



FIRST BANK

*The **one** who's here.*

**DEPOSIT ACCOUNT AGREEMENT
AND DISCLOSURE**

January 8, 2018

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Deposit Account Agreement and Disclosure

Thank You for selecting First Bank for Your new account(s). This Deposit Agreement and Disclosure has been prepared to inform You about Your rights and obligations pertaining to these accounts.

GENERAL PROVISIONS – Part I

- 1. 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 Deposit Account Agreement and Disclosure, the current Funds Availability Policy, the most recent Fee Schedule, current account disclosures, 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 all of Your questions, feel free to contact a customer service representative at the Bank.
- 2. Effect of State and Federal Laws and Regulations.** The deposit relationship between You and the Bank is primarily governed by this Agreement. The Agreement is 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 laws and regulations of the Federal Deposit Insurance Corporation and the Consumer Finance Protection Bureau (collectively "Applicable Laws"). If any terms of the Agreement conflicts with the Applicable Law, the terms of this Agreement will control to the extent Applicable Law may be modified by contract. In the event that this Agreement, or any of its provisions, or the performance of any provision, is found to be illegal or un-enforceable under Applicable Law, the parties shall be excused from performance of such portions of this Agreement as shall be found to be illegal or un-enforceable under the Applicable Law without affecting the validity of the remaining provisions of this Agreement; provided that the remaining provisions of this 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.
- 3. 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.
- 4. Identification Notice (USA Patriot Act).** To help the government fight the funding of terrorism and money laundering activities, Applicable 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.

- 5. Taxpayer Identification Number (TIN) and Backup Withholding.** The Bank is required to report annually to You and 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 your Taxpayer Identification number (TIN) 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 accounts, the TIN is the account owner's Employer Identification Number (EIN). If You do not give Us a certified name and TIN, 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 withhold funds from Your account at the current backup withholding tax rate on interest earned on Your account and pay it to the IRS. You will then be obligated to resolve the issue with the IRS.
- 6. Address.** You must give Us Your correct physical and mailing addresses and You must notify the Bank if you move or change Your address. 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 advise Us promptly of any changes to Your address. You are responsible for keeping Your email functioning properly and advise Us if it does not work so that We can make substitute arrangements to deliver statements to You.

TYPES OF ACCOUNTS – Part II

- 7. Checking Accounts.** The Bank offers a variety of personal and business interest and non-interest bearing checking accounts. We will provide You with a periodic statement for Your checking account.

Deposit Account Agreement and Disclosure

- 8. Savings and Money Market Accounts.** A savings or money market account is an account that earns interest, but has no specific maturity date. 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. see also Section 54 for further information.
- 9. 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 specific 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.
- 10. Negotiable Order of Withdrawal (NOW) Accounts.** The Bank does not offer NOW accounts.

OWNERSHIP OF ACCOUNTS – Part III

- 11. 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. You may designate one or more Pay On Death (POD) Beneficiary (ies). In that event, the account passes to Your POD beneficiary.
- 12. Joint Account.** Two (2) or more natural persons may open a joint account. You may set up a multi-party account without rights of survivorship, with rights of survivorship and with rights of survivorship and a POD designation. 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 Bank to exercise its right of 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. You and each of the other account owners jointly and severally promise to pay, upon demand, any and all debit balances in the account, together with all fees and charges.
- 13. Ownership of Joint Accounts During Lifetime.** During the lifetime of all parties, an account belongs to the parties in proportion to the net contribution of each to the sums on deposit, unless there is clear and convincing evidence of a different intent. As between parties married to each other, in the absence of proof otherwise, the net contribution of each is presumed to be an equal amount. "Net contribution" of a party means the sum of all deposits to an account made by or for the party, less all payments from the account made to or for the party that have not been paid to or applied to the use of another party and a proportionate share of any charges deducted from the account, plus a proportionate share of any interest or dividends earned, whether or not included in the current balance. The term includes deposit life insurance proceeds added to the account by reason of death of the party whose net contribution is in question.
- 14. Ownership of Joint Accounts upon Death** Generally, on death of a party, If one or more parties survive and one is the surviving spouse of the decedent, the amount to which the decedent immediately before death was beneficially entitled prior to death belongs to the surviving spouse. If one or more parties survive and none is the surviving spouse of the decedent, the amount to which the decedent immediately before death was beneficially entitled belongs to the surviving parties in equal shares and augments the proportion to which each survivor immediately before the decedent's death was beneficially entitled. The right of survivorship continues between the surviving parties. On death of the sole party or the last survivor of two or more parties, sums on deposit belong to the surviving beneficiary or beneficiaries, if such are designated. If two or more beneficiaries survive, sums on deposit belong to them in equal and undivided shares, and there is no right of survivorship in the event of death of a beneficiary after coming into ownership. If no beneficiary survives, sums on deposit belong to the estate of the last surviving party. The sum on deposit in a multiple-party account that, by the terms of the account, is without right of survivorship, is not affected by death of a party, but the amount to which the decedent immediately before death was beneficially entitled is transferred as part of the decedent's estate. The ownership right of a surviving party or beneficiary, or of the decedent's estate, in sums on deposit is subject to requests for payment made by a party before the party's death, whether paid by the Bank before or after death, or unpaid. The surviving party or beneficiary, or the decedent's estate, is liable to the payee of an unpaid request for payment. The liability is limited to a proportionate share of the amount transferred to the extent necessary to discharge the request for payment. All rights upon death are subject to the Bank's right of offset and security interest. The death of any beneficiary prior to the death of all account owners shall automatically revoke such beneficiary's interest in the account.
- 15. Community Property Accounts** A married couple who are parties to a community property agreement or a community property trust may open one or more community property accounts. When the account is established, the couple will be required to provide evidence of their authority to open and use the account. Each spouse warrants that a valid community property agreement or community property trust exists. The Bank does not act as the trustee and is under no obligation to inquire as to the powers or duties of the spouses. A community property account may only be opened in a form that designates the account owners as (Name of Spouse)or(Name of Spouse) as community property.

Deposit Account Agreement and Disclosure

An account opened in this form may be managed and controlled by either spouse. Ownership of the funds in such accounts during the life of each spouse and upon death is governed by the community property agreement or trust.

- 16. In Trust for (ITF) and Payable on Death (POD) Accounts.** If one 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 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 as provided above. 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 prior to the death of the last account owner.
- 17. Alaska Uniform Transfer to Minors Act (UTMA).** The UTMA, as it now exists or as it may be amended, will govern all UTMA accounts. A UTMA account 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'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 minor. The Bank has no duty or obligation whatsoever to monitor or insure that the acts of the custodian are for the minor'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 with respect to the authority or actions taken or omitted by the custodian in 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 re-assigned to a successor custodian, per Applicable Law.
- 18. 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 business in the account on your behalf. We will not be liable for any breach of duty arising from a transaction by someone you authorize to act on your behalf.
- 19. Entity Accounts Generally.** The Bank requires a customer that is an entity to provide a resolution of authority documenting who is authorized to act on behalf of the entity with respect to the account. 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 the notice. You agree to indemnify, defend and hold the Bank harmless for any liability, including attorney's fees and costs it incurs if the authority does not exist or is abused. The entity owning the account agrees to be responsible for the actions or omissions of authorized signers. You acknowledge Your obligation to properly monitor all activities involving the account. We may require that third party checks payable to an entity not be cashed, but be deposited to an entity account. We will not be liable for any breach of duty arising from a transaction by someone you authorized to act on behalf of an entity account owner. The authority of each authorized signer of the entity shall be binding upon the entity and each owner of the entity thereof until written notice of revocation of such authority from one (1) of the authorized signers has been received by the Bank and the Bank has had a reasonable opportunity to act on the notice.
- 20. 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 partner has full authority to act and sign for the partnership in all regards. The partners agree, personally, jointly and severally to be liable for and to indemnify, defend and hold the Bank harmless from any liability the partnership incurs 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 and the Bank has had a reasonable opportunity to act on the notice.
- 21. 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 entity in the capacity stated and is therefore authorized to transact business on the account.
- 22. Trusts.** A trust account is an account held by one or more trustees of a trust for the benefit of one or more beneficiaries pursuant to a trust agreement. When an account is established, the trustee will provide evidence of the trustee's authority by providing a certificate of trust compliant with AS 13.36.079. The trustee warrants that a valid trust has been created, and currently exists. 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 trust or a written change of trustee notification is received by the Bank and the Bank has had a reasonable opportunity to act on the notice. Funds may be released to any one trustee acting alone or with a co-trustee. The trustee(s) agree, personally, jointly and severally, to indemnify, defend and hold the Bank harmless for any liability it incurs if the authority does not exist or is abused. You acknowledge Your obligation to properly monitor all activities involving the account. This Agreement shall be binding on the trust, each trustee, successor trustee and all beneficiaries.

