



SMART

San Miguel Authority for Regional Transportation

Board of Directors – Meeting Agenda
San Miguel County Miramonte Conference Room
333 West Colorado Avenue 2nd Floor
January 12, 2017 – 1:00 p.m.

	PRESENTER	TYPE	TOPIC
1.	Kothe	Resolution	Review Agenda
2.	Kothe	Resolution	Review and Approval of December 12, 2016 Board Minutes and Agenda
3.	Brown	Resolution	Consideration of responses to the RFP for banking services from: Alpine Bank; US Bank; Community Bank of Colorado; ANB American National Bank. <i>Consideration of a resolution accepting one of the proposals.</i>
4.	Murphy Caton	Resolution	Consideration of a recommendation on legal counsel from the designated subcommittee of government attorneys. <i>Consideration of a resolution accepting the corresponding proposal.</i>
5.	Benitez	Resolution	Discussion regarding establishment of an Administrative and/or Citizen Advisory Committee(s). <i>Consideration of a Resolution setting up membership and an appointment process for Administrative Advisory Committee.</i>
6.	Brown	Update	Discussion on SMART communications and website
7.	Loebe	Update	Update from Mountain Village Transit Director Jim Loebe on fall CASTA conference and other FTA-CDOT grant(s)
8.	Brown	Update	Financial management update on accounting RFP
9.	Benitez Kothe	Update	Administrator/Executive Director hiring process update and process review
11.		Motion	Adjournment

Distribution List: Mountain Village – Kim Montgomery, Sarah Abbott, Dan Caton, Laila Benitez, Jackie Kennefick; Town of Telluride – Greg Clifton, Kevin Geiger, Sean Murphy, Todd Brown, Tiffany Kavanaugh; San Miguel County – Lynn Black, Steve Zwick, Joan May, Hilary Cooper, Kris Holstrom, Nina Kothe. KOTO News – Editor, Telluride Daily Planet;

San Miguel Authority for Regional Transportation Board of Directors Meeting

December 12, 2016 Minutes
San Miguel County Meeting Room
333 West Colorado Avenue – 2nd Floor

Member Directors present: Mountain Village –Chair Laila Benitez and Dan Caton, Town of Telluride – Todd Brown, Sean Murphy; San Miguel County – Joan May and Amy Levek.

The meeting was called to order at 10:04 am.

1. Approval of Current Meeting Agenda and Minutes from November 15, 2016.

MOTION - Amy Levek moved to approve the agenda for the December 12th meeting and the minutes for the November 12th meeting with a typographic correction to the proposed salary for the Administrator to \$80k - \$100k.

Dan Caton seconded the motion.

A unanimous vote approved the motion.

2. Consideration of Resolution Summarizing Expenditures and Revenues and Adopting a Preliminary Budget for the San Miguel Authority for Regional Transportation for the Calendar Year Beginning the First Day of January 2017, and Ending on the Last Day of December 2017.

Board Members reviewed the draft 2017 budget and noted that further development of the budget and adoption of subsequent amendments can take place in 2017.

MOTION- Todd Brown moved to approve the Chair's signature on 2017 SMART Budget Resolution adopting the first year 2017 budget expenditures and revenues as outlined.

Amy Levek seconded the motion.

A unanimous vote approved the motion.

Staff outlined that a budget cover letter or message would need to be drafted and the materials sent to the State Department of Local Affairs Division of Local Government.

3. Consideration of a Resolution Appropriating Funding for the Budget Year 2017.

MOTION- Amy Levek moved to approve the Chair's signature on the Resolution Appropriating Funding for the Budget Year 2017.

Todd Brown seconded the motion.

A unanimous vote approved the motion.

4. Consideration of a Resolution to approve and send the Certification of Tax Levies DLG-70 Form to the San Miguel County Board of Commissioners and County Assessor.

MOTION – Todd Brown moved to approve the Chair's signature on the Resolution certifying the mill levy for San Miguel County.

Dan Caton seconded the motion.

A unanimous vote approved the motion.

5. Review of Responses to RFP for Legal Counsel

Board members discussed the five responses to the legal RFP and assigned a subcommittee made up of the government attorneys, and board members Dan Caton and Sean Murphy to review and recommend a finalist at the next board meeting. It was further decided that Sarah Abbott Attorney for the Town of Mountain Village would act as point person in the effort.

6. Review Financial Management Banking and Accounting RFP

Staff presented a draft of the RFP for banking, but the accounting RFP had not been drafted by meeting time. After discussion direction was given to advertise and distribute the banking RFP to the appropriate local financial institutions.

7. Consideration of Advisory Committee Membership and Appointment Process.

Board members outlined membership guidelines for the SMART Citizens Advisory Committee to be made up of seven members as follows:

Telluride Ski and Golf Representative – 1 seat

Other Business or Institution – 2 seats

Town of Telluride resident – 1 seat

Town of Mountain Village resident – 1 seat

At – Large Norwood, Ophir, Sawpit resident – 1 seat

Unincorporated County resident – 1 seat

Seats will be advertised in normal channels, web and media. A basic form requesting reason for interest, background and experience and if a business number of employees will be provided to interested applicants. A resolution and policy for SMART committees will be presented for board consideration at the next meeting.

8. Review of Grant Opportunities.

Board Chair Laila Benitez outlined a Statewide Internet Portal (SIPA) grant opportunity and offered to draft and submit the application. She was awaiting confirmation that SMART would be considered for the funding to create a website and associated needs.

Nina Kothe discussed the FTA-CDOT grant cycles and reported that the annual FTA Administration and Operating grants were experiencing higher application demand and lower federal funding each year. She recommended that SMART forego applying for these grants and consider focusing on a capital or planning grant application later in 2017. The Board concurred.

Next Scheduled Meeting Set for January 12, 2017, 1pm.

A proposal to adopt a regular SMART Board Meeting schedule, the second Thursday of every month, was made and accepted unanimously. The December 2017 board meeting was tentatively scheduled for the Third Thursday in December, due to the Mountain Village Town Council scheduling conflict.

A motion to adjourn was made by Dan Caton and seconded by Todd Brown. The meeting was adjourned at 2:55 p.m.

Respectfully Submitted,

Nina Kothe, Interim Secretary

Approval Date: _____

SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION

Laila Benitez, Board Chair

Meeting Digitally Recorded.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUEL
AUTHORITY FOR REGIONAL TRANSPORTATION
EVIDENCING ACTIONS TAKEN AT ITS JANUARY 12, 2017 REGULAR MEETING**

NO. 2017 - 1

RECITALS:

WHEREAS, the San Miguel Authority for Regional Transportation (“SMART”) was approved by the registered electors of the Town of Telluride, Town of Mountain Village, and that portion of the SMART combination that are within that part of the SMART boundaries located within unincorporated San Miguel County, pursuant to the Colorado Regional Transportation Authority Law, C.R.S Title 43, Article 4, Part 6, at the general election held on November 8, 2016;

WHEREAS, SMART is governed by the Colorado Regional Transportation Authority Law and the SMART Intergovernmental Agreement (“SMART IGA”) conditionally approved by each of the governing bodies of the Town of Telluride, Town of Mountain Village and San Miguel County pending approval by the registered electors at the November 8, 2016 general election;

WHEREAS, the Board held a regular meeting on January 12, 2017; and

WHEREAS, Section 3.09 of the SMART IGA requires all actions of the Board to be taken by written resolution;

WHEREAS, the Board desires to take action on certain items set forth below in accordance with the SMART IGA.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the San Miguel Authority for Regional Transportation as follows:

1. A copy of the agenda for the January 12, 2017 regular meeting is attached hereto as Exhibit A.
2. At its December 12, 2016 regular meeting, the Board took action on the following:
 - a. Approval of the Board Minutes for December 12, 2016 – Attached hereto as Exhibit B

ADOPTED AND APPROVED by the Board of Directors at a regular public meeting held on the 12th day of January, 2017.

**SAN MIGUEL AUTHORITY FOR REGIONAL
TRANSPORTATION**

By: _____
Laila Benitez, Chair

Attest:

Board Secretary

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION
APPROVING SELECTION OF A BANKING INSTITUTION**

RESOLUTION NO. 2017 - ____

WHEREAS, the San Miguel Authority for Regional Transportation (“SMART”) has need for a qualified financial institution to provide general banking services for the newly formed organization, and

WHEREAS, SMART drafted and distributed and Request for Proposals (RFP) issued on December 12, 2016 with the goal of identifying the banking institution that can best offer the highest quality service and the lowest cost, and;

WHEREAS, the SMART wishes to support local financial institutions whenever possible, and;

WHEREAS, four qualified institutions submitted proposal prior to the RFP deadline of Friday, January 6th 2017 including the following:

- ANB American National Bank
- Alpine Bank
- Community Bank of Colorado
- USBank

and;

WHEREAS, the SMART Board of Directors as reviewed and discussed the submittals and desires to select and contract with a banking institution in a timely fashion to accommodate the immediate financial needs of the organization,

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the San Miguel Authority for Regional Transportation:

THAT, for the purpose of meeting all general financial operations for deposit of revenue and payment of expenses and quality tracking and reporting of these financial transactions they hereby select _____ as the banking institution of choice for and until such time as the Board of Directors of SMART deem it necessary for any reason whatsoever to reissue an RFP and consider changing banking relationships.

ADOPTED this 12th day of January, 2017

**SAN MIGUEL AUTHORITY FOR
REGIONAL TRANSPORTATION**

By: _____
Chair

Attest:

Board Secretary

Alpine Bank Response

To The

SMART

San Miguel Authority for Regional Transportation

REQUEST FOR PROPOSAL

For

BANKING SERVICES

January 6th, 2017

SMART Proposal Table of Contents

Brief Description	Proposal section
Letter of Interest	Module 1 pages 1-3
1-Bank contact information	Module 1 page 4
2(a)	Module 2 page 5
2(b)	Module 2 page 5
2(c)	Module 2 page 6
2(d)	Module 2 pages 6-7
2(e)	Module 2 page 8
2(f)	Module 2 page 9
3-Deposits and Collections	Module 3 pages 10-11
4-Account Reconciliation	Module 3 pages 10-11
5-Online Banking Options	Module 3 pages 10-11
6-Proposed Fee Schedule	Module 3 pages 12-13

Letter of Interest:

Danny Craft

January 6, 2017

120 South Pine Street
Post Office Box 2040
Telluride, Colorado 81435
Phone: 970-728-5050
Fax: 970-728-5703

▶ **SMART Board of Directors**

333 West Colorado Avenue 3rd Floor
Post Office Box 3140
Telluride, Colorado
bocc@sanmiguelcountyco.gov

Dear SMART Board of Directors,

We welcome the opportunity to submit a competitive proposal for Banking Services to the San Miguel Authority for Regional Transportation also referred to as SMART. We are pleased and honored by your consideration of Alpine Bank to serve as your financial services partner. We understand that SMART is seeking to maximize banking services, minimize banking fees, and establish a relationship with a local, community-oriented bank.

Alpine Bank can help improve operational efficiency, maximize investment capabilities, and minimize stress by offering simple solutions for complex requests. In this response, we will outline our qualifications, cash management services, account management services, and interest in offering a long-term local relationship.

Cost of Service –Alpine Bank strives to provide excellent customer service and leading edge technologies for cost-effective account management.

Service Availability – Our branch is located in downtown Telluride Colorado. We are open Monday through Friday 8:30 a.m. – 6:00 p.m. and Saturday 9:00 a.m. – 6:00 p.m. We offer extended access with our night drop and online banking. We also have other locations within our immediate region, with banks in Ridgway, Ouray, and two locations in Montrose. We offer full-service capabilities for customers, with direct phone numbers to all officers and staff.

Safety and Creditworthiness – Alpine Bank continues to be recognized as a 5-star rated financial institution by BauerFinancial, Inc, the nation’s leading bank rating firm. The 5-star rating is BauerFinancial’s highest rating for financial institutions.

In addition to addressing the key requirements articulated in San Miguel Authority for Regional Transportation Request for Proposal (RFP), our response includes these understandings:

Ability to Grow – Customers’ needs come first. Alpine Bank takes pride in being able to provide convenience, knowledge, and flexibility for our customers’ needs as they grow and develop. We can help monitor your accounts and volume over time and suggest new ways to reduce costs and save time.

Outstanding People –We carefully select individuals who truly believe in customer service, volunteering in their community and are committed to Alpine Bank as a career. Our staff are featured at the end of this packet.

Transparent Value-Based Pricing for Banking Services – We understand SMART’s need to have high quality, competitively priced banking services. Alpine Bank believes that its bank fee schedule should be simple and easy to understand. A sample of a monthly statement is provided as Attachment A.

After you and your colleagues have reviewed our proposal, it would be our pleasure to meet with you to discuss any aspect of the text and/or demonstrate any of the banking products mentioned in this proposal. Please contact me with any questions, concerns or suggestions you may have.

Again, we thank you for the opportunity to serve you and our community.

Sincerely,

A handwritten signature in black ink that reads "Danny Craft". The signature is written in a cursive, flowing style.

Danny Craft
Senior Vice President
Alpine Bank
1/6/2017

Location and Contact information

Alpine Bank Telluride

120 South Pine Street

Post Office Box 2040

Telluride, Colorado 81435

970-728-5050 main phone

970-728-5703 fax

Contacts:

Danny Craft

Senior Vice President

970-369-5390 direct line

dannycraft@alpinebank.com

Audrey Morton

Banking Officer

970-369-5402 direct line

audreymorton@alpinebank.com

Other Alpine Bank locations within the region:

Alpine Bank Ridgway

119 Liddell Street

Ridgway, Colorado

970-626-4100

Alpine Bank Montrose

2770 Alpine Drive

Montrose, Colorado

970-240-0900

Alpine Bank Ouray

917 Main Street

Ouray, Colorado

970-325-4200

Alpine Bank Montrose-East

1400 East 4th Street

Montrose, Colorado

970-249-0400

2. A. Briefly provide a historical summary of the financial institution including dates of incorporation, acquisition, and merger, expansion into new areas or business activity. Indicate the geographical area served.

2. B. Indicate whether the financial institution is a parent or subsidiary of another holding company. Describe the relationship with subsidiaries and/or parent companies if applicable.

Employee-owned and locally operated, Alpine Bank has been a part of Colorado since 1973. In 2006 Alpine Bank acquired First National Bank including locations in Telluride, Ridgway, Ouray and Montrose in order to break into the San Juan mountain market. This is the only acquisition that Alpine Bank has made, and because of the similar cultures of Alpine Bank and First National Bank the transition was well accepted in the communities we serve, in fact, most of the employees stayed through the acquisition and continue to be employed with Alpine Bank.

Over the last 44 years, we have opened 38 locations across the Western Slope and have grown to \$3 Billion in Assets. This growth has provided Alpine Bank the capital and strength to compete with the big national banks, all while maintaining the service of the hometown, community bank. Our service is what makes us successful - from having knowledgeable staff in our locations to providing safe and easy access to our services via the phone and Internet, Alpine Bank is dedicated to making our customers our top priority.

Most recently including the bank's first Front Range branches in Denver's Union Station and Cherry Creek North neighborhoods, Alpine Bank serves more than 130,000 customers with retail, business, wealth management*, mortgage and electronic banking services. While we are a growing company, we're also forever committed to remaining the true community bank we've always been.

At Alpine Bank, the employees and the culture make the difference. Many of our employees and managers have been with Alpine Bank for 10 years or longer. This dedication allows us to build long-term community and customer relationships – in fact, the staff at the Telluride location collectively has 114 years of service banking in Telluride. We are a local community bank with an authentic desire to do good work in our community.

We have a strong sense of social and environmental responsibility (the “greenest bank in CO”) that affects all areas of our operation at Alpine Bank. Our commitment to the communities we serve is substantial and our employees give generously of their time and talents. In 2016 the employees at Alpine Bank Telluride volunteered 800 hours of time with local organizations.

Our Mission: To help our customers, employees, shareholders, and community members achieve their dreams.

Our Core Values: Integrity * Independence * Communities * Compassion * Loyalty

*Products of our wealth management service are not FDIC insured, may lose value, and are not bank guaranteed.

2. C. Indicate if your financial institution utilizes a third party vendor for any services to be provided. Include the third party name and description of the services provided.

The proposed banking services provided in the SMART RFP response would all be handled by Alpine Bank products that are supported with in house efforts and nothing would be handled outside of the scope of work provided by Alpine Bank.

2. D. In accordance with the Public Deposit Protection Act, all deposits of public (SMART) funds must be fully secured by the pledge of eligible collateral having a market value, at all times, in excess of one hundred two percent (102%) of the aggregate amount of said SMART funds. Please provide a description of how your bank manages and reports its collateral of public funds deposits, and when routine reports are provided. Describe whether lever or collected balances are protected, the securities to be used for collateral, the frequency of reporting to SMART, and how SMART would perfect its position in the collateral in the event of a bank failure.

Alpine Bank is an eligible public depository, meaning that we have obtained certification under the Public Deposit Protection Act (PDPA) to hold public deposits. Because we are an eligible public depository we are subject to and comply with all regulatory directives, reporting requirements, and examination requirements under PDPA. The purpose of the PDPA is to ensure that public funds deposited in banks are fully protected in the event of a bank failure.

The PDPA requires each bank to deliver readily marketable assets (typically securities) to a third-party institution to be held in safekeeping, pledged to the Colorado Division of Banking, to secure all uninsured public deposits held by the bank. The total market value of all pledged assets must exceed 102% of the bank's aggregate uninsured public deposits at all times. In other words, we need to ensure that we have pledged enough collateral to cover the entire uninsured portion of public deposits held at the bank.

Additionally, we must also comply with the following reporting requirements:

- Monthly reporting to the Colorado Division of Banking to all public deposit accounts and aggregate market value of pledged assets
- Make arrangements to have an annual audit conducted by an independent person for compliance with the Public Deposit Protection Act
- Make all records available to examiners of the Colorado Division of Banking of periodic inspection for compliance with PDPA, and pay all associated assessments and examination fees

Below is a copy of our Colorado Banking Board Eligible Public Depository Designation Certification.

STATE OF COLORADO

Department of Regulatory Agencies
Steven V. Berson
Executive Director



Roy Romer
Governor

DIVISION OF BANKING

Ralph E. Mires
State Bank Commissioner

James T. Dillon
Chief Deputy Bank Commissioner

JD Chatman
Chief Financial Institutions Examiner

COLORADO BANKING BOARD

ELIGIBLE PUBLIC DEPOSITORY

DESIGNATION CERTIFICATION

Pursuant to the provisions of Section 11-10.5-106, C.R.S. (1989), the undersigned does hereby accept the written statements filed on behalf of the ALPINE BANK & TRUST and designate said bank as an eligible public depository under the provisions of The Public Deposit Protection Act, and the rules and regulations promulgated thereunder.

This certificate acknowledges that ALPINE BANK & TRUST, GLENWOOD SPRINGS, COLORADO, having complied with the requirements of Section 11-10.5-106, C.R.S. (1989), and having been designated hereunder as an eligible public depository by the Banking Board, is an eligible public depository in accordance with and subject to the provisions of Article 10.5, Title 11, C.R.S. (1989), from this date until such time as this designation and certification is cancelled, revoked, or suspended.

ON BEHALF OF THE COLORADO BANKING BOARD

SEPTEMBER 1, 1989

Date


Ralph E. Mires
State Bank Commissioner

Title 11, Article 10.5, C.R.S. (1989)

P.D.P.A. Bank Identification Number 312

THIS DESIGNATION AND CERTIFICATION IS NOT ASSIGNABLE
303 West Colfax Avenue, Suite 650, Denver, CO 80204 (303) 620-4358/FAX (303) 620-4751

2. E. Attach a copy of your financial institutions Community Reinvestment Act (CRA) rating and describe what activities your financial institution has or is undertaking in the San Miguel County area.

Attached are the CRA Performance Evaluation dated June 9, 2014, and the most current services information updated 03/30/2016.

Alpine Bank is focused on being a part of the communities it serves. Alpine Bank gives back to our respective communities in many ways, both financially with donations, and with the volunteerism of our employees, and offering a robust array of banking options.

