



REGULATION E DISCLOSURE

Depositor:

Financial Institution: Timberline Bank
Grand Junction
633 24 Road
Grand Junction, CO 81505

ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURES

This Agreement and Disclosure is made in compliance with Colorado and federal law regulating electronic funds transfer (EFT) services. Electronic funds transfers are electronically initiated transfers of money involving an account at the Financial Institution. The following disclosures set forth your and our rights and responsibilities concerning the electronic funds transfers. In this Agreement, the words "you" and "your" mean those who sign as applicants or any authorized user(s). The words "we", "us" and "our" mean the Financial Institution. The abbreviation "PIN" or word "code" means a personal identification number.

Direct Deposit

Types of Preauthorized Transfers: You may arrange for us to complete the following preauthorized transfers to your deposit accounts:

- * Accept direct deposits from your employer or other financial institutions to your checking or savings account.

Fees and Charges:

- * We do not charge for any preauthorized EFTs.

Government Direct Deposit

Types of Preauthorized Transfers: You may arrange for us to complete the following preauthorized transfers to your deposit accounts:

- * Accept direct deposits from the U.S. Treasury Department to your checking or savings account.

Fees and Charges:

- * We do not charge for any preauthorized EFTs.

Preauthorized Debit

Types of Preauthorized Transfers: You may arrange for us to complete the following preauthorized transfers to or from your deposit accounts:

- * Pay certain recurring bills from your checking or savings account.

Limitations on Frequency and Amount:

- * 3 days notice required to stop preauthorized debit.

Fees and Charges:

- * We do not charge for any preauthorized EFTs.
- * We will charge \$30.00 for each stop-payment order for preauthorized transfers.

ATM/Debit Card

Types of Transactions/Transfers: You may use the card and PIN issued you to pay for purchases from merchants who have agreed to accept the card at Point of Sale (POS) terminals within the networks identified on your card and such other terminals as the Bank may designate from time to time. Point of Sale (POS) transactions will be deducted from your Primary Account. Point of Sale (POS) transactions involving a refund will be credited to your Primary Account. You may also use the card to pay for purchases from merchants that accept the POS debit card with a VISA symbol. You may use the automated teller machine (ATM) card and personal identification number (PIN) issued to you to initiate transactions at ATMs of ours, ATMs within the networks identified on your card and such other facilities as we may designate from time to time. Unless you specify a different account during Automated Teller Machine (ATM) transactions, your Primary Account will be used for your transactions. Your Primary Account number and information may be obtained from the Combined ATM/POS/Debit Card Request Form. At present you may use your card to (some of these services may not be available at all ATMs):

- * Withdraw cash from your checking account.
- * Withdraw cash from your savings account.
- * Transfer funds between your checking and savings accounts.
- * Obtain balance information on your deposit accounts.

Limitations on Frequency and Amount:

- * You may make 3 cash withdrawals from ATMs per day.
- * You may withdraw up to a maximum of \$500.00 (if there are sufficient funds in your account) per day.
- * For security purposes, there are limits on the frequency and amount of transfers you may make using ATMs and this Point of Sale service.
- * You may purchase up to a maximum of \$500.00 worth of goods and services per day, exclusive of ATM withdrawals.

Fees and Charges:

- * There is no charge for ATM withdrawals at machines owned by us.
- * There is a \$2.50 charge for each ATM withdrawal at machines we do not own.

REGULATION E DISCLOSURE (Continued)

- * We do not charge for any POS transactions.

ATM Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

Business ATM/Debit

Types of Transactions/Transfers: You may use the card and PIN issued you to pay for purchases from merchants who have agreed to accept the card at Point of Sale (POS) terminals within the networks identified on your card and such other terminals as the Bank may designate from time to time. Point of Sale (POS) transactions will be deducted from your Primary Account. Point of Sale (POS) transactions involving a refund will be credited to your Primary Account. You may also use the card to pay for purchases from merchants that accept the POS debit card with a VISA symbol. You may use the automated teller machine (ATM) card and personal identification number (PIN) issued to you to initiate transactions at ATMs of ours, ATMs within the networks identified on your card and such other facilities as we may designate from time to time. Unless you specify a different account during Automated Teller Machine (ATM) transactions, your Primary Account will be used for your transactions. Your Primary Account number and information may be obtained from the Combined ATM/POS/Debit Card Request Form. At present you may use your card to (some of these services may not be available at all ATMs):

- * Withdraw cash from your checking account.
- * Withdraw cash from your savings account.
- * Transfer funds between your checking and savings accounts.
- * Obtain balance information on your deposit accounts.

