

FIRST BANK

DEPOSIT ACCOUNT AGREEMENT

**DEPOSIT ACCOUNT AGREEMENT AND DISCLOSURE
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Deposit Account Agreement and Disclosure
Effective June 9, 2008

Thank you for selecting First Bank for your new accounts. This Deposit Agreement and Disclosure has been prepared to inform you about your rights and obligations pertaining to these accounts.

Your bank accounts involve a contract between you and First Bank. When you sign the signature card for your deposit account, you agree to follow and be bound by the rules set out in this Disclosure.

GENERAL PROVISIONS – Part I

Legal Effect of Provisions in this Disclosure. When you open a deposit account with First Bank by signing a signature card, you agree to all of the terms of the signature card, this Disclosure, the most recent Fee Schedule, current account disclosure or brochure, and all other associated documents, as well as any future amendments and additions to any of such documents (collectively, the "Agreement"). The Agreement is a legally binding contract. Throughout this Disclosure, First Bank will be referred to as "the Bank," "us", "we", or "our" and the account owner(s) will be referred to as "you" or "your". **RETAIN THIS DISCLOSURE** and the other parts of the Agreement so that you can refer to them whenever you have a question about your account with the Bank. If this Disclosure does not answer any question you have, feel free to contact a customer service representative at the Bank.

Effect of State and Federal Laws and Regulations. The deposit relationship between you and the Bank is primarily governed by the Agreement. But it is also governed by the laws of the State of Alaska; the laws of the United States; the rules and regulations of the Federal Reserve Board and various Federal Reserve Banks; and the rules and regulations of the Federal Deposit Insurance Corporation. If any terms of the Agreement come into conflict with the applicable law, the terms of the Agreement will control to the extent applicable law may be modified by contract, or will otherwise be nullified to the extent that they are inconsistent with the law and the applicable law will govern.

Plain Language. We have written this Agreement in plain language. Where possible, we have avoided the use of legal jargon and, where appropriate, we have used examples to explain the larger ideas. The examples we use are not intended to be the only application of the rule we are explaining.

Identification Notice (USA Patriot Act). To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see other identifying documents like a driver's license or documents showing your existence as a legal entity.

Existing customers: Even if you have been a customer of ours for many years, we may ask you to provide this kind of information and documentation because we may not have collected it from you in the past.

Taxpayer Identification Number (TIN) and Backup Withholding. The Bank is required to report annually to you and to the Internal Revenue Service (IRS) interest payments that total \$10 or more during the year on your deposit account with us. We may also report this information to the appropriate state revenue authority.

When you open an account, we are required to obtain a certified taxpayer identification number and information regarding your backup withholding status. When you sign the signature card for your account, you certify (sign under penalties of perjury) that you have provided the correct TIN.

For personal accounts, the TIN is your Social Security Number (SSN). For all other account the TIN is the owner's Employer Identification Number (EIN). If you do not give us a certified name and TIN, if the IRS notifies us that the name and TIN you gave us is incorrect, or if the IRS notifies us that you failed to report all your interest and dividends on your tax return, we are required to backup withhold at the current backup withholding rate on interest earned on your account and pay it to the IRS.

Customer's Waiver of Notice. By signing the signature card, you waive any notice of nonpayment, dishonor or protest regarding any items credited to or against your account. For example, if a check which you deposited is dishonored and returned to the Bank, the Bank does not need to notify you of the dishonor.

Waiver of Rights by the Bank. The Bank reserves the right to waive the enforcement of any of the terms of the Agreement with respect to any transaction or series of transactions. Any waiver must be in writing and the Bank's delay in enforcing any rights will not be considered a waiver unless a written waiver is signed by the Bank. Any such waiver will not affect the right of the Bank to enforce any of its rights with respect to other customers, or to enforce any of its rights with respect to later transactions with you. The fact that the Bank on any given occasion may enforce or waive its rights does

not obligate it to enforce or waive similar rights in the future, nor will any enforcement or waiver be sufficient to modify the terms and conditions of this Agreement.

Modification of Contract by the Bank. The Bank may amend the Agreement at any time, by mailing notice of any amendment to your last known address shown on the Bank's records. Notice of amendments may be included in your account statement or in a separate mailing. Amendments will be effective on the date listed in the notice, or as otherwise required by applicable law or regulation. You may get a copy of an updated Agreement and Disclosure in any of our banking offices or by requesting us to mail you a copy.

Closing of Accounts. Either you or the Bank may close any account and terminate this Agreement at any time, for any reason, or for no reason at all. Closing your account will not release you from any accrued fees, liability for items or penalties for early withdrawal. If the Bank decides to close your account, it is entitled to revoke any immediate credit it may have given for any uncollected item(s) deposited by you in your account, and place a "hold" on such uncollected item(s) in accordance with the Bank's Hold Policy. If an interest-bearing account is closed before interest is credited, the Bank is not required to pay interest that has accrued but has not been credited.

If the Bank decides to close your account, the Bank will send you notice within ten (10) days after closing. We will send your collected account balance to you at your last known address as reflected in our account records. We may close your account if, for example, you have chronic overdrafts, you participate in online gambling which results in overdrafts, or you take no reasonable precautions to guard against fraud or improper access to your account.

The Bank will consider any of the following actions to be a request by you to close your account(s):

- Providing incorrect data when opening the account
- Maintaining the account overdrawn or at a zero balance
- Maintaining a minimal balance with no account activity
- Repeatedly overdrawing the account
- Conducting illegal or fraudulent activity

Dormant Accounts. An account will be deemed to be dormant after a certain period of time in which you have not initiated any activity or contact. The period of time shall be subject to change from time to time at the discretion of the Bank. You may keep an account in active status by contacting the Bank periodically. If your account remains dormant, as defined by Alaska law, for five (5) years, the Bank is legally required to deliver the funds to the State of Alaska. Once the funds have been delivered to the State, the account will be closed, and you will need to contact the State of Alaska to reclaim the funds.

Account Conversions. We may either close or convert your account to another type of account when we consider it appropriate or necessary to do so. For example, we may close or convert your account if you make frequent transactions on a savings account or if you use a personal account for business purposes. If we convert your account, we will send you information about your new account.

Items. An "item," as used in this Agreement, includes: checks, digital images, substitute checks, drafts, demand drafts, preauthorized drafts, withdrawals, deposits, automatic transfers and electronic transactions such as Automated Clearing House (ACH), Automated Teller Machine (ATM), Point of Sale (POS), and electronic check (e-check) transactions. An item also includes any writing created or authorized in an account owner's name that would be a check or draft if it were signed.

Checking Accounts. The Bank offers a variety of personal and business checking accounts. No interest will be paid on any demand deposit checking account.

Negotiable Order of Withdrawal (NOW) Accounts – Interest Checking. The Bank offers NOW accounts. These accounts must consist solely of funds in which the entire beneficial interest is held by one or more individuals in an individual capacity, a sole proprietor, or a governmental unit, but not professional corporations or business entities. An organization may hold a NOW account only if it is operated primarily for religious, philanthropic, charitable, educational, or other similar purpose. We may either close or convert a NOW account to a non-interest bearing account if we believe that the account holder is not eligible for this type of account.

Savings and Money Market Deposit Accounts. A savings or money market account is an account that earns interest, but has no specific maturity date or required notice period. Interest is calculated and paid at the rate the Bank designates from time to time. Interest payments will be made at the end of each month. No interest will be paid on any savings or money market account closed prior to the regular payment time.

We will provide you with a periodic statement for your savings or money market account and you must examine your statement for errors or forgeries just as you should for your checking account.

- **Transaction Limits for Savings and Money Market Accounts.** You may make up to six (6) preauthorized, automatic, telephonic, internet, audio response transfers, or bill payments to another account of yours or to a third party during any calendar month. Of these six, you may make no more than three (3) transfers to a third party by check or debit card purchase. A preauthorized transfer includes any arrangement with the Bank to pay a

third party from the customer's account upon oral or written orders, including orders received through the Automated Clearing House (ACH).

There is no limit on the number of transactions you may make in the following manner:

- Transfers to any loan account with us
- Transfers to another Bank account with us or withdrawals (checks mailed directly to you) when such transfer or withdrawal is initiated in person, by mail or at an ATM.

Our practice is to monitor the number of limited transactions. If you are counting the number of transactions you make each statement period, please note that we count an item on the date we post it to your account. This date may be different than the date you authorize, transfer or write the item, which means the item may not be counted until a later statement period.

If you frequently (more than two times in twelve months) exceed the transaction limits, we may convert your account to another type of account or we may close your account. We will send you notice with information about your new account before we convert your account.

For some accounts we may charge you a fee for each transaction that exceeds the limits described above.

Withdrawal Notice. Federal regulations require the Bank to retain the right to require you to give us at least seven (7) days notice in writing prior to any intended withdrawal from savings, NOW or money market accounts. Although the Bank usually pays withdrawals or checks without notice on these accounts, doing so does not mean that the Bank gives up this right.

Time Deposits. A time deposit is more commonly known as a certificate of deposit or a CD. With a time deposit you agree to keep your deposit with us for a specified period of time and we agree to pay you interest at an agreed upon rate for that period of time.

We are not required to permit an early withdrawal from a time deposit, and if we do, it will be on condition that you pay an early withdrawal penalty. The amount of that penalty will be disclosed to you when you open your time deposit account.

Notices. The Bank may inform you of changes affecting your rights by a notice to you. Changes affecting your rights may be posted in our banking offices, on our website, electronically, by mail, or on your statement. Any written notices sent by the Bank to you will be effective when mailed to the last known address shown in the Bank's records, unless a longer period of time is otherwise required herein and any change described in the notice is still effective if the notice is returned to us. For any account with more than one owner, we may send notices to any one of the owners but the change will be effective for all owners. Any written notice which you send to the Bank will not be effective until received by the Bank.