Deposit Account Agreement and Disclosure

- 23. 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 Bank differently, the Bank will use the individual trustor's TIN for reporting purposes.
- 24. 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 and may no longer control the funds held in the trust. The law treats the trust as a separate "person." An irrevocable trust must have its own TIN.
- 25. 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 authorized to operate the account through court documents, such as "Letters Testamentary" or "Letter of Administration." Estates must obtain an EIN as required by the IRS.
- 26. Guardian/Conservatorship Account.** If Your account is a guardianship or conservatorship account, each individual signing as an authorized signer on the account must be authorized to operate the account through court documents, such as Letters of Guardianship or Conservatorship. You must provide the Social Security number of the individual subject to the guardianship or conservatorship.
- 27. Representative Payee Account.** If Your account is a representative payee account, the account must be in the name of an individual 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). You must provide the Social Security number of the actual payee or recipient.
- 28. 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 individual designated an authorized signer(s) must be designated on an IOLTA enrollment form that has been approved by the Alaska Bar Foundation.
- 29. Deposit Reclassification.** For regulatory compliance purposes, 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 may 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.
- 30. Dormant Accounts.** An account will be deemed dormant if You have not initiated any activity or contact for a period of five (5) years. 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, 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.
- 31. 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 excessive transactions on a savings account. 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
- If We convert Your account, We will send You information about Your new account.
- 32. Transfer or Change of Ownership.** Your account is not transferable, except with the Bank's prior written consent. 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.
- 33. 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 provisional credit it may have given for any uncollected Item(s) deposited by You in Your account, or place a "hold" on funds provisionally credited to Your account for 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 it closes the account. We will send You collected account balance to You at Your last known address as reflected in Our account

Deposit Account Agreement and Disclosure

records. We may close Your account if, for example, You have chronic overdrafts, You participate in internet gambling, or You do not take 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:

- 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

34. Internet Gambling. The Bank does not offer accounts to businesses that participate in internet gambling, nor will the Bank knowingly process any transaction relating to internet gambling (i.e. wagers, bets, etc).

35. Federal Deposit Insurance. Funds on deposit in accounts are insured by the Federal Deposit Insurance Corporation (FDIC), and 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
Attn: Deposit Insurance Section
550 17th Street, NW
Washington, DC 20429

(877)-ASK-FDIC (1-877-275-3342) <https://www.fdic.gov/deposit/deposits/>

GENERAL RULES GOVERNING DEPOSIT ACCOUNTS – Part IV

36. General Deposit Account Provisions. From time to time the Bank may offer a variety of deposit accounts, including Checking, Savings, 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.

37. 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 for accounts other than time deposits or as required by Applicable Law. Interest will be paid only on collected balances. The collected balance is the total of all cash and cleared Items (Items that have been paid by the maker's bank) which have been deposited into Your account. Currency and Items drawn on the Bank are considered cleared the same day they are deposited. Items drawn on other financial institutions are not considered cleared until they are paid by the entity on which they are drawn. Once Items drawn on other financial institutions are paid by them, the funds become part of the collected balance and begin to earn interest. Interest is not paid on Items that are returned to the Bank unpaid.

38. 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.

39. Annual Percentage Yield (APY). APY means a percentage rate reflecting the total amount of interest paid on an account based on the interest rate and the frequency of compounding for a 365-day year calculated according to rules established by the Consumer Financial Protection Bureau. 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 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 has credited to You. The result of compounding interest may make the APY 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 APY will change as well. The APY shown on Your initial account disclosure documents does not reflect any fees or charges that may be charged to Your account. Therefore, Your net yield on the account may be less than the APY or the initial annual interest rate.

40. Deposits. Deposits may be made by You in person, by mail, electronically 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. In making payments of funds deposited in an account, the Bank may rely on the form of the account You choose. The Bank is not required to inquire about either the source or ownership of any funds received for deposit to Your account. We reserve the right to refuse any Item for deposit into Your account.

Deposit Account Agreement and Disclosure

- 41. 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 through Automated Clearinghouse ("ACH") or wire transfer networks. See the Section on ACH Transfers for further information.
- 42. 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. 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 on both of Us. 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 Your Items are processed. You also 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 opened, recorded, verified, and accepted by the Bank. A credit to Your account will then be processed. The Bank's verification of the contents will be considered conclusive and binding on You.
 - 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 the night depository services at any time and for any reason.
- 43. Items.** An "Item," as used in this Agreement, means any instrument or promise to pay money handled by the Bank for collection or payment and includes: paper checks, electronic check conversion, digital images, substitute checks, remotely created checks, drafts, demand drafts, preauthorized drafts, withdrawals, deposits, automatic transfers and electronic transactions such as Automated Clearing House, Automated Teller Machine and Point of Sale 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.
- 44. 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 credited to Your account are 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 during the collection process, and each correspondent will not be liable, except for its own negligence. Items and their proceeds will 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 doing so, the Bank may permit the payor bank to hold an Item beyond the midnight deadline.
- 45. Non-U.S. Dollar Items.** We reserve the right to refuse acceptance of or send for collection Items payable in a foreign currency. 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 to convert the foreign currency into U.S. dollars and may recover from Your account any loss We incur due to processing such Items. We reserve the right to place longer holds on non-U.S. dollar Items than the times specified in Our Funds Availability Policy.
- 46. Endorsements.** You authorize the Bank to accept 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 before We act on a particular Item. 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.
- 47. 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 1 ½ inches from the trailing edge of the Item. The trailing edge of the Item is the back of left side of the Item when looking at the item 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 You or the Bank due to the delay.

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- 48. Inability to Provide Legible Endorsements.** In the event that the Bank sustains damages as a payor or depository bank to any other bank in the chain of Item collection, because of the inability to provide a legible endorsement, such damages shall be Your responsibility and the Bank may exercise its right of chargeback or set off against Your account or otherwise recover such damages from You.
- 49. Cash Back on Deposits.** If You are the owner of a personal deposit account or a Sole Proprietor, 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. Also see Part VI below on Funds Availability.
- 50. Chargeback After Settlement** All Items 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 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 re-submit returned Items for payment but has no obligation to do so. You agree to do everything reasonably within Your ability to assist the Bank in locating, identifying, or replacing a lost Item.
- 51. Cashing Items.** We will attempt to assist You in cashing Your item. However, as cashing items drawn against another financial institution exposes Us to risk of non-payment, We may require that You deposit the item 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 any Item not drawn on Us. You warrant that the Items You present for deposit and collection are properly signed, authorized and enforceable. If We cash an item and it is returned unpaid, You agree that We may deduct the amount of the item and any associated fee and interest from Your account.
- 52. Withdrawal Rules.** 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. Written withdrawal orders must be in ink. 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 an authorized signer 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. The Bank is not required to inquire about the application of 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 account owner or authorized signer, regardless of whether or not the payment is consistent with the actual ownership of funds deposited in the account or the authority of the signer.
- 53. 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. 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 levied, 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 any obligation to the Bank on time. Upon request, You will be advised of the reason for refusal if such action is taken. 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 items as authorized by the Applicable Law.
- 54. Savings and Money Market and Interest Bearing Checking Account Withdrawal Restrictions.** You may make unlimited withdrawals or transfers to another Bank account in person or at an ATM from Your savings or money market account. However, Applicable Law limits third party transactions or preauthorized transfers (including overdraft transfers), debit card, point of sale or similar orders payable to third parties, or transfers made by personal computer (including online banking or bill payment services) or telephone (including fax or data transmissions) from Your account to six (6) per month. Our practice is to monitor the number of transactions in Your savings and money market accounts. 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 if We take such actions. For some accounts, We may charge You a fee for each transaction that exceeds the limits described above. 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, money market or interest bearing checking accounts. Although the Bank usually pays withdrawals or checks without notice on these accounts, doing so does not mean the Bank gives up this right.

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- 55. 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 Items or other signed instructions if We have a reasonable doubt whether a signature appearing on such Items 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.
- 56. Additional Information Concerning Authorized Signers** If You have opened any type of account with authorized signers (including without limitation any corporate, association, limited liability company, sole proprietorship, partnership, trust, estate account, guardian/Conservatorship, 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, close the account, enter into special agreements regarding the account, stop payment on Items drawn on the account, and endorse for deposit, credit, encashment or negotiation of all 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 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.
- 57. Post-Dated and Stale Dated Items.** It is not recommended that You issue a post-dated Item as a means of withdrawal. The Bank is not responsible if it charges an otherwise properly payable but post-dated Item against Your account before the indicated date, unless You have (a) provided a stop payment order to the Bank at a time and in a manner that allows the Bank a reasonable time to act on it before any action by the Bank on the Item, and (b) paid the Bank's standard fee. The Bank is not obligated to pay a "stale" Item, meaning an Item presented more than six (6) months after its date. The Bank may charge Your account for payment made later in good faith.
- 58. 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 endorsements. 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.
- 59. Item Legends.** The Bank may disregard any information added to an Item (such as notations on the memo line of a check or expiration dates anywhere on the Item), 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. Item legends cannot be detected by the Bank because of automated Item processing. Any attempt to reserve rights or sign or endorse an Item with restrictive language such as "payment in full" or "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 Items at the time We receive them for payment.
- 60. Consumer Electronic Check Representation.** If You write an Item on a personal account that We return unpaid because of insufficient or uncollected funds, the depositor of the Item or the depositor's bank may resend ("represent") the Item 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 Item. 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 Item were being represented to Us. The section titled Electronic Banking Rules and Regulations will not apply to any electronic represented Item.

