



YOUR DEPOSIT ACCOUNT

Terms and Conditions
Electronic Transfers
Funds Availability
Substitute Checks


Northrim Bank®

TABLE OF CONTENTS

	Page
TERMS AND CONDITIONS OF YOUR ACCOUNT	3
Agreement	3
Controlling Language	3
Liability	3
Bank Liability	3
Amendments and Termination	4
Correction of Clerical Errors	4
Notices	4
Important Information About Procedures for Opening a New Account	4
Backup Withholding/TIN Certification	4
Credit Verification	5
Temporary Account Agreement	5
Ownership of Account and Beneficiary Designation	5
UTMA Accounts	5
Minor Accounts	5
Fiduciary Accounts	5
Changes to Personal Deposit Account Ownership	5
Deposits	5
Reimbursement of Federal Benefit Payments	6
Withdrawals	6
Understanding and Avoiding Overdraft and Nonsufficient Funds (NSF) Fees	7
Truncation, Substitute Checks, and Other Check Images	9
Early Withdrawal Penalties (and involuntary withdrawals)	9
Changing Account Products	9
Health Savings Accounts (HSA)	9
Lost, Destroyed, or Stolen Cashier's or Teller's Checks	10
Transactions by Mail	10
Pledges	10
Changes in Name and Contact Information	10
Online Banking and New Accounts	10
Statements	10
Your Duty to Report Unauthorized Signatures (Including Forgeries and Counterfeit Checks) and Alterations on Checks and Other Items	10
Your Duty to Report Other Errors or Problems	11
Errors Relating to Electronic Fund Transfers or Substitute Checks	11
Claim of Loss	11
Setoff	11
Account Transfer	11
Agency (Power of Attorney) Designation	11
Power of Attorney	11
Legal Actions Affecting Your Account	12
Account Security	12
Instructions From You	12
Monitoring and Recording Telephone Calls and Account Communications	12
Resolving Account Disputes	13
Waiver of Notices	13
FDIC Insurance	13
Dormancy and Unclaimed Property	13
Cash Transaction Reporting	13
Unlawful Internet Gambling Notice	13
Office of Foreign Assets Control	13
Death or Incompetence	13
International ACH Transactions	13
Account Closure	13

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES	14
Electronic Fund Transfers Initiated by Third Parties	14
Telebanking Transfers	14
ATM Transfers and Transaction Limits	14
Types of Debit Card Point-of-Sale Transactions	14
Currency Conversion and Cross-Border Transaction Fees	14
Advisory Against Illegal Use	15
Online Banking Transfers and Transaction Limits	15
Mobile Banking Transfers	15
Fees	15
Documentation	15
Preauthorized Payments	15
Liability for Failure to Make Transfers	16
Confidentiality	16
Unauthorized Transfers	16
Error Resolution Notice	16
FUNDS AVAILABILITY	17
Longer Delays May Apply	17
Special Rules for New Accounts	17
Deposits at Automated Teller Machines	17
SUBSTITUTE CHECKS AND YOUR RIGHTS	18
Substitute Checks	18
Your Rights Regarding Substitute Checks	18
ADDITIONAL TERMS AND CONDITIONS	18
Funds Transfers	18
Attorney's Fees and Costs	20
Dispute Resolution	20

TERMS AND CONDITIONS OF YOUR ACCOUNT

AGREEMENT

This document, herein referred to as ("Agreement"), along with any other documents we give you pertaining to your Account(s), is a contract (also referred to as "this agreement") that establishes rules which control your Account(s) with us. Please read this carefully and retain it for future reference. If you open the account (whether in-person, electronically, or by any other method permitted by us) (or other agreement to open an account) or continue to use the Account after receiving a notice of change or amendment, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this agreement. If you have any questions, please ask us.

This Agreement is subject to applicable federal laws, the laws of the state of Alaska and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this Agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your Account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this Agreement the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the Account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the Account. However, this Agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this Account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular. "Party" means a person who, by the terms of an Account, has a present right, subject to request, to payment from the Account other than as a beneficiary or agent. "Account" means any deposit Account that we designate as a checking, savings, money markets, retirement or certificate of deposit Accounts.

CONTROLLING LANGUAGE

English shall be the controlling language between you and the Bank. Should we translate our forms, disclosures or advertisements into another language and there is a discrepancy between the English materials and the translation, we will consider the English language version as conclusive and controlling within all applicable laws.

