

AGENDA ITEM 1 I
Consent Item

MEMORANDUM

DATE: March 5, 2020

TO: El Dorado County Transit Authority

FROM: Julie Petersen, Finance Manager

SUBJECT: Commercial Credit Card Agreement with UMPQUA BANK and participation in the California Special District Association (CSDA) Purchasing Card Rebate Program

REQUESTED ACTION:
BY MOTION,

1. Adopt Resolution No. 20-08 approving a new Commercial Credit Card Agreement with UMPQUA BANK (UMPQUA) and participation in the California Special District Association (CSDA) Purchasing Card Rebate Program
2. Authorize Executive Director to execute all documents necessary for participation

BACKGROUND

In 2004 the El Dorado County Transit Authority (El Dorado Transit) began the practice of issuing agency credit cards to designated employees for purchases related to travel, staff development, training, supplies and other work-related charges.

Credit cards are issued to the Executive Director, Operations Manager, Human Resources Manager, Planning and Marketing Manager and the Administrative Coordinator. Charges are reconciled each month and expensed into the proper general ledger account. In accordance with adopted policies and procedures, any unauthorized charges or charges for which receipts are not produced become the personal responsibility of the card holder.

DISCUSSION

In 2019, El Dorado Transit staff inquired into changes needed to the current agency credit card account due to turnover of the Executive Director position. At that time, staff was informed by UMPQUA that a commercial credit card account option and rebate program was available to El Dorado Transit as an existing member of the CSDA. Under the terms of the CSDA program, El Dorado Transit will be eligible for a rebate of 1% on all annual commercial card purchases exceeding \$1.00.

Staff recommends adoption of the attached Resolution No. 20-08 approving a new Commercial Credit Card Agreement with UMPQUA BANK and authorizing participation in the (CSDA) Purchasing Card Rebate Program. Once the new commercial account has been fully activated with new cards issued, the old account will be closed.

The standard UMPQUA Commercial Card Account Agreement and UMPQUA/CSDA Commercial Card Rebate Agreement are attached for reference.

FISCAL IMPACT

Credit cards are a mechanism for payment only. All expenses associated with credit card charges are recognized within approved budget categories.

**EL DORADO COUNTY TRANSIT AUTHORITY
RESOLUTION NO. 20-08**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EL DORADO COUNTY TRANSIT
AUTHORITY AUTHORIZING AGREEMENT WITH UMPQUA BANK TO PARTICIPATE IN
THE CSDA DISTRICT PURCHASING CARD PROGRAM**

WHEREAS, Credit cards and purchasing cards are mechanisms for purchasing goods and services for the convenience of the El Dorado County Transit Authority (El Dorado Transit) and

WHEREAS, the California Special Districts Association (CSDA) has negotiated with Umpqua Bank to provide a Purchasing Card Program for vendor payments, purchasing, travel or fleet transactions, and

WHEREAS, the CSDA District Purchasing Card Program is available to members of the CSDA and El Dorado Transit is a member of the CSDA; and

WHEREAS, the Program requires an application for credit approval, a resolution by the El Dorado Transit Governing Board, and El Dorado Transit policy and procedures regarding the use of the credit cards; and

WHEREAS, El Dorado Transit has a Standard Practice of procedures for using credit cards as required by the Program,

NOW THEREFORE BE IT RESOLVED, that the Governing Board of El Dorado Transit directs the following actions:

- a. Authorize participation with Umpqua Bank in the CSDA District Purchasing Card program
- b. Authorize the application to the Program for credit cards or purchasing cards.
- c. Authorize the Executive Director to execute any necessary agreements
- d. Authorize Julie Petersen, Finance Manager, to add new participants or cancel former employees.

BE IT FURTHER RESOLVED, that this Resolution shall be effective March 5, 2020 upon adoption.

PASSED AND ADOPTED BY THE GOVERNING BOARD OF THE EL DORADO COUNTY TRANSIT AUTHORITY at the regular meeting of said Board held on the 5th day of March 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

John Hidahl, Chairperson

ATTEST:

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

Megan Wilcher, Secretary to the Board

Michael Tucker, Legal Counsel



This Commercial Card Account Agreement ("Account Agreement" or "Agreement") sets forth the terms of the Umpqua Bank Commercial Card

Account ("Account") for _____ and entered into effective as of _____, 20____ (the "Effective Date"). Your Commercial Card Account has been opened in the name of Company pursuant to the credit application submitted by Company to Umpqua Bank. All extensions of credit in connection with your Commercial Card Account are being made by Umpqua Bank ("Umpqua").

1. **Definitions.** In this Account Agreement the following definitions shall apply:

"Account" means each individual credit card account established in connection with a Commercial Card and for which Company is fully liable under the Commercial Card Account in accordance with this Account Agreement.

"Annual Percentage Rate" or "APR" means an annualized rate of Finance Charge, as determined by us.

"Authorized Officer" means the individual(s) who signed Company credit application and this Account Agreement on behalf of Company.

"Cash Advance" means a Transaction to obtain a cash loan from Umpqua or other financial institution that accepts the Commercial Card (whether through an ATM, a teller at a branch, or otherwise) and/or a loan from Umpqua through your use of any checks or drafts Umpqua may provide for drawing funds from Umpqua to be posted as Cash Advances on your Commercial Card Account (any surcharges charged by any owner or operator of any ATM, or by Umpqua, or by any other bank with respect to the Cash Advance will be deemed a part of the Cash Advance).