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 Item drawn on a personal account that We returned unpaid because of insufficient or uncollected funds;
- The paper Item must not have contained an unauthorized signature or an alteration and must not have been counterfeit;
- You must not have placed a stop payment on the Item after We returned it unpaid but before it was collected electronically;
- The paper Item must have been less than \$2,500 in amount;
- The paper Item must have been dated 180 days or less before the date on which the electronic represented Item is sent to Us;

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- The electronic represented Item must be for the face amount of the paper Item 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 Item must have given You notice that, if We returned the paper Item unpaid because of insufficient or uncollected funds, the paper Item could be collected electronically; and
- The electronic represented Item must have been sent to Us no more than twice after the first time We returned the paper Item, or no more than once after the second time We returned the paper Item.

61. Withdrawal by Remotely Created Checks (RCC) aka Depositor Initiated Drafts (DID). A RCC is an Item created by someone other than the person on whose account the Item 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 an Item made payable to the telemarketer or billing company on the owner's account, without the owner actually signing the Item. In place of the owner's signature, the RCC usually bears a statement that the owner authorized the Item or bears the owner's printed or typed name. If You authorize a third party to draw a RCC against Your account, You may not later change Your mind and try to revoke Your authorization or rescind payment by claiming that the Item was unauthorized. The Bank will not be required to re-credit Your account, and may charge against Your account any RCC 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 RCCs when they are presented for payment against Your account. You should review Your account statement carefully to verify that any RCCs charged against Your account is accurate and authorized. Notify Us promptly of any unauthorized RCCs charged against Your account. **Your Item will not be delivered to Us so an image of the item will not be provided to you with your account statement. If You are in the business of creating and depositing RCCs based on the authorization of others, You must obtain the Bank's prior express written consent to deposit those checks in Your account.**

62. Challenging Remotely Created Checks If You deposit a **RCC** to Your account that is returned as unauthorized and You dispute the chargeback by the Bank to Your account, You shall immediately provide the Bank with proof that issuance of the **RCC** 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 payee or depository bank which returned the **RCC**, but has no obligation to do so.

63. Electronic Check Conversion (ECK). Electronic **Check** Conversion is a voluntary depositor initiated transaction. In an ECK transaction, a consumer or an entity provides an Item to a payee such as a merchant who scans the Item to capture Your account information. The payee or merchant then uses the account information to initiate a one-time EFT in the amount of the transaction from the account. An ECK transaction could occur at a point of sale or as part of bill payment program where You mail an Item to a payee or merchant and the merchant converts the Item to an ECK. The payee or merchant may also reserve the right to collect any fees incurred if Your Item is not paid. Consumers must consent to an ECK transaction. Generally, this will occur when the payee or merchant provides notice it may convert an Item and the consumer elects to go forward with the transaction. In an ECK transaction, funds may be withdrawn from Your account as soon as the same day payment is made. Your Item will not be delivered to Us so an image of the item not be provided with Your account statement.

The following checks cannot be electronically converted:

- Credit card checks
- Checks drawn on an investment company
- Checks drawn on a state or local government
- Checks not payable in U.S. currency
- A business check in an amount greater than twenty-five thousand dollars (\$25,000.00)

Although ECK's do not bear the your authorizing signature, and they are not debit entries initiated via a Personal Identification Number, the Bank normally pays such remotely created Items as a convenience to you but reserves the right to immediately return each Item should precautionary or security measures dictate. Accordingly, if You authorize an ECK, You expressly warrant to the Bank and others in the collection chain that You authorized the issuance of the ECK in the amount and to the payee shown on the Item. You further agree to indemnify, defend and hold harmless the Bank from any and all claims arising from such ECK, regardless of whether suit is filed.

64. Insufficient Funds. If there are not sufficient available funds in Your account to pay all Items presented, whether by check, in-person withdrawal, or electronic means (other than one time POS and ATM transactions), You authorize the Bank to either (a) return the Item or withdrawal instruction unpaid or reject the electronic transaction, or (b) honor the Item, withdrawal, electronic transaction (other than one time POS or ATM transactions) and create an overdraft balance on Your account. Whether the Item, in-person withdrawal or withdrawal by electronic means (other than one time POS or ATM transactions) is returned or rejected, a service fee will be imposed against Your account. The service fee applies to overdrafts created by Items, in-person withdrawals, electronic means (other than one time POS or ATM transactions), as applicable. (Sec no. 12)

When You do not have enough available funds to pay all Items on a given day, We will pay Your Items in the order they are presented to the Bank and We will generally return those Items for which there are insufficient funds in Your account. The Bank will not be required to send You prior notice if it returns an Item, POS or ATM transaction or withdrawal by

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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 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. 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 of an Item and the Bank's midnight deadline. The Bank is only required to review Your account for available funds once per day. See also the section captioned waiver of account exemptions for limitations on the right to seek reimbursement.

- 65. Stop Payment Orders.** You have the right to stop payment on an Item if it has not already been paid. Stop payment orders for Items may be oral or written and must include exact information regarding the amount of the Item, the number of the Item, and the account number; otherwise We 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 We reasonably request regarding the Item, the Bank will not be responsible if it is unable to stop payment. Payments may not be stopped unless the information is correct. A stop payment order is effective for six (6) months, but it lapses after fourteen (14) calendar days if the original order was oral and was not confirmed in writing within that period. A stop payment order may be renewed for one (1) additional six-month period by a writing given to the Bank within the period the original stop payment order is effective. 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 Item on which payment is being stopped. The Bank is entitled to notice in a manner that affords the Bank a reasonable opportunity to act on it before any action by the Bank with respect to the Item. The Bank shall have no liability for failure to honor a stop payment order on an Item 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 an Item 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 Item if You establish that You have suffered a loss as a result of the payment. Although You may place a stop payment order on an Item, You recognize that anyone holding the Item may still be able to enforce payment against You. If the Bank re-credits Your account after paying an Item over a valid and timely stop payment order, You agree to do two things: (1) transfer to the Bank all of Your rights against the payee or other holder of the Item, and (2) help the Bank if it takes legal action against that person. If You buy a cashier's or other official check from the Bank, You do not have the right to stop payment to a third party.

- 66. Check Truncation.** An Item may be truncated during the collection or return process by removing the original check and replacing it with a substitute check, information from the MICR line of the original Item or an electronic image of the original Item. 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 a way (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.

- 67. Paper Statements.** The Bank is authorized to mail statements to the last address You have provided. Depending on the type of account you own, you may be charged for paper statements. The Bank will not hold statements for the benefit of account owners.

- 68. Electronic Statements (E-Statements and Disclosures)** If you consent and We have agreed to provide Your statement electronically to the last electronic address you have provided, the following provisions shall apply: To receive an eStatement, We must have a valid email address for You. If You change your email address, you must notify Us through the Online Banking Message box under Account Services. You may also notify Us or in person through one of our local branch offices. If We do not have a valid email address for You, the eStatement, may be returned as undeliverable. If the notice is returned, We will attempt to contact You to obtain Your current email address and give notice that the eStatement is available online. If We are unable to reach You, then Your account will revert to printed statements sent to you via the US Postal Service. Conversion to printed statements will mean that You will be charged a monthly service charge, as described in your account disclosure, for each month that we do not have a valid email address for You. Each month, you will receive an email notice that your statement is ready. Click on the link in the email to log into your online banking account and select Statements on the menu to the left. The statement can be viewed with Adobe Acrobat Reader and will appear just like Your current printed statement. In addition to the current month's statement, You will also have access to statements for the preceding eleven months. For permanent records, You will have the option to print your statement or save it on a disk. Once You are enrolled in eStatements, important account disclosures (i.e. notices, notifications of changes to your accounts or fees, updates to require disclosures related to consumer protection laws, etc.) will be delivered to you electronically, Disclosure notifications will be sent to you with your eStatement notices. You are responsible for having internet access, a compatible browser and for obtaining Adobe Reader so that you will have the ability to retrieve, retain and print the statements provided. Please notify Us immediately if You are unable to access, view or print account statements or disclosures.

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- 69. Returned or Unclaimed Statements** Unless otherwise prohibited by Applicable Law, 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.
- 70. Item Images.** The Bank does not return original cancelled Items with Your 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 Applicable Law. If You 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 Item processing modernization initiatives as implemented through the Federal Reserve Board. This includes, but is not limited to, the electronic exchange of Item images between the Federal Reserve and financial institutions rather than the exchange of physical Items. You agree that the imaging of Items does not alter or waive Your responsibility to examine Your statement promptly or change the time limits for notifying the Bank of any errors. If another financial institution or clearing house does not return Your Item or an image of Your Item 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.
- 71. Your Duty to Examine Your Statements** 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. Unless otherwise provided for electronic funds transfers, you must notify Us of any irregularity within thirty (30) days from the date of the Statement. You further 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 an unauthorized signature or alteration on the face or back of an Item within one year from the time either the statement or the Items are made available to You, You are precluded from asserting such unauthorized signature or alteration against the Bank.
- 72. 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 Item to the third party, or (ii) authorize that particular debit. In such situations, with the possible exception of a RCK, the Bank has no obligation to reimburse You for the payment of any debit initiated by the third party. In the case of a RCK, the Bank may presume that express verifiable authorization of the check exists unless and until You notify the Bank before it has acted on the Item as outlined herein that You did not authorize issuance of the RCK.
- 73. Forgery Affidavit.** Within 30 days of the date of Our request, 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.