In 2016 Alpine Bank Telluride provided donations and sponsorships to the following organizations that qualify for CRA credit:

- Voyager Youth Program to sponsor Norwood After-Prom party
- Bright Futures to sponsor the school readiness calendar
- Mountains to Desert annual race the benefit the Just for Kids Foundation
- Telluride Adaptive Sports general sponsorship and 5k fundraiser sponsorship

Our employees are also involved with many CRA qualifying organizations within our community. Audrey Morton is the Treasurer for the San Miguel Resource Center. The San Miguel Resource Center's mission is to eliminate domestic violence and sexual assault in our community through intervention services, prevention education and social change. 'Community' includes Nucla/ Naturita, Norwood, Telluride, Mountain Village, visitors and transients.

Audrey Morton is the Board President of EcoAction Partners. EcoAction Partners is a sustainability organization focusing on reducing greenhouse gas emissions by promoting energy efficiency and renewable energy projects and tracking our regional progress toward these goals. EcoAction Partners works with the community to reduce waste, increase local food supply and encourage other sustainable practices.

Recently EcoAction Partners in connection with our local electric provider, San Miguel Power Association, Energy Outreach Colorado and Black Hills Energy created the IQ Weatherization Program. IQ stands for Income Qualified, because the program is targeted to middle-income (and lower) households. This is provided at no cost to participating households.

EcoAction Partners provides an energy assessment and free energy efficiency upgrades (LED light bulbs, air sealing, insulation, high efficiency furnace, storm windows, new EnergyStar refrigerator). Once the home has been made more energy efficient, SMPA IQ Weatherization participants are eligible for the second step, which provides a complimentary solar panel in the new SMPA IQ Solar Array in Norwood.

Valerie Yindra lead CSR in Telluride, volunteers on a weekly basis for Angel Baskets. Angel Baskets was founded in 1981 to provide food and gifts for local families. 100% of the donations received have a direct impact on the lives of the families we serve. Its Mission is to provide food, clothing and necessities to those in our community who are struggling financially.

2. F. Provide a minimum of three customer references of similar nature to SMART. Public Fund references will be given special consideration. Include the name of the institution, contact person and contact information.

All of the references provided are Telluride Public Funds depositors.

- Town of Telluride
 - Lynne Beck
 - Finance Director
 - 970-728-2152
 - lbeck@telluride-co.gov

- San Miguel County
 - Janice Stout
 - County Treasurer
 - 970-728-4451
 - jans@sanmiguelcountyco.gov

- Wilkinson Public Library
 - Sharon Lichthardt
 - Finance and HR Director
 - 970-728-4519 ext. 127
 - slichthardt@telluridelibrary.org

3. Deposits and Collections – ACH Options – Direct Deposits

4. Account Reconciliation

5. On-Line Banking Options. Outline for on-line banking with your financial institution

Alpine Bank accepts deposits in a few different manners:

- In person during our business hours of 8:30 a.m. – 6:00 p.m. in the Telluride location
- After Hours Night Depository
- Remote Deposit Capture- a desk scanner that can accept check deposits from your office
- ACH and electronic deposits
- Wire Transfer deposits

Deposit Requirements: Alpine Bank provides same-day availability for funds deposited before 6:00 p.m. All checks drawn on Alpine Bank will receive same-day collected status. If SMART implements and uses our Remote Deposit Capture product funds would be deposited on the same day they are received. Weekend deposits will be posted on the following Monday. Alpine Bank will supply free deposit bags (zippered vinyl bags) for daily deposits. For all in-person and night drop deposits, a deposit slip will be required.

Alpine is able to provide full service Direct Deposit through our Cash Management ACH service. However, payroll services are not directly provided through Alpine due to the specialized nature of payroll systems. We do have several third party payroll providers we can refer to our customers if needed.

The ACH deadline for Direct Deposit is 3:00 p.m. MST, two business days before the effective date of the ACH transmission. ACH deposits will be reported after they have run through our night processing, and are posted the following morning. ACH services can be used to meet a variety of related business functions, e.g. payroll, bonuses, making bill payments, and more. Alpine Bank's ACH system does not provide tax reports or other payroll related reports.

Alpine Bank can provide several tools to help SMART with their account reconciliation. Bank statements are available through online banking. Statements and check images may be printed as needed from the comfort of the SMART office. All account statements and check images are available for free for two years via online banking. If paper statements are preferred to be mailed monthly to SMART, this can be mailed directly to SMART. An account statement is attached at the end of this report under Proposal Attachment B: Monthly Statement sample.

Through our online banking system account transactions can be converted into files that can be downloaded for subsequent uploading into your specific accounting software. Alpine Online also offers a more robust direct connection to selected Intuit products, e.g. QuickBooks.

Alpine Bank offers a product called Positive Pay. Positive Pay offers protection for our business customers from unauthorized ACH transactions and/or checks. This online tool gives our business customer the ability to monitor and control which ACH transactions or checks post to their account. Business customers are able to view and make decisions daily to either accept and pay authorized ACH transactions/checks or reject and return unauthorized ACH

transactions/checks. Positive Pay is a check and ACH fraud prevention service and is part of our Alpine Online Cash Management product suite.

The customer simply informs the bank, prior to issuing the checks, which checks they have written. They inform the bank by logging into Alpine Online Cash Management and uploading or inputting a list of issued checks and the details of each check (Payee, issue date, amount, and check number). As the checks are presented for payment, the Positive Pay system matches presented checks to the list of issued checks. If there is a match, the system automatically pays the check; any check that doesn't match will show up on an exception report, which the customer will need to review and then notify us whether to pay or return the check – they accomplish this by logging into Alpine Online Cash Management and working (select to pay or return) the Positive Pay Exception item.

When Positive Pay is active on an account or accounts Alpine Bank can provide prompt and accurate reports on paid and outstanding checks.

As a business customer at Alpine Bank, you'll enjoy all the benefits of our Online Banking services along with our time-saving, easy-to-use Cash Management suite. Providing more in-depth financial management, the Cash Management suite offers additional solutions to help streamline commercial business systems.

With Alpine Bank's Online Banking you'll be able to:



Monitor Your Accounts

- Account Info & Activity
- Check Images
- Email Alerts



Manage Your Finances

- Bill Pay
- Transfers
- Stop Payment (fees apply)
- Download Transactions
- Cash Flow Budget Tool



Mobile Banking

- Apps
- Text Banking
- Mobile Deposit
- Mobile Website



More

- Reorder Checks
- eStatements
- Online Security

With Cash Management...

You can set up multiple users within your organization with restricted or full access to Cash Management functions and accounts. Each user can be set up according to your specifications, allowing them to access only what is authorized by you.



Cash Management

- Wire Transfers
- Automated Clearing House (ACH)
- ACH Positive Pay
- Positive Pay
- Account Reconciliation

6. Proposed Fee Schedule – Provide a copy of any and all forms or agreements that SMART will be required to sign in connection with the banking services to be provided under the agreement. SMART reserves the right to incorporate reasonable contractual provisions into the final contract.

SERVICE UNIT	UNIT CHARGE	COST OF SERVICE	DETAILS
Account Maintenance	Per account	Waived	Monthly service charge is waived for SMART
Online Banking – Deposit detail and images	Per account	Free	Available online and by mailed paper statements
Credits Posted	Per transaction	Free	---
Debits Posted	Per transaction	Free	---
ACH Processing-per batch	Per transaction	\$10/batch	Waived for SMART
Origination of File-Payroll	Per file	Included in batch fee	---
Electronic Credits Posted-non paper	Per transaction	Free	---
ACH Received Item – member payments	Per transaction	Free	---
ACH Returned Item	Per transaction	Free	---
Stop Payments	Per transaction	\$40.00	Request may be made by phone, email, or in person
Wire Transfers			
Incoming Wires	Per transaction	Free	Immediate credit for incoming wires
Outgoing Wires	Per transaction	\$15 online In person: \$25 domestic \$45 international	Online Wires waived for SMART
Check Printing	Per order per account	Harland Clarke Pricing	Starter pack free of charge. Includes checks, deposit slips and endorsement stamp.
Cash deposited in branch	Per dollar	Free	---
Fraud Prevention Tools	n/a	Free	24 hour fraud monitoring
ACH Fraud Filter	n/a	Additional Services Available (Positive Pay)	\$25 set up fee \$5 monthly fee

ADDITIONAL ITEMS			
Business Debit Cards	Per card	Free	
Online account access	---	Free	
Online Bill Pay	Per transaction	Free	
Cashier's checks	Per Check		\$3.00 per Cashier's Check
Money Orders	Per Item		\$2.00 per Money Order
Insufficient Funds	Per Occurrence		\$15 per item less than \$15. \$38 per larger item.
Personal Support and Training	n/a	Free	Provided by your friendly Alpine Bank Employees



BANKING SERVICES PROPOSAL

December 27, 2016

San Miguel Authority for Regional Transportation
Attn: Board of Directors
P.O Box 3740
Telluride, CO 81435

Dear Board of Directors,

Together, San Miguel Authority for Regional Transportation (SMART) and U.S. Bank can improve your overall financial operations by implementing the solutions presented in this Proposal for Banking Services.

With extensive experience in government banking, our team is uniquely qualified to serve the SMART in the best interests of your community. Our customer service and technology and our commitment to public entities have aptly prepared us to meet the challenges of today's environment.

Most importantly, our team's philosophy represents our understanding of the need for efficiency in operations, fees, and service. In working as a partner with the SMART and U.S. Bank, we will seek to find solutions to the financial needs of SMART.

All implementations will receive thorough attention of our in-house experts. As you consider the many benefits of the services at U.S. Bank, please contact us with questions. We look forward to working with you and your team.

Sincerely,

A blue ink signature of Seth Weatherfield, appearing as a stylized, cursive "S" followed by a few loops.

Seth Weatherfield
Branch Manager
Community Banking
Phone: 970.728.2107
Email: seth.weatherfield@usbank.com

A blue ink signature of Roberta Miller, written in a cursive script.

Roberta Miller, Vice President
Senior Relationship Manager
Government Banking
Phone: 303.249.1197
Email: roberta.miller@usbank.com

Our Offer

U.S. Bank offers the following to the San Miguel Authority for Regional Transportation (SMART):

- Earnings Credit Rate (ECR) to assist in the offset the SMART's service fees. With interest rates at historic lows, this allows the SMART to get more purchasing power from its balances. U.S. Bank's offered ECR is our bank managed rate, currently at 37 basis points, or .37%.
- **Earning Credit Bonus** of \$400 that can be used to offset cost to the SMART for bank supplies, when ordered through U.S. Bank.
- No start up implementation costs, a savings of up to \$250.
- SinglePoint Essentials online banking program. Our award-winning, easy-to-use program will allow the SMART to self-manage all banking needs.
- Fraud protection services, including positive pay, ACH filters and blocks.

Confidentiality Agreement

This proposal may contain certain nonpublic information about U.S. Bancorp and its subsidiaries and affiliates that we deem proprietary and confidential. By accepting these materials, you agree to use this information only to evaluate the proposal and to hold this material in confidence, sharing it only with your employees and advisors on a need-to-know basis.

By your acceptance of these materials, you also acknowledge that U.S. Bancorp is not committing to extend credit or render services to you or any other person.

For purposes of this proposal, we may have relied upon financial information provided to U.S. Bancorp by your authorized representatives or officers. You agree that U.S. Bancorp is not responsible for the completeness or accuracy of such information. This proposal has been prepared for discussion purposes only and may not be relied upon by any third party.

This proposal represents the basis for a proposed business relationship and is not a contract for services. The pricing quoted in this proposal is effective for 90 days following the submission of this proposal. The terms of this bid, if accepted will be in effect for an initial five (5) year term. Either party may terminate the General Banking Services at any time upon 30 days prior written notice.

The U.S. Bank Earnings Credit Rate is bank managed and is subject to review and change. With the changing Federal Capital Liquidity costs, U.S. Bank will be reviewing the collateral needs and Earnings Credit Rate on a frequent basis. U.S. Bank is **requesting a maximum balance of \$250,000** on all combined balances with the depository. All remaining balances may be invested to allow the SMART to increase earnings. In the event that Federal Capital Liquidity costs increase, this may result in a pass thru assessment for the cost of collateral.

Earnings Credit is our bank managed rate currently at 37 basis points.
Earnings Credit Bonus: \$400

Branch Location

U.S. Bank

PO Box 487 | 238 E Colorado Ave, Telluride, CO 81435

Historical Summary

U.S. Bank was organized on July 13, 1863 under the Office of the Comptroller of the Currency (OCC) charter number 24. OCC charter number 24 has operated under the title U.S. Bank National Association since 2001. The title U.S. Bank National Association was also used by banks that merged into charter number 24 prior to 2001.

Holding Company – U.S. Bancorp

U.S. Bank is wholly owned by the holding company U.S. Bancorp, which was incorporated in Delaware in 1929. There have been no changes of ownership since February 27, 2001 when Firststar Corporation, Milwaukee and U.S. Bancorp, Minneapolis merged. U.S. Bancorp is located at 800 Nicollet Mall, Minneapolis, Minnesota 55402.

Third Party Vendor

U.S. Bank engages several vendors for treasury management services but we retain responsibility for setup and customer support. We outsource services when the vendor offers a proven product and provides quality service.

U.S. Bank will be responsible for all services provided to SMART.

Public Deposit Protection Act

U.S. Bank is an eligible public depository of the State of Colorado and is in compliance with the Colorado Public Deposit Protection Act (CRS 11-10-5-1-01).

As an eligible depository, U.S. Bank maintains strict compliance with all statutory obligations involving pledging assets against public funds and maintaining these assets at specified levels. Securities are pledged to cover deposits which exceed \$250,000 per entity. This includes any accrued interest on Certificates of Deposit and/or interest-bearing accounts. The Public Deposit Protection Act does not require that banks pledge specific securities to specific deposits. It requires that a pool of eligible securities be pledged to cover 102 percent of the value of uninsured public deposits held by each bank.

Additionally, as eligible public depositories, U.S. Bank submits a monthly report to the State Bank Commissioner which presents total public deposits, total FDIC coverage, total balance requiring coverage by securities pledged and total market value of securities pledged.

Community Reinvestment Act

U.S. Bank National Association is proud to have received an Outstanding rating on our CRA performance evaluation from the Office of the Comptroller of the Currency (OCC) for the lending, investment and service tests as of March 31, 2012. U.S. Bank's overall rating was downgraded from Outstanding to Satisfactory due to an issue from several years ago that was resolved in 2015. We are committed to bringing our overall rating back up to Outstanding. At U.S. Bank, we work hard to get better every day in all areas of our business, including our CRA rating. The most recent copy of our Community Reinvestment Act Evaluation can be found on our website: <https://www.usbank.com/community/cra-performance-evaluation.html>.

References

GVR Metropolitan District

Micaela Duffy

Finance Manager

18650 E. 45th Avenue

Denver, CO 80901

303.307.3242

Town of Cedaredge

Kathleen Sickles

Town Administrator

P.O. Box 398

Cedaredge, CO 81413

970.856.3123

City of Delta

Tod Dezeeuw

Finance Director

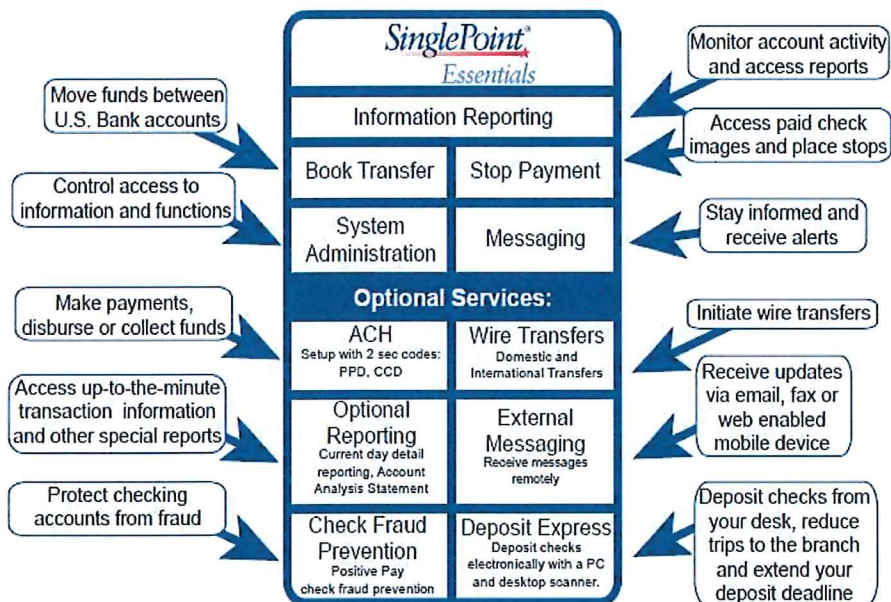
360 Main Street

Delta, CO 81416

970.874.6262

Highlights of Services offered and recommended:

The following diagram shows the core package of SinglePoint Essentials services plus optional services with the major benefit of each service.



SinglePoint Demo is available online at: www.usbank.com/sptdemo

Use the following ID and code to access the demo:

Access ID: easy12

Access code: all4u

With **U.S. Bank Deposit Express**, the SMART will now have the ability to easily and securely deposit checks to your U.S. Bank account from your office. With a check scanner, desktop computer and internet connection, U.S. Bank Deposit Express lets the SMART deposit checks electronically at any time.

- Consolidate all your banking relationships with U.S. Bank regardless of your geographic location or proximity to a U.S. Bank branch
 - Experience reduced costs and increased efficiency by scanning, reviewing, balancing and submitting your deposits online
 - View reporting and images online for added convenience
- ✓ **Deposit checks faster.** As you receive check payments at your business or in the field, you can electronically deposit them to your U.S. Bank account.
- ✓ **Save time and reduce your trips to the branch.** Scan checks and electronically deposit your check payments online, save employees' time out of the office **plus eliminate trips to the branch.**
- ✓ **Extend your deposit deadline.** Deposit checks anytime from your business and take advantage of later deposit deadlines. Make deposits as late as 10 p.m. CT for same-day ledger credit.
- ✓ **Receive faster notification of returned items.** Depositing checks electronically allows you to expedite your deposit process resulting in faster notification of returned items and improved collection rates.

Interest Bearing Checking Account

U.S. Bank offers a demand deposit account designed for government entities. This account offers the flexibility of a checking account with the earning power of an investment account.

Municipal Investor Checking Account

- Offset service charges with earnings credit
- All treasury management products and services are available
- Fee Schedule is attached
- Interest is paid on 100% of the collected balance



The interest rate offered for the Municipal Investor Checking account is our bank standard rate which is based on the Average Fed Funds Rate, for Governmental type accounts and is dependent upon balance maintained within account. Interest is compounded daily and paid monthly. This rate can change monthly.

Municipal Investor Checking Account

<u>Daily Balance*</u>	<u>Interest Rate</u>
Below \$100M	0.00500%
\$100M to \$1.0MM	0.01000%
\$1.0MM to \$2.5MM	0.02000%
\$2.5MM to \$5.0MM	0.02500%
\$5.0MM and above	0.03500%

Money Market Account

U.S. Bank offers a Municipal Investor Account, as a money market savings account designed for government entities. Interest rates are the same as shown above for the Municipal Investor Checking. There is a limit of six withdrawals per month for the money market account.

Deposit Slips and Checks

U.S. Bank offers the SMART a one-time Earnings Credit Bonus of \$400, which can be used towards the purchase of bank supplies, when ordered through U.S. Bank

Cost & Fees

U.S. Bank's pricing is based on a flat monthly maintenance fee that is determined on combined volume for services. All services outside of the package is priced on a per item charge. As we are not your current financial institution there may be services that are not listed. Any services not listed will be priced on an item by item basis. We would appreciate the opportunity to provide a cost benefit analysis for you featuring our Local Government Package. We also believe that a Relationship Review should be done on an annual basis if not more often to meet the SMART's needs.

Earnings Credit Rate (ECR) to assist in reducing the SMART's service fees. With interest rates at historic lows, this allows the SMART to get more purchasing power from its balances. U.S. Bank's offered ECR is our bank managed rate with a floor of 37 basis points, or .37%.

The Earnings Credit Rate is based on short-term interest rate trends. The ECR is calculated on average positive collected balances.

Positive Pay

U.S. Bank offers SinglePoint Essentials Positive Pay, Partial Account Reconciliation, Partial Positive Pay, Full Account Reconciliation, and Full Positive Pay services. This set of services is optional. However, U.S. Bank strongly recommends the SMART take advantage of the Positive Pay service as a component of their overall ARP package. Positive Pay is the best and most affordable protection against fraudulent check activity. If customers choose not to use Positive Pay services, they are responsible for, and more susceptible to, fraudulent activity within their accounts.