"Commercial Card" means each Visa® credit card that is issued to a Commercial Cardholder under your Commercial Card Account and this Account Agreement.

"Commercial Cardholder" means a Company employee who is designated by Company to receive a Commercial Card and who is approved to use such Commercial Card to effect Transactions during the term of this Account Agreement.

"Commercial Cardholder Agreement" means the Commercial Credit Cardholder Agreement that applies to each Account and whose terms bind a Commercial Cardholder.

"Company" means the corporation, limited liability company, partnership, proprietorship, or other entity that opened the Commercial Card Account with Umpqua pursuant to which Commercial Cards will be issued.

"Finance Charge" means any charge to an Account by Umpqua that is calculated and assessed in accordance with this Account Agreement or a Commercial Cardholder Agreement.

"Initial Term" means the period commencing on the Effective Date and continuing for a period of _____

"Note" means any promissory note or other agreement, including this Account Agreement, for the extension of credit entered into between Lender and Borrower. "Purchase" means a Transaction made to purchase or lease goods or services, or pay amounts you or any Commercial Cardholder owes (excluding Cash Advances).

"Periodic Statement" is a written record of the account activity (purchases, payments, fees, etc.) supplied to you by Umpqua on a monthly basis or at set intervals such as weekly or bi-weekly. Also called a "Billing Statement."

"Renewal Term" means each one-year renewal period following the Initial Term.

"Transaction" means any Account activity that has a debit value.

The words "we", "us", and "our" refer to Umpqua Bank ("Umpqua"). The words "Borrower", "you", and "your" refer to Company.

2. **Acceptance of this Account Agreement.** Your Authorized Officer's signing of the credit application, Commercial Card or use of Commercial Card or Commercial Card Account confirms your acceptance to be bound by this Account Agreement, as well as any other agreements, disclosures, rules, or notices relating to the Commercial Cards and/or the Commercial Card Account as may be posted on Umpqua's website or otherwise made available to you and as amended from time to time. You represent and warrant that (a) you have all necessary corporate or applicable organizational authority and have taken all action necessary to enter into this Account Agreement and to perform your obligations hereunder, (b) this Account Agreement has been duly executed and delivered by you and is a legal, valid, and binding obligation, enforceable against you in accordance with the terms hereof, and (c) the Authorized Officer signing is duly authorized to execute and deliver this Account Agreement on your behalf.
3. **Ownership of Commercial Cards.** Each Commercial Card remains the property of Umpqua. Umpqua can revoke your and/or any Commercial Cardholder's right to use the Commercial Card Account at any time. Umpqua can do this with or without cause and without giving you or the applicable Commercial Cardholder notice. You and/or your Commercial Cardholders must immediately surrender Commercial Cards to Umpqua upon request.
4. **Program Administration.** Company shall designate in writing to us a Program Administrator to actively manage the Commercial Card Account on your behalf. If not specifically designated by Company, the Program Administrator shall be the first Authorized Officer listed in the signature block of Company's credit application. You agree and acknowledge that such Program Administrator is duly authorized by you to act on your behalf with respect to the Commercial Card Account, and that we may rely on all directions and information we receive from Program Administrator regarding the Commercial Card Account, including issuance of Commercial Cards to your employees. The Program Administrator's responsibilities shall include:
 - (a) Conducting Commercial Account maintenance;