Check Images. The Bank does not return original cancelled checks with our periodic statements. You will be given the choice of receiving just the statement or a statement including imaged copies of your items. These items are replicas of the front of the original item and provide all information required as proof of payment under IRS guidelines and the Alaska Uniform Commercial Code. If you ever need to get a copy of the back of a particular item, it can be obtained by contacting your branch or by calling 800-478-6101.

You agree that the Bank may participate in streamlined check processing modernization initiatives as implemented through the Federal Reserve Board. This includes, but is not limited to, the electronic exchange of check images between the Federal Reserve and financial institutions rather than the exchange of physical items.

You agree that the Bank's retention of checks does not alter or waive your responsibility to examine your statement promptly or change the time limits for notifying the Bank of any errors. You are responsible for promptly examining and reconciling your statement each statement period and for reporting any irregularities to the Bank immediately upon discovery of an error or within thirty (30) days from the date the statement, whichever is earlier.

If another financial institution or clearing house does not return your check or an image of your check to us, you understand that the Bank has no means by which to view and verify your signature on the item, and you agree that the Bank will not be liable for any forgery or alteration on the item unless the Bank fails to act with ordinary care on the information it has available.

Deposit Reclassification. Under Federal law, the Bank is required to classify our deposits a certain way for regulatory reporting purposes. These regulatory reports determine the amount of reserve balances that the Bank must keep at the Federal Reserve Bank. Effective immediately, the Bank may make a change in your checking account that will not affect your available balance, interest earnings, FDIC insurance, or bank statement. The Bank will create a checking sub account and a savings sub account. The Bank may periodically transfer funds between these two sub accounts. If your Account is interest bearing, your interest calculation will remain the same. Otherwise, the savings sub accounts will be non-interest bearing. The savings sub account will be governed by the rules governing our other savings accounts. This change will allow the Bank to reduce the amount of funds held at the Federal Reserve Bank and will provide more funds to the Bank for lending and investing purposes.

Consumer Reporting Agency Reports. By applying for a new account, you authorize the Bank to obtain credit reports about you from credit reporting bureaus for the purpose of (i) considering your account application, (ii) reviewing or collecting overdrafts on your account, or (iii) any other legitimate business purpose. We may report information about your account to credit reporting bureaus. Late payment, missed payments, or other defaults on your account may be reflected in your credit report.

Dispute Resolution. In the event of a dispute involving the Bank's interpretation of this Agreement, or its exercise of its right under this Agreement, the parties shall meet informally and use their best efforts to negotiate a resolution of the dispute. If a dispute cannot be settled through negotiation, the parties agree to first try to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association. Any dispute which the parties cannot resolve through negotiation or mediation with thirty (30) days of the date of the initial demand for it by one of the parties, shall then be submitted to binding arbitration. Arbitration shall be conducted and decided in accordance with the commercial Arbitration Rules of the American Arbitration Association then in force, unless the parties mutually agree otherwise. The parties agree that the mediator shall not act as the arbitrator. The parties further agree that the arbitrator shall apply the law described above. You agree that any mediation and arbitration proceeding shall take place in Ketchikan, Alaska. The award rendered by the arbitrator or the arbitration panel shall be final, and judgment may be entered upon it in accordance with the applicable law and the court having jurisdiction thereof. The arbitrator or arbitration panel shall not have jurisdiction to render any award in excess of any limitation of liability provisions contained in this Agreement. You agree that the dispute resolution procedure set forth above shall be the exclusive remedy for enforcing your rights under this Agreement. You acknowledge that by agreeing to this dispute resolution procedure, you are waiving any right you may have to a jury trial.

Indemnity. If you ask the Bank to follow instructions that the Bank believes might expose it to any claim, action, suit, expense, liability or damages, whether directly or indirectly, the Bank may refuse to follow your instructions or may require a bond or other protection, including your agreement to indemnify, defend and hold the Bank harmless from such loss before honoring your instructions. An example of the kind of protection which the Bank might ask for would be your promise to defend the Bank against such exposure and to pay all legal fees and costs associated with the defense.

Attorney's Fees and Costs. In the even either party brings an arbitration or legal action to enforce its rights under this Agreement, the prevailing party shall be entitled to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal. In addition, the Bank reserves the right to recover attorney's fees and costs the Bank incurs when the Bank reasonably determines that the assistance of an attorney is needed in connection with any deposit account dispute or litigation, or when assistance is needed to collect any amounts you are obligated to pay the Bank.

Customer Privacy. At First Bank, the privacy and security of our customers' personal information is of the utmost importance. Please see "First Bank's Principles of Privacy" provided with this Disclosure. It is also available from any Bank office or on our website at www.firstbankak.com.

Security/Fraud. It is your responsibility to protect the account numbers and electronic access devices that the Bank provides to you. Do not divulge your account information to anyone. An account number can be used by thieves to encode your number on an unauthorized demand draft which looks like and functions like an authorized check.

If you furnish your access device and grant actual authority to make transfers to another person (for example, a family member, friend, or coworker) who then exceeds that authority, you are liable for the transfers until we have been notified in writing that transfers by that person are no longer authorized and we have had a reasonable time to act on your notice.

Your account number can also be used to electronically remove money from your account. If you provide your account number in response to a telephone solicitation for the purpose of making a transfer (for example, to purchase a service or merchandise) payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely unless we failed to use ordinary care and if we substantially contributed to the loss.

We reserve the right to place a hold on your account if we suspect irregular, fraudulent, unlawful or other unauthorized activity involved with your account. We may attempt to notify you of such a hold, but we are not required to provide notice prior to placing the hold. You agree that we may maintain such a hold until all claims against you or us to the funds held in your account, whether civil or criminal in nature, have been resolved fully in our sole satisfaction.

Consumers:

- Remember to reconcile your statements as soon as you receive them
- If a problem is discovered, you should report it to the Bank immediately
- Destroy checks you do not intend to use
- Never sign a blank check
- Never include your account number, banking passwords, or taxpayer identification number in an email message

- Do not provide the information above over the telephone unless you are sure you are speaking with a Bank employee
- Shred confidential mail, receipts, and other personal documents when you are finished with them

Business Customers:

- Separate bank account responsibilities. For example, the individual responsible for reconciling your bank statements should be different from the individual that issues checks
- You should track the arrival of account statements and report late or missing statements promptly to the Bank
- A third person periodically should review the reconciliation of your accounts to deter embezzlers

Severability. In the event that this Agreement, or any of its provisions, or the performance of any provision, is found to be illegal or unenforceable under applicable law now or hereafter in effect, the parties shall be excused from performance of such portions of this Agreement as shall be found to be illegal or unenforceable under the applicable laws or regulations without affecting the validity of the remaining provisions of the Agreement; provided that the remaining provisions of the Agreement shall in their totality constitute a commercially reasonable agreement. Nothing herein shall be construed as a waiver of any party's right to challenge the validity of such law.

AUTOMATED CLEARING HOUSE (ACH)

ACH services allow you to transfer funds to or from your accounts by means of entries that direct us to either deposit funds to or withdraw funds from the account of a third party known as a receiver. Funds may be sent through the ACH system or processed directly to accounts with us.

Debit Entries. A third party may not submit debit entries on your account unless you have signed a written authorization agreement with them that states the terms for withdrawals from your account and which contains provisions authorizing you to terminate or revoke your authorization.

Variable Debit Entries. An example of a variable amount ACH debit entry would be the monthly payment of your telephone bill, gas, or utility bill. If you authorize a third party to submit debit entries that will vary in amount, the third party must mail you written notice of the amount and scheduled payment date at least ten (10) calendar days before the payment date. Alternatively, you may elect to receive such notice from the third party when a payment does not fall within a specified range of amounts or when the payment amount differs from the most recent transfer by more than an agreed amount.

Unauthorized Debit Entries. An unauthorized ACH debit entry is an entry in which one or more of the following occurs:

- The written authorization requirements have not been followed
- The transaction was initiated in an amount greater than the amount authorized by you, or
- The transaction was initiated for payment earlier than authorized by you

You may direct the Bank to recover a debit entry from a third party on the basis that it was unauthorized by providing us with a signed affidavit in which you declare and swear under penalty of perjury that the debit entry was unauthorized for one of the three reasons shown above. We must receive your affidavit within fifteen (15) days following the date we advise you of the debit entry in the case of a business or entity and sixty (60) days after we notify you of the debit entry in the case of a consumer account.

Revocation of Authorization. If you want to cancel or revoke your authorization to a third party to withdraw funds from your account, you must do so directly with the third party under the terms set forth in your authorization agreement.

Before we can refuse a debit request from a third party on the grounds you have revoked the authority to do so, you must provide us with a signed affidavit in which you declare and swear under penalty of perjury that you have revoked the authorization directly with them.

Stop Payment of ACH Debit Entries. You may stop payment of an ACH debit entry orally or in writing up to three (3) business days before the scheduled payment date.

Direct Deposit. You can authorize a third party to transmit funds for credit to your account. The Bank will not give you notice that a deposit has been made to your account. You can confirm receipt of a deposit by calling your branch.

If you want to cancel this service, you must contact the originator of the deposit. You also acknowledge and agree that deposits we receive for your benefit from outside sources may be paid solely on the basis of an account number, even if the name specified is not yours.

If funds deposited to your account via a direct deposit plan are later recalled and/or returned to the originator of the deposit, we may deduct the amount from that and/or any other account that you have at the Bank without advance notice, except as legally required. We may also use any other legal remedy to recover these funds.

Business Customers. A business account owner may not authorize third parties to make ACH deposits or withdrawals from their accounts unless they have been given Bank consent and have executed an ACH service agreement with the Bank.

TYPE AND OWNERSHIP OF ACCOUNTS – Part II

Individual Account. If you (a natural person) open an account and place only your own name on it when you sign the signature card, the Bank will treat you as the sole owner. You are the only person authorized to use the account. Upon your death, the account balance is passed to your estate or to any POD beneficiary(ies) listed on the account.