SUBSTITUTE CHECKS AND YOUR RIGHTS-Part V

- 74. Substitute Checks.** 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.
- 75. 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 re-cover additional amounts under other law. If You use this procedure, You may receive up to twenty-five hundred (\$2,500) 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) no 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.

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76. Limits on Use of Substitute Checks. You agree not to deposit substitute checks or Items 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 Items 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 Items that You transfer to or deposit with Us, including without limitation, any indemnity or warranty claim that is made against Us because: (a) the Item fails to meet the requirements for legal equivalence; (b) a claimant makes a duplicate payment based on the original Item, 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.

77. Claims 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 your branch or you may call **(800) 478-6101**. 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: And the check number, amount, payee and date of the check.

WHEN DEPOSITS ARE AVAILABLE FOR WITHDRAWAL – Part VI

78. Funds Availability. Our policy is to make funds from Your cash and Item deposits available to You on the first business day after the day We receive Your deposit. Electronic direct deposits will be available on the day We receive the deposit. Once they are available, You can withdraw the funds in cash and We will use the funds to pay Items that You 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 pm (5:00 pm in Petersburg, Wrangell, and Craig) on a business day that We are open, We will consider that day to be the day of Your deposit. However, if You make a deposit after the Cut Off time on a day We are not open, We will consider that the deposit was made on the next business day We are open. In some cases, We will not make all of the funds that You deposit by check available to You on the first business day after the day of the deposit. Depending on the type of check that You deposit, funds may not be available until the third business day after the day We accept Your deposit. However, the first \$200.00 of Your deposits 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.

79. Delayed Availability. In addition, funds deposited 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 8th business day after the day of Your deposit.

80. Funds Availability – New Customers. If your account has been open for less than ninety (90) days and you do not have other accounts with Us, 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 Your deposit. The excess over \$5,000 will be available on the 8th business day after the day of Your 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 Your 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 8th business day after the day of Your deposit. If You do

Deposit Account Agreement and Disclosure

not make the deposit in person to one of Our employees, the first \$5,000 will not be available until the 2^d business day after the day of Your deposit.

- Funds from all other check deposits will be available on the 8th business day after the day of Your deposit.

ELECTRONIC BANKING RULES AND REGULATIONS – Part VII

81. Scope of Services. The following terms, conditions, responsibilities, and disclosures apply to Your debit card, automated teller machine card, and the variety of electronic funds transfer (EFT) services that Bank provides for deposit accounts. The term "Card" used throughout this disclosure means Visa Debit (Debit Card), Automated Teller Machine (ATM), and Debit Visa Business Card (Business Debit Card). Federal law requires that consumers who make use of a Bank's EFT services in connection with certain deposit accounts must receive the disclosures contained herein before using Our electronic services.

82. EFT Transactions. Generally, an EFT is any transfer of funds initiated through an electronic terminal, telephone or the Bank's internet banking service for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

The term EFT includes but is not limited to:

- Point of Sale (POS) transfers
- ATM transfers
- Direct deposits or withdrawals of funds
- Transfers initiated by telephone
- Transfers initiated by computer
- Transfers resulting from Debit Card transactions whether or not initiated through an electronic terminal.
- Transfers where a check, draft or similar paper instrument is used as a source of information to initiate a one-time transfer of funds from consumer's account

The term EFT does not include:

- Any transfer of funds initiated by a check, draft or similar paper instrument
- Any transfer of funds that guarantees payment or authorizes acceptance of any check, draft or similar paper instrument but does not directly result in a debit or a credit to a consumer's account.
- Any transfer of funds by Fed wire or through a similar wire transfer system or similar system primarily for transfers between financial institutions or between businesses
- Transfer of funds the primary purpose of which is the purchase or sale of a security or commodity.
- Individual transfers We initiate under an agreement with You but without Your specific request (e.g., automatic savings and automatic loan payments to Us from Your account)
- Between a consumer's account and the account of a family member at the Bank
- Between a consumer's account and an account at the Bank
- Telephone transfers between a consumer and the Bank which does not take place under a telephone bill payment or other written plan providing for periodic or recurring transfers

83. Registration. Upon approval of Your application, the Bank may issue You a card and personal identification number or PIN which will allow a cardholder to access accounts associated with the card at ATMs and POS merchant terminals.

84. Account Association. We will determine the number and type of accounts that can be linked to Your card. You may link such additional accounts to Your card as the Bank permits from time to time. The permitted linkages may vary depending on the type of card. We may link to Your card to any or all of the accounts on which You are an authorized signer, unless You request the Bank not to link specific accounts.

85. Association of Line of Credit Accounts If We permit You to link Your card to a deposit or credit account ("credit account"), You may use Your card to obtain cash or transfer funds from a linked credit account, so long as the credit account is in good standing and has available funds. Cash advances or transfer of funds are treated as cash advances. Any card linked to credit accounts for cash advances or transfers from linked credit accounts is subject to all terms in the agreement governing the line of credit account including daily limits and cash advance fees.

86. Verification. Any business transacted with Your Card is not complete until We verify and process the transaction according to Our internal policies and Applicable Law, regardless of any confirmation or receipt You received at the time the transaction occurred.

87. ATM Safety. You agree to exercise discretion when Using ATMs and to be aware of Your surroundings. We do not guarantee Your safety while using an ATM. If there are any suspicious circumstances or any suspicious looking devices on or near the ATM, do not use the ATM. If You notice anything irregular while transacting business at the ATM, cancel the transaction, secure Your Card, and leave. Whenever available, park in a well-lighted area near the ATM. If the ATM is in an isolated area, consider having someone accompany You. Do not accept assistance from anyone while using the ATM. Prepare Your deposits at home or at another location before approaching the ATM. Do not display the cash withdrawal; instead, secure the cash and Card, and verify the funds at home or within Your locked vehicle. Save Your transaction slips and verify them against Your account statement when received. Always secure Your Card, as You would

Deposit Account Agreement and Disclosure

cash, checks or credit cards. If a crime occurs at an ATM, report all crimes to the ATM operator and local law enforcement officials immediately.

88. Security. Each cardholder will be issued a unique PIN for use of the card. It is Your responsibility to maintain the confidentiality of the PIN. You should memorize the PIN and change it regularly. Do not write the PIN on the card or provide it to anyone else. Never allow others to use the card or have access to the PIN. If You do provide the card or PIN to another person, You will be responsible for all transactions made by that person or anyone that person gives the card or PIN. You must notify Us immediately if the card or PIN is lost, stolen, or no longer secure. You agree not to use Your card or PIN for any illegal purpose such as illegal gambling. We may choose to prevent access to merchants who appear to be involved with illegal activities. Should You allow any individual to use Your card or pin, that person will remain authorized to continue Using these items until You notify the Bank, in writing, that authorization has been revoked and the Bank has a reasonable amount of time to act on Your notice. The Bank is not liable for any actions taken by the authorized person before You notify the Bank of the revocation. If You do not remember Your PIN, password or code or want to change it, please visit one of Our branches. eCards are the property of the Bank and must be returned to Us if requested. If You decide You do not want to use the card, destroy it at once by cutting in half and notify Us in writing.

89. Card Issued to a Minor or Agent. If You authorize a minor or an agent to have a card or pin that accesses Your account, You accept full responsibility for the use of the card or pin and any obligations incurred that are related to the use of the card or pin and the associated account(s).

90. CONSUMER LIABILITY

Consumer Liability (Tell Us AT ONCE if you believe your card or pin has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell Us within 2 business days after you learn of the loss or theft of your card or pin, you can lose no more than \$50 if someone used your card or pin without your permission.)

If you do NOT tell Us within 2 business days after you learn of the loss or theft of your card or pin, and We can prove We could have stopped someone from using your card or pin 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, including those made by card, pin or other means, 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 a hospital stay) kept you from telling Us, We will extend the time periods.

Contact in the event of unauthorized transfer. If you believe Your card or pin has been lost or stolen, call 1-800-478-6101 or 1-907-228-4272 or write: First Bank Operations Center, P.O. Box 7920, Ketchikan, Alaska 99901.

You should also call the number or write the address listed above if you believe a transfer has been made using the information from your check without your permission.

Business days. For purposed of these disclosures, Our business days are Monday through Friday. Holidays are not included.

Transfer types and limitations (1) Account access You may use your card or pin to

- Withdraw cash from your checking or savings account.
- Make deposits to your checking or savings accounts
- Transfer funds between your checking and savings accounts whenever you request.
- Pay for purchases at places that have agreed to accept the card or pin.
- Pay bills directly by telephone from your checking or savings account in the amounts and on the days you request.

Some of these services may not be available at all terminals.

