bear your signature. In place of your signature, it bears your printed name or a statement that you authorized the check. You can authorize the creation of a demand draft by telephone by providing the appropriate information, including the MICR code, from a valid check. Common examples of demand drafts are those created by a credit card company, utility company, or telemarketer. If you provide your account number to a third party in order to charge your account by means of one or more remotely created checks or demand drafts, you authorize us to pay such demand drafts, even though they do not contain your signature and may exceed

the amount you authorized to be charged. This provision shall not obligate us to honor such demand drafts. We may refuse to honor such demand drafts without cause or prior notice, even if we have honored similar demand drafts in the past.

You may not deposit remotely created checks or demand drafts to an account with us without our prior written consent. Upon our request, you agree to provide us with evidence of your authorization to create and/or deposit such demand drafts. You also agree to indemnify, defend, and hold us harmless from all losses, expenses, costs (including attorneys' fees), claims, and liabilities related to or arising from such demand drafts, including, without limitation, claims that they were not authorized by the persons on whose accounts the demand drafts were drawn.

## **Deposit Insurance**

Union Bank accounts are insured to the regulatory limits by the Federal Deposit Insurance Corporation (FDIC). Any deposits (including time deposits) that you maintain in the same capacity directly with Union Bank, PurePoint Financial, or through an intermediary (such as with us or another broker) will be aggregated with deposits in your Deposit Accounts at Union Bank for purposes of the maximum applicable FDIC deposit insurance amount. When we give you information about products we offer that are not FDIC insured, you will be clearly informed of that fact before you make a purchase decision. You are responsible for monitoring the total amount of deposits that you have with Union Bank and PurePoint Financial to determine the extent of FDIC deposit insurance coverage available to you.

If you'd like more detailed information about FDIC Insurance:

WRITE: FDIC  
550 17th Street, N.W.  
Washington, D.C. 20429

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CALL: 877-275-3342

TTY: 800-877-8339

FDIC hours of operation:

Monday – Friday, 8:00 a.m. – 6:00 p.m. (Eastern Time),  
except Federal holidays

Saturday, 8:00 a.m. – 1:00 p.m. (Eastern Time),  
except Federal holidays

Closed Sunday

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VISIT: [www.fdic.gov](http://www.fdic.gov) or [www.fdic.gov/EDIE](http://www.fdic.gov/EDIE)

## **Deposit Administration Fee**

Due to market interest rate conditions, the Bank may assess a negative rate payment which the Bank shall collect by debiting your account. This will be reflected as a deposit assessment fee and will be based on your monthly average balance. See the *Business Deposit Fee Schedule* for more information.

## Deposits

All deposits made to your account are subject to final verification, payment, and adjustment by us, even if we cash a check, give you immediate credit for a deposit, or give you cash back from a deposit. In our sole discretion, we may decline to accept any Item for deposit.

If your deposit contains coin or currency, your deposit will receive ledger credit on the next Business Day. We may place a hold on checks you deposit. You will be notified if a hold is placed. During the hold period, these funds may not be withdrawn or used to pay checks or any other transactions on your account. Checks deposited at one of our cash vaults will be forwarded for processing and will receive ledger credit the next Business Day. (See the *Funds Availability Policy* section described in this Account Agreement.)

If you deposit a check containing a retired (no longer in use) bank routing number or account number, you will not receive credit for the check and it will be returned to you unpaid. You must contact the maker of the check to obtain a replacement check bearing the new routing or account number.

We act only as your collection agent when receiving Items for deposit or encashment. We reserve the right to refuse for deposit, or reverse the credit for, any Item that, in our sole discretion is determined to be unacceptable for forward collection either at the time of deposit or upon subsequent review. We may charge your account for cashed Items should they become lost, mutilated, or destroyed during processing through no fault of Union Bank. Whether or not we reverse a credit, you agree to assist us in collecting the amount of any lost Items by providing us with information and other assistance as we request.

**Merchant Card Transactions** – In order to conduct merchant card transactions, you must enter into a separate agreement with a merchant services provider (“Provider”). When you initiate a card transaction, the Provider will perform front-end authorization. If approved, the transaction will be transmitted to the Provider for processing. We are not responsible for the acts or omissions of the Provider.

**Cash Vault Deposits** – You must prepare your deposit in accordance with our *Deposit Delivery Handbook* (“Handbook”). Should you fail to do so, you are responsible for any additional preparation time required for us to transform your deposit into the Handbook format. This may result in additional fees, including fees for rejected pre-encoded Items.

If you submit an Item for deposit that cannot be readily image-captured, you agree to indemnify us against any and all liability that may arise from doing so.

**Contaminated or Mutilated Deposits** – You agree not to deposit contaminated or mutilated Items or currency.

**Lost Deposits** – We will not be responsible for lost or missing deposits if you do not comply with the Handbook. You agree to use your best efforts to provide such copies, images, or MICR information of the Items lost in transit as may be available to you. Additionally, you agree to provide us copies of tapes or cash letter detail.

**Rejected Items** – Fees may apply for presented checks and/or deposit slips rejected from machine processing for any of the following reasons:

- Non-standard MICR
- Obsolete account number or routing number
- Excessive rejects due to poor-quality printing. “Excessive” means the greater of a) 3 presented checks and/or deposit slips rejected in processing in a statement period or b) the percentage indicated under the *Basic Account Services* section in the applicable *Fee Schedule* of the total of all such Items processed in that cycle.

Additional charges will apply for depositing pre-encoded checks that are rejected for poor MICR quality and/or encoding. Clients who have a monthly reject rate for deposited Items in excess of the published percentage under the *Check Processing Services* section of the applicable *Fee Schedule* will be charged for each Item exceeding the allowed published percentage. Individual deposits exceeding the published percentage reject rate may be held over to the next Business Day for processing.

We reserve the right to place any clients who exhibit excessive deposit rejects, either over 25% in one day or over the published percentage for 5 consecutive Business Days, on a daily reject report to assist in resolving the MICR quality problem. If we do so, we may have to delay processing your deposits. There is a fee for each reject report we send you.

**Transportation** – You and we agree that upon instructions from either of us, an armored carrier or courier service (“Carrier/Courier”) will pick up and/or deliver coin and currency, checks, Bank documents, other media (e.g., computer reports, computer tapes, etc.), or valuables (collectively “Materials”) for the purpose of delivering the same to you or us, or as we otherwise agree. You agree that you will use only armored carriers to transport cash or other Materials of intrinsic value. You further agree that your deposits delivered to us by the Carrier/Courier will be packaged in accordance with procedures set forth in the Handbook.

Negotiable Materials must be packaged and delivered to us in self-sealing and tamper-evident containers or bags. Suitable containers meeting our specifications are available by contacting us. If you do not obtain containers from us, you must submit sample containers for approval. We reserve the right to refuse containers that do not meet our specifications or that appear to have been tampered with.

The Carrier/Courier is an independent contractor. However, if



the Carrier/Courier is deemed to be an agent, you and we agree that the Carrier/Courier is your agent and not ours, even though we may pay for the cost of such services. The provisions set forth in this section are exclusively between you and us, and are separate from your agreement with the Carrier/Courier.

We will not be responsible for any liability you may incur as a result of transportation of Materials by the Carrier/Courier to us or any other destination you specify, until we acknowledge receipt in writing of the Materials. If we deliver Materials to the Carrier/Courier, we shall not have any liability upon delivery of such Materials to the Carrier/Courier. Without limiting the foregoing, the transportation of Materials is at your own risk and shall impose no liability on us, including, but not limited to, any liability arising out of their loss, theft, or destruction during transportation. You agree to immediately notify us if any Materials are believed to be lost, missing, or misdirected. If you think there are missing or erroneous entries shown on your statement, you must tell us within 14 days of discovery or 14 days after we mail, deliver, or otherwise make the statement available to you, whichever is earlier. If you do not, we may refuse to reimburse you for any claimed losses or discrepancies. In addition, if you do not report an error or unauthorized transaction within 6 months after we mail, deliver, or otherwise make the statement available to you, the account balance indicated on your statement will be considered correct. Your obligation to discover and report such Materials applies whether or not we have acknowledged receipt of a container purported to contain the Materials.

We shall not be held liable for any additional fees charged in excess of the fees originally quoted for the Carrier/Courier service. These may include, but are not limited to, rate increases and fees associated with excess weight, special deliveries, and additional bags. Any agreement by the Bank to pay for services performed by the Carrier/Courier may be terminated at any time by us upon notice to you.

## **Endorsements**

Each deposited check should be endorsed on the back of the check in the designated endorsement area, including the restrictive endorsement required for Mobile Check Deposits (See *Mobile Check Deposit* section in this Account Agreement, and the *Mobile and Online Banking Service Agreement for Personal and Small Business Accounts*). If the endorsement or any marking is made outside of the specified area, we are not liable for any processing delay or loss that may result.

We may require that all endorsers be present to authenticate the endorsement, including those who may have endorsed the Item to you and, for anyone who is not a signer on the account, to have their endorsement guaranteed by that person's bank. We also may refuse to accept the check for deposit.

All payees should endorse checks that are jointly payable to

the Owners of the account. However, we are also authorized to cash or accept for deposit to the account:

- Checks payable to all Owners but endorsed by only one
- Checks payable to one or more Owners but endorsed by another of the Owners
- Checks payable to one or more Owners without endorsement, in which case we are authorized to provide the endorsement for the Owner(s)

## **Facsimile Signatures**

**What is a facsimile signature:** A facsimile signature is a procedure or mechanism that causes any check to be drawn on your account with a typed signature, facsimile signature, notation, mark, or other form of mechanical symbol, rather than your actual handwritten signature.

**What we require for their use:** You agree not to use facsimile signatures on checks unless you provide us with representative samples and we approve their use.

**About paying facsimile Items:** We may refuse to accept or may pay Items bearing facsimile signatures at our discretion.

**What you're responsible for:**

- You agree to assume full responsibility for any and all payments made by us when we rely on signatures that resemble the actual or facsimile signature(s) you provided (without regard to variation in color or size) in connection with your accounts or services.
- You authorize us to pay any check that appears to bear your authorized facsimile signature, including, but not limited to, Items created by you that display a computer-generated signature (regardless of whether you provided us with a representative sample) without further inquiry.
- You agree to indemnify, defend, and hold us harmless from any and all actions, claims, losses, damages, liabilities, costs, and expenses (including attorneys' fees) arising directly or indirectly from the misuse or the unlawful or unauthorized use or copying of facsimile signatures (whether affixed manually, by stamp, mechanically, electronically, or otherwise).

## **Funds Availability Policy**

**Your Ability to Withdraw Funds** – Our policy is to make funds from your cash and check deposits available to you on the 1st Business Day after the Business Day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash, and we will use the funds to pay checks that you have written, or other Items presented against your account. Please keep in mind, however, after we make funds available to you and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid.

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 the close of business on a Business Day that we are open, or otherwise state as our Business Day, we will consider that day to be the day of your deposit. If you make a deposit on a Business Day at one of our ATMs before 9:00 p.m. Pacific Time, we will consider that day to be the day of your deposit. However, if you make a deposit after these hours or on a day that is not considered a Business Day, we will consider that the deposit was made on the next Business Day we are open. For example, a deposit made on Saturday is deemed received on Monday, or Tuesday if Monday is a Federal bank holiday.

This *Funds Availability Policy* applies to checks deposited at a staffed Union Bank facility, at a Union Bank ATM, night depository, lockbox, Express Banking kiosks, or by mail addressed to Union Bank.

This *Funds Availability Policy* does not apply to checks drawn on banks located outside the United States, checks drawn in a foreign currency, or to checks deposited using Mobile Banking or Remote Deposit Service.

**Longer Delays May Apply** – In some cases, we will not make all of the funds that you deposit by check available to you on the 1st Business Day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the 2nd Business Day after the day of your deposit. The first \$225 of your deposit, however, will be available on the 1st Business Day after the day of your deposit.

If we are not going to make all of the funds from your deposit available on the 1st Business Day after the day of your 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 one of our employees (for example, at an ATM or lockbox), or if we decide to take this action after you have left the premises, we will mail you the notice by the Business Day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, some or all of the 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 failure of computer or communications equipment, that prevents us from making your deposit available to you under the timeframes set forth in our *Funds Availability Policy*.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will notify you when the funds will be available. They will generally be available no later than the 7th Business Day after the Business Day of your deposit.

**Special Rules for New Accounts** – If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified and teller's checks, and federal, state and local government checks will be available on the 1st Business Day after the day of your deposit if the deposit meets certain conditions.

For example, the checks must be payable to you. The excess over \$5,525 will be available on the 7th Business Day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the 2nd Business Day after the day of your deposit. Funds from all other check deposits will be available on the 7th Business Day after the day of your deposit.

### **Remote Deposit Service**

Generally, funds representing a deposit using Remote Deposit Services will be available for withdrawal the Business Day after deposit if the remote check deposit is made prior to 8:00 p.m. Pacific Time. Remote check deposits made on a non-Business Day will generally be available on the 1st Business Day after the Business Day of deposit. However, in some cases, we may delay funds availability up to the 2nd Business Day after the Business Day of your deposit. Funds availability rules set forth in Federal Reserve Regulation CC do not apply to checks deposited using Remote Deposit Services. Fund availability may differ by Item based on float assignment and collectability of each Item. See the *Business Accounts & Services and Transaction Banking Services Disclosure and Agreement* for more information.

### **Mobile Check Deposits**

Generally, funds representing a deposit using Mobile Check Deposit will be available to you on the 1st Business Day after the Business Day the deposit is received if the mobile check deposit is made prior to 9:00 p.m., Pacific Time. Mobile check deposits made on a non-Business Day will generally be available on the 1st Business Day after the Business Day the deposit is received. However, in some cases, we may delay funds availability up to the 7th Business Day after the Business Day the deposit is received. We will notify you (e.g., by email) if we delay availability of your deposit. Funds availability rules set forth in Federal Reserve Regulation CC do not apply to checks deposited using Mobile Check Deposit.

You agree to either endorse each original check submitted through Mobile Check Deposit with the below restrictive

endorsement or check the pre-printed box on the back of the check (if available) along with your signature, in order to minimize the effects of possible fraud or duplicate presentment of the same check:

***“For mobile deposit only to Union Bank.”***

If you neglect to add to each original check submitted for deposit this restrictive endorsement or check the pre-printed box on the back of the check (if available), the Bank may reject the deposit, and will not be liable for losses and/or fees you may incur for reversing or debiting your account for such duplicate presentment.

See your *Mobile and Online Banking Service Agreement for Personal and Small Business Accounts* for more information.

We may, at our sole discretion, also hold funds you deposit for any reason necessary that we believe would limit your and/or our losses.

Each check deposited through a mobile device will count as one Combined Transaction.

## **Governing Law**

This Account Agreement is governed by federal law and, to the extent not preempted or superseded by federal law, by the governing state law as described below, without regard to its conflict-of-law provisions.

- If you applied for the account in person at one of our branches, then the account is maintained in the state where that branch is located and governed by that state law.
- If you applied for the account online or through another remote method, and at the time you applied you reside in either the state of Washington or Oregon, then the account is governed by the law of the state in which you reside at the time you applied. For joint accounts, this will be determined by the residential address of the owner whose name was listed first.
- In all other cases, the account is maintained in California and governed by California law.

Your accounts and services also will be subject to applicable clearinghouse, Federal Reserve Bank, funds transfer system, image exchange, and correspondent bank rules (“Rules”). You agree that we do not have to notify you of a change in the Rules, except to the extent required by law. If there is any inconsistency between the terms of this Account Agreement and the Rules, the terms of this Account Agreement shall supersede the Rules, unless prohibited by the Rules.

## **Inactive Accounts and Unclaimed Property**

Accounts become inactive when there has been no transaction or positive contact with us for a certain period of time, as follows:

- 12 consecutive months for transaction (demand deposit) accounts
- 18 consecutive months for savings accounts
- 24 months after the first maturity date or date of last customer contact for time deposit accounts

Positive contact will prevent an account from becoming inactive. Types of positive contact include:

- A deposit or withdrawal performed by you to or from the account. This does not include Bank-initiated transactions, such as service charges, interest payments, or automated deposits and withdrawals.
- Correspondence electronically or in writing concerning the account.
- A signed letter from you relating to the account's disposition.
- An indication from you of your interest in the account, such as contacting us to state your intention to maintain the account, or another record on file with us.

The inactive period begins on the date of the last transaction, last positive contact with us, or first maturity of a time deposit, whichever is latest. We may refuse to post any transactions to an inactive account unless we can confirm that you initiated the transaction. All inactive interest-earning accounts continue to earn interest, except for time deposit accounts that do not automatically renew. Monthly Service Charges and applicable fees for inactive accounts are the same as active accounts. Charges are not reimbursed for inactive accounts that are later reclassified as active. Also, we may change the delivery of account statements for inactive accounts.

You may receive a written notice that your funds may be surrendered to a state government due to inactivity. The requirement to send a notice is based on the account balance and whether we have a valid address on file. The timing of the notice and minimum account balance for the notice vary by state.

We will surrender the funds in your inactive account to the state of your last-known address we have on file if the account remains inactive for the time period designated by that state. Accounts with a foreign address on file will be surrendered to the state of California. Once the account is turned over to the state, you may reclaim the funds by presenting adequate proof of ownership to the appropriate state.

## **Income Tax Reporting**

For certain types of account ownership, we are required by law to report to the Internal Revenue Service (IRS) interest paid or other payments made to you. For interest-earning accounts in which interest is paid on a cycle of one year or less, we report interest in the calendar year in which the interest is paid. For time deposit accounts issued for a term of more than one year for which interest is paid on a cycle of greater than one year, we report interest annually for interest accrued in the current

calendar year. A tax-reporting notice will be sent to you for interest-earning accounts if the interest earned is \$10 or more.

## **International Transactions**

Union Bank offers foreign exchange services, including basic spot purchases, hedging instruments, wire payment services, or Foreign Transfers (as defined herein), Foreign Currency Demand Accounts (FCDAs), and Foreign Currency Time Deposits (FCTDs). With respect to Foreign Transfers certain specific terms may apply- see the section entitled *Foreign Transfers (Sending Funds Outside the United States)*; *Currency Conversion*; or if you utilize Transaction Banking Services subject to the Transaction Banking Services Disclosure and Agreement, see the section entitled *Foreign Transfers; Currency Conversion* located therein.

Transactions processed in foreign currency denominations are subject to daily changes in exchange rate. When we convert a transaction, we may determine at our sole discretion the currency exchange rate and then assign that currency exchange rate to your transaction, without notice to you. You agree to this procedure and accept our determination of the currency exchange rate.

We may consider many factors in setting our currency exchange rates. Some of these factors are exchange rates set by others, our desired rates of return, market risk, and credit risk. We are not responsible for any liability you may incur if our currency exchange rates are different from rates 1) offered or reported by third parties; 2) offered by us at a different time, at a different location, or for a different transaction amount; or 3) that involve different payment media such as bank notes, checks, and wire transfers. You acknowledge that:

- Our currency exchange rates for retail and commercial transactions, and for transactions conducted after our regular business hours or on weekends, are different (and usually less favorable to you) from the exchange rates for large interbank transactions conducted during a Business Day (the rates reported in *The Wall Street Journal* or elsewhere are usually for large interbank transactions);
- Currency exchange rates offered by other dealers or shown at other sources (including online sources) may be different from our rates.

For further information on specific foreign exchange services, including additional risks, restrictions, and other requirements, please contact the Markets Foreign Exchange Department at 213-236-6943.

## **Large Cash Withdrawals**

For security purposes, we have the right to limit the amount of cash we will provide on demand at a branch, including at Express Banking kiosks. We may require reasonable advance notice for large cash withdrawals. You agree that we are not responsible for providing for your security in such transactions,

and that we may require that you make advance arrangements with a licensed armored carrier for such withdrawals. Cash withdrawals greater than \$50,000 will generally not be accommodated at a branch.

## **Legal Process**

We will comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant or other legal process, except where prohibited by applicable law. To the extent legally permissible, we may notify you of such process by telephone, electronically, or in writing. If we are not fully reimbursed for our record research, photocopying, and handling costs by the party that served the process, we may charge such costs, in addition to our legal process fee, to your account. You agree to reimburse us for any cost or expense, including attorneys' fees, that we incur in responding to legal process related to your accounts.

We may not pay interest on any funds we hold or set aside in response to legal process. You agree that we may honor legal process that is served personally or by mail, email, or facsimile transmission at any of our branches (including locations other than where the funds, records, or property sought are held), even if the law requires personal delivery at the branch where your account or records are maintained. You acknowledge that accounts opened with trust or fiduciary designations (e.g., "XYZ, Inc. — Client Trust Account") may be subject to levies and other legal process against your property unless our records clearly reflect the existence of an express written trust or court order.

## **Limitation of Liability; Indemnity**

Except as otherwise stated in this Account Agreement or as required by law, we will be liable to you only for damages arising directly from our gross negligence or intentional misconduct.

We will not be responsible for any loss, delay, cost, or liability that arises, directly or indirectly, in whole or in part, from: a) your actions or omissions, or those of third parties, that are not within our immediate and reasonable control; b) your negligence or breach of any agreement with us; c) any ambiguity, inaccuracy, or omission in any instruction or information provided to us; d) any error, failure, or delay in the transmission, processing, or delivery of data, records, or Items due to a breakdown in any computer or communications facility; e) causes beyond our reasonable control, including but not limited to an act of nature (e.g., fire, flood, earthquake, etc.), war or military action, strikes or labor disputes, embargoes, government action, accidents, civil unrest, terrorist attacks, or any other force majeure event; f) the application of any government or funds transfer system rule, guideline, policy, or regulation; g) the lack of available funds in your account to complete a transaction; h) public health emergency or communicable disease outbreak; or i) our inability to confirm to our satisfaction the authority of any person to act on your behalf.



We will not be liable under any circumstances for any special, consequential, indirect, or punitive damages that you incur in connection with your account(s), even if we are aware of the possibility for such damages, unless specifically imposed by a statute that cannot be waived by the parties.

You acknowledge that our fees have been established in contemplation of a) these limitations on our liability, and b) your agreement to review statements and notices promptly and to notify us immediately of any discrepancies or problems.

You will indemnify us against and hold us harmless from any and all liabilities, claims, costs, expenses, and damages of any nature (including reasonable attorney's fees) arising out of or relating to disputes or legal actions by parties other than you and us concerning your accounts and services. The obligations contained in the preceding sentence will continue after your account or service is terminated. This section does not apply to any cost or damage incurred by a third party that is attributable to our gross negligence or intentional misconduct and for which we are legally responsible.

### **Limitation on Time to Bring Action**

Unless otherwise required by law, an action or proceeding by you to enforce an obligation, duty, or right arising under this Account Agreement or by law with respect to your account or any account service must be commenced no later than one year after the day the cause of action occurs. Nothing in this section will serve to lengthen any shorter time frames required for you to act as set forth in contract or statute.

### **Multiple Signatures**

It is not our general policy to offer accounts on which 2 or more signatures are required to conduct transactions. This means that you agree that an Authorized Signer, acting alone, may sign checks, withdraw or transfer funds, give us instructions regarding the account, close the account, or establish additional accounts in the same name or names that are subject to the same signature requirements. If you indicate on your signature card, on another account document, or elsewhere that more than one signature is required for a transaction, this indication is for your own internal procedures and controls, but it is not binding on us unless we have expressly agreed in writing.

**Exceptions** – We generally offer accounts on which more than one signature is required for transactions only under the following circumstances:

- **Legal Orders** – The account is subject to a legal order, which expressly requires more than one signature for withdrawals.
- **Legal Requirements** – The account is one required by law to be held by 2 or more persons who must act together to exercise their legal authority over the funds in the account.
- **Accounts Held by Formal Trusts** – The account is held by a trust (other than a “business trust”) whose written terms require more than a single signature for withdrawals.

- **Other Signature Requirements by Special Arrangement Only** – As agreed upon by the Bank and you.

Signature requirements for accounts opened before April 1, 2005, remain unchanged.

## **Night Depository Service**

This service is available at most of our branches and allows you to make deposits to your account using the night depository facility (the “Facility”).

**Making Deposits** – Each deposit into the Facility shall include only cash or Items intended for deposit to one or more of your accounts with us. The deposit shall be contained, in accordance with our instructions, in a self-sealing plastic pouch (“Pouch”) supplied or approved in advance by us. The Pouch shall include an itemized list of the cash and other Items in it. You shall retain a copy for your records and will use your best efforts to verify that each Pouch reaches the vault portion of the Facility.

**Processing Deposits** – Deposits made before the Facility’s cutoff time will receive same-day credit. Deposits made at the Facility after the cutoff hour may not be collected and processed until the beginning of the next Business Day.

Only the cash deposit in a Pouch will be transported to one of our centralized cash vaults for counting. Deposits containing both cash and Items in the same Pouch may be processed at the branch where the Facility is located. Disputes of any cash adjustments must be submitted in writing, to your branch of account, within 10 days following receipt of any cash adjustment notice.

**Equipment and Procedures** – You agree to use the Facility only with keys supplied by us and to notify us immediately if you lose any key to the Facility or should a key become unusable for any reason. You agree not to duplicate any keys and to take all reasonable precautions to prevent unauthorized persons from tampering with a Pouch. If you observe any Facility equipment that is missing, defective, damaged, or inoperable, notify us immediately.

**Depositor Agreement** – We may withdraw the Facility from use at any time in cases of emergency or the need to make repairs, without providing you notice. Either you or we may terminate this service at any time by written notice to the other, and upon any such termination you shall promptly return, or pay the cost of replacing, all equipment we have furnished to you.

## **Notice**

Any notice you are required to give us by law or by this Account Agreement, or other order or instruction you may give us, must be in writing and mailed or delivered to us at your branch of account or any address we specify, unless prescribed otherwise.

in this Account Agreement. You agree that we shall be allowed a reasonable period of time to act upon any such notice, order, or instruction.

## **Online Services**

Our Online Banking service allows you to access your accounts and conduct banking via the Internet. The service allows you to check balances, transfer funds, pay bills, view statements and check images, receive account notifications, and more. Some services may also be available through a wireless device. Use of the Online Banking service is governed by one or more separate agreements for online services, which supplement this Agreement.

## **Opening Additional Accounts**

We may, at our option, open additional accounts upon your consent by telephone, written, or online instructions. These accounts must be in the same title as previously established accounts you maintain.

## **Presentment of Debits**

We may charge your account on the day a check or other Debit transaction is presented, re-presented or returned to us, whether by physical delivery or electronically. We may charge your account or place a hold on funds at an earlier time if we receive an electronic or other notice that such Debit has been submitted for payment, collection or return at another financial institution, or if a business notifies us that it is processing a Debit against your account (e.g., a point-of-sale purchase using a Debit Card). We may determine your account balance for the purpose of deciding to dishonor a Debit for insufficient funds at any time between the time we receive the Debit or notice of it and the time we must return it unpaid. We are not obligated to make this determination more than once.