- (b) Collecting Commercial Card request forms, ensuring proper authorization, and facilitating new Commercial Card orders;
 - (c) Communicating Company policy to all Commercial Cardholders that restricts the use of the Commercial Card to business purposes only;
 - (d) Accessing and monitoring Commercial Card Account spending reports;
 - (e) Regularly auditing Company's expense management program to ensure compliance with Company policies;
 - (f) Maintaining internal Company Commercial Card Account forms, policies, procedures, approved and prohibited usage guidelines, web site details and training materials;
 - (g) Maintaining hierarchical approval of all Purchases;
 - (h) Being familiar with all aspects of the Commercial Card Account and each Commercial Card;
 - (i) Handling all Company and Commercial Cardholder inquiries and billing disputes, credit line increase requests, and other requests and notices under this Account Agreement;
 - (j) Upon request, providing us with such information and documentation as we may deem necessary to protect our interests; and
 - (k) Promptly advising us of any termination of any Commercial Cardholder employment relationships with Company and, upon such termination, collect, cut in half and return to us the associated Commercial Card(s)
 - (l) Immediately notifying us by phone and in writing of any reported or suspected unauthorized use of or access to any Commercial Card or the Commercial Card Account.
5. **Scope of Commercial Card Program.** This Account Agreement shall apply to Cash Advances and Purchases by Company, its subsidiaries, divisions, or affiliates as approved by Umpqua, and Commercial Cardholders. Umpqua is a card-issuing member of Visa®, USA, Inc. and Visa® International and may issue credit cards and establish credit card accounts to designated employees of Company as set forth in this Account Agreement. Company will designate employees who are to receive Commercial Cards and become Commercial Cardholders, and unless Umpqua notifies Company to the contrary, Umpqua will issue Commercial Cards to such employees. Unless Umpqua notifies Company to the contrary, or a Commercial Card has been terminated as provided herein, all Commercial Cards will expire upon termination of this Account Agreement. Umpqua may elect in its sole discretion not to issue a Commercial Card to an employee that Company wishes to receive such Commercial Card. Any or all charging privileges may also be withdrawn with or without cause at any time with or without notice.
6. **Use of Commercial Card Account.** You and your Commercial Cardholders may use your Commercial Card Account for Purchases and Cash Advances, wherever the Commercial Card is honored. You agree not to use, and agree that your Commercial Cardholders will not use, your Commercial Card Account for any transaction that is primarily for personal, family or household purposes. You agree to accept credits to the Commercial Card Account instead of cash refunds when the original Purchase was charged to the Commercial Card Account. You agree not to use, and agree that your Commercial Cardholders will not use, the Commercial Card Account for any illegal transactions. You acknowledge that Umpqua provides the Commercial Cards as an accommodation party only and, except as otherwise expressly provided by law or herein, Umpqua is not responsible for the manner in which the Commercial Cards are used.
7. **Refusal to Honor Commercial Card.** Umpqua will not be responsible for a merchant's or financial institution's refusal to honor the Commercial Card. Umpqua also reserves the right to deny authorization of any Purchase or Cash Advance. Except as otherwise required by applicable law or regulation, we will not be responsible for merchandise or services purchased or leased through use of any Commercial Card or the Commercial Card Account.
8. **Obligations on the Commercial Card Account.** You authorize us to pay and charge the Commercial Card Account for all Purchases and Cash Advances made or obtained by any Commercial Cardholder or anyone you authorize to use a Commercial Card or the Commercial Card Account. You promise to pay us for all of these Transactions, plus any related Finance Charges assessed on the Commercial Card Account and any other charges and fees that you may owe us under the terms of this Account Agreement or that your Commercial Cardholders may owe us under the terms of the applicable Commercial Cardholder Agreement. Company will be obligated to pay Transactions posted to the Commercial Card Account whether resulting from (a) actual use of a Commercial Card, (b) mail order or telephone, computer or other electronic Purchases made without presenting the Commercial Card, or (c) any other circumstance where you authorize a Transaction, or authorize someone else to effect a Transaction, to the Commercial Card Account.
9. **Statements.** We will send each Commercial Cardholder a statement at the end of each billing cycle in which the Commercial Cardholder's Account reflects a debit or credit balance (i.e., the total amount of Transactions, Finance Charges and other charges (including, without limitation, any fees) and amounts due under the Commercial Cardholder Agreement, net of any payments and credits, as shown on a Commercial Cardholder's Periodic Billing Statement (such amount for each Commercial Cardholder's Account, the "New Balance") or if a Finance Charge has been imposed. An electronic statement may be made available in substitution of a paper statement upon request. Among other things, the Periodic Statement will: itemize Transactions, credits and adjustments; show any Finance Charge; and, set forth the New Balance, the credit limit, available credit, and the date on which the New Balance is due and payable in full ("Payment Due Date").
10. **Payments. Individual Billing.** If you select individual billing, we will bill each Commercial Cardholder for such Commercial Cardholder's New Balance (as the term "New Balance" is defined in the Commercial Cardholder Agreement), which amount is due in full, on or before the Payment Due Date. Notwithstanding individual billing, you are responsible for full payment of the New Balance on each Commercial Cardholder's Account on or prior to the Payment Due Date, independent of any agreement or program for reimbursement that may exist between you and your employee and independent of any attempts of Umpqua to bill or collect the New Balance from such Commercial Cardholder. All payments must be made in U.S. dollars. Any payment made by check or other item must be drawn on a financial institution located in the United States. The account payment must be sent to Umpqua at the address shown on your Periodic Statement.



Central Billing. If you select central billing, we will bill you for all New Balances regarding all Commercial Cards under Company's Commercial Card Account, and we will send Commercial Cardholders billing statements showing their New Balances as memorandum items only. You will pay Umpqua directly the total amount of all Commercial Cardholders' New Balances, as shown on your Periodic Statement.

General Terms for Both Billing Methods. You agree not to deduct or withhold, without our prior written approval, any amount shown as due on a Billing Statement. Acceptance of late payments, partial payments or any payment marked as being payment in full or as being a settlement of a dispute will not effect any of our rights to payment in full. You agree that payment terms set forth herein supersede any agreement with regard to payment terms established between you or any Commercial Cardholder and the seller of goods or services or any payment terms that might be imputed to you or any Commercial Cardholder and the seller under applicable law for goods or services purchased using Commercial Cards. Subject to any mandatory provisions of applicable law, all payments made on the Commercial Card Account will be applied to your balances in the Commercial Card Account in the manner we determine. In general, we apply payments to lower APR balances before higher APR balances, which means, among other things, your finance charges will increase if you make transactions that are subject to higher APRs. If payment does not conform to the requirements stated above, crediting of the Commercial Card Account may be delayed. If this happens, additional charges may be imposed.

11. **Cash Advances.** If you consent, a Commercial Cardholder may be able to use the Commercial Card to obtain Cash Advances.
12. **Finance Charges.** Finance Charges begin on the date of the Transaction, or the first day of the Commercial Cardholder's billing cycle in which the Transaction is posted, whichever is later. However, Finance Charges will be imposed on Purchases only if the entire New Balance, as shown on the Commercial Cardholder's Billing Statement, is not paid in full on or before the Payment Due Date. The Annual Percentage Rates for Cash Advances and Purchases are described below. In each case, the periodic rate is calculated by dividing the APR by the total number of days in the calendar year (i.e., 365 or 366).