LIABILITY

You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this Account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the Account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this Agreement.

Each of you also agrees to be jointly and severally (individually) liable for any Account shortage resulting from charges or overdrafts, whether caused by you or another with access to this Account. This liability is due immediately, and we can deduct any amounts deposited into the Account and apply those amounts to the shortage. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your Account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your Account. This also includes any action that you or a third party takes regarding the Account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your Account when they are incurred, without notice to you.

BANK LIABILITY

We will follow reasonable commercial general standards as followed by or that do not unreasonably differ from the general standards of other similarly situated Alaska banks. These standards are referred to as "ordinary care." By exercising ordinary care we are not liable to you except as legally required. We will meet our obligation to you to care for your Account within these standards. Clerical errors, equipment failure, or even an honest mistake does not mean the Bank failed to exercise ordinary care.

We will not be held responsible for delays or our inability to provide any or all of the services due to force majeure such as fire, earthquake, extreme weather, war, strikes, acts of terrorism, interruptions of communication, transportation, utilities, or services, or other unforeseen circumstances.

AMENDMENTS AND TERMINATION

We may amend or delete any term of this Agreement. We may also add new terms to this agreement. In addition, we may suspend, modify, convert, or terminate a service, convert this account to another account type, or close this Account for any reason. For any of these types of changes, we will give you reasonable notice in writing by any reasonable method including by mail, by any electronic communication method to which you have agreed, on or with a periodic statement, or through any other method permitted by law. If we close the account, we will tender the Account balance to you or your agent personally, by mail, or by another agreed upon method.

Reasonable notice depends on the circumstances, and in some cases, such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change becomes effective. For instance, if we suspect fraudulent activity with respect to your account, and if we deem it appropriate under the circumstances and necessary to prevent further fraud, we might immediately freeze or close your account and then give you notice.

Unless otherwise indicated in the notice of change, if we have notified you of a change to your Account, and you continue to have your account after the effective date of the change, you have accepted and agreed to the new or modified terms. You should review any change in terms notice carefully as the notice will provide important information of which you may need to be aware.

We reserve the right to waive any term of this agreement. However, such waiver shall not affect our right to enforce the term at a later date.

If you request that we close your Account, you are responsible for leaving enough money in the Account to cover any outstanding items or transactions to be paid from the Account. Once any outstanding items or transactions are paid, we will close the account and tender the account balance, if any, to you or your agent personally, by mail, or by another agreed upon method.

Any items and transactions presented for payment after the Account is closed may be dishonored. Any deposits we receive after the account is closed may be returned. We will not be liable for any damages for not honoring any such debits or deposits received after the Account is closed.

Note: Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

CORRECTION OF CLERICAL ERRORS

Unless otherwise prohibited by law, you agree, if determined necessary in our reasonable discretion, to allow us to correct clerical errors, such as obtaining your missing signature, on any account documents or disclosures that are part of our agreement with you. For errors on your periodic statement, please refer to the STATEMENTS section.

NOTICES

Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive any notice in time to have a reasonable opportunity to act on it. If a notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Written notice we give you is effective when: (1) it is deposited in the United States Mail with proper postage and addressed to your mailing address we have on file; or (2) provided through electronic delivery through the Online Documents Service. Notice to any of you is notice to all of you.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an Account.

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

BACKUP WITHHOLDING/TIN CERTIFICATION

Federal tax law requires us to report interest payments we make to you of \$10 or more in a year, and to include your taxpayer identification number (TIN) on the report. Interest includes dividends, interest and bonus payments for purposes of this rule. Therefore, we require you to provide us with your TIN and to certify that it is correct. The TIN is either a social security number (SSN) or an employer identification number (EIN). For most organization or business Accounts other than sole proprietorships, the appropriate TIN is the EIN of the organization or business entity. For sole proprietorships, either the SSN or the EIN is appropriate. However, we must supply the IRS with both the individual owner's name and the business name of the sole proprietorship. The appropriate TINs for various other types of Accounts are:

Account type - TIN

Individual - SSN of the individual.

Joint Account - SSN of the designated owner named first on the Account.

Uniform Transfer to Minor - SSN of the minor.

Informal (Revocable) Trust - SSN of the owner.