We may charge your account when a copy of a check or other Item drawn against your account is presented, or re-presented to us for payment by another financial institution in place of the original, whether or not the original check is lost, mutilated, destroyed, or otherwise unavailable. You agree that we shall have no liability to you for paying such a copy, unless you are able to show to our satisfaction that a) you did not issue or otherwise authorize the original, or the terms of the copy we paid are materially different from the terms of the original and b) you received no benefit from the payment of the copy. Claims arising from the payment of a copy are subject to the provisions of the *Claim of Loss* section of this Account Agreement. See the *Reviewing Statements* subsection of the *Account Statements* section of this Account Agreement.

## **Pricing Regions**

Interest rates, fees, and charges for accounts and services may vary based on where your branch is located or how you open

your account. Rates and fees may vary from state to state or within a state.

## **Processing Cutoff Hour**

If we receive a check for payment on a Saturday, Sunday, or Federal holiday; after close of business on a Business Day we are open; or as otherwise posted, we may consider it received on the next Business Day. Time refers to Pacific Time.

Our processing cutoff hour with respect to any knowledge, notice, stop payment, or legal process received by us involving a check, is one hour after the opening of the Business Day following the Business Day on which we receive the check. The cutoff hour with respect to setoffs exercised by us is midnight of the Business Day following the Business Day we receive a check, or such later time by which we must return the check. The cutoff hour determines our obligation under applicable law to pay or return certain checks that have been received (but not finally paid) by us on the previous Business Day.

## **Purchase of Monetary Instruments**

Cashier's checks or money orders (monetary instruments) sold by us may be purchased only with a check drawn on or a debit to a Union Bank transaction account. We may refuse to permit a purchase with cash. In other words, cash must first be deposited into a Union Bank transaction account to purchase a monetary instrument. Customers with nontransactional deposit accounts, such as time deposits or IRAs, should speak to a Bank officer for special processing of their transaction.

***Request for Purchase of Cashier's Checks*** – Clients of The Private Bank may purchase a cashier's check in person at a bank branch location. They may also request purchase by contacting customer service for their specific segment. Security procedures apply to such remote requests. For requests made through customer service, a written request signed by an Authorized Signer on the account that is funding the purchase may be received via secure message, encrypted email, or U.S. Postal Service.

## **Record Search**

Copies of checks, statements, or other similar transaction records may be available upon request for up to 7 years after the statement date. We may charge you a research fee in addition to a copy fee. If we cannot provide you with a copy of a check prior to the expiration of this 7-year retention period and you lose money as a result, we may cover the loss up to the amount of the check. However, we will not be liable for any consequential damages.

## **Sharing of Information**

When periodic statements are combined, whether or not at your request, you agree that copies of these statements, which

include information on other accounts and services, may be provided to any Owner, Contracting Officer, Authorized Signer, or other person authorized by any of them. You authorize us to release information regarding the status and history of your loan and deposit accounts to others, including, without limitation, our parent company and affiliates, as described below. You understand that information you have provided us, including, but not limited to, your account files, account opening documents, and credit history, as well as information concerning your creditworthiness, may be updated and shared with others within the Bank and/or the Bank's affiliates, subsidiaries, or parent, from time to time for consideration of other products and services, as applicable.

We may report information about your account to credit bureaus or other consumer reporting agencies. Late payments, missed payments, overdrafts, or other defaults on your account may be reflected in the records of such agencies. We may also disclose information about your account to an account verification service in addition to a credit reporting agency if we close your account due to unsatisfactory handling, fraud, attempted fraud, or criminal activity. Under these circumstances, the information disclosed may include the name, address, taxpayer identification number, and driver's license number of any Owner; the date the account was closed; the reason for its closing; and the fact that the account was closed at our request. Other financial institutions subscribing to the account verification service may be supplied with this information.

All Owners, Contracting Officers, and Authorized Signers agree that we may obtain name and address information from the records of any state Department of Motor Vehicles, and all expressly waive their rights under applicable law or regulation to keep such information confidential.

The Bank may engage agents, service providers, affiliates, branches, and/or units located in any country, to perform data processing, collection and other services in connection with your accounts and services. You authorize us to transfer and/or provide access to your information to these entities at such locations as we deem appropriate.

## **Telephone and Electronic Communication Monitoring or Recording**

We may monitor telephone conversations and electronic communications for quality control and security purposes. We do not record telephone conversations without notice to you.

## **Withholding of Income Tax**

*When we must withhold funds for taxes:* Unless you are exempt under federal law, we are required to withhold a portion of your taxable interest and certain other payments (this is referred to as backup withholding) if you fail to supply us, under penalty of

perjury, with your correct taxpayer identification number (TIN); you fail to provide us with the required certified information; the IRS instructs us to withhold; or the IRS notifies you that you are subject to backup withholding.

**What tax information you must provide:** You must provide your TIN whether or not you are required to file a tax return. You also must certify that you are not subject to backup withholding.

**About reporting interest:** We may report interest and other payments to you to the IRS, along with your TIN. All paid interest or other payments made during the year will be aggregated for reporting purposes.

**What happens if you don't provide your TIN:** We may refuse to open, and we may close, any account for which you do not provide a certified TIN, even if you are exempt from backup withholding and information reporting. To avoid possible erroneous backup withholding, an exempt payee should furnish its TIN and indicate on the signature card that it is exempt. You may be subject to civil and criminal penalties if you fail to provide us with a correct TIN or falsify information with respect to withholding. For additional information on interest reporting and withholding, contact your tax advisor or the IRS.

**What to do if you have exempt status:** Nonresident aliens or foreign entities not subject to information reporting must certify their exempt status by completing an appropriate IRS certification form (e.g., W-8 BEN). Nonresident aliens may be required to certify their exempt status every 3 years (or earlier upon request) to avoid tax withholding.

## **DISPUTE RESOLUTION**

### **Applicable Law; Severance**

This Account Agreement evidences transactions in interstate commerce. The Federal Arbitration Act governs the interpretation and enforcement of this provision. Except as otherwise provided herein, if any part of this provision is deemed to be invalid or unenforceable, that part will be severed from the remainder of this provision and the remainder of this provision will be enforced.

### **Resolution of Claims by Arbitration**

PLEASE READ THIS PROVISION CAREFULLY. UNDER THIS PROVISION, YOU WAIVE YOUR RIGHTS TO TRY ANY CLAIM IN COURT BEFORE A JUDGE OR JURY AND TO BRING OR PARTICIPATE IN ANY CLASS OR OTHER REPRESENTATIVE ACTION, EXCEPT AS SET FORTH HEREIN.

The following provision applies to any claim, cause of action, proceeding, or other dispute between us concerning this Account Agreement (each, a "Claim"), including all questions of law or fact relating thereto:

## **Arbitration Procedure**

YOU AND WE AGREE THAT ANY CLAIM MAY BE BROUGHT ONLY IN AN INDIVIDUAL CAPACITY, AND NOT AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR OTHER REPRESENTATIVE ACTION ("CLAIM LIMITATION"); EXCEPT THAT THE FOREGOING CLAIM LIMITATION SHALL NOT APPLY TO ANY CLAIM FOR PUBLIC INJUNCTIVE RELIEF. The arbitrator may not consolidate more than one person's Claims, and may not otherwise preside over any form of a class or other representative action. If this specific paragraph is determined by the arbitrator to be unenforceable with respect to any Claim, then (i) this Arbitration provision shall be null and void with respect to such particular Claims, (ii) all such Claims to which this Arbitration provision is deemed unenforceable shall be determined in accordance with the provision of this Account Agreement entitled Resolution of Non-Arbitrable Claims; provided that this arbitration provision shall continue in full force and effect with respect to all other Claims.

### **Resolution of Non-Arbitrable Claims –**

*If your account or safe deposit box is at a branch in California or was opened online, the following applies:* All Claims that are not arbitrable under this Account Agreement (including Claims for which the Arbitration provision is deemed unenforceable or for which the Claim Limitation applies), including all questions of law or fact relating thereto, shall at the written request of any party, be determined by judicial reference pursuant to the California Code of Civil Procedure. You and the Bank acknowledge that in such event, a jury will not decide such Claims. The parties shall select a single neutral referee, who shall be a retired state or federal judge (the "Referee"). In the event that the parties cannot agree upon a Referee, the court shall appoint the Referee. The Referee shall report a statement of decision to the court. Nothing in this provision shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The parties shall bear the fees and expenses of the Referee equally, unless the Referee orders otherwise. The Referee shall also determine all issues relating to the applicability, interpretation, and enforceability of this provision.

*If your account or safe deposit box is at a branch in a state other than California, the following applies:* To the maximum extent permitted by law, you and the Bank intentionally and deliberately waive the right to a trial by jury to resolve all Claims that are not arbitrable under this Account Agreement (including Claims for which the Arbitration provision is deemed unenforceable or for which the Claim Limitation applies), including all questions of law or fact relating thereto.

If the waiver of jury trial set forth in the paragraph immediately above is not enforceable for any reason, then you and the Bank agree that all such Claims, including all questions of

law or fact relating thereto, shall, at the written request of any party, be determined by judicial reference pursuant to applicable state statutes. You and the Bank acknowledge that in such event, a jury will not decide such Claims. The parties shall select a single neutral referee, who shall be a retired state or federal judge (the "Referee"). In the event that the parties cannot agree upon a Referee, the court shall appoint the Referee. The Referee shall report a statement of decision to the court. Nothing in this provision shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The parties shall bear the fees and expenses of the Referee equally, unless the Referee orders otherwise. The Referee shall also determine all issues relating to the applicability, interpretation, and enforceability of this provision.

### **Arbitration Costs**

Unless the applicable arbitration rules are more favorable to you, we will advance (i) all arbitration costs in an arbitration that we commence and (ii) the first \$2,500 in arbitration filing, administration, and arbitrator's fees in an arbitration that you commence. To the extent allowed by applicable law and our agreements, the arbitrator may award arbitration costs and attorneys' fees to the prevailing party (which may include any fees and/or costs we advanced).

### **Claims Covered**

Claims subject to arbitration hereunder shall include all of the following:

- Claims arising out of or related to this Account Agreement, including any applicable prior or later versions to which you are bound
- Claims arising out of or relating to any aspect of any relationship between us that is governed by this Account Agreement, whether based in contract, tort (e.g., negligence or intentional misconduct), statute, or any other legal theory
- Claims that relate to the construction, scope, applicability, or enforceability of this provision
- Claims that arose before we entered into this Account Agreement or any other agreement or relationship between us that is governed by this Account Agreement (including, but not limited to, Claims relating to advertising)
- Claims that may arise after the termination of this Account Agreement or any other agreement or relationship between us that is governed by this Account Agreement
- Claims asserted by or against your or our respective subsidiaries, affiliates, agents, employees, predecessors-in-interest, personal representatives, heirs, and/or successors and assigns

### **Claims Not Covered**

Claims subject to arbitration hereunder shall not include the following:



- Any Claim made in any proceeding that you commence in small claims court, so long as it remains in that court
- Any Claim arising out of the exercise by either of us of any self-help remedy, including any offset, account hold or freeze, or repossession
- Any Claim arising out of or related to an obligation secured by an interest in real property

## **Option to Arbitrate**

Either you or we may elect in writing, without the consent of the other, to arbitrate all Claims covered by this provision. This provision will be broadly interpreted in accordance with the following paragraphs.

## **Returned Items**

**Items You Cash or Deposit** – If you cash or deposit an Item that is later returned unpaid (or we get a notice that it will be returned unpaid), we may 1) charge your account the amount of that Item plus interest; or 2) resend the Item through our standard check process electronically or on a collection basis. We may also place or extend a hold related to the Item and charge you a fee or other expense related to the collection process. Whether or not we resend the Item for processing or collection, we will charge your account a Returned Item Fee each time, even if the Item is ultimately paid.

If we receive an affidavit or declaration under penalty of perjury, or any other type of claim or demand pursuant to applicable law, regulation, or similar authority, stating that you were not entitled to the proceeds of a check or other Item deposited to your account, we may debit that amount against any accounts you have with us, whether such accounts are held solely or jointly in your name.

If you are receiving government payments, whether by check or by electronic transfers to your account through the government's direct deposit program, and we receive notice from the government reclaiming amounts previously credited, you agree that we may debit any of your accounts, whether such accounts are held solely or jointly in your name, for the amount reclaimed. You further agree to pay us immediately for any amount we are obligated to pay if you do not have sufficient funds in your accounts.

We are not obligated to question why an Item is returned. We are also not required to evaluate if the return was timely. You waive any claim against us regarding the payor bank's midnight deadline, final settlement, and notice of dishonor and protest. You agree that we may, but have no obligation to, notify you of any Item that is or may be returned.

You agree that if an Item deposited to or cashed against your account is paid and at any later time returned by the payor bank claiming that it was altered, forged, or unauthorized, or should not have been paid for any reason, we may debit or hold any of

your accounts for the amount of that Item. We may also charge you a fee.

**Checks You Write** – If we return a check that you write unpaid, the depositing bank may re-deposit it electronically. An electronically re-deposited check will appear on your statement. Contact us if you want a copy of the check.

### **Returned Items – Custom Service**

We offer the following returned Item services. We may charge a fee for each service you select below.

- **Automatic Re-Clear** – An automatic re-clear occurs when we send a returned Item to the bank on which it is drawn a second time in an attempt to obtain payment. You can set a maximum amount and have all checks under that amount automatically re-clear, or you can have all checks automatically re-clear. This service requires approval from your branch, which may discontinue the service at any time with notice to you.
- **Endorsement Guarantee and Re-Clear** – If you cash or deposit a check with a missing endorsement and it is returned unpaid by the paying bank, we will provide the missing endorsement guarantee and re-clear the check.
- **Duplicate Notice** – If requested, we can send you a duplicate notice of returned Items or an additional notice with the image replacement document (IRD), also known as a substitute check, to either your primary address or an alternate address.
- **Charge Returned Items and Fees to an Alternate Account** – We can charge the amount of the returned Items and associated fees to an alternate account of your choice.

### **Centralized Returns Using an Alternate Bank of First Deposit** –

- **Notification of Service** – If you centralize the processing of your depository returns through another financial institution, you agree to notify us at least 10 Business Days in advance of commencing the use of an alternate bank of first deposit endorsement stamp or spray. In preparation for using an alternate bank of first deposit, you agree to submit, 10 Business Days prior to use, a sample of the actual endorsement spray or stamp on the back of a physical check and receive approval from us as to its acceptability.
- **Endorsement Standards** – We will validate your compliance with applicable law, as well as industry standards, such as Specification for the Placement of MICR Printing, in regard to endorsement content and placement. If you do not communicate your endorsement changes to us or submit your endorsements for review, you agree to take full responsibility for any damages arising from the failure to comply.
- **Placement of the Endorsement** – When applying an alternate bank of first deposit endorsement, you should place such an endorsement on the back of the check, so that the bank of first deposit's routing number is wholly contained in the area 3.0

inches from the leading edge of the check to 1.5 inches from the trailing edge of the check. The leading edge is defined as the right side of the check looking at it from the front.

- ***Client Deposit Preparation and Delivery Channel*** – Refer to the Handbook for specific instructions on deposit preparation. In addition, you may only submit deposits that have centralized returned Item processing at an alternate bank of first deposit through the channels designated as acceptable by us.

If you use a non-approved channel, then your work will be processed using Union Bank as the bank of first deposit for the endorsement. When you use a non-approved channel, we will spray over your endorsement with ours. This will be a violation of applicable law as well as the industry standards. We will hold you liable if a claim arises in this case.

## **Returned Items – Notification**

***Deposited Items Returned on the Web*** – The Deposited Items Returned on the Web service includes the following standard features: a) view images of the front and back sides of unpaid deposited Items charged back or re-cleared and b) download text information regarding those Items. Other optional features available in the Web module include viewing text information for early warning of large dollar returns, and decisioning that a deposited Items returned be either charged back or re-cleared for a second or later presentment.

Not all clients using Deposited Items Returned on the Web have decisioning capabilities. The decisioning feature is considered an extension of credit and is not available to all clients. If you have access to this feature, you agree to submit your decisions by 11:00 a.m. (Pacific Time) on Business Days, unless we otherwise notify you of an extension to this deadline. If you do not submit a decision for an Item by 11:00 a.m. (Pacific Time), you agree that the Item will default to chargeback and be posted to your account the next day. Only Items returned for the first time as NSF or UCF, as defined below, are eligible for decisioning. On occasion, an Item that normally would be presented to you for decisioning will be charged back.

***NSF*** – Nonsufficient Available Funds. A check is returned as NSF when it is presented for payment and returned unpaid because the drawer's account does not have sufficient funds available for payment.

***UCF*** – Uncollected Funds. A check is returned as UCF when the drawer's account does not have sufficient collected funds available for payment.

***Early Warning of Large Dollar Return Items*** – This service is intended to give you earlier notice when a large dollar Item you have deposited may be returned unpaid.

Paying banks are generally required to provide prompt notice to the depository bank when the amount of an Item being returned is \$5,000 or more. This dollar threshold is substantially higher

for certain paying banks, including Union Bank, that have agreed with one another to adopt a different threshold. When we receive a notice that a large dollar Item you have deposited may be returned, we can relay that information to you the same Business Day we receive it. Paying banks may also send us a cancellation of a previous notice, which we can also relay to you the same day we receive it. Delivery channels include the Web module for Deposited Items Returned and Information Reporting.

Note that we can only report to you what has been reported to us. We will not be held responsible for the failure of any paying bank to notify us that a large dollar deposited Item is being returned unpaid, or for a paying bank's delay in doing so. Under some circumstances, by the time we receive the paying bank's notice of a returned deposited Item, we may have already received the Item and posted it to your account.

### **Security Interest; Right of Setoff Order**

Balances in your deposit accounts may be subject to our right of setoff for payment of loans or other debts you owe us. When we set off a debt you owe us, we reduce the funds in your account up to the amount of the debt. If you are a sole proprietor, we may exercise our right to charge personal accounts you maintain with us, whether alone or jointly with others. If your business is a partnership, we may charge the personal accounts any general partner maintains with us, whether held alone or jointly, for amounts the partnership owes us. We will notify you if we exercise our right of setoff. If we exercise our right of setoff against a time deposit account, an early withdrawal penalty or compensating penalty may apply. Additionally, you agree that to secure your obligations owed to the Bank under this Agreement, you grant to the Bank a lien on and a security interest in your deposit accounts. This obligation includes both secured and unsecured debts. The rights in this section are in addition to any other security interest or rights of setoff you have granted to the Bank.

### **Services for Disabled Individuals**

We provide several aids to help individuals with hearing, vision, speech impairments or other disabilities. Please contact us for information regarding guideline checks, specially formatted materials, and telephone services for the visually impaired; telecommunication devices for the hearing impaired; and other accommodations available to help individuals with special needs.

**Waiver of Fees** – Deposit account services fees for Telephone Banking are waived to those persons who are blind or visually impaired.

### **Severability**

If any of the provisions of this Account Agreement are determined to be invalid or unenforceable, that part will be

severed and, the remainder of the Account Agreement shall remain in full force and effect.

### **Third-Party Service Providers**

Some of our services, such as ATM and online services, are dependent upon third-party service providers. We are subject to those providers' rules when we or you use their services. You agree to those rules, unless the law or a written agreement with us states otherwise. We are not responsible for any liability that you may incur as a result of a third-party service provider's delay, disruption, or failure of services. We do not guarantee the services you receive from such providers and are not responsible for the services they provide you, unless the law or a written agreement with us states otherwise.

We can choose which service providers to use, and may change a service provider at any time without notice to you.

### **Transferring or Assigning Rights to Your Account**

Unless we agree otherwise, your accounts are non-transferable and non-assignable. You may not grant, transfer, or assign any of your rights to an account without our prior written consent. We are not required to accept or recognize an attempted assignment of your account or any interest in it, including a notice of security interest.

### **Waivers**

We may delay enforcing our rights under this Account Agreement without losing them. Any waiver by us shall not be considered a waiver of other rights or of the same right at another time. You waive diligence, demand, presentment, protest, and notice of every kind, except as otherwise set forth in this Account Agreement.

## COMMUNICATION WITH US

### When you need to:

- Report a lost or stolen ATM Card or Debit Card, compromised PIN, or Online Banking access code (call us immediately)
- Check account balance
- Check rate information
- Find out if a direct deposit has been made
- Report errors concerning Deposit Card, ATM Card, Debit Card, ACH or online transactions, or check conversion
- Stop payment on checks
- Cancel online bill payment
- Place a postdated check stop payment
- Cancel preauthorized electronic payment (ACH)

### Domestic and Foreign Wires

- Report a wire transfer error

Report an error regarding an ACH transaction

## Telephone Banking

### When you need to:

- Use or ask questions about Telephone Banking
- Report errors concerning Telephone Banking transactions

- Access TDD Telephone Banking for hearing-impaired customers

Private Bank Client Service

Priority Banking Client Services

Japanese Customer Service Unit

Global Markets Foreign Exchange

Call

**877-671-6877**

Automated service:

24 hours

7 days a week

Agent assisted service:

7:00 a.m. – 7:00 p.m., Monday – Friday

8:00 a.m. – 5:00 p.m., Saturday

(Pacific Time), except Federal holidays

Union Bank – Wire Services Department

1980 Saturn St. V02-490, Monterey Park, CA 91755-7417

Contact the originating branch  
or office, or you can contact

Customer Service at

**877-671-6877**

Direct Access customers:

**800-922-9473**

7:30 a.m. – 5:00 p.m.,

Monday – Friday (Pacific Time)

**877-671-6877**

Fax 800-456-9185

Call

**877-671-6877**

Automated service:

24 hours, 7 days a week

Personal service:

7:00 a.m. – 7:00 p.m., Monday – Friday

8:00 a.m. – 5:00 p.m., Saturday

(Pacific Time), except Federal holidays

**800-826-7345**

**888-826-2669**

8:00 a.m. – 5:00 p.m., Monday – Friday

(Pacific Time), except Federal holidays

**800-888-6466**

7:00 a.m. – 7:00 p.m., Monday – Friday

8:00 a.m. – 5:00 p.m., Saturday

(Pacific Time), except Federal holidays

**877-479-5237** (from the U.S.) or **323-720-7554** (outside the U.S.)

8:00 a.m. – 5:00 p.m., Monday – Friday

(Pacific Time), except Federal holidays

**213-236-6943** 7:00 a.m. – 4:00 p.m., Monday – Friday  
(Pacific Time), except Federal holidays

## NOTES



## NOTES



EFFECTIVE JANUARY 1, 2022

# Transaction Banking Services

**Disclosure and Agreement**

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## **INTRODUCTION**

MUFG Union Bank, N.A., is pleased to provide Transaction Banking Services to meet your business needs. The terms and conditions under which we provide Transaction Banking Services to you are contained in this disclosure (the "Agreement"). This Agreement is used in conjunction with the *Business Accounts & Services Disclosure and Agreement*, which covers deposit account terms and conditions. Please read this Agreement carefully and keep a copy for your records.

The *General Provisions* and *Glossary of Terms* sections contain the terms and conditions applicable to all services ("Service" or "Services"). You also agree to those sections that contain the specific terms and agreements that relate to the Services we provide to you. If you would like an additional Service, it will be covered by these terms and conditions once we have approved your use of the Service. You may begin using the Service when we have received all required and properly executed forms, and you have successfully completed any testing or training requirements.

Whenever you use any of the Services, you agree to be bound by these terms and conditions, as amended from time to time, and to follow the procedures in the applicable *Materials*, *User Documentation*, and *Customer Manual*. We may change, delete, or add to the terms and conditions by giving you notice. Your continued use of any Service after the effective date of the change will indicate your agreement to the new terms and conditions.

Certain capitalized terms used in this Agreement are defined in the glossary. The terms "we," "us," "our," "Bank," and "Union Bank®" refer to MUFG Union Bank, N.A.

You agree to pay us the fees we establish for each of the Services as set forth in our *Transaction Banking Fee Schedule* or as otherwise disclosed to you in writing. We may amend our service pricing from time to time. Changes to this Agreement and our *Transaction Banking Fee Schedule* may be made available to you electronically, instead of on paper, through the MUFG Exchange. You agree and acknowledge that: (i) you give your consent to receive any document, in connection with this Agreement or documents described in this Agreement or documents provided in connection with a Service, in electronic form; (ii) you give your consent to execute or agree to any electronic document by any means; and (iii) your consent is governed by the federal Electronic Signatures in Global and National Commerce Act. You agree to pay all taxes levied or imposed by any government agency in connection with your Services (excluding any income tax payable by us).

## **TRANSACTION BANKING SERVICES**

We offer a wide variety of Transaction Banking Services. Each Service has many features and options; your Relationship

Manager will be happy to describe to you and recommend those Services that will best meet your needs.

## **Account Reconciliation**

Account Reconciliation will help you reconcile and manage the check and deposit activity in your demand deposit accounts. Use of Account Reconciliation does not affect any of your obligations, which are described in the *Deposit Account Agreement*, to discover and report unauthorized or missing signatures and endorsements, or alterations on checks drawn on your accounts.

There are a number of features and reports that your Relationship Manager will outline for you. The reports will depend on the features you select. There are also a number of options for your data transmission.

**Report Delivery** – The following report types can be made available to you as follows:

- **Deposit Reconciliation** - available online within 2 Business Days from the cut-off date that you designate in your instructions to us
- **Full Reconciliation** - available online within 3 Business Days from the cut-off date that you designate in your instructions to us
- **Partial Reconciliation** - available online within 1 Business Day from the cut-off date that you designate in your instructions to us

**Stop Payment Listing and Renewal of Stop Payments** – A stop payment listing will be provided to you for each reconciliation period showing any stop payments in effect. See the *Business Accounts & Services Disclosure and Agreement* for more information about stop payment orders.

**Stale-Date Reporting** – Stale-date listings are generated when checks have been reported issued for more than the number of days you specify. Stale-dated checks will continue to be listed on a supplemental report, and the checks presented for payment will be returned as “stale-dated” until canceled by you. If a check is presented for payment after the stale-date has been canceled, it will be paid by us and reported as unreconciled paid, unless an unexpired stop payment order has been placed on the check prior to its presentment. You agree to place on the face of each check a notice that states that the check becomes void if not presented to us before it becomes stale. We are not obligated to honor a stale-date notice on your checks unless you have selected the stale-date feature of this Service.

**Image Services** – The inquiry feature allows you to retrieve images of your paid checks from our website. You may view and print both sides of your paid check images within hours of their being posted to your account. We can also provide

standard account reconciliation report images and check images on CDs or other media.

## **Account Transfers**

You may initiate transfers of funds between designated accounts that you maintain with us or other Union Bank accounts. You are responsible to ensure there are sufficient Available Funds in the account being debited on the date of the transfer. If there are insufficient Available Funds, the transfer will be subject to overdraft fees, or overdraft protection transfer or advance fees, as applicable.

Excludes Public Fund accounts.