U.S. Bank has offered Positive Pay services for over twenty (20) years and we strongly encourage utilizing this service to reduce check fraud.

Check issue information can be sent via data transmission or manually via the Internet using SinglePoint® Essentials Issue Maintenance.

U.S. Bank Visa Community Card

U.S. Bank is pleased to offer you a flexible card program that will meet current usage requirements and expand purchasing capabilities. The Community Card is a credit card from U.S. Bank that incorporates the benefits and features of a corporate card and purchasing card with the SMART in mind.

- **Consolidate Statements**—show all charges, grouped by the SMART, at a single glance.
- **Free Online Management Reporting with Scoreboard**—that will help the SMART track spending, streamline accounting procedures, facilitate budgeting and improve efficiency.
- **Optimize Accounts Payable**—Simplified bookkeeping that reduces the number of vendor payments and helps track card expenses.
- **Optional Cash Rewards** - *Earn cash rewards of 1%* on all net purchases.
- **Purchase Protection** – insures almost anything the SMART buys with your U.S. Bank Visa Community Card against theft, fire and damage for 90 days. The manufacturer's warranty may actually double for up to one additional year!
- **Business Card Liability Insurance** – this protects the SMART, when you have at least two card members, from card misuse by terminated employees.

In addition, the Community Card is a *free card* with **no fees** and **no expenses** to you.

U.S. Bank Workplace Banking is designed to benefit the SMART and your employees. It is a package of banking products and services that will increase your employees' use of direct deposit and thereby reduce your payroll processing costs. U.S. Bank Workplace Banking features special membership offers, discounts and bonuses on a variety of valuable products and services for employees who use direct deposit. The program is an excellent benefits package that offers your employees real value. And it doesn't cost you a penny. Workplace Banking saves you money by simplifying your payroll processing. Employee use of direct deposit streamlines payroll operations and reduces payroll processing costs.

Employee Benefits:

- ✓ **Checking with no service fee;** no minimum balance requirement (\$10 service fee when direct deposit does not occur in a cycle, first two cycles waived after opening account)
 - **Free first order of Workplace Banking checks**
 - **No bounced checks with U.S. Bank overdraft protection**

Investments – Money Center

U.S. Bank's Money Center will provide up-to date investment rates and will work closely with the SMART to ensure the investment needs are met and followed as per the SMART's investment policy.

The Money Center Department of U.S. Bank N.A. provides a full range of fixed income products with a focus on short-term money market investments. Investment purchases, interest credits and maturities can be either settled through your DDA or wired to or from other institutions, as you require. Managing your portfolio can be a challenging task. A Money Center sales representative can help you tailor financial solutions for your investment portfolio.

Investment Strategies to meet your needs

Build and manage your investment portfolio to meet your investment objectives:

- Laddering maturities combines higher yielding longer securities with liquidity of short-term securities
- Diversification allows investors to spread credit exposure across different issuers
- Monthly, quarterly, semi-annual or annual income payments allow investors to schedule payments to meet their cash flow needs

Government Leasing and Finance

At U.S. Bancorp Government Leasing and Finance we understand that a public offering is not always the solution for public entities. Our private placement funding structures are tailored specifically to meet the needs of our clients.

Government entities rely on U.S. Bancorp for financing a wide variety of essential use equipment and projects, including:

- IT and telecom hardware and software
- Energy management systems
- Portable buildings
- Project "soft costs" including installation, shipping, training, software and maintenance
- Vehicles

U.S. Bank's pricing is based on a flat monthly maintenance fee that is determined on combined volume for services. All services outside of the package is priced on a per item charge. **All fees described below can be reduced with current balances combined with our bank managed earnings credit of 37 basis points.**

U.S. Bank Local Government Package

Depository Services	
Transactions	
1 - 500 Transactions	\$10 / month
501 - 750 Transactions	\$20 / month
751 - 1000 Transactions	\$30 / month
1001+	\$0.50 per transaction
Image Statement	No Charge
Deposit Coverage Fee	Up to \$250,000 - no charge, then standard varies current \$0.12075 per \$1,000 in deposits.
Information Reporting	
SinglePoint Essentials	
Up to 3 Accounts	\$10 / month
4 - 7 Accounts	\$5 per account
8 - 10 Accounts	\$15 per account
11+ Accounts	\$75 per account
ACH Origination	
1 - 200 Items	\$20 / month
201 - 500 Items	\$35 / month
501 - 1,000 Items	\$50 / month
1001+ Items	\$0.35 per item
Positive Pay	
1 - 200 Items	\$20 / month
201 - 500 Items	\$25 / month
501 - 1000 Items	\$35 / month
1001 + Items	\$0.05 per item
Deposit Express	
1 - 150 Items	\$40 / month
151 - 300 Items	\$65 / month
301 - 500 Items	\$90 / month
501+ items	\$1.00 per item

Single Point Essentials per token \$3.00, U.S. Bank recommends a minimum of two tokens be utilized to ensure dual control security measures. Other fees may apply, depending on services used.

Proposal For
SMART
San Miguel Authority for
Regional Transportation



Prepared by:
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Table of Contents

Contact Information	Page 3
Relationship Summary	Page 4
Requested Banking Services	Page 5 - 8
Exhibit 1 – Credit Card Program Overview	Page 9-13
Exhibit 2 – Credit Card VirtualPlus Overview	Page 14-16
Requested Banking Services	Page 17-26
Exhibit 3 – Cash Management Pricing Proforma	Page 27-28
Exhibit 4 – Sample signature cards	Page 29-30
Exhibit 5 – Cash Management Bank Service / terms and conditions	Page 31-43



Contact Information

1. RELATIONSHIP CONTACT INFORMATION

ANB Bank would like to thank you for the opportunity to present this RFP. It is our sincere hope that we will work as strategic partners for SMART – San Miguel Authority for Regional Transportation on this project and future banking opportunities.

Tom Galleger

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Relationship Summary

TELLURIDE TEAM

ANB Bank's Telluride team for SMART will be:
Tom Galleger, Community Bank President
Fern Miller, Branch Supervisor
Brain Birdwell, Branch Coordinator
Corbie Kortz, Universal Banker
Michael Wyszynski, Universal Banker
Holly Fry, Universal Banker

The dedicated Telluride team has numerous years of banking experience and are committed to excellence.

CASH MANAGEMENT SERVICES

ANB Bank offers a full range of Cash Management Services designed to provide you with the tools you need to effectively manage your business. Our goal is to create a flexible, convenient and fully integrated system of banking products and services to help you achieve the most effective control over your cash resources and improve your cash flow.

Kileigh Sperber, Vice President – Western Colorado Region, will be the team leader for SMART banking services transition. Kileigh brings 18 years of banking experience and will provide a hands-on approach during transition and throughout the banking relationship.

The Cash Management Team brings a wide array of business knowledge and acumen. Highly-skilled financial professionals will actively partner with you to ensure you are equipped with a customized product mix that precisely meets your specific depository needs. Our accessibility and one-on-one personalized service are commitments we deliver upon and are unmatched in the marketplace today. Kileigh will personally work with the designated individuals throughout the full conversion process to ANB Bank.

Requested Banking Services

2. a) HISTORICAL SUMMARY

Please see pages 6 & 7.

2. b) HOLDING COMPANY

ANB Bank is an independent community-focused bank with the strength, talent, commitment and security to fulfill its business and personal customers' financial needs, whether it is deposit services, loans or ANB Financial Services*.

Across the ANB footprint, the Bank has over 30 Banking Centers serving customers in Colorado, Wyoming and the Kansas City Metro area. Its parent Company, Sturm Financial Group, Inc. is headquartered in Denver, Colorado and has financial strength embodied in over \$2.5 billion in assets. The Bank ranks in the top 6% of banks nationwide by size. ANB Bank truly is a community bank with an unwavering commitment to excellence and streamlined decisions made locally. It helps each of its communities prosper through investment, sponsorship, philanthropy, and employee volunteerism. It is a passion ANB Bank has for banking that makes the difference.

• Not a Deposit | Not FDIC-Insured | Not Insured By Any Federal Government Agency | Not Guaranteed By The Bank | May Go Down In Value



Donald and Susan Sturm, owners of the Sturm Financial Group, Inc. (SFG), the parent company of ANB Bank, had a vision to develop a network of locally owned and managed community banks. Beginning in 1987, the Sturms began their acquisition of banks throughout Colorado, Wyoming and Kansas that eventually created the ANB Bank of today.

- 1987 - SFG purchases American National Bank in Cheyenne, Wyoming (originally opened the bank and Trust Division in 1919)
- 1989 - SFG purchases Western National Bank in Colorado Springs, Colorado (originally opened in 1964)
- 1990 - SFG purchases Mesa Federal Savings and Loan, and Valley Federal Savings and Loan in Grand Junction, Colorado, and changed the name to Mesa National Bank (originally opened in 1889)
SFG purchases First Federal Savings in Colorado Springs, Colorado and merges it into Western National Bank
SFG purchases Cherry Creek National Bank in Denver, Colorado and changed the name to The Bank of Cherry Creek (originally opened in 1954)
- 1991 - The Bank of Cherry Creek creates its Trust Division
- 1993 - SFG purchases Stockgrowers State Bank in Worland (originally opened in 1910), The Bank of Laramie in Laramie (originally opened in 1980), and Wyoming Bank and Trust in Buffalo (originally opened in 1906)
SFG purchases Country Hill Bank in Lenexa, Kansas (originally opened in 1979) and changed its name to Premier Bank
- 1996 - Western National Bank creates its Trust Division
- 1997 The Bank of Cherry Creek expands into the Boulder, Colorado community
- 1998 Mesa National Bank expands into the Aspen, Colorado community
- 2001 Mesa National Bank expands into the Carbondale and Eagle, Colorado communities
- 2004 - SFG consolidates all their banks in Colorado and Wyoming together into one bank -American National Bank
- 2004 American National Bank expands into the Gillette, Wyoming community
- 2005 American National Bank expands into the Avon, Colorado community
- 2011 - SFG changes the name of all banking centers in Colorado and Wyoming to ANB Bank moving from a national bank charter to a state bank charter
- 2012 - SFG consolidates Premier Bank in Kansas City Metro area into ANB Bank
- 2013 ANB Bank expands into the Castle Rock, Colorado community
- 2014 - ANB Bank acquires Capital West Bank of Laramie and merges it into ANB Bank, that included expansion into the Fort Collins, Colorado community



Bank Performance Report

Statement of Condition

As of September 30, 2016

Assets

Cash and Due from Banks	\$ 114,408,000
Investments and Fed Funds Sold	900,554,000
Net Loans	1,407,907,000
Bank Premises & Equipment	114,966,000
Other Assets	<u>47,763,000</u>

Total Assets **\$ 2,585,598,000**

Liabilities

Deposits	\$ 2,190,643,000
Repurchase Agreements Sold	179,716,000
Other Borrowings	0
Other Liabilities	<u>8,112,000</u>

Total Liabilities **\$ 2,378,471,000**

Equity Capital **\$ 207,127,000**

Total Liabilities & Capital **\$ 2,585,598,000**

Risk Based capital ratio **13.00%**

Regulatory standard **10.00%**



Requested Banking Services

2. c) THIRD PARTY VENDOR

CORPORATE VISA® CREDIT CARD www.firstbankcard.com

Online access to card detail for both card holders & administrator –

First Bankcard®, a division of First National Bank of Omaha, who services our Credit Cards allows your Program Administrator(s), full access to manage your Card program online, and in real-time. Direct Card Access, our online application, allows your Program Administrator(s) to:

- Monitor accounts and transactions, view statements, and download transaction data
- Adjust card credit limits in real-time
- Request new or replacement cards
- Close accounts
- Make online payments
- Give individual cardholder online access to their account statements and download transaction detail
- Program Administrator(s) also may call our dedicated administrative client service team to request account management changes

Your online administrator can also grant access to cardholders to view their current transactions, monthly card statements, and to download monthly statement transactions in CSV format.

Credit Card Program Overview - Exhibit 1





FLEXIBILITY AND CONTROL.

Comprehensive solutions for your unique payment needs.

Streamlined, effective payment solutions to help your organization thrive

Maximize working capital and improve efficiencies by incorporating a commercial card in your payments process. We can help you customize the right solution that will integrate seamlessly.

Improve Cash Flow

Maximize your working capital by leveraging payment terms and maximizing supplier discounts

Enjoy Benefits for Business Spending

Earn valuable revenue share for your commercial card program spending

Reduce Cost Through Efficiency

Convert your check payments to card and enjoy automated payments, reduced paperwork and increased employee productivity

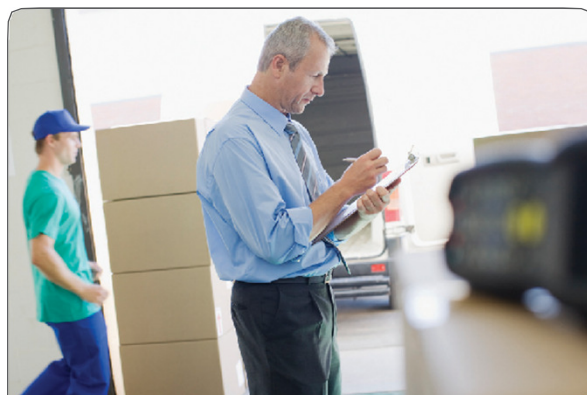
Enhance Controls and Business Intelligence

Set program restrictions, view transaction information and help manage employee spend. Use information and reporting to help identify fraud and automate expense reporting

Supplier Enablement Programs

Enrolling vendors to accept credit cards is key to a successful card program, yet it is time consuming for your staff. With our Supplier Enablement program, we will lead the enrollment, and you enjoy the following program benefits:

- Increased card spend and revenue share potential
- Consolidated spend among preferred suppliers, which can lead to purchasing discounts
- Improved payment automation and efficiencies



Gain Better Insight Into Your Spending

Optimize your card program with easy to access online management and reporting tools. Your program administrator, managers and cardholders can access daily transaction updates, line-item detail and have the ability to:

- **Access** over 20 reports to manage and forecast spending
- **Simplify** expense tracking and management
- **Obtain** and manage card spending data
- **Analyze** transaction data to negotiate better discounts with vendors
- **Integrate** transaction data into budgeting and planning tools

COMMERCIAL CARD SOLUTIONS

Purchasing Edition® Card

Simplify your procurement and payment processes with the Purchasing Edition Card. Reduce the cost of processing requisitions and purchase orders while receiving your goods faster. The Purchasing Edition Card can help your company:

- **Reduce** procurement and supply chain costs
- **Earn** revenue share through card spend
- **Leverage** spending information to help secure vendor discounts
- **Simplify** administrative and reconciliation processes
- **Implement** controls and gain better spending information through reporting and program management tools

Purchasing cards such as the Purchasing Edition® have been found to result in:

81% reduction in processing costs

70% improvement in cycle time per transaction

1.7% average price reduction from vendors

by using purchasing card spending data to negotiate higher discounts for goods and services from vendors

2012 RPMG Purchasing Card Benchmark Survey Results. Savings compared to traditional purchase order process. Actual results may vary.

Travel & Entertainment cards such as the Commercial Edition® have been found to result in:

33% greater discount on average for airfare, hotels and car rentals

(compared to not using travel card data in negotiations)

2012 RPMG Travel Card Benchmark Survey Results. Savings compared to traditional purchase order process. Actual results may vary.

Commercial Edition® Card

Allow your employees the flexibility they need for their daily business travel and entertainment activities, while maintaining the controls you desire to manage spending and travel policies. The Commercial Edition Card can help your business:

- **Facilitate** travel and entertainment spending while maintaining policy controls
- **Earn** revenue share through card spend
- **Leverage** spending information to secure vendor discounts
- **Simplify** administrative and reconciliation processes
- **Protect** employees with travel insurance

Personalized service and program support. A commitment to achieve your goals.

Revenue Share

- **Earn valuable revenue share** through card spending starting at \$1,000,000 annual spend with no spending or transaction hurdles. Receive annual revenue share payments calculated upon the total annual net program purchase volume

Convenient Billing Cycles

- **Maximize float** with a monthly cycle and a 25-day grace period



Greater Acceptance

- **Enjoy ease of use and payment** with both Visa and MasterCard, which has three times greater acceptance over American Express

Dedicated Customer Service

- **Experience superior customer service** and relationship management. Our personalized service and support will work with your company to grow your program and card spend, generating more revenue to your bottom line

Credit Card VirtualPlus Overview - Exhibit 2



First Bankcard | VIRTUAL^{PLUS}TAKE CONTROL WITH VIRTUAL⁺

Today, corporations face numerous challenges managing corporate spending. With **Virtual⁺** you now have a powerful tool to help you streamline payments using configurable spending controls and enhanced data. Expand the benefits of your card program with **Virtual⁺** for Commercial Payments.



**\$103,000 SAVINGS ESTIMATED
FOR EVERY \$1 MILLION IN SPENDING***

Use Case

Electronic Accounts Payables

A single-use virtual account number is generated upon invoice approval and is associated with the invoice number and securely transmitted to the supplier. The supplier processes the transaction as a normal card transaction, but never sees the actual funding account number.

Replacing “check runs” with “card runs” improves the efficiency of Accounts Payables and provides greater control, ease of reconciliation, and more data than ACH payments.

Key Features

- **Virtual account**—a dynamically-generated, unique account number that is associated with a specific payment—not an employee or department.
- **Transaction-level control**—every transaction is assigned authorization controls.
- **Workflow control**—approval routing for individual transactions follows your existing approval processes.
- **Automated reconciliation**—every virtual account is mapped to facilitate reconciliation.
- **Enhanced data**—information important to each individual payment can be incorporated into the transaction.



Implementation Options

You can implement **Virtual+** according to your organization's needs.

WEB-BASED APPLICATION ACCOUNTS

- Easy-to-use application that doesn't require integration with your systems.
- Enables authorized users to securely generate virtual accounts for purchase requests.
- Provides the benefits of **Virtual+** with easy implementation or for ad hoc accounting needs.

PAYABLE BATCH FILE

- Allows you to request a virtual account number for each invoice payment through a batched file from your ERP, e-procurement, AP, or financial system.
- Replaces existing accounts payable check-runs while keeping your current approval process.
- Well suited for high-volume Accounts Payable operations.

Key Benefits

- Improved control, compliance, and security—virtual accounts and transaction-level authorization controls enable you to define how, where, and when accounts are used.
- Simpler reconciliation and reporting—data capture and the association of a unique account number to a unique payment improve reconciliation and data analysis.
- Increased accounts payable efficiency—through on-demand virtual accounts.
- Optimized cash flow and revenues from program incentives—you now have a tool to accelerate payments to suppliers, as well as expand the benefits of your purchasing card program.

Requested Banking Services

2. d) PUBLIC DEPOSIT PROTECTION ACT (P.D.P.A.)

Given events in the financial system the past several years, it is appropriate for Board Members to be concerned about the safety of the funds entrusted to them. Thank you for the opportunity to expound on how the State Regulation and the Bank's compliance with those Regulations combine to fully protect all of SMART's funds maintained at ANB Bank.

For Public Fund entities, like SMART, funds in excess of FDIC insurance limits are addressed in the Colorado Public Deposit Protection Act. Under the Act approved banks are required to pledge securities to the State in an amount equal to or greater than 102% of the funds not insured by FDIC. These securities are pledged directly to the State of Colorado and maintained by a third party escrow agent. The securities can only be released or replaced by State permission. The independent escrow fiduciary is responsible for the monthly reporting to the State on the current market value on the pledged securities.

ANB Bank is required to track each public fund entity balance daily to verify compliance with the pledging requirement and submits monthly reports certifying compliance with the Act. In addition, the Colorado Division of Banking directly examines the Bank's records and also requires an annual audit report by an independent accounting firm. As a practice the Bank maintains our pledged security portfolio well above the 102% requirement to mitigate an event where increases in public fund balances would compromise our compliance.

The Colorado Division of Banking welcomes inquiries by Public Fund entities to confirm their respective deposits are being reported and protected by ANB Bank. They can be contacted by mail at 1560 Broadway, Suite 975 in Denver (80202), telephoned directly (303) 894-7575 or emailed at banking@dora.state.co.us.

