

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name CASCADE BANCORP		2 Issuer's employer identification number (EIN) 93-1034484	
3 Name of contact for additional information GREG NEWTON	4 Telephone No. of contact (541) 617-3526	5 Email address of contact GREG@BOTC.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. BOX 369		7 City, town, or post office, state, and Zip code of contact BEND, OREGON 97709	
8 Date of action AUGUST 1 2016		9 Classification and description COMMON STOCK	
10 CUSIP number 147164207	11 Serial number(s) N/A	12 Ticker symbol BOTC	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On August 1, 2016 (the "Effective Date") Prime Pacific Financial Services, Inc. ("Prime Pacific") was merged with and into Cascade Bancorp ("Cascade"), with Cascade as the surviving entity, pursuant to the terms and conditions in the Agreement and Plan of Merger (the "Merger Agreement"), dated April 26, 2016 by and between Cascade Bancorp and Prime Pacific Financial Services, Inc.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Pursuant to the Merger Agreement, each share of Prime Pacific common stock outstanding immediately prior to the Effective Date was converted into the right to receive 0.3050 shares of Cascade common stock. In addition, cash was paid for fractional shares using Cascade common stock value of \$5.5589 on the date of the transaction.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attached statement.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
 The merger of Prime Pacific into Cascade on August 1, 2016 qualifies as a reorganization within the meaning of IRC Section 368)(a) of the Internal Revenue Code of 1986, as amended. In general, the income tax consequences for the former Prime Pacific shareholders are determined under Internal Revenue Code Sections 354, 356, 358, 1001 and 1221.

18 Can any resulting loss be recognized? ▶
 Prime Pacific shareholders will generally not recognize gain or loss for U.S. Federal Income Tax purposes by the reason of the merger, except for cash received in lieu of a fractional share of Cascade common stock. If a Prime Pacific shareholder receives cash in lieu of a fractional share of Cascade common stock, the Prime Pacific shareholder will be treated as having received a fractional share of Cascade stock pursuant to the merger and then having exchanged the fractional share of Cascade common stock for cash in a redemption by Cascade. As a result the Prime Pacific shareholder generally will recognize gain or loss equal to the difference between the amount of the cash received and the Prime Pacific shareholder's basis in the fractional share of Cascade common stock as set forth in line 16 above. The gain or loss will generally be capital gain or loss, and will be long term capital gain or loss if, as of the Effective Date, the Prime Pacific shareholder's holding period with respect to the fractional share (including the holding period of the Prime Pacific common stock surrendered therefore) exceeds one year. Special rules apply to Prime Pacific shareholders who received their Prime Pacific common shares through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation, and such Prime Pacific shareholders are instructed to consult their own tax advisor.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
 The merger became effective on August 1 2016, and is therefore reportable in 2016.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Andrew J. Gerlicher Date ▶ August 19, 2016
 Print your name ▶ Andrew J. Gerlicher Title ▶ Secretary/General Counsel

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	James D. Goeller		8/17/2016		P00184345
	Firm's name ▶	Crowe Horwath LLP		Firm's EIN ▶	35-0921680
	Firm's address ▶	575 Market Street, Ste 3300, San Francisco, CA 94105		Phone no.	415-576-1100

CASCADE BANCORP
FEIN: 93-1034484
ATTACHMETN TO FEDERAL FORM 8937
MERGER WITH PRIME PACIFIC FINANCIAL SERVICES, INC.
PART II, LINE 16

On August 1, 2016 all Prime Pacific Financial Services, Inc. (Prime Pacific) common shareholders received 0.3050 shares of Cascade Bancorp common shares and cash in lieu of fractional shares. The Prime Pacific shareholders basis in their shares on that date will be the tax basis in the Prime Pacific shares received in the exchange. The fractional shares are deemed received and then redeemed for cash in a taxable exchange.

Example: Prime Pacific shareholder has 900 shares on August 1, 2016 with a tax basis of \$1,000. The shareholder receives 274.5 shares of Cascade Bancorp common shares. There is no gain or loss recognized on the exchange, except for fractional shares as discussed, below. The 0.5 shares of are paid out as cash in lieu of fractional shares at \$5.5589 per share (for 0.5 shares, the \$5.5589 per share results in a cash payout of \$2.78). The shareholders \$1,000 basis in the Prime Pacific shares will be divided by the 274.5 shares of cascade received, and each share of cascade received will have a basis of approximately \$3.64. The basis of the 0.5 shares that result in cash in lieu of fractional shares is \$1.82. The basis of the remaining 274 shares of cascade common is the original basis of \$1,000 minus the 1.82 of basis allocated to the fractional share for \$998.18.

Reporting in the example: The only gain or loss to be recognized in the transaction is the on the cash received in lieu of fractional shares. The basis of the 0.5 shares that result in cash in lieu of fractional shares is \$1.82 and with cash paid on these shares of \$2.78 there will be a gain on the cash received for cash in lieu of fractional shares of \$0.96.

The tax basis of Cascade common shares received may differ for each separately identified lot of common shares owned if such shares were separately identified and tracked by the former Prime Pacific common shareholder.