In some circumstances, federal law requires us to withhold and pay to the IRS a percentage of the interest that is earned on funds in your Accounts. This is known as backup withholding. We will not have to withhold interest payments when you open your Account if you certify your TIN and certify that you are not subject to backup withholding due to underreporting of interest. We may subsequently be required to begin backup withholding if the IRS informs us that you supplied an incorrect TIN or that you underreported your interest income. If you do not have a TIN, we may defer backup withholding if you certify that you do not have a TIN but have applied for one. However, we must begin backup withholding if you do not supply us with a certified TIN within 60 days. If you do not have a TIN because you are a foreign person (either an individual who is a nonresident alien or a foreign organization) you must certify your foreign status. If you are an exempt payee

(receiver of interest payments), you do not need to certify your TIN, but you will have to certify your exempt status and supply us with your TIN. If you do not supply us with the appropriate TIN, we may refuse to open your Account.

CREDIT VERIFICATION

You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

TEMPORARY ACCOUNT AGREEMENT

If the Account documentation indicates that this is a temporary Account agreement, it means that all Account owners have not yet signed the signature card, or that some other Account opening requirement has not been completed. We may give you a duplicate signature card so that you can obtain all of the necessary signatures and return it to us. Each person who signs to open the Account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this Account. However, we may at some time in the future restrict or prohibit further use of this Account if you fail to comply with the requirements we have imposed within a reasonable time.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION

These rules apply to this Account depending on the form of ownership and beneficiary designation, if any, specified on the Account records. We reserve the right to refuse some forms of ownership and beneficiary designations on any or all of our accounts unless otherwise prohibited by law. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the Account funds.

Single-party Account – Such an Account is owned by one party.

Rights at Death - Single-party Account – At the death of a party, ownership passes as part of the party's estate.

Multiple-party Account With Right of Survivorship – Such an Account is owned by two or more parties. Upon the death of one party, the deceased party's interest in the Account will immediately pass to the remaining surviving parties. Upon the death of the surviving party, ownership passes as a part of that party's estate.

Single-party Account With Pay-on-death Designation – At death of the party, ownership passes to the designated pay-on-death beneficiaries and is not part of the party's estate.

Multiple-party Account With Right of Survivorship and Pay-on-death Designation – At death of last surviving party, ownership passes to the designated pay-on-death beneficiaries and is not part of the last surviving party's estate.

UTMA ACCOUNTS

Under the Uniform Transfers to Minors Act, the funds in the Account are owned by the child who has unconditional use of the Account when he or she reaches the age of majority. Before that time, the Account may be accessed only by the custodian (or successor custodian), and the funds must be used for the benefit of the child. We, however, have no duty or agreement whatsoever to monitor or ensure that the acts of the custodian (or successor custodian) are for the child's benefit. We are not responsible to monitor age or eligibility for an UTMA Account, even though our records may include the minor's date of birth. It is the custodian's responsibility to properly distribute the funds in the Account upon the minor's death or attainment of the age of majority. For this type of Account, the child's SSN/TIN is used for the Backup Withholding Certification.

MINOR ACCOUNTS

As an adult parent or legal guardian, you may, in our discretion, open Accounts for a minor (under eighteen (18)) child in your care. You may establish a joint savings Account or, with our agreement, a joint checking Account with your child whereby you would share responsibility with your child as a party to the Account. The minor will be considered to have all of the rights as an adult party with respect to the Account. The adult parent or guardian, however, will be solely responsible for the acts or omissions of the child with respect to the Account, including, without limitation, responsibility for all withdrawals and any overdrafts. It is the responsibility of the parent or legal guardian to monitor and control the activities of the minor on any Account.

FIDUCIARY ACCOUNTS

Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This Account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an Account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

CHANGES TO PERSONAL DEPOSIT ACCOUNT OWNERSHIP

We may allow you to add additional parties to your Account as an Account owner; however, you will not be allowed to delete a party who is designated as an owner from your Account except upon the death of one or more of the Account owners.