Electronic check conversion. You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to:

- Pay for purchases
- Pay bills.

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Limitations on frequency of transfers For security reasons, We may make limits on the number of transfers you can make using Our terminals, telephone bill-payment service and point-of-sale transfer service. You will be given prior written notice if We decide to set more limits.

Limitations on dollar and amounts of transfers.

- You may withdraw up to \$315.00 from Our ATM terminals each day you use the card or pin. This limit does not apply to POS signature, or pin transactions done at a store.
- You may buy up to \$5,000 worth of goods or services each day you use the card or pin in Our point-of-sale transfer service.

Fees

Per Transfer Charge. We will charge you \$0 for each transfer you make using Our automated teller machines telephone bill-payment service or point-of-sale service.

Currency Conversion/Foreign Transaction Fee. Purchases, cash advances, PIN-based and POS transactions made in foreign countries will be billed to you in U.S. dollars. The currency conversion rate for international transactions as established by VISA International, Inc. is a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable central processing date. In addition, you will be charged a Foreign Transaction Fee of 2% of the transaction amount for any card transaction made in a foreign country.

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

- a) Where it is necessary for completing transfers, or
- b) In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, or
- c) In order to comply with government agency or court order, or
- d) If you give Us your written permission, or
- e) In order to comply with Federal or State Law or regulation, or
- f) Made in connection with the maintenance or servicing of your accounts with Us, or with another entity as part of Our private cable credit cards or other extension of credit on behalf of the entity

Documentation.

Terminal matters. You can get a receipt at the time you make any transfer to or from your account using one of Our automated teller machines or point-of-sale terminals.

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 1-800-478-6101 or 1-907-228-4272 to verify whether or not the deposit has been credited.

Periodic statements. You will get a monthly account statement unless there are no transfers in a particular month. In any case you will get the statement at least quarterly.

Preauthorized payments. (1) *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 Us at 1-800-478-6101 or 1-907-228-4272, or write Us at First Bank Operations Center, P.O. 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 the current posted fees for each stop-payment order you give.

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

Liability for failure to stop payment of preauthorized 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.

Deposit Account Agreement and Disclosure

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:

- a) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- b) If the transfer would go over the credit limit on your overdraft line.
- c) If the automated teller machine where you are making the transfer does not have enough cash.
- d) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- e) If circumstances beyond Our control (such as fire or flood) prevent the transfer, despite reasonable precautions that We have taken.
- f) The funds in your account are subject to legal recourse.
- g) The transaction cannot be completed because your card is damaged.

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.

- 91. When a Transaction is Posted** The time required to debit or credit Your account after the card is used will depend on the location of the ATM or POS and the type of transaction.
- 92. Available Funds.** Generally, a cardholder can withdraw funds up to the daily ATM or POS withdrawal limit, subject to the available balance in any combination of linked accounts accessed for withdrawal. If the ATM or POS purchase would create an overdraft in the linked account, We may, in Our sole discretion, take any of the actions described in the section of this Agreement titled "Overdraft and Non-Sufficient Funds/NSF." The availability of deposits for withdrawal is described in the funds availability part of this Agreement.
- 93. POS Purchases.** A cardholder may use the card to purchase goods and services from participating retailers and service providers. If the cardholder enters a PIN to authorize the POS purchase from participating merchants or service providers, the purchase will be processed through a network in which the Bank participates. Participating merchants may choose to offer cash back as part of the total purchase amount for such PIN-based transactions. If a cardholder signs a receipt or provides a form of authorization other than the PIN to authorize the POS purchase, the purchase will be processed via the Visa network using primary checking account funds. For purchases processed via Visa, there is no cash back feature. Stop payments may not be requested on POS transactions. Some POS merchants may assess a fee for a purchase made at their location. A sign describing any fee should be posted by the merchant. This fee will be included in the total purchase amount shown on the Bank account statement linked to the card and reflected on the receipt issued at the time of the transaction. This fee does not apply when using a debit card to make signature-based purchases. If your daily POS purchases are greater than five thousand and 00/00 dollars (\$5000), you may request a limit increase from your local branch of the bank.
- 94. Transactions Outside the United States** If a card is used to make an ATM withdrawal or a POS purchase outside the United States, the network that handles the transaction will convert the local currency amount of the transaction to U.S. dollars. In the case of a POS purchase only, the merchant that handles the transaction may convert the currency. If the network converts the currency, it will use either a rate selected by the network from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate the network itself receives, or the government-mandated rate in effect for the applicable central processing date. If the merchant that handles the POS purchase converts the currency, the merchant will determine the currency conversion rate. For each purchase transaction completed outside the United States, We will also charge an international purchase transaction fee, which is based on the amount provided to the Bank by the network in U.S. dollars, not to exceed 2% of the transaction.
- 95. Refunds on Purchases.** You may receive cash refunds for purchases made with Your card. A merchant may also process a credit for merchandise returns or adjustments, which We will apply as a credit to Your checking account. Since Your card is not a credit card, any disputes with the merchant regarding the quality, price, or warranty of the goods or services You purchase with Your card, will have to be settled with the merchant directly. We are not responsible for a merchant's actions, including any misrepresentations or omissions.
- 96. Stop Payment on Debit Card Purchases.** Stop payments are not allowed on purchases made with a debit card. If You experience problems with goods or services purchases with Your debit card and are unable to resolve the problem with the merchant, You may request that the Bank initiate a charge back. A chargeback 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. Visa will notify the merchant and determine whether or not to reverse the transaction.
- 97. ATM and POS Malfunctions.** You agree not to hold Us responsible for damages that result from or are a consequence of an ATM or POS malfunction. You will promptly notify Us if an ATM fails to dispense the correct amount of cash or fails to provide a proper receipt by calling or writing Us at the telephone number or address provided above.

Deposit Account Agreement and Disclosure

98. Termination of Card Privileges The card is the property of the Bank. We may terminate Your card privileges at any time without notice to You or the cardholder. You may terminate card privileges at any time by writing Us at the address provided in the bank contact section at the end of this agreement. You will immediately notify Us in writing of the termination of the cardholder's authority to use a card. If the cardholder's authority is terminated, the account is closed or the card is cancelled, You will immediately retrieve and destroy the card(s) and upon request provide written confirmation that the card(s) has been destroyed. If card privileges are terminated, the cardholder(s) must immediately surrender the card(s) to Us. Termination of card privileges shall not affect any rights and obligations for transactions made with a card before the privileges were terminated.

99. 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. A deposit entry is also referred to as a credit entry and a withdrawal entry is also referred to as a debit entry. Funds may be sent through the ACH system or processed directly to accounts with Us.

100. Preauthorized Automatic Transfers. Preauthorized electronic funds transfers may be made to or from consumer checking and savings accounts by means of a computer, or mobile device. These transfers include preauthorized electronic funds transfers to Your account from third parties (e.g., Social Security, a pension fund or Your employer) or from Your account to a third party (e.g., checks converted by merchants to ACH transactions and recurring mortgage or insurance payments through ACH). Preauthorized transactions do not include: (a) transfers initiated by check, draft or similar paper instruments; (b) transfers to or from business or other non-personal accounts; (c) individual transfers We initiate under an agreement with You but without Your specific request (e.g., automatic savings and automatic loan payments to Us from Your account); or (d) transfers initiated by telephone. If You arrange to have direct deposits made to Your account at least once every sixty (60) days from the same person or company, You may contact Us at one of the numbers in the Bank Contact Information section to verify the deposit has been credited. For Your protection, We require identifying details about Your account before We provide You with this information. The Bank lists deposits made to Your account on Your monthly statement.

101. 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.

102. Erroneous Payment Orders. We have no obligation to detect errors in payment orders (for example, an erroneous instruction to pay a beneficiary not intended by You or to pay an amount greater than the amount intended by You, or an erroneous transmission of a duplicate payment order previously sent by You). Should We detect an error on one or more occasion, it shall not be construed as obligating Us to detect errors in any future payment order.

103. 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.

104. 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.

105. Unauthorized Electronic Funds Transfer. "*Unauthorized electronic fund transfer*" means an electronic fund transfer from a consumer's account initiated by a person other than the consumer without actual authority to initiate the transfer and from which the consumer receives no benefit. The term does not include an electronic fund transfer initiated:

- a) **By a person who was furnished the access device to the consumer's account by the consumer, unless the consumer has notified the financial institution that transfers by that person are no longer authorized.**
- b) **With fraudulent intent by the consumer or any person acting in concert with the consumer; or**
- c) **By Us or Our employee.**

Examples of unauthorized ACH debit entries are the following:

- 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

Deposit Account Agreement and Disclosure

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.

106. 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.

107. Initial Error Resolution Notice. In Case of Errors or Questions About Your Electronic Transfers or Your Periodic Statements, Telephone Us or write Us at the telephone number or the address set forth below. When you contact Us, please tell Us 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.

- (i) Tell Us Your name and account number (if any).
- (ii) 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.
- (iii) 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 after We hear from You and will correct any error promptly. If We need more time, however, We may take up to 45 days to investigate Your complaint or question. If We decide to do this, We will credit Your account within 10 business days for the amount You think is in error, so that You will have the use of the money during the time it takes Us to complete Our investigation. If We ask You to put Your complaint or question 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.