Requested Banking Services

2. e) COMMUNITY REINVESTMENT ACT (C.R.A.)

ANB Bank recently provided the construction financing in the amount of \$1.8MM for the new affordable employee housing project (Spruce House) located within the Town of Telluride. The Spruce House includes two one-bedroom units, five two-bedroom units, one three-bedroom unit and a ground-floor space that could either be sold to one of the residential occupants as a live/work commercial space or rented by the town to a local non-profit organization for office space. ANB Bank is proud to be a partner with the Town of Telluride and working together to provide employee housing solutions. In addition to financing affordable housing, the Telluride Branch employees went to regional schools and provided lessons on credit, savings and general money management.



INSTITUTION RATING

COMMUNITY REINVESTMENT ACT RATING: *This institution is rated **Satisfactory**.*

The following table indicates the performance level of ANB Bank (the bank) with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.			

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors supporting the institution's rating include:

Lending Test:

- Lending levels reflect adequate responsiveness to assessment area (AA) credit needs.
- A substantial majority of loans were originated within the bank's delineated AAs.
- The geographic distribution of loans reflects an excellent penetration throughout its AAs.
- The distribution of loans reflected an adequate penetration among borrowers of different income levels and to businesses and farms of different revenue sizes.
- The bank made a relatively high level of community development loans.

Investment Test:

- The bank has an excellent level of qualified community development investments and grants.

Service Test:

- The bank provides a relatively high level of community development services.
- Delivery systems are accessible to geographies of different income levels.
- Hours and services did not vary in a way that inconveniences its AAs.
- Changes in branch locations did not adversely affect accessibility throughout its AAs.

Requested Banking Services

2. f) REFERENCES

Telluride School District R-1
Wendy Everett, Finance Director
(970) 728-6617
weverett@telluride.k12.co.us

San Miguel County Treasurer
Janice Stout, Treasurer and Public Trustee
(970) 728-4451
treasurer@sanmiguelcountyco.gov

Mesa County Treasurer
Janice Rich, Treasurer
(970) 244-1833
janice.rich@mesacounty.us

Clifton Water District
Dale Tooker, District Manager
(970) 434-7329
dtooker@cliftonwaterdistrict.org



Requested Banking Services

3. DEPOSITS AND COLLECTIONS – ACH OPTIONS – DIRECT DEPOSIT

ANB Bank offers a complete range of Cash Management Services designed to provide SMART with the tools it needs to effectively manage the cash management functions within its organization. ANB Bank will review the account structure annually to ensure that the products and services fit the needs of SMART.

DEPOSITS AND COLLECTIONS

- Recommended account structure will be as follows:
 - Analysis Business Checking (master account)
 - BusinessFree Checking (sales tax deposit account & mill levy account)
 - Business Money Management
 - Credit Cards (Point of Sale and/or credit cards)
 - Remote Deposit Capture
 - Online Banking to include ACH Payments/Collections, Wires & Direct Deposit

ANALYSIS ACCOUNT

This account will allow the business a comprehensive look at the master account each month with the added value of an earnings credit that is based on collected funds. Deposit statements are available the 1st day of the following month after month end activity and Analysis statements are available by mid-month.

Analysis Earnings Credit:

<u>Rate</u>	<u>Tier</u>
0.40%	\$250,000.01 +
0.30%	\$100,000.01 - \$250,000.00
0.20%	\$0 - \$100,000.00

ZBA ACCOUNT

The zero balance accounting (ZBA) service can automatically sweep funds daily to your master account. Excess funds in the analysis account can be transferred to the master account or a Business Money Management account to increase returns and maintain liquidity (*Transfer restrictions apply).

Requested Banking Services

3. DEPOSITS AND COLLECTIONS – ACH OPTIONS – DIRECT DEPOSIT (Cont.)

ACH

ANB Bank ACH offers both debit and credit ACH payments, with templates that have the ability to create and store future dated ACH withdrawals using Online Banking. Security tokens are another way of adding security with either dual approval, or one approver. One person can initiate, the other can approve. The administrator can set up users with tiered approval limits. Regardless of the method of transaction delivery chosen, our system is reliable, secure and user friendly.

REMOTE DEPOSIT CAPTURE (RDC)

Putting your receivable dollars to work as quickly as possible by making deposits right from your desktop. ANB Bank's remote deposit solution goes beyond getting your deposits to the bank. Added benefits include:

- Accelerated check clearing
- Improved availability & convenience
- Reduced return item risk
- Enhanced cash flow
- Reduced transportation, processing & photocopying costs

RETURNED ITEMS

Your returned item process is customizable to fit your needs. The second time a deposit item is dishonored, the item will be charged back against the account of initial deposit and the stated fee will be charged to the account. Returned items can be viewed within Online Banking, and ANB can provide a report. A notice is also mailed the day the item is re-deposited or charged back to the account.

Note – Certain items returned are not eligible for redeposit (i.e., Stop Payment, Closed account, Refer to Maker, Forgery, etc.).

STOP PAYMENTS

Stop payments can be initiated in person or through Online Banking. You will have the option to place a stop payment for a period of six or twelve months.

Requested Banking Services

4. ACCOUNT RECONCILIATION

ACH POSITIVE PAY

ANB Bank ACH Positive Pay provides you the ability to define partners that are authorized to send ACH debits and/or credits for any, exact or maximum amounts, to your account. Any item that meets the criteria you establish will automatically post to your account. You are alerted to any exception transactions to your criteria, safeguarding you against fraudulent activity. Upon receipt of the rejected items, you can then return them or conveniently add filter criteria for future electronic transactions.

CHECK POSITIVE PAY

ANB Bank Check Positive Pay allows you to decide what items to pay. You can electronically submit your register, and we will match all items by check number and amount. You will verify unmatched items online to approve or return. Positive Pay can eliminate your worries about fraud and give you a daily reconciliation. You gain control over each day's in-clearing checks.

CUT-OFF TIMES FOR TRANSMISSION

- Positive Pay for exception items – 1:00 PM MST
- Positive Pay Check File – End of business day

Requested Banking Services

5. ONLINE BANKING OPTIONS

www.ANBbank.com

With internet access you can securely manage your banking business 24-hours a day, 7-days a week:

- Access Current Deposit and Loan Information
- Check Your Balances
- Transfer Funds
- Utilize Mobile Banking
- Cash Management Features for Businesses:
 - Authorize Transactions
 - ACH Positive Pay
 - File Transmission
 - Multi-Level Security Authorization
 - Wire Transfers
 - ACH Disbursements & Collections
 - Tokens
 - CD Rom
 - Request Stop Payments
 - View your daily in-clearing, deposit and wire activity
 - Administrator – dictates users functionality
 - Bill Pay
 - Direct Deposit of Payroll
 - Check Positive Pay
 - EFTPS Tax Payments
 - Remote Deposit Capture (RDC)
 - Mobile Banking
 - account recon (ARP)
 - Re-Order Checks
 - Check Images

- Online Banking will include, but not limited to:
 - Detailed transaction and balance reports including previous day detailed transactions.
 - Return statements for check items and a secure emailed EDI statement for ACH items.
 - Itemized statement which include details of each account for the previous month.
 - Analysis statement will be provided by mid-month.



Requested Banking Services

5. ONLINE BANKING OPTIONS (Cont.)

- Stop payments via Online Banking or in person.
- Images of cleared items will available via Online Banking.
- ANB Bank's Online Banking offers the ability to create/approve wires (Foreign & Domestic), ACH (disbursements and collections), and transfer between accounts.
- Multi-Level Security Authorization allows DWC to have additional levels of approval for these initiated transactions.
- Transfers can be completed between all checking accounts within Online Banking including loans.
- All outgoing wires transfers can be processed through Online Banking with multi-level security authorization. Phone requests will be accepted in the event the Online process is unavailable.



Requested Banking Services

6. PROPOSED FEE SCHEDULE AND SAMPLE AGREEMENTS

- Exhibit 3 – Cash Management Pricing Proforma
- Exhibit 4 – Sample signature card
- Exhibit 5 – Sample Cash Management Bank Service Agreement/terms and conditions



Cash Management Pricing Proforma– Exhibit 3



Cash Management Pricing Proforma

ANB Unit Charge

ACTIVITY DESCRIPTION

General Account Services

Monthly Maintenance Fee	15.00
Paper Statement Fee	5.00
Non-Sufficient Funds Fee - Per Item	30.00

Depository Services

Deposits	0.25
Deposited items	0.120
Return Item Fee	7.00
Redeposited Item Fee	7.00
Remote Deposit Capture per Scanner (eDeposit)	40.00
Special Handling Instructions - Per Account	25.00

Paper Disbursement Services

Checks/Debits	0.15
Monthly Check Imaging Fee	5.00
Stop Payments - 6 Months	30.00
Stop Payments - 12 Months	35.00
Positive Pay - Initial Setup Fee	75.00
Positive Pay - Check Items (First Account)	40.00
Positive Pay - Additional Accounts	5.00
Positive Pay Items	0.10
Positive Pay - Per Exception	0.17
Reverse Positive Pay - Monthly Base - Full	40.00
Reverse Positive Pay - Additional Accounts	5.00

Paper Disbursement Recon Services

CD ROM - Monthly	25.00
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Online Banking Services

Cash Manager/Wires/ACH Monthly Fee	25.00
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Wire Services

Domestic Outgoing - Manual	25.00
Domestic Outgoing (via Online Banking)	12.50
Domestic Incoming	12.00
International Outgoing - Manual	50.00
International Outgoing (via Online Banking)	12.50
International Incoming	15.00
Wire Notification (via email/fax)	0.00

General ACH Services

ACH Debit Origination (Online Banking)	0.08
ACH Credit Origination (Online Banking)	0.08
ACH Debits Received	0.15
ACH Credits Received	0.15
ACH Items	0.10
ACH - Per Exception	0.17
FED EDI Email Notifications	1.50
ACH Positive Pay	40.00
ACH Positive Pay Additional Accounts	5.00
ACH Account Block w/ Filter File Input	25.00
ACH per item Block/ Filter	0.07
ACH Authorized/ White List	0.07

Loan Sweep Services

Loan Sweep	75.00
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Signature Card– Exhibit 4



ANB BANK - TELLURIDE
101 E COLORADO AVE
TELLURIDE CO 81435

OWNERSHIP OF ACCOUNT - CONSUMER (Select One and Initial):

- ☐ Single-Party Account ☐ Trust-Separate Agreement
☐ Multiple-Party Account
☐ Other

RIGHTS AT DEATH (Select One And Initial):

- ☐ Single-Party Account
☐ Multiple-Party Account With Right of Survivorship
☐ Multiple-Party Account Without Right of Survivorship
☐ Single-Party Account With Pay On Death
☐ Multiple-Party Account With Right of Survivorship and Pay On Death

PAY-ON-DEATH BENEFICIARIES: To Add Pay-On-Death Beneficiaries Name One or More:

OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE

- ☐ SOLE PROPRIETORSHIP ☐ PARTNERSHIP
☐ CORPORATION: ☐ FOR PROFIT ☐ NOT FOR PROFIT
☐

BUSINESS:

COUNTY & STATE
OF ORGANIZATION:

AUTHORIZATION DATED:

DATE OPENED BY

INITIAL DEPOSIT \$

☐ CASH ☐ CHECK ☐

HOME TELEPHONE #

BUSINESS PHONE #

DRIVER'S LICENSE #

E-MAIL

EMPLOYER

MOTHER'S MAIDEN NAME

Name and address of someone who will always know your location:

BACKUP WITHHOLDING CERTIFICATIONS

TIN:

☒ **TAXPAYER I.D. NUMBER** - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

☒ **BACKUP WITHHOLDING** - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

☐ **EXEMPT RECIPIENTS** - I am an exempt recipient under the Internal Revenue Service Regulations.

SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. citizen or other U.S. person (as defined in the Instructions).

X (Date)

ACCOUNT NUMBER

PORTFOLIO NUMBER

ACCOUNT OWNER(S) NAME & ADDRESS

- ☐ NEW ☐ EXISTING
TYPE OF ACCOUNT ☐ CHECKING ☐ SAVINGS
☐ MONEY MARKET ☐ CERTIFICATE OF DEPOSIT
☐ NOW
This is your (check one):
☐ Permanent ☐ Temporary account agreement.

Number of signatures required for withdrawal

FACSIMILE SIGNATURE(S) ALLOWED? ☐ YES ☐ NO

[X]

SIGNATURE(S) - The undersigned certifies the accuracy of the information he/she has provided and acknowledges receipt of a completed copy of this form. The undersigned authorizes the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledges the receipt of a copy and agree to the terms of the following agreement(s) and/or disclosure(s):

- ☐ Terms & Conditions ☐ Truth in Savings ☐ Funds Availability
☐ Electronic Fund Transfers ☐ Privacy ☐ Substitute Checks
☐ Common Features ☐

(1): [X]

I.D. # D.O.B.

(2): [X]

I.D. # D.O.B.

(3): [X]

I.D. # D.O.B.

(4): [X]

I.D. # D.O.B.

AGENCY (POWER OF ATTORNEY) DESIGNATION (Optional): To Add Agency Designation To Account, Name One or More Agents:

(Select One and Initial):

- ☐ Agency Designation Survives Disability or Incapacity of Parties
☐ Agency Designation Terminates on Disability or Incapacity of Parties

Cash Management Bank Service Agreement/Terms and Conditions – Exhibit 5





CASH MANAGEMENT BANK SERVICES AGREEMENT

This Cash Management Bank Services Agreement is entered into between ANB Bank, a Colorado state-chartered bank (“Bank”), and Bank’s customer named on the signature page to this Agreement (“Customer”).

Customer has one or more commercial bank accounts with Bank (the “Accounts”). Customer is entering into this Agreement to obtain one or more of the services indicated below in connection with the Accounts. This Agreement sets forth the terms and conditions on which Customer may obtain those services from Bank. From time-to-time after the date of this Agreement, Customer may add to the services elected by signing and dating on the following page to accept the new services. By signing below to accept a service, Customer agrees to all of the provisions in the following pages of this Agreement that apply to the accepted services.

BUSINESS / CUSTOMER NAME:* _____

Printed Name: _____
(Authorized Representative)

Title: _____

Date: _____

Signature: _____

BANK: ANB BANK

Printed Name: _____
(Bank Representative)

Date: _____

Signature: _____

*This Agreement may be executed on behalf of one or more entities that are Customers through the signature of a single individual if more than one entity is listed on Schedule G. In that event, each such entity is a party to this Agreement and Part VI of this Agreement applies to those entities.

This Agreement consists of seven parts. Each of Parts I-V governs provision of the service specified below. Parts VI and VII include general provisions that apply to all services under this Agreement.

ACCEPTANCE OF THE FOLLOWING SERVICES (WHERE SIGNED BY CUSTOMER BELOW SUCH SERVICE):

- 1. Commercial Online Banking (Governed by Bank's Online Banking agreement, which Customer agrees to by logging in to its accounts online. The Online Banking agreement is not set forth below in this paper document, but is entered into electronically and governs all transactions under this Agreement.)**

By: _____

Date: _____

- 2. Automated Clearing House (ACH) (Governed by Parts I and VII of this Agreement)**

By: _____

Date: _____

- 3. Wire Transfer (Governed by Parts II and VII of this Agreement)**

By: _____

Date: _____

- 4. Remote Deposit Capture (RDC) (Governed by Parts III and VII of this Agreement)**

By: _____

Date: _____

- 5. Positive Pay (Governed by Parts IV and VII of this Agreement)**

By: _____

Date: _____

- 6. Lockbox (Governed by Parts V and VII of this Agreement)**

By: _____

Date: _____

TERMS AND CONDITIONS FOR SPECIFIC CASH MANAGEMENT PRODUCTS

PART I -- ACH ORIGATION

Customer wishes to initiate Credit and/or Debit Entries by means of the Automated Clearing House Network pursuant to the terms of this Part I and Part VII of this Agreement and the rules of the National Automated Clearing House Association (the "Rules"), and Bank is willing to act as an Originating Depository Financial Institution with respect to such Entries. Unless otherwise defined herein, capitalized terms in this Part I shall have the meanings provided in the Rules. The term "Entry" shall have the meaning provided in the Rules and shall also mean the data received from Customer hereunder from which Bank initiates each Entry.

1. Transmittal of Entries By Customer. Customer shall transmit credit and/or debit Entries to Bank in compliance with the formatting and other requirements set forth in this Agreement. Customer agrees that its ability to originate Entries is subject to exposure limits in accordance with the Rules and as set forth in this Agreement.

2. Compliance with Security Procedures.

(a) To the maximum extent permissible under the UCC, if an Entry (or a request for cancellation or amendment of an Entry) received by Bank purports to have been transmitted or authorized by Customer, it will be deemed effective as Customer's Entry (or request) and Customer shall be obligated to pay Bank the amount of such Entry even though the Entry (or request) was not authorized by Customer, unless it is proven that Bank accepted the Entry in bad faith and did not act in compliance with the Security Procedures with respect to such Entry.

(b) If an Entry (or request for cancellation or amendment of an Entry) received by Bank was transmitted or authorized by Customer, Customer shall pay Bank the amount of the Entry, whether or not (i) Bank complied with (or required Customer to comply with) the Security Procedures with respect to that Entry, (ii) that Entry was erroneous in any respect or (iii) the error would have been detected if Bank had complied with such procedures.

3. Processing Transmittal and Settlement by Bank.

(a) Entries accepted by the Bank include ACH Credit and ACH Debits with ACH Standard Entry Class (SEC) Codes CCD and PPD. SEC Entries other than CCD and PPD shall not be accepted unless Bank specifically agrees in writing to a different format. Unless an "Alternative File Transmission Method" is specifically agreed upon in a signed writing (such as special arrangements to transmit Entries via file transfer protocol), all Entries submitted to Bank must be sent via the Bank's secure Online Banking website. Entries may be sent via Online Banking using either our provided templates or via secure message capability. Entries will not be considered received by Bank if they are not "balanced", in that all Entries have offsetting credits or debits, as appropriate, to an Account. Entries sent via Online Banking using secure message capability will not be considered received by Bank until Customer shall have sent by telecopy a completed ACH confirmation in the form furnished by Bank. The information in the confirmation must correspond to the information sent via secure messaging. Unless an "Alternative File Format" is agreed upon, all Entries submitted must be NACHA formatted. Entries submitted to Bank on tape, disk, CD-ROM, or other means besides the Bank's Online Banking website will not be considered an acceptable delivery method.

(b) Except as provided in Section 4, Rejection of Entries, Bank shall: (i) process Entries received from Customer to conform with the file specifications set forth in the Rules, (ii) transmit such Entries as an Originating Depository Financial Institution to the ACH Operator, and (iii) settle for such Entries as provided in the Rules.

(c) Bank shall transmit such Entries to the ACH Operator by the deadline of the ACH Operator set forth in Schedule B one Business Day before the Effective Entry Date shown in such Entries, provided: (i) such Entries are received by Bank's related cut-off time set forth on Schedule B on a Business Day, (ii) the Effective Entry Date is at least one Business Days after such Business Day, and (iii) the ACH Operator is open for business on such Business Day. For purposes of this Agreement, Entries shall be deemed received by Bank, in the case of electronic transmission, when the transmission (including compliance with any related security and confirmation procedures provided for herein) is completed with all required information.

(d) If any of the requirements of clause (i), (ii) or (iii) of Section 3(d) is not met, Bank shall use reasonable efforts to transmit such Entries to the ACH Operator by the next deposit deadline of the ACH Operator following that specified in Schedule B.

(e) Notwithstanding the foregoing, Bank in its sole and absolute discretion may process Entries with an Effective Entry Date more than five Business Days after transmission by the Customer to Bank.

4. Rejection of Entries. Bank may reject any Entry that does not strictly comply with the requirements of this Agreement, or that contains an Effective Entry Date more than five Business Days after the Business Day on which such Entry is received by Bank. Bank may reject an On-Us or other Entry for any reason for which an Entry may be returned under the Rules. Bank may reject any Entry if Customer has failed to comply with its account balance obligations under Section 3 of Part VII of this Agreement or Section 8 of this Part I below. Bank shall notify Customer by phone, electronic transmission or in writing of such rejection no later than the Business Day on which such Entry would otherwise have been transmitted by Bank to the ACH Operator. Notices of rejection shall be effective when given. Bank shall have no liability to Customer by reason of rejection of any such Entry or the fact that such notice is not given at an earlier time than that provided for herein. Bank's ability to reject an entry under this Section 4 or any other provision of this Agreement shall not imply that it has any duty to reject such an entry.