We figure a portion of the Finance Charge on Cash Advances by applying the periodic rate to the "average daily balance" of Cash Advances (including current transactions). To get the "average daily balance" we take the beginning balance of your Cash Advances each day (which such beginning balance includes any past due Finance Charges on Cash Advances), add any new Cash Advances, and subtract any applicable payments or credits. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

The **Annual Percentage Rate** for Cash Advances is currently **23.99%** Depending on qualifications, other rates for Cash Advances may apply or be available and notice thereof will be provided to you or the cardholder. The minimum **Finance Charge** on your combined Cash Advance and Purchase balance is **\$1.00**.

We figure a portion of the Finance Charge on Purchases by applying the periodic rate to the "average daily balance" of your Purchases (excluding current transactions). To get the "average daily balance" we take the beginning balance of your Purchases each day (which such beginning balance includes any Finance Charges on Purchases), and subtract any applicable payments or credits. We do not add in any new Purchases. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

The **Annual Percentage Rate** for Purchases is 21.99%. Depending on qualifications, rates other than the standard APR for Purchases may apply or be available and notice thereof will be provided to you or the Commercial Cardholder. The minimum **Finance Charge** on your combined Purchase and Cash Advance balance is **\$1.00**.

If we have "special" Finance Charge offers in effect from time to time, we will separately identify them on your Periodic Statement and separately disclose on your Periodic Statement the balances to which the special offers apply. These separate balances and the related periodic Finance Charges will be calculated in the same manner as Purchases described above. Any such special Finance Charge arrangements may be forfeited if you or Company breach, or are in default under, this Account Agreement or any other agreement governing use of the Commercial Card Account, in which case the above described APRs may apply.

13. **Foreign Currency Transactions.** Transactions in foreign currencies will be converted to U.S. Dollars at the exchange rate determined by Visa® USA, Inc. or its affiliates ("Visa®"), using Visa® currency conversion procedures. Currently, the currency conversion rate is generally either wholesale market rate or a government-mandated rate in effect for the date of conversion, determined by Visa® in its sole discretion. The currency conversion rate used on the conversion date may differ from the rate in effect on the date you used your Card. A conversion international transaction charge will be charged to the Card. In addition, an International Transaction Fee will be charged if such transaction was in U.S. Dollars but charged by a merchant who is outside of the U.S. in the amount set forth in the Pricing Information located on the final page of this agreement.
14. **Other Charges.** In addition to any Finance Charge, the following other charges will be applicable to each Account:
 - (a) **Late Fee.** If we do not receive payment by the Payment Due Date shown on the Commercial Cardholder's Billing Statement, we may charge a late payment fee in the amount set forth in the Pricing Information located on the final page of this agreement. For the avoidance of doubt, this late payment fee applies each time a Commercial Cardholder's New Balance is not paid by the Payment Due Date.
 - (b) **Return Check Fee.** If a bank does not honor the check or ACH withdrawal used to pay amounts owing under a Commercial Cardholder Agreement or we must return a check because it is not signed or is otherwise irregular, we may charge a return check fee in the amount set forth in the Pricing Information located on the final page of this agreement. For the avoidance of doubt, this return check fee applies to each Account for which a bank does not honor the check or ACH withdrawal used or for which we must return a check.
 - (c) **Payment by Phone Fee.** We may charge a fee if you or a Commercial Cardholder make a payment through a phone call to us in the



amount set forth in the Pricing Information located on the final page of this agreement.

We may change the Pricing Information from time to time (through disclosures posted on Umpqua's website or otherwise made available to you).

When a Commercial Cardholder uses an ATM not owned by us, there may be a fee charged by the ATM operator, Umpqua or by any network used to complete a transaction, and/or a fee may be charged for a balance inquiry (even if any other transaction is not completed).

Unless otherwise arranged between us, any late, return check, or payment by phone will be added to the Commercial Cardholder's Purchase balance and be treated as a Purchase.

15. **Default.** You will be in default if:

- (1) you fail to comply with this Account Agreement or a Commercial Cardholder fails to comply with the Commercial Cardholder Agreement,
- (2) you fail to meet any of your other obligations to us, howsoever arising (i.e., whether related or unrelated to this Account Agreement or your Commercial Card Account), including, but not limited to any other obligations you have to Umpqua, as Borrower or Guarantor, under any note, account agreement, guaranty, business loan agreement, commercial security agreement, deed of trust or other similar loan documents,
- (3) a petition for bankruptcy, insolvency, receivership, or similar protection is filed by or against Company or any Commercial Cardholder,
- (4) in any period, we do not receive the amount due by the Payment Due Date regarding any Commercial Card,
- (5) any Commercial Cardholder exceeds his or her credit line or Company's overall credit line is exceeded,
- (6) Company is dissolved, consolidated or merged, or a change in control of the ownership of Company or any of its affiliates occurs,
- (7) any Guarantor of this Account Agreement becomes insolvent, dies or becomes incompetent, or revokes or disputes the validity of, or liability under any guaranty of indebtedness that includes this Account Agreement,
- (8) any Guarantor of this Account Agreement fails to comply with any term, obligation, covenant or condition contained in its guaranty,
- (9) or we believe in good faith that the payment or performance of your or any Commercial Cardholder's obligations to us is impaired for any reason.