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

108. Reliance on Identification Numbers If a transfer instruction describes the person to receive payment inconsistently by name and account number, payment may be made on the basis of the account number even if the account number identifies a person different from the named person. If a transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution.

109. Rules of Funds Transfer Systems Funds transfers to or from Your account will be governed by the rules of any funds transfer system through which the transfers are made, as such are amended from time to time, including, without limitation, Fedwire, the National Automated Clearing House Association, any regional association (each an "ACH"), and Clearing House Interbank Payments System (CHIPS). The terms and conditions of the funds transfer system are in addition to, and not in place of, any other agreements You have with the Bank regarding electronic transactions.

110. Business Customers. A business account owner may not authorize third parties to make ACH deposits or withdrawals from their accounts unless the Bank consents and the customer has executed an ACH service agreement with the Bank.

111. Business Accounts and Other Non-personal Accounts. Our obligations under the error resolution and liability provisions of this "Electronic Rules and Regulations" agreement, as well as those printed on the back of periodic statements, and the limitations on Your obligations under this agreement, do not in all cases apply to business accounts, non-personal accounts, or accounts used primarily for business purpose. Cards that are issued to authorized individuals or agents on a business account are the sole responsibility of the account owner, business or entity. If an agent or authorized signer is removed from an account, the account owner, business or entity is responsible for recovering Cards issued to prevent unauthorized transactions as well as notifying the Bank. The owners of non-consumer accounts must notify Us immediately if they discover any unauthorized transactions or errors, and must send Us a written notice of the problem within a reasonable time (not to exceed fourteen (14) days from the date of discovery, or the date of receipt of the first statement or notice reflecting the problem, whichever occurs first). Under no circumstances will the Bank be

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liable for any special, punitive or consequential damages involving such accounts. We may process transactions that are initiated by means of a card for such account, even if the transactions are not initiated or authorized by You, unless We are notified in advance that the Card has been lost or stolen, or that the transaction is not authorized.

112. Telebanking Service. With this service, You can call Us 24 hours a day and perform many of the same transactions that You can at a branch with a touch-tone phone and Your security code. The Telebanking contact numbers are provided in the Bank Contact Information Section.

MOBILE DEPOSIT TERMS AND CONDITIONS – Part VIII

113. Service. If We offer this service to you, the service will enable You to use a mobile banking application and certain hardware (such as smartphone or other mobile device) supported by Us to (i) create electronic images of the front and back of certain Paper Items and (ii) transmit those images and other information, including without limitation, information captured from MICR line, to Us for review and processing. "Electronic Item" means the electronic image of each Paper Item and other information captured from the Paper Item. After We receive Your transmission, each Electronic Item is reviewed. For each Electronic Item that We determine is eligible for processing as described below, We will:

- a) Create an electronic image that We will present directly or indirectly to the bank
 - on which the original paper Item to which the Electronic Item relates is drawn, or
 - at or through which the paper Item is payable (each, the "Paying bank");
- b) Include the Electronic Item in an electronic file for presentment directly or indirectly to the paying bank; or
- c) Present or post any Electronic Item for which We are the paying bank.

114. Limitations of Service. In order to enroll in the Service, You must be designated as an authorized signer or owner of an Account that is eligible for this Service, and be approved by the Bank. As conditions to Bank's provision of the Service, You shall (a) maintain Your Account(s) in good standing, and (b) comply with such restrictions on the Service as We may communicate to You from time to time. You shall use hardware approved by the Bank, and Our service provider to create electronic images of checks and other paper Items that You wish to deposit to Your Account by means of the Service, and to transmit Your Electronic Item(s) to Us. Except as noted in the preceding sentence, only checks, money order, cashier's checks, or travelers' checks, drawn on or payable at or through a U.S. bank, can be transmitted through the Service.

115. Device and Deposited Item Security. You will properly secure all hardware You use in connection with the Service (including, but not limited to, securing the hardware with security credentials to prevent unauthorized use). You will maintain control over and be responsible for secure retention, storage and destruction of original paper Items for which You have created Electronic Items.

116. Eligible Items. You will use the Service only for paper Items that are payable to, and endorsed by, You. In addition, You agree You will:

- a) not submit any duplicate Electronic Item(s) to Us;
- b) not deposit to Your Account or otherwise negotiate any original paper Item from which You have previously created and submitted to Us or any other financial institution an Electronic Item, unless We have notified You that the Electronic Item is an Exception Item;
- c) transmit to Us only Electronic Item(s) that are suitable for processing, including, but not limited to, Electronic Item(s) that are legible and contain machine-readable MICR data;
- d) review and verify for accuracy the information contained in the Electronic Item(s) before You transmit it to Us;
- e) only transmit Electronic Item(s) that are drawn on or payable at or through banks located within the United States;
- f) not store or make a back-up copy of the Electronic Item(s), except as defined under the section, *Disposal of Transmitted Items*;
- g) not submit any Electronic Item(s) containing obvious alteration(s) to any of the fields on the front of the check or Item, or which You know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check or item is drawn;
- h) not submit Electronic Item(s) dated more than 6 months prior to the date of deposit;
- i) not submit Electronic Item(s) prohibited by the Bank's current procedures relating to the Services or which are otherwise not acceptable under the terms of Your Account; and
- j) not submit foreign checks, remotely created checks (whether in paper form or electronically created), check drawn against a line of credit, or cash.

117. Exception Items. Each Business Day on which Electronic Item(s) are processed and reviewed We will use commercially reasonable efforts to review each Electronic Item and reject any Electronic Item that We in Our sole discretion determine to be ineligible for the Service (each, an "Exception Item"). Exception Item(s) includes, without limitation, an Electronic Item that (a) is illegible or contains MICR data that is not machine readable (b) was previously processed as an Electronic Item, or (c) as listed above in Section 122. We will notify You of each Exception item through the Service, or other communication channels at Our discretion. If You wish to attempt to deposit any Exception Item to Your Account, You shall do so only by depositing the original Paper Item on which the Exception Item is based or as otherwise agreed

Deposit Account Agreement and Disclosure

between Us. Even if We do not initially identify an Electronic Item as an Exception Item when We review and process the Electronic Item to which the Exception Item relates, the Electronic Item, substitute check, or the purported substitute check created by Us from it may nevertheless be returned to Us because, among other reasons, the Paying bank determines that such Item or check is illegible or missing an image. Our failure to identify an Exception Item shall not preclude or limit the obligation You have to the Bank under section 116.

118. Endorsements and Procedures. You agree to ensure that Electronic Item(s) are restrictively endorsed or otherwise processed to permit only financial institutions to acquire rights of a holder in due course in the collection process of the Electronic Item(s). If unendorsed Electronic Items are transmitted, You also agree to all Endorsement requirements defined in the Agreement. You agree to follow any and all other procedures and instructions for use of the Service as the Bank may establish from time to time.

119. Receipt of Items. If You transmit Your Electronic Item(s) to the Bank before the (Cut-Off Time) on any Business Day, We shall review and process Your Electronic Item(s) on that Business Day. If You transmit Your Electronic Item(s) to Us after the Cut Off Time on any Business Day, We shall review and process Your Electronic Item(s) on the next Business Day. Your Electronic Item(s) is deemed to have been received by the Bank when the Service creates a confirmation message. Receipt of such confirmation message does not mean that the transmission was error free or complete. We reserve the right to reject any Electronic Item transmitted through the Service, at Our discretion, without liability to the Bank. We are not responsible for Electronic Item(s) We do not receive or are dropped during transmission.

120. Availability of Funds. Subject to Our right to identify and reject Exception Items, We shall be deemed to have accepted each Electronic Item that is not an Exception Item for deposit to the Account on the Business Day that We process the Electronic Item, provided its transmission to Us is prior to the Cut Off Time. The Bank reserves the right, in certain instances, not to make all Electronic Item(s) funds immediately available. (Refer to the *Funds Availability s above*).

121. Deposit Limits. We reserve the right to impose limits on the amount(s) and/or number of deposits that You transmit Using the Service and to modify such limits from time to time.

122. Disposal of Transmitted Items. After transmitting the Electronic Item(s) to Us, You will retain the original paper Item(s) for a minimum of five (5) calendar days, but no longer than fourteen (14) calendar days, from the transmission date (Retention Period). You will retain and store the original paper Item(s) in a secure and locked container that is only accessible by the owner of the account where such paper Item(s) are deposited. During the Retention Period and upon Our request, You agree to provide Us with the original paper Item(s). Once the Retention Period has expired, You will securely and irretrievably destroy original paper Item(s) from which You have previously created and submitted to Us Electronic Item(s).

123. Security Procedures. You or any individual authorized by You to access the Service (a "User") shall do so by entering a User name and password, or other unique identifier that may be required. No person employed by Us shall have access to any User passwords You or Your Users create. From time to time, We may require You to use additional security and authentication procedures.

