

## Customer Remote Deposit Agreement

This Remote Capture Agreement (this "Agreement") is between the Bank named below (the "Bank") and the Company named below (the "Company"). The First Bank and the Company agree that remote capture services shall be provided to the Company by the Bank to allow the Company to electronically capture checks and deposits using a check scanning device and convert the checks and deposits into electronic images, balance the checks and deposits captured, electronically inspect images for quality and transmit the images to the Bank for deposit and forward collection (the "Services"). The Services, including the software, hardware and procedures described herein, are provided subject to the terms and conditions set forth in this Agreement.

1. **Electronic Entries.** The Bank and the Company will transmit and process the electronic entries initiated by the Company in accordance with the rules of the Federal Check Clearing for the 21st Century Act (the "Check 21 Act"), Federal Reserve Bank ("FRB") Regulation CC (12 CFR 229), National Clearing House Association (NACHA), American National Standards X9 specification, FRB, UCC Article 3 and 4 and any network association agreements as are currently in effect and as amended from time to time (the "Rules"). The Company agrees to be bound by and held subject to the Rules as well as the provisions contained in this Agreement. The Bank will act as Converting Bank and Reconverting Bank and processing for ultimate delivery to other financial institutions electronic entries or substitute checks by means of its correspondent banks, participating image exchange networks and the FRB to the accounts at Paying Banks of checks presented for payment.
2. **Restrictive Rules.** In the event that the operating rules of a local or regional check clearing network, or the arrangements between the Bank and the FRB or a correspondent bank are more restrictive than, or are at variance with, the Rules, the Company agrees to be bound by such more restrictive or varying rules.
3. **Rule Changes.** The Bank agrees to provide the Company updates regarding any material changes to the Rules as soon as may be reasonable after the Bank becomes aware of such Rule changes.
4. **Effective Date.** This Agreement shall begin on the Effective Date indicated below.
5. **Termination.** Either party hereto shall have the right to terminate this Agreement without cause, by giving the other party at least 30 days prior written notice: provided, however, that this Agreement shall continue to be in full force and effect for all electronic entries initiated by the Company prior to the termination of the Agreement and those provisions which are intended to survive the termination of this Agreement. If the party to whom such notice is to be given agrees in writing, the notice period may be less than 30 days. Notwithstanding the foregoing, in the event of the Company's insolvency, receivership, or voluntary or involuntary bankruptcy, or the institution of proceedings therefore or any assignment for the benefit of the Company's creditors, or if, in the opinion of the Bank the Company's financial condition has become impaired, then the Bank, at its option, may terminate this Agreement immediately, without notice.
6. **Obligations of Bank.** With respect to "on-us" electronic debit and credit entries, the relationship between the Bank and the Company will be governed by the Rules and, so long as the Company has properly and completely fulfilled its obligations and duties under this Agreement and the Rules to the extent applicable, the Bank agrees to assume all the rights and obligations of a "Converting Bank," "Reconverting Bank" and "Paying Bank," as defined by the Check 21 Act and applicable provisions of UCC Article 3 and UCC Article 4.