DEPOSITS

We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of endorsement or lack of endorsement on the item even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your Account the amount of any item deposited to your Account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged,

unauthorized or missing endorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. If you deliver a deposit to us and you will not be present when the deposit is counted, you must provide us an itemized list of the deposit (deposit slip). To process the deposit, we will verify and record the deposit, and credit the deposit to the Account. If there are any discrepancies between the amounts shown on the itemized list of the deposit and the amount we determine to be the actual deposit, your Account will be credited or debited for that amount and we will notify you of the discrepancy. You will be entitled to credit only for the actual deposit as determined by us, regardless of what is stated on the itemized deposit slip. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party endorser to verify or guarantee their endorsements, or endorse in our presence.

Endorsements – We may accept for deposit any item payable to you or your order, even if they are not endorsed by you. We may give cash back to any one of you. We may supply any missing endorsement(s) for any item we accept for deposit or collection, and you warrant that all endorsements are genuine.

REIMBURSEMENT OF FEDERAL BENEFIT PAYMENTS

If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your Account, you authorize us to deduct the amount of our liability to the federal government from the Account or from any other Account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other available legal remedy to recover the amount of our liability.

WITHDRAWALS

Generally, unless clearly indicated otherwise on the Account records, any of you, acting alone, who signs to open the Account or has authority to make withdrawals may withdraw or transfer all or any part of the Account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this Account or any other transaction with us.

Checks and Withdrawal Rules – If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your Account or reclassify your Account as another type of Account. If we reclassify your Account, your Account will be subject to the fees and earnings rules of the new Account classification.

If we are presented with an item drawn against your Account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

See our funds availability disclosure for information on when different types of deposits will be made available for withdrawal. For those Accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your Account for the purpose of deciding whether to return an item for insufficient funds at any time between the times we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the Account balance at the subsequent time will determine whether there are insufficient available funds.

Notice of Withdrawal – We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account, other than a time deposit or demand deposit, or from any other savings deposit as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your separately provided notice of penalty for early withdrawal.

Check Processing – We process items mechanically by relying almost exclusively on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and endorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of endorsements. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all Account holders.

Stop Payments – The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because the most effective way for us to execute a stop-payment order is by using an automated process, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your Account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Postdated Checks – A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your Account for a postdated check even though payment was made before the date of the check.

Stale-Dated Checks – We are not obligated to, but may at our option, pay a check, other than a certified check, presented for payment more than six months after its date. If you do not want us to pay a stale-dated check, you must place a stop-payment order on the check in the manner we have described elsewhere.

Restrictive Legends or Endorsements – The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive endorsements or other special instructions on every check. Examples of restrictive legends placed on checks are “must be presented within 90 days” or “not valid for more than \$1,000.00.” The payee’s signature accompanied by the words “for deposit only” is an example of a restrictive endorsement. For this reason, we are not required to honor any restrictive legend or endorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks.

Multiple Signatures – We will not review the number or combination of signatures on any items drawn against your Account. If the indication on a check is that more than one signature is required, this is for your purposes only.

UNDERSTANDING AND AVOIDING OVERDRAFT AND NONSUFFICIENT FUNDS (NSF) FEES

Generally – The information in this section is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and nonsufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions.

An overdrawn account will typically result in you being charged an overdraft fee or an NSF fee. Generally, an overdraft occurs when there is not enough money in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee.

If you use our Courtesy Overdraft Service and we cover a transaction for which there is not enough money in your account to pay, we will consider that an overdraft. We treat all other transactions for which there is not enough money in your account as an NSF transaction, regardless of whether we cover the transaction or the transaction is rejected.

Determining your available balance - We use the “available balance” method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your “available” balance may not be the same as your account’s “actual” balance. This means an overdraft or an NSF transaction could occur regardless of your account’s actual balance.

Your account’s actual balance (sometimes called the ledger balance) only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the ledger balance for your account as of the statement date.

As the name implies, your available balance is calculated based on the money “available” in your account to make payments. In other words, the available balance takes ACH credit transactions and debit card transactions that have been authorized, but not yet settled, and adds or subtracts them from the actual balance. In addition, when calculating your available balance, any “holds” placed on deposits that have not yet cleared are also subtracted from the actual balance. For more information on how holds placed on funds in your account can impact your available balance, read the subsection titled “A temporary debit authorization hold affects your account balance.”

Overdrafts - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for

overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time (sometimes referred to as "everyday") debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

Nonsufficient funds (NSF) fees - If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and we decide not to pay the item or transaction, you agree that we can charge you an NSF fee for returning the payment. Be aware that such an item or payment may be presented multiple times by the merchant or other payee until it is paid, and that we do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you an NSF fee each time a payment is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented.