If you or any Commercial Cardholder is in default, Umpqua may, at its option, restrict some or all further Commercial Card Account activity. Umpqua may also, at its option, demand immediate payment of the full balance and take any available legal action. If you are in default and fail to pay any amount that you owe, then you will be liable for Umpqua's collection costs and, if the claim is referred to an attorney for collection, then you will be liable for any reasonable attorney fees which are incurred, plus the costs and expenses of legal action. Nothing herein shall limit our right to terminate any or all of your Commercial Card Account privileges as otherwise provided in this Account Agreement. We will not be obligated to honor any attempted use of any Commercial Card if a default has occurred regarding such Commercial Card or regarding Company's Commercial Card Account or if we have decided to suspend or terminate the Commercial Card or the Commercial Card Account privileges.

16. **Liability.** Company shall be liable for all Purchases, fees, Cash Advances and other charges incurred or arising by virtue of the use of Commercial Card Account whether or not authorized. The Program Administrator shall notify Umpqua by telephone (with written confirmation) of the termination of employment of any Commercial Cardholder or any lost or stolen Commercial Card. Based upon Standard Industry Classifications ("SIC") or Visa® Merchant Category Codes ("MCC") and as agreed to by Company, Umpqua shall consider requests to establish charge authorization procedures in order to cause certain transactions to be refused or denied. Umpqua may monitor transaction activity in order to assist Company in detecting transactions which are outside of usage procedures established by Company or Authorized Officer; provided, Company will bear any incremental costs borne by Umpqua to monitor transaction activity and assist Company in detecting such transactions, including allocated cost of personnel needed to administer such functions, and provided that Umpqua shall have no liability regarding any alleged failure on its part to detect any detecting transactions which are outside of usage procedures established by Company or otherwise unauthorized or improper.

17. **Billing Disputes.** Disputes regarding charges or billings hereunder shall be communicated in writing to Umpqua at the address indicated in paragraph 'Notice and Communication. Be advised that oral communications with us regarding disputed charges or billings may not preserve your rights. Communications should include the Commercial Cardholder name and Account number, the dollar amount of any dispute or suspected error, the reference number and a description of the dispute or error. Any communication regarding a dispute or suspected error must be received by Umpqua within sixty (60) days of the date of the statement on which the disputed or incorrect charge first appeared or you will be deemed to have accepted them and waived any objection to them. Disputed billings are categorized as, but not necessarily limited to, failure to receive goods or services charged, fraud, forgery, altered charges, unauthorized charges, disputes as to the quantity or quality of goods or services purchased with a Commercial Card, and billing errors on your Periodic Statement. Umpqua will investigate disputes and billing errors, and may, in its sole discretion, attempt to facilitate their resolution or correction, but it will not be responsible for resolving or correcting them.

18. **Notice and Communication.** We will send statements and any other notices to Company at the address shown in our files. Our notice may



refer you to a link on our website, in which case you hereby agree to access such link and read the content on the webpage to which it directs you, or else contact us to receive a hardcopy of such notification and then read it. Company agrees to inform us promptly in writing of any change in address. We may, in our discretion, accept address corrections from the United States Postal Service. All notices, requests and other communication from Company to Umpqua must be directed to: Umpqua Bank, Credit Card Department, PO Box 1952 Spokane, WA 99210-1952, or by calling us at 1-866-777-9013. If you have a dispute with us, please be advised that contacting us verbally may not preserve your rights.

19. **Internet Access and Account Information.** Umpqua may permit you to access certain information regarding your Commercial Card Account via the Internet and may provide certain advance reporting regarding your Commercial Card Account. Such Internet access and advance reporting may be subject to additional terms and conditions that will be displayed upon initial login, and you hereby agree to be bound thereby. Umpqua may, in its sole and absolute discretion, at any time and without prior notice, discontinue providing you with Internet access and/or such advance reporting or elect to assess certain fees (or increase such fees) in connection with providing such access or such advance reporting. UMPQUA SPECIFICALLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, ARISING OUT OF OR RELATED TO ANY INTERNET ACCESS OR ADVANCE REPORTING PROVIDED TO YOU (REGARDLESS OF WHETHER ANY FEE IS ASSESSED), INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT. ANY INTERNET ACCESS AND/OR ADVANCE REPORTING IS PROVIDED "AS IS," "WHERE IS" AND WITHOUT RECOURSE TO UMPQUA. If Umpqua elects to provide you with access to certain information regarding your Commercial Card Account via the Internet or provides any advance reporting regarding your Commercial Card Account, you will be responsible for any configuration, system programming, or other compatibility issues associated with obtaining such access or receiving or utilizing such reports, and Company agrees to accept full liability for any changes made to the Commercial Card Account using these internet services.
20. **Proprietary Information.** Umpqua considers the Commercial Card program to be a unique service involving Umpqua's proprietary information. Company agrees that Commercial Card program reports, manuals, documentation (including, without limitation, this Account Agreement) and related materials will not be used or disclosed other than as necessary to participate in the Commercial Card program, and to take reasonable steps to safeguard the confidentiality of such proprietary information.
21. **Renewal; Termination.**
- (a) Following the expiration of the Initial Term, this Account Agreement will automatically renew for successive Renewal Terms unless either Party provides notice of non-renewal at least ninety (90) days prior to the end of the then-current term or unless earlier terminated pursuant to Section 21.
 - (b) At any time without cause, either party may terminate this Account Agreement with 90 days prior written notice; provided, however, that if Company terminates this Account Agreement pursuant to this Section 21(b), Company shall pay an amount equal to (i) \$5,000 if terminated during the first six months of the Initial Term or \$2,500 if terminated during the sixth through eighteenth month of the Initial Term, plus (ii) a pro rata (based on the number of months remaining in the Initial Term at termination divided by the total number of months in the Initial Term) portion of any signing bonus, incentive or rebate provided to Company upon commencement of this Account Agreement.
 - (c) Umpqua may immediately terminate this Account Agreement if Company fails to pay any amount due hereunder, is in default or otherwise breaches any of its obligations hereunder.
 - (d) All Commercial Cards and related Accounts shall be deemed canceled effective upon termination of this Account Agreement.
- Upon termination of this Account Agreement, Company shall instruct all Commercial Cardholders to return all Commercial Cards, cut in half, to Company, and Company shall thereafter be responsible for returning all Commercial Cards to Umpqua. Company and the Commercial Cardholders shall remain liable for all purchases, fees and other charges incurred or arising by virtue of the use of a Commercial Card prior to the termination date.
- Umpqua shall have the right to suspend all services and its obligations under this Account Agreement in the event that the amount due from Company, as the result of Purchases, fees, Cash Advances and other such charges, exceeds the credit limit established by Umpqua.
- Upon the termination of this Account Agreement, all amounts outstanding on the Commercial Card Account shall be immediately due and payable, without further demand or notice.
- The provisions of this Account Agreement shall survive termination of this Account Agreement as their context may naturally dictate.
- Notwithstanding the foregoing or any other provision in this Account Agreement, we may limit, suspend, or terminate your privileges under this Account Agreement or the privileges of any Commercial Cardholder under a Commercial Cardholder Agreement (and list the Commercial Card and the Commercial Card Account in warning directories) at any time without notice or liability.
22. **Credit Worthiness.** Umpqua reserves the right to:
- (a) Determine the creditworthiness of Company periodically by obtaining financial statements from Company;
 - (b) Request a guaranty of payment, pledge of collateral, or other similar security from Company or its subsidiaries or affiliates based on the review of Company financial statements;
 - (c) Approve or decline the issuance, renewal, or replacement of a Commercial Card to any person at our sole discretion;
 - (d) Cancel, suspend or limit spending on any Commercial Card at any time for any reason or no reason, subject to the notice requirements set forth in the Termination section of this Account Agreement.