Joint Account. If two (2) or more natural persons open an account as owners, the Bank will treat each of you as joint tenants with the right of survivorship and not as tenants in common (the Bank does not recognize or honor tenants in common accounts). This means that if one of you dies, the surviving account owner(s) shall have the right to all the funds in the account, subject to the Bank's right of setoff and security interest in the account. Any one of you may write checks, withdraw funds, or deposit monies without the consent or knowledge of the others.

You and each of the other account owners will be jointly and severally liable to the Bank for any debit balance in the account, including, without limitation, a debit balance arising as a result of overdrafts and account charges. You and each of the other account owners promise to pay, upon demand, any and all debit balances in the account, together with all fees and charges.

Totten Trusts: In Trust For (ITF) and Payable on Death (POD) Account. A Totten Trust is not a formal trust. If two or more natural persons open an account with the title indicating (a) the funds are held in trust for one or more other persons, without presenting a trust instrument, or (b) the funds are "payable on death" or "POD" to one or more other persons (commonly referred to as either Totten Trust, POD, or In Trust For Accounts), the Bank will treat the funds as being owned exclusively by the account owners during their lives. Until all account owners pass away, the beneficiary(ies) named on the account has no entitlement to funds on deposit in the account. Each account owner has the right to revoke the trust or POD designation at any time. Upon the death of all account owners, the Bank shall transfer or pay the balance then remaining in the account to the surviving beneficiary(ies) equally (as tenants in common without right of survivorship), subject to the Bank's right to setoff against the account any debt of any one or more of the deceased account owners up to the amount of the balancing the account at the time of the death of the last account owner. The death of any beneficiary prior to the death of all account owners shall automatically revoke such beneficiary's interest in the account.

Alaska Uniform Transfer to Minors Act (UTMA). The Alaska Uniform Transfers to Minors Act, as it now exists or as it may be amended, will govern all UTMA accounts.

A UTMA is an account in the name of one (1) adult custodian for the benefit of a person who is a minor at the time the account is created. The minor is the owner of all funds in the UTMA account; however, the minor has no signing authority on the account. The minor's social security number must be provided. During the minority of the child, the custodian has all withdrawal rights, but is required to exercise those rights solely for the benefit of the child. The Bank has no duty or agreement whatsoever to monitor or insure that the acts of the custodian are for the child's benefit. The custodian will not be allowed to pledge the account as collateral for any loan. The custodian agrees to indemnify, defend, and hold the Bank harmless from and against any and all loss, costs, damages, liability, or exposure, including attorney's fees, that the Bank may suffer or incur arising out of any action or claim by any beneficiary or custodian with respect to the authority or actions taken or omitted by the custodian in handling or dealing with the account. Only the custodian may terminate the account and release the funds.

If the custodian dies before the minor attains the age of twenty-one (21) then the custodianship of the account will be reassigned to a successor custodian, per applicable law.

Accounts for Living Trusts. An account of a living trust is an individual account held by one or more trustees of a trust for the benefit of one or more beneficiaries pursuant to a revocable trust agreement. When an account is established, the trustee will provide evidence of the trustee's authority. The trustee warrants that a valid living trust has been created, and is currently existing. We do not act as a trustee and are under no obligation to inquire as to the powers or duties of the trustee(s). The trustee agrees to notify the Bank in writing if a change of trustee occurs. The Bank may rely upon the directions of any one trustee until a written notice of revocation of the living trust or a written change notification is received. Funds may be released to any one trustee acting alone or with a co-trustee. The trustee(s) agrees to indemnify, defend and hold First Bank harmless from any liability, claim, damage or loss arising as a result of unauthorized acts of any trustee or former trustee or acts of any trustee upon which the Bank relies prior to notice of revocation of the trust. This Agreement shall be binding on the trust, any trustee, successor trustee and all beneficiaries.

Business Accounts. The Bank reserves the right to require a business customer to provide a resolution of authority documenting who is authorized to act on its behalf. You agree to notify the Bank of any change in authority. The Bank may rely on the written authorization until such time as the Bank is informed of changes in writing and has had a reasonable time to act upon such notice. We may require that third party checks payable to a business may not be cashed, but must be deposited to a business account. We will not be liable for any breach of fiduciary duties arising from a transaction by any agent of the account owner, unless we have actual notice of any wrongdoing.

Personal accounts being used for business purposes. Should any of the following occur, we might determine that your personal account is being used for business purposes and convert the account to a business deposit account:

- The account has a business name and/or the checks show a business name as the maker
- Credit card receipts are included in deposits
- Routine account activity is consistent with a business (such as excessive withdrawals, large numbers of deposit items, change order requests, or large cash or coin deposits)
- Or, checks deposited are payable to a business or entity name.

Sole Proprietorship. If your account is a proprietorship account, you represent to the Bank that you are the sole owner of the named business. You will be personally liable with respect to the account; however, you may authorize one or more signers to transact any and all business on the account.

Partnership Account. If the account is owned by a partnership, the authorized signers certify that they are general partners of the named partnership and that each has full authority to act and sign for the partnership in all regards. Each partner will be personally liable with respect to the account. The authority of each partner shall be binding upon the partnership and each partner thereof until written notice of revocation of such authority from one (1) of the partners has been received by the Bank.

Corporate/Association/Limited Liability Company Account. If the account is owned by a corporate entity, association, or limited liability company each individual signing as an authorized signer on the account certifies that he/she has been duly authorized to act for the organization in the capacity stated and is therefore authorized to transact any and all business on the account.

You agree to indemnify, defend and hold the Bank harmless for any liability it incurs if the authority does not exist or is abused. The corporation, association or limited liability company owning the account agrees to be responsible for the actions or omissions of those individuals who access the account on behalf of the entity. Account owners acknowledge their obligation to properly monitor all activities involving the account.

Trust Account. If the account is owned by a formed trust, each individual signing as an authorized signer on the account must be authorized to do so by a trust agreement or contract. Pertinent portions of the trust agreement must be provided to the Bank at the time the account is opened and upon any change in authorized signers.

In order to open a formal trust account, additional documents are required. You may be asked to provide the first and last page of the trust and a synopsis of the trust prepared by an attorney. We will act only as the custodian of the trust funds and are under no obligation to act as a trustee or to inquire as to the powers or duties of the trustee(s) beyond those actions mandated by law. The trustee(s) and/or any person opening the account, in their individual capacity, jointly and severally, agree to indemnify, defend and hold the Bank harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney fees that we may incur arising out of any action or claim by any beneficiary or other trustee with respect to the authority or any action or omission of the trustee(s) in handling or dealing with the account.

Revocable trust. If the person setting up a written trust is able to revoke the trust or change the beneficiaries, it is a revocable trust. In effect, the assets in the trust still belong to the trustor and its income may be taxable to him or her. Therefore, unless legal counsel instructs the trustor differently, the bank will use the individual trustor's taxpayer identification number for reporting purposes.

Irrevocable trust. If the person setting up a written trust is not able to change its terms after it is established, it is an irrevocable trust. The person who established and funded the trust no longer owns or controls the funds held in the trust. The law treats the trust as a separate "person". An irrevocable trust has its own taxpayer identification number.

Estate Account. If the account is owned by an estate of a deceased person, each individual signing as an authorized signer on the account must be designated through court documents, such as "Letters Testamentary" or "Letter of Administration". Estates must use an employer identification number (EIN) as required by the Internal Revenue Service.

Guardian/Conservatorship Account. If your account is a guardianship or conservatorship account, each individual signing as an authorized signer on the account must be designated through court documents, such as Letters of Guardianship or Conservatorship.

Representative Payee Account. If your account is a representative payee account, the individual signing as authorized signer must be designated as the Representative Payee by the Government agency providing funds deposited into the account. (For example, social security payments made to a representative payee for the benefit of the actual payee or recipient.)

Interest on Lawyer's Trust Account (IOLTA). The Bank is approved by the Alaska Bar Foundation to offer IOLTA accounts. The Bank is responsible for remitting interest payments on IOLTA accounts to the Alaska Bar Foundation. If your

account is an IOLTA account, the lawyer(s) signing as authorized signer(s) must be designated on an IOLTA enrollment form that has been approved by the Alaska Bar Foundation.

Special Documentation. When you open an account in a fiduciary capacity, such as an agency, estate, custodial, or business account, you will be expected to provide specific authorization documents depending on the type of account being opened.

Federal Deposit Insurance. Funds on deposit in deposit account are insured by the Federal Deposit Insurance Corporation (FDIC), an agency of the U.S. Government. There are limitations, however, on the types of accounts and the amounts that may qualify for insurance. FDIC brochures outlining the terms of coverage are available in each branch.

For more information on FDIC coverage, you should contact:

Federal Deposit Insurance Corporation
San Francisco Regional Office
44 Montgomery Street, Suite 3600
San Francisco, CA 94101

(415) 546-0160 www.fdic.gov

GENERAL RULES GOVERNING DEPOSIT ACCOUNTS – Part III

General Deposit Account Provisions. From time to time the Bank may offer a variety of deposit accounts, including checking, savings, NOW, money market and TIME deposit accounts. Each of these accounts is subject to the terms and conditions set forth in this Agreement. Account information, interest rate information, transaction limitations, account fees and charges, and other Bank charges are listed in the fee schedule provided when the account is opened and as such is amended from time to time.

Collection of Items. In receiving items for deposit or collection, the Bank acts as your collection agent and assumes no responsibility beyond exercise of ordinary care. All items are credited to your account subject to final payment to and receipt of proceeds by the Bank. The Bank will not be liable for the default or negligence of its correspondents or for loss in transit, and each correspondent will not be liable, except for its own negligence. Items and their proceeds may be handled in accordance with applicable Federal Reserve and clearinghouse rules. Without prior notice to you, the Bank may charge back against your account any item at any time before final payment, whether returned or not, and may also charge back any item drawn on it, if, within the normal handling period for such item, the item cannot be honored against the drawer's account. You authorize the Bank to pursue collection of previously dishonored items, and in so doing, the Bank may permit the payor bank to hold an item beyond the midnight deadline.