Payment types - Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. A debit card transaction might be authorized by use of a PIN, a signature, or a chip. An example of an ACH transaction is a preauthorized payment you have set up on a recurring basis. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will help you to know what other transactions might still post against your account. For information about how and when we process these different payment types, see the "Payment order of items" subsection below.

Important information regarding "decoupled" cards - Decoupled debit cards are debit cards offered or issued by an institution or merchant other than us. As part of the issuing process, you provide the decoupled debit card issuer with the information it needs to link the decoupled debit card to your account with us. Once this is done, you can typically use the decoupled debit card as you would any other debit card. Importantly, however, while transactions initiated with these decoupled debit cards may originate as debit card transactions paid by the card issuer, we receive and process them as ACH transactions. Additionally, you need to refer to your agreement with the decoupled debit card issuer to understand the terms of use for that card. Thus, when our documentation refers to "debit cards," "everyday debit card transactions," or "one-time debit card transactions," we are referring to debit cards issued by us, not decoupled debit cards issued by other institutions or merchants. Different payment types can use different processing systems and some may take more or less time to post. Knowing which card you are using and how the transaction is processed can help you manage your finances, including helping you to avoid overdraft or NSF fees.

Balance information - Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our branches.

Funds availability - Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our funds availability disclosure (generally titled, "Your Ability to Withdraw Funds") for information on when different types of deposits will be made available for withdrawal. For an account to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the times we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

A temporary debit authorization hold affects your account balance - On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If one or more transactions are presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy, which may result in one or more overdraft or NSF fees. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

Payment order of items - The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items.

Note that items may not be processed in the order they are received.

Transactions processed throughout the day will affect your Account balance immediately, which results in both deposits and withdrawals having an immediate impact on your Account Available balance. This means that you will need to deposit the funds necessary to cover any kind of debit such as a check, transfer, point of sale (POS) purchase, or withdrawal prior to the item being presented for payment or it may be declined for insufficient available funds. Transactions processed throughout the day will generally impact your Account Available balance in the order received. Transactions normally posted at night and those processed during the business day will be final posted to your

Account in a batch process at the end of each business day. When batch posting occurs transactions are arranged in groups and posted in the following order:

- (1) Deposits are credited to your Account, including cash and check deposits, transfers, received prior to disclosed cut-off time.
- (2) Withdrawals/payments we have previously authorized, such as; items pending from the prior business day, Account transfers, Northrim Bank online banking transfer debits and bill pay transactions, and teller-cashed checks will generally post in time order based on when they were presented for payment. For some transactions, such as bill pay transactions or teller-cashed checks, the time may be assigned by our systems and may vary from the time it was actually conducted. Multiple transactions that have the same time will be sorted and paid from lowest to highest dollar amount.
- (3) Debit card and ATM withdrawal transactions will generally final post to your Account in the order based on the original date and time you conducted the transactions. If a merchant does not seek authorization from the Bank at the time of the transaction, we will use the date the transaction is presented for payment.
- (4) Preauthorized electronic debits (such as bills you pay by authorizing a third party to withdraw funds directly from your Account) are processed in amount order from the lowest to highest dollar amount.
- (5) Check transactions are posted on the date received by us and if more than one check is received they are posted in check number order from the smallest check number first to the highest check number last.

If one or more checks, items, or transactions are presented without sufficient funds in your account to pay it, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy, which may result in one or more overdraft or NSF fees. We will not charge you a fee for paying an overdraft of an ATM or one-time (sometimes referred to as "everyday") debit card transaction if this is a consumer account and you have not opted-in to that service. The amounts of the overdraft and NSF fees are disclosed elsewhere, as are your rights to opt in to overdraft services for ATM and one-time debit card transactions, if applicable. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

You waive notice of dishonor of checks as authorized by the Alaska Uniform Commercial Code. You agree to deposit sufficient funds to cover any overdraft and associated fees immediately. A decision by us to allow an overdraft does not obligate us to allow future overdrafts. You understand and agree that we may, in our discretion, utilize automated processing of overdrafts and are not required to provide prior notification of this process, unless otherwise specified by applicable law or regulation.