7. **Bank Selects Transaction Routing.** The Bank will receive, verify and transmit the electronic checks from the Company by such means as the Bank deems appropriate to convey the Company entries into and through the necessary image exchange networks and the Company agrees that the Bank, in its sole discretion, will select correspondent banks, image exchange networks and the FRB necessary to electronically deliver the Company's electronic checks and deposits.
8. **Establish Deadlines.** The Bank reserves the right to change the deadlines for processing as required by its correspondent banks, image exchange networks, and the FRB.
9. **Return Items.** The Bank will process and return unpaid items in accordance with published bank guidelines and schedules as governed by the Rules and will, as necessary, convert check images into Substitute Checks for processing. For purposes of this Agreement, "Check Image" means an electronic or digital image of the front and back of an original check or substitute check that is created by a depositor, a bank or other participants in the check collection process and "Return Item" means any Check, Image or Substitute Check that is returned to another Bank, in accordance with Federal laws, rules and regulations.
10. **Collection of Checks.** The Bank is providing an electronic service for the collection of checks and is not responsible for the available balance of any account at a bank on which a check is presented.
11. **Detecting Errors.** The Bank is not responsible for detecting any errors by the Company in any check or report created and transmitted to the Bank by the Company.
12. **Bank's Liability for Failure to Make a Transfer.** So long as the Company has properly and completely fulfilled its obligations and duties under this Agreement and the Rules, if the Bank does not complete a transfer to or from the Company's Account on time or in the correct amount, when the Company has properly instructed the Bank to do so, in accordance with the terms of this Agreement and the Rules, the Bank will be liable to the Company for the Company's resulting losses, subject, however, to certain exceptions. The Bank will not in any event be liable:
  - a. If a legal order or writ directs the Bank to prohibit withdrawals from the Account;
  - b. If the Company submits a transfer debit from a restricted account that does not allow online debits;
  - c. If the Company's account is closed or has been frozen;
  - d. If the Company, or anyone authorized by the Company, commits any fraud or violates any law or regulation;
  - e. If any electronic device, telecommunication device, or any part of the Services is not working properly and the Company knew about the problem when the Company started the transfer;
  - f. If the Company has not provided the Bank with correct check capture information as required in Section 16 ("check capture" means the conversion of a paper check or deposit document to electronic format by the means of a check scanning device and software);
  - g. If the Company has not properly followed the instructions for using the Services; or
  - h. If circumstances beyond the Bank's control (such as fire, flood, interruption in telephone service or other communication lines) prevent the transfer, despite reasonable precautions that the Bank has taken.

13. **The Company's Responsibility for Warranty.** Once image(s) are created, original checks cannot be re-deposited. The Company agrees and warrants that no depository bank, drawee, drawer, or endorser will receive presentment or return of the substitute check, the original check, or a copy or other paper or electronic version of the substitute check or original check such that the bank, drawee, drawer, or endorser will be asked to make a payment based on a check that the bank, drawee, drawer, or endorser has already paid, regardless of whether the warrantee receives the substitute check or another paper or electronic form of the substitute check or original check.
14. **Check 21 Act Warranty Policy and Procedures.** The Company agrees that it will maintain policies, procedures and audit practices to ensure that the Check Images captured and transmitted to and through the Bank into its correspondent banks, participating image exchange networks and the FRB meet all of the requirements as defined by the Check 21 Act, and will maintain operating procedures to ensure that the original checks and substitute checks transmitted are stored and destroyed in a timely manner to prevent the presentment of a check that a bank, drawee, drawer or endorser has paid.
15. **Deposit Deadline.** The Company agrees to transmit Check Image files and receive an Acknowledgement of Deposit before the deadline established and published by the Bank. The Company further agrees that all items received after the Deposit Deadline will be held at the Bank, or by Agent, until the next Business Day before posting to the Company's account. "Business Day" has the same meaning as in section 602(3) of the Expedited Funds Availability Act.
16. **Employee Training.** The Company agrees that technical and operational training of its employees with respect to the Services and equipment is critical to the effective operation of the remote capture system and agrees to provide adequate training for primary and backup employees.
17. **Operation and Maintenance of Equipment.** The Company shall conduct system and hardware inspections twice each Business Day; once in the morning before any checks are captured, and approximately 1:00P.M., or when an inspection can reasonably be scheduled, to ensure the system is operating within ANS X9 Standards for quality and resolution. "ANS X9" means the standards and specifications for paper-based and imaged-based payments as defined by the American National Standards Institute.
18. **Correctness of Data.** The Company will be responsible for the correctness, both as to content and form, of all information submitted to the Bank. If any information is not readable or is out of balance or cannot be processed, or otherwise is inaccurate, incomplete or inadequate, it is the sole responsibility of the Company to correct and resubmit the information to the Bank.
19. **Maintain Image Standards.** The Company agrees that images that do not meet ANS X9 standards are not allowed transmission into the check network and the Bank, its correspondent banks, participating Image Exchange Networks and the FRB may reject and return to the Company any and all items that fail to meet established industry standards without any liability for such rejection and/or return.
20. **Daily Item Balancing.** The Company agrees that it will balance posted and unposted transactions transmitted from the previous Business Day and immediately notify the Bank of any error discovered. The Bank will make every effort to assist the Company in resolving transmission and posting errors, but all adjustments will be made in accordance with the Bank's Depository Agreement with the Company and the FRB's Regulation CC.