Non-U.S. Dollar Items. We reserve the right to refuse acceptance of or send for collection items and currency presented in non-U.S. dollars. If we agree to accept such items, you agree to accept all risk associated with fluctuations of the value of foreign currency and with late return of the items. You further agree that we may use our most current buying and selling rate as applicable and may recover from your account any loss we incur due to processing the item. We reserve the right to place longer holds on non-U.S. dollar items than the times specified in our Funds Availability Policy.

Checks. We will attempt to assist you in cashing your checks. However, as cashing checks drawn against another financial institution exposes us to risk of nonpayment, we may require that you deposit the check and have a hold placed according to our Funds Availability Policy, or that the item be sent on collection. We also reserve the right to refuse the item.

You warrant that the checks and items you present for deposit and collection are properly signed, authorized and enforceable. If we cash a check and it is returned unpaid, you agree that we may deduct the amount of the check and any associated fee from your account.

Cash Back on Deposits. If you are the owner of a personal deposit account (or a Sole Proprietorship), you may receive a portion of your deposit back as cash depending on the type of item being deposited, the length of time you have held an account with the Bank, the history of your account activity, and the average balance of the account. You will be required to sign for the cash received in the presence of the bank employee processing the transaction, and you may be required to produce acceptable identification. You may be asked to deposit an item to your account instead of being allowed to cash the item. Funds from a deposited item may not be immediately available. We may also require an item to be sent for collection before crediting your account or we may refuse to accept the item.

Stop Payment Orders. You have the right to stop payment on a check if it has not already been paid. Stop payment orders for checks may be oral or written and must include exact information regarding the amount of the item, the number of the check, and the account number; otherwise our computers may not be able to process the stop payment order. If the information given to the Bank is not correct, or if you fail to give us any other information reasonably requested regarding the item, the Bank will not be responsible if it is unable to stop payment. Payments will not be stopped unless the information is correct. Oral and written stop payment orders will be effective for twelve (12) months and may be renewed

each year after that to remain in effect. A written stop payment order, renewal, or revocation will be valid upon delivery to the Bank. A stop payment fee may be charged for each request and each subsequent renewal, whether or not the item is actually presented for payment.

The Bank will accept a stop payment order from any authorized signer on the account, regardless of who actually signed the check on which payment is being stopped. The Bank is entitled to a reasonable period of time after you give a stop payment order to notify its employees. The Bank will have no liability for failure to honor a stop payment order on a check which is presented to the Bank during the same business day, or during the next business day if the stop payment order was received after the close of the business day.

If the Bank pays a check over a valid stop payment order, the Bank will reverse any fee assessed for the stop payment order, and may be responsible to you for up to the face amount of the check if you establish that you have suffered a loss as a result of the payment. Although you may place a stop payment order on a check, you recognize that anyone holding the check may still be able to enforce payment against you. If the Bank recredits your account after paying a check over a valid and timely stop payment order, you agree to do two things: (1) you will transfer to the Bank all of your rights against the payee or other holder of the check, and (2) you will help the Bank if it takes legal action against that person. If you buy an official check from the Bank you do not have the right to stop payment to a third party.

Post-Dated and Stale Dated Checks. It is not recommended that you issue a post-dated check as a means of withdrawal. The Bank is not responsible if it charges an otherwise properly payable but post-dated check against your account before the indicated date, unless you have (a) provided oral or written notice to the Bank (including exact information regarding the amount of the check, the number of the check, the date of the check, the account number, and any other information the Bank reasonably requires) a reasonable period of time before the check is presented to the Bank for payment, and (b) paid the Bank's standard fee. If someone presents a "stale" check, meaning a check more than six (6) months old, the Bank has the option of either paying the item or dishonoring it.

Check Stock. Checks you write may be converted into electronic images ("truncated") during the check collection and return process. If you elect to have your checks printed by a vendor that has not been approved by the Bank, or you use check stock or features (security features) that cause critical data to disappear or be obscured upon truncation, or you make your check out in away (using lightly colored ink) that causes critical data to disappear upon truncation, you agree to bear the risk of loss. You also agree to bear the risk of loss if you use check stock that contains printing inaccuracies, faulty magnetic ink, faulty encoding, or duplicate serial numbers.

Deposit of Remotely Created Checks. A remotely created check is a check created by someone other than the person on whose account the check is drawn, and is typically created when the owner of a checking account, either over the phone or online, authorizes a telemarketer or billing company to draw a check made payable to the telemarketer or billing company on the owner's account, without the owner actually signing the check. In place of the owner's signature, the remotely created check usually bears a statement that the owner authorized the check or bears the owner's printed or typed name.

If you are in the business of depositing remotely created checks based on the authorization of others, you must obtain the Bank's prior express written consent to deposit those checks in your account.

Insufficient Funds. If there are not sufficient available funds in your account to pay all items presented, whether by check, in-person withdrawal, ATM withdrawal or other electronic means, you authorize the Bank to either (a) return the check or withdrawal unpaid, or (b) honor the check or withdrawal and create an overdraft balance on your account. Whether the check, in-person withdrawal or withdrawal by any other electronic means is returned or rejected, a service fee will be imposed against your account. The service fee applies to overdrafts created by checks, in-person withdrawals, ATM withdrawals or by any other electronic means, as applicable. The fact that we choose to pay overdrafts on one or more occasions does not obligate us to pay overdrafts on any future occasion. In the case of a joint account, all owners of the account are jointly and severally liable for any overdraft, regardless of which owner caused the overdraft.

When you do not have enough available funds to pay all items on a given day, we may pay one or more items, and return other items, in any order we deem appropriate in our sole discretion. The Bank will not be required to send you prior notice if it returns a check, withdrawals or withdrawal by other electronic means for insufficient funds. If your account is overdrawn, you agree to deposit sufficient funds to cover the overdraft and any service fees as soon as you receive notice of the overdraft. **You authorize the Bank to reimburse itself for any overdraft balance from funds deposited to your account, regardless of the source of such funds (i.e., including any government, welfare, Social Security or retirement benefits or any other funds that might otherwise be exempt from legal process). You consent to the application of directly deposited governmental benefits, including social security, to overdrafts and associated NSF fees.** You agree to reimburse the Bank for any costs it incurs in collecting the overdraft from you, including without limitation reasonable attorney fees and costs of litigation.

Debit Card Preauthorization Holds. When you use your Debit Card to purchase goods or services or to obtain cash from a merchant, the merchant may obtain preauthorization from us for the transaction. If the merchant makes such a request, we will place a five day hold on your account for the amount of the preauthorization request (which may vary in

some cases from the amount of the actual purchase, depending on the merchant). This hold may affect the availability of funds from your account to pay for transactions.

Additional Information Concerning Joint Accounts. If you have opened a joint account, each account owner may withdraw, by any means the Bank makes available, any or all of the funds on deposit, close the account, enter into special agreements regarding the account, and stop payment on any check drawn on the account. Each account owner guarantees the signature of the other account owners and authorizes the other to endorse checks for deposit if they are payable to any of the account owners. Each account owner also authorizes the Bank to exercise setoff and enforce its security interest in the entire account, even though only one of the account owners is the debtor; this right exists irrespective of who contributed funds to the account. Similarly, the Bank can enforce overdraft liability in the account against any account owner individually.

Additional Information Concerning Authorized Signers. If you have opened any type of account with authorized signers (including without limitation any Corporate/Association account, LLC account, Sole Proprietorship account, Partnership account, Trust account, Estate account, Guardian/Conservatorship account, or IOLTA account), each individual appearing as an authorized signer on the signature card may transact business with respect to the account, including, without limitation, the withdrawal of any or all funds on deposit by any means the Bank makes available and the endorsement for deposit, credit, encashment or negotiation of any and all checks or other items belonging to, payable to, or in the possession of the account owner. All endorsements for credit may be made by the written or stamped endorsement of the account owner without designation of the person making such endorsement. The bank is therefore authorized and directed to honor and pay all items and orders so executed until such time as it receives written notice of an amendment or rescission of such authorization and has reasonable time to act on such notice.

Statements. The Bank is authorized to mail statements to the last address you have provided. In the alternative, the Bank may, with your consent, send all statements electronically to the last address you have provided. If you consent to receive your statements electronically, the Bank will not be required to mail you paper copies of such statements. You may withdraw your consent by contacting the Bank and requesting that statements be mailed to you. The Bank will not hold statements for the benefit of account owners.

Your Duty to Examine Your Statements. You should carefully examine the statement when you receive it. If you feel there is an error on the statement, or that some unauthorized person has withdrawn funds from the account, you should notify the Bank immediately. The Bank will consider the statement to be correct unless it hears from you promptly after any error is discovered. Moreover, because the depositor is in the best position to discover an unauthorized signature, an unauthorized endorsement, or a material alteration, you agree that the Bank will not be liable for paying such items if (a) you did not exercise reasonable care in examining the statement or you have not reported forgeries or alterations to the Bank within thirty (30) days after the first statement reflecting such forgeries or alterations is made available to you; or (b) these items were forged so cleverly (as by unauthorized use of a facsimile machine or stamp, or otherwise) that the forgery or alteration could not be detected by a reasonable bank employee. You agree that without regard to care or lack of care by either you or the Bank, if you do not discover and report in writing a forgery or alteration on the face or back of an item within thirty (30) days from the time either the statement or the items are made available to you, you are precluded from asserting such forgery or alteration against the Bank.

Forgery. Within 30 days of the date of mailing, you agree to complete and return an affidavit of forgery on the form we provide you along with any other information we may request. You further agree to file a police report if we request you to do so.

Return of Cancelled Checks. The Bank currently offers two options with respect to the return of cancelled checks: (1) Paid checks are not returned. Your statement will show the check number, amount and date paid. (2) Check images. Your statement will include a reduced image of your paid checks in addition to the check number, amount, and date paid as part of the statement.