23. **Warranties.** Company warrants that:

- (a) This Account Agreement constitutes a valid, binding and enforceable agreement of Company;
- (b) The execution of this Account Agreement and the performance of its obligations under this Account Agreement are within Company's powers; have been duly authorized by all necessary action; and do not constitute a breach of any agreement of Company with any party;
- (c) The execution of this Account Agreement and the performance of its obligations under this Account Agreement will not cause a breach by it of any duty arising in law or equity or otherwise; and
- (d) Company is solvent and possesses the financial capacity to perform all of its obligations under this Account Agreement.

Failure of any of the above representations and warranties to be true and correct in all respects during the term of this Account Agreement shall constitute a breach of this Account Agreement, and Umpqua will have the right, upon notice to Company, to immediately terminate this Account Agreement and all amounts outstanding hereunder shall be immediately due and payable, without further demand or notice.

24. **Collateral.** This Account Agreement shall be secured by any and all personal property that you have granted to Umpqua under any security agreement securing other Notes from you to Umpqua, except for titled vehicle. However, in no event shall the obligations of the Company under this Account Agreement be secured by real property of any cross-collateralization provision to the contrary in any commercial loan documents between Company and Umpqua.

25. **Financial Information.** Umpqua may elect to defer to Financial Information contained within an active Commercial Borrowing Agreement between the Company and Umpqua. If Company does not have an existing Commercial Borrowing Agreement with Umpqua, then Company shall deliver to Umpqua as soon as available, and in any event not later than One hundred and twenty (120) days after the end of each fiscal year of Company, Company's audited financial statements prepared by independent certified public accountants selected by Company. If audited financials are not available, bank at its sole discretion, may accept reviewed or prepared financial statements. Company further agree to provide to Umpqua from time-to-time, such other information regarding the financial condition of Company as Umpqua may reasonable request. You hereby authorize Umpqua to request credit reports in connection with the issuance and use of the Commercial Cards. Information concerning your credit history with Umpqua may be furnished to consumer reporting agencies or others who may properly receive that information.

26. **Unauthorized Transactions.** We assume no responsibility to discover or audit any possible breach of security or unauthorized disclosure or use of any Commercial Cards or PINs. You will promptly notify us of any actual or suspected breach of security or unauthorized activity involving the Commercial Cards or the Commercial Card Account (whether or not involving your employees). Company must establish, maintain, and follow commercially reasonable security procedures regarding the Commercial Cards and Commercial Card Account.

27. **Trademarks.** Company and Umpqua each recognize that they have no right, title or interest, proprietary or otherwise, in or to the name or any logo, copyright, service mark or trademark owned or licensed by the other party. Company and Umpqua each agree that, without prior written consent of the other party, they will not use the name or any name, logo, copyright, service mark or trademark owned or licensed by the other party.

28. **Amendment.** We can amend this Account Agreement at any time upon notice. Subject to the requirements of applicable law, any amendments to this Account Agreement will become effective at the time stated in our notice and unless we specify otherwise, the amended terms of this Account Agreement will apply to all outstanding unpaid indebtedness in the Commercial Card Account relating to your Commercial Card usage as well as new transactions. Use of any Commercial Card by a Commercial Cardholder after the effective date of the change constitutes acceptance of the change. You shall have no right to amend this Account Agreement.