Limitations on Frequency and Amount:

- * You may make 3 cash withdrawals from ATMs per day.
- * You may withdraw up to a maximum of \$1000.00 (if there are sufficient funds in your account) per day.
- * For security purposes, there are limits on the frequency and amount of transfers you may make using ATMs and this Point of Sale service.
- * You may purchase up to a maximum of \$1000.00 worth of goods and services per day, exclusive of ATM withdrawals.

Fees and Charges:

- * There is no charge for ATM withdrawals at machines owned by us.
- * There is a \$2.50 charge for each ATM withdrawal at machines we do not own.
- * We do not charge for any POS transactions.

ATM Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

Temporary ATM/Debit Card

Types of Transactions/Transfers: You may use the card and PIN issued you to pay for purchases from merchants who have agreed to accept the card at Point of Sale (POS) terminals within the networks identified on your card and such other terminals as the Bank may designate from time to time. Point of Sale (POS) transactions will be deducted from your Primary Account. Point of Sale (POS) transactions involving a refund will be credited to your Primary Account. You may also use the card to pay for purchases from merchants that accept the POS debit card with a VISA symbol. You may use the automated teller machine (ATM) card and personal identification number (PIN) issued to you to initiate transactions at ATMs of ours, ATMs within the networks identified on your card and such other facilities as we may designate from time to time. Unless you specify a different account during Automated Teller Machine (ATM) transactions, your Primary Account will be used for your transactions. Your Primary Account number and information may be obtained from the Combined ATM/POS/Debit Card Request Form. At present you may use your card to (some of these services may not be available at all ATMs):

- * Withdraw cash from your checking account.
- * Withdraw cash from your savings account.
- * Transfer funds between your checking and savings accounts.
- * Obtain balance information on your deposit accounts.
- * You can receive a Temporary ATM/Debit Card at account opening that will be valid for 60 days until receipt and activation of the Permanent ATM/Debit Card. Your Permanent ATM/Debit Card will be mailed within 7-10 business days, once activated, you agree to destroy the Temporary ATM/Debit Card.

Limitations on Frequency and Amount:

- * You may make 3 cash withdrawals from ATMs per day.
- * You may withdraw up to a maximum of \$500.00 (if there are sufficient funds in your account) per day.
- * For security purposes, there are limits on the frequency and amount of transfers you may make using ATMs and this Point of Sale service.
- * You may purchase up to a maximum of \$500.00 worth of goods and services per day, exclusive of ATM withdrawals.

Fees and Charges:

- * There is no charge for ATM withdrawals at machines owned by us.

- * There is a \$2.50 charge for each ATM withdrawal at machines we do not own.
- * We do not charge for any POS transactions.

ATM Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

Other EFT Transactions. You may access certain account(s) you maintain with us by other EFT transaction types as described below.

Electronic Check Conversion. You may authorize a merchant or other payee to make a one-time electronic payment from your account using information from your check to pay for purchases or pay bills. Electronic check conversion is a payment process in which a merchant or other payee (after obtaining your authorization) uses your check to gather routing, account, and check number information to initiate a one-time EFT. When information from your check is used to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day you make your payment. This type of EFT transaction involving a consumer account is covered by the Electronic Funds Transfer Act and this disclosure. A description of the transaction will appear on your statement.

Re-presented Check Transactions and Fees. You may authorize a merchant to electronically collect a fee associated with the re-presentation of a check that is returned due to insufficient or unavailable funds. The resulting fee transaction if debited as an EFT from a consumer account is covered by the Electronic Funds Transfer Act and this disclosure. When a merchant re-presents a check electronically, that transaction is not covered by the Electronic Funds Transfer Act or this disclosure. A description of the transaction will appear on your statement.

You can receive a Temporary ATM/Debit Card at account opening that will be valid for 60 days until receipt and activation of the Permanent ATM/Debit Card. Your Permanent ATM/Debit Card will be mailed within 7-10 business days, once activated, you agree to destroy the Temporary ATM/Debit Card.

Mobile Banking

Types of Transactions/Transfers: You may use the mobile banking application on your smart phone to:

- * Transfer funds between your checking and savings account.
- * Obtain balance information on your deposit account.
- * Make check deposits into your deposit accounts.
- * Pay bills with Timberline Bill Pay
- * PopMoney allows transfers to other persons
- * Remote Deposit Capture allows for mobile capabilities for deposits

Limitation for Frequency and Amount:

- * Check deposit amount is limited to \$1,000 per check and limited to \$3,000 per day.
- * Check images must be received before 4 pm Mountain time. If you make a deposit before our cut-off hour on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after our cut-off hour or on a day we are not open, we will consider that the deposit was made on the next business day we are open. Every day is a business day, except Saturdays, Sundays, and federal holidays.