124. Hardware and Software. In order to use the Service, You must obtain and maintain, at Your expense, compatible hardware and software as specified by the Bank from time to time. The Bank is not responsible for any third party hardware or software You may need to use the Service. Any such hardware or software is accepted by You as is and is subject to the terms and conditions of the software agreement You enter into directly with the third party software provider at time of download and installation.

125. Ownership & License. You agree that the Bank retains all ownership and proprietary rights in the Service, associated content, technology, and website(s). Your use of the Service is subject to and conditioned upon Your complete compliance with the terms of this Agreement. Without limiting the effect of the foregoing, upon any breach of this Agreement, We may immediately terminate Your right to use the Service. Without limiting the restriction of the foregoing, You may not use the Service (i) in any anti-competitive manner, (ii) for any purpose that would be contrary to the Bank's business interest, or (iii) to the Bank's actual or potential economic disadvantage in any aspect. You may use the Service only for non-business, personal use in accordance with this Agreement. You may not copy, reproduce, distribute or create derivative works from and you agree not to reverse engineer or reverse compile any of the technology used to provide the Service.

126. DISCLAIMER OF WARRANTIES. You represent and warrant to Us that:

FAILURE TO PROTECT YOUR HARDWARE AND SECURITY CREDENTIALS MAY ALLOW AN UNAUTHORIZED PARTY TO ACCESS THE SERVICE AND TRANSMIT AN ELECTRONIC ITEM FOR DEPOSIT. ALL USES OF THE SERVICE THROUGH YOUR SECURITY CREDENTIALS WILL BE DEEMED TO BE USES AUTHORIZED BY YOU AND BE BINDING UPON YOU. YOU ASSUME THE ENTIRE RISK FOR THE FRAUDULENT OR UNAUTHORIZED USE OF YOUR SECURITY CREDENTIALS. YOU AGREE TO (i) EXERCISE RESPONSIBLE BEHAVIOR WHEN USING THE SERVICE, (ii) FOLLOW THE INSTRUCTIONS AND RECOMMENDATIONS THAT WE PROVIDE YOU WITH RESPECT TO THE SERVICE, AND (iii) USE MAXIMUM CAUTION

Deposit Account Agreement and Disclosure

IN PROTECTING YOUR HARDWARE AND SECURITY CREDENTIALS FROM UNAUTHORIZED ACCESS. YOU AGREE TO NOTIFY US IMMEDIATELY IF YOU BECOME AWARE OF ANY LOSS OR THEFT OF, OR ANY UNAUTHORIZED USE OF THE SERVICE, THE ELECTRONICALLY DEPOSITED ITEM, OR YOUR SECURITY CREDENTIALS.

YOU AGREE YOUR USE OF THE SERVICE AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE BASIS". TO THE EXTENT ALLOWED BY APPLICABLE LAW, WE DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF THE SERVICE, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. WE MAKE NO WARRANTY THAT THE SERVICES (i) WILL MEET YOUR REQUIREMENTS, (ii) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (iii) THE RESULTS THAT MAY BE OBTAINED FROM THE SERVICE WILL BE ACCURATE OR RELIABLE, AND (iv) ANY ERRORS IN THE SERVICE OR TECHNOLOGY WILL BE CORRECTED.

LEGAL MATTERS – Part IX

127.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, unless otherwise provided by applicable law.

128.Death or Incompetence of Depositor. The Bank has the right to pay items 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 before the Bank acts on an Item. Even with knowledge, the Bank may, for ten (10) days after the date of death, pay Items 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.

129.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 at a time and in a manner that affords the Bank a reasonable opportunity to act on it before any action by the Bank on an Item.

130.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 it 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 and on-line. 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 or other Items credited to 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.

131.Security Interest. You grant the Bank a security interest under the Alaska Uniform Commercial Code in all accounts in which You have an ownership interest to secure repayment of all obligations You owe to the Bank including, without limitation, all account fees, returned Items, overdrafts, promissory notes, guaranties, credit card obligations and merchant processing obligations, whether such exist now or in the future.

132.Setoff and Enforcement of Security Interest If You owe the Bank money as an account owner, borrower, guarantor, or otherwise, and it is not paid as and when due, the Bank has the right under the law (called "setoff") and under the Agreement (by the security interest in all Your deposit accounts) to withdraw 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 attorneys' fees, charges, service 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 Items. 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 or its security interest, 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 account 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.

Deposit Account Agreement and Disclosure

133. Legal Process and Set off 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 and not prohibited by Federal or State law or regulation. 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 will 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, security interest 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.

134. Waiver of Account Exemptions. Certain government benefits (for example, Social Security, Supplemental Social Security Income, veterans' and other types of government benefits) are protected by law from legal process and Your creditors' claims. To the extent funds deposited to any account that is subject to Our right of setoff are entitled to any exemption from execution, levy, attachment, garnishment, seizure, setoff or other legal or equitable process (including, but not limited to, any Social Security, Supplemental Social Security Income, veterans or other federal or state benefits), then to the maximum extent permitted by law You affirmatively waive such exemption and consent to Our exercise of Our right of setoff against such funds. This means, for example, that We may use such funds in Your account to pay overdrafts, account service fees and charges and other amounts You (or any other account owner) owe Us.

135. 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 and We have had a reasonable opportunity to act on Your notice.

136. 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.

137. Security/Fraud. It is Your responsibility to protect the account numbers and electronic access devices that the Bank provides to You. You should not divulge Your account information to anyone. An account number can be used by thieves to create an unauthorized demand draft which looks 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 co-worker) 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, the purchase of 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 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 involving Your account or We assert a right to funds in Your account or We are faced with conflicting claims to funds in 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, Us or to the funds held in Your account, whether civil or criminal in nature, have been resolved fully to Our sole satisfaction.

Consumer Customers:

- Remember to review and 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 give Your debit card to another person
- Never include Your account number, banking passwords, or taxpayer identification number in an email message

Deposit Account Agreement and Disclosure

- 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:

- Note each of the consumer precautions above
- 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
- Have a third person periodically review the reconciliation of Your accounts to deter embezzlers

138. 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 debited against Your account. For example, if an Item which You deposited is dishonored and returned to the Bank, the Bank does not need to notify You of the dishonor.

139. Waiver of Rights by the Bank. The Bank reserves the right to waive the enforcement of any of the terms of this 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.

140. Modification of Agreement by the Bank. The Bank may amend this 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 also be included in Your account statement or in a separate mailing or posted on Our website. Amendments will be effective on the date listed in the notice, or as otherwise required by Applicable Law. You may get a copy of an updated Agreement in any of Our banking offices or by requesting Us to mail or email You a copy. Use of Your account after receipt of such notice will be deemed acceptance of the amendment by You.

141. Dispute Resolution.

- Informal Efforts.** In the event of a dispute involving the interpretation of this Agreement or the exercise of rights under this agreement, the parties shall meet informally and use their best efforts to negotiate a resolution of the dispute under Applicable Law
- Binding Arbitration.** If You have a dispute with Us, and We are not able to resolve the dispute informally, You and the Bank agree that upon demand by either of Us, the dispute will be resolved through the arbitration process as set forth below. A "dispute" is any unresolved disagreement between You and the Bank. It includes any disagreement relating in any way to services, accounts, Your use of any of the Bank's banking locations or facilities or to any means You may use to access Your account(s). It includes claims based on broken promises or contracts, torts, or other wrongful actions. It also includes statutory, common law, and equitable claims. "Disputes" also include disagreements about the meaning, application or enforceability of this arbitration agreement. This arbitration agreement shall survive any termination of Your account on the termination or amendment of the Agreement.
- Waiver of Right to Jury Trial.** You AGREE THAT BY AGREEING TO THE USE OF BINDING ARBITRATION You AND THE BANK ARE WAIVING THE RIGHT TO A JURY TRIAL OR TRIAL BEFORE A JUDGE IN A PUBLIC COURT.
- Waiver of right to join in group actions. NEITHER YOU NOR THE BANK SHALL BE ENTITLED TO JOIN OR CONSOLIDATE DISPUTES BY OR AGAINST OTHERS IN ANY ARBITRATION, OR TO INCLUDE IN ANY ARBITRATION ANY DISPUTE AS A REPRESENTATIVE OR MEMBER OF A CLASS, OR TO ACT IN ANY ARBITRATION IN THE INTEREST OF THE GENERAL PUBLIC OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.**
- Arbitration Procedure.** Each arbitration, including the selection of the arbitrator(s) shall be administered by the American Arbitration Association (AAA), or such other administrator as You and the Bank may mutually agree to (the AAA or "Arbitration Administrator"), according to the Commercial Arbitration Rules and the Supplemental Procedures for Commercial or Consumer Related Disputes, as applicable ("AAA Rules"). To the extent that there is any variance between the AAA Rules and this Arbitration Agreement, this Arbitration Agreement shall control. Arbitrators must be members of the state bar where the arbitration is held, with expertise in the substantive laws applicable to the subject matter of the dispute. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by Applicable Law. The parties agree that in this regard: (1) The parties are participating in transactions involving interstate commerce; (2) The arbitrator shall decide any dispute regarding the enforceability of this arbitration agreement; and (3) This agreement and any resulting arbitration are governed by the provisions of

Deposit Account Agreement and Disclosure

the Federal Arbitration Act (Title 9 of the United States Code), and, to the extent any provision of that act is inapplicable, unenforceable or invalid, the laws of the State of Alaska. If any of the provision of this arbitration agreement dealing with class action, class arbitration, private attorney general action, other representative action, joinder, or consolidation is found to be illegal or unenforceable, that invalid provision shall not be severable and this entire arbitration agreement shall be unenforceable.