21. **Maintain Deposit Account.** The Company will open and maintain in good standing a business account with the Bank, in accordance with the specifications and regulations defined by the Bank's depository agreement, to which the Bank will credit amounts received in collection of electronic entries. All such credits are provisional and the Bank may charge the business account, as well as any other account of the Company with the Bank, for the amount of a returned or rejected electronic debit entry. The Company authorizes the Bank to debit the Business Account on the day the returned or rejected electronic debit entry is received by the Bank or thereafter.
22. **Deposit Contingency Plan.** The Company agrees that in the event that communications, equipment or software outages prevent the Company from transmitting electronic transactions that the Company will transport checks and deposits to closest office of the Bank and make deposits until such time that the outage can be identified and resolved.
23. **Record Retention.** The Company agrees to maintain original, paper checks for a minimum period of forty-five (45) days, maximum of three months (90 days), in a fire-proof container located in an access restricted area that limits the possibility that paper checks can accidentally be reprocessed and deposited at a future date. The Company agrees to maintain acceptable quality, permanent and electronically accessible records of all transactions in accordance with published state and federal requirements and include check and deposit images, front and back, posting date, amount, serial number and routing and transit numbers, which records shall be made available to the Bank or to those regulatory agencies having jurisdiction over the Bank or the Company upon request. Once the minimum retention has been satisfied, but not longer than ninety (90) days, The Company agrees to shred, using a cross shredder, all checks in a controlled environment to ensure proper disposal.
24. **Transmission Restrictions.** The Company will not initiate an electronic check entry with respect to any person having an account with a bank without first being in possession of a proper check or substitute check, which is made payable to the Company.
25. **Indemnification and Limitation of Liability.** The Company will indemnify and hold the Bank, its officers, directors, agents and employees harmless from and against any and all liability, claims, losses, damages, suites, costs or expenses, including, attorney's fees, incurred by the Bank arising from the acts or omissions of the Company in connection with this Agreement or the Services. If the Company fails to perform according to these terms, the Bank will not be liable for any loss that could have been avoided if the Company had performed according to such terms. The sole duty of the Bank is to exercise ordinary care in the performance of the obligations under this Agreement. The Company agrees that the Bank, its officers, directors, agents and employees will not be liable for events or circumstances beyond their reasonable control, and the liability of the Bank, its officers, directors, agents, and employees will be limited to correcting errors caused by the Bank. The Company and the Bank agree that clerical errors and mistakes in judgment do not constitute a failure to exercise ordinary care or to act in good faith. IN NO EVENT SHALL THE BANK, ITS OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES BE LIABLE OR RESPONSIBLE FOR CONSEQUENTIAL, EXEMPLARY, PUNITIVE, SPECIAL OR INCIDENTAL DAMAGES OR LOSSES, INCLUDING LOST PROFITS (WHETHER THE CLAIM IS IN CONTRACT, TORT, OR OTHERWISE, AND WHETHER OR NOT THE BANK WAS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES). THE BANK MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, IN LAW OR IN FACT, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY OR

FITNESS OR SUITABILITY OF ANY OF THE SERVICES OR SOFTWARE PRODUCTS FOR A PARTICULAR PURPOSE, OR AS TO THE SUITABILITY OR COMPATIBILITY OF THE BANK'S SOFTWARE, EQUIPMENT OR COMMUNICATION INTERFACES WITH THOSE USED BY THE COMPANY.