Transaction limitations apply to savings and money market accounts. Refer to the *Savings and Money Market Accounts—General Information* section, *Transaction Limitation for Savings and Money Market Accounts* subsection, of the *Business Accounts & Services Disclosure and Agreement*.

## **Automated Clearing House (ACH)**

The Automated Clearing House ("ACH") service (the "ACH Service") allows you to transfer funds to or from your accounts by means of Entries, which may be sent through the ACH Network or processed directly to accounts with us.

The capitalized ACH terms appearing in this ACH provision, not otherwise defined herein, are defined in the National Automated Clearing House Association Rules ("NACHA Rules"). These rules may be amended from time to time.

For the purposes of this provision, the term Third-Party Service Provider ("TPSP") refers to a third-party chosen by you to perform any functions on your behalf with respect to the processing of your ACH Entries (including the creation of ACH files). You agree that if you utilize a TPSP in connection with your ACH Service, your TPSP will comply with applicable NACHA Rules; and will be bound by obligations with you that: (i) impose the same responsibilities and liabilities applicable to you as stated herein when processing ACH Entries on your behalf, and (ii) permit us to conduct examination and review of the TPSP as we may deem required by applicable laws, rules, or regulations subject to reasonable requirements related to timing and access to the TPSP's confidential information. Additionally, if you or your TPSP breaches this ACH provision, the Bank may terminate or suspend your ACH Service as provided in the Termination section of this Agreement.

For the purposes of this provision, the term Third-Party Sender (TPS) refers to an entity that acts as an intermediary in transmitting Entries on behalf of an Originator where the Originator is not a customer of the Bank. The term "you" and/or "Originators" as used in this provision refers to Third-Party Senders to the extent a Third-Party Sender is acting on behalf



of an Originator in connection with the Bank's ACH services and the Originator is not a customer of the Bank.

Additional terms applicable to TPSPs and TPSs are found below.

**Compliance with NACHA Rules and Laws** – You agree to be bound by the NACHA Rules in effect for all Entries whether or not an Entry is sent through the ACH Network. You act as Originator, and we act as an Originating Depository Financial Institution (ODFI) with respect to Entries. You agree to deliver Entries to us as provided in the user guide and the NACHA Rules. The NACHA Rules govern if they conflict with this Agreement and/or the file specification requirements in the user guide. The NACHA Rules require that an Originator obtain valid authorization of Entries from the Receiver.

When a preauthorized Debit Entry from a consumer's account varies in amount from the previous Debit Entry, you must comply with the notice requirements set forth in the NACHA Rules, the Electronic Funds Transfer Act, and the Federal Regulation E. The Bank reserves the right to audit Originators at its discretion.

**Account Information Security Requirements** – In addition to the general obligation to keep account information confidential, Originators, TPSPs, and TPSs processing 6 million or more ACH transactions must protect the confidentiality and integrity of Protected Information. Effective June 30, 2022, Originators, TPSPs, and TPSs that process 2 million or more ACH transactions must also comply with the requirement set forth in the preceding sentence. "Protected Information" is defined as "non-public personal information including financial information, of a natural person, used to create, or contained with an Entry, and any related Addenda Record." Originators must protect against anticipated threats or hazards to the security or integrity of Protected Information and protect against unauthorized use of Protected Information that may result in harm to a natural person.

## **Security Procedures and Controls**

The Security Procedure for each type of ACH Service is detailed more fully below. You agree to use the ACH Service in accordance with the Security Procedure when you deliver Entries and/or reversal or deletion requests to us. The purpose of the Security Procedure is to verify the authenticity of the Entry (and/or a reversal or deletion request, as applicable) delivered to us in your name and not to detect errors in the transmission or content of an Entry (and/or reversal or deletion request as applicable). You further agree that this Security Procedure best meets your needs given the size, type, and frequency of your Entries (and/or deletion or reversal requests as applicable), and is a commercially reasonable Security Procedure for you. You agree that any Entry (and/or any deletion or reversal request as applicable), the authenticity of which has been verified through the use of the Security Procedure, shall be effective, whether or not it was in fact

authorized by you. You agree to preserve the confidentiality of the Security Procedure and promptly notify us of any compromise of the integrity of the Security Procedure.

**Authorized Persons** – Before using the ACH Services, you must designate the persons you authorize to verify the authenticity of Entries and/or reversal or deletion requests in accordance with the Security Procedure selected by you, as more fully described below, and to perform certain other duties in connection with the ACH Service.

## **ACH Online Service**

The ACH Online Service is an application that allows you to create Entries using the Internet. The Security Procedure includes a user identification code (“User ID”) and a password and to approve an ACH Entry, a token is also required. In addition, the Bank makes available to you, upon your request, a token for your use at login to the ACH Online Service. Such token may be made mandatory for use with the ACH Online Service as communicated to you from time to time.

With the ACH Online Service, you can create one-time, scheduled, or repetitive payments; store repetitive payment templates to reduce input time and generate Pre-Notification Entries; and create payments, user audit logs, and reports. For 60 days, we retain historical data, which you can export and save.

## **Transmission ACH Service**

The Transmission ACH Service allows you to transmit ACH Entries to the Bank via host-to-host using the Security Procedure that consists of secure file transmission protocols and/or other secure transmission protocols. A user identification code (“User ID”) and password (or digital access ID) are also required.

You will obtain, maintain, and operate at your own expense all necessary devices, software, and services required to transmit your Entries electronically, including, but not limited to, hardware, software, installation and maintenance services, and telephone lines. All such devices, software, and services must be compatible with our operations and conform to our specifications.

## **ACH Exchange Service**

ACH Exchange delivers Web-based self-service accessibility for both ACH origination and ACH receipt, enabling both Originators and Receivers of ACH transactions to access various types of data stored in the Bank’s ACH system.

The ACH Exchange platform provides support for managing both ACH Positive Pay/Electronic Payment Authorization (EPA) and File Transmission ACH Origination. ACH Exchange allows you to submit control totals and receive emails confirming receipt of ACH files; search and view details of both received

and originated transactions; and to initiate reversals and deletions for direct transmission of ACH files.

The Security Procedure for ACH Exchange using the web includes a user identification code ("User ID") and password.

In addition, the Bank makes available to you upon your request a token for your use at login to the ACH Exchange Service. Such token may be made mandatory for use with the ACH Exchange Service as communicated to you from time to time.

**Administrative Controls** – In addition to the Security Procedures set forth above, we recommend several Administrative Controls offered by the Bank (as may be changed from time to time) for your use with ACH Online Service, ACH Exchange, or Transmission ACH Service to further assist you in mitigating fraud.

For ACH Online Service and ACH Exchange, the Administrative Controls include: malware detection for use with your device, IP address restrictions, payment and user entitlements, dual approval for payments, alerts for administrative changes, limitations on payment amounts, and access, and administration controls.

For Transmission ACH Service, the Administrative Controls include: IP address restrictions, additional file encryption, and an ACH File Control Total. ACH File Control Totals are confirmations you provide to the Bank through the ACH Exchange Service. Alternatively, you can receive an alert regarding your ACH File Control Totals from the Bank. Utilization of one type of the foregoing ACH File Control Totals are mandatory for Transmission and/or vendor origination channels. If you are such a customer and fail to properly utilize one method of ACH File Control Totals, you acknowledge the increased risks associated with failing to use ACH File Control Totals.

In addition to the Security Procedures, Administrative Controls, and other security precautions mentioned in this section, you agree to employ the Best Practices as appropriate for each of the ACH services.

### **Higher-Risk ACH Originator Activity**

Banking regulators and NACHA consider TPSPs and TPSs to be higher-risk ACH Originators. Additionally, such regulators and NACHA consider certain transaction types to be higher-risk ACH activities. If we classify you (including any TPS), your TPSP, or your transactions to be higher risk, you agree to supply us with such additional information related to you and your ACH activities as we may request.

When appropriate, the Bank will register you with NACHA as a TPS in accordance with the NACHA Rules.

Before initiating payment with standard entry class (SEC) codes of Internet-Initiated Entries (WEB), Telephone-Initiated Entries

(TEL), and/or International ACH Transactions (IAT), you must follow the NACHA Rules associated with these payment types. For WEB Entries, you must ensure that account validation is part of your commercially reasonable fraudulent transaction detection system intended to screen WEB debits for fraud. You also agree to properly manage the use of our ACH Service, including maintaining ACH returns within the NACHA Rules.

Unauthorized ACH returns will be subject to an additional return fee charged by the ACH Operator in an effort to reduce the number of unauthorized transactions in the ACH Network.

NACHA requires that all ACH Originators of Internet-Initiated Entries (WEB) perform an annual audit of their procedures concerning the security and protection of consumer information. You must certify in writing to the Bank that you have completed the ACH WEB Originator Annual Audit as required by the NACHA Rules. Prior to origination of these payment types, you must follow the NACHA Rules associated with WEB transactions.

***As an Originator, or as a TPSP, or Receiver of ACH Entries***

– You agree that all transactions will comply with applicable state and federal laws or regulations and warrant that you will not transmit any transaction that violates the laws of the United States, including, without limitation, anti-money laundering laws and regulations of the Office of Foreign Asset Control (OFAC). You understand that the Bank has policies and procedures that identify suspicious transactions, and that these policies and procedures may result in delays in processing, settlement, and/or the availability of these transactions. To aid the Bank in complying with OFAC and related laws and regulations, we may also ask you for specific information regarding the nature of the transaction(s) in question, the purposes of the transaction(s), the relationship you have with persons to whom you are attempting to send funds and the persons who send funds to you, and other questions that may help to clarify the nature and purpose of transactions. You agree to not hold the Bank liable for any losses you sustain by the delay and/or holding of these transactions. You further agree and understand that all ACH international transactions will be converted into the destination country currency (e.g., Mexican pesos or Canadian dollars) on the U.S. Settlement Date. We are not responsible for any foreign exchange losses resulting from the conversion or re-conversion of any Entries.

If you are a TPS as defined in the NACHA Rules, you additionally agree to be bound by the Third-Party Sender Rules, warranties, indemnities, and obligations described in the NACHA Rules. The Bank reserves the right to audit you.

TPSPs and TPSs are bound by ODFI responsibilities and liabilities, and are required to have appropriate agreements for all Originators.

As an Originator, you agree to code transactions that have an endpoint that is outside the territorial jurisdiction of the United States using the NACHA-designated Standard Entry Class Code of IAT (for "International ACH Transaction"). This includes transactions you originate to a U.S. financial agency that in turn are sent outside the territorial jurisdiction of the United States. A financial agency is an entity authorized by applicable law to accept deposits or that is in the business of issuing money orders or transferring funds.

**Third-Party Service Provider** – Upon our approval, you may elect to designate a TPSP to submit Entries, reversals, cancellations, and amendments of Entries to us on your behalf. Entries, reversals, cancellations, and amendments of Entries received from such a TPSP will be deemed to have been initiated and approved by you. We are not liable for the accuracy, completeness, or authenticity of the Entries, reversals, cancellations, and amendments received from the TPSP, and will have no obligation to audit, check, or verify the Entries or related data. You will at all times defend, indemnify, and hold us harmless against any and all liabilities, claims, demands, causes of action, losses, damages, costs, expenses, and attorneys' fees that may be directly or indirectly caused by any act or omission of the TPSP.

**ACH Data Breach Notification Requirements** – You agree to take all reasonable security precautions to prevent unauthorized or fraudulent use of the ACH Network. You agree that you and any TPSPs working with you have implemented commercially reasonable policies, procedures, and systems to detect the occurrence of a data breach. You also agree to immediately notify us if you suspect or discover any data breaches related to any of our ACH services. A data breach is defined as the loss, theft, or unauthorized access of any ACH data by any person(s) or entity(ies) using the ACH Network, or any affiliate of the foregoing under circumstances indicating that the misuse of such information has occurred or is reasonably possible.

**Warranties** – Each time you use the ACH Service, you warrant that: a) you have obtained appropriate authorization from each Receiver and the Entries conform to the authorization; b) the Entries comply in all respects with the NACHA Rules; c) you have performed all actions required of an Originator by the NACHA Rules and this Agreement; and d) you make to the Bank any other warranties that the Bank makes under the NACHA Rules to any RDFI, ACH Operator, or gateway when the Bank transmits an Entry, including, without limitation, those set forth in Sections 2.4 and 2.5 of the NACHA Rules.

**Payment with Respect to Entries** – You will transmit Entries to us as set forth in the user guide and the NACHA Rules. We generally debit your account for Credit Entries (including Debit Reversals) on the Settlement Date, unless you are prefunding your Entries. Prefunding your Entries means that you pay for all Credit Entries before the Settlement Date we specify. We reserve the right at any time, without notice, to require payment

before we process your Credit Entries. You will immediately pay us the amount of any returned Debit Entries and/or any adjustment Entries.

**Acting on Entries** – We send Entries to the ACH processor for settlement on the Effective Entry Date shown on the Entries if we receive the Entries by the processing deadline. If we receive Entries after our deadline we will process them the next Business Day.

**Same Day ACH** – Same Day ACH allows you to submit ACH Entries for same-day processing. ACH Entries must be received by the Bank by the Bank's Same Day ACH processing deadline, currently 12:00 p.m. PT/3:00 p.m. ET, which may be updated from time to time upon notice to you, in order for the Entries to settle the same day. The Bank will rely solely on the Effective Entry Date, the eligible SEC code, the amount of the Entry, and the time an Entry is received, in order for the Bank to determine whether an Entry qualifies for same-day processing. Except as may otherwise be explicitly provided herein, as of March 18, 2022, transactions greater than \$1,000,000, International ACH Transactions (IATs), and/or Entries originated by Originators using pre-funded ACH Service are ineligible for same-day processing and will be processed according to the next available processing window.

Additional fees for same-day processing will apply as noted in the Bank's fee schedule. For more information including questions about applicable fees, or to opt out of same-day processing, please contact your Relationship Manager.

Originators of Same Day ACH consumer debits should advise Receivers of the earlier settlement for Same Day ACH Entries.

**Rejection of Entries** – We may reject any Entry if it does not comply with the requirements of this Agreement, the applicable user guide, or certain ACH processing limits for you, or any Entry that we have been unable to verify through use of the Security Procedure. We may also reject any Entry if it may be returned for any reason under the NACHA Rules or if you breach any of your payment obligations to us.

Notice of rejection is given to you by telephone, electronically, by facsimile, or by mail within the time period specified in the user guide. Notices of rejection will be effective when given. We are not liable for the rejection, and we are not obligated to pay you interest for the period before you receive the notice of rejection. If an Entry is rejected, it is your responsibility to correct the Entry if you intend to resubmit it.

**Reversal or Deletion** – We have no obligation to cancel or amend Entries after we receive them.

A deletion request prevents an ACH Entry or Entries from being submitted to the ACH Network for processing.

You may initiate a Reversing Entry, or a Reversal, to correct an erroneous or duplicate Entry previously initiated to a Receiver's account. The Reversing Entry must be made within 5 Business Days following Settlement Date of the erroneous or duplicate Entry.

If you send us a reversal or deletion request in accordance with this Agreement and the NACHA Rules, using the Security Procedure or online, within 5 Business Days from the original Settlement Date of the Entry or Entries, we will make a reasonable effort to act on your request. We will not be liable to you if such reversal/deletion request is not acted on. You agree to indemnify us in connection with any such reversal/deletion request to the same extent as we indemnify other parties under Article 4A of the Uniform Commercial Code—Funds Transfers (UCC 4A). Your obligations under this provision will survive termination of any ACH service.

The following situations will be treated as improper uses of a Reversing Entry, including, but not limited to: (i) the Originator or Third-Party Sender failed to provide funding for the original Entry; (ii) the initiation occurs beyond the time period permitted by the NACHA Rules; or (iii) initiation was for any reason other than those explicitly permitted by the NACHA Rules.

**Provisional Payments** – You agree to be bound by the provision of the NACHA Rules regarding making payment of a Credit Entry by the Receiving Depository Financial Institution (RDFI) to the Receiver provisional until the RDFI receives final settlement for the Entry. If final settlement is not received, the RDFI is entitled to a refund from the Receiver of the amount credited. Payment by us for any Debit Entry, returned Credit Entry, or Credit reversal is provisional until we receive final settlement for the Entry. If final settlement is not received, we are entitled to a refund and we may charge your account for the amount credited. We may delay the availability of any amount credited for a Debit Entry or Credit reversal if we believe that there may not be sufficient funds in your account to cover a chargeback or return of the Entry or reversal.

**Limit of Entry Classes** – At all times we reserve the right to designate or terminate the Entry classes we will process for you, and we may establish from time to time such Credit Entry and/or Debit Entry limits that we in our sole discretion deem advisable.

**Availability of Funds** – We are not obligated to make the amount of any Debit Entry available for withdrawal by you before such amount constitutes collected funds in the Account(s). Whether or not constituting collected funds, any such amount credited to the Account(s) may be charged back to and recovered from you if the Bank: does not receive final settlement; the Entry is returned; an adjustment Entry is received by us pursuant to the NACHA Rules; or the Entry violates any of the terms of this Agreement, the user guide, and/or any other Bank agreements applicable to the ACH Service.

**Inconsistency of Name and Number** – An RDFI can make payment to a Receiver based solely on the account number, even if the name in the Entry differs from the name on the account. We may send an Entry to an RDFI based solely on the routing and transit number (ABA number) you provide, even if the number is incorrect and identifies a different RDFI.

**Inactive Originating Company IDs** – If you originate ACH transactions under multiple Originating Company IDs, inactive Originating IDs (Batch Headers) not used in 13 months will be automatically deleted unless you inform us otherwise.

**Notice of Error** – If we receive a notice of error from any of our deposit customers pursuant to the Electronic Funds Transfer Act, Federal Regulation E, or other law concerning an Entry processed or authorized to be processed to an account with us within 2 Business Days after written or verbal notice, you will provide us with the authorization to debit or credit the depositor's account and, if applicable, with proof of sending notice to the depositor of the varying amount or with other proof satisfactory to us that the alleged error did not occur. If the referenced documents or proof are not delivered timely or the documents or proof do not give us a reasonable basis for determining that no error occurred, or if the alleged error did occur, we may credit our depositor's account in the amount of the error claimed and charge you for the amount of the alleged error.

**Fines and Penalties** – NACHA has imposed or may in the future impose fines or penalties on ODFIs for certain Entries returned as unauthorized or for other reasons. In addition to our standard fees and charges for ACH and Total Biller Solution, you are responsible for these NACHA fines and penalties.

**Reinitiation of ACH Entries** – For all Entries except Re-Presented Check (RCK) Entries, an Entry that has been returned may not be reinitiated unless 1) the Entry has been returned for nonsufficient available or uncollected funds; 2) the retry Entry includes the description of RETRY PYMT in the Company Entry description field; 3) the Entry has been returned for stopped payment and reinitiation has been authorized by the Receiver; or 4) you have taken corrective action to remedy the reason for the return. An Entry that has been returned for nonsufficient available or uncollected funds may be reinitiated no more than 2 times following return of the original Entry.

## **ACH Fraud Deterrent Services**

**ACH Positive Pay/EPA** – With the ACH Positive Pay service (EPA) found in ACH Exchange, you can specify parties allowed to debit your account and establish allowable maximum dollar amounts or number of debits. You can also define criteria to filter incoming debits and reject any unauthorized items. Notification emails alert you to exceptions that require decisioning. You can make Pay/No Pay decisions online and



establish dual control for decisioning. You may add, modify, and delete ACH Positive Pay records and filters as needed.

The ACH Positive Pay service described above does not apply to transactions between you and us, and we may pay Entries that you have authorized us to originate to your account (e.g., loan or credit card payments), whether or not you have included these in your authorization criteria. We may also pay any Entries, reversals, or adjustments that we are required to accept under the NACHA Rules; operating circulars; or any other applicable rule, guideline, or regulation, and we may return any Entry for any reason that an Entry may be returned under the NACHA Rules.

When the ACH Positive Pay service is terminated for any reason, we will no longer be obligated to monitor Entries against your authorization criteria, and we will receive and accept or return Entries to your account in accordance with our normal procedures.

**ACH Blocks** – ACH Debit or Credit Blocks prevent any ACH transactions from posting to your accounts. ACH transactions are automatically returned to the Originator unauthorized.

**ACH Universal Payment Identification Code (UPIC)** – The ACH UPIC is a permanent and secure account identifier that can be freely distributed to encourage the receipt of electronic payments. The UPIC number is only to be used for incoming electronic credits of ACH Entries.

## **Commercial Cash Services**

Commercial Cash Services allow you to place orders for coin and currency from our cash vaults and to make cash and check deposits at our processing centers.

With our express consent, you may arrange for a local banking office to provide currency and coin for subsequent transport by you, your employees or authorized persons, or an armored carrier contracted by you. Special currency and coin order procedures and requirements may be specified by the branch that fulfills the order. We will require reasonable advance notice for all branch-fulfilled currency and coin requests. You will be required to identify each person authorized to place currency and coin orders, and each person authorized to pick up these orders from the branch.

**Identification for certain cash transactions** – The Bank may ask all individuals for certain identification when making certain cash transactions:

*Union Bank account holders will be required to provide their ATM or debit card, or a valid government-issued ID, driver's license or passport.*

*Non-clients will be required to provide a valid government-issued ID, driver's license or passport.*

If you order coin and currency or make coin and currency deposits to your account, you must contract separately with an armored carrier service. The armored carrier is your agent and must be acceptable to us. The delivery or transportation of currency and coin to you or from you, whether by armored carrier or you, your employees, or authorized persons, is at your risk and shall impose no liability whatsoever to the Bank, including, but not limited to, liability arising out of their loss, theft, or destruction during transportation.

You authorize us to act upon any request for coin or currency and accept deposits to your account in accordance with this Agreement and the procedures described in the *Deposit Delivery Handbook* and the *Deposit Account Agreement*. You may be required to identify each person and location authorized to place coin and currency orders with us. You agree to notify the Bank in writing of any change in location address, standing orders, account numbers, or armored carrier.

**Order and Delivery of Currency and Coin** – You agree that we may charge your account for the amount of each order placed. A copy of the order will be forwarded with each cash shipment. You agree to inspect all currency and coin shipments prior to accepting them from the armored carrier by examining the bag and bag seal for integrity and condition. You agree to refuse damaged or torn shipping bags, or bags with loose or missing seals. You agree to visually verify the shipment strap count through the shipping bag prior to acceptance from the armored carrier. You agree to open and piece-count verify the order in dual custody within 24 hours after you have accepted a shipping bag and before you use any of its contents.

Any discrepancy between the amount you verify and the amount we have charged to your account (the “Difference”) must be reported to us within 5 Business Days of the receipt of the cash order. Reports of Differences should be accompanied by a copy of the strap in which the Difference occurred, the shrink-wrap packaging around the strap and, if possible, the shipping bag and bag shipping seal.

You authorize us to debit your account for any cash order overage and credit the account for any cash order shortage.

## **Commercial Loan Services**

Our application, Commercial Loans on the Web, provides access to your commercial loan account(s) and enables you to make payments to and advance funds from your loan(s). You may view account summary and detailed activity screens and create customized reports. Certain bill statements and notices are available electronically through MUFG Exchange.

**Security Procedure** – The Security Procedure for access to the Commercial Loan Services is a user identification code (“User ID”) and a password.

In addition, the Bank makes available to you upon your request, a token for your use at login to the Commercial Loan Services. Such token may be made mandatory for use with the Commercial Loan Services as communicated to you from time to time.

You agree to use the Commercial Loan Services in accordance with the Security Procedure detailed above. The purpose of the Security Procedure is to verify the authenticity of the payment order delivered to us in your name and not to detect errors in the transmission or content of a payment order. You further agree that this Security Procedure best meets your needs given the size, type, and frequency of your payment orders and is a commercially reasonable Security Procedure for you. You agree that any payment order the authenticity of which has been verified through the use of the Security Procedure, shall be effective, whether or not it was in fact authorized by you. You agree to preserve the confidentiality of the Security Procedure and promptly notify us of any compromise of the integrity of the Security Procedure.

**Administrative Controls** – Additionally, we recommend the following Administrative Controls offered by the Bank (as may be changed from time to time) for your use with the Commercial Loan Services, to further assist you in mitigating fraud: malware detection for use with your device, IP address restrictions, and user entitlements.

In addition to the Security Procedures, Administrative Controls, and other security precautions mentioned in this section, you agree to employ the Best Practices as appropriate for the Commercial Loan Services.

## **Controlled Disbursement Service**

Our Controlled Disbursement Service provides information to you each Business Day so that you can fund the total amount of Controlled Disbursement checks presented that Business Day.

**Accounts** – With the Controlled Disbursement Service, you will be able to open disbursement accounts with us. The disbursement accounts will be Zero Balance Accounts, tied to a Master Concentration Account with us.

We will notify you daily of the amount needed to cover debits to the disbursement accounts. This information is provided directly by the Federal Reserve Bank, and its accuracy is not guaranteed by the Federal Reserve Bank or us. We may notify you by telephone of other debits to the disbursement accounts for which funding is due. You must have on deposit, or transfer to the Concentration Account, sufficient available funds to cover debits to the disbursement accounts by the settlement deadline that we identify.

**Overdrafts** – Checks presented for payment or other debits to the disbursement accounts may be returned unpaid in any order if there are not sufficient available funds in your Concentration

Account to cover the debits. If there are insufficient funds in the Concentration Account to cover debits, we may, at our sole discretion, lend you the funds at an interest rate and for a service fee that we determine. In the event we provide you a loan, you agree to repay us all principal, interest, and service charges immediately upon demand. If we decide not to make a loan to you to cover the debits, we will return the presented checks unpaid and we may immediately terminate the Service.

**Payment or Return of Items** – In the event we contact you for instructions concerning the payment for or return of a particular Item, you agree to provide to us, that same day and by the deadline we establish, instructions to either pay for or return the Item. If you fail to meet this deadline, we will not be liable for any loss you incur based on our payment or return of the Item.

**Checks** – Transfers from the disbursement accounts may be initiated only by checks, unless we agree otherwise. Checks issued against the disbursement accounts should be 8½ inches in size, with the auxiliary field consecutively numbered, and should not repeat or duplicate any check number. Checks must meet our Magnetic Ink Character Recognition (MICR) encoding standards.

## **E-Lockbox Service**

The E-Lockbox Service provides you with the ability to receive bill payments electronically that were initiated by your customers via their online banking application or other bill payment services. We receive payments and remittance data via a third-party network (“Network”) such as MasterCard Remote Payment and Presentment Service, or other originator of consumer-initiated bill payments. We will credit payments to your designated account, and electronically transmit the remittance data to you in an ACH Customer Initiated Entry (CIE) format, or another mutually acceptable machine readable format. You agree to provide us with all data and specifications necessary for the Network to process payments and for us to transmit the remittance data to you.