- f) **Rights Reserved.** This arbitration agreement does not prohibit You or the Bank from exercising any lawful rights or Using another available remedies to preserve, or obtain possession of property, exercise self-help remedies, including set off rights, non-judicial foreclosure, foreclosure and sale under the Alaska Uniform Commercial Code, or obtain provisional or ancillary remedies such as injunctive relief, attachment, garnishment or the appointment of a receiver by a court of competent jurisdiction. All statutes of limitations applicable to any dispute apply to any arbitration between You and the Bank. You and the Bank retain the right to pursue in small claims court any dispute that is within that court's jurisdiction. If either You or the Bank fail to submit to binding arbitration following lawful demand, the party so failing bears all costs and expenses incurred by the other in compelling arbitration
- g) **Fees and Expenses of Arbitration.** Arbitration fees shall be determined by the rules or procedures of the arbitration administrator, unless limited by Applicable Law. Please check with the arbitration administrator to determine the fees applicable to any arbitration You may file.
- h) **Arbitration Procedure; Severability.** You or the Bank may submit a dispute to binding arbitration at any time, regardless of whether a lawsuit or other proceeding has been previously commenced.

142. Indemnity. If You ask the Bank to follow instructions that the Bank reasonably 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 of any claim made against the Bank.

143. Attorney's Fees and Costs. In the event 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 involving this Agreement or an Account, or when assistance is needed to collect any amounts You are obligated to pay the Bank.

144. Bank Contact. You may contact First Bank by calling in at 1-800-478-6101 or 1-907-228-4272 or by contacting the branch office where your account is open. You may also write to Us at First Bank Operations Center, P.O. Box 7920, Ketchikan, Alaska 99901.

PRIVACY NOTICE – Part X

145. Customer Privacy. At First Bank, the privacy and security of Our customers' personal information is important to Us. 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.

Deposit Account Agreement and Disclosure

CONSUMER ACCOUNT HOLDER SERVICE CHARGE SCHEDULE – Part XI

(All service charges are subject to local sales tax)

- (a) Account Reconciliation.....\$35.00 per hour/1 hour minimum
 - (b) Debit Card Services
 - Issue Fee.....No Charge
 - Instant Issue Fee.....\$5.00
 - Card/PIN Rush Fee.....\$95.00
 - Card/PIN Sent to Alternate Address.....\$5.00
 - Replacement Card.....No Charge for first replacement card; \$10.00 each card thereafter
 - Debit and ATM Card Transactions.....No Charge
 - Balance Inquiry.....No Charge
 - (c) Close Account Within 120 days.....\$20.00
 - (d) Collection Fees-Incoming and Outgoing.....\$10.00 each
 - (e) Non-sufficient Funds.....\$25.00
- *This fee applies to overdrafts created by check, in-person withdrawal.
- (f) Research
 - Per Hour/Minimum.....\$35.00/per hour/1 hour minimum
 - Check Copy.....\$2.00 each
 - (g) Stop Payment.....\$20.00
 - (h) Telephone Transfer Between Accounts (employee assisted).....\$2.00
 - (i) Garnishments and Levy Processing.....\$100.00
 - (j) Check Printing: Prices may vary depending on the style selected
 - (k) NO CHARGE FOR CONSUMER ACCOUNT HOLDERS
 - i. Automatic Transfer Between Accounts
 - ii. Notary Service
 - iii. Returned Deposit Items
 - iv. Online Banking
 - v. Online Bill Pay

FACTS**WHAT DOES First Bank
DO WITH YOUR PERSONAL INFORMATION?**

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ■ Social Security number and Account Balances ■ Payment History and Credit Scores ■ Overdraft History and Account Transactions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customer's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer's personal information; the reasons First Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does First Bank share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	No	No
For joint marketing with other financial companies	No	No
For our affiliates' everyday business purposes— information about your transactions and experiences	No	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	No
For nonaffiliates to market to you	No	No

Questions?	Call 800-478-6101 or go to http://www.firstbankak.com/home/cuform
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Who we are

Who is providing this notice?

First Bank

What we do

How does **First Bank** protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

Employee access to personally identifiable customer information is limited to those with a business purpose to know such information.

How does **First Bank** collect my personal information?

We collect your personal information, for example, when you

- Open an account or Deposit Money
- Pay your bills or Apply for a loan
- Make deposits or withdrawals from your account

We also collect your personal information from others, such as credit bureaus.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *First Bank does not share with our affiliates*

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *First Bank does not share with nonaffiliates so they can market to you.*

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *First Bank does not jointly market.*

Other important information

Service Charge Schedule

Valid for First Bank Account Holders Only

Account Reconciliation	\$35.00 per hour, 1 hour minimum		
ACH Batch Fee <i>max. 500 pmts/batch</i>	\$5.00		
Cashiers Check <i>up to \$2,000.00</i>	\$3.00 each		
<i>over \$2,000.00</i>	\$5.00 each		
Close Account Within 120 days	\$20.00		
Coin Ordered	\$0.15 per roll		
Coin Sorting and Rolling	\$15.00 per hour, 1 hour minimum		
By Hand	2% Customer, 4% Non-Customer		
Coin Machine	<i>Not available at all branches</i>		
Collection Fees - Incoming and Outgoing	\$10.00 each		
Counter Checks	\$3.00 per sheet		
Currency and Coin Deposited	\$1.50 per \$1,000		
Currency Ordered	\$1.30 per \$1,000		
Debit and ATM Card Services			
Issue Fee	NO CHARGE		
“Instant Issue” Fee	\$5.00		
Card/PIN Rush Fee	\$95.00		
Card/PIN Sent to Alternate Address	\$5.00		
Replacement Card	No Charge for first card \$10.00 each thereafter		
Foreign Transaction Fee	Not to exceed 2% of US dollar transactions		
At First Bank ATMs			
Debit and ATM Card Transactions	NO CHARGE		
Balance Inquiry	NO CHARGE		
Deposit Bag			
Non Locking	\$10.00 each		
Locking	\$30.00 each		
Fax			
Letter	\$15.00 per page		
Legal	\$18.00 per page		
Foreign Currency Order	\$10.00 per order		
Garnishment and Levy Processing	\$100.00 each		
Mobile Banking	NO CHARGE		
Nonsufficient Funds	\$25.00 per item		
<i>Applies to all overdrafts except consumer ATM and Point-of-Sale debit transactions</i>			
Notary Service	NO CHARGE		
Online Banking	NO CHARGE		
Photocopies	\$1.00 per copy		
Overdraft Protection Transfer	NO CHARGE		
Research			
Per Hour/Minimum	\$35.00 per hour/1 hour minimum		
Statement Copy	\$5.00 each		
Check Copy	\$2.00 each		
<i>First 5 check copies from most recent statement are free</i>			
Returned Deposit Items			
Personal account	NO CHARGE		
Business account	\$5.00 each		
Safe Deposit Box			
Small	\$60.00 annually		
Medium	\$80.00 annually		
Large	\$135.00 annually		
Extra-Large at Mendonhall Branch	\$150.00 annually		
Extra-Large at Sitka Branch	\$200.00 annually		
Drilling	\$200.00 per lock		
Emergency Drilling (plus travel expenses)	\$200.00 per lock		
Key Deposit	\$20.00 per key		
Stop Payment	\$20.00 each		
Through Online Banking	\$18.00 each		
Telephone Banking	NO CHARGE		
Telephone Transfer Between Accounts <i>employee assisted</i>	\$2.00		
Wire Transfers			
Transfer In	\$5.00 each		
Transfer Out	\$30.00 each		
Online Banking <i>Business Only</i>	\$20.00 each		
Foreign In	\$10.00 each		
Foreign Out	\$55.00 each		

FINANCIAL DISCLOSURES

In compliance with Federal Deposit Insurance Corporation Regulation 12 CFR Part 350 and Federal Reserve Requirement H, First Bank’s latest annual financial disclosure statement may be obtained by submitting a written request to the address below.

There will not be a charge for the first copy. Requests for additional copies are \$5.00 each plus sales tax.

In compliance with Alaska State Statute AS 06 05 450, First Bank prints a condensed version of the Quarterly Report of Financial Condition in the Ketchikan Daily News within 30 days of the prior quarter end. A copy of the most recent report may be obtained by submitting a request to the address below.

First Bank
Chief Financial Officer
P.O. Box 7920
Ketchikan, AK 99901



Branches in: Ketchikan, Craig, Wrangell, Petersburg, Sitka, Juneau

The one who's here.



MEMBER
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Service charge information for personal checking, business checking, and saving accounts will be furnished upon request or at account opening. Service charges are subject to applicable local sales tax.