26. **Certified Equipment List.** The Company agrees to use equipment and software that is compatible with the Bank's systems and equipment and that is approved by the Bank. The Bank shall have no liability or responsibility for any damages, losses, claims or causes of action experienced by the Company as a result of any software or equipment used in conjunction with the Services and transactions contemplated by this Agreement, and the Company's sole recourse with respect to any such damages, losses, claims or causes of action shall be against the provider of such software and equipment.
27. **Entire Agreement.** This Agreement and the Remote Capture Equipment Rental Agreement attached hereto as Schedule A contains the entire understanding of the parties and may not be changed orally. The terms and provisions of this Agreement shall inure to the benefit of and be binding upon the Company, the Bank and their respective successors and assigns; provided, however, that the Company may not assign its rights hereunder without prior written consent of the Bank.
28. **Severability.** The invalidity or unenforceability in particular circumstances of any portion of this Agreement shall not extend beyond such provision or circumstance and no other provision of this Agreement shall be affected thereby.
29. **Notice.** Any written notice required or permitted to be given hereunder shall be given by: (i) Registered or Certified Mail, Return Receipt Requested, Postage Prepaid; (ii) Confirmed Facsimile; or (iii) Nationally Recognized Courier Service to the other party at the addresses listed on the signature page or to such other address or person as the Bank or the Company may designate in writing. All such notices shall be effective upon receipt.
30. **Confidentiality.** The Company agrees to keep confidential all software, systems, the Company records, User Guides, procedures and instructions published ("Confidential Information") or made available to the Company by the Bank. The Company agrees to disclose the Confidential Information to the Company's employees and agents only on a need-to-know basis, and the Company agrees not to disclose the Confidential Information to anyone else without prior written consent from the Bank, except as required by law or as permitted by this Agreement. Upon termination of this Agreement, the Company must return all Confidential Information to the Bank, together with any reproductions or extracts of the Confidential Information. Prior to execution of this Agreement, the Company shall (i) adopt and maintain safeguarding and security policies and procedures that (a) comply with applicable laws, regulations and regulatory pronouncements, including without limitation the Gramm-Leach-Bliley Act and its implementing regulations, and (b) are acceptable to the Bank; (ii) adopt and maintain appropriate disaster recovery and business resumption policies and procedures that comply with applicable laws, regulations and regulatory pronouncements; and (iii) provide the Bank with copies of such policies and procedures. On an ongoing basis throughout the term of this Agreement, the Company shall provide the Bank with then-current copies of all such policies and procedures no less frequently than annually. The Company shall provide the Bank with immediate written notice of any breach of its computer or IT systems or of any unauthorized use or disclosure of, or access to, any confidential information of the Bank of which the Company becomes aware. Such written notice shall include a reasonably detailed summary of the nature of the unauthorized use, disclosure or access, as well as its affect or anticipated affect on the Bank, and any corrective actions taken or to be taken

by the Company. The Company expressly agrees to take appropriate actions promptly upon becoming aware of any such breach or unauthorized use, disclosure or access.

31. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.
32. **Compliance Visitation.** The Bank will make a minimum of one (1) yearly visit to The Company's place of business to address any issues or concerns not previously tended to and verify compliance with the terms of this contract.
33. **ACH Billing.** Your account #\_\_\_\_\_ will be automatically debited on the 15<sup>th</sup> of the month for the previous month's activity. When the 15<sup>th</sup> falls on a weekend, your account will be debited the next business day. You will be emailed a statement detailing the breakdown of fees on or before the 15<sup>th</sup> of the month.

Effective Date: \_\_\_\_\_

Initial Term of Agreement: one year

**First Bank (the "BANK")**  
**2030 Sea Level Dr. #200**  
Ketchikan, Alaska  
Brian Slick

Vice President

Date: \_\_\_\_\_

**Merchant:** \_\_\_\_\_

**Address:** \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_