You agree to process all data within 24 hours of your receipt of the E-Lockbox remittance data from us. To the extent you identify any incorrect, unidentifiable or unprocessable information, or you are otherwise unable to apply the funds, you will request reversal of the payment via the E-Lockbox online portal. You must request reversals as soon as possible, and in any event no later than 90 days of settlement. In the event you request reversal, we will return the payments via the Network. We will debit your designated deposit account for all submitted reversals the following Business Day. You agree to assist with and respond to payment inquiries made by relevant third parties concerning bill payments.

You may establish (via the applicable E-Lockbox Setup Form) criteria for validating payments received through the Network.

If the payment does not satisfy the established criteria, you authorize us to return the payments via the Network.

You may update your customer's billing account number via the E-Lockbox online portal. You are responsible for maintaining the accuracy of this information. We will include all account number updates in your cross-reference file.

Your designated system administrator will be responsible for adding, deleting and updating the entitlements for authorized users of the E-Lockbox online portal.

You acknowledge that our ability to process payments and remittances is dependent upon the continued use and support of the Network. In the event that access to the Network or its communications system is terminated or suspended for any reason, we shall not be liable to you for any disruptions or failure to provide any part of this E-Lockbox Service. We assume no responsibility for the accuracy, timeliness, or the completeness of data delivered from the Network to us.

## **Electronic Alerts**

We offer a Banking Alerts Service that enables you to receive electronic and/or telephonic notices (each an "Alert") from time to time with information about the Union Bank account(s) you have designated. For example, Alerts may include information about the receipt of wire transfers or other credits to an account, or about withdrawals that exceed a certain dollar amount that you specify when you enroll for the Service.

Alerts are provided solely as a convenience and are not a substitute for the periodic statements for your account(s) or any other notices we may send you about such account(s), regardless of how you receive such periodic statements or other notices. Such periodic statements and other notices remain the official records of your account(s). Your ongoing obligation to promptly review periodic statements, other notices, and all other correspondence from us regarding your account(s) and other Services you obtain from us remains in full force and effect even if you choose to enroll for the Banking Alerts Service.

In order to receive Alerts, you must provide us a valid phone number, landline or cellular number, or an email address or other electronic delivery location so that we may send you certain information about your account(s).

We may provide Alerts through one or more of the following: a) a telephone, landline or cellular number (whether by an oral or text message, or both); b) a text- or Web-enabled mobile device; or c) an email account that is accessed via a personal computer. It is your responsibility to determine that each of the service providers for the communication media described in (a) through (c) above (each a "Service Provider") supports the voice and/or text message Alerts you select. You agree that the Alerts are subject to the terms and conditions of your agreement(s)

with your Service Provider(s) and that you are solely responsible for any fees imposed for an Alert by your Service Provider(s).

By enrolling in Alerts, you agree and understand that: a) Alerts may not be encrypted and may include personal or confidential information about you and your transactions, such as your name and account activity or status; b) your Alerts may be delayed, misdirected, not delivered, or corrupted due to circumstances or conditions affecting your Service Provider(s) or other parties; and c) we will not be liable for losses or damages arising from i) any non-delivery, delayed delivery, misdirected delivery, or corruption of an Alert; ii) inaccurate, untimely, or incomplete content in an Alert; iii) your reliance on or use of the information provided in an Alert for any purpose; or iv) any other circumstances beyond our control.

## **Electronic Data Interchange (EDI) Service**

Our EDI Service allows you to disburse funds and deliver payment information to your trading partners electronically or by paper by sending payment requests to us as described in the applicable *User Documentation*. The Service also allows you to access information about payments and remittances when received from your trading partners or customers in mutually acceptable formats.

***Sending Payments and Related Information*** – When you wish to pay your trading partners, you transmit a data file to us containing instructions for your payments in the format and by the cutoff times specified in the applicable *User Documentation*. When we receive a file from you using this Service, we perform certain edits on the data, translate it into the appropriate format, and send the data to the payment system you specified. On the specified dates, we issue your payments in the required formats.

Payment orders originated via the EDI Service are subject to the terms and conditions of the *Automated Clearing House (ACH) services, Wire Transfer Service, and Information Reporting* sections of this Agreement (including the Security Procedure terms and conditions, Administrative Controls, and Best Practices provisions applicable to those Services).

***Receiving Remittance Information*** – Remittance information can be delivered to you in a mutually acceptable form and manner and is also governed by the *Information Reporting* section of this Agreement.

## **Electronic Bill Payment and Presentment**

Electronic Bill Payment and Presentment Services are electronic communications and database systems for rendering bills and processing payment transactions. These Services may be made available through our designated service provider (“Provider”). Neither we nor the Provider shall be responsible for delays in delivery of bills and the receipt or processing of

your transactions due to causes beyond our or the Provider's reasonable control.

You understand that with respect to TEL, CCD, WEB, PPD, and other ACH Entries initiated through the Total Biller Solution service, you will be considered the Originator of the ACH Entries and we are the Originating Depository Financial Institution. You agree to be bound by the NACHA Rules in effect, which may be amended from time to time, for all Entries whether or not an Entry is sent through the ACH Network.

**Security Procedures** – You agree to take all reasonable security precautions to prevent unauthorized or fraudulent use of these Services by your employees, agents, contractors, and customers, or third parties. The Security Procedure for Electronic Bill Pay and Presentment is a user identification code ("User ID") and a password. In addition, the Bank makes available to you upon your request, a token for your use at login to the Service. Such token may be made mandatory for use with the Service as communicated to you from time to time. Once such User IDs and passwords have been assigned and validated by the Provider, the use and confidentiality of such numbers shall be your sole responsibility. Neither the Provider nor we assume responsibility to discover breaches of your security. You must immediately notify us if you discover any security breach related to the Services.

You agree to use the Electronic Bill Payment and Presentment Services in accordance with the Security Procedure as detailed above. The purpose of the Security Procedure is to verify the authenticity of the payment order delivered to us in your name and not to detect errors in the transmission or content of a payment order. You further agree that this Security Procedure best meets your needs given the size, type, and frequency of your payment orders, and is a commercially reasonable Security Procedure for you. You agree that any payment order, the authenticity of which has been verified through the use of the Security Procedure, shall be effective, whether or not it was in fact authorized by you.

You agree to preserve the confidentiality of the Security Procedure and promptly notify us of any compromise of the integrity of the Security Procedure.

In addition to the Security Procedures, Administrative Controls, and other security precautions mentioned in this section, you agree to employ the Best Practices as appropriate for the Service.

**Proprietary Information** – All systems, programs, operations, instructions, documentation, and know-how ("Provider Information") relating to the Services are and remain the property of the Provider and us. You agree to hold in the highest confidence all information that you may receive from us or the Provider respecting the Provider Information. You shall disclose the Provider Information only on a need-to-know basis. You agree not to use the Provider Information

for your own purposes except in furtherance of permissible Services transactions.

**Provider Third-Party Beneficiary** – The Provider is an intended third-party beneficiary of these Services' terms and conditions.

## **Information Reporting**

The Information Reporting Service ("Service") lets you access your U.S. dollar and foreign currency accounts through the use of our applications via a Web browser or mobile device, and/or account information can be transmitted to you as a file. Information is available through the applications 24 hours a day, 7 days a week, with the exception of scheduled outages for maintenance and upgrades. The Service offers both Prior and Current Day reporting of account information.

Prior-day information reporting represents activity that has posted against the account within the Bank's record keeping system and is considered processed by the bank. Images are available within prior-day information reporting for paper-based Items that have cleared the account.

Current-day information reporting represents certain activity that has occurred throughout the current Business Day but has not been processed within the Bank's record keeping system and is represented as a memo-posted credit or debit. These Items are provisional and may or may not ever post to the account.

Multi-bank reporting provides account information to be received from or transmitted to any third-party bank for both domestic and international locations. For inbound reporting of a third-party bank account, the balance- and transaction-level information is viewed online in the same manner as your Union Bank accounts. For outbound reporting to a third-party bank, Union Bank will transmit the data according to the instructions provided and approved by an Authorized Signer of the account.

## **Integrated Payables Service**

The Integrated Payables Service (the "P Service") is an electronic, Internet-enabled communication and database system that allows you to transmit payment instruction files for printing checks and other specialty print documents, and to initiate ACH transactions, wire transfers, and virtual card payments. Certain functions of the P Service may be made available through our designated service provider ("Provider"). The P Service is subject to the Wire Transfer Services, Automated Clearing House (ACH), and Information Reporting sections of this Agreement.

The P Service's database system permits your vendors to maintain a profile with their banking details and, if applicable, a preference for payment by ACH or virtual card. In connection with the P Service's set-up, you may also select an optional feature whereby an instruction by you to pay a vendor by check may be converted to a payment by ACH or virtual card,



according to such vendor profile. If you select the optional feature to permit conversion of check payment instructions into a virtual card payment instruction, you will be required to enter into a Commercial Card Agreement with the Bank.

In addition to the P Service's payment transmission feature, the specialty print feature enables the printing and packaging of certain documentation such as bills, statements, and notices – with or without check payments – for delivery to your intended recipients by mail.

**Security Procedures** – The Security Procedure for transmission of a payment order to our Provider through the P Service are via host-to-host secure file transmission protocols or other secure transmission protocols. A user identification code (“User ID”) and a password (or digital access ID) are also required. You agree to use the Security Procedure when sending a payment order to our Provider via transmission. With respect to access to the P Service through the web, you will be assigned one or more user identification code (“User ID”) and passwords to enable your employees and agents to access and use the P Service and to send payment orders to the Provider through the web (such User IDs and passwords are the Security Procedure for use of the P Service through the web).

In addition, the Bank makes available to you upon your request a token for your use at login to the P Service. Such token may be made mandatory for use with the P Service as communicated to you from time to time. You agree to use the P Service in accordance with the Security Procedure described above. The purpose of the Security Procedure is to verify the authenticity of the payment order delivered to us in your name and not to detect errors in the transmission or content of a payment order. You further agree that this Security Procedure best meets your needs given the size, type, and frequency of your payment orders, and is a commercially reasonable Security Procedure for you. You agree that any payment order, the authenticity of which has been verified through the use of the Security Procedure, shall be effective, whether or not it was in fact authorized by you. You agree to preserve the confidentiality of the Security Procedure and promptly notify us of any compromise of the integrity of the Security Procedure.

**Administrative Controls** – The Administrative Controls offered by the Bank for your use with the P service through transmission (as may be changed from time to time) include: IP address restrictions, file encryption, file acknowledgements by the Bank, and payment limitations and multiple approver requirements.

Additionally, we recommend the following Administrative Controls offered by the Bank (as may be changed from time to time) for your use with the P service through the web, to further assist you in mitigating fraud: malware detection for use with your device, IP address restrictions, payment and user entitlements, dual approval for payments and administration,

alerts for administrative changes, limitations on payment amounts, and access and administration controls.

You agree to take all reasonable security precautions to prevent unauthorized or fraudulent use of the P Service by your employees, agents, contractors, customers, and third parties. Neither we nor the Provider assumes responsibility to discover breaches of your security. You must immediately notify us if you discover any security breach related to the P Service.

In addition to the Security Procedures, Administrative Controls, and other security precautions mentioned in this section, you agree to employ the Best Practices as appropriate for the Service.

**Proprietary Information** – All systems, programs, operations, instructions, documentation, and know-how (the “Provider Information”) relating to the P Services are and remain the property of the Provider and us. You agree to hold in the highest confidence all information that you may receive from us or the Provider respecting the Provider Information. You shall disclose the Provider Information only on a need-to-know basis. You agree not to use the Provider Information for your own purposes except in furtherance of your activities under this Agreement.

**Provider Third-Party Beneficiary** – The Provider is an intended third-party beneficiary of this Agreement.

**ACH Terms** – You understand that with respect to CCD and other ACH Entries initiated through the P Service, you will be considered the Originator of the ACH Entries; we will be considered the Originating Depository Financial Institution (ODFI) unless you request that the Bank forward the payment detail to another institution for processing.

**Description of Process** – You agree to upload your electronic payment or document file via a secure HTTPS protocol to the P Service system. We will acknowledge receipt of the file and you will authorize the processing of the transactions. We will attempt to retrieve the payment file and post its status within an hour after receiving the file. In connection with the P Service, you authorize us and the Provider to contact you via mail, telephone, e-mail, or other electronic method, and you agree to comply with reasonable information requests from us or the Provider.

## Investment Sweep

We make available a sweep service which allows you to either purchase shares in a Money Market Mutual Fund (“ MMMF ” or “ fund ”) or sweep funds into an interest deposit account (“ IDA ”) as described in the Investment Sweep Agreement and Sweep Application. Please contact your banking office for more information.<sup>1</sup>

## Invoice-to-Pay Service

The Invoice-to-Pay Service is an accounts payable solution that automates certain invoice processes by receiving invoices and then, via optical character recognition technology (“ OCR Technology ”), capturing certain data (header and line item information), and routing such invoice information to your enrolled users via an Internet-based system for invoice approval. Additionally, certain information from such functions may be posted to your accounting or enterprise resource planning system (your “ System ”), if compatible. At your election, you may subsequently instruct payments via the Bank’s Integrated Payables Service (the “ P Service, ” and such payments, “ P Service Payments ”), subject to the terms and conditions (including with respect to security procedures) as set forth in the Deposit Account Agreement and this Agreement (collectively, the “ Disclosure Agreement ”); provided that in the case of the virtual card Payment Type (as defined below), such terms and conditions shall be supplemented by those set forth in the Bank’s Commercial Card Agreement, as may be amended, supplemented, or otherwise modified from time to time (the Disclosure Agreement and Commercial Card Agreement, each, a “ Service Agreement ”). As an alternative to making payments via the P Service, you may choose to make payments directly to your vendors externally to the Bank’s services.

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1 MMMF shares are sold through a prospectus, which contains information about investment objectives, risks, charges, and expenses. The prospectus can be obtained through your Relationship Manager or from the fund’s sponsor. Please read it carefully before you invest. 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. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund’s liquidity falls below required minimums because of market conditions or other factors. 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. **MMMF shares are NOT insured by the FDIC or by any other federal government agency, are NOT a deposit or obligation of, or guaranteed by, MUFG Union Bank, N.A. (Bank) or any Bank affiliate, and MAY lose value, including the possible loss of principal invested.**

**The IDA is NOT insured by the FDIC.**

**Security Procedure** – The Security Procedure for the Invoice-to-Pay Service is a user identification code (“User ID”) and password. In addition, the Bank makes available to you upon your request a token for your use at login to the Invoice-to-Pay Service. Such token may be made mandatory for use with the Invoice-to-Pay Service as communicated to you from time to time.

You agree to use the Invoice-to-Pay Service in accordance with the Security Procedure described above. The purpose of the Security Procedure is to verify the authenticity of the payment order delivered to us in your name and not to detect errors in the transmission or content of a payment order. You further agree that this Security Procedure best meets your needs given the size, type, and frequency of your payment orders, and is a commercially reasonable Security Procedure for you. You agree that any payment order, the authenticity of which has been verified through the use of the Security Procedure, shall be effective, whether or not it was in fact authorized by you. You agree to preserve the confidentiality of the Security Procedure and promptly notify us of any compromise of the integrity of the Security Procedure.

**Administrative Controls** – In addition to the Security Procedure described in this section, we recommend the following optional Administrative Controls offered by the Bank (as may be changed from time to time) for your use with the Invoice-to-Pay Service to further assist you in mitigating fraud: malware detection for use with your device, IP address restrictions, payment and user entitlements, dual approval for payments and administration, alerts for administrative changes, limitations on payment amounts and access, and administration controls.

In addition to the Security Procedures, Administrative Controls, and other security precautions mentioned in this section, you agree to employ the Best Practices as appropriate for the Invoice-to-Pay Service.

**Service Provider** – The Invoice-to-Pay Service may be made available to you through a third-party service provider (the “Provider”). The Provider Information provisions set forth in the Integrated Payables Service section of this Agreement shall apply hereto. You agree to permit the Provider to perform any necessary activities to install, train you on, and apply the Invoice-to-Pay Service. You agree that the Bank may provide information regarding you and your vendors to the Provider in order to provide the Invoice-to-Pay Service. In connection with the Invoice-to-Pay Service, you authorize the Bank and the Provider to contact you via mail, telephone, e-mail, or other electronic method, and you agree to comply with reasonable information requests of the Bank or the Provider. The Provider is an intended third-party beneficiary of this Agreement.

**System Access** – By your acceptance of the terms of the Invoice-to-Pay Service: (a) the Bank grants to you a non-exclusive, non-transferable right to use the Invoice-to-Pay

Service, subject to the restrictions herein and any other restrictions we or the Provider may hereafter communicate to you from time to time, and (b) you grant the Bank and the Provider access to your System in order to and solely to the extent required to provide the Invoice-to-Pay Service. To the extent reasonably necessary, you hereby grant to the Bank and the Provider a non-exclusive and irrevocable license to so access your System and related software for such intended purpose. You hereby represent, warrant, and agree that when properly used as contemplated herein, such access shall not infringe or misappropriate any third-party's intellectual property rights.

**P Service Payments** – To the extent you have agreed to the applicable Service Agreement, you will be permitted in accordance therewith and subject to the terms thereof to provide instructions for P Service Payments for check, ACH Entry, virtual card, and wire (each, a “Payment Type”), subject also to the terms set forth immediately below pertaining to checks and virtual card, respectively. P Service Payments may not be possible if and to the extent that you provide erroneous or incomplete information in connection therewith. P Service Payments may be executed at the end of each Business Day and may be subject to cutoff times as disclosed to you from time to time.

**Checks** – For P Service Payments by check, the Bank or the Provider will print and mail checks on your behalf. Each check payment record will be printed, packaged, and delivered based on the distribution information provided by you. You hereby acknowledge and agree that the Bank or the Provider may not have the ability to edit or cancel the payment instruction after a check print and mail payment instruction has been submitted.

**Virtual Card** – For P Service Payments by virtual card, the Bank or the Provider will submit requests for virtual card numbers to the Bank's card issuing processor. The Bank's card issuing processor will then send back a corresponding response that contains the issued virtual card numbers. The Bank or the Provider will communicate payment notification to vendors. If you choose to make P Service Payments using virtual cards, you agree that the Provider may assist your vendors to migrate to card payments.

**Limitation on Liability** – The limitations on liability set forth in the Disclosure Agreement (and in the case of virtual card, the Commercial Card Agreement) shall apply hereto for the benefit of the Bank and the Provider. You acknowledge that data processing entails the risk of human and machine errors and omissions, including inadvertent loss or misstatement of data. You agree to receive, resolve, and respond to errors alleged by others as may be required by applicable law, regulation, or rules.

**Service Agreement** – The terms set forth in this Invoice-to-Pay Service section supplement your underlying Service Agreement with the Bank in connection with the relevant Payment Type (in

the case of check, ACH, or wire, your Disclosure Agreement, and in the case of virtual card, your Commercial Card Agreement, as the case may be, if applicable).

## **Internet-Initiated or Application Programming Interface-Initiated Transactions (WEB, CCD, Debit Card, and Credit Card)**

**Description of Service** – This Service enables your customer (the “Merchant Customer(s)”) to pay you for goods and services via the Internet through an Internet-enabled or Application Programming Interface-enabled, third-party payment-processing system (the “System”) by the origination of ACH debit, debit card, and credit card transactions.

The System can allow the Merchant Customer to create a user identification code (“User ID”) and password to access the System and initiate a WEB Entry for a consumer payment, a CCD Entry for a business payment, or a debit card or credit card transaction.

The Provider will store your transaction information on its servers. For WEB, PPD, and CCD Entries, transaction files are sent through the ACH, which debits the bank account of the Merchant Customer and credits your Union Bank account.

Notice of returned WEB, PPD, and CCD Entries will be available within 2 Business Days after the return through Internet reporting.

**Your Responsibility** – You are fully responsible for all transactions initiated through the System and deposited to your account, including, but not limited to, transactions that are later alleged to be unauthorized or erroneous, or that were issued on nonsufficient available funds or subject to stop payment or other rejection, returns, or chargebacks. Without limiting the foregoing, you assume all risks associated with performing transactions in an Internet environment.

**WEB & MOBILE Entries** – A WEB/MOBILE Entry is initiated when an Internet authorization is given to make a transfer of funds from a consumer’s account.

**Your Website** – You must make any necessary changes to your website in order to offer Merchant Customers the option to pay via the Internet. We recommend that your website (if applicable) include the following information in a clear and conspicuous manner: a) a complete description of the goods and services you offer; b) your refund and returned merchandise policy; c) a customer service contact, including both a telephone number and an email address; d) a statement that all prices and payments will be in U.S. dollars; e) any applicable export or legal restrictions that might be relevant to your customers; f) your delivery policy; and g) your privacy policy.

**Shipping Goods** – If you ship goods through a method that does not provide delivery confirmation, such as the U.S. mail, you should consider establishing a maximum dollar amount for

sales transactions over which you will ship only using a means that allows you to obtain delivery confirmation. Any shipping address must be the same as the Merchant Customer's address.

**Merchant Customer Identification** – The Provider will verify that the routing number supplied by the Merchant Customer for ACH transactions matches the designated financial institution's name. The System does not verify or authenticate the identity of the Merchant Customer, the Merchant Customer's account number, the Merchant Customer's address, or other Merchant Customer identifying information.

You must use a commercially reasonable authentication/address verification system to indicate whether a person initiating a transaction is the Merchant Customer, as you are fully responsible for identification of the Merchant Customer and the validity of the transaction.

**Disclosure of Your Fees and Charges** – You must clearly and conspicuously disclose all applicable fees and charges before a Merchant Customer conducts a transaction using the System.

**Reinitiation of ACH Entries** – Reinitiated Internet-Initiated Entries may only be originated in the same amount as the original transaction. No collection amount may be added. To originate an ACH debit to collect fees associated with a returned WEB Entry, you must follow the NACHA Rules governing PPD Entries, including first obtaining the consumer's written authorization for such an Entry.

**Warranties** – You represent and warrant that the person or entity whose account was debited authorizes all payments accepted for deposit to your account using the System. In addition to all other warranties in the NACHA Rules, you warrant that with respect to each transaction conducted using the System a) the transaction represents the Merchant Customer's obligation to you for the amount of the transaction; b) the amount of the transaction is not subject to any dispute, setoff, or counter claim; and c) you have no knowledge or notice of any fact, circumstance, or defense that would indicate that a transaction was fraudulent or not authorized by the Merchant Customer, or that would otherwise impair the validity or collectability of the Merchant Customer's obligation to you or relieve the Merchant Customer from liability with respect thereto.

**WEB Annual Audit** – As the Originator of WEB Entries, you must comply with the NACHA Rules associated with processing WEB Entries before the start of Origination. NACHA Rules and Guidelines require you to conduct annual audits to ensure that financial information you obtain from consumer Merchant Customers is protected by security practices and procedures that include, at a minimum, adequate a) physical security to protect against theft, tampering, or damage; b) personnel and access controls to protect against unauthorized access and use; and c) network security to ensure secure capture,

storage, and distribution of financial information. If requested, you must provide us with copies of these audits. The audit requirement may be met in several ways. It can be a component of a comprehensive internal or external audit, or it can be an independent audit that uses a commercially reasonable, generally accepted security compliance program.

## **IVR-Initiated Transactions (TEL, CCD, Debit Card, and Credit Card)**

**Description of Service** – A TEL Entry is a Single or Recurring Entry debit initiated when the Receiver gives authorization by telephone for a transfer from a consumer’s account. You must comply with the NACHA Rules associated with processing TEL Entries before the start of Origination. TEL Entries may only be originated when there is an Existing Relationship between you and the Merchant Customer or when the Merchant Customer initiates the telephone call. Under the NACHA Rules, an Existing Relationship exists when there is a written agreement in place between you and the Merchant Customer or when the Merchant Customer has purchased goods or services from you within the past 2 years.

**Description of Process** – Your customer (the “Merchant Customer(s)”) will telephone an Interactive Voice Response unit and provide account numbers and other information. Transaction information is archived on the Provider’s System. For TEL and CCD Entries, a transaction file is sent to the ACH, which debits the Merchant Customer’s bank account and credits your Union Bank account. Notice of returned TEL and CCD Entries will be available through Internet information reporting within 2 Business Days after the return.

**Your Responsibility** – You are fully responsible for all transactions credited to your account through the System, including, but not limited to, transactions that are later alleged to be unauthorized or erroneous, or that were issued on nonsufficient available funds or subject to stop payment or other rejection, return, or chargeback. In addition to other applicable NACHA warranties, you warrant to us when you initiate a TEL Entry that you have employed commercially reasonable procedures to verify the identity of the Receiver.

The Provider’s service is designed to record the Merchant Customer’s oral authorization for the transaction.

## **Liquidity Center**

The Liquidity Center Service is a tool accessed by you through MUFG Exchange (as more fully defined in the **Web Service** provision of the Agreement) that will, to the extent chosen by you on the Setup Form for the Liquidity Center Service, allow you to: (i) view your accounts held with the Bank and accounts held with other banks and the data associated with such accounts; and/or (ii) enter additional data for future cash flow and compare such expected data for future cash flow against



actual cash flow; and/or (iii) access the Pooling Report; and/or (iv) create book transfers from your accounts held with the Bank through the Liquidity Center Service for approval and ultimate execution through your Wire and Internal Transfers Service.

The Liquidity Center Service is available 24 hours a day, 7 days a week, with the exception of scheduled outages for maintenance and upgrades.

## **Lockbox Service**

Three types of Lockbox Services are available: Retail, Wholesale, and Wholetail. To initiate the Lockbox Service, you must ask your Relationship Manager for a sample letter to the United States Postmaster authorizing us to rent a United States Post Office Box in your name and to have unrestricted and exclusive access to the Lockbox. You instruct your customers to mail checks you want to have processed through the Lockbox Service to the Lockbox address. We pick up mail at the Lockbox address according to our mail pickup schedule and deliver it to our processing center. Initial United States Post Office charges will be billed directly to you. Subsequent renewal charges will be applied to your account analysis statement.

**Processing in General** – We will handle checks received at the Lockbox address according to the *Deposit Account Agreement*, except as modified by this Agreement. The Lockbox Service is intended for check processing only. You should advise your customers not to send currency or coin to the Lockbox address. We will open the envelopes received from the Lockbox and remove the contents. Checks and other documents contained in the envelopes will be inspected and handled in the manner specified in the *User Documentation*. We will endorse all checks we process on your behalf.

**Acceptable Payees** – Unless otherwise agreed, you will provide us with the names of acceptable payees. We will process a check if it is made payable to an acceptable payee and if the check is otherwise processable. You warrant that each payee has authorized checks payable to it to be credited to the account you designate for the Service. We may treat as an acceptable payee any variation of an acceptable payee's name that we deem to be reasonable.