Address. You must give us your correct address, and if you move or change your address, you must notify the Bank. You are responsible for messages and statements we send to the most recent address you have given us. Regulations require that your physical address must be provided to the Bank if it differs from your mailing address.

If you agree to accept mail electronically, you must give us your accurate email address and keep us up to date with any changes to your address. You are responsible for keeping your email functioning properly, or advise us if it does not work so that we can make substitute arrangements.

Returned or Unclaimed Statements. Unless otherwise prohibited by law, rule, or regulation, we may discontinue sending statements if they are returned to us for incorrect or insufficient address until a valid address is received from you. We may also destroy unclaimed statements, notices, or other communications that were sent to you and returned to us as undeliverable.

It is agreed that held statements are considered mailed to you on the day they become available for pickup. If a statement is not picked up within thirty (30) days, we may send it to the address reflected in our records or destroy it.

Electronic Statements (E-Statements). If we have agreed to provide your statement electronically, you agree to promptly notify us of any changes to your e-mail address. An electronic statement sent or made available to any one depositor will be considered to have been provided to all account owners.

Setoff and Security Interest. If you ever owe the Bank money as a borrower, guarantor, or otherwise, and it becomes due, the Bank has the right under the law (called "setoff") and under the Agreement (by which you hereby grant to Bank a security interest in all your deposit accounts to secure any and all of your indebtedness to the Bank, now or in the future) to use the money from your account to pay the debt and any costs or expenses incurred by the Bank in enforcing its rights, including without limitation reasonable charge, fees, and costs. The Bank can use the money to pay the debt even if withdrawal results in an interest penalty or dishonor of subsequent checks. In addition, the Bank may place an administrative hold on funds in the account pending setoff or enforcement of its security interest. If this is a joint account, each account owner agrees that the Bank may use the money in the account to satisfy any one of their individual obligations. This right will include the Bank's right of setoff, after the death of any joint account owner who was indebted to the Bank at the time of death, up to the balance in the account at the time of such owner's death. If this is a partnership account and any general partner has other accounts at the Bank, that partner agrees that the Bank may use money in such other accounts to satisfy the partnership's obligations. This right of setoff and security interest does not apply to an account if: (a) it is an IRA; (b) the debt is created by a consumer credit transaction under a credit card plan; or (c) the debtor's right of withdrawal from the account arises only in a representative capacity.

Transfer or Change of Ownership. Although checks drawn on your account are negotiable, the account itself is not. Nor is your account transferable except on the Bank's books and records. If ownership is to be transferred or changed in any manner, the Bank may require that the existing account be closed and a new account opened.

Power of Attorney. The Bank, for reasonable cause, may refuse to comply with your power of attorney. In addition, the Bank may condition its compliance with your power of attorney upon delivery to it of an affidavit by the agent stating that the form presented is a true copy of the agency and that, to the best of the agent's knowledge, you are alive and that the relevant powers of the agent have not been altered or terminated.

You agree that if you revoke a power of attorney, the Bank will not be liable for any items paid that were accepted prior to actual receipt by the Bank of a written notice of the revocation and the Bank is given a reasonable amount of time to act on the notice.

Fees/Service Charges. All fees and service charges are determined by the Bank, and you acknowledge that any and all such fees and charges are not based solely upon the cost of a particular service or product to the Bank. All fees and service charges will be made in accordance with the most current Fee Schedule as may be amended from time to time. A current Fee Schedule will be given to you when you open an account and is available at all Bank offices. You agree to pay any fees that apply to your account, including (but not limited to) fees for such services as check writing, stop payment orders, as well as fees for insufficient funds or uncollected funds checks and overdraft fees. There will be a fee for returned deposited items (checks deposited into your account which have been returned to the bank unpaid). Additionally, we may make a service charge to an account which is closed within one hundred and twenty days (120) of the opening date.

Authorized, Facsimile, and Multiple Signatures. Each signature on the signature card is an authorized signature for transacting all business with respect to your account. For the payment of funds and for other purposes relating to any account you have with the Bank, we are authorized to recognize such signature, but will not be liable to you for refusing to honor your checks or other signed instructions if it has a bona fide doubt whether a signature appearing on such checks or instructions is genuine. If you choose to use any form of facsimile signature, you must provide the Bank a sample of the signature for our records. The Bank will not be liable to you on any item resulting from the unauthorized use of a facsimile signature or signature stamp. You may, for your own purposes, require two or more signatures on any item; however, you acknowledge and agree that, notwithstanding any such internal requirement or any provision of or notation on the signature card or any other notice or agreement to the contrary, the Bank shall be authorized to pay or honor any item based solely on the signature of one (1) authorized signer. You agree that this is the customary practice for commercial banks located in the State of Alaska.

Automated Check Processing. The Bank receives checks in great volume. This volume, combined with compliance with expedited funds availability laws, require the Bank to use automated check processing procedures. This means that most checks are processed on the basis of the MICR (Magnetic Ink Character Recognition) line printed along the bottom edge of the check, and are not individually examined for dates, maker signatures, legends or endorsement. You agree that this is the customary practice for commercial banks located in the State of Alaska. You further agree that the practice of such banks is the standard to be used in determining reasonable commercial banking practices.

Any attempt to reserve rights or sign or endorse an item with restrictive language such as "without prejudice" or "under protest" is ineffective against the Bank and will not affect the negotiability of an item presented for payment. Should you use any restrictive language on any item, you agree to indemnify, defend, and hold the Bank harmless from any claims by third parties, whether or not suit is initiated. You are responsible for all losses, claims, damages, and expenses that result from a restrictive legend or endorsement on your checks at the time we receive them for payment.

Legal Process and Setoff Against Your Account. The Bank will comply with any notice of garnishment, attachment, levy, injunction, or other legal process relating to your account that appears to be valid. The Bank will not be liable to you for any sums it may be required to pay because of such legal process, and the Bank may refuse to pay or release any amounts from your account until an appropriate court has settled any issues with respect to the legal process. If the Bank incurs any expenses in responding to legal process which are not otherwise reimbursed, including without limitation reasonable attorneys' fees and costs, it may charge such expenses to your account. Any legal process against your account may be subject to the Bank's security interest and right of setoff. In the event of any legal process or exercise of the Bank's right of setoff, the Bank will not be responsible for determining ownership or rights to the funds in a joint account and may treat all funds in such account as being owned exclusively by the party subject to the legal process or setoff.

The Bank will assess a service fee against your account for any legal process served on us regardless of whether the process is subsequently released.

Payment of Interest. We reserve the right to set and vary interest rates at any time based on such factors as our cost of funds, account balances, terms of deposits, the frequency and number of transactions, reserve requirements, and use of our personnel. You will not be provided prior notice of interest rate changes. Interest will be paid only on collected balances. The collected balance is the total of all cash and cleared checks (checks that have been paid by the maker's bank) which have been deposited into your account. Checks drawn on the Bank are considered cleared the same day they are deposited. Checks drawn on other financial institutions are not considered cleared until they are paid by the entity on which they are drawn. Once checks drawn on other financial institutions are paid by them, they become part of the collected balance and begin to earn interest.

Interest Compounding. Interest compounding generally means that interest is being accrued on interest credited to your account. At the end of each compounding period, the Bank will add together the balance of your account and any accrued interest. Future interest will then be calculated using that new sum.

Annual Percentage Yield (APY). If the initial annual interest rate were in effect for an entire year and if all interest paid on your account were to remain in the account for the entire year, the annual percentage yield (APY) would be the interest earned on your account, stated as a yearly percentage rate. In an account earning compound interest, you earn interest on the funds you deposit and on the interest the Bank pays you. The result of compounding interest may make the annual percentage yield greater than the initial annual interest rate. If you have a variable rate account or if the Bank chooses to change the annual interest rate on your account, the annual percentage yield will change as well. The annual percentage yield shown on your initial account disclosure documents does not reflect any fees or charges that may be charge to your account. Therefore, your net yield on the account may be less than the annual percentage yield or the initial annual interest rate.

Deposits. Deposits may be made by you in person, by mail, or by other methods the Bank makes available. You authorize the Bank to supply any missing endorsement in order to facilitate its status as a "holder in due course". You agree to reimburse the Bank for any loss it incurs because an item was not endorsed exactly as drawn.

Night Depository Service. Night depository service is provided as a convenience for you. The Bank is not an insurer of, nor is it required to maintain insurance on, the night depository or its contents. In addition, when using the night depository, you should be aware of your surroundings and exercise appropriate caution, especially at night. The records of the Bank indicating receipt or non-receipt of a bag in the night depository shall be binding. By receiving a key to the night depository, or by placing a bag or other container (including without limitation any locking zipper bag, non-locking zipper bag, envelope, or disposable bag) into the Bank night depository, you assume all risks until processing and agree to the following:

- A deposit slip or payment coupon will be included in the bag, and only cash, checks, and similar items for deposit may be included
- The Bank is authorized to open the bag or container, verify the contents, and compare them to the information listed on your deposit slip or coupon (unless you specifically arrange for the Bank to hold the unopened bag or container for your retrieval on the next business day, pursuant to a bag holding agreement with the Bank). The Bank may refrain from opening any bag or container that shows signs of tampering or otherwise appears suspicious in any regard, until you or the appropriate authorities are present
- The contents of the bag or container will not be considered a deposit until actually recorded, opened, verified, and accepted by the Bank, and a credit to your account is processed. The Bank's verification of the contents will be considered conclusive
- If you have been issued a key to a night depository facility, you may not transfer it to or permit its use by anyone other than you. If the Bank demands, or if your deposit account is closed for any reason, you must return the key(s) immediately to the Bank
- The Bank reserves the right to terminate the privilege of night depository services at any time and for any reason

Withdrawal Rules. The Bank requires that your withdrawal orders be written in ink. You may make withdrawals from your account in any manner that is permitted by the Bank for the type of account that you have opened. Withdrawals by mail will be posted to your account as of the day the transaction is processed by the Bank. If you make a withdrawal by check or order, the item must be properly completed and signed by you or your representative whose authority is on file

with us. Withdrawals and transfers from your account may be restricted as provided in this Agreement, any subsequent account disclosure or by applicable law.