5. Cancellation or Amendment By Customer. Customer shall have no right to cancel or amend any Entry after its receipt by Bank. However, if such request complies with all Security Procedures and is transmitted pursuant to Bank's Online Banking cancellation mechanism, Bank may, in its sole and absolute discretion, act on a request by Customer for cancellation of an Entry before transmitting it to the ACH Operator, but shall have no liability if such cancellation is not effected. Customer shall indemnify Bank for any loss, claim, damage, liability or expense (including reasonable attorneys' fees) that Bank may incur in effecting or attempting to effect the cancellation or amendment of an Entry at Customer's request.

6. Notice of Returned Entries and Notifications of Change. Bank shall notify Customer by phone, electronic transmission or in writing of the receipt of a returned Entry from the ACH Operator no later than two Business Days after the Business Day of such receipt. Except for an Entry retransmitted by Customer in accordance with the requirements of Section 1, Transmittal of Entries By Customer, Bank shall have no obligation to retransmit a returned Entry to the ACH Operator if Bank complied with the terms of this Agreement with respect to the original Entry. Customer shall notify the Originator by phone, electronic transmission or in writing of receipt of each return Entry no later than one Business Day after the Business Day of receiving such notification from the ODFI. Bank shall provide Customer all information, as required by the NACHA Operating Rules, with respect to each Notification of Change (NOC) Entry or Corrected Notification of Change (Corrected NOC) Entry received by Bank relating to Entries transmitted by Customer. Bank must provide such information to Customer within two Business Days of the Settlement Date of each NOC or Corrected NOC Entry. Customer shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) Banking Days of Customer's receipt of the NOC information from Bank or prior to initiating another Entry to the Receiver's account, whichever is later.

7. Payment by Customer for Entries; Payment by ODFI for Entries.

(a) Customer shall pay Bank, in collected funds, the amount of each Credit Entry transmitted by Bank pursuant to this Agreement at such time on the Transmission Date with respect to such credit Entry as Bank, in its sole and absolute discretion, may determine.

(b) Customer shall promptly pay Bank the amount of each debit Entry returned by an RDFI that was transmitted by Bank pursuant to this Agreement.

(c) Bank shall pay Customer the amount of each debit Entry transmitted by Bank pursuant to this Agreement at such time on the Settlement Date with respect to such debit Entry as Bank, in its sole and absolute discretion, may determine (so long as, in the case of an On-Us Debit Entry, there are adequate available funds in the Account to be debited).

(d) Bank shall promptly pay Customer the amount of each credit Entry returned by an RDFI that was transmitted by Bank pursuant to this Agreement.

8. The Account. In addition to its right of offset under Part VII of this Agreement, the Account Agreement of any Depository Account or otherwise, Bank shall have the right to:

(a) Require the Customer to prefund any Entries, so that adequate funds for all such Entries are in the Account up to three Business Days before the Effective Date of the Entries; or

(b) Put a hold (or "freeze") on funds for up to five Business Days following the Effective Date of any Debit Entry and such frozen funds will not count for other purposes under this Section 8. Bank's ability to require prefunding or place a hold shall not create any obligation to do so, and it will not be liable for not freezing funds or for releasing any freeze. Upon Bank's request at any time or from time to time, Customer shall promptly provide to Bank any financial statements, proofs of ACH or other audits or other pertinent information Bank may request, along with a certificate signed by an Authorized Representative stating that such information is complete and accurate in all material respects and does not omit to state any material fact. Bank may suspend ACH capabilities when the Bank has not received any requested information within 10 days of request, or if there are inadequate available funds in the Account or if Bank, in its sole and absolute discretion, feels insecure about Customer's ability to comply with any of its obligations under this Agreement. In furnishing any information to Bank pursuant to this Agreement, Customer shall be deemed to have represented and warranted that such information is complete and accurate in all material respects and does not omit any material facts.

9. Account Reconciliation. Entries transmitted by Bank will be reflected on Customer's periodic statement issued by Bank with respect to the Account pursuant to the account agreement between Bank and Customer. Customer agrees to notify Bank promptly of any discrepancy between Customer's records and the information shown on any periodic statement. If Customer fails to notify Bank of any discrepancy within 60 days of receipt of a periodic statement containing such information, Bank shall not be liable for any other losses resulting from Customer's failure to give such notice or any loss of interest or any interest equivalent with respect to an Entry shown on such periodic statement.

10. Customer Representations and Agreements. With respect to each Entry transmitted by Customer, Customer represents and warrants to Bank and agrees that: (a) each person shown as the Receiver on an Entry has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Entry Date shown on such Entry; (b) such authorization is operative at the time of transmittal or crediting or debiting by Bank as provided herein; (c) Entries transmitted to Bank by Customer are limited to those types of credit and debit Entries set forth in Section 1, Transmittal of Entries By Customer; (d) each such Entry complies and when credited or debited shall comply with the Rules and all applicable laws, rules, regulations, and orders, including, but not limited to, the sanctions laws, regulations, and orders administered by OFAC; laws, regulations, and orders administered by FinCEN; the disclosure and consent requirements of Regulation E, if applicable, any restrictions imposed under Regulation GG (internet gambling), and any and all state and Federal and other applicable laws, regulations, or orders applicable to the providers of ACH payment services or applicable in any way to ACH transactions; (e) The Customer has complied with all provisions of this Agreement applicable to such Entry; and (f) Customer shall be bound by and strictly comply with each of the Rules (including, without limitation, the provision of the Rules making payment of an Entry by the RDFI to the Receiver provisional until receipt by the RDFI of final settlement for such

Entry). Customer specifically acknowledges that it has received notice of the Rule regarding provisional payment and of the fact that, if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Customer shall not be deemed to have paid the Receiver the amount of the Entry.

11. Bank Responsibilities; Liability; Limitations on Liability.

(a) Bank shall not be responsible for Customer's acts or omissions (including, without limitation, the amount, accuracy, timeliness of transmittal or authorization of any Entry received from Customer) or those of any other person, including, without limitation, any Federal Reserve Bank, ACH Operator or transmission or communications facility, any Receiver or RDFI (including, without limitation, the return of an Entry by such Receiver or RDFI), and no such person shall be deemed Bank's agent. Without limiting the generality of any other indemnification obligation under this Agreement, Customer agrees to indemnify Bank against any loss, claim, damage, liability or expense (including reasonable attorneys' fees and costs) resulting from or arising out of any claim of any person that the Bank is responsible for any act or omission of Customer or any other person, whether described in this Section 11(a) or otherwise.

(b) Bank shall be excused from failing to transmit or delay in transmitting an Entry if such transmittal would result in Bank's having exceeded any limitation upon its intra-day net funds position established pursuant to present or future Federal Reserve or similar guidelines or in Bank's judgment otherwise could violate any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other applicable U.S. or other governmental regulatory authority.

(c) Subject to the foregoing limitations, Bank's liability for loss of interest resulting from its error or delay shall be calculated by using a rate equal to the average Federal Funds Rate at the Federal Reserve Bank of New York for the period involved. At Bank's option, payment of such interest may be made by crediting the Account.

12. Inconsistency of Name And Account Number. If an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by Bank to the RDFI may be made by the RDFI (or by Bank in the case of an On-Us Entry) on the basis of the account number supplied by the Customer, even if it identifies a person different from the named Receiver. Customer's obligation to pay the amount of the Entry to Bank is not excused in such circumstances and remains the Customer's responsibility.

13. Data Retention. Customer shall retain data on file adequate to permit remaking of Entries for 60 days following the date of their transmittal by Bank, and shall provide such data to Bank promptly upon its request, in any event no later than two Business Days thereafter. Without limiting the generality of the foregoing, Customer specifically agrees to comply with all applicable provisions of the Rules regarding the retention of documents or any record, including, without limitation, Customer's responsibilities to retain all items, source documents, and records of authorization in accordance with the Rules.

14. Records. All Entries, documents, electronic media, security procedures and related records used by Bank for transactions contemplated by this Agreement shall be and remain Bank's property. Bank, at its sole and absolute discretion, may make available such information upon Customer's request. Any expenses incurred by Bank in making such information available to Customer shall be paid by Customer.

15. Evidence of Authorization. Customer shall obtain all consents and authorizations required under the Rules and shall retain such consents and authorizations for two years after they expire.

16. Termination. Customer may terminate this Part I at any time. Such termination shall be effective on the second Business Day after the Bank's receipt of written notice of such termination or such later date as is specified in that notice. Bank reserves the right to terminate this Part I for any reason or for no reason upon providing written notice of such termination to Customer, effective at the time of such notice or such later time as is specified in the notice.

II -- WIRE SERVICES / FUNDS TRANSFER

Bank and the Customer agree that the provision by Bank and the use by the Customer of the funds transfer/wire services shall be subject to this Part II and Part VII of this Agreement.

1. Execution of Payment Orders. Bank will execute each payment order received by it in the name of the Customer as sender, provided that the Customer has sufficient Available Funds on deposit in the Authorized Account and provided that the payment order: contains the required information; is received by Bank in the medium and at the place(s) specified by bank; complies with any written instructions and restrictions required by Bank in Schedule C or any notice to Customer; and is authorized by the Customer or is verified by Bank in compliance with the Security Procedure for verifying the authenticity of funds/wire transfer instructions provided to Bank in the name of the Customer.

2. Rejection of Payment Orders. If Bank rejects or fails to execute a payment order of the Customer, no later than 3:00 P.M. mountain time on the execution date of the payment order, Bank shall notify the Customer of its rejection of the payment order. Such notice shall be made by placing a phone call to any one of the primary contacts provided in this Agreement. Such notice shall be deemed commercially reasonable.

3. Identifying Number. If Customer's payment order in a funds/wire transfer completed by acceptance by the beneficiary's bank identifies the beneficiary by both a name and an identifying or bank account number and the name and number identify different persons, execution of the payment order, payment to the beneficiary, or cancellation of the payment order may be made solely on the basis of the number. If a payment order of the

Customer identifies any bank by both a name and an identifying number and the number identifies a bank different from Bank identified by name, any bank may rely solely on the identifying number.

4. Time of Receipt of Payment Orders. Bank may treat any payment order received after the deadline specified in Schedule C as if it were received by that hour or may treat it as if it were received on the next funds-transfer business day.

5. Cancellation of Payment Orders. A payment order may be cancelled by the Customer, provided the cancellation instruction is received by Bank at a time and in a manner affording Bank a reasonable opportunity to act prior to Bank's acceptance of the payment order.

6. Fedwire and Applicable Rules. Each payment order or cancellation thereof may be furthered by any bank by use of the funds/wire transfer system of the Federal Reserve Banks ("Fedwire"). The rights and obligations of Bank and the Customer with respect to any payment order, any part of which is carried out through the use of Fedwire, will be governed by any applicable laws, the regulations of the Board of Governors of the Federal Reserve system, and the operating circulars of the Federal Reserve banks. Each payment order or cancellation thereof carried out through a funds transfer/wire system will be governed by all applicable funds/wire transfer system rules, whether or not Bank is a member of the system. Customer acknowledges that Bank's right to reverse, adjust, stop payment, or delay posting of an executed payment order is subject to the laws, regulations, circulars, and rules described in this Section 6 and Bank will not be liable if prevented by any of the foregoing from effecting a reversal, stop payment or delay.

7. Net Funds Position. Bank shall be excused from failing to transmit or delay in effecting any transfer if such transfer would result in Bank's having exceeded any limitation upon its intra-day net funds position established pursuant to present or future Federal Reserve or similar guidelines or in Bank's judgment otherwise could violate any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other applicable U.S. or other governmental regulatory authority.

8. Submission and Verification of Payment Orders. Payment order may be submitted only through the wire request feature of Bank's Online Banking system requiring authentication by the entry of a "token", which provides a numerical sequence for authentication in accordance with instructions furnished by Bank to Customer. Bank recommends that Customer use, a procedure whereby a person other than the initiator is required to submit the token. Customer acknowledges that using this dual control procedure is commercially reasonable and has been offered by Bank.

9. Customer Errors. Customer is responsible for detecting Customer errors in the transmission or the contents of Customer payment orders or communications. Bank is not responsible for detecting any Customer error contained in any payment order sent by the Customer to Bank except to the minimum extent required by law and not variable by contract.

10. Required Notice. Bank will not be liable for any interest on the amount of a payment order that was not authorized or was erroneously executed unless the Customer notifies Bank in writing that the payment order was not authorized or properly executed within 30 calendar days following Customer's receipt of notification either of the acceptance of the payment order or of the debiting of the payment order to an Account.

11. Choice of Law. Consumer Transactions. The Customer and Bank agree that if a payment order is a portion of a funds/wire transfer in which other portions are subject to the Electronic Fund Transfer Act of 1978 (as in effect from time to time), all actions and disputes between the Customer and Bank concerning that payment order shall be determined pursuant to UCC 4.5, as varied by this Agreement.

12. Termination. Either party may terminate this Part II by written notice to the other signed by an Authorized Representative or an officer of Bank and sent at least five days prior to the termination date specified in such notice.

Part III -- REMOTE DEPOSIT CAPTURE (E-DEPOSIT)

"E-Deposit" means the system of hardware and software provided by Bank to the Customer for the remote processing of Customer's deposit of checks to Customer's Authorized Accounts. The checks processed for deposit with the E-Deposit system are electronic check Images. This Part III and Part VII of this Agreement govern Bank's provision and Customer's use of E-Deposit services.

1. Equipment and Software Usage. The equipment and software (the "Equipment") that makes up the E-Deposit system is listed generically in Schedule D. Bank shall send a complete list of equipment, including serial numbers or other identifying data, when it ships the equipment. Absent manifest error, that list shall be conclusive evidence of what was shipped to and received by Customer. The Equipment is the property of Bank and is provided to Customer for use only in the E-Deposit system. Customer shall not use (or allow the use of) the Equipment for any other purpose. Customer shall be liable for the cost of repair or replacement of any damage to Equipment determined by Bank to have been caused by the Customer's use of this equipment for any purpose other than remote deposit or to Customer's improper or negligent care or use of any Equipment. The E-Deposit system requires connectivity to the Internet. It is the responsibility of Customer to provide Internet access. Bank will not be responsible for acquiring or designing Internet connectivity for Customer. Bank will provide remedial trouble shooting of Internet connectivity only during installation or support requests. If Customer requests the service of Bank in trouble shooting or help in acquiring Internet connectivity, Bank may charge fees.

2. E-Deposit Processing. It is the responsibility of the Customer to balance its deposited checks as they are processed. Customer must comply with any training and recommended best practices on the use of the E-Deposit system that may be provided by Bank. It is the responsibility of the Customer to transmit its deposits to Bank by the deadline listed in Schedule D. Bank will acknowledge receipt of all deposits back to the Customer via email. Customer agrees to immediately notify Bank if the Customer sends a deposit and does not receive a confirming email. Deposits will be credited for availability based upon the information shown in Schedule D.

Bank reserves the right to reject any check image or group of check images for any reason, before or after confirmation. Adjustment will be made to the Customer's deposit giving the reason for the adjustment. A deposit made pursuant to this Agreement will not be deemed made until Bank receives the deposit and does not timely reject it. Such deposits will be deemed to have been made at the location of the branch of Bank where the Authorized Account is located, and not at the location of the Equipment.

3. **Representations and Warranties.** When depositing a check in accordance with this Agreement, Customer shall be deemed to make all of the representations and warranties and incur all other responsibilities and obligations that apply to a endorsee presenting a check for payment under the UCC (including, without limitation, that all required endorsements have been obtained and that such check is properly payable to and endorsed by Customer). In addition, Customer warrants and represents and covenants, with respect to each check image submitted to Bank, that:

(a) the check image accurately represents all of the information on the front and the back of the original check, and that all such information is legible on the image; (b) no person will receive presentment of the original check, a substitute check based on the original check, or a paper or electronic representation of the original check or a substitute check, such that a person will be asked to make a payment based on a check that has already been deposited; (c) Customer will carefully comply with all instructions in Bank's E-Deposit User's Guide, if any; (d) Customer will retain the original check for a period of not less than 60 days after transmission for deposit; (e) Customer will provide a secure location for the retention of processed checks; (f) Customer will be able to retrieve the original check as requested by Bank; (g) Customer will destroy the original checks by cross-shredding immediately after the required retention period; (h) Customer will not use the E-Deposit services in any manner or for any purpose or item that could result in a violation of any law, rule or regulation, including, without limiting the foregoing, Regulation GG relating to internet gambling.

4. **Access.** Customer shall allow Bank to have access at any time to Customer's premises and records for Bank to audit and confirm Customer's compliance with this Agreement. Upon Bank's request at any time or from time to time, Customer shall promptly provide to Bank any financial statements, proofs of audits or other pertinent information Bank may request, along with a certificate signed by an Authorized Representative stating that such information is complete and accurate and does not omit to state any material fact.

5. **Termination.** Either party may terminate this Part III by notice to the other given at least 90 calendar days prior to the termination date specified in such notice. For notices of termination given during the first 90 days after the date of Customer's election on page 2 to obtain E-Deposit Services, no termination charges will apply. For notices of termination given after that date but before 24 months after Customer first elected to obtain E-Deposit services, Customer must pay an equipment restocking fee of \$300.00 per location. In addition to the foregoing, Bank may terminate this Agreement through written notice, effective immediately or at such future time as is specified in the notice, for any reason or for no reason.

PART IV -- POSITIVE PAY SERVICE

The provision by Bank and use by Customer of the positive pay services described below shall be subject to the terms and conditions set forth in this Part IV and Part VII of this Agreement. As used in this Part IV:

"**ACH Transaction**" refers to ACH transactions initiated by someone other than Customer that would result in a debit or credit to Customer's Authorized Account (*i.e.* for which Customer is the "receiver").

"**Check Issue File**" means a list of checks drawn by the Customer on an Authorized Account, provided by the Customer to the Bank pursuant to Section 1(a) below.

"**Default Option**" means an option selected by Customer on Schedule E instructing the Bank to either pay or return all Exception Items in absence of timely instructions from Customer in accordance with Section 4(a) below.

"**Exception ACH Transaction**" means an ACH Transaction that does not fit within the Preclearance Standards, if any, set by Customer. An ACH Transaction can be an Exception ACH Transaction only if Customer has properly set such preclearance standards.

"**Exception Check**" means a check presented for payment that does not match a check by account number, check number or amount in a Check Issue File.

"**Exception Item**" means an Exception Check or an Exception ACH Transaction.

"**Exception Item Report**" means a report describing Exception Items made available each business day to the Customer as provided below.

"**Preclearance Standards**" are parameters set by Customer through Bank's Online Banking system that define which ACH Transactions will not be deemed Exception ACH Transactions. If Customer does not properly set Preclearance Standards, all ACH Transactions will be deemed not to be Exception ACH Transactions for purposes of this Part IV.

1. Positive Pay Services for Checks.

(a) **Check Issue File.** Customer may periodically submit a Check Issue File to Bank. The Check Issue File must completely and accurately provide all of the information specified in and otherwise comply with all requirements of Schedule E or otherwise required by Bank. Customer must send Check Issue Files to Bank in the format and by the deadline(s) specified and at the place(s) specified from time-to-time by Bank. The first Check Issue File must contain all outstanding checks that have been issued but not paid prior to the first Check Issue File sent to Bank.

(b) Payment of Presented Checks and Reporting of Exception Checks. Bank shall compare each Presented Check by check number, account number and dollar amount (but not by Payee or other information) against each Check Issue File received by Bank. Bank may pay and charge to the Authorized Account each Presented Check that is not an Exception Check. Bank shall notify Customer if there are Exception Checks. If Customer does not submit a Check Issue File, all checks will be Exception Checks. Bank will pay or return Exception Checks in accordance with Section 4 below.

2. Positive Pay Services for ACH Transactions. Customer must set Preclearance Standards for ACH Items through Bank's Online Banking system. ACH Items that satisfy the Preclearance Standards will not be subject to positive pay services. Accordingly, Customer will not receive any positive pay services as to ACH Transactions if Customer does not set such Preclearance Standards. If Customer properly sets Preclearance Standards for ACH Transactions, Bank will notify Customer daily of Nonconforming ACH Entries. Bank will pay or return Nonconforming ACH Entries in accordance with Section 4 below.