**Service Provider** – These Services are made available through our designated service provider ("Provider").

**1. Retail Lockbox Processing** – The Retail Lockbox Service is a lockbox service that allows for automated processing of high volumes of consumer-to-business payments including a drawer's check and a remittance coupon. The Retail Lockbox Service involves processing optical character recognition (OCR) remittances, checks, and other payment instructions that are received at a Lockbox address. You authorize us to open each envelope and remove the contents, disregarding all notations and other marks on the envelopes. We shall not be required to retain (and may securely destroy) remittance envelopes or

miscellaneous enclosures or forward either of them to you (image or physical return), unless otherwise agreed with you in writing. If we are required to forward remittance envelopes or miscellaneous enclosures, whether in imaged form, by physical return, or otherwise, additional fees may apply. Remittances and envelopes submitted to us for processing must meet any specifications designated by us from time to time. All changes in remittances and return envelope design are subject to prior testing and approval by us. We may adjust the price for processing your payments if changes are made to your remittances and/or envelopes (including remittance scan line configuration) without such prior approval.

Retail transactions typically comprise 2 separate document types: the remittance coupon and the drawer's check. We will process, endorse, and deposit remittances in accordance with our standard procedures. We will process transactions containing: one remittance with one check ("Singles"); one remittance with multiple checks; multiple remittances with one check; or multiple remittances with multiple checks ("Multiples"), as specified in the applicable User Documentation. We will have no obligation to examine checks or other items with respect to payee names, check dates, or check signatures. We will process transactions that match/balance between remittance amount(s) and check amount(s). Unless you make other arrangements with us, if there is a mismatch between the remittance total and the check total of a particular check, such check will be flagged as an exception and processed according to your specifications as set forth on your processing instruction worksheet. If the check payee is blank and either the written or numeric amount agrees with the OCR remittance, the check will be processed. Unless otherwise agreed, a check received without an OCR remittance ("Check Only") or with a missing date will be processed. If either the written or numeric amount on the check agrees with the OCR remittance amount, the check will be processed for the OCR remittance amount. If the written and numeric amount of the check agree but do not agree with the OCR remittance amount, the check will be processed for the check amount. You may instruct us to send foreign currency or foreign bank checks for collection. Unless you make other arrangements with us, a check may be returned to you when any of the following occur: a) the payee is blank and neither the written nor the numeric amount agrees with the OCR remittance; b) the check is postdated by more than 3 days from the date of deposit; c) the check is stale-dated by more than 6 months from the date of deposit; d) it is a second-party check; or e) the check is drawn in a foreign currency or on a foreign bank.

You agree that we will not be liable in the event that a check with any of the conditions listed above is not detected and is processed. We will send you any checks we do not process as well as the related coupon. You should provide your remitters with notice, on a regular and repeated basis, to (a) mail directly to you checks bearing a handwritten or typed notation

“Payment in Full,” “Final Payment,” or words of similar meaning on the face of the check and (b) not include miscellaneous enclosures in mailings to the Lockbox. We shall disregard any such restrictive notation on any check and shall treat any such check as though such language did not appear thereon. We will not attempt to return to you checks bearing such notations, and we will not be liable to you for losses you suffer if we deposit checks bearing such notations. Your remitter notice should warn that mailing checks bearing such notations to the Lockbox address waives the remitter’s rights, if any, regarding final payment. If we process an unsigned check that is paid, but the account owner does not authorize payment, you agree to indemnify us, the drawee bank (which may include us), and any intervening collecting bank for any liability or expense incurred due to the payment and collection of the check.

**Acceptable Remittance Payments** – You may provide us with an automated file that contains customer numbers located in the remittance scan line that specifies either all acceptable payments or unacceptable payments. We will program our system to automatically search the file provided and separate unacceptable transactions/checks. For transactions/checks issued by a drawer that you designated as not acceptable, we will return any checks bearing such drawers to you for disposition. You agree that we will not be liable in the event that a check bearing such drawer is not detected and is processed.

**Exception Review and Decisioning** – This optional online Service will deliver images of exception transactions as specified in the processing instruction worksheet. Rejects or exception transactions are those transactions that are out of balance, are Check Only, or are missing information, including, but not limited to, an invoice, account, or some other identifying number for the remitter or payment. You have the option to: (i) balance the transaction; (ii) provide us with the missing information and instruct us to accept the transaction for deposit; or (iii) reject the transaction. Rejected transactions will be returned to the location indicated on your processing instruction worksheet. We will not provide exception reports or activate the Service until we receive your first mail in the Lockbox. Any transaction identified as a reject for non-negotiability reasons will be excluded from Exception Review and Decisioning. You must provide us with your accept or reject decision by the established deadline for each exception item we present to you. We are entitled to conclusively rely on the instructions we receive to accept or reject transactions. Any communication purporting to have been sent by you will be deemed to have been sent by and authorized by you, and you authorize us to act in reliance on the communication. If you fail to notify us by the deadline, we will handle those Items according to the default procedures in effect for you. Our deadline, default procedures, and procedures for acknowledging accept and reject decisions are described in the applicable User Documentation.

**2. Wholesale Lockbox Processing** – If the check payee is blank and either the written or numeric amount agrees with the invoice, the check will be processed. A check received without an invoice or with a missing date will be processed. If either the written or numeric amount on the check agrees with the invoice amount, the check will be processed for the invoice amount. If the written and numeric amount of the check agree but do not agree with the invoice amount, the check will be processed for the check amount.

A check will normally be returned to you when any of the following occur: a) the payee is blank and neither the written nor the numeric amount agrees with the invoice; b) the check is postdated by more than 3 days from the date of deposit; c) the check is stale-dated by more than 6 months from the date of deposit; d) the written and the numeric amount of the check differ and neither agrees with the invoice; e) the signature is missing on the check; f) it is a second-party check; or g) the check is drawn in a foreign currency or on a foreign bank. You may instruct us to send foreign currency or foreign bank checks for collection. We will send you any checks that are not processed and other Materials (such as invoices) received at the Lockbox address along with information regarding the day's deposit. You agree that we will not be liable in the event that a check in any of the conditions listed above is not detected and is processed.

If you instruct us not to process a check bearing a handwritten or typed notation "Payment in Full," "Final Payment," or words of similar meaning on the face of the check, we will attempt to return the check to you unprocessed; however, we will not be liable to you for losses you suffer if we fail to detect checks bearing such notations.

If you instruct us to process an unsigned check that is paid, but the account owner does not authorize payment, you agree to indemnify us, the drawee bank (which may include us), and any intervening collecting bank for any liability or expense incurred due to the payment and collection of the check.

**Acceptable Drawers** – You may provide us with a list of acceptable drawers. For checks issued by a drawer that you designate as not acceptable, we will attempt to a) inspect the face of such checks, and b) return any checks bearing such drawers to you for disposition. You agree that we will not be liable in the event that a check bearing such drawer is not detected and is processed.

**Exception Decisioning** – This optional online Service will deliver images of exception transactions. Rejects or exception transactions are those that are missing information, including, but not limited to, an invoice, account, or some other identifying number for the remitter or payment. You have the option to provide us with the missing information or reject the transaction. Rejected transactions will be returned to the location indicated on your processing instruction worksheet.

We will not begin providing exception reports or activate the Service until after we receive your first mail in the Lockbox. Any transaction identified as a reject for non-negotiability reasons will be excluded from Exception Decisioning.

You must provide us with your accept or reject decision by our established deadline on the same day we report exception Items to you. We are entitled to conclusively rely on the instructions we receive to accept or reject transactions. Any communication purporting to have been sent by you will be deemed to have been sent by and authorized by you, and you authorize us to act in reliance on the communication. If you fail to notify us by the deadline, we will handle those Items according to the default procedures in effect for you. Our deadline, default procedures, and procedures for acknowledging accept and reject decisions are described in the applicable *User Documentation*.

**3. Wholetail Lockbox Processing** – The Wholetail Lockbox Service involves processing optical character recognition (OCR) remittances, checks, and other payment instructions that are received at a Lockbox address.

Wholetail transactions typically comprise 2 separate document types: the remittance coupon and the drawer's check. We will process transactions with one remittance and one check ("Singles"), and multiple remittances and/or multiple checks ("Multiples"), as specified in the *User Documentation*. Unless otherwise agreed, we will process Wholetail transactions that match/balance between remittance amount(s) and check amount(s). The transaction will be returned to you when the remittance total does not balance to the check total.

If the check payee is blank and either the written or numeric amount agrees with the OCR remittance, the check will be processed. Unless otherwise agreed, a check received without an OCR remittance ("Check Only") or with a missing date will be processed.

If either the written or numeric amount on the check agrees with the OCR remittance amount, the check will be processed for the OCR remittance amount. If the written and numeric amount of the check agree but do not agree with the OCR remittance amount, the check will be processed for the check amount. Unless you make other arrangements with us, a check will be returned to you when any of the following occur: a) the payee is blank and neither the written nor the numeric amount agrees with the OCR remittance; b) the check is postdated by more than 3 days from the date of deposit; c) the check is stale-dated by more than 6 months from the date of deposit; d) neither the written nor the numeric amount of the check agrees with the invoice; e) the signature is missing on the check; f) it is a second-party check; or g) the check is drawn in a foreign currency or on a foreign bank. You may instruct us to send foreign currency or foreign bank checks for collection. We will send you any checks we do not process, other Materials such

as OCR remittances received at the Lockbox address, and information regarding the deposit for the day. You agree that we will not be liable in the event that a check with any of the conditions listed above is not detected and is processed.

You should provide your remitters with notice, on a regular and repeated basis, to mail directly to you checks bearing a handwritten or typed notation "Payment in Full," "Final Payment," or words of similar meaning on the face of the check. We will not attempt to return to you unprocessed checks bearing such notations, and we will not be liable to you for losses you suffer if we deposit checks bearing such notations. Your remitter notice should warn that mailing checks bearing such notations to the Lockbox address waives the remitter's rights, if any, regarding final payment.

If we process an unsigned check that is paid, but the account owner does not authorize payment, you agree to indemnify us, the drawee bank (which may include us), and any intervening collecting bank for any liability or expense incurred due to the payment and collection of the check.

**Acceptable Remittance Payments** – You may provide us with an automated file that contains customer numbers located in the remittance scan line that specifies either all acceptable payments or unacceptable payments. We will program our system to automatically search the file provided and separate unacceptable transactions/checks. For transactions/checks issued by a drawer that you designated as not acceptable, we will return any checks bearing such drawers to you for disposition. You agree that we will not be liable in the event that a check bearing such drawer is not detected and is processed.

## **Positive Pay Services**

The Positive Pay Services (Payee Positive Pay, Basic Payee Positive Pay, Positive Pay, Basic Positive Pay, Reverse Positive Pay, and Basic Reverse Positive Pay) allow you to identify exceptions (as defined below), view images of exceptions, and instruct us to pay or return those exceptions. By following these procedures, you may significantly reduce the chance that fraudulent checks will post to your account.

**Payee Positive Pay, Basic Payee Positive Pay, Positive Pay, and Basic Positive Pay** – On each Business Day, we provide you with a report of checks presented to us for payment on the prior Business Day that have been identified as exceptions. For customers utilizing the Controlled Disbursement Service, the Same Day Positive Pay option is available to view exceptions identified on the same Business Day. Exceptions are identified by comparing checks presented to us for payment against a list of checks you issued or canceled that you have transmitted electronically to us (the "Check Issue Report"). Checks presented to the Bank for payment that are not on your Check Issue Report are "exceptions" and the list of exceptions provided to you is an "Exceptions Report."

For Payee Positive Pay and Positive Pay, we will not begin providing you with an Exceptions Report or activate the service until after we receive your first Check Issue Report. For Basic Positive Pay and Basic Payee Positive Pay, we will activate the service on the agreed-upon start date.

**Reverse Positive Pay and Basic Reverse Positive Pay** – With the Reverse Positive Pay plans, you do not submit Check Issue Reports, and we report all checks presented for payment. We will treat all such checks as exceptions. Reverse Positive Pay does not protect against fraudulent Items that are cashed at one of our banking offices, and for that reason, you release us from liability for paying over-the-counter checks.

Regardless of the Positive Pay product you use, you must notify us by our established deadline, as separately disclosed by the Bank to you (the “Deadline”), on the same day we provide you the Exceptions Report, as to which checks you want us to pay and which to dishonor and return. We are entitled to conclusively rely on the “pay or return” instructions we receive. Any communication purporting to have been sent by you will be deemed to have been sent by and authorized by you, and you authorize us to act in reliance on the communication. We will handle any exceptions you have not dispositioned by the Deadline according to the default options you have chosen in your Positive Pay Customer Default Disposition Setup Form (the “Setup Form”), and we are entitled to conclusively rely on the options you have chosen. If you have not executed a Setup Form choosing your default options, we will handle the exceptions you have not dispositioned by the Deadline according to the default procedures established by the Bank. For Positive Pay, Payee Positive Pay, Basic Payee Positive Pay, and Basic Positive Pay, the Bank’s default procedure is “Return” for all exceptions. For Reverse Positive Pay, the default procedure for presented checks is “Pay,” and for duplicate or invalid checks, it is “Return.” Our Deadline, default procedures, and procedures for acknowledging pay and return requests are described in the applicable *User Documentation*.

**Access Options** – You may access the Exceptions Report from our website or a mobile device in order to assist you in making a pay/no-pay decision on exceptions. A check identified as an exception may have more than one reason to be flagged as an exception, even though the Bank will present only one. It is your responsibility to review all check information in its entirety prior to making a pay/no-pay decision. You may view or print the front and back of your paid check images to help you identify authorized checks. You must then use the applicable system to notify us of your pay or return decision. The online option is available for all Positive Pay types. The mobile option is available for Payee Positive Pay, Positive Pay, Basic Payee Positive Pay, and Basic Positive Pay accounts.

**Acknowledgments** – We will have no liability for payment of any check, including any check that has been altered or that bears forged, missing, or unauthorized signatures, if the check

is included in an Exceptions Report and you (i) have not given us timely instructions by the Deadline to return the check; or (ii) have instructed the Bank to pay the exception in your Setup Form. By transmitting a Check Issue Report to us, you warrant that you properly issued all checks that match the information on the Check Issue Report, and we shall have no further responsibility or liability for examination of the checks for fraudulent signatures or material alterations.

If you choose to use Reverse Positive Pay, except as may be attributable to the Bank's lack of good faith or failure to exercise ordinary care, you assume all the risk of loss associated with the Bank's payment of fraudulent Items presented for payment over the counter at a banking office.

The Positive Pay Services do not entirely replace our standard check-processing procedures, which may cause a check to be dishonored even if your instructions or the default procedure do not otherwise require us to return such check.

We will use reasonable efforts under the circumstances to respond promptly to proper requests for copies of exceptions, but you acknowledge that our failure to provide copies does not extend the Deadline by which you must notify us of your pay or return decisions.

## **Real-Time Payments (Receive Only)**

### *Definitions*

- **Account(s):** Your deposit Account(s) held with the Bank and used with the Service.
- **Payment Amount:** The amount of funds sent to you by a Sender through the Service.
- **Return Request:** A message that the Sender submits to the RTP System to request a return of funds related to an RTP payment.
- **RTP ("RTP" or the "Service"):** An electronic payment system which allows you to receive funds in real time into your Account(s).
- **RTP System Operating Rules:** The Clearing House's operating rules governing the obligations of parties using the RTP System.
- **RTP System:** The payment system accessed by the Service.
- **Sender:** The person or entity who sends a payment to you through the Service.
- **Sending Financial Institution:** A financial institution that participates in the RTP System and holds the Sender's account.
- **Service Transfer:** A payment made from a Sender to you through the Service.

The Real-Time Payments (Receive Only) Service ("RTP" or the "Service") allows you to receive real-time payments into your Account(s) from Senders that have accounts with Sending Financial Institutions. Funds transferred to your Account(s) will be credited upon completion of the Service Transfer request



and will be available for withdrawal immediately. The Service will not allow you to send payments. You are not obligated to accept a Service Transfer. If you wish to reject a Service Transfer sent to you through the Service, please contact us at 800-238-4486.

The Service is available 24 hours a day, 7 days a week, including weekends and holidays. However, the Service may be unavailable, from time to time, including due to maintenance; and we may suspend or terminate your access to the Service at any time, including if we determine that you or a Sender has used the Service in an unlawful manner. Incoming payments cannot exceed the general transaction limit set forth in the RTP System Operating Rules per Service Transfer, as may be modified from time to time. It is your responsibility to advise the Sender of this Service Transfer limit. The Service may be used with domestic payments only. It may not be used with senders or receivers who are not residents of or otherwise domiciled in the United States. You agree that you will comply with this restriction and with all regulations of the Office of Foreign Assets Control as well as all other laws applicable to you in connection with your use of the Service.

Payments through the Service are irrevocable and cannot be reversed; however, a Sender may request that you return the funds. If this happens, the Bank will notify you of its receipt of a Return Request from the Sending Financial Institution, and you must respond to the Bank with information requested by the Bank regarding the Return Request within five (5) Business Days of our notification to you. The Bank has no responsibility for and shall not be liable in any way in connection with a dispute between you and a Sender.

A Service Transfer may fail if: 1) there are insufficient funds in the Sender's account; 2) the Bank or the Sending Financial Institution believes that the Service Transfer does not comply with these RTP terms, or applicable law; 3) you reject or have declined to receive a Service Transfer; 4) the Transfer Request exceeds the Sending Financial Institution's limits and/or the Sending Financial Institution declines to process the transaction; or 5) the Service is unavailable. In addition, completion of a Service Transfer request might be delayed if the Service Transfer is subject to review by the Sending Financial Institution. We will not contact you to notify you if the Service Transfer has failed.

## **Remote Deposit Services**

Remote Deposit Capture and Image Cash Letter Services (together, "Services") are for customers who directly create or use a service provider to create check image files for processing and deposit to their Union Bank accounts.

**Customer Responsibilities** – You must not use the Remote Deposit Service to deposit checks payable to third parties. Only original checks that are eligible for imaging should be scanned

by you or sent to the service provider for processing. Eligible checks are negotiable checks for any amount in U.S. dollars, drawn on or payable through a U.S. financial institution. The checks must not have been previously presented and paid.

In order to reduce the risk of fraud and to minimize service interruptions, you should implement practices and controls, including, but not limited to, the following:

- a) Develop a contingency plan to deposit checks in the event you lose Internet access or the Bank's website is inaccessible
- b) Periodically perform testing of your systems to minimize service interruptions
- c) Segregate user duties and implement dual controls, where reasonably possible, to mitigate the risk of one individual having responsibility for end-to-end processing and accounts receivable reconciliation
- d) Implement a routine to audit users' use of the Service
- e) Ensure access credentials are removed when a user leaves the company or is reassigned to other duties
- f) Ensure that users cannot share access to the Service or equipment with a third-party without the knowledge and prior written approval of the Bank
- g) Ensure deposit files stored on a server or desktop computer are adequately secured and/or encrypted
- h) Develop written procedures to train new users on the Service
- i) Implement controls to safeguard non-public information in paper and image formats, and limit access to the information to only employees who are authorized to handle deposit accounts on the Service
- j) Implement system security and antivirus software to safeguard against viruses, malware, and other potential system risks
- k) Dedicate a workstation for the Service and other bank services to minimize the risk of viruses and malware

**Foreign Transmittals Prohibited** – All check images must be scanned and electronically transmitted to the Bank using equipment located solely in the United States. Image devices leased to you or otherwise made available to you by or through us must not be transported or used outside the United States. Any exception to these prohibitions must be approved in advance by the Bank.

**Security Procedures** – You agree to take all reasonable security precautions to prevent unauthorized or fraudulent use of these Services by your employees, agents, contractors, customers, and third parties. You may be assigned one or more user identification codes ("User IDs") and passwords to enable your employees and agents to access and use the Services.

Once such User IDs and passwords have been assigned and validated, the use and confidentiality of such numbers shall be your sole responsibility. We do not assume responsibility to discover breaches of your security. You must immediately notify us if you discover any security breach related to the Services.

**Image Exchange** – When you send images to us, you will create check images of original checks using Bank-provided or Bank-approved scanning equipment to scan the front and back of the checks. You are responsible for entering the correct dollar amount for each check.

The Image Cash Letter (ICL) Service allows you to transmit electronic files of check images in an industry-standard file format instead of paper checks to the Bank for clearing. Using Direct Send, you can transmit images of the checks you receive and scan at your place of business. Using Vendor Send, a vendor can scan checks and transmit the image deposit file to the Bank on your behalf.

You are responsible for any loss or failure to collect a check image that results from an inaccurate or illegible check image or your failure to provide full and correct MICR data or a dollar amount for a check image.

You will transmit check images to us according to the transmission schedule provided to you by us from time to time. A check image shall not be deemed received by us until we receive the check image at the Bank. We are not responsible for any losses arising directly or indirectly from damage or alteration to the check image prior to its receipt by us.

**Check Storage and Destruction** – You agree to retain the original Items in secure storage after submitting the check images for deposit until such time as you have a reasonable expectation that the original checks have finally cleared. You will then destroy the Items in a safe and secure manner. Among other things, these security procedures should be designed to ensure that the original checks are not accessed by unauthorized persons during the destruction and disposal process and, once destroyed, the original checks are no longer readable or capable of being reconstructed.

Upon our request, you agree to provide us with your procedures for securing and destroying original Items and will permit us to review your process.

During the time period that you maintain the original checks, you understand and agree that you must use a high degree of care to protect these original checks against security risks. These risks include, but are not limited to, a) theft or reproduction of the original checks (including by employees) for purposes of presentment for deposit of these original checks after they have already been presented for deposit via the Remote Deposit Service, and b) unauthorized use of information derived from the original checks.

You should maintain written procedures to ensure that only employees who are authorized to handle deposit accounts have access to the checks, and that the destruction of scanned checks is completed after the record retention period. Keys to cabinets or areas where checks are stored should be accessible only to authorized employees, and any movement of scanned checks for storage purposes should be conducted under secured conditions. You should maintain a daily log of deposits with the date of the deposit, initials of the person storing the checks, and the check destruction date.

**Scanning Equipment** – Scanners cannot be moved from the original shipping address to another location without the prior written approval of the Bank, and you cannot move scanners to a location outside of the United States, Puerto Rico, or Guam. We must approve your use of scanning equipment that is not purchased or leased through us. We are not responsible for the servicing or repair of this equipment. If you have a check scanner purchased through the Bank that is under extended or advanced unit-exchange warranty, and it requires repair, you may be provided with a working scanner to ensure your remote deposit service is not interrupted. You have 10 calendar days after the date a working scanner is shipped to you to return your scanner requiring repair. If the scanner requiring repair is not returned within the specified time period, you will be charged a fee, plus any fees associated with missing accessories, which will be applied to your account.

All loaned scanners should be returned to:

**Superior Press  
9440 Norwalk Blvd.  
Santa Fe Springs, CA 90670**

Please adhere to all shipping instructions included in the scanner box. If you have any questions, please contact Transaction Banking Customer Service at 800-322-2778.

**Lockbox Service with National Remote Deposit Services** – You instruct your customers to mail checks to the Lockbox address. We will pick up mail at the Lockbox address at regularly scheduled times and forward checks and other document images to the Bank’s designated check processor for further processing and collection.

**Cash Vault Service with National Remote Deposit Services** – Your cash and check deposits are transported to a cash vault location owned and operated by a third-party service provider. The cash vault operator will scan the checks and electronically transmit image files to us for collection and deposit to your account.

**Processing Check Images** – We will collect check images through the bank check collection system. We may also use, at our discretion, the check image to create a substitute check and collect that substitute check through the bank check

collection process. In certain cases, we may request that you deposit the original check in lieu of the check image.

For checks sent to our service provider for imaging, we will retain the original check relating to the check image for a period of time to be determined by us. We are responsible for storage and destruction of the original check and any copies of the original check or check image in a secure and confidential manner.

The deposit of all check images is subject to our verification and final inspection. We reserve the right at any time to refuse the deposit of a check image or to return all or part of a deposit of multiple check images to you without prior notice. In certain cases, we may submit the original check through payment processing. The amount of the image deposit will be adjusted to reflect any checks that are cleared through paper processing. We will advise you of any such adjustment.

A check image shall not be deemed received by us for deposit until we receive the check image at a licensed location of the Bank, whether received directly from you, your service provider, or our service provider. If we receive a check image on a day that is not a Business Day or after the processing cutoff hour for a Business Day as established by us, that check image shall be deemed to have been received by us at the opening of the next Business Day.

We are not under any obligation to you to inspect or verify a check image to determine accuracy, legibility, or the quality of the check image or MICR-line information associated with the check image, or for any other purpose. We reserve the right, but are not obligated, to correct or amend MICR-line information associated with a check image to facilitate processing of the check image or a substitute check created from that check image. You agree to obtain a replacement check from the drawer if a check image is rejected and the original check is unavailable.

We and other banks may process and collect a check image or a substitute check through one or more check clearinghouses, Federal Reserve Banks, or private clearing agreements with other banks. The check images or substitute checks will be subject to the rules of that clearinghouse, Federal Reserve Bank, or private clearing bank agreement.

You agree that, notwithstanding its electronic form, a check image that is created from an original check, or a substitute check created from that check image, shall be a "check" and/or an "Item" for all purposes under this Agreement, the Commercial Code, the Expedited Funds Availability Act, Regulation CC, and any other federal or state check law, to the same extent as that original check is a "check" or an "Item." You acknowledge that a check image may not capture or include all the security features contained in the original check, such as watermarks.

**Warranties for Check Image Processing** – You represent and warrant to us each time you use the remote deposit service to transfer or deposit a check image with us directly, including through your service provider, or indirectly through our or your service provider, that:

- 1) the check image is an accurate representation of all information on the front and back of the original at the time the original check was converted to a check image, and the check image contains all endorsements from the original check (if sent by you or your processor);
- 2) each check image (or related electronic data file) contains a record of all MICR-line information required for a substitute check and otherwise satisfies all of the requirements of Check 21 and Regulation CC for the creation and/or transferring of a substitute check created from that image (if sent by you or your processor);
- 3) the original check, a duplicate check image, or any copy of the original check or check image will not be deposited by you with us (unless we expressly instruct you to do so) or under any circumstances with any other bank;
- 4) the original check, a duplicate check image, or any copy of the original check or check image will not be presented, transferred, or returned such that we or any other person (such as the drawer of the check) will be asked to make payment based on a check or check image that we or the other person already paid;
- 5) each check's format shall adhere to industry standards and may change from time to time. The current Image Quality Guideline is black/white, minimum 200 DPI TIFF G4;
- 6) all the information provided to the Bank is accurate.

In addition, each time you use the Service to transfer or deposit a check with us directly, including through your service provider, or indirectly through our service provider, you are deemed to make to us any representation, warranty, or indemnity that we make, under applicable law, clearinghouse rule, Federal Reserve Operating Circular, bi-lateral agreement, or otherwise, to any bank (including a Federal Reserve Bank and the paying bank) or other person when the bank transfers or presents the check image or any substitute check created from that check image. We may charge back to your account(s) any deposited check that is later returned to us owing to an actual or alleged breach of any such representation or warranty.