In making payments of funds deposited in an account, the Bank may rely entirely on the form of the account you choose. The Bank is not required to inquire about either the source or the ownership of any funds received for deposit to your account, or about the proposed application of any payments made from your account. The Bank is not liable for any claims for amounts it pays from your account at the request of any authorized signer, regardless of whether or not the payment is consistent with the actual ownership of funds deposited in the account.

Withdrawal Restrictions. The Bank is only required to permit a withdrawal from your account if you have sufficient available funds in your account to cover the full amount of the withdrawal. If there are available funds to cover some, but not all, of the withdrawals or other debits to your account, the Bank may post those withdrawals or other debits for which there are sufficient available funds in any order the Bank may choose in its sole discretion. If there are insufficient available funds to cover some of the withdrawals or debits presented against your account, such items may be returned unpaid in accordance with the Bank's overdraft procedures or the items will be handled in accordance with any other agreement you may have with the Bank (such as an overdraft protection program). The fact that the Bank elects to pay an overdraft in one or more instances does not obligate the Bank to cover any future overdraft. The Bank's determination of your account balance may be made at any time between presentment and the Bank's midnight deadline. The Bank is only required to review your account once.

In addition, the Bank may refuse to allow a withdrawal if any of the following events occurs: there is a dispute about your account (unless a court has ordered the Bank to allow the withdrawal), your account is garnished or attached, your account has been pledged as collateral for a debt, the availability of the funds on deposit cannot be verified, any required documentation has not been presented, or you fail to repay an obligation to the Bank on time. Upon request, you will be advised of the reason for refusal if such action is taken.

Checks or other items drawn on your account against insufficient available funds will be subject to a service charge. The Bank may deduct the service charge from your account without prior notice to you and prior to the payment of any item drawn against sufficient or insufficient available funds. You waive notice of dishonor of checks as authorized by the Uniform Commercial Code.

Direct Deposits or Withdrawals. The Bank may offer direct deposit or withdrawal services. This allows you to receive automatic, preauthorized deposits to, or direct withdrawals from, your account. If you wish to cancel a direct deposit or withdrawal, you must notify the Bank at least thirty (30) calendar days prior to the next scheduled direct deposit or withdrawal. You also need to notify the deposit originator or payee.

Death or Incompetence of Depositor. The Bank has the right to pay checks after the signer of the check dies or is adjudicated incompetent. Neither event revokes the Bank's authority to accept, pay, or collect items until the Bank knows of the fact of death or an adjudication of incompetence (by court order) and it has reasonable opportunity to act on such knowledge. Even with knowledge, the Bank may, for ten (10) days after the date of death, pay checks drawn before death, unless ordered to stop payment by a person claiming interest in the account.

You agree to contact the Bank immediately if any account owner or signer dies or is declared by the court to be incompetent.

Adverse Claims. The Bank has the right to continue to honor any of your checks even though it has received notice of an adverse claim to your account. Unless the Bank is served with an appropriate court order or the claimant provides the Bank with proper indemnity, the Bank may ignore the adverse claim.

Check Legends. The Bank may disregard any information added to a check (such as notations on the memo line of a check or expiration dates anywhere on the check), other than the signature of the drawer, the identification of the drawee bank and payee, the amount, and any other information that appears on the MICR line. Check legends cannot be detected by the Bank because of automated check processing.

Endorsements. You authorize the Bank to accept transfers, checks and other items for deposit to your account if they are made payable to, or to the order of, you or any other account owner, whether or not they are endorsed by you or any other account owner. You authorize any other account owner to endorse any item for deposit to your account until we receive notice from you to the contrary and we have had a reasonable time to act on the notice. You authorize the Bank to supply missing endorsements if the Bank chooses to do so. When you deposit items to your account, you warrant that all endorsements are genuine.

Endorsement Standards. Your endorsement (and the endorsement of any prior endorser) must appear on the back of the check or other item within the first 1½ inches from the trailing edge of the check or item. The trailing edge of the check is the left side of the check when looking at it from the front. The Bank may accept items with endorsements outside this space. However, if any such endorsement causes any delay in processing or returning the item for payment, you will be responsible for any loss incurred by the Bank due to the delay.

Inability to Provide Legible Endorsements. In the event the Bank sustains damages as a payor or depository bank, to any other bank in the chain of check collection, because of its inability to provide a legible endorsement, such damages shall be your responsibility, and the Bank may exercise any right of chargeback or setoff against your account for such damages.

Jury Waiver. You hereby agree to waive the right to any jury trial in any action, proceeding or counterclaim brought by either you or the Bank, against the other.

Jurisdiction and Venue. You agree to submit to the jurisdiction of the federal and state courts located in Alaska with respect to any action relating to the Agreement. Venue for any action relating to the Agreement shall be in the courts located in Ketchikan, Alaska.

Limitation of Actions. If you have a claim against the Bank related to your account or the terms of this Agreement, you must commence legal action within one (1) year after the event upon which such claim is based.

Chargeback After Settlement. All non-cash items (for example, checks) deposited to your account are posted subject to our receipt of final payment by the payor bank. If final payment is not received or if any item deposited to your account or which you cash is charged back to us for any reason, you authorize us to charge any of your accounts, without prior notice and at any time, for the amount of the returned item, our returned item fee, any interest paid on that item, and any other fee we pay or incur. We reserve the right to refuse any item for deposit into your account. The Bank may resubmit returned items for payment but has no obligation to do so.

In the case of a remotely created check deposited to your account that has been returned as unauthorized, if you dispute the chargeback by the Bank to your account you shall immediately provide the Bank with proof that issuance of the remotely created check was authorized by written authorization or by a tape recording under the FTC Telemarketing Rule. The Bank may transmit such proof of authorization to the bank which returned the remotely created check, but has no obligation to do so. You authorize us to charge your account for any item returned as unauthorized. You agree to do everything reasonably within your ability to assist the Bank in locating, identifying, or replacing a lost item.

Wire Transfers. You may initiate or receive credits or debits to your account via wire transfer. You agree that if you receive funds by a wire the Bank is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement.

When you initiate a wire transfer, you will need to identify the recipient by name and account number and identify the receiving financial institution by bank and branch name. We (and other institutions) may rely on the account or other identifying number you give as the proper identification number, even if it identifies a different party or institution. Additional information (such as an address for the recipient and for the receiving bank) will be required before a wire can be sent.

ACH Debits and Credits. We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Fund Transfer Act, and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the State of Alaska and the operating rules of the National Automated Clearing House Association (NACHA). You agree that we may rely on the provisions of these operating rules and either credit or debit your account, as instructed by the originator of the ACH transaction.

Provisional Payment. Credit we give you with respect to an ACH credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you agree that we are entitled to recovery of the amount credited to you in connection with such entry, and the party making payment to you via such entry (the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

Notice of Receipt of ACH Items. Under the operating rules of NACHA, we are not required to give next day notice to you of receipt of an ACH item and we will not do so. However, we will continue to notify you of the receipt of payment in the periodic statements we provide to you.

Unauthorized ACH Transaction. An unauthorized ACH transaction is an entry in which one or more of the following occurs:

- The written authorization requirements have not been followed
- The transaction was initiated in an amount greater than the amount authorized by you, or
- The transaction was initiated for payment earlier than authorized by you

You may direct the Bank to recover a debit entry from a third party on the basis that it was unauthorized by providing us with a signed affidavit in which you declare and swear under oath that the debit entry was unauthorized for one of the three reasons noted above. We must receive your affidavit within fifteen (15) days following the date we advise you of the debit entry in the case of a business and within sixty (60) days after we notify you of the debit entry in the case of a consumer transaction.

Consumer Electronic Check Representation. If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, the depositor of the check or the depositor's bank may resend ("represent") the check to us electronically. That is, the depositor or the depositor's bank may send us an electronic instruction ("electronic represented check") to charge your account in the amount of the check. If we receive an electronic represented check from the depositor or the depositor's bank, we will pay or return the electronic represented check as if the original paper check were being represented to us. The section titled Electronic Fund Transfers will not apply to any electronic represented check.

For an electronic represented check to be charged to your account, all of the following must be true:

- The electronic represented check must relate to a paper check drawn on a personal account that we returned unpaid because of insufficient funds or uncollected funds;
- The paper check must not have contained an unauthorized signature or an alteration and must not have been a counterfeit;
- You must not have placed a stop payment on the paper check after we returned it unpaid but before it was collected electronically;
- The paper check must have been less than \$2,500 in amount;
- The paper check must have been dated 180 days or less before the date on which the electronic represented check is sent to us;
- The electronic represented check must be for the face amount of the paper check only and may not include any collection fee charged by the depositor, the depositor's bank, or a collection agency;
- The payee of the paper check must have given you notice that, if we returned the paper check unpaid because of insufficient or uncollected funds, the paper check could be collected electronically; and
- The electronic represented check must have been sent to us no more than twice after the first time we returned the paper check, or no more than once after the second time we returned the paper check.

Withdrawal by Remotely Created Checks (RCC) aka Depositor Initiated Drafts (DID). A remotely created check is a check created by someone other than the person on whose account the check is drawn, and is typically created when the owner of a checking account, either over the telephone or online, authorizes a telemarketer or billing company to draw a check made payable to the telemarketer or billing company on the owner's account, without the owner actually signing the check. In place of the owner's signature, the remotely created check usually bears a statement that the owner authorized the check or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check against your account, you may not later change your mind and try to revoke your authorization or rescind payment by claiming that the check was unauthorized. The Bank will not be required to re-credit your account, and may charge against your account, any remotely created checks for which the third party has proof of your authorization.