TRUNCATION, SUBSTITUTE CHECKS, AND OTHER CHECK IMAGES

If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals)

We may impose early withdrawal penalties on a withdrawal from a certificate of deposit Account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the Account or as a result of an attachment or other legal process. We may close your Account and impose the early withdrawal penalty on the entire Account balance in the event of a partial early withdrawal. See your separately provided notice of penalty for early withdrawal for additional information.

CHANGING ACCOUNT PRODUCTS

We may change your Account to another product offered by us at any time by giving you notice that your Account will be changed to another product on a specified date. If your Account is a certificate of deposit Account, the change will not occur before the next maturity date of your Account. If you do not close your Account before the date specified in the notice, we may change your Account to that other product on the date specified in the notice.

HEALTH SAVINGS ACCOUNTS (HSA)

For your convenience, we permit you to take distributions from your HSA by check or debit card. This feature can raise a variety of tax concerns – for example getting additional cash back on an HSA checking transaction. As a result, if you have more than one Account with us, it is a good practice to make sure you are using the appropriate checkbook for the transaction. Also, it is your responsibility to ensure your distributions and other actions related to the HSA comply with the law, including federal tax law. As always, we recommend consulting a legal or tax professional if you have any questions about managing your HSA. The terms of this Agreement are intended to work in conjunction with the HSA Agreement provided to you earlier. In the event of a conflict, the terms of the HSA Agreement control. You understand that your HSA is intended to be used for payment of qualified medical expenses. It is your responsibility to satisfy any tax liability resulting from use of your HSA for any purpose other than payment or reimbursement of qualified medical expenses. We do not monitor the purpose of any transaction to or from your HSA. Nor are we responsible for ensuring your eligibility for making contributions or ensuring withdrawals are used for payment or reimbursement of qualified medical expenses. Refer to your HSA Agreement for more information relating to the use of your HSA.

LOST, DESTROYED, OR STOLEN CASHIER'S OR TELLER'S CHECKS

Under some circumstances you may be able to assert a claim for the amount of a lost, destroyed, or stolen cashier's or teller's check. To assert the claim: (a) you must be the remitter or payee of the check, (b) we must receive notice from you describing the check with reasonable certainty and asking for payment of the amount of the check, (c) we must receive the notice in time for us to have a reasonable opportunity to act on it, and (d) you must give us a declaration (in a form we require) of your loss with respect to the check. You can ask us for a declaration form. Even if all of these conditions are met, your claim may not be immediately enforceable. We may pay the check until the ninetieth day after the date of the check. Therefore, your claim is not enforceable until the ninetieth day after the date of the check or date of acceptance, and the conditions listed above have been met. If we have not already paid the check, on the day your claim is enforceable we become obligated to pay you the amount of the check. We will pay you in cash or issue another check.

At our option, we may pay you the amount of the check before your claim becomes enforceable. However, we will require you to agree to indemnify us for any losses we might suffer. This means that if the check is presented after we pay your claim, and we pay the check, you are responsible to cover our losses. We may require you to provide a surety bond to assure that you can pay us if we suffer a loss.

TRANSACTIONS BY MAIL

You may deposit checks or drafts by mail. You should endorse the item being sent through the mail with the words "For Deposit Only" and should include your correct Account number underneath to ensure the item is credited to the correct Account. You should use the pre-encoded deposit slips found in your checkbook. If you do not use your deposit slip or provide us with instructions indicating how or where the item should be credited, we may apply it to any Account or any loan balance you have with us or we may return the item to you. Receipts for such transactions will be mailed to you only if a self-addressed stamped envelope is provided. Following your deposit, examine your statement carefully or call us to ensure that we received the item. Do not send cash through the mail for deposit.

PLEDGES

Each owner of this Account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this Account must first be satisfied before the rights of any surviving Account owner or Account beneficiary become effective. For example, if an Account has two owners and one of the owners pledges the Account (i.e., uses it to secure a debt) and then dies, (1) the surviving owner's rights in this Account do not take effect until the debt has been satisfied, and (2) the debt may be satisfied with the funds in this Account.

CHANGES IN NAME AND CONTACT INFORMATION

You are responsible for notifying us of any change in your name, address, or other information we use to communicate with you. Unless we agree otherwise, notice of such a change must be made in writing. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent information you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

ONLINE BANKING AND NEW ACCOUNTS

If you currently have online banking, you agree that new deposit and loan accounts opened with the same tax identification number and name used for your online banking service are generally accessible through the service without further authorization. If you wish to add accounts not yet accessible or to remove accounts from online banking contact Customer Service.