29. **Interpretation.** The section headings shall in no way be held to explain, modify, or aid in the interpretation of the provisions hereof. Wherever possible, each provision will be interpreted in a manner as to be valid, legal, and enforceable under applicable law. If any provision is declared invalid, illegal, or unenforceable in any jurisdiction, it shall be modified to render it valid, legal, and enforceable in the manner that best advances the spirit of this Account Agreement and/or such provision shall be deemed deleted, as the subject court or arbitrator(s) shall determine, and the remaining provisions will continue in full force and effect in the subject jurisdiction. The rule of construing ambiguities against the drafter shall not apply.

30. **Non-Waiver.** We can accept late payments, partial payments, checks and money orders marked "Paid in Full" or similar language purporting to have the same effect without losing or in any way impairing any of our rights. We can also delay enforcing our rights for any length of time and for any number of times without losing or in any way impairing those or any other of our rights. The fact that we may at any time honor a Purchase or Cash Advance in excess of a credit line does not obligate us to do so again, nor does it waive any of our rights or remedies regarding any breach of this Account Agreement. Without limiting the foregoing, the delay or failure of Umpqua to exercise any right, power or option, or to insist upon strict compliance with any term of this Account Agreement, shall not constitute a waiver of that or any other right, power, option, or term of this Account Agreement, nor a waiver of that or any other breach thereof, nor a waiver of our right at any time thereafter to require strict compliance with that or any other term hereof. No waiver shall be effective against Umpqua unless it is expressly stated in a writing signed by Umpqua.

31. **Survivability of Payment Obligations, Rights and Remedies.** The obligation of Company to make payments as herein set forth, shall continue until fully performed. Rights, obligations or liabilities which arise prior to the suspension or termination of this Account Agreement shall survive the suspension or termination of this Account Agreement, including any rights Company or Umpqua may have with respect to each other arising out of either party's performance of services or obligations prior to the expiration or termination of this Account Agreement.



32. **DISCLAIMER.** UMPQUA MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE SERVICES PROVIDED TO COMPANY OR ANY COMMERCIAL CARDHOLDER WITH RESPECT TO THIS ACCOUNT AGREEMENT OR ANY COMMERCIAL CARDHOLDER AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT. All UMPQUA SERVICES ARE PROVIDED "AS IS," "WHERE IS" AND WITHOUT RECOURSE TO UMPQUA.
33. **LIMITATION OF LIABILITY.** TO THE EXTENT SUCH LIMITATION OF LIABILITY IS PERMITTED BY LAW, (I) UMPQUA WILL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES OR LOSSES, WHETHER OR NOT FORESEEABLE, (II) UMPQUA WILL NOT BE LIABLE FOR ANY LOSS OR DAMAGE ARISING DIRECTLY OR INDIRECTLY FROM OR IN CONNECTION WITH ANY INACCURACY, ACT OR FAILURE TO ACT ON THE PART OF ANY PERSON NOT WITHIN OUR REASONABLE CONTROL, OR ANY ERROR, FAILURE, OR DELAY IN EXECUTION OF ANY TRANSACTION RESULTING FROM CIRCUMSTANCES BEYOND OUR REASONABLE CONTROL, INCLUDING, BUT NOT LIMITED TO, ANY INOPERABILITY OF COMMUNICATIONS FACILITIES OR OTHER TECHNOLOGICAL FAILURE, AND (III) UMPQUA WILL NOT BE LIABLE FOR ANYTHING EXCEPT FOR ITS OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. PROVIDED WE HAVE COMPLIED WITH OUR OBLIGATIONS UNDER THIS ACCOUNT AGREEMENT, AND SUBJECT TO APPLICABLE LAW, COMPANY AGREES TO INDEMNIFY, DEFEND, AND HOLD UMPQUA HARMLESS AGAINST ANY THIRD PARTY CLAIM ARISING FROM, OR IN CONNECTION WITH, DIRECTLY OR INDIRECTLY, ANY USE OF ANY COMMERCIAL CARD, THE COMMERCIAL CARD ACCOUNT, THIS ACCOUNT AGREEMENT, OR ANY RELATED SERVICE WE PROVIDE.
34. **Governing Law.** This Agreement and your Card will be controlled by and construed and enforced under the laws of the State of Oregon without regard to Oregon's conflict of laws principles (i.e., as applicable to agreements made and performed in Oregon) and, as applicable, Federal law.
35. **Venue.** If there is a dispute or issue relating to your account or to this Agreement, you and we agree that the location of the court proceeding will occur in the state where you opened the account and that the county will be chosen by us in our sole discretion.
36. **Assigns & Successors.** You may not assign, in whole or in part, any Commercial Card, the Commercial Card Account, or this Account Agreement to any other person or entity. We may at any time(s) assign, in whole or in part, the Commercial Card Account, any sums due on the Commercial Card Account, this Account Agreement. The person(s) or entity(ies) to whom we make any such assignment shall succeed to our rights and/or obligations under this Account Agreement to the extent assigned. Except as otherwise provided in this Account Agreement, it shall be binding upon the parties' successors.
37. **Remedies.** Except where a remedy is expressly stated to be exclusive, the remedies herein provided are cumulative and not exclusive of any remedies provided herein or otherwise, at law or in equity. To the extent permitted by applicable law, Umpqua reserves a right of setoff in all Company accounts with Umpqua (whether checking, savings or other account), including all existing accounts and all such accounts that may be opened in the future. Company authorizes Umpqua, to the extent permitted by applicable law, to charge or setoff all sums owing on the Commercial Card Account against any and all such accounts, and, at Umpqua's option, to administratively freeze all such accounts to allow Umpqua to protect Umpqua's charge and setoff rights provided in this paragraph or otherwise.
38. **Entire Agreement.** This Account Agreement, along with the related credit application documents, and other related agreement(s) is the entire agreement between the parties hereto regarding the subject matter and supersedes any oral agreements, oral representations, or oral warranties relating thereto.
39. **Confidentiality.** We will disclose information to third parties about your account or the transactions you make in order to process transactions or otherwise perform our obligations under this Agreement, to verify the existence and condition of your account for a third party (such as a credit bureau or merchant), or to comply with government agency or court orders, or if you give us your written permission.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US (LENDER) CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY US TO BE ENFORCEABLE.