Remotely created checks have become useful expedited payment devices. As a service to you, the Bank will pay remotely created checks when they are presented for payment against your account. You should review your account statement carefully to verify that any remotely created checks charged against your account are accurate and authorized. Notify us promptly of any unauthorized remotely created checks charged against your account.

Electronic Conversion (ECK). Electronic Conversion is a voluntary depositor initiated transaction whereby, with your approval, a merchant or other third party is permitted by you to convert routing and dollar information from your check and via Electronic Funds Transfer (EFT) or Automated Clearing House (ACH) electronic means, and effect an immediate non-paper (checkless) initiated charge to your deposit account for a purchase or similar payment transaction. This ECK procedure may also be applied similarly to "WEB"site, "TEL"ephone, Point of Purchase (POP), Accounts Receivable (ARC) and dishonored "Represented Check" (RCK) payments using the same medium and check information.

Although RCCs, ECKs and DIDs do not bear the depositor's authorizing signature, and they are not debit cards initiated via a Personal Identification Number (PIN), the Bank normally pays such remotely created checks as a convenience to the depositor but reserves the right to immediately return each item should precautionary or security measures dictate. Accordingly, any customer authorizing or depositing an RCC, ECK or DID with the Bank expressly warrants to the Bank and others in the collection chain that the account holder authorized the issuance of the check in the amount and to the payee shown on the check. The customer further agrees to indemnify, defend and hold harmless the Bank from any all claims arising from such check regardless of whether suit is filed.

Unauthorized Withdrawals. If you voluntarily give information about your account (such as your account number, whether or not you also provide the Bank's routing number) to anyone, such as a third party who is seeking to (a) sell you goods or services, or (b) otherwise obtain payment from you, any debit to your account initiated by the third party will be deemed authorized by you, even though you did not (i) personally deliver a physical check to the third party, or (ii) authorize that particular debit. In such situations, except in the case of remotely created checks, the Bank has no obligation to reimburse you for the payment of any debit initiated by the third party. In the case of a remotely created check, the Bank may presume that express verifiable authorization of the check exists unless and until you notify the Bank in a timely manner as outlined herein that you did not authorize issuance of the check.

Important Information About Your Checking Account – Substitute Checks and Your Rights.

What is a substitute check? To make check processing faster, federal law permits banks to capture electronic images of original checks and reprint them as "substitute checks". Substitute checks are similar in size to original checks that contain a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." Any party in the check collection system may capture electronic images of original checks and reprint them as "substitute checks". You may use a substitute check as proof of payment just like the original check. Some or all of the checks that you receive back from us may be substitute checks. This section describes rights you have when you receive substitute checks from us. The rights in this section do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What are my rights regarding substitute checks? Substitute checks will be treated like original checks. In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, NSF check fees). The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law. If you use this procedure, you may receive up to twenty-five hundred (\$2,500.00) of your refund (plus interest if your account earns interest) within ten (10) business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than forty-five (45) calendar days after we received your claim. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund? If you believe that you have suffered a loss relating to a substitute check that was posted to your account, please contact us at **(800) 478-6101 or (907) 228-4272**. If you contact us verbally, we require that you send us your claim in writing within ten (10) business days. You must contact us within forty (40) calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances. Your claim must include:

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and/or the following information to help us identify the substitute check: the check number, amount, payee and date of the check.

You agree not to deposit substitute checks or checks bearing a substitute check legal equivalence statement ("This is a legal copy of your check. You can use it the same way you would use the original check.") to your account without our prior written consent. Unless we agree otherwise in writing, our acceptance of such checks shall not obligate us to accept such items at a later time, and we may cease doing so without prior notice. You agree to indemnify, defend, and hold us harmless from all losses, costs, claims, actions, proceedings and attorney's fees that we incur as a result of any such checks that you transfer to or deposit with us, including without limitation, any indemnity or warranty claim that is made against us because: (a) the check fails to meet the requirements for legal equivalence; (b) a claimant makes a duplicate payment based on the original check, the substitute check or paper or electronic copy of either; or (c) a loss is incurred due to the receipt of the substitute check rather than the original check, regardless of whether suit was filed.

Upon our request, you agree to provide us promptly with the original check or a copy that accurately reflects all of the information on the front and back of the original check when it was imaged.

WHEN DEPOSITS ARE AVAILABLE FOR WITHDRAWAL – Part IV

FUNDS AVAILABILITY POLICY

Our policy is to make funds from customer's deposits available to them on the first business day after the day we received their deposit. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that they have written.

For determining the availability of your deposits, every day is a business day except Saturdays, Sundays and federal holidays. If you make a deposit before 5:30 p.m. (5:00 p.m. in Petersburg, Juneau, Wrangell, and Craig) on a business day that we are open, we will consider that day to be the day of their deposit. However, if you make a deposit after 5:30 p.m.

(5:00 p.m. in Petersburg, Wrangell, Juneau, and Craig) or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Longer Delays May Apply

In some cases, we will not make all of the funds that a customer deposits by check available to them on the first business day after the day of the deposit. Depending on the type of check that they deposit, funds may not be available until the sixth business day after the day we accept the deposit. However, the first \$100.00 of the deposit will be available on the first business day.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe the check you deposit will not be paid.
- You have deposited checks totaling more than \$5,000 on any one day.
- You re-deposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the 12th business day after the day of their deposit.

Holds on Other Funds (Check Cashing).

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

Special Rules for New Accounts.

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

The first \$5,000 from a deposit of U.S. Treasury checks will be available on the first business day after the day of the deposit. The excess over \$5,000 will be available on the 9th business day after the day of the deposit. Funds from a wire transfer into your account will be available on the same day we receive the transfer.

Funds from deposits of cash and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's and state and local government checks will be available on the first business day after the day of the deposit if the deposit meets certain conditions. For example, the checks must be deposited into an account held by the payee of the check. The excess over \$5,000 will be available on the 9th business day after the day of deposit. If you do not make the deposit in person to one of our employees, the first \$5,000 will not be available until the 2nd business day after the day of the deposit.

Funds from all other check deposits will be available on the 12th business day after the day of deposit.

ELECTRONIC FUND TRANSFER DISCLOSURE – Part V

YOUR RIGHTS AND RESPONSIBILITIES

The Electronic Fund Transfers we are capable of handling are identified below, some of which may not apply to your account. Please read this disclosure carefully because it describes your rights and obligations for these transactions. You should keep this notice for future reference.

Consumer Liability

Tell us AT ONCE if you believe your card/code has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you believe your card/code has been lost or stolen, and you tell us within 2 business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your card or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card/code, and we can prove we could have stopped someone from using your card/code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or an unexpected hospital stay) kept you from telling us, we will extend the time periods.

Contact in the event of an unauthorized transfer

If you believe 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 or write to us at:

(907) 228-4272

or write:

**First Bank
Operations Service Center
PO Box 7920
Ketchikan, Alaska 99901**

BUSINESS DAYS

For purposes of these disclosures, our business days are Monday through Friday. Holidays are not included.

TRANSFER TYPES AND LIMITATIONS

(a) **Account Access.** You may use our terminals to make:

- (1) Cash withdrawals from checking accounts *
- (2) Cash withdrawals from savings accounts *
- (3) Transfers of funds between checking and savings accounts
- (4) Payment for purchases at places that have agreed to accept the card
- (5) Payment of bills directly from your checking or savings account in the amounts and the days you request

* \$300 daily dollar limit per checking and/or savings account

Some services may not be available at all terminals

Account Access by telephone. You may request any of the following via the telephone:

- (1) Transfer of funds between deposit accounts*
- (2) Withdrawals from deposit accounts*
- (3) Balance and rate account inquiries

*There is a \$2.00 fee for each transfer or withdrawal done by telephone.

(b) **Prearranged Transfers.** You arrange for us to:

- (1) Accept certain direct deposits to your checking account
- (2) Accept certain direct deposits to your savings account
- (3) Pay certain recurring bills from your checking account
- (4) Pay certain recurring bills from your savings account

(c) **Limitations on frequency of transfers**

Transfers from a money market deposit accounts to another account or to third parties by preauthorized automatic, or telephone transfers are limited to six per month or statement cycle with no more than three by check, debit card or similar order to third parties. Transfers from a savings account to another account or to third parties by preauthorized, automatic, or telephone transfers are limited to six per month or statement cycle.

(d) **Purchases at Merchant Locations.** With your MasterMoney debit card/code you may do anything that can be done with a credit card by a participating merchant whether it is in person or by phone. This includes paying for goods and services as well as cash advances if the merchant permits. The daily dollar limit is the lesser of \$5,000 or the available balance in your account.

FEES

- (1) Alaska Option transactions - No charge
- (2) Plus System transactions - No charge
- (3) Balance inquiry - No charge
- (4) Replacement card - no charge for the first replacement card; \$10 for each replacement card thereafter
- (5) Instant issue fee - \$5.00
- (6) Card/PIN rush fee - \$25.00
- (7) Card/PIN sent to alternate address - \$5.00

Except as indicated above, we do not charge for Electronic Fund Transfers.

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.

DOCUMENTATION

(a) **Terminal Transfers.** You can get a receipt at the time you make any transfer to or from your account using one of our terminals.

- (b) **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (907) 228-4272 to find out whether or not the deposit has been made.
- (c) **Periodic statements.** You will get a monthly account statement from us, unless there are no transfers in a particular month. In any case you will get a statement at least quarterly.
- (d) **Receipt Exception.** You may not receive a receipt for an electronic transfer made at an electronic terminal in the amount of \$15.00 or less.