Fees and Charges:

- * There is no charge for the application.
- * There is no charge for check deposit, transfers, obtaining account balance, or using Bill Pay.

Liability for Unauthorized VISA Debit Card Transactions. The following limitations may be applicable to your accounts, except as provided by law:

The zero liability limit described below only applies to debit cards that are United States issued VISA Consumer Cards or VISA Business Cards for transactions processed through a VISA network or, for ATM transactions, a Plus network. The zero liability limit described below does not apply to: (a) other types of VISA commercial debit cards that are not VISA Business Cards; (b) transactions using your personal identification number that are not processed through a VISA network; and (c) ATM transactions which are not sent over VISA or Plus networks.

Tell us **AT ONCE** if you believe your VISA debit card has been lost or stolen or if you believe any unauthorized transactions have been made using your VISA debit card. Your liability for unauthorized VISA debit card transactions that are processed through a VISA or Plus network, as applicable, will be zero dollars (\$0.00). However, to the extent allowed under applicable law (see for example the **Liability for Unauthorized Transfers** paragraph below) we may hold you liable for the entire amount of an unauthorized transaction if we find, based on substantial evidence, that you have been grossly negligent or fraudulent in the handling of your deposit account or VISA debit card.

For VISA Business Cards: (a) in order for an unauthorized transaction to be covered by the zero liability limit described above you must notify us within sixty (60) calendar days of the mailing of the first statement showing the unauthorized transaction; and (b) an "unauthorized transaction" does not include any transaction allegedly conducted by (i) a business co-owner, (ii) the cardholder or person authorized by the cardholder, or (iii) any other person with an interest in or authority to transact business on the account.

To notify us of lost or stolen cards, or of unauthorized transactions, call or write to us at the telephone number or address set forth in the **Liability for Unauthorized Transfers** paragraph below. This will help prevent unauthorized access to your account and minimize any inconvenience. We may require you to provide a written statement regarding an unauthorized VISA debit card transaction in order for the zero liability limit described above to be applied.

When you use your debit card at a merchant to purchase goods or services, or to obtain cash from an ATM, in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is a rate selected by VISA from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives or the government mandated rate in effect for the applicable processing date. The 1% international fee will be shown in US funds as a separate amount on your monthly account statement. Due to the high occurrence of identity theft and fraud, if you plan to use your VISA debit card in a foreign country, please notify the bank.

VISA is a registered trademark of Visa in the United States and other countries.

In addition to the limitations set forth above, the following limitations may be applicable to your accounts:

Liability for Unauthorized Transfers. Tell us AT ONCE if you believe your card, ATM, PIN, or POS card or PIN has been lost or stolen or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way for you to notify us of any unauthorized use. If the unauthorized use occurs through no fault of your own or that of any authorized user, you will not be liable for the unauthorized use. If the unauthorized use is due to your negligence or fault, your liability will be limited to no more than

the lesser of \$50.00, or the amount of money, good, or services obtained by the unauthorized user prior to your notifying us that your card, ATM, PIN or POS has been lost stolen or improperly used. Also, if your statement shows transfers that you did not make, including those made by card code or other means, tell us at once. If you believe that your card or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (970) 920-0112, or write us at Timberline Bank, Aspen, 720 East Hyman, Aspen, CO 81611. You should also call the number or write this address if you believe a transfer has been made using the information from your check without your permission.

Illegal Transactions. You may not use your ATM, POS, or Debit Card, or other access device for any illegal or unlawful transaction, and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness. Notwithstanding the foregoing, we may collect on any debt arising out of any illegal or unlawful transaction.

Business Days. For purposes of these electronic funds transfer disclosures, our business days are Monday through Friday. Holidays are not included.

Stop Payments on ATM, POS, or Debit Card Transactions. You may not place a stop payment order on any ATM, POS, or debit card transaction.

Documentation.

Periodic Statement. You will get a monthly account statement from us, unless there are no transactions in a particular month. In any case you will get a statement quarterly. You will get a quarterly statement from us on your savings account if this is the only account you maintain and the only possible electronic transfer to or from the account is a preauthorized deposit.

Terminal Receipt. You can get a receipt at the time you make a transfer to or from your account using one of our ATMs or a POS terminal. However, receipts for transactions of \$15.00 or less may not always be available.

Direct Deposits. If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can call us at (970) 683-5560 to find out whether or not the deposit has been made.

Our Liability for Failure to Make Transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will **NOT** be liable for instance:

- * If, through no fault of ours, you do not have enough money in your account to make the transfer.
- * If the money in your account is subject to legal process or other claim restricting such transfer.
- * If the transfer would go over the credit limit on your overdraft line.
- * If the ATM where you are making the transfer does not have enough cash.
- * If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- * If circumstances beyond our control (such as fire or flood) prevent the transaction, despite reasonable precautions that we have taken.
- * There may be other exceptions stated in our agreement with you.