**Internet Access and Information Security** – You acknowledge that we do not control the Internet or other information systems operated by third parties, and you will not hold us or our agents liable for any failures, acts, or omissions of any third-party information system operator, including, but not limited to, unauthorized access to or alteration, theft, or destruction of information and data.

We will exercise due care in seeking to preserve the confidentiality of any user number, password, test key, or other code or identifier, and to prevent the use of Internet-delivered remote deposit services by unauthorized persons (and in this connection it is understood and agreed that implementation by us of our normal procedures for maintaining the confidentiality of information relating to our customers, and where practicable obtaining similar undertakings from third parties engaged in the installation, maintenance, and operation of a system used to provide the Service, shall constitute our fulfillment of exercising due care), but shall not otherwise be under any liability or have any responsibility of any kind for any loss incurred or damage suffered by you in consequence or by reason of any unauthorized person gaining access to or otherwise making use of the Service. You assume full responsibility for the consequences of any missing or unauthorized use of or access to the Service or disclosure of any confidential information or instructions by you, your employees, or your agents.

**Use** – You agree to use the Service only for your own internal business purposes. Without limiting the generality of the foregoing, you agree not to make the Service available or allow use of the Service on a computer with a service bureau business or timesharing, or otherwise disclose or allow use of the Service by or for the benefit of any third-party. Without our express permission, you may not use the remote deposit service to deposit Items to a personal account.

**Third-Party Beneficiary** – Any service provider engaged by us to deliver the Service is an intended third-party beneficiary of this Agreement to the extent that the service provider or its affiliate and/or such other service provider delivers goods or services in connection with the Service. Our licensors or suppliers will not be subject to any liability to you in connection with any matter related to the remote deposit service made available through the service provider.

**Remote Deposit Service Cancellation** – If we have made a scanner available for your use and you cancel your remote deposit service within 30 days of initiation of the Service, you must return the scanner within 10 days. You will be charged an implementation fee and a restocking fee for the early return of the scanner. If the scanner is not returned, you will be charged the full purchase price. Please refer to the applicable *Business Fee Schedule*.

**Suspension of Exchanging ICL Files** – Either party may request to suspend the exchanging of files with at least 24 hours' written notice to the other party if the continued exchange of files is or will be commercially unviable and therefore subject to suspension; such notice shall provide in reasonable detail the reasons that the exchange of files is commercially unviable. Upon receipt of such notice and request, the other party shall consent or object to the suspension in writing as promptly as possible, provided that party shall consent if, based on the request, it can reasonably be expected that the continued

exchange of files would have material adverse impact on check processing.

The foregoing notwithstanding, the non-requesting party shall have until the end of the 24-hour period to propose a remedy to the stated problem, and the requesting party will give due consideration to the solution and consent or object to the implementation of such solution, consent not to be unreasonably withheld. The parties agree to use commercial best efforts to resolve any problem and end any suspension of the exchange of image files as promptly as possible. The parties shall process paper Items until image exchange is resumed. The parties shall give 24 hours' notice of the intention to resume the image-exchange processes, a period that shall exclude weekends and holidays.

**Testing of ICL Files** – Both parties will mutually agree upon testing to be performed whenever software or hardware modifications or enhancements, initiated by either party, may affect the creation and processing of ICL files. Both parties will make their best effort not to impact the accuracy of ICL file formats.

**Termination** – Notwithstanding any other provision of this Agreement, we may terminate your use of the Remote Deposit Service at any time by giving you notice.

## **Telephone-Initiated Transactions (TEL, PPD, CCD, Debit Card, and Credit Card)**

**Description of Service** – A TEL Entry is a Single or Recurring Entry debit initiated when the Receiver gives authorization by telephone for a transfer from a consumer's account. You must comply with the NACHA Rules associated with processing TEL Entries before the start of Origination. TEL Entries may only be originated when there is an Existing Relationship between you and the Merchant Customer or when the Merchant Customer initiates the telephone call. Under the NACHA Rules, an Existing Relationship exists when there is a written agreement in place between you and the Merchant Customer or when the Merchant Customer has purchased goods or services from you within the past 2 years.

**Description of Process** – Your customer (the "Merchant Customer(s)") will telephone your customer service representatives and provide account numbers and other information. Your designated employee(s) and your other designated agents will be provided with a user identification code ("User ID") and password to access the System and enter the Merchant Customer's information. Transaction information is archived on the Provider's System. For TEL, PPD, and CCD Entries, a transaction file is sent to the ACH, which debits the Merchant Customer's bank account and credits your Union Bank account.



Notice of returned TEL, PPD, and CCD Entries will be available through Internet information reporting within 2 Business Days after the return.

**Your Responsibility** – You are fully responsible for all transactions credited to your account through the System, including, but not limited to, transactions that are later alleged to be unauthorized or erroneous, or that were issued on nonsufficient available funds or subject to stop payment or other rejection, return, or chargeback.

In addition to other applicable NACHA warranties, you warrant to us when you initiate a TEL Entry that you have employed commercially reasonable procedures to verify the identity of the Receiver.

You must tape-record the Merchant Customer's oral authorization for the transaction or provide, in advance of the settlement date of the TEL Entry, written notice to the Merchant Customer that confirms the oral authorization.

You must clearly state, and the Merchant Customer must acknowledge, the following terms of the transaction: a) the date on or after which the Merchant Customer's account will be debited; b) the amount of the Entry; c) the Merchant Customer's name; d) a telephone number that you answer that is available to the Merchant Customer during normal business hours for Merchant Customer inquiries; e) the date of the Merchant Customer's oral authorization; and f) a clear statement by you that the authorization will be used to originate an ACH debit Entry to the Merchant Customer's account. You must retain either the original or a duplicate tape recording of the Merchant Customer's oral authorization, or a copy of the written notice, for 2 years from the date of authorization. Upon our request, you must promptly provide us with a copy of the authorization.

**Merchant Customer Identification** – The Provider will verify that the routing number supplied by the Merchant Customer for ACH transactions matches the designated financial institution's name. The System does not verify or authenticate the identity of the Merchant Customer, the Merchant Customer's account number, the Merchant Customer's address, or other Merchant Customer identifying information.

## **Total Biller Solution**

Total Biller Solution (TBS) enables your customers to receive bills and make payments through the Web, mobile, an Interactive Voice Response (IVR), a Customer Service Representative (CSR), and a point-of-sale terminal using their checking account, credit card, debit card, or digital wallet.

Authorized ACH transactions for payments made by your customers through Web, mobile, IVR, and CSR channels will be processed through the Bank's ACH system. The Bank will credit your specified DDA the next Business Day.

Certain credit, debit card, and digital wallet payments made by your customers through Web, mobile, IVR, CSR, and point-of-sale channels may be authorized and settled by Worldpay®.<sup>1</sup> Worldpay will credit your specified DDA the next Business Day. Additionally, we may, at our sole discretion, use any other bank-approved, third-party merchant processor consistent with the fee type(s) imposed on card transactions initiated by your customers.<sup>1</sup>

Upon receipt of the TBS payment detail and deposit from the Bank, you will post the payments within 24 hours.

Payment cancellations and reversals will be performed by your designated representatives via the TBS Admin console.

Your designated system administrator will be responsible for adding, deleting, and updating the entitlements for authorized users of the TBS Admin console.

TBS may be used in conjunction with other Services described in this Agreement which enable your customers to initiate payment transactions in various ways. These Services may include Electronic Bill Presentment and Payment, IVR-Initiated Transactions, Interface-Initiated Transactions, Internet-Initiated or Application Programming Interface-Initiated Transactions, and Telephone-Initiated Transactions. The terms and conditions under which we provide these Services, and the Security Procedures for such Services, are set forth in the relevant sections describing those Services, within this Agreement.

You understand that with respect to TEL, CCD, WEB, PPD, and other ACH Entries initiated through TBS, you will be considered the Originator of the ACH Entries, and we are the Originating Depository Financial Institution. You agree to be bound by the NACHA Rules in effect, which may be amended from time to time, for all Entries whether or not an Entry is sent through the ACH Network.

**Administrative Controls** – In addition to the Security Procedures as set forth in relevant sections of this Agreement for the Services that may be used in conjunction with TBS, we recommend the following Administrative Controls offered by the Bank (as may be changed from time to time), for your use with TBS to further assist you in mitigating fraud: malware detection for use with your device, IP address restrictions, payment and user entitlements, alerts for administrative changes, limitations on payment amounts and access, and administration controls.

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<sup>1</sup> MUFG Union Bank, N.A., on the one hand, and Worldpay and other merchant processors that may be used with Total Biller Solution on the other hand, are separate legal entities and are not affiliated by common ownership, management, control, or otherwise.

In addition to the Security Procedures, Administrative Controls, and other security precautions mentioned in this section, you agree to employ the Best Practices as appropriate for the TBS Service.

### **Web Service: MUFG Exchange (F/K/A Financial Center)**

We offer many of the Services online via MUFG Exchange (f/k/a Union Bank Financial Center). MUFG Exchange is a web portal that allows you to use multiple Services through a single access point. You may perform many of your transactions through MUFG Exchange, including accessing account statements, opening and closing accounts, initiating stop payments, sending wires and updating wire arrangements, originating ACH files, viewing check images, viewing lockbox check images and remittances, and transmitting financial data to us. To enhance security, use a commercially reasonable level of security, which must comply with current, applicable, regulatory guidelines that impose more rigorous encryption obligations.

**Security Procedure** – The Security Procedure for MUFG Exchange is a user identification code (“User ID”) and a password. For approval of an ACH Entry or Wire, the Security Procedure also requires your use of a token.

In addition, the Bank makes available to you upon your request a token for your use at login to the MUFG Exchange Service. Such token may be made mandatory for use with the MUFG Exchange Service as communicated to you from time to time.

You agree to use the MUFG Exchange Service in accordance with the Security Procedure detailed above. The purpose of the Security Procedure is to verify the authenticity of the payment order delivered to us in your name and not to detect errors in the transmission or content of a payment order. You further agree that this Security Procedure best meets your needs given the size, type, and frequency of your payment orders, and is a commercially reasonable Security Procedure for you. You agree that any payment order, the authenticity of which has been verified through the use of the Security Procedure, shall be effective, whether or not it was in fact authorized by you. You agree to preserve the confidentiality of the Security Procedure and promptly notify us of any compromise of the integrity of the Security Procedure.

**Administrative Controls** – Additionally, we recommend the following Administrative Controls offered by the Bank (as may be changed from time to time) for your use with the MUFG Exchange service to further assist you in mitigating fraud: malware detection for use with your device, IP address restrictions, payment and user entitlements, dual approval for payments and administration, alerts for administrative changes, limitations on payment amounts and access, and administration controls.

In addition to the Security Procedures, Administrative Controls, and other security precautions mentioned in this section, you agree to employ the Best Practices as appropriate for the MUFG Exchange service.

**Wires** – In order to update wire arrangements utilizing the MUFG Exchange, you must be an Authorized Signer on the Bank’s standard Funds Transfer Authorization form. Each person listed as an Authorized Signer on the Funds Transfer Authorization form has the authority to enter into or change any agreement with the Bank concerning funds transfers on your behalf, including, but not limited to, the authority to add or delete Authorized Representatives and designate accounts used for funds transfers.

In addition, two Web Administrators authorized by a Contracting Officer (or by another Web Administrator) through MUFG Exchange, acting with dual authority (one Web Administrator will initiate an action and another will approve), will be able to perform all the following functions: (1) entitle Users to use Wires on the Web, (2) add Customer accounts to the Wires on the Web Services; and (3) add or modify User entitlements (User entitlements shall include wire limits and the ability to create wire templates). This authority is in addition to the authority granted to the Authorized Signer(s) (or the Contracting Officer, as applicable) on the Funds Transfer Authorization form or other applicable agreement. The security procedures chosen by the Customer on the Funds Transfer Authorization form apply to any payment order initiated by any Web Administrator or User authorized by such Web Administrator, and Company will be bound by any such payment order, whether or not authorized, issued in Customer’s name, and accepted by the Bank in compliance with the Security Procedure chosen. Should you desire to use this feature, please reach out to your Treasury Management Officer.

To access Services through our website, you must be enrolled in MUFG Exchange. All persons entering MUFG Exchange on your behalf and using the Services agree to accept any terms of use appearing on MUFG Exchange. Most Services available through MUFG Exchange require additional documentation to establish the underlying Services.

**MUFG Exchange Mobile** – MUFG Exchange Mobile is an alternate service delivery channel for MUFG Exchange and provides access to some of our key MUFG Exchange Services.

Accessing the MUFG Exchange Mobile service requires users to have an Internet-enabled mobile device. To use services through MUFG Exchange Mobile, users must have the appropriate entitlements to certain online Transaction Banking service(s). All users accessing MUFG Exchange Mobile on behalf of your organization and using the services agree to accept all terms of use applicable to MUFG Exchange.

The mobile service offers the same security controls as MUFG Exchange. However, as with all electronic banking services, security is contingent upon users' responsible behavior in protecting their User IDs and passwords and mobile devices.

The MUFG Exchange Mobile service is dependent upon the functionality of the telecommunications or wireless service provider. The Bank is not responsible for the unavailability or temporary interruption of service to MUFG Exchange Mobile due to service issues, lack of network coverage, or technical failure of the mobile device or wireless service provider.

Access to MUFG Exchange Mobile is provided at no additional cost. However, users may incur charges for mobile Internet access and should contact their wireless carrier for more information.

**Authorized Persons** – The Contracting Officer has the highest level of authorization and is the individual authorized to enter into agreements with us for any Transaction Banking Services, as well as accessing the Services through MUFG Exchange Mobile. The Contracting Officer may delegate full or partial authority to one or more Web Administrators; add and delete Web Users; perform password administration; grant new Web Users access to existing Web Services; and create, modify, and delete user entitlements for existing Web Services.

The Contracting Officer must designate at least one Web Administrator (who may be the Contracting Officer). A Web Administrator has the authority to manage Services subscribed to by the Contracting Officer, including designating the individuals who may use these Services and identifying the account(s) assigned to each Service. A Contracting Officer or Web Administrator, each acting alone, may select one or more Web Users or View Only Web Users to access the Services, and designate the accounts to which the Web User or View Only Web User has access.

Web Users can use the Services to which the Contracting Officer or Web Administrator has granted them access. Web Users may not grant or delete their own or another person's access to any Service or account. A Web Administrator has the ability to add and delete Web Users, reset a Web User's password, and issue a temporary password to a Web User.

View Only Web Users may view information but not perform transactions. This status is not available for all Services.

**Security Procedure** – The Security Procedure for access to MUFG Exchange Mobile is a user identification code ("User ID") and a password (such user identification code and password can be replaced after initial login with a biometric identification). For approval of an ACH Entry or wire, the Security Procedure also requires your use of a token.

In addition, the Bank makes available to you upon your request a token for your use at login to the MUFG Exchange Mobile

Service. Such token may be made mandatory for use with the MUFG Exchange Mobile Service as communicated to you from time to time.

You agree to use the MUFG Exchange Mobile Service in accordance with the Security Procedure detailed above. The purpose of the Security Procedure is to verify the authenticity of the payment order delivered to us in your name and not to detect errors in the transmission or content of a payment order. You further agree that this Security Procedure best meets your needs given the size, type, and frequency of your payment orders, and is a commercially reasonable Security Procedure for you. You agree that any payment order, the authenticity of which has been verified through the use the Security Procedure, shall be effective, whether or not it was in fact authorized, by you. You agree to preserve the confidentiality of the Security Procedure and promptly notify us of any compromise of the integrity of the Security Procedure.

**Administrative Controls** – Additionally, we recommend the following optional Administrative Controls offered by the Bank (as may be changed from time to time) for your use with the MUFG Exchange Mobile Service to further assist you in mitigating fraud: dual approval for payments and administration, alerts for administrative changes, limitations on payment amounts, and access and administration controls.

In addition to the Security Procedures, Administrative Controls, and other security precautions mentioned in this section, you agree to employ the Best Practices as appropriate for the MUFG Exchange Mobile Service.

## **Wire Transfer Service**

The Wire Transfer Service allows you to transfer funds and related messages electronically. These wire transfers are typically from your deposit accounts with us to other deposit accounts at our Bank or at other banks. These transfers may also include transfers to your accounts with us from accounts at other banks. These transfers may be made according to a specific request from you or according to your standing instructions. The types of Wire Transfer Services offered and the Security Procedures offered with them are separately disclosed to you in the Master Funds Transfer Agreement and Security Procedures or other comparable document provided to you. The Security Procedure to be used by you in connection with such Wire Transfer Services are chosen by you in the Funds Transfer Authorization or other comparable document provided to you.

**Authorized Persons** – Before using Wire Transfer Service, you must designate the persons you authorize to perform certain duties in connection with the execution of wire transfer instructions.

**Security Procedure** – You agree to use Wire Transfer Service in accordance with the Security Procedure as detailed in the

documents described above. The purpose of the Security Procedure is to verify the authenticity of the payment order delivered to us in your name and not to detect errors in the transmission or content of a payment order. You further agree that this Security Procedure best meets your needs given the size, type, and frequency of your payment orders, and is a commercially reasonable Security Procedure for you. You agree that any payment order, the authenticity of which has been verified through the use of the Security Procedure, shall be effective, whether or not it was in fact authorized by you. You agree to preserve the confidentiality of the Security Procedure and promptly notify us of any compromise of the integrity of the Security Procedure.

**Administrative Controls** – Additionally, we recommend the following Administrative Controls (as may be changed from time to time) offered by the Bank for your use with the Wire Transfer Service accessed through the web to further assist you in mitigating fraud: malware detection for use with your device, IP address restrictions, payment and user entitlements, dual approval for payments and administration, alerts for administrative changes, limitations on payment amounts and access, and administration controls.

The Administrative Controls (as may be changed from time to time) offered by the Bank for your use with the Wire Transfer Service, through transmission include: IP address restrictions, file encryption, file acknowledgements by the Bank, and payment threshold and multiple approver requirements.

In addition to the Security Procedures, Administrative Controls, and other security precautions mentioned in this section, you agree to employ the Best Practices as appropriate for the Wire Transfer Service.

**Execution of Transfer Requests** – We will use our best efforts to execute each properly authorized wire transfer payment order and/or instruction on the day of receipt if a) we receive the payment order and/or instruction and are able to authenticate it before our cutoff time, and b) the day of receipt is a Business Day for us and the transmission facility selected. We may change our cutoff time without prior notice to you. If you initiate a request to debit an account of a third-party, you must provide us with documents, in a form acceptable to us, evidencing the third-party's authorization.

We will notify you of all wire activity on your account on your periodic account statement. We have no obligation to notify you in any other way. However, you may choose to make special arrangements with your banking office to receive earlier notice of wire transfer activity on your account via telephone, facsimile transmission, or U.S. mail.

**Rejection of Transfer Requests** – We may reject any request that does not comply with our requirements or the applicable *User Documentation*; that we have been unable to verify

through use of the Security Procedure; or that contains inconsistent, ambiguous, or missing information. Notice of rejection may be given to you by telephone, electronically, by facsimile, or by mail and will be effective when given. We will not incur liability to you for any loss occasioned by our refusal to honor any request.

**Transfer Request Exceeds Account Balances** – If there are nonsufficient available collected and available funds in your account(s) to cover your request, we may, at our sole discretion, choose to complete wire transfers that you initiated. You agree to immediately repay us the amount of any overdraft created, plus any overdraft charges, without notice or demand to you.

**Recall, Return, or Amendment of Wires** – We have no obligation to honor a request for a recall, return (including a debit authorization), or amendment to a wire transfer payment order and/or instruction after we receive it. If you send us a request instructing us to recall, return (including honoring a debit authorization), or amend a prior transfer request and we are able to verify the authenticity of the request using the Security Procedure, we will make a reasonable effort to act on that request, but we will not be liable to you if it is not effected. You agree that the Security Procedure used to verify the authenticity of such a request will be a signature verification to confirm that the written request was made by an individual you have authorized, and a call back to an individual you have authorized (provided, however, for requests using SWIFT, the Security Procedure is as agreed to between you and us for SWIFT instructions generally). You agree to indemnify us in connection with your request to the same extent as we indemnify other parties under UCC 4A. Your obligations under this provision will survive termination of this Agreement.

**Inconsistency of Name and Number** – A beneficiary's bank can make payment to a beneficiary based solely on the account or other identifying number, even if the name in the request differs from the name on the account.

**Identification of Intermediary or Beneficiary's Bank** – If your wire transfer payment order identifies an intermediary bank or a beneficiary's bank by both name and identifying number, we and other banks may rely on the identifying number regardless of whether the bank name and identifying number refer to different entities. We may select any intermediary bank, funds transfer system, or means of transmittal to send your payment order. Our selection may differ from that indicated in your instructions without our incurring liability to you.

**Intermediary Bank Fees** – Union Bank may charge fees for sending or receiving a payment order. You acknowledge and agree that the Bank may deduct its fees from your account or from the amount of the payment order. You further acknowledge and agree that intermediary banks may deduct their fees from the amount of the payment order that they process (whether an outgoing or incoming transfer), and



that a portion of such fees may be shared with the Bank. You authorize the Bank and such intermediary banks to deduct such fees, and you further authorize the Bank to share in such fees with such intermediary banks, as described above.

**Foreign Transfers; Currency Conversion** – If your payment order involves a transfer to a beneficiary in a foreign country, we may execute the order in the currency of the country of the beneficiary’s financial institution. Unless you notify us in writing otherwise, you consent to conversion of the funds into foreign currency by us (or our agents or processors), any correspondent bank or intermediary bank, the beneficiary’s bank, or any other third party reasonably involved in the completion of the funds transfer, at conversion rates generally applied by that converting party. If the transfer is returned for any reason, you agree to accept the refund in U.S. dollars in the amount of the foreign money credit, based on the current buying rate on the day of the refund, less any charges and expenses incurred by us. We will not be liable to you for a sum in excess of the amount of the payment order after we have converted it from the foreign currency to the account currency using the applicable rate of exchange in effect at the time on the day we confirm the cancellation of the payment order. We bear no liability if the applicable rate of exchange differs from rates offered or reported by us or by third parties, or based upon different times of the day, amounts, locations or involving different systems, agents or procedures. Foreign transfers may be subject to delays and changes in foreign currency exchange rates. Currency exchange rates fluctuate over time, based upon market conditions, liquidity and risk. You acknowledge and accept the risks of such fluctuations 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. Fees imposed by intermediary banks may be deducted from the amount of your order. A portion of those charges may be shared with us.

**Designation of Funds Transfer System** – You hereby instruct us to use the following: Fedwire, CHIPS, SWIFT, any intermediary bank identified by the foregoing systems as a correspondent bank of the beneficiary’s bank, or any payment system or intermediary bank that we deem reasonable under the circumstances. You agree to be bound by the rules of the wire transfer payment system utilized.

## **Zero Balance Accounting**

Our Zero Balance Accounting Service (“ZBA Service”) automatically transfers funds between your, or your and your affiliated companies (“Affiliates”), as applicable, Concentration Account and Zero Balance Accounts. The ZBA setup forms will identify the operating parameters for the ZBA Service. At the end of each Business Day (or at the end of those Business Days that you select on your setup form, as applicable), we will process the debit and credit transactions to the Zero Balance Accounts and transfer funds to and from the Concentration

Account to bring the Zero Balance Accounts to the target balance as chosen by you on the set up form.

There must be sufficient available funds in the Zero Balance Accounts and Concentration Accounts to cover all transactions under the ZBA Service. The Bank may, but is not required to, transfer funds if the transfer would create an overdraft.

If any of the Zero Balance Accounts is owned by Affiliates, you are responsible for any financial liability (including any tax implications) resulting from commingling and/or movement of funds to and from the Zero Balance Accounts and the Concentration Account.

Funds transferred must be returned to your or your Affiliate's account no later than 183 days from the date of transfer, and may be returned as soon as the next Business Day. Failure to do so may subject you to tax withholding. We recommend that you consult your tax advisor. The Bank does not agree to assume primary withholding and reporting as your agent.

**Pooling Report** – We will make available an automated report that tracks ZBA credits and debits posted to your Accounts and/or your Affiliates' Accounts, along with intercompany interest for the Concentration Account and Zero Balance Accounts calculated based on an interest rate you have designated on your setup forms.

Additionally, if applicable, we will allocate any such interest (whether debit or credit) to each of your Affiliates' Accounts by debiting or crediting the Accounts as designated in the intervals you have chosen on your setup form.

## **GENERAL PROVISIONS**

### **Changes to a Service**

You may request at any time to change the processing instructions for a Service. We are not obligated to implement any requested changes until we have had a reasonable opportunity to act upon them. In making changes, we are entitled to rely on requests purporting to be from you. For certain changes, we may require that your requests be in writing, in a form and manner acceptable to us, or be from an authorized person you designate. Changes are subject to our approval.

### **Communications**

Any written notice or other written communication to be given by us under this Agreement will be addressed to you at the address specified in our records. Unless we advise you otherwise, written communication to us should be sent to your office of account. Notices are effective upon receipt, except as otherwise provided in this Agreement or any Materials.

We may electronically monitor and/or record any telephone communications with you. You consent to such recording. If our

records about any communication are different from yours, our records will govern.

If we allow you to use email or communications via our website to initiate payment requests or other instructions with respect to a Service, you will be subject to the terms and conditions of this Agreement and must comply with the applicable *User Documentation*.

We may rely on oral instructions from any person who identifies himself or herself by a name that is included on a list from you of persons authorized to give such instructions.

Except as otherwise expressly stated in this Agreement, we are not required to act on any instruction from any person or to give notices to any person.

## **Compliance with Laws, Operating Procedures, and Guidelines; Bona Fide Transactions**

You shall comply with all applicable laws, regulations, rules, or ordinances, and orders of governmental and governing authorities having jurisdiction, including, but not limited to, the Electronic Funds Transfer Act, federal Regulation E, the Fair Credit Reporting Act, the FTC Telemarketing Sales Rule (including, but not limited to, any requirement to obtain your customer's express verifiable authorization to originate a charge against the customer's bank account), federal and state privacy laws, anti-money-laundering laws (Bank Secrecy Act, USA PATRIOT Act, and Office of Foreign Assets Control lists/directives), and all rules and operating guidelines of the NACHA to the extent the same are applicable to the Services. You represent that all transactions are the result of bona fide business transactions.

## **Confidentiality**

You acknowledge our claim to proprietary rights in the Materials and that the Materials constitute our trade secrets or trade secrets of our licensors or vendors. You understand that all Materials are confidential and you will a) safeguard the Materials at all times; b) establish and maintain procedures to assure the confidentiality of the Materials and any password or code you are assigned or use; c) use the Materials only for the purposes for which we provide them; and d) notify us promptly by telephone, confirmed in writing, if any Materials are lost or their confidentiality is compromised.

You will not, nor will you allow anyone else to, do any of the following without our prior consent: a) disclose any Materials to any person or entity, except to your employees and agents with a need to know the Materials; b) make any copies, in whole or in part, of any Materials in whatever form or medium (electronic, printed, or otherwise) in which they may exist from time to time, except as provided in the *Software License* section; and c) translate, reverse engineer, disassemble, or decompile any software or security devices.