3. Reverse Positive Pay Services. If Customer has elected on Schedule E to receive reverse positive pay services, then: (a) Bank shall make available to customer each banking day a list of all Presented Checks and (b) all such checks shall be deemed Exception Items and shall be paid or returned in accordance with Section 4 below.

4. ACH Transactions. Notwithstanding any election by Customer to receive reverse positive pay services, the provisions of Section 2 above shall apply to ACH Transactions.

5. Default Option and Customer Instructions.

(a) Customer Instructions. Notwithstanding the default option in Schedule E, Customer may instruct the Bank to pay or return any Exception Item by making an appropriate election (and providing all required information) on the Exception Report that Customer can access and submit through Bank's Online Banking system.

(b) Default Option. Schedule E contains a default option indicating whether Bank shall pay or return any Exception Item. Absent timely instructions to the contrary submitted by Customer strictly in accordance with Section 4(a) above and containing all required information, all Exception Items shall either be returned (with a return reason of "refer to maker") or paid in accordance with the default option on Schedule E.

(c) Filtered or Blocked List. Customer may have the opportunity to enter a "filtered" or "blocked" list (or other list with a similar title) for checks. Checks that fit within the parameters of such a list shall be treated as Exception Checks, and shall be paid or returned in accordance with Sections 4(a) and 4(b) above.

6. Special Provisions for Checks Presented in Person. Notwithstanding any contrary provision in this Part IV, if a check is presented personally on Bank premises rather than through normal check collection procedures from another bank, then Bank may compare the check to Customer's Check Issue Files. If Bank does make the comparison and the Presented Check is an Exception Check, and if Bank personnel are not able to contact the first person listed under "Customer Contact Information" in Schedule E to this Agreement, then the Presented Check shall be treated as an Exception Check and shall be treated in accordance with Customer's default option.

7. Remedies.

(a) Wrongful Honor. It shall constitute wrongful honor by Bank if it pays an Exception Check contrary to Section 4 above. In connection with any wrongful honor, Bank retains the right to assert the Customer's failure to exercise reasonable care under U.C.C. sections 3-406(a) and 4-406(c). Bank also retains the right to assert the defense that the Customer has sustained no actual damages because Bank's honor of the Exception Check discharged for value an indebtedness of the Customer.

(b) Wrongful Dishonor. Except as provided below, it shall constitute wrongful dishonor by Bank if Bank dishonors an Exception Check contrary to Section 4 above. Bank's liability for wrongful dishonor of an Exception Check shall be limited to the damages for wrongful dishonor recoverable under U.C.C. Articles 3 and 4. Notwithstanding the preceding sentence, Bank shall have no liability to the Customer for wrongful dishonor when Bank, acting in good faith, returns an Exception Check (a) that it reasonably believed was not properly payable; (b) for which there were insufficient Available Funds on deposit in the Authorized Account; (c) if required to do so by the service of legal process on Bank or the instructions of regulatory or government authorities or courts; or (d) if any other basis exists for dishonoring the Exception Check under the Account Agreement for the Account, any other agreement, or any applicable law, rule or regulation.

(c) Rightful Payment and Dishonor. If Bank honors an Exception Check in accordance with Section 4 above, such honor shall be rightful, Bank may debit Customer's Account for such item, and the Customer waives any right it may have to assert that the Exception Check was not properly payable. If Bank dishonors an Exception Check in accordance with Section 4 above, the dishonor shall be rightful, and the Customer waives any right it may have to assert that the dishonor was wrongful. Bank shall be deemed to have exercised ordinary care whenever it pays or returns an Exception Check consistently with the provisions of the Agreement.

8. Miscellaneous. In the preparing Exception Check Reports, Bank shall use only Check Issue Files that comply with all format, transmission and other requirements and have not been revoked in accordance with this Agreement. The Customer shall use only Exception Check Reports that comply with Section 2 and have not been revoked in accordance with Section 5 in the preparation of Pay Requests and Return Requests. Bank shall not be obligated to comply with any Pay Request or Return Request received in a format or medium, after a deadline, or at a place not permitted under this Agreement but may instead treat such a Pay Request or Return Request as though it had not been received and such Pay Request or Return

Request shall not be deemed to have been issued or made for purposes of this Agreement. Bank is not responsible for detecting any Customer error contained in any Check Issue File or Pay Request or Return Request sent by the Customer to Bank.

9. Termination. Either party may terminate this Part IV by notice to the other sent 30 calendar days prior to the termination date specified in such notice. Upon termination, if requested by the Customer, Bank will provide the Customer (or its representative) with the current version of the Check Issue Reports database.

PART V -- LOCKBOXSERVICE

The provision by Bank and the use by the Customer of the Lockbox services described below shall be subject to the terms and conditions set forth in this Part V and in Part VII of this Agreement. In the event of inconsistency between a provision of this Agreement and the U.C.C., the provisions of this Agreement shall prevail.

1. Lockbox Services. Customer shall cause its receivables to be mailed to the U.S. Post Office Box specified by Bank ("Post Office Box") or delivered by Customer (or a delivery agent designated in writing by Customer) to a Bank location specified by Bank. Bank will retrieve and accept mail addressed to Customer from such Post Office Box or Bank location. In accordance with this Agreement and Instructions, Bank will open and process such mail and deposit all apparently negotiable checks contained therein into the Authorized Account. Customer hereby authorizes Bank to: (i) have unrestricted and exclusive access to the Post Office Box, (ii) open and process mail addressed to Customer, and (iii) endorse each check with a standard lockbox endorsement used by Bank. Bank may deliver checks it deems unsuitable for deposit to Customer instead of depositing them into the Authorized Account. Bank shall not be obligated to pay postage due on any remittance.

2. Post-dated Checks, Etc. Bank shall not be responsible or liable for identifying or failing to identify stale-dated and post-dated checks or checks specifying "payment in full" (or similar statements) in Customer's mail. Customer acknowledges that if checks specifying "payment in full" (or similar statements) are negotiated, a court might hold the debt at issue to have been discharged by accord and satisfaction notwithstanding any endorsement. Bank makes no representation or warranty that it will apply an endorsement designed to preserve Customer's rights to collect the full amount owed or that any endorsement that applies to an item will in fact preserve Customer's right to collect the full amount owed. Customer assumes all risks consequent to the negotiation of such items.

3. No Bailee. Bank is not a bailee of any check before Bank inventories mail in Bank's lockbox operations area. No debtor-creditor relationship arises between Customer and Bank with respect to any check until the check has been sorted and separated from unacceptable checks, processed by Bank as a deposit to the Authorized Account, and reflected in a record of deposit on Customer's behalf.

4. Third-party Checks. If Customer's mail includes checks payable or endorsed to a party other than Customer ("Third Party Payee"), Customer represents and warrants to Bank that: (a) Customer has obtained written authorization from each Third Party Payee for Bank to endorse such Third Party Payee's checks as payable to Customer and to deposit such items into the Authorized Account; (b) such Third Party Payee authorization includes an assignment to Customer of all of the Third Party Payee's right, title and interest in and to each of such Third Party Payee's checks; (c) Customer will retain a copy of each such Third Party Payee authorization for at least seven years after the termination of this Agreement and will provide a copy of any such authorization to Bank upon request; and (d) each such Third Party Payee authorization shall be in effect and fully operative at all times that Bank provides Services under this Agreement with respect to checks payable to such Third Party Payee.

5. Processing Instructions. Bank may provide Customer with instructions specifying other terms on which Customer's lockbox services will be processed, which may supplement or revise this Agreement (the "Instructions").

6. Termination. Either party may terminate this Part V on 30 days written notice to the other party.

PART VI – MULTIPLE CUSTOMERS

This Part VI applies if a single individual is executing this Agreement on behalf of more than one entity.

Each owner of the accounts agrees as follows:

(a) This agreement is being signed by a single signature on behalf of each individual or entity listed on Schedule G under the heading "Account Name" (the "Owners") for each Owner to obtain access to its Accounts at Bank through Bank's Online Banking service and to obtain cash managements services pursuant to this Agreement. Each Owner has requested this arrangement for its own convenience because of the relationship that the Owners have to each other.

(b) The individual executing this document (the "Signor") represents and warrants that he or she is duly authorized to sign this document on behalf of each Owner. The single signature of the Signor binds each Owner as if there were a separate signature line for each Owner.

(c) Online access to each Owner's accounts will be governed by Bank's Online Banking Agreement. Each user, by electronically accepting the agreement upon initial login, will be accepting it on behalf of each Owner to whose account such user now or in the future has access. Each Owner obtaining any other services under this Agreement shall be bound by the corresponding Parts of this Agreement with respect to such services and shall be the "Customer" for all purposes of this Agreement.

- (d) Each Owner acknowledges and the obligations and liabilities of the different Owners are jointly and severally owed to Bank. Without limiting the foregoing, Bank may exercise its rights under Section 3 of Part VII of this Agreement against the Account of any Owner with respect to obligations of any other Owner.
- (e) Each Owner agrees, to the maximum extent allowable by law, to indemnify ANB and its affiliates and their respective officers, directors, employees, agents and shareholders (the "Indemnified Persons") for any loss, claim, damage, liability or expense, including reasonable attorneys' fees, that any Indemnified Person may incur in relying on one individual to bind each of the Owners through a single signature on this enrollment form.

PART VII -- GENERAL PROVISIONS – APPLICABLE TO ALL PARTS OF THIS AGREEMENT

1. **Services.** Bank agrees to provide the services elected by Customer on page 2 on the terms and subject to the conditions of this Agreement.

2. **Definitions.** Each Part of this Agreement contains defined terms that have the specified definition for that Part only. In addition, (a) undefined terms used in this Agreement have the same meanings as in Articles 3, 4 and 4.5 of the UCC and (b) the following words or phrases have the following meanings for all Parts of this Agreement:

"Account" means the deposit account(s) of Customer maintained at Bank.

"Account Agreement" means the terms and conditions, signature card, and all other documents entered into or delivered by Customer in connection with opening an Account, as updated from-time-to-time by Bank.

"Authorized Account" means the Account (s) of Customer (i) into which Customer may make deposits using E-Deposit services, (ii) that Bank may debit for any Customer payment order using Wire services, or (iii) for which Bank provides Positive Pay services. An different account may become an Authorized Account as may be specified in a Schedule to this Agreement or designated as such by an Authorized Representative.

"Authorized Representative" means a person with signing authority for the Account in question.

"Addendum" or "Addenda" means any writing executed and delivered simultaneously with or subsequent to the execution of this Agreement and intended by the parties to supplement the provisions of this Agreement.

"Available Funds" means funds on deposit in an Account and available for withdrawal pursuant to Regulation CC and Bank's funds availability schedule and policies. "Available funds" does not mean the same thing as "collected" or "good" funds, and Bank's making funds available does not imply any representation regarding the collectability or validity of any check or other item deposited into an Account. Bank personnel are not authorized to represent that Available Funds are "collected" or "good" and Customer may not rely on any communication to that effect by Bank personnel.

"Execute" has the meaning assigned in Article 4.5 of the UCC. When Bank is also the beneficiary's bank, the term "execute" includes Bank's acceptance of the Customer's payment order for purposes both of this Agreement and of the application of Article 4.5 of the UCC to the transactions covered by this Agreement.

"Online Banking" means banking services made available by Bank through its website.

"Online Banking Agreement" means the agreement that Bank requires customers to execute in order to use Bank's Online Banking services, including any enrollment form, as updated from-time-to-time by Bank.

"Security Procedure" means a procedure specified in this Agreement (including Account Agreement or the Online Banking Agreement) or in any notice from Bank to Customer intended to lessen the probability of an unauthorized transaction to or from an Account.

"Schedules" means the Schedules to this Agreement, which are part of this Agreement, as they may be amended from time-to-time through execution of a Modification Agreement or other document as is signed by Bank and explicitly changes the information in a Schedule. In addition, any limits on amounts of transactions (or similar limits) may be changed by Bank at any time through notice to Customer.

"UCC" means the Uniform Commercial Code as in effect in the State determined pursuant to Section 10 of this Part VII. To the extent this Agreement is inconsistent with any provision of the UCC that is variable by contract, this Agreement shall govern to the maximum extent that such UCC provision is variable.

3. **Payment; Offset.** Customer agrees to pay Bank for the services elected by Customer in accordance with the Schedule applicable to such services, as amended from time-to-time by Bank. Bank may, on a monthly basis, debit an Account selected by Bank for payment of charges due, unless the Customer arranges another payment procedure acceptable to Bank or designates a specific Account maintained at Bank. Customer shall always maintain a balance of collected funds in any such Account sufficient to cover its payment obligations under this Agreement. In any event, if an amount owed to Bank under this Agreement is not paid when due, Bank may offset such amount from any account of Customer with Bank or against any other obligation of Bank to Customer without any notice or demand. Bank may debit any Account of Customer for any payment order executed by Bank pursuant to this Agreement, even if the debit creates or increases an overdraft in that Account. In the event that an overdraft is

created or increased, Customer shall cause sufficient Available Funds to pay the amount of the overdraft to be deposited into or credited to the overdrawn Account by the close of that banking day. Any overdraft existing at the close of a banking day is immediately due and payable without notice or demand. In addition to any other remedies Bank may have, Bank may offset any Account of Customer for the amount of any overdraft, including any Account that is not an Authorized Account.

4. Assignment. Bank may transfer its rights and obligations under this Agreement to a wholly owned subsidiary of Bank, to an affiliate of Bank directly or indirectly wholly owned by the corporate entity that directly or indirectly wholly owns Bank or to a transferee of Bank's business or to any entity that succeeds to a substantial portion of Bank's business, assets or deposits. Customer may not assign this Agreement or any of the rights or duties hereunder to any person without Bank's prior written consent, which Bank may grant or withhold in its sole and absolute discretion. Any attempted such assignment without such consent shall be void.

5. Security Procedures. Customer must strictly comply with all applicable Security Procedures in connection with any matter relating to this Agreement. Customer is responsible for maintaining proper access controls in accordance with the Bank's Online Banking Agreement. Customer acknowledges that the sharing of access, passwords, codes, security devices and other confidential safeguards violates the Security Procedures. Customer must send any email to Bank only through Bank's Online Banking system as secured email or on another secured basis. Customer acknowledges that the purpose of the Security Procedures is to verify authenticity and not to detect an error in the transmission or content of a request or other communication. No security procedures for the detection of any such error have been agreed upon between the Bank and Customer. Customer warrants that no individual shall initiate transfers in the absence of proper supervision and safeguards. If Customer believes or suspects that any such information or instructions have been known or accessed by unauthorized persons, Customer shall immediately notify Bank followed immediately by written confirmation. The occurrence of unauthorized access will not affect any transfers made in good faith by the Bank prior to receipt of such notification and within a reasonable time period thereafter to prevent unauthorized transfers.

6. Governing Law; Proceedings. This Agreement shall be governed by the laws (excluding conflicts of law principles) of the state where the branch of Bank where this Agreement has been signed by Bank is located and applicable Federal law. Any lawsuit concerning this Agreement must be brought only in state or federal courts in the capital city of the state where the branch of the Bank housing the Account at issue is located. EACH PARTY WAIVES TRIAL BY JURY IN ANY SUCH LAWSUIT.

7. Taxes. Customer is responsible for all tariffs, duties, taxes or fees (other than Bank's income taxes) imposed by any government or governmental agency in connection with any payment order executed, fee paid or services provided pursuant to this Agreement.

8. Notices.

(a) Notices and other forms of communication for which a specific method is provided in this Agreement (including the Schedules) must be made as so provided. Notices and other communications for which no method is otherwise specified in this Agreement shall be in writing, signed by the party giving the same, and shall be deemed properly given and received on the earlier of when actually delivered or when deemed delivered in accordance with the following. Notice may be given by (i) being delivered to a nationally-recognized overnight courier (in which case notice shall be deemed given one business day after delivery to the courier), (ii) by telecopy (in which case the notice shall be deemed given when the sending machine confirms successful transmission), (iii) by email (in which case the notice will be deemed given when sent, unless the sender receives a "bounceback" notice, in which case it will not be deemed to have been given), (iv) by registered or certified mail, first class postage prepaid (in which case notice will be deemed given three business days after being mailed) or (v) in the case of notice to Customer, by Bank's causing such notice or a link to such notice being visible to Customer when Customer engages in Online Banking or orally by telephone to the contact person listed on the appropriate Schedule for the service to which the notice relates. To be valid, a notice must be sent to the email or physical address or fax number shown on "Schedules" or to such other email or physical address or fax number as the receiving party shall have specified by written notice in accordance with this Section.

(b) Except as otherwise expressly required by this Agreement or by law, Bank shall not be required to act upon any notice or instruction received from Customer or any other person, or to provide any notice or advice to Customer or any other person with respect to any matter. Bank shall be entitled to rely on any written notice or other written communication believed by it in good faith to be genuine and to have been signed by an Authorized Representative, and any such communication shall be deemed to have been signed by such person.

9. Revised Communication. Customer or Bank, each at its discretion, may submit to the other party a revision of any communication provided for under this Agreement. The revised communication must (i) be sent in its entirety and not in the form of a partial amendment to the communication originally sent, (ii) identify the original communication, and (iii) be sent in the format and medium, by the deadline(s), and at the place(s) required for the original communication. A properly submitted revised communication serves to revoke the original communication.

10. Entire Agreement. This Agreement (including the Schedules), together with the Account Agreement and Online Banking Agreement, is the complete and exclusive statement of the agreement between Bank and Customer with respect to the subject matter hereof and supersedes any prior agreement(s) between Bank and Customer regarding such subject matter. If performance of services provided in accordance with this Agreement would violate any law, rule, regulation or government policy to which Bank is subject, then this Agreement shall be deemed amended as necessary to comply with such law, rule, regulation or policy, and Bank shall incur no liability to Customer as a result of such violation or amendment. No course of dealing between Bank and Customer will constitute a modification of this Agreement or the Security Procedures.

11. Amendments. Customer may close its Accounts at any time and may obtain similar services from other financial institutions (subject to provisions of any loan or other agreement with Bank). In addition, Customer acknowledges that the provision of services under this Agreement requires the use of rapidly evolving technology. Accordingly, Bank may amend this Agreement at any time through notice to Customer. Customer's use of any services after such notice is given shall be deemed its agreement to any such amendment. In addition, the parties may amend the

Schedules to this Agreement by mutual agreement with each party's consent being manifested through communications that constitute notice under Section 12 of this Part VII.

12. Termination. The parties may terminate various Parts of this Agreement relating to various services in accordance with the termination provision of each Part. Any obligation of either party relating to entries, items, transfers or other transactions initiated before such termination shall remain subject to this Agreement after termination. Any payment or indemnification obligation of Customer shall survive such termination.

13. Reliance; Limitation of Liability; Force Majeure. In the performance of the services required by this Agreement, Bank shall be entitled to rely solely on the information, representations, and warranties provided by Customer pursuant to this Agreement, and shall not be responsible for the accuracy or completeness thereof. Except as required by law, but notwithstanding anything else to the contrary, Bank shall not under any circumstances be liable for anything not caused by Bank's gross negligence or willful misconduct. Bank shall be liable only for Customer's actual damages due to claims arising solely from Bank's obligations as specifically provided in this Agreement or as required under applicable law. **IN NO EVENT SHALL BANK BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE OR INDIRECT LOSS OR DAMAGE THAT CUSTOMER MAY INCUR OR SUFFER IN CONNECTION WITH ANY SERVICES PROVIDED UNDER THIS AGREEMENT, WHETHER OR NOT THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN OR CONTEMPLATED BY THE BANK AND REGARDLESS OF THE LEGAL OR EQUITABLE THEORY OF LIABILITY.** Bank will be deemed to have exercised ordinary care if its action or failure to act has been in conformity with Bank's prescribed procedures and such procedures do not vary unreasonably from general banking uses and practices. Bank shall be excused from failing to act or delay in acting if such failure or delay is caused by legal or regulatory constraint, interruption of transmission or communication facilities, equipment failure, war, terrorism or its after-effects, emergency conditions or any other circumstances beyond Bank's reasonable control.