PREAUTHORIZED PAYMENTS

- (a) **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:
Call **(907) 228-4272** or write to us at First Bank, Operations Service Center, PO Box 7920, Ketchikan, AK 99901, in time for us to receive your request 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 14 days after you call. We will charge you \$18 for each stop payment order you give us.
- (b) **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 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.)
- (c) **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 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.
- (d) **Stop Payment on Debit Card Purchases.** Stop payments are not allowed on purchases made with a MasterMoney debit card. If you experience problems with goods or services purchased with your MasterMoney debit card and are unable to resolve the problem with the merchant, you may request that the bank initiate a charge back. A charge back is a reversal of a sales transaction. You will need to provide the bank with a detailed explanation of the problem and all of the steps taken to resolve the problem with the merchant. MasterCard will notify the merchant and determine whether or not to reverse the transaction.

FINANCIAL INSTITUTION'S LIABILITY

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 transfer would go over the credit limit on your overdraft line.
- If the automated teller machine where you were 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 transfer, despite reasonable precautions that we have taken.
- There may be other exceptions stated in our separate agreement with you.

CONFIDENTIALITY

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

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) in order to comply with government agency or court orders; or
- (4) if you give us your written permission.

INITIAL AND ANNUAL ERROR RESOLUTION NOTICE

In case of errors or questions about your electronic transfers, call or write to us at the telephone number or address listed above, 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 must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number (if any).
- (2) 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.
- (3) 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 10 business days.

We will determine whether an error occurred within 10 business days (20 business days for new accounts opened within the last 30 days) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days for new accounts, point of sale or foreign initiated transfers) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days for new accounts) 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 we ask you to put your complaint in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three 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.

RIGHT TO PRIVACY

First Bank's Principles of Privacy

We recognize and respect the privacy expectations of our customers and will maintain privacy and security of your personal financial information. Except as provided below, we do not, and will not sell or otherwise provide customer information to any third party, including telemarketers, for their private use. We have established procedures so that your financial information is accurate, current and completely in accordance with reasonable commercial standards. We will also respond to requests to correct inaccurate information in a timely manner.

What information we collect:

We may collect "non-public personal information" about you from the following sources:

- applications or other loan and account forms,
- information about your transactions with us, our affiliates, and others, and
- information we receive from third parties such as credit bureaus.

"Non-public personal information" is information about you that we obtain in connection with providing a financial product or service to you. For example, non-public personal information includes information regarding your account balance, payment history, and overdraft history.

What information we will disclose:

We do have business relationships with affiliates, subsidiaries, and third-party vendors who provide services for some of our products. Oftentimes, third parties supply the most efficient cost effective and convenient methods of service delivery for the benefit of our customers. For example, a vendor may provide printing services for checks or supply data processing services. An affiliate of the bank may provide a product or service that requires specific licensing that the Bank does not hold. Certain non-public personal information is necessary in order for these companies to perform these services. These companies agree to maintain the privacy of your information and are prohibited from using the information independently from the Bank. By requesting and using a Bank service, you consent to the provision of non-public information to third party vendors necessary to provide you the service.

We educate our employees so that they will understand the importance of confidentiality and customer privacy. We maintain physical, electronic, and procedural safeguards that comply with federal and state privacy standards. Regarding your non-public personal information, we will comply with all applicable privacy laws. Under Alaska law and federal regulations, disclosure of non-public personal information will not occur except in one or more of the following circumstances:

1. We, the customer or a depositor is compelled to disclose the contents of its customers or depositors records by a court order.
 2. Disclosure is required by federal or state law or regulation.
 3. Disclosure is made to the holder of a negotiable instrument drawn on us as to whether or not you have sufficient funds with us to cover the instrument.
 4. An inquiry has been made by a bank, savings association, or savings and loan association regulated under this title, or by a credit reporting agency regulated under 15 U.S.C. 1681-1681t (Fair Credit Reporting Act) solely for the express purpose of determining the credit worthiness of you as an applicant for credit, and the information disclosed by us or the bank making the inquiry under this paragraph pertains only to the payment habits of you in connection with loans and other credit accommodations and does not pertain to records concerning deposit balances in savings or checking accounts.
 5. Disclosure to third party vendors is necessary in order for us to provide you with specific services you request.
 6. We will disclose financial information if you request or authorize us to do so.
- When disclosure of our records is required or allowed under (1) or (2) above, we will immediately notify you of the disclosure. If notification before disclosure is not possible, then we will immediately notify you of the disclosure or inquiry. However, notification may not be made if disclosure is made under a search warrant or under a court order issued at the behest of a grand jury when we may legally do so.

Business Days: Monday through Friday
Holidays are not included

First Bank
Operations Service Center
PO Box 7920
Ketchikan, Alaska 99901

(907) 228-4272

(800) 478-6101



CONSUMER ACCOUNT HOLDER SERVICE CHARGE SCHEDULE

All service charges are subject to local sales tax

Account Reconciliation.....	\$15.00 per hour/\$15.00 minimum
Debit Card Services	
Issue Fee.....	No Charge
Instant Issue Fee.....	\$5.00
Card/PIN Rush Fee.....	\$25.00
Card/PIN Sent To Alternate Address.....	\$5.00
Replacement Card.....	No charge for first replacement card; \$10.00 each thereafter
Alaska Option Transactions.....	No Charge
Plus System Transactions.....	No Charge
Balance Inquiry.....	No charge
Close Account Within 120 Days.....	\$10.00
Collection Fees – Incoming and Outgoing.....	\$10.00
Non-sufficient Funds.....	\$20.00*
*This fee applies to overdrafts created by check, in-person withdrawal, ATM withdrawal, or other electronic means.	
Research	
Per Hour/Minimum.....	\$20.00
Check Copy.....	\$1.00 per item*
*First 5 check copies from the most recent statement are free	
Statement Copy.....	\$1.00 each
Stop Payment.....	\$18.00
Telephone Transfer Between Accounts (employee assisted).....	\$2.00
Garnishments and Levy Processing.....	\$50.00
Consumer Online Bill Payments.....	\$4.95 per month for 10 payments. \$50 for each payment thereafter during the month.

Check Printing: Prices may vary depending on the style selected

NO CHARGE FOR CONSUMER ACCOUNT HOLDERS

- Automatic Transfer Between Accounts
- Notary Service
- Returned Deposit Items
- PowerNET Internet Banking

Service Charge Schedule

Effective: June 9, 2008

Account reconciliation.....\$15.00 per hour;
\$15 minimum

Automatic transfer between accounts..... NO CHARGE

Business Accounts charged under Account Analysis: See separate Business Account Analysis Fee Schedule.

Debit Card Services

Issue Fee..... NO CHARGE

"Instant Issue" fee.....\$5.00

Card/PIN rush fee.....\$25.00

Card/PIN sent to alternate address.....\$5.00

Alaska Option transactions..... NO CHARGE

Plus System transactions..... NO CHARGE

Balance inquiry NO CHARGE

Replacement Card..... No Charge for first card
\$10.00 each thereafter

Cashiers Check

Account Holder\$ 5.00 each

Non-Account Holder\$10.00 each

Close account within 120 days.....\$10.00

Currency Ordered or Coin/Currency Deposited.....\$0.85 / \$1000

Coin Ordered\$0.10 / Roll

Money Orders

Account Holder\$3.00 each

Non-Account Holder\$6.00 each

Collection Fees - Incoming and Outgoing

AccountHolder\$10.00each

Non-Account Holder\$20.00each

Deposit Bag.....\$ 5.00

Locking Deposit Bag.....\$15.00

Non-Account Holder check cashing fee.....
\$10.00/check

Nonsufficient Funds\$20.00 per item

Notary Service

Account HolderNO CHARGE

Non-Account Holder\$5.00

Research

Per hour/minimum.....\$20.00

Check Copy.....\$1.00 per item*

Statement copy.....\$1.00

Stop Payment.....\$18.00

Done on PowerNET.....\$15.00

Telephone transfer between accounts (employee assisted).....\$2.00

Travelers Checks

Account Holder\$1 per \$100

Non-Account Holder.....\$2 per \$100

Wire Transfers

Account Holder

Transfer In.....\$ 5.00

Transfer Out\$25.00

PowerNET (Business only)\$20.00

Foreign Wire (accountholders only) \$55.00

Non-Account Holder

Transfer In or Out (domestic only).....\$50.00

Returned deposit items

Personal account..... NO CHARGE

Business account\$3.50 each

Garnishments and Levy processing.....\$50.00

PowerNET Internet Banking..... NO CHARGE

Consumer Online Bill Payments.....\$4.95/mo

for 10 payments. \$.50 for each payment thereafter during the month.

Business Online Bill Payments.....\$9.95/mo.

for 20 payments. \$.50 for each payment thereafter during the month.

Additional Bill Payment Fees:
Stop and refund check fee.....\$20.00
Stop and Reissue check fee.....\$25.00
Proof of online Payment fee.....\$ 5.00

ACH Batch Fee (max. 500 pmts/batch).....\$ 5.00

* First 5 check copies from most recent statement are free

Safe Deposit Box

Small\$35.00 annually

Medium\$75.00 annually

Large\$100.00 annually

Extra-Large available only at Mendenhall Branch \$150.00,

and Sitka \$200.00 annually

Forced Entry\$135.00

A Key Deposit of \$15.00 is required for each box rented.

SERVICE CHARGE INFORMATION

FOR PERSONAL CHECKING,

BUSINESS CHECKING, AND SAVINGS

ACCOUNTS WILL BE FURNISHED

UPON REQUEST OR AT ACCOUNT

OPENING

All service charges are subject to sales tax.

ANNUAL FINANCIAL DISCLOSURE

In compliance with Federal Deposit

Insurance Corporation regulation 12 CFR Part 350, and Federal Reserve Regulation H, First Bank's latest annual financial disclosure statement may be obtained by submitting a written request to:

James C. Sarvela

Chief Financial Officer

FIRST BANK

P.O. Box 7920

Ketchikan, AK 99901

(907)-228-4219

There will be no charge for the first copy. However, requests for additional copies must be accompanied by a \$5 fee per copy.



FIRST BANK

MEMBER FDIC

Offices At: Ketchikan, Craig, Wrangell, Petersburg, Sitka, Juneau