STATEMENTS

Statements are a valuable tool to, among other things, help prevent fraudulent or mistaken transfers. Your statement will show the transactions that occurred in connection with your Account during the statement period. Notify us immediately if you do not receive your statement by the date you would normally expect to receive it. If this is a business Account, you agree that you will have at least two people review your statements, notices, and returned checks, or in the alternative, the person who reviews these will be someone who does not have authority to transact business on the Account.

YOUR DUTY TO REPORT UNAUTHORIZED SIGNATURES (INCLUDING FORGERIES AND COUNTERFEIT CHECKS) AND ALTERATIONS ON CHECKS AND OTHER ITEMS

Your statement will provide sufficient information for you to reasonably identify the items paid (item number, amount, and date of payment). You should keep a record of each transaction as it is made so that when we give you the information in the statement, you will have a complete understanding of each transaction listed.

You have some responsibilities in connection with your statement. You must examine your statement with "reasonable promptness." Also, if you discover (or reasonably should have discovered) any unauthorized signatures (including forgeries and counterfeit checks) or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss). The loss you might bear, in whole or part, could be not only with respect to items listed on the statement, but also other items with unauthorized signatures or alterations by the same wrongdoer. Of course, an attempt can be made to recover the loss from the thief, but this is often unsuccessful.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but you will not, in any circumstance, have a total of more than 30 days from when we first send or make the statement available to you.

You further agree that if you fail to report any unauthorized signatures or alterations in your Account within 30 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 30-day limitation is without regard to whether we exercised ordinary care. The limitation in this paragraph is in addition to those contained in the second paragraph of this section.

YOUR DUTY TO REPORT OTHER ERRORS OR PROBLEMS

In addition to the Commercial Code and other state law, you agree there is a common law duty to promptly review your statement for errors in addition to unauthorized signatures or alterations. Promptly reviewing your statement is valuable to both you and us because it can help identify, correct and prevent future mistakes.

In addition to your duty to review your statements for unauthorized signatures and alterations, you agree to examine your statement with reasonable promptness for any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 30 days. Failure to examine your statement and items and report any errors to us within 30 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the 30 day time period to report other errors.

ERRORS RELATING TO ELECTRONIC FUND TRANSFERS OR SUBSTITUTE CHECKS

For information on errors relating to electronic fund transfers (e.g., online, mobile, debit card or ATM transactions) refer to your Electronic Fund Transfers Section and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to the section entitled Substitute Checks and Your Rights.

CLAIM OF LOSS

The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an everyday/one-time consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure generally titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your Account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

SETOFF

We may (without prior notice and when permitted by law) set off the funds in this Account against any due and payable debt any of you owe us now or in the future. If this Account is owned by one or more of you as individuals, we may set off any funds in the Account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this Account if prohibited by law. For example, the right of setoff does not apply to this Account if: (a) it is an Individual Retirement Account or similar tax-deferred Account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this Account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

ACCOUNT TRANSFER

This Account may not be transferred or assigned without our prior written consent.

AGENCY (Power of Attorney) DESIGNATION (Single-Party Accounts only)

A single individual is the owner. The agent is merely designated to conduct transactions on the owner's behalf. The owner does not give up any rights to act on the Account, and the agent may not in any manner affect the rights of the owner or beneficiaries, if any, other than by withdrawing funds from the Account. The owner is responsible for any transactions of the agent. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

The owner may terminate the agency at any time, and the agency is automatically terminated by the death of the owner. However, we may continue to honor the transactions of the agent until: (a) we have received written notice or have actual knowledge of the termination of the agency, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept the designation of an agent.

POWER OF ATTORNEY

You may wish to appoint an agent to conduct transactions on your behalf. (We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the agent are for your benefit.) This may be done by allowing your agent to sign in that capacity on the signature card or by separate form, such as a power of attorney. A power of attorney continues until your death or the death of the person given the power. If the power of attorney is not "durable," it is revoked when you become incompetent. We may continue to honor the transactions of the agent until: (a) we have received written notice or have actual knowledge of the termination of the authority or the death of an owner, and (b) we have had a reasonable opportunity to act on that notice or knowledge. You agree not to hold us responsible for any loss or damage you may incur as a result of our following instructions given by an agent acting under a valid power of attorney.