14. Computers. In addition to any other applicable Security Procedures, Customer acknowledges that Bank recommends, but does not require, that that all computers used for communications via Online Banking or otherwise between Customer and Bank (and for all Online Banking transactions) not be used to send or receive email (except to or from Bank) or to access any website other than Bank's website. Customer acknowledges that compliance with this recommendation would be commercially reasonable.

15. Release and Indemnification. To the maximum extent legally permissible, Customer releases Bank and its affiliates and their respective officers, directors, employees, shareholders and agents (including Bank, the "Released Persons") and holds them harmless from, and will indemnify each Released Person against, any loss, claim, damage, liability or expense (including reasonable attorneys' fees) that such Released Person may incur in connection with any violation by Customer of this Agreement or any other agreement between Customer and Bank, any misrepresentation by Customer under or in connection with this Agreement, any failure by Customer to comply with any Security Procedures or instructions provided by Bank, any other action taken by Bank in connection with or in enforcing any rights or remedies under this Agreement, or any matter relating to this Agreement or the provision of any services under this Agreement, except to the extent caused by Bank's gross negligence or willful misconduct. If Customer's obligation to indemnify is not allowed or is limited by any law, rule or regulation whose provisions are not variable by contract, then such obligation shall be reduced by the minimum reduction necessary (*i.e.* for the maximum indemnification) that is legally permissible.

16. No Extension of Credit. Nothing in this Agreement nor any course of dealing between the Customer and Bank constitutes a commitment or obligation of Bank to lend money to the Customer or obligates Bank to extend any credit to the Customer, to make a loan to the Customer, or otherwise to advance funds to the Customer or to make any payment order contrary to Bank's published availability schedules.

17. Troubleshooting. With Customer's authorization, Bank or its vendors may, but shall not be required to, assume remote control of Customer's computer for troubleshooting, training or similar purposes. To the maximum extent legally permissible, Bank shall not be liable for anything in connection with its exercise of such remote control, and Customer hereby releases Bank from any such liability.

18. Miscellaneous. This Agreement may be executed by the Customer and Bank in separate counterparts, each of which shall be an original and both of which taken together shall constitute one and the same agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. This Agreement is not for the benefit of any person other than Bank and Customer, and no other person shall have any right against Bank hereunder. If any provision of this Agreement is illegal, invalid, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect. If any provision in this Agreement limiting the liability of Bank is too broad to be fully enforceable, then such provision shall not be stricken, but instead shall be deemed amended by the minimum reduction necessary (*i.e.* for the maximum protection against liability for Bank) to be enforceable. The waiver of a breach of this Agreement shall not be a waiver of any other breach. No waiver of any right under this Agreement shall occur except in a writing signed by the waiving party explicitly waiving such right. Headings to sections of this Agreement are included for ease of reference and do not affect the meaning of the Agreement. In the event of any damages for which Bank may be liable to a third party in connection the services provided under this Agreement, Customer will undertake reasonable efforts to cooperate with Bank in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party. All telephone conversations or data transmissions between Customer and Bank or their agents made in connection with this Agreement may be recorded and retained by either party by use of any reasonable means. The verbs "must" and "shall" mean that the subject of such sentence is obligated hereunder to take the specified action. The verb "may" shall be deemed followed by "but shall not be obligated to".

Thank You

ANB Bank would like to thank you for the opportunity to present this RFP. It is our sincere hope that we will work as strategic partners for SMART – San Miguel Authority for Regional Transportation on this project and future banking opportunities.



San Miguel Authority for Regional Transportation RFP

Prepared by Kathy Mitchley
Vice President, Treasury Management
Community Banks of Colorado,
A Division of NBH Bank

San Miguel Authority
for Regional Transit
be SMART



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Welcome Letter



To Whom It May Concern;

Please find Community Banks of Colorado's response to San Miguel Authority for Regional Transportation's request for proposal on banking services contained within this proposal. .

Community Banks of Colorado is cognizant of all of the criteria on which our proposal will be evaluated. We attest that the proposal is valid until the start of the date of contract (February 2017). Our proposal has been thoughtfully assembled; taking into consideration the specific needs of SMART, as well as the unique ways that Community Banks of Colorado can provide value-added solutions. Our recommended products and services are intended to offer convenience, cutting-edge technology and professional support to foster a streamlined operation. We welcome any feedback on how our recommendations can be modified to best meet your needs.

At Community Banks of Colorado we are proud of our personal touch and outstanding customer service. Not only will also have a dedicated relationship team that will know and understand SMART's account structure and service needs.

Please feel free to contact me directly at kmitchley@cobnks.com or 720.525.3520 with any questions or comments relating to our responses.

Thank you for your consideration of our services.

Best regards,

Kathy Mitchley
Vice President, Treasury Management
Community Banks of Colorado



Community Banks of Colorado and References



Community Banks of Colorado, a division of NBH Bank, is proud to call Colorado home. Our commitment to our clients, colleagues and community is reflected in our local leadership's common sense approach and belief that personal relationships belong in banking. We are owned by National Bank Holdings Corporation, a well-capitalized bank holding company. National Bank Holdings Corporation was incorporated in 2009 and is headquartered in Greenwood Village, Colorado.

Community Banks of Colorado has ~360 associates in the region and nearly 50 banking centers in Colorado. Community Banks of Colorado operates a number of banking centers in the Western Slope and Valley.

The Community Banks of Colorado Government team delivers a full array of depository solutions to support the needs of local governments. With over 40 years of industry experience, our team has handled the unique needs of municipal clients throughout Colorado and the Midwest. We are committed to being a trusted partner to our clients - empowering them to make smart financial decisions so that they can spend their valuable time helping their communities. By their very nature, Government entities have unique needs and complex regulatory requirements. Our team is experienced and dedicated to serving those needs.



Strategy and Implementation



Community Banks of Colorado would be pleased to do business with the County. The Bank has been fortunate to be able to service the banking needs of numerous cities, school districts, counties utility companies and large non-profit organizations. In most cases, these organizations require multiple accounts, collateral to back up the funds in these accounts, remote deposit, online banking, ACH origination services and other in-person services that can be provided by our local banking center in Telluride. Because of the extensive background in banking these organizations, your relationship team at Community Banks of Colorado understands that prompt delivery, a streamlined implementation and on-going support of these services are of the utmost importance to SMART.

Implementation Team

Kathy Mitchley (lead), CTP, Vice President Treasury Management: Kathy will serve as the implementation team lead and your main relationship manager.

Vicki Williams, Treasury Management Client Services Manager: Vicki will help with online banking and cash management implementation and account openings.

Jessica Sell, Treasury Management Sales Analyst: Jessica will help with online banking and cash management implementation, account openings and ongoing support for the County.

Chad Kusuno Group Manager – Western Slope: Chad will serve as the main banking center contact. Chad will assist with all facets of the implementation.

Kathy and the implementation team have extensive experience in system conversions and helping municipal clients move banking relationships onto Community Banks of Colorado's treasury management platform.



Strategy and Implementation

5.4

January

Kathy and Chad will sit down with the Treasurer's Office and discuss the account opening process and the information that the bank will need from the SMART. We will also discuss the account structure that will best suit SMART's needs as well as the best way to order checks and change bank information (account/routing numbers) for SMART's disbursement accounts. Chad and Kathy will also discuss procedures for banking center services (armored car drop-off, cash and coin, etc.)

Late January

Kathy , Vicki and Jessica will discuss the accounting systems with SMART. Kathy and team will then work to put together reconciliation files (ACH file exports, positive pay exports, cleared check files, etc.) and determine the most efficient delivery mechanism for SMART (Email, online banking, FTP, etc.).

Kathy will work with SMART to set up the remote deposit scanners if needed and install the bank's scanner drivers on all PC's requiring scanning capabilities. Kathy and team will also help test the reconciliation files within SMART's accounting systems. Kathy and team will train all remote deposit users.

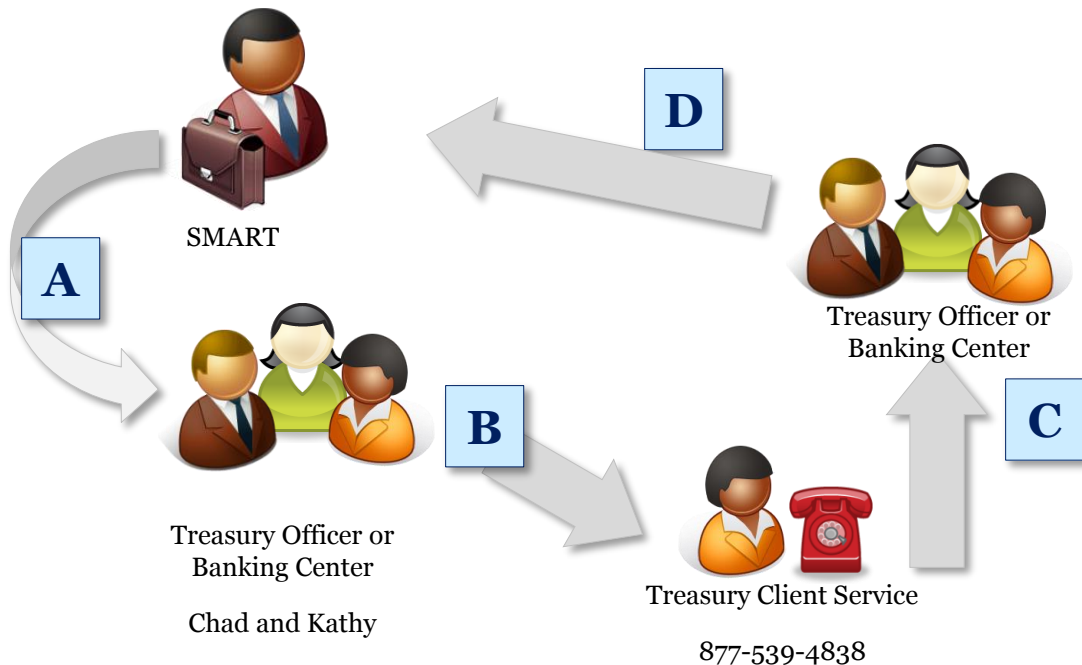
End of January

Kathy and team will sit down with the designated online banking administrator to walk him/her through online banking, initiating wires, pulling reports, importing positive pay files, initiating ACH transactions, book transfers, etc. Kathy and team will also train additional users as deemed necessary by SMART.

Beginning February

We should be ready to roll by February or end of January. We can do additional testing to ensure a seamless transition at the start of the month.

Contact/Service Structure



- A. Client calls either their Treasury Management Officer or closest Banking Center
- B. Depending on the issue, the Community Bank's associate will work with internal staff to resolve the issue
- C. Once issue is resolved, the officer or Banking Center associate will be notified of the solution
- D. The officer or Banking Center associate will then contact the client

NOTE: the client can bypass their officer/Banking Center and call Treasury Client Services directly.

NOTE: Kathy will be the dedicated contact for all of the County's support.

Scope of Service Response



1.

Chad Kusuno

Group Manager | Western Slope North

NMLS ID # 994009

Community Banks of Colorado, a division of NBH Bank

100 West Colorado Ave. | P.O. Box 1530 | Telluride, Colorado, 81435

Office: 970.728.2038 | Fax: 855.576.3488

<http://www.cobnks.com>

2.

A. Community Banks of Colorado, a division of NBH Bank, is proud to call Colorado home. Our commitment to our clients, colleagues and community is reflected in our local leadership's common sense approach and belief that personal relationships belong in banking..

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The Community Banks of Colorado Government team delivers a full array of depository solutions to support the needs of local governments. With over 40 years of industry experience, our team has handled the unique needs of municipal clients throughout Colorado and the Midwest. We are committed to being a trusted partner to our clients - empowering them to make smart financial decisions so that they can spend their valuable time helping their communities. By their very nature, Government entities have unique needs and complex regulatory requirements. Our team is experienced and dedicated to serving those needs.



Scope of Service Response



2

B. We are owned by National Bank Holdings Corporation, a well-capitalized bank holding company. National Bank Holdings Corporation was incorporated in 2009 and is headquartered in Greenwood Village, Colorado. National Bank Holdings Corporation operates a network of 90 banking centers located in Colorado, the greater Kansas City region and Texas. Through the Company's subsidiary, NBH Bank, it operates under the following brand names: Bank Midwest in Kansas and Missouri, **Community Banks of Colorado** in Colorado, and Hillcrest Bank in Texas. The Bank's holding company is located in Greenwood Village, Colorado and is publicly traded on the NYSE. The Bank's operations team is located in Kansas City, Missouri. Your implementation team is located in Denver and the Western Slope.

C. The Bank contracts with FIS for all banking services that SMART will be utilizing. FIS is the world's largest global provider dedicated to financial technology solutions. FIS is headquartered in Jacksonville, Florida. SMART's relationship team at the bank has a dedicated representative at FIS who will resolve any issues that the relationship team must research. SMART will only deal with the Bank's team and can expect any issue to be resolved within 24 hours (at the very latest).

Scope of Service Response



D. Repurchase Agreements (REPO)

SMART would open accounts with Community Banks of Colorado with SMART's associated PDPA number. We offer a REPO sweep to our Government and Public Entities requiring additional protection on their funds. Those funds will be collateralized AT 103% of the aggregate funds. We provide daily and monthly reports detailing the collateralized funds and its respective market value. Ledger balances and Collected funds are protected. Funds move back to the checking account as needed to cover in-clearing items. The REPO sweep returns funds to the investment account once the target or entire balance is reached. Typical securities will be US Treasuries or Agency MBS/CMO

I have attached our Repo custodial Agreement and this agreement will be executed by NBH, FHLB Topeka our custodian and SMART during the account opening process. They are FNMA and FHLMC backed collateralized mortgage obligations, meaning the principal and interest is guaranteed by these government sponsored enterprise. The market values are readily priced daily by a third party pricing source.

Scope of Service Response



D. List of Approved Eligible Collateral Instruments and Obligations [Section 11-10.5-107(1), C.R.S.]

For purposes of the Public Deposit Protection Act and these rules, the term "investment grade" is defined as any security assigned a rating of AAA to BBB by Standard & Poor's or Fitch's Investors Services or any security assigned a rating of AAA to Baa by Moody's Investors Service. The following are approved as eligible collateral:

- A. 1. U.S. Treasury Bills; Treasury Notes; Treasury Bonds; and Treasury STRIPS (Separate Trading of Registered Interest and Principal) with maximum five-year maturities.
2. Farm Credit System wide Debentures, Medium-Term Notes, and Discount Notes (FCSB), excluding multi-class structured notes.
3. Federal Home Loan Bank Debentures (FHLB) and Discount Notes (FHDN), excluding multi-class structured notes.
4. Federal National Mortgage Association Debentures (FNSM), Discount Notes (FNDN), and Mortgage-Backed Pass-Through Certificates, excluding multi-class structured notes.
5. Federal Home Loan Mortgage Corporation Discount Notes (FMDN) and Mortgage-Backed Participation Certificates (FMPC), excluding multi-class structured notes.
6. Government National Mortgage Association Pass-Through Securities (GNMA).



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Scope of Service Response



Community Banks of Colorado deposits are supported by the Bank's considerable capital position as well as its significant on-balance sheet liquidity. Please find below our risk-based capital ratios as of September 30, 2016.

	NBH Bank Capital Ratios as of 09-30-16	Depository Institution Well Capitalized Requirement
Leverage Ratio	8.6%	5.0%
Tier 1 Risk-Based Capital	11.9%	8.0%
Total Risk-Based Capital	12.8%	10.0%

As you can see, the Bank is committed to maintaining capital levels well in excess of the regulatory requirements. Additionally, the bank maintains significant amount of on-balance sheet liquidity in form of cash and highly liquid investment securities. As of September 30, 2016, the Bank had approximately \$897 million in combination of cash and unencumbered investment securities available to meet any expected and unexpected liquidity needs.

The Bank's loan-to-deposit ratio was 74.3%.

Scope of Service Response



E. CRA See attachment:

- Community Reinvestment Act (CRA) Performance
- The bank has not yet received its initial CRA Performance Evaluation from an examination that began in December, 2016. However, the following results represent a strong CRA commitment to the City of Telluride and San Miguel County, Colorado for the last two calendar years (2014 – 2015). CRA performance during this period included:
- The bank originated the following in Telluride or San Miguel County:
 - Home mortgage-related loans totaled 59 for \$23,594,000 as reported under the Home Mortgage Disclosure Act.
 - CRA Qualifying Small Business/Farm Loans, along with potentially qualifying community development loan originations, resulted in 5 loans for \$13.9 million. Included in this total was significant support for multi-family affordable housing within the county (\$13.5 million).
- The bank provided significant charitable contribution support for Telluride and San Miguel County including:
 - 5 CRA reportable contributions totaling \$10,850; and
- 3 other contributions with community impact amounting to \$3,800.
- On a state-wide basis, the bank also invested \$2,970,000 in 2015 in the form of CRA qualifying mortgage-backed securities (bonds) providing CRA/affordable housing within the State of Colorado.



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Community Banks of Colorado and References

F. References:

Glenwood Caverns Adventure Park and Iron Mountain Hot Springs

Steve Beckly (Owner)—970.618.7127

Conejos County Treasurer

Mack Crowther (Controller)—719.376.6783/MACK@CO.CONEJOS.CO.US

Dolores County Treasurer

Machelle Jones (Treasurer)—970.677.2386/ dctreas@fone.net

American Academy (New Client)

Jen Tucker (Director, Operations)—720.292.5671/ JTUCKER@AAK8.ORG

(former Mesa County Commissioner)

Steven Acquafresca --970-243-6290

Scope of Service Response



3. Deposits and ACH Collections and Direct Deposit

Daily Depositing of Cash and Checks

After a remote deposit has been processed, our system automatically takes you to a PDF report page that lists all of the deposits that were made in that batch. There are numerous reports contained within our remote deposit system that may be generated after the deposit has been submitted.

SMART is able to make deposits 24/7. To receive same day credit and next day availability for those deposits, SMART will need to scan the deposits by 5pm MST.

The Bank will provide confirmation of a deposit instantaneously. You will see credit into the account within 20 minutes after scanning.

If a deposit is scanned in by 5pm MST, SMART will receive same day credit and next day availability of those funds regardless of the size of the deposit. If a deposit is scanned in after 5pm MST, the funds will go on the following business day.

The Bank's implementation and service team will help every step of the way. The Bank recommends SMART retain and securely store each check for a reasonable period of time, but in no event more than 60 days after such check has been digitized and processed. The bank will keep items on hand for 7 years. All images/transactions may be found on our online banking system for 18 months.

Items received from the Fed (checks clearing, ACH debits/credits, etc.) are batched and are posted early in the morning. The Bank memo-posts all deposits real-time. The online system shows everything in real-time as the bank posts the items.

Cash deposits can be made by courier or at your nearest Community Banks of Colorado. In the event of any counterfeit bills the County will be contacted by phone. Counterfeit bills will be processed and sent to the Secret Service. The bills cannot be returned to the County. If deemed a counterfeit, there will be no credit to the account. If the bills are genuine, the funds will be placed into the account when the bills are returned from the Secret Service.

Scope of Service Response



Disbursement Services

General Check Disbursement

The bank can provide a cleared check file in any format desirable to SMART. The Bank will provide online check image retrieval through online banking for up to 18 months. The bank will have 7 years of images stored that may be requested from your service team

Check images are retrieved through the Bank's online banking platform as well as on monthly DDA statements. Through online banking, check images pull up as jpg images.

Images are available through online banking for up to 18 months. Your bank servicing team will be able to get you older check images within 24 hours of the request.



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Scope of Service Response



ACH Services

The ACH network offers a low cost mechanism for creating and settling any kind of payment. By using ACH, businesses have the ability to disburse or collect funds to/from their business partners, automatically debit recurring receivables, as well as use the system for concentration and disbursement of corporate cash. ACH allows SMART to safely and efficiently distribute or collect funds without the delays and expense of handling paper items. The Bank's system will inform SMART on the upload screen whether the file has been rejected or accepted. Additionally, if a file is rejected, an email will be sent to SMART. The Bank's online system shows a confirmation number along with the file total and number of transactions contained in the file. The Bank's system will inform SMART on the upload screen whether the file has been rejected or accepted. Additionally, if a file is rejected, an email will be sent to SMART.

The Bank is currently testing same-day ACH origination. This feature should be available some time in 2017.