In Case of Errors or Questions About Your Electronic Transfers. Telephone us at **(970) 920-0112**, or write us at **Timberline Bank, Aspen, 720 East Hyman, Aspen, CO 81611** as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We would like to hear from you no later than sixty (60) days after we sent the **FIRST** statement on which the problem or error appeared.

- * Tell us your name and account number (if any).
- * Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- * Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty five (45) days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

If a notice of error involves an electronic fund transfer that occurred within thirty (30) days after the first deposit to the account was made, the error involves a new account. For errors involving new accounts, point of sale debit card transactions, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

If a notice of error involves unauthorized use of your point of sale debit card with the VISA logo when it is used as a VISA point of sale debit card, we will provide provisional credit within five (5) business days after you notify us instead of within ten (10) or twenty (20) business days. We may withhold providing this accelerated provisional credit, to the extent allowed under applicable law, if the circumstances or account history warrants the delay.

Confidentiality. We will disclose information to third parties about your account or the transfers you make:

- * To complete transfers as necessary;
- * To verify the existence and condition of your account upon the request of a third party, such as a credit bureau or merchant; or
- * To comply with government agency or court orders; or
- * If you give us your written permission.

Personal Identification Number (PIN). The ATM PIN or POS PIN issued to you is for your security purposes. The numbers are confidential and should not be disclosed to third parties or recorded on the card. You are responsible for safekeeping your PIN(s). You agree not to disclose or otherwise make your ATM PIN or POS PIN available to anyone not authorized to sign on your accounts.

Notices. All notices from us will be effective when we have mailed them or delivered them to your last known address on our records. Notices

from you will be effective when received by us at the telephone number or the address specified in this Agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you at least twenty one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing your account and any future changes to those regulations.

Enforcement. In the event either party brings a legal action to enforce this Agreement or collect amounts owing as a result of any Account transaction, the prevailing party shall be entitled to reasonable attorneys' fees and costs, including fees on any appeal, subject to any limits under applicable law.

Termination of ATM and POS Services. You agree that we may terminate this Agreement and your use of the ATM Card or POS services, if:

- * You or any authorized user of your ATM PIN or POS card or PIN breach this or any other agreement with us;
- * We have reason to believe that there has been an unauthorized use of your ATM PIN or POS card or PIN;
- * We notify you or any other party to your account that we have cancelled or will cancel this Agreement. You or any other party to your account can terminate this Agreement by notifying us in writing.

Termination of service will be effective the first business day following receipt of your written notice. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

Preauthorized Electronic Fund Transfers.

Stop Payment Rights. If you have told us in advance to make regular electronic fund transfers out of your account(s), you can stop any of these payments. Here's how: Call us or write to us at the telephone number or address set forth above, in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within fourteen (14) days after you call. We will charge you \$ 30.00 for each stop payment order you give.

Notice of Varying Amounts. If these regular payments may vary in amount, the person you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

Liability for Failure to Stop Payment of Preauthorized Transfers. If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Other Provisions. There may be a delay between the time a deposit is made and when it will be available for withdrawal. You should review our Funds Availability Policy to determine the availability of the funds deposited at ATMs. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account.

Notice Regarding Non-Visa Network Transactions. You can use your Visa point of sale credit card on the following non-Visa processing network, ACCEL Network, without using a PIN to authenticate your transactions. To initiate a non-PIN transaction, you may be asked to sign a receipt, provide a debit card number over the phone or via the Internet, swipe the card through a point-of-sale terminal, or take other steps to verify your identity and account. If you initiate a transaction outside the Visa network, the terms and conditions of your agreement with us relating to Visa services and benefits will not apply to the transaction. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures may not be applicable to transactions processed outside the Visa network.

If you have questions about non-Visa network transactions, please contact us at (800) 331-3757

ATM SAFETY TIPS

As issuers of Automated Teller Machine (ATM) access devices, we have provided for your information a list of safety precautions regarding the use of automated teller machines. Please read the following safety tips:

- * Be aware of your surroundings, particularly at night.
- * Consider having someone accompany you when the automated teller machine is used after dark.
- * It is appropriate to politely ask someone who is uncomfortably close to you to step back before you complete your transaction.
- * Refrain from displaying your cash. Pocket it as soon as your transaction is completed. Count the cash later in the safety of your car or home.
- * Consider using another automated teller machine or coming back later if you notice anything suspicious. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, pocket your ATM access device and leave.
- * Go to the nearest public area where people are located if you are followed after making a transaction.
- * Report all crimes to law enforcement officials immediately.