These confidentiality obligations continue after a Service you are using is terminated.

You have sole responsibility for the custody, control, and use of all Materials. You agree that no individual will be allowed to initiate a request or other instruction contemplated in connection with the Services or have access to any Materials without proper supervision and strict security procedures. We will be fully protected in relying on the correct user identification codes and passwords, as described in the relevant *User Documentation*.

Neither party will use the other's name or refer to the other party directly or indirectly in any solicitation, marketing material, advertisement, news release, or other release to any publication without receiving the other party's specific prior written approval 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 approval for such use. This section does not limit either party's ability to satisfy any governmentally or judicially required disclosure.

## **Customer Responsibility**

You agree to be solely responsible for your proper use of the Services, including, but not limited to, implementing internal procedures to safeguard your confidential access capability. You will assume full responsibility for the provision, repair, and maintenance of any facilities, computer devices, or other equipment necessary to or used by you in connection with accessing the Services.

## **Cutoff Hours**

A number of our Services are subject to processing cutoff hours on a Business Day. You can obtain information on our current cutoff hours by contacting your Relationship Manager or office of account. Instructions received after a cutoff hour or on a day other than a Business Day may be deemed received as of the next Business Day.

## **General Matters**

This Agreement will be controlling in the event of any conflict between it and any relevant *Deposit Account Agreement*, *Customer Manual*, *User Documentation*, Materials, and any other document or written or oral statement. Current *User Documentation* is available upon request.

This Agreement is binding upon each of our respective successors and permitted assigns. You may not assign any of your rights or duties under this Agreement without our prior written consent. Except as otherwise provided, this Agreement is not for the benefit of any other person, and no other person has any right under this Agreement against you or us. Nothing contained in this Agreement creates any agency, fiduciary, joint venture, or partnership relationship between you and us.

We are responsible only for performing the Services expressly provided for in this Agreement. We may contract with an outside vendor in providing any Service. If any provision of this Agreement or the application of any such provision to any person or set of circumstances is determined to be invalid, unlawful, void, or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those determined to be invalid, unlawful, void, or unenforceable, shall be enforceable to the fullest extent permitted by law. Except as otherwise stated herein or required by law, the provisions of this Agreement are governed by, and interpreted according to, the laws of the state where your account is located, and federal law.

No delay or failure to exercise any right or remedy under this Agreement is deemed to be a waiver of such right or remedy. No waiver of a single breach or default under this Agreement is a waiver of any other breach or default. Any waiver under this Agreement must be in writing.

## **Information Processing and Reporting**

We offer a number of Services that require us to receive, process, and report information involving your accounts and transactions. We will not be responsible for determining the accuracy, timeliness, or completeness of any information that you or others provide to us. We shall be protected in acting on any oral or written request, whether received by telephone, courier, U.S. mail, fax, email, Internet, or other means of communication, believed in good faith to be genuine and to have been made by you or your authorized agents. We will not have a duty to interpret the content of any data transmitted to us, except to the limited extent set forth in this Agreement and the *User Documentation*. Unless we agree otherwise in writing, we will not be required, by means of the Security Procedures or otherwise, to detect errors in the transmission or content of any information we receive from you or third parties.

We make no warranty, express or implied, in law or in fact, including, but not limited to, any implied warranty of fitness for a particular purpose or of merchantability, with respect to the Services, or any computer programs, equipment, or software made available to you. Unless otherwise agreed in writing, the computer programs, Materials, *User Documentation*, Security Procedures, software, and systems provided to you in connection with any Service represent our proprietary property and must be returned to us upon request.

You acknowledge that it is not possible for Services to be totally free from operator, programming, or equipment error, and that errors in processing and compiling data may occasionally occur (e.g., due to the failure of others to provide accurate information, or to telecommunication failures or a breakdown in an electronic data interchange). You agree to review and verify all results and to maintain adequate controls for ensuring both the accuracy of data transmissions and the detection of errors.

Unless otherwise required by law, our sole responsibility for any reporting errors we cause will be to reprocess the information for the period in question and to submit corrected reports at our expense. You agree to maintain adequate backup files of the data you submit for a reasonable period of time to facilitate any needed reconstruction of your transactions. If we are unable to provide a Service for any reason, we will promptly inform you of the problem and will take reasonable steps to resume processing.

### **Limitation of Liability; Indemnity**

Except as otherwise stated in this Agreement or required by law, we will be liable to you only for damages arising directly from our intentional misconduct or gross negligence.

We will not be responsible for any loss, delay, cost, or liability that arises, directly or indirectly, in whole or in part, from a) your actions or omissions, or those of third parties, that are not within our immediate and reasonable control; b) your negligence or breach of any agreement with us; c) any ambiguity, inaccuracy, or omission in any instruction or information provided to us; d) any error, failure, or delay in the transmission, processing, or delivery of data, records, or Items due to a breakdown in any computer or communications facility; e) accidents, war or military action, strikes or labor disputes, civil unrest, terrorist attacks, fire, flood, water damage (e.g., from fire suppression systems), government action, or acts of God; f) causes beyond our reasonable control; g) the application of any government or funds transfer system rule, guideline, policy, or regulation; h) the lack of available funds in your account to complete a transaction; i) public health emergency or communicable disease outbreak; or j) our inability to confirm to our satisfaction the authority of any person to act on your behalf.

Except for losses caused by our gross negligence or willful misconduct, our liability for any loss, cost, damage, or liability arising from our actions or omissions will not exceed the monthly charge for the Service in question for the month preceding the date of loss, except as otherwise required by UCC 4A.

We will not be liable under any circumstances for any special, consequential, punitive, or indirect damages that you incur in connection with your account(s), even if we are aware of the possibility for such damages, unless specifically imposed by statute that cannot be waived by the parties.

You acknowledge that our fees have been established in contemplation of a) these limitations on our liability, and b) your agreement to review statements and notices promptly and to notify us immediately of any discrepancies or problems.

You will indemnify us against and hold us harmless from any and all liabilities, claims, costs, expenses, and damages of any nature (including reasonable attorney's fees) arising out of or relating to disputes or legal actions by parties other than you

and us concerning your accounts and Bank Services. The obligations contained in the preceding sentence will continue after your account or Bank Service is terminated. This section does not apply to any cost or damage incurred by a third-party that is attributable to our gross negligence or intentional misconduct and for which we are legally responsible.

### **Limitation of Time to Bring Action**

Any action or proceeding you bring to enforce an obligation, duty, or right arising under this Agreement or by law in connection with these Services must begin within 1 year after the cause of action occurs.

### **Limitation on Third-Party Use and Access**

Unless you have our prior written consent, you may not a) permit a third-party to initiate Service transactions on your behalf, or b) use the Services to process transactions on behalf of others.

### **Notifying Us of a Problem**

You agree to notify us immediately if you discover a) any error or discrepancy between your records and the information we provide to you about your accounts or transactions (e.g., in a statement, confirmation, or electronic report); b) unauthorized transactions involving your bank accounts or records; c) a breach in the confidentiality of the Security Procedures; or d) other problems related to the Services. You must send us a written notice of the discrepancy or other problem, including a statement of the relevant facts, within a reasonable time (not to exceed 14 days from the date you first discover the problem or receive information reflecting the problem, whichever occurs first). The provisions of this section shall survive termination of all Services.

### **Representations and Warranties**

On and as of each day we provide any Service to you, you represent and warrant to us that a) your agreement to each provision contained in this Agreement is a duly authorized, legal, valid, binding, and enforceable obligation; b) the debiting of any account as provided in this Agreement is not inconsistent with any restriction on the use of that account; and c) your performance of your obligations will not violate any law, regulation, judgment, decree, or order applicable to you.

### **Software License**

This section applies to all software we provide you unless a separate license agreement for specific software is given to you.

For each software application, we grant you a non-exclusive, non-transferable license to use that software and its related Materials. No such license grants you any rights to any patents, trademarks, or trade names.

You may not sublicense, lease, distribute, or otherwise transfer a software application, the related Materials, or your right to use the software and related Materials.

You may not make, or allow anyone else to make, copies of the software or related Materials beyond one copy for backup and archival purposes, except as we may otherwise agree in writing. You may not remove, obscure, or deface any proprietary notices contained in the software or related Materials, and you must include such notices in any permitted copy of the software.

You may not alter, modify, or adapt any software or related Materials or create derivative works from them. You may not translate, reverse engineer, disassemble, or decompile the software.

A license to use software and related Materials will terminate automatically if you fail to comply with the terms of the license or any other material provision in this Agreement, or if the Services for which you are using the software are terminated. Upon termination of a license granted you, you must cease using the software and related Materials and, at our election, return or destroy all copies of the software you may have in your possession or under your control, and certify to us that you have done so. All your obligations herein will survive termination of any licenses.

## **Termination**

You or we may terminate some or all of the Services, with or without cause, by giving 30 days' prior notice to the other party. We may terminate the Services immediately if a) you breach any agreement with us; b) the confidentiality of the Security Procedures is compromised; c) we have reason to believe that an unauthorized transaction has taken or may take place involving your account or a Service; d) you become insolvent or the subject of a bankruptcy or dissolution proceeding; e) you make any assignment for the benefit of creditors; f) you fail generally to pay your debts as they become due; g) any material adverse change occurs in your financial condition; h) we are uncertain as to any person's authority to give us instructions regarding your accounts or the Services; or i) you violate any applicable rule, regulation, or law.

Termination of a Service you use does not affect your payment obligations for Services we provide to you before the Service is terminated or any other obligations that survive termination.

## **GLOSSARY OF TERMS**

The following are some important terms that appear in this Agreement and shall apply equally to the singular or the plural form of the term.

***Administrative Procedures and Controls*** means the additional controls, offered by us, in addition to any applicable Security



Procedure, that you may implement to enhance security and reduce the risk of erroneous or unauthorized transactions. These controls may include, but are not limited to, among other things, IP address restrictions, account and transaction payment limitations, dual control for payment and template approval, and notification of certain administration changes. The application of the Security Procedure, Administrative Controls, and the Bank's unilateral controls may cause delays in, or rejection of the processing of, Entries, payment orders, instructions, reversal or deletion requests, recall/return/amendment requests, advices of checks, check issuance requests, or stop payment requests, and/or result in the Bank denying access to a Service.

**Best Practices** means the actions you can take in order to mitigate fraud, including but not limited to the following:

- Do not share your User ID, PIN, token, or password with anyone.
- Closely scrutinize employee entitlements. Allow access to services to only those employees necessary to perform the job.
- Report lost or stolen tokens to us immediately.
- Check your account balance and transactions regularly and check your notifications as applicable.
- Avoid using public or shared computers to access online banking services.
- Set up dedicated computers and use them for online banking only. Keep the computers in a secure location and limit access.
- Install a reputable vendor security software suite that includes firewall security, anti-virus, anti-spyware, and malware and adware detection, and keep it up to date. Run periodic scans.
- Routinely install all new operating system and browser software and hardware patches, or use the automatic update feature when available.
- Routinely install all patches and updates for software applications (e.g., operating systems, browsers, etc.).
- Educate employees on good cyber security practices.
- Do not open any attachments or click any link in an email requesting your account information. We do not request information about you or your accounts by email. If you receive such an email request, call us immediately.
- Use our secure message system when sending confidential information, such as account numbers or financial data, to Bank staff.
- Tell your employees not to open email or attachments from unknown senders.
- Periodically engage a security expert to test your network or run security software that will help close known vulnerabilities.

**Business Day** means each Monday through Friday, excluding holidays observed by the bank providing the Service.

**Business Fee Schedule** means our published fee schedule for the Services outlined in this Agreement.

**Check 21** means the Check Clearing for the 21st Century Act (Pub. L. 108-100), as it may be amended from time to time.

**Concentration Account** means a U.S. dollar demand deposit account maintained by you or your Affiliate at the Bank from which funds are transferred to a Zero Balance Account or to which funds are transferred from a Zero Balance Account.

**Credit Entries** means requests, on or through prescribed media and format, for the transfer of funds to accounts of depositors at Union Bank or other financial institutions.

**Customer Manual** means the manual containing specific procedures, media, and data formats for a Service.

**Debit Entries** means requests, on or through prescribed media and format, for the withdrawal of funds from the accounts of depositors at Union Bank or other financial institutions.

**Deposit Account Agreement** means the current signature card, the *Business Accounts & Services Disclosure and Agreement*, or similar master account disclosures and agreements, as amended from time to time, that we provide or make available to you containing terms and conditions applicable to each deposit account for which you use a Service.

**Deposit Delivery Handbook** means the guide for preparing deposits for check courier and armored carrier transportation.

**Entries** means Credit Entries and Debit Entries consistent with the NACHA Rules and also includes any data for Entries, any pre-notification, and any Entries initiated through any payment channel that we approve.

**Image Cash Letter** means an electronic file of check images in an industry-standard file format.

**Materials** means software user identification codes, passwords, codes, keys, test keys, and security devices, as well as website access codes and passwords used with a Service.

**NACHA** means the National Automated Clearing House Association.

**NACHA Rules** means the rules of the National Automated Clearing House Association (including any other clearinghouse rules applicable to automated clearinghouse transactions), as amended from time to time.

**Processing Schedule** means the schedule we provide for processing all requests for Entries and other Services if you are enrolled in the Services, or subscribe to the Services.

**Regulation CC** means Federal Reserve Board Regulation CC: Availability of Funds and Collection of Checks, 12 CFR Part 229, as it may be amended from time to time.

**Relationship Manager** means the Union Bank account officer, deposit manager, or other officer who assists you in managing your accounts and the Transaction Banking Services we provide.

**Security Procedure** means the applicable security procedure for your data delivery type or Service for verifying the authenticity of Entries, funds transfers, payment orders, instructions, reversal or deletion requests, recall, return, amendment requests, and to the extent applicable, advices of checks, check issuance requests, or stop payment requests.

**Service** means any Transaction Banking Service described or covered by this Agreement or those we later make available to you.

**Substitute Check** means a copy of an original check, created from a check image that is similar in size to an original check, with a slightly reduced image of the front and back of the original check. The term “substitute check” shall have the meaning set forth in Check 21 and Regulation CC, as in effect from time to time.

**UCC 4A** means Article 4A of the Uniform Commercial Code—Funds Transfers, as adopted by the state whose law applies to a Service, as amended from time to time.

**User Documentation** means any written information we provide you, including information in electronic format, as amended from time to time, that contains detailed instructions regarding the use of a Service, including, but not limited to, the *Deposit Delivery Handbook*, *Materials*, and *Customer Manual*.

**Website** means the Union Bank website with the Internet address *unionbank.com*.

**Zero Balance Account** means a U.S. dollar demand deposit account maintained by you or your Affiliate at the Bank for which either the Ledger Balance or the Available Balance is returned to \$0 or some predetermined amount as chosen by you on the Setup Form at the end of each Business Day through the transfer of funds to or from a designated Concentration Account.

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[unionbank.com/commercial](https://unionbank.com/commercial)

84163 (01/01/2022)

**UNION BANK**  
**GOVERNMENT SERVICES SCENARIO**  
**COUNTY OF SAN MATEO**  
**August 2021**

<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>ACCOUNT ANALYSIS</b>						
AAA003	010400	ACCT MAINTENANCE - WEB	65	3.0000	195.00	510,215.05
<b>SUBTOTAL</b>					<b>195.00</b>	<b>510,215.05</b>
<b>ACCOUNT RECONCILIATION</b>						
ARP002	200010	FULL RECON MONTHLY MAINT	14	10.0000	140.00	366,308.24
ARP003	200020	PARTIAL RECON MONTHLY MAINT	2	10.0000	20.00	52,329.75
ARP006	150030	POS PAY MONTHLY MAINT	9	0.0000	0.00	0.00
ARP012	20020F	TRANSMISSION ISSUE INPUT-BASE	129	1.0000	129.00	337,526.88
ARP013	200201	TRANSMISSION ISSUE INPUT-ITEM	16,163	0.0200	323.26	845,805.73
ARP023	999999	PAPER LISTING	*	0.3500	0.00	0.00
ARP024	200211	RECORD MAINTENANCE - PER ISSUE	*	0.2500	0.00	0.00
ARP027	200201	ISSUE INPUT ADDL 40 BYTE DATA	1,888	0.0400	75.52	197,597.13
ARP031	150102	CHECK PAID TRUNCATED	5,000	0.0400	200.00	523,297.49
ARP031	150102	CHECK PAID TRUNCATED	11,248	0.0400	449.92	1,177,210.04
ARP034	150102	CHECK PAID PARTIAL - TRUNCATED	837	0.0600	50.22	131,400.00
ARP051	200301	DAILY PAID REPORT	16	0.0000	0.00	0.00
ARP057	150322	EXCEPTION ITEMS RETURNED	35	0.0000	0.00	0.00
ARP061	200310	OUTSTANDING ONLY REPORT	13	10.0000	130.00	340,143.37
ARP062	20030Z	OUTSTANDING CHECK REGISTR-ITEM	32,916	0.0000	0.00	0.00
ARP065	200310	PAID NO ISSUE REPORT	1	10.0000	10.00	26,164.87

**UNION BANK**  
**GOVERNMENT SERVICES SCENARIO**  
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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>ACCOUNT ANALYSIS</b>						
AAA003	010400	ACCT MAINTENANCE - WEB	65	3.0000	195.00	510,215.05
<b>SUBTOTAL</b>					<b>195.00</b>	<b>510,215.05</b>
<b>ACCOUNT RECONCILIATION</b>						
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ARP003	200020	PARTIAL RECON MONTHLY MAINT	2	10.0000	20.00	52,329.75
ARP006	150030	POS PAY MONTHLY MAINT	9	0.0000	0.00	0.00
ARP012	20020F	TRANSMISSION ISSUE INPUT-BASE	129	1.0000	129.00	337,526.88
ARP013	200201	TRANSMISSION ISSUE INPUT-ITEM	16,163	0.0200	323.26	845,805.73
ARP023	999999	PAPER LISTING	*	0.3500	0.00	0.00
ARP024	200211	RECORD MAINTENANCE - PER ISSUE	*	0.2500	0.00	0.00
ARP027	200201	ISSUE INPUT ADDL 40 BYTE DATA	1,888	0.0400	75.52	197,597.13
ARP031	150102	CHECK PAID TRUNCATED	5,000	0.0400	200.00	523,297.49
ARP031	150102	CHECK PAID TRUNCATED	11,248	0.0400	449.92	1,177,210.04
ARP034	150102	CHECK PAID PARTIAL - TRUNCATED	837	0.0600	50.22	131,400.00
ARP051	200301	DAILY PAID REPORT	16	0.0000	0.00	0.00
ARP057	150322	EXCEPTION ITEMS RETURNED	35	0.0000	0.00	0.00
ARP061	200310	OUTSTANDING ONLY REPORT	13	10.0000	130.00	340,143.37
ARP062	20030Z	OUTSTANDING CHECK REGISTR-ITEM	32,916	0.0000	0.00	0.00
ARP065	200310	PAID NO ISSUE REPORT	1	10.0000	10.00	26,164.87

**UNION BANK**  
**GOVERNMENT SERVICES SCENARIO**  
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**August 2021**

<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
ARP066	200310	PAID NO ISSUE - PER ITEM	2	0.0000	0.00	0.00
ARP072	200325	ADDITIONAL STANDARD RPT	7	10.0000	70.00	183,154.12
ARP081	150410	RECON STOP PAYMENTS - NEW	*	10.0000	0.00	0.00
ARP082	150412	RECON STOP PAYMENTS - RENEWAL	2	5.0000	10.00	26,164.87
ARP084	150412	RECON STOP PAYMT-RANGE RENEWAL	*	8.0000	0.00	0.00
ARP085	150230	STALE DATE FEATURE - BASE	13	5.0000	65.00	170,071.68
ARP086	150230	STALE DATE LISTING - ITEM	7,165	0.0400	286.60	749,885.30
ARP113	200620	TRANSMISSION OUTPUT- PER TX	301	1.0000	301.00	787,562.72
ARP114	200620	TRANSMISSION OUTPUT - PER ITEM	33,056	0.0030	99.17	259,477.06
ARP143	151353	IMAGE CD - ROM	1	5.0000	5.00	13,082.44
ARP151	151351	CHECK CAPTURE	13,099	0.0200	261.98	685,467.38
ARP180	200310	PAPER REPORT PRINT & SHIPPING	*	15.0000	0.00	0.00
ARP182	151200	SPECIAL MAIL-HANDLING	3	5.0000	15.00	39,247.31
ARP200	150030	WEB POS PAY-ACCOUNT BASE	14	0.0000	0.00	0.00
ARP235	150311	WEB POS PAY-EXCEPTIONS	530	0.2000	106.00	277,347.67
ARP240	150310	POSITIVE PAY-PNI EXCEPTIONS	*	0.0000	0.00	0.00
ARP245	151355	WEB POS PAY-IMAGES	500	0.5000	250.00	654,121.86
ARP260	200210	WEB POS PAY-MANUAL ISSUE	85	0.2500	21.25	55,600.36
ARP265	20020B	WEB POS PAY-IMPORTED ISSUE	945	0.1800	170.10	445,064.52
ARP275	151355	WEB POS PAY-HISTORY IMAGES	1	0.5000	0.50	1,308.24
ARP280	151355	WEB REV POS PAY-HISTORY IMAGES	*	0.5000	0.00	0.00
ARP354	150122	PAYEE NAME VALIDATION	11,212	0.0200	224.24	586,721.15

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<b>CODE</b>	<b>TMA</b>	<b>BILLABLE DESCRIPTION</b>	<b>VOLUME (A)</b>	<b>Proposed Price \$ (D)</b>	<b>Extended Proposed Price \$ (E)=(A)*(D)</b>	<b>Comp. Balance Required (E)/ECR*365 /Days/0.9</b>
<b>ACCOUNT ANALYSIS</b>						
AAA003	010400	ACCT MAINTENANCE - WEB	65	3.0000	195.00	510,215.05
<b>SUBTOTAL</b>					<b>195.00</b>	<b>510,215.05</b>
<b>ACCOUNT RECONCILIATION</b>						
ARP002	200010	FULL RECON MONTHLY MAINT	14	10.0000	140.00	366,308.24
ARP003	200020	PARTIAL RECON MONTHLY MAINT	2	10.0000	20.00	52,329.75
ARP006	150030	POS PAY MONTHLY MAINT	9	0.0000	0.00	0.00
ARP012	20020F	TRANSMISSION ISSUE INPUT-BASE	129	1.0000	129.00	337,526.88
ARP013	200201	TRANSMISSION ISSUE INPUT-ITEM	16,163	0.0200	323.26	845,805.73
ARP023	999999	PAPER LISTING	*	0.3500	0.00	0.00
ARP024	200211	RECORD MAINTENANCE - PER ISSUE	*	0.2500	0.00	0.00
ARP027	200201	ISSUE INPUT ADDL 40 BYTE DATA	1,888	0.0400	75.52	197,597.13
ARP031	150102	CHECK PAID TRUNCATED	5,000	0.0400	200.00	523,297.49
ARP031	150102	CHECK PAID TRUNCATED	11,248	0.0400	449.92	1,177,210.04
ARP034	150102	CHECK PAID PARTIAL - TRUNCATED	837	0.0600	50.22	131,400.00
ARP051	200301	DAILY PAID REPORT	16	0.0000	0.00	0.00
ARP057	150322	EXCEPTION ITEMS RETURNED	35	0.0000	0.00	0.00
ARP061	200310	OUTSTANDING ONLY REPORT	13	10.0000	130.00	340,143.37
ARP062	20030Z	OUTSTANDING CHECK REGISTR-ITEM	32,916	0.0000	0.00	0.00
ARP065	200310	PAID NO ISSUE REPORT	1	10.0000	10.00	26,164.87



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<b>ACCOUNT ANALYSIS</b>						
AAA003	010400	ACCT MAINTENANCE - WEB	65	3.0000	195.00	510,215.05
<b>SUBTOTAL</b>					<b>195.00</b>	<b>510,215.05</b>
<b>ACCOUNT RECONCILIATION</b>						
ARP002	200010	FULL RECON MONTHLY MAINT	14	10.0000	140.00	366,308.24
ARP003	200020	PARTIAL RECON MONTHLY MAINT	2	10.0000	20.00	52,329.75
ARP006	150030	POS PAY MONTHLY MAINT	9	0.0000	0.00	0.00
ARP012	20020F	TRANSMISSION ISSUE INPUT-BASE	129	1.0000	129.00	337,526.88
ARP013	200201	TRANSMISSION ISSUE INPUT-ITEM	16,163	0.0200	323.26	845,805.73
ARP023	999999	PAPER LISTING	*	0.3500	0.00	0.00
ARP024	200211	RECORD MAINTENANCE - PER ISSUE	*	0.2500	0.00	0.00
ARP027	200201	ISSUE INPUT ADDL 40 BYTE DATA	1,888	0.0400	75.52	197,597.13
ARP031	150102	CHECK PAID TRUNCATED	5,000	0.0400	200.00	523,297.49
ARP031	150102	CHECK PAID TRUNCATED	11,248	0.0400	449.92	1,177,210.04
ARP034	150102	CHECK PAID PARTIAL - TRUNCATED	837	0.0600	50.22	131,400.00
ARP051	200301	DAILY PAID REPORT	16	0.0000	0.00	0.00
ARP057	150322	EXCEPTION ITEMS RETURNED	35	0.0000	0.00	0.00
ARP061	200310	OUTSTANDING ONLY REPORT	13	10.0000	130.00	340,143.37
ARP062	20030Z	OUTSTANDING CHECK REGISTR-ITEM	32,916	0.0000	0.00	0.00
ARP065	200310	PAID NO ISSUE REPORT	1	10.0000	10.00	26,164.87