LEGAL ACTIONS AFFECTING YOUR ACCOUNT

If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your Account (termed "legal action" in this section), we will comply with that legal action as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights you may have under applicable law with regards to such legal action. Subject to applicable law, we may, in our sole discretion, choose to freeze the assets in the Account and not allow any payments or transfers out of the Account, or take other action as may be appropriate under the circumstances, until there is a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your Account or in any way restricted access to your funds in accordance with the legal action and applicable law. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees, and our internal expenses) may be charged against your Account, unless otherwise prohibited by applicable law. The list of fees applicable to your Account(s) - provided elsewhere - may specify additional fees that we may charge for responding to certain legal actions.

ACCOUNT SECURITY

Duty to Protect Account Information and Methods of Access - Our policy may require methods of verifying your identity before providing you with a service or allowing you access to your Account. We can decide what identification is reasonable under the circumstances. For example, process and identification requirements may vary depending on whether they are online or in person. Identification may be documentary or physical and may include collecting a fingerprint, voiceprint, or other biometric information.

It is your responsibility to protect the Account numbers and electronic access devices (e.g., an ATM card) we provide you for your Accounts. You should also safeguard your username, password, and other access and identifying information when accessing your Account through a computer or other electronic, audio, or mobile device or technology. If you give anyone authority to access the Account on your behalf, you should exercise caution and ensure the trustworthiness of that agent. Do not discuss, compare, or share information about your Account numbers with anyone unless you are willing to give them full use of your money. An Account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device or information and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized. Your Account number can also be used to electronically remove money from your Account, and 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 yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

Positive pay and other fraud prevention services - Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your Account to help identify and limit fraud or other unauthorized transactions against your Account, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected. The positive pay service can help detect and prevent check fraud and is appropriate for Account holders that issue a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

INSTRUCTIONS FROM YOU

Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission, email, voicemail, or phone call to a facsimile number, email address, or phone number not designated by us for a particular purpose or for a purpose that is unrelated to the request or instruction.

MONITORING AND RECORDING TELEPHONE CALLS AND ACCOUNT COMMUNICATIONS

Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record, and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your Account, we may need to contact you about your Account from time to time by telephone, text messaging, or email. In contacting you about your Account, we may use any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

You acknowledge that the number we use to contact you may be assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You acknowledge that we may contact you by voice, voicemail, or text messaging. You further acknowledge that we may use pre-recorded voice messages, artificial voice messages, or automatic telephone dialing systems.

If necessary, you may change or remove any of the telephone numbers, email addresses, or other methods of contacting you at any time using any reasonable means to notify us.

RESOLVING ACCOUNT DISPUTES

We may place an administrative hold on the funds in your Account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your Account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your Account for these reasons.

WAIVER OF NOTICES

To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your Account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

FDIC INSURANCE

Funds in your Account(s) with us are insured by the Federal Deposit Insurance Corporation (FDIC) and backed by the full faith and credit of the United States. The amount of insurance coverage you have depends on the number of Accounts you have with us that are of different "ownership." An individual Account is one unique form of "ownership"; a joint Account, a pay-on-death Account, and a self directed qualified retirement Account (e.g., an IRA) are examples of some of the others. Deposit insurance for a person's self directed qualified retirement Account is up to \$250,000. (An IRA is a self directed qualified retirement Account as is any Account where the owner decides where and how to invest the balance.) Funds are insured to \$250,000 per depositor for the total of funds combined in all of your other insured Accounts with us. If you want a more detailed explanation or additional information, you may ask us or contact the FDIC. You can also visit the FDIC website at www.fdic.gov and click on the Deposit Insurance link. The link includes detailed contact information as well as a deposit insurance estimator.

DORMANCY AND UNCLAIMED PROPERTY

The law establishes procedures under which unclaimed property must be surrendered to the state. (We may have our own rules regarding dormant accounts, and if we charge a fee for dormant accounts it will be disclosed to you elsewhere.) Generally, the funds in your account are considered unclaimed if you have not had any activity or communication with us regarding your account over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds.

CASH TRANSACTION REPORTING

To help law enforcement agencies detect illegal activities, the law requires all