PRICING INFORMATION

Interest Rates and Interest Charges	Purchase Annual Percent Rate (APR)	A fixed APR, currently 21.99%
	Cash Advance APR	A fixed APR, currently 23.99%
	Balance Calculation Method	Average Daily Balance (Including new purchases)
	Minimum Interest Charge per Billing Cycle	\$1.00 unless Average Daily Balance for combined Purchases and Cash Advances is zero
	Payment Due Date	We will not charge you interest on purchases if you pay your entire balance by the due date as outlined below. We will begin charging interest on balance transfers, cash advances, and overdraft advances on the transaction date. <i>Monthly Cycles:</i> Your due date as shown on your Periodic Statement will be a minimum of 25 days after the close of each billing cycle. <i>Weekly or Bi-weekly Cycles:</i> Your due date as shown on your Periodic Statement will be 5 days after the close of each billing cycle. Automatic payment required. <i>Daily Settlement</i> requires automatic payment of your daily balances with no grace period.
Fees	Balance Transfer	Not available
	Cash Advance	Either \$15 or 5% of the amount of each transaction, whichever is greater
	International Transaction	2.00% of transactions made outside the U.S., in either foreign currency or U.S. dollars, using an Umpqua Bank card
	Late Payment	\$15 if the balance is less than \$100; \$35 if the balance is \$100 or more
	Payment by Phone	\$10
	Return Payment	\$35
	Return Check	\$35
	Custom Card Design Fee	\$500 one-time setup fee; fee waived with a minimum of \$2MM in annual card program spend

The information listed above is correct as of September 26, 2017 and is subject to change at any time without prior notice. To receive the most recent information, please write to Umpqua Bank, PO Box 1952 Spokane, WA 99210-1952 or access Umpqua's website at www.umpquabank.com/disclosures/.

COMPANY

AUTHORIZED SIGNER

AUTHORIZED SIGNER

SIGNATURE

SIGNATURE

PRINT NAME

PRINT NAME

TITLE

TITLE

DATE

DATE

UMPQUA BANK

ASSOCIATE SIGNATURE

ASSOCIATE NAME

ASSOCIATE TITLE

DATE

This agreement requires a minimum of one (1) signature by an authorized signer of the company. Any and all signers must be authorized to sign on behalf of the company.



UMPQUA BANK



California Special
Districts Association
Districts Stronger Together

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

COMMERCIAL CARD REBATE AGREEMENT

_____, referred to henceforth as "Company", shall be eligible for rebates according to the rebate parameters set forth below. Annual sales volume will be calculated as eligible¹ purchases less returns, credits, and cash advances. Rebates are net of all fraud and credit losses and, upon a termination event, net of the full outstanding balance due from any participating entity under this rebate program and any other commercial card program between Umpqua Bank (the "Bank") and Company. The bank reserves all rights of setoff under applicable law.

Rebate Terms

Because Company has entered into a Commercial Card Agreement with Umpqua Bank, the Bank shall complete rebate calculations as follows:

1.0 % on all annual Commercial Card spend exceeding \$1.00

An additional 0.10% will be paid to CALIFORNIA SPECIAL DISTRICTS ASSOCIATION as part of Company participation in this program.

Rebate Payment

The rebate payment shall be paid:

YEARLY* Within thirty (30) days after the end of year

*Notwithstanding anything to the contrary contained in the Commercial Card Agreement, Company shall be required to commit to a twelve (12) month non-cancelable term ("Term") under the Commercial Card Agreement. The Term shall commence upon the later date of this Commercial Card Rebate Agreement. Any termination prior to the end of the Term shall result in loss of any accrued rebate amounts.

The rebate will be automatically paid as follows

A rebate credit to the billing account or credit card account of business choice

OR

*Direct deposit into bank account number: _____ ABA Routing: _____

*Company acknowledges that the origination of ACH transactions to our account must comply with applicable provisions of U.S. law and further agrees to be bound by the NACHA Operation Rules.

Unless as otherwise specified herein, this Rebate Program is subject in all respects to the Commercial Card Agreement between Company and Umpqua Bank. Any conflict between the Rebate Program and the Commercial Card Agreement shall be resolved in favor of the Commercial Card Agreement. Company account(s) must be in good standing in any year/quarter the rebate is paid. The Bank reserves the right to change these terms without advance notice, including termination of the rebate program. Commercial Card Account must be open and active at the time of payout, defined as average sales volumes for the trailing month no less than 75% of same month prior year.

Commercial Card Company Authorization

Company: _____
Signature: _____
Print Name: _____
Title: _____
Date: _____

Bank Name: Umpqua Bank
Signature: _____
Print Name: _____
Title: _____
Date: _____