The bank is extremely flexible to allow for confidentiality between departments. This is including but not limited to information suppression, approval rights, and transaction initiation rights between users.

The bank is able to set up multiple Initiation and approval tiers for both file transmissions and The Bank can notify SMART via email of any returned ACH item . The returns/NOCs will also be listed within online banking. The manual-entry ACH templates will also be automatically updated with the corrected information from the receiving financial institution.

Every transaction originated through the ACH network has a unique identifier assigned to it that guarantees that it can be easily tracked and never lost.

- The following types of payments are available:
- Cash Concentration
- Cash Disbursement
- Corporate Collections
- Corporate/Vendor Payments
- Vendor payment with Remittance
- Tax Payments
- Payroll



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Scope of Service Response



4. Fraud prevention is an ever-increasing necessity for all companies. Organizations such as SMART can be even more susceptible to fraud because of your size and volume.

We recognize that check fraud can happen to anyone at any time, so prevention and vigilance are the keys to keeping your accounts safe.

We understand the magnitude and importance of fraud prevention and will work closely with you to set up the accounts properly to help ensure they are adequately protected from fraudulent activity.

Account Reconciliation Program

Our Account Reconciliation Program (ARP) is designed to automate and expedite account reconciliation. Full, Partial and Depository ARP Services are available. MICR detail is captured from each check presented for payment. Check number, date paid and amount paid detail is consolidated and provided electronically daily, weekly or monthly. The report total is reconciled against the total checks and 'other debits' figure on the account statement. Data can be sorted in a variety of ways either by the account number, amount paid, date paid or transit routing number.

Positive Pay/Reverse Positive Pay

Our Positive Pay service is a daily reconciliation by the bank used to detect fraudulent items presented for payment on your account. Our service enhances your payment system by providing daily risk controls and expedites the reconciliation process. Community Banks of Colorado offers both Positive Pay and Reverse Positive Pay services. Issued check numbers and dollar amounts are input into our online system, and when checks are presented to the bank for payment, they will be compared to your issue file. Checks that do not match are reported to you online where you can view an image of the item and make a pay decision. An email alert can be sent notifying you that an exception needs to be reviewed. Additionally, the issued check file is also available to our teller line so checks presented in that manner are also protected.



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Scope of Service Response



ACH Blocks and Filters

Blocks prevent any electronic funds transfer transactions from posting to an account that is set up to issue only paper checks. Filters permit only pre-determined and pre-authorized electronic funds transfers to post to an account.

Check Blocks

Prevent paper checks from posting to an account that is only set up as a depository account or an electronic funds transfer account.

Scope of Services Response



5. Community Banks of Colorado offers a comprehensive information reporting service with multiple service levels based on client need. Clients enjoy Internet access to account information, including balance reporting, funds transfers, stop payment orders, ACH origination, wire transfer initiation, and Positive Pay management. Balance reporting can be provided in customized reports with prior day and intraday information. Using your internet browser you can access your accounts through Community Banks of Colorado at any time and from any location. Community Banks of Colorado's Online Banking features the following:

- 128 bit secure socket layer (SSL) encryption technology
- Robust information reporting with the ability to filter, sort and save reports
- Flexible information exporting options to feed existing systems
- ACH payroll, vendor payments, cash collections/disbursements, tax payments , etc
- Streamlined transactions with real time account transfers
- Online real time stop payment placement and cancellation
- Improved security features including self-administration functionality

Community Banks of Colorado's online system consists of four modules:

Information Reporting, including prior day and intraday reporting

- Check Management, including stop payment functionality
- ACH
- Wire Transfers
- Controlled Disbursement reporting

Our clients comment that Online Banking is a robust, secure and intuitive system to navigate.



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Scope of Services Response



Proposed Fee schedule

Account Analysis

Each month, the Bank will prepare an Account Analysis/billing statement identifying the services performed and costs incurred by the County. SMART will receive their account analysis within seven (7) business days after month-end. This Analysis statement should include all the services and fees for each bank account individually, then, a consolidated analysis that bundles the costs for all accounts. The Bank will provide the analysis statement via online banking as well as a physical mailed copy. The analysis statement would be available online around the 11-15th of the month. Please find our fee schedule below detailing our respective price points.

General Account Services

Account Maintenance \$15.00

Debits Posted \$0.16

Electronic Debits \$0.15

Credits Posted \$0.18

Electronic Credits \$0.15

Business Online Banking with ACH and Wire Modules both included at \$50.00

Deposit Coverage \$0.11

Positive Pay/ACH Filter \$50.00

Wire Incoming \$10.00

Wire Outgoing \$25.00

Remote Deposit per item \$0.10

Remote Deposit Scanner Maintenance \$30.00

Account Reconciliation \$30.00

The earnings credit rate offered to SMART

The below rate tiers would apply to analyzed accounts and all of these charges would first be offset by the balances residing in SMART's account using the below interest yield. .

0 - 99,999.99	0.15%
100,000 - 249,999.99	0.20%
250,000 +	0.35%



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Scope of Services Response



Community Banks of Colorado is offering SMART a money market rate of 25 bps. This rate is tied to market rates and adjusts monthly. Community Banks of Colorado would also be willing to offer SMART the below CD rates and terms:

- 12 month CD—Community Banks of Colorado will pay 0.60% of interest for funds placed in a 12 month CD.
- 15 month CD—Community Banks of Colorado will pay 0.80% of interest for funds placed in a 24 month CD.
- 36 month CD—Community Banks of Colorado will pay 1.00% of interest for funds placed in a 36 month CD.
- 48 month CD—Community Banks of Colorado will pay 1.15% of interest for funds placed in a 36 month CD.
- 60 month CD—Community Banks of Colorado will pay 1.35% of interest for funds placed in a 60 month CD.

All funds will be collateralized 103% by a portion of NBH Bank's portfolio of U.S. government-backed securities.

Scope of Service Response



Other Value Add Services

Lockbox

Improve cash flow by speeding collections of receivables and enjoy better control over SMART's cash position daily

Payments are remitted directly to a post office box, which is specifically maintained for SMART's use. Each morning, we process the items from the post office box and apply credit to the account. Images of the items are available on our Online Banking lockbox portal.

Merchant Credit Cards

Community Banks of Colorado partners with First Data who is among the nation's premier providers of transaction processing services and payment technologies. First Data offers a suite of innovative products and services.

Purchase Cards and Business Credit Cards

We partner with Elan Financial Services and have included an insert describing our offering in depth. We have both a rewards based credit card program and a rebate based program.

Scope of Service Response

5.5



Other Value Added Services

Community Banks of Colorado is pleased to offer SMART's Employees with our Work Perks banking program. A no-cost way to add value to your employee benefits package. Our value added service provides preferred access to the best personal banking options that the Bank offers. SMART's employees will enjoy Free Checking with the below benefits:

- Discounts on consumer loans
- Unlimited out-of-network ATM transactions
- Additional Work Perks Checking accounts to help manage your household finances
- Free checks
- Unlimited cashiers' checks, money orders and gift cards
- Interest rate bumps on CDs
- Five NSF's or overdraft fees waived per calendar year

All Work Perks Banking accounts include:

- VISA Debit Card
- Online Banking
- Mobile Banking

The Bank can provide marketing materials and is open to visit the SMART during open enrollment.

COMMUNITY BANKS OF COLORADO SERVICE OVERVIEW

Community Banks of Colorado would be pleased to do business with SMART . The Bank has been fortunate to be able to service the banking needs of numerous cities, school districts, utility companies and large non-profit organizations. In most cases, these organizations require multiple accounts, collateral to back up the funds in these accounts, online banking, ACH origination services , information reporting and other treasury management services. Because of the extensive background in banking these organizations, your relationship team at Community Banks of Colorado understands that prompt delivery and on-going support of these services are of the utmost importance to the County.

As you will find within this proposal, Community Banks of Colorado will be able to provide all services requested and more at a minimal overall cost to the County. We would be honored to serve SMART and thank you for the opportunity.



SMART

Summary of RTA Director/Outside Counsel Interviews

RTA	Roaring Fork Transportation Authority	Pikes Peak Rural Transportation Authority	Gunnison Valley Regional Transportation Authority
RTA FORMATION YEAR	1983	2004	2002
RTA MEMBERS	Pitkin County Eagle County City of Aspen Town of Basalt Town of Snowmass Village Town of Carbondale City of Glenwood Springs Town of New Castle	El Paso County City of Colorado Springs City of Manitou Springs Town of Green Mountain Falls Town of Ramah	Gunnison County City of Gunnison Town of Crested Butte Town of Mt. Crested Butte
EXECUTIVE DIRECTOR / CEO	Dan Blankenship	Rick Sonnenburg	Scott Truex
EMPLOYEES	YES (CEO is an employee)	NO (ED is employed by a member)	NO (ED is independent contractor)
RTA OWNS TRANSIT ASSETS	YES	NO (assets titled to member governments)	YES
RTA OPERATES TRANSIT ASSETS	YES	NO (member governments operate/store/maintain transit assets)	NO (private contractor operates/stores/maintains transit assets)
OUTSIDE LEGAL COUNSEL	Paul Taddune @ \$325/hour (travel negotiable) Jeff Conklin @ \$190/hour (office in Montrose) Dan Fowler @ \$250/hour	Jennifer Ivey @ \$255/hour (travel @ \$0) Ed Icenogle @ \$355/hour	Kathy Fogo @\$200/hour (travel@ \$100)
LEGAL SERVICES PROVIDED	Procurement Contracts Grant Certifications/Assurances Employment Law Issues Personnel Issues Workers Compensation Issues Accidents / Injuries Federal Transportation Authority Negotiations Prior Negotiations/Contracts with Ski Resort	Procurement Contracts Grant Certifications/Assurances IGAs between each Member and the RTA Review Board Packets RTA Ballot Measures Compliance (Additional services provided for other transportation clients)	Procurement Contracts Grant Certifications/Assurances ED's Employment Agreement Airline Guarantee Contracts Private Transit Provider Contracts Senior Transit Provider Contracts Outsourced Finance Function Contracts Contracts with Ski Resort Advice re RTA Ballot Measures Member Funding Contracts Member Guarantees

PRESENCE AT BOARD MEETINGS

YES

YES

AS NEEDED

TAKEAWAYS

Solo Practitioner + Small Firms/Paralegals/Admin Staff
Team Approach to Legal Services
Inside + Outside Counsel to RTA since 1983 inception
Most Comprehensive Experience
Taddune has Encyclopedic Relevant Knowledge
Taddune has Strong Public Service Commitment

Small Firm/Paralegals/Admin Staff
Represented RTA since 2004 inception
Firm Has Transportation Focus

Solo Practitioner/No Paralegal/No Admin
Represented RTA since 2012

Taddune/Blankenship Eager to Share Best Practices of RFTA

Taddune has Built Key RFTA Relationships (skico, members)

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUEL
AUTHORITY FOR REGIONAL TRANSPORTATION
ESTABLISHING THE ADMINISTRATIVE ADVISORY COMMITTEE**

NO. 2017 - ____

RECITALS:

WHEREAS, the San Miguel Authority for Regional Transportation (“SMART”) was approved by the registered electors of the Town of Telluride, Town of Mountain Village, and that portion of the SMART combination that is within that part of the SMART boundaries located within unincorporated San Miguel County, pursuant to the Colorado Regional Transportation Authority Law, C.R.S Title 43, Article 4, Part 6, at the general election held on November 8, 2016;

WHEREAS, SMART is governed by the Colorado Regional Transportation Authority Law and the SMART Intergovernmental Agreement (“SMART IGA”) conditionally approved by each of the governing bodies of the Town of Telluride, Town of Mountain Village and San Miguel County pending approval by the registered electors at the November 8, 2016 general election;

WHEREAS, Section 4.02 of the SMART IGA states that the Board of Directors of SMART (the “Board”) shall appoint members to an Administrative Advisory Committee serving at the direction and pleasure of the Board;

WHEREAS, Section 4.02 of the SMART IGA states that the purpose of the Administrative Advisory Committee shall include, but shall not be limited to, advising the Board on the annual budget, operations and long range planning;

WHEREAS, Section 4.02 of the SMART IGA specifies that Board Directors, Alternate Directors or SMART officers may not be members of the Administrative Advisory Committee, and that the Administrative Advisory Committee may not exercise any power of the Board; and

WHEREAS, the Board desires to appoint an Administrative Advisory Committee, and establish the purpose and duties of the Administrative Advisory Committee and the term durations, number of members and makeup of such committee as directed by the SMART IGA.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the San Miguel Authority for Regional Transportation as follows:

1. The Board hereby establishes an Administrative Advisory Committee for the purpose of advising the Board on the SMART annual budget, operations and long range planning.

2. The Administrative Advisory Committee shall include seven (7) members who shall serve for two (2) year terms, except as set forth in the following sentence. The initial members appointed from Section 3(a) through 3(d) below shall serve initial terms of two (2) years and the initial members appointed from the groups identified in Section 3(e) through 3(g) below shall serve initial terms of one (1) year. Upon expiration of a term, the Board shall appoint a member from the same group to fill the vacancy. The intention of this Section 2 is that the members serve staggered terms such that the membership is always made up of experienced and new members.
3. The initial members of the Administrative Advisory Committee shall include persons representing the entities listed below. SMART Directors, Alternate Directors and officers shall not be permitted to be members of the committee.
 - a. Town of Mountain Village (1 seat)
 - b. Town of Telluride (1 seat)
 - c. Unincorporated San Miguel County (1 seat)
 - d. At-Large Town of Ophir or Norwood, or Sawpit (1 seat)
 - e. Owners of businesses located within the SMART boundaries (1 seat)
 - f. Organizations serving seniors and human services (1 seat)
 - g. Telluride Ski and Golf Corp (1 seat)
4. After adoption of this resolution, the Board shall publish in the newspaper a description of SMART, the purpose of the Administrative Advisory Committee, the makeup of the membership and a request for applications. Applications shall include the background of the applicant, qualifications and a statement of interest and must be submitted within two (2) weeks of publication. The Board shall consider applications at its next regular meeting and shall appoint members at that time.
5. The Administrative Advisory Committee shall not be authorized to exercise any power of the Board.
6. The Board may make subsequent amendments or changes to the Administrative Advisory Committee.

ADOPTED AND APPROVED by the Board of Directors at a regular public meeting held on the 12th day of January, 2017.

**SAN MIGUEL AUTHORITY FOR REGIONAL
TRANSPORTATION**

By: _____
Laila Benitez, Chair

Request for Appointment

P.O. BOX 3140 • Telluride, Colorado 81435 • (970) 728-_____

Authority and subject to any limits imposed by the Board or the Chair, shall have authority to give receipts and vouchers, to sign and endorse checks and warrants in the Authority's name and on the Authority's behalf, and to give full discharge for the same. The Treasurer shall also have charge of disbursements of the funds of the Authority, shall keep full and accurate records of the receipts and disbursements, and shall deposit all moneys and other valuables in such depositories as shall be designated by the Board. The Treasurer shall deposit and invest all funds of the Authority in accordance with this Agreement and laws of the State applying to the deposit and investment of funds or regional transportation authorities formed under the Act. The Treasurer shall have such additional authority, powers and duties as are appropriate and customary for the office of Treasurer of entities such as the Authority, and as the Board may otherwise prescribe. If a Treasurer has not been elected, the Secretary shall also serve as Treasurer and may use the title of Treasurer in performing the functions of Treasurer.

ARTICLE IV

ADMINISTRATIVE AND ADVISORY COMMITTEES

Section 4.01. Generally. The Board, in accordance with §43-4-604(3)(h), C.R.S., has the power to appoint advisory committees related to the operations and planning of regional transportation and define the duties thereof.

Section 4.02. Administrative Advisory Committee. The Board shall appoint members to an Administrative Advisory Committee serving at the direction and pleasure of the Board. The term durations, number of members and makeup of the Administrative Advisory Committee will be determined and approved by a resolution of the Directors. The purpose of Administrative Advisory Committee will include but not be limited to advising on the Authority annual budget, operations and long range planning for Board adoption. Directors, Alternate Directors or Officers of the Authority shall not be members of the Executive Advisory Committee. The Administrative Advisory Committee shall not be authorized to exercise any power of the Board.

Section 4.03. Other Advisory Committees. The Board may appoint and maintain other Advisory Committees to develop recommendations with respect to policy, planning and service matters. The members of Advisory Committees may be citizens, business and resort representatives, other regional government or public agencies that represent service area outside the boundaries of the Authority. Directors or Alternate Directors of the Authority may participate in these Advisory Committees. Advisory Committees shall not be authorized to exercise any power of the Board.

ARTICLE V

PERSONNEL

Section 5.01 Generally. Personnel will be at-will employees of the Authority including but not limited to an administrator and/or finance manager. Employees shall be recruited in an open process in accordance with equal opportunity employment requirements that prohibit discriminatory hiring practices based on age, race, gender, disability or religion or any other status protected by federal or state law.

Section 5.02. Administrator. The Administrator shall be the chief executive officer of the Authority, shall supervise the activities of the Authority, shall see that all policies, directions and orders of the Board are carried out and shall, under the supervision of the Board, have such other authority, powers or duties as may be prescribed by the Board. The administrator will hire and supervise staff for the Authority based on approved budget allocations for such positions.

**SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION
REQUEST FOR PROPOSALS – ACCOUNTING SERVICES**

PLEASE RESPOND TO THIS RFP NO LATER THAN 5 P.M. ON JANUARY 27TH.

SUBMITTALS SHOULD BE SENT TO THE San Miguel Authority for Regional Transportation, P.O. Box 3140, Telluride, Colorado 81435 or send via email to bocc@sanmiguelcountyco.gov

Questions can be address to: Nina Kothe – San Miguel County Commissioners Office – (970) 728-3844 or the email address above.

SCOPE OF WORK

The Board of Directors of the San Miguel Authority for Regional Transportation is seeking proposals for financial accounting services for a newly formed governmental subdivision.

SMART anticipates a total annual budget for the near term will be approximately \$2 million annually with revenues from sales tax, property tax, grants, fares and government contributions.

Please provide two professional references that we may contact.

Necessary accounting services include:

- Tracking receipts of deposits and electronic debit and credit transactions including federal and state wire deposits from grant proceeds, and monthly state collected sales tax revenue deposits through the ACH, along with monthly San Miguel County disbursements of the approved SMART mill levy revenue.
- Perform bank account reconciliations on possible multiple checking accounts.
- Process and enter all claims in QuickBooks (or similar software) and develop and maintain a tracking system of all revenues and expenditures by account codes for the SMART Board of Directors, the three participating jurisdictions when needed and any other reports as needed e.g. for an oversight committee, auditors, etc.
- Administer government purchasing credit card services for staff members.

BUDGETS

- Help the staff Administrator develop the annual SMART budget for Board review and approval.
- Prepare and update monthly budget/actual expenditure and revenue reports for Board review.
- Train SMART staff on how to generate accounting information as needed from the accounting system.

ACCOUNTS PAYABLE

- Prepare and produce accounts payable checks bi-weekly.
- Maintain accurate bank balances and check distribution lists.
- Prepare check register listing of accounts payable for SMART board meetings.
- Reconcile vendor statements as necessary.
- Process 1099 forms for all subcontractors.

PAYROLL

- Agency payroll consists of 1 full time employee
- Calculate and prepare payroll biweekly including periodic special pay transactions.
- Process direct deposits and paychecks.

- Maintain database of vacation, sick, professional leave and comp time accrued and used.
- Prepare detailed payroll stubs for employee(s) showing vacation, sick, professional leave and comp time balances, deferred compensation contributions and balances and retirement plan contributions and balances.
- Pay all payroll taxes and deductions.
- Prepare quarterly payroll returns (Federal and State)
- Prepare annual payroll returns and reconciliations.
- Process W-2 forms.
- Prepare monthly distributions based on payroll allocations of salaries, fringes and indirect costs.

MISCELLANEOUS

- Provide informational reports as needed including, but not limited to, vendor analysis, detailed transactions ledgers, trial balances.
- Prepare Quarterly Financial Report in form to send to state and federal revenue sources with all state and federal required information categories.
- Assist the auditors in the preparation of the State Controllers Report on computer format provided by the State.
- Submit the State Controllers Report.
- Provide information as requested to annual fiscal auditors.
- Post year-end accruals and adjusting entries for the auditor.
- Prepare cost and revenue reports as needed by SMART to assist in the management of Transportation projects.