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ARP066	200310	PAID NO ISSUE - PER ITEM	2	0.0000	0.00	0.00
ARP072	200325	ADDITIONAL STANDARD RPT	7	10.0000	70.00	183,154.12
ARP081	150410	RECON STOP PAYMENTS - NEW	*	10.0000	0.00	0.00
ARP082	150412	RECON STOP PAYMENTS - RENEWAL	2	5.0000	10.00	26,164.87
ARP084	150412	RECON STOP PAYMT-RANGE RENEWAL	*	8.0000	0.00	0.00
ARP085	150230	STALE DATE FEATURE - BASE	13	5.0000	65.00	170,071.68
ARP086	150230	STALE DATE LISTING - ITEM	7,165	0.0400	286.60	749,885.30
ARP113	200620	TRANSMISSION OUTPUT- PER TX	301	1.0000	301.00	787,562.72
ARP114	200620	TRANSMISSION OUTPUT - PER ITEM	33,056	0.0030	99.17	259,477.06
ARP143	151353	IMAGE CD - ROM	1	5.0000	5.00	13,082.44
ARP151	151351	CHECK CAPTURE	13,099	0.0200	261.98	685,467.38
ARP180	200310	PAPER REPORT PRINT & SHIPPING	*	15.0000	0.00	0.00
ARP182	151200	SPECIAL MAIL-HANDLING	3	5.0000	15.00	39,247.31
ARP200	150030	WEB POS PAY-ACCOUNT BASE	14	0.0000	0.00	0.00
ARP235	150311	WEB POS PAY-EXCEPTIONS	530	0.2000	106.00	277,347.67
ARP240	150310	POSITIVE PAY-PNI EXCEPTIONS	*	0.0000	0.00	0.00
ARP245	151355	WEB POS PAY-IMAGES	500	0.5000	250.00	654,121.86
ARP260	200210	WEB POS PAY-MANUAL ISSUE	85	0.2500	21.25	55,600.36
ARP265	20020B	WEB POS PAY-IMPORTED ISSUE	945	0.1800	170.10	445,064.52
ARP275	151355	WEB POS PAY-HISTORY IMAGES	1	0.5000	0.50	1,308.24
ARP280	151355	WEB REV POS PAY-HISTORY IMAGES	*	0.5000	0.00	0.00
ARP354	150122	PAYEE NAME VALIDATION	11,212	0.0200	224.24	586,721.15

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ARP066	200310	PAID NO ISSUE - PER ITEM	2	0.0000	0.00	0.00
ARP072	200325	ADDITIONAL STANDARD RPT	7	10.0000	70.00	183,154.12
ARP081	150410	RECON STOP PAYMENTS - NEW	*	10.0000	0.00	0.00
ARP082	150412	RECON STOP PAYMENTS - RENEWAL	2	5.0000	10.00	26,164.87
ARP084	150412	RECON STOP PAYMT-RANGE RENEWAL	*	8.0000	0.00	0.00
ARP085	150230	STALE DATE FEATURE - BASE	13	5.0000	65.00	170,071.68
ARP086	150230	STALE DATE LISTING - ITEM	7,165	0.0400	286.60	749,885.30
ARP113	200620	TRANSMISSION OUTPUT- PER TX	301	1.0000	301.00	787,562.72
ARP114	200620	TRANSMISSION OUTPUT - PER ITEM	33,056	0.0030	99.17	259,477.06
ARP143	151353	IMAGE CD - ROM	1	5.0000	5.00	13,082.44
ARP151	151351	CHECK CAPTURE	13,099	0.0200	261.98	685,467.38
ARP180	200310	PAPER REPORT PRINT & SHIPPING	*	15.0000	0.00	0.00
ARP182	151200	SPECIAL MAIL-HANDLING	3	5.0000	15.00	39,247.31
ARP200	150030	WEB POS PAY-ACCOUNT BASE	14	0.0000	0.00	0.00
ARP235	150311	WEB POS PAY-EXCEPTIONS	530	0.2000	106.00	277,347.67
ARP240	150310	POSITIVE PAY-PNI EXCEPTIONS	*	0.0000	0.00	0.00
ARP245	151355	WEB POS PAY-IMAGES	500	0.5000	250.00	654,121.86
ARP260	200210	WEB POS PAY-MANUAL ISSUE	85	0.2500	21.25	55,600.36
ARP265	20020B	WEB POS PAY-IMPORTED ISSUE	945	0.1800	170.10	445,064.52
ARP275	151355	WEB POS PAY-HISTORY IMAGES	1	0.5000	0.50	1,308.24
ARP280	151355	WEB REV POS PAY-HISTORY IMAGES	*	0.5000	0.00	0.00
ARP354	150122	PAYEE NAME VALIDATION	11,212	0.0200	224.24	586,721.15

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ARP364	150311	PAYEE EXCEPTION PROCESSING	475	1.0000	475.00	1,242,831.54
ARP502	200601	ACCT RECON CSV RPT MTHLY MNT	15	5.0000	75.00	196,236.56
ARP503	200621	ACCT RECON CSV RPT-PER ITEM	*	0.0080	0.00	0.00
ARP503	200621	ACCT RECON CSV RPT-PER ITEM	123,271	0.0040	493.09	1,290,163.80
<b>SUBTOTAL</b>					<b>4,456.85</b>	<b>11,661,292.11</b>
<b>TRANSPORTATION SERVICES (YOU MUST INCLUDE ONE-TIME INTERNAL COSTS)</b>						
CAR001	101020	COURIER SERVICES	Courier Contract	0.0000	0.00	0.00
CAR002	101010	ARMORED CAR SERVICES	Courier Contract	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>0.00</b>	<b>0.00</b>
<b>BUSINESS CHECKING</b>						
CHK010	100000	BRANCH DEPOSIT	2	2.0000	4.00	10,465.95
CHK011	010101	ELECTRONIC CREDIT	1,208	0.0400	48.32	126,428.67
CHK020	150100	PAID CHECK CHARGE	70	0.1700	11.90	31,136.20
CHK021	010100	ELECTRONIC DEBIT	375	0.0400	15.00	39,247.31
CHK060	251052	ACH BLOCK	1	2.0000	2.00	5,232.97
CHK060	251052	ACH BLOCK	5	2.0000	10.00	26,164.87
CHK060	251052	ACH BLOCK	23	2.0000	46.00	120,358.42
CHK111	010307	BANK STATEMENT WEB	85	2.5000	212.50	556,003.58
CHK750	000230	DEPOSIT ADMIN FEE (.000's)	39,022.4	0.0010	39.03	102,121.51
<b>SUBTOTAL</b>					<b>388.75</b>	<b>1,017,159.50</b>

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<b>CHECK PROCESSING</b>						
CKP001	100200	PRE-ENCODED COURIER DEPOSIT	*	3.0000	0.00	0.00
CKP002	100200	UNENCODED COURIER DEPOSIT	*	3.0000	0.00	0.00
CKP020	100220	UB CHECKS	*	0.0000	0.00	0.00
CKP137	100222	LOCAL CLR.HSE./BRANCH DEP.	*	0.2500	0.00	0.00
CKP138	100223	LOCAL FED DIST 12 - BRANCH DEP	*	0.2500	0.00	0.00
CKP139	100224	OTHER FED - BRANCH DEPOSIT	*	0.2500	0.00	0.00
CKP147	100310	CANADIAN ITEMS IN US DOLLARS	*	3.0000	0.00	0.00
CKP150	100220	UB CHECKS SERV. CTR DEPOSIT	186	0.0200	3.72	9,733.33
CKP167	100222	LOCAL CLR. HSE./SER. CTR	2,457	0.0100	24.57	64,287.10
CKP168	100223	LOCAL FED DIST 12-SERV CTR DEP	2,111	0.0100	21.11	55,234.05
CKP169	100228	ENCODING FEE - SERV. CTR. DEP.	333	0.0000	0.00	0.00
CKP170	100224	OTHER FED - SERV CTR DEPOSIT	846	0.0100	8.46	22,135.48
CKP181	100230	CHECK PROCESSING REJECTS	*	0.6500	0.00	0.00
CKP190	100502	DEBIT ERROR NOTICE	*	5.0000	0.00	0.00
CKP191	100502	CREDIT ERROR NOTICE	*	5.0000	0.00	0.00
CKP241	999999	SUBVENTIONS - CUST. UNSCHED	*	5.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>57.86</b>	<b>151,389.96</b>
<b>ACH SERVICES</b>						
CPY006	250000	DIRECT SEND MONTHLY BASE FEE	16	10.0000	160.00	418,637.99

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CPY007	250101	DIRECT SEND CREDIT TRANSACTION	*	0.0300	0.00	0.00
CPY007	250101	DIRECT SEND CREDIT TRANSACTION	*	0.0300	0.00	0.00
CPY007	250101	DIRECT SEND CREDIT TRANSACTION	*	0.0300	0.00	0.00
CPY007	250101	DIRECT SEND CREDIT TRANSACTION	38,705	0.0300	1,161.15	3,038,134.41
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	421	0.0300	12.63	33,046.24
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	*	0.0300	0.00	0.00
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	*	0.0300	0.00	0.00
CPY009	250100	DIRECT SEND DEBIT TRANSACTION	*	0.3000	0.00	0.00
CPY017	250400	DIRECT SEND RETURNS FILE	3	5.0000	15.00	39,247.31
CPY018	250401	DIRECT SEND RETURNS FAX	35	7.0000	245.00	641,039.43
CPY020	2506ZZ	DIRECT SEND REJ/REV/DEL	4	25.0000	100.00	261,648.75
CPY026	251010	DIRECT SEND TRACERS	*	25.0000	0.00	0.00
CPY028	251071	DIRECT SEND NOC FAX	8	3.0000	24.00	62,795.70
CPY029	250400	DAILY RETURN FILE	2	50.0000	100.00	261,648.75
CPY030	251070	DIRECT SEND NOC TRANSMISSION	17	3.0000	51.00	133,440.86
CPY032	250501	INPUT - DATA TRANSMISSION	99	5.0000	495.00	1,295,161.29
CPY035	250120	ADDENDA RECORDS	1,141	0.0100	11.41	29,854.12
CPY049	250632	SUSPENDS	1	75.0000	75.00	196,236.56
CPY058	250702	ACH ACK. REPORT	16	1.0000	16.00	41,863.80
CPY060	250702	ACH FILE ACK-EMAIL-DIRECT SEND	18	7.0000	126.00	329,677.42
CPY206	250000	ACH VENDOR MONTHLY BASE FEE	2	25.0000	50.00	130,824.37
CPY207	250101	VENDOR ACH CREDIT TRANSACTIONS	*	0.0200	0.00	0.00

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CPY207	250101	VENDOR ACH CREDIT TRANSACTIONS	826	0.0200	16.52	43,224.37
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	*	0.0200	0.00	0.00
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	1,363	0.0200	27.26	71,325.45
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	*	0.0200	0.00	0.00
CPY209	250100	VENDOR ACH DEBIT TRANSACTION	*	0.0100	0.00	0.00
CPY215	999999	UNAUTHORIZED RETURNS	20	10.0000	200.00	523,297.49
CPY218	250401	VENDOR RETURNS FAXED	28	10.0000	280.00	732,616.49
CPY228	251071	VENDOR NOC FAX	2	8.0000	16.00	41,863.80
CPY230	251070	VENDOR NOC TRANSMISSION	27	7.0000	189.00	494,516.13
CPY232	251040	VENDOR INPUT DATA TRANSMISSION	28	5.0000	140.00	366,308.24
CPY099	250141	VENDOR SAME DAY-DB CLIENT ORIGINATION	22	0.7500	16.50	43,172.04
CPY406	250000	ACH WEB MONTHLY BASE FEE	2	25.0000	50.00	130,824.37
CPY409	250100	ACH WEB DEBIT TRANSACTION	100	0.0200	2.00	5,232.97
CPY409	250100	ACH WEB DEBIT TRANSACTION	126	0.0200	2.52	6,593.55
CPY417	250400	ACH WEB RETURNS TRANSMISSION	1	2.0000	2.00	5,232.97
CPY430	251070	ACH WEB NOC TRANSMISSION	*	7.0000	0.00	0.00
CPY432	250505	ACH WEB BATCH RELEASE	3	2.0000	6.00	15,698.92
CPY435	250120	WEB ADDENDA RECORDS	84	0.0100	0.84	2,197.85
<b>SUBTOTAL</b>					<b>3,590.83</b>	<b>9,395,361.65</b>
<b>CASH VAULT SERVICES</b>						
CSH007	100141	AUTOMATED ORDER-WEB/VRU	*	3.2500	0.00	0.00

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CSH008	100148	CURRENCY ORDERED -(000'S) (000's)	*	1.1000	0.00	0.00
CSH009	100144	ROLLED COIN (INDIVIDUAL ROLLS)	*	0.1500	0.00	0.00
CSH019	100146	ROLLED COIN (BOXED)	*	5.0000	0.00	0.00
CSH021	100111	COIN DEPOSITED NON-STANDARD	2	4.0000	8.00	20,931.90
CSH025	100100	DEPOSIT-MIXED CASH CHECK	48	1.0000	48.00	125,591.40
CSH028	100100	DEPOSIT - CASH OR COIN ONLY	18	1.4500	26.10	68,290.32
CSH030	100114	CURRENCY DEPOSITED-UNSTRAPPED (000's)	129.4	1.2000	155.28	406,288.17
CSH035	100501	DEPOSIT ADJUSTMENT	*	0.0000	0.00	0.00
CSH045	100110	ROLLED COIN IN BAG-SURCHARGE	*	5.0000	0.00	0.00
CSH100	100145	HALF-BOX COIN (5, 25,\$1 ONLY)	*	2.5000	0.00	0.00
CSH109	10014B	FIT CURR FURN - PARTIAL STRAP	*	2.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>237.38</b>	<b>621,101.79</b>
<b>CUSTOMER SERVICE ACTIVITIES</b>						
CUS045	010610	PRINTER CHARGES	*	0.0000	0.00	0.00
CUS300	150412	DDA AUTO-RENEWED STOP PMT	16	6.0000	96.00	251,182.80
CUS301	150501	NON-CUSTOMER CASH PAID ON-US	137	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>96.00</b>	<b>251,182.80</b>
<b>E-LOCKBOX SERVICE</b>						
ELB101	310001	MONTHLY MAINTENANCE	1	100.0000	100.00	261,648.75
ELB102	310420	PER ITEM	41	0.0500	2.05	5,363.80



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ELB102	310420	PER ITEM	*	0.0500	0.00	0.00
ELB102	310420	PER ITEM	*	0.0500	0.00	0.00
ELB102	310420	PER ITEM	*	0.0500	0.00	0.00
ELB104	310429	E-LOCKBOX REVERSAL	9	1.0000	9.00	23,548.39
ELB109	999999	TRANSMISSION	18	10.0000	180.00	470,967.74
<b>SUBTOTAL</b>					<b>291.05</b>	<b>290,560.93</b>
<b>ELECTRONIC PAYMENT AUTHORIZAT</b>						
EPA001	251056	EPA SETUP	*	0.0000	0.00	0.00
EPA006	251050	EPA MONTHLY MAINTENANCE	1	15.0000	15.00	39,247.31
EPA006	251050	EPA MONTHLY MAINTENANCE	9	10.0000	90.00	235,483.87
EPA006	251050	EPA MONTHLY MAINTENANCE	10	10.0000	100.00	261,648.75
EPA007	251056	EPA TRADING PARTNER SETUP	1	15.0000	15.00	39,247.31
EPA010	251057	EPA FILTER MAINTENANCE	*	5.0000	0.00	0.00
EPA036	251053	EPA ACTIVITY REPORT	2	10.0000	20.00	52,329.75
<b>SUBTOTAL</b>					<b>240.00</b>	<b>627,956.99</b>
<b>ELECTRONIC TAX DEPOSIT</b>						
ETD001	25010B	PHONE INSTATAX PAYMENT	*	5.0000	0.00	0.00
ETD011	250710	INSTATAX FAXED RECEIPT	7	1.0000	7.00	18,315.41
ETD012	250710	INSTATAX MAILED RECEIPT	5	2.0000	10.00	26,164.87
ETD014	250620	INSTATAX PAYMENT DELETION	*	0.0000	0.00	0.00

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ETD020	250700	INSTATAX QUARTERLY STATEMENT	*	15.0000	0.00	0.00
ETD021	250720	INSTATAX MONTHLY STATEMENT	2	15.0000	30.00	78,494.62
ETD130	250000	WEB INSTATAX MONTHLY MAINT	45	0.0000	0.00	0.00
ETD132	25010B	WEB INSTATAX PAYMENT	132	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>47.00</b>	<b>122,974.91</b>
<b>FUNDS ADVANCED</b>						
FAD001	000200	INT ON FUNDS ADV-LDGR OD	*	0.00	0.00	0.00
FAD002	000210	INT ON FUNDS ADV-UNCOL FUNDS	*	0.00	0.00	0.00
FAD004	000299	SERVICE COMPENSATING BALANCE	*	0.00	0.00	0.00
FAD310	150341	NSF ITEMS PAID	*	35.0000	0.00	0.00
FAD311	150342	NSF ITEMS RETURNED	*	35.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>0.00</b>	<b>0.00</b>
<b>IMAGE CHECK</b>						
ICK121	101301	ICL MAINTENANCE - DIRECT SEND	1	50.0000	50.00	130,824.37
ICK122	101301	ICL ADD/I ACCT MAINT. - DIRECT	4	10.0000	40.00	104,659.50
ICK139	101321	ICL PER ITEM - DIRECT SEND	10,159	0.0100	101.59	265,808.96
ICK190	101324	ICL FILE TRANSMISSION	85	5.0000	425.00	1,112,007.17
ICK191	101324	ICL PER DEPOSIT - DIRECT SEND	100	2.5000	250.00	654,121.86
ICK221	101300	REMOTE DEPOSIT MONTHLY MAINT	6	50.0000	300.00	784,946.24
ICK222	101300	REMOTE DEPOSIT ADD'L ACCT	1	25.0000	25.00	65,412.19

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ICK222	101300	REMOTE DEPOSIT ADD'L ACCT	*	25.0000	0.00	0.00
ICK240	100220	REMOTE DEPOSIT ON US	73	0.0200	1.46	3,820.07
ICK241	10022Z	REMOTE DEPOSIT PER TRANSIT	1,005	0.0600	60.30	157,774.19
ICK291	101323	REMOTE DEPOSIT PER DEPOSIT	141	0.5000	70.50	184,462.37
<b>SUBTOTAL</b>					<b>1,323.85</b>	<b>3,463,836.92</b>
<b>CHECK IMAGE</b>						
IMG401	151350	IOD MONTHLY MAINTENANCE FEE	2	5.0000	10.00	26,164.87
IMG402	151351	IOD PER ITEM FEE	100	0.0500	5.00	13,082.44
IMG402	151351	IOD PER ITEM FEE	133	0.2500	33.25	86,998.21
<b>SUBTOTAL</b>					<b>48.25</b>	<b>126,245.52</b>
<b>INFORMATION REPORTING</b>						
INF210	400222	DIRECT TRANSMISSION ITEMS	1,492	0.0250	37.30	97,594.98
INF249	400110	DIRECT TRANSMISSION	21	2.0000	42.00	109,892.47
INF407	400052	WEB PRIOR DAY REPORT ACCOUNTS	1	10.0000	10.00	26,164.87
INF407	400052	WEB PRIOR DAY REPORT ACCOUNTS	1	10.0000	10.00	26,164.87
INF408	400052	WEB PRIOR DAY REPORT ACCOUNT	1	10.0000	10.00	26,164.87
INF408	400052	WEB PRIOR DAY REPORT ACCOUNT	9	10.0000	90.00	235,483.87
INF408	400052	WEB PRIOR DAY REPORT ACCOUNT	51	10.0000	510.00	1,334,408.60
INF411	400270	WEB PD BAL/SUM UPDATED	9,807	0.0500	490.35	1,282,994.62
INF412	400271	WEB PD TRANSACTIONS UPDATED	5,081	0.0500	254.05	664,718.64

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INF413	400273	WEB CD BAL/SUM UPDATED	4,398	0.0500	219.90	575,365.59
INF414	400274	WEB CD TRANSACTIONS UPDATED	2,645	0.0500	132.25	346,030.47
INF425	400055	WEB CURRENT DAY RPT ACCOUNTS	1	10.0000	10.00	26,164.87
INF425	400055	WEB CURRENT DAY RPT ACCOUNTS	1	10.0000	10.00	26,164.87
INF429	400055	WEB CURRENT DAY REPT ACCOUNT	1	10.0000	10.00	26,164.87
INF429	400055	WEB CURRENT DAY REPT ACCOUNT	61	10.0000	610.00	1,596,057.35
INF450	151355	IMAGE ITEM PRIOR DAY STMT	3	0.0000	0.00	0.00
INF458	401030	PRIOR DAY (COST ONLY) -2 HRS	2	0.0000	0.00	0.00
INF495	050406	WEB LBOX DETAIL RPT ACCT	1	10.0000	10.00	26,164.87
INF495	050406	WEB LBOX DETAIL RPT ACCT	1	10.0000	10.00	26,164.87
<b>SUBTOTAL</b>					<b>2,465.85</b>	<b>6,451,865.59</b>
 <b>ONLINE BUSINESS CENTER</b>						
OBC207	010823	ISSUE PASSWORD - BANK	8	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>0.00</b>	<b>0.00</b>
 <b>DEPOSITED ITEMS RETURNED</b>						
RET062	100402	DEPOSITD ITEMS RETURN-RECLEAR	11	1.0000	11.00	28,781.36
RET063	100400	DEPOSITD ITEMS RETURN-CHRGBK	25	2.2500	56.25	147,177.42
RET064	100401	ENDORSEMENT GUARANTEE/RECLEAR	*	5.0000	0.00	0.00
RET411	100416	WEB RI INQ ITMS AVL FOR INQ	36	1.5000	54.00	141,290.32

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RET470	100405	WEB RI - MONTHLY MAINTENANCE	2	2.0000	4.00	10,465.95
<b>SUBTOTAL</b>					<b>125.25</b>	<b>327,715.05</b>
<b>OFFICE CASH SERVICES</b>						
ROC015	100015	DEPOSITED CURRENCY (000's)	0.4	1.5000	0.64	1,674.55
<b>SUBTOTAL</b>					<b>0.64</b>	<b>1,674.55</b>
<b>ACH EXTRACT REPORTING</b>						
RPY607	250101	ACH CREDIT TRANSACTIONS	499	0.0200	9.98	26,112.54
RPY609	250640	ACH DEBIT TRANSACTIONS	4	0.1500	0.60	1,569.89
RPY635	250120	ADDENDA	490	0.0100	4.90	12,820.79
RPY669	250701	TRANSMISION	19	5.0000	95.00	248,566.31
<b>SUBTOTAL</b>					<b>110.48</b>	<b>289,069.53</b>
<b>TEAM STOP PAYMENTS</b>						
TSP410	150410	WEB ACCT RECON STOP PMT	123	3.0000	369.00	965,483.87
TSP418	150412	WEB STOP PAYMENT RENEWAL	940	2.0000	1,880.00	4,918,996.42
TSP420	150411	WEB ACCT RECON RANGE STOP PMT	*	15.0000	0.00	0.00
TSP450	150400	WEB STOP SINGLE INQUIRY	49	1.0000	49.00	128,207.89
TSP470	150400	WEB STOP RANGE INQUIRY	2	3.0000	6.00	15,698.92
TSP994	150410	WEB NUMBER STOP ACCOUNTS	25	0.0000	0.00	0.00
<b>SUBTOTAL</b>					<b>2,304.00</b>	<b>6,028,387.10</b>

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<b>WIRE TRANSFERS</b>						
WIR001	350300	INCOMING DOMESTIC WIRE	29	5.0000	145.00	379,390.68
WIR009	350330	INCOMING WIRE REPAIR	1	5.0000	5.00	13,082.44
WIR021	350310	INCOMING INTL USD WIRE	1	11.0000	11.00	28,781.36
WIR031	350320	INTERNAL WIRE	5	5.0000	25.00	65,412.19
<b>SUBTOTAL</b>					<b>186.00</b>	<b>486,666.67</b>
<b>WHOLETAIL LOCKBOX</b>						
WTL001	050020	MONTHLY BASE CHARGE	2	10.0000	20.00	52,329.75
WTL002	050100	ITEMS PROCESSED - SINGLES	5,267	0.0050	26.34	68,918.28
WTL016	050530	REJECTS/CORRESPONDENCE	438	0.1500	65.70	171,903.23
WTL017	050103	ITEMS PROCESSED - MULTIPLES	195	0.3000	58.50	153,064.52
WTL038	050520	OCR SCAN LINE REPAIR	17,152	0.0200	343.04	897,559.86
WTL041	050102	NON-MATCHED ITEMS	66	0.3500	23.10	60,440.86
WTL044	050400	DATA TRANSMISSION	1	10.0000	10.00	26,164.87
WTL045	050401	DATA TRANSMISSION/MEDIA	5,267	0.0050	26.34	68,918.28
WTL067	050131	PAYEE VERIFICATION	5,267	0.0000	0.00	0.00
WTL071	050022	POSTAL BOX RENTAL	*	252.0000	252.00	659,354.84
WTL080	050300	LOCKBOX DEPOSIT	21	1.0000	21.00	54,946.24
WTL089	05013B	CASH DEPOSIT	*	12.5000	0.00	0.00
WTL105	05042Z	IMAGE DELIVERY MO MAINT	2	10.0000	20.00	52,329.75

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WTL106	050620	EXTENDED IMAGE ARCHIVE - 7 YR	5,267	0.0000	0.00	0.00
WTL107	050405	CD-ROM PRODUCED	1	10.0000	10.00	26,164.87
WTL109	050142	CHECK IMAGE	5,267	0.0300	158.01	413,431.18
WTL111	050144	DOCUMENT IMAGE	5,919	0.0300	177.57	464,609.68
WTL113	050424	IMAGE ACCESS	192	0.0300	5.76	15,070.97
<b>SUBTOTAL</b>					<b>1,217.36</b>	<b>3,185,207.17</b>
<b>ELECTRONIC WIRE TRANSFER</b>						
WTM436	350120	ACCT TRANSFER END-OF-DAY/WEB	86	2.5000	215.00	562,544.80
WTM442	350000	WIRE TRANSFER MONTHLY FEE/WEB	1	10.0000	10.00	26,164.87
WTM443	350100	OUTG DOM WIRE - WEB	51	4.0000	204.00	533,763.44
WTM445	350110	OUTG INTL USD WIRE - WEB	3	20.0000	60.00	156,989.25
WTM447	350120	INTERNAL BOOK TRANSFER - WEB	5	4.0000	20.00	52,329.75
<b>SUBTOTAL</b>					<b>509.00</b>	<b>1,331,792.11</b>
<b>ZERO BALANCE ACCOUNTS</b>						
ZBA001	010020	CONCENTRATION ACCOUNT	1	10.0000	10.00	26,164.87
ZBA200	010021	MULTI-LEVEL SUBSIDIARIES	10	2.5000	25.00	65,412.19
ZBA200	010021	MULTI-LEVEL SUBSIDIARIES	51	2.5000	127.50	333,602.15
<b>SUBTOTAL</b>					<b>162.50</b>	<b>425,179.21</b>
<b>MONTHLY SERVICE TOTAL</b>					<b>18,053.90</b>	<b>47,237,802.87</b>

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<b>SETUP AND ONE-TIME FEES</b>						
RPY606	250000	MONTHLY BASE FEE	2	50.0000	100.00	261,648.75
WTL069	050800	PROGRAMMING	6	75.0000	450.00	1,177,419.35
<b>SETUP AND ONE-TIME FEES TOTAL</b>					<b>550.00</b>	<b>1,439,068.10</b>

This Pro Forma Account Analysis is an estimate based on assumptions about the services and volumes that will be used. Every effort has been made to provide an accurate estimate, but actual usage may vary and cause the results to differ. We reserve the right to bill for services that are not included in the above estimate if the applicable services are implemented by the bank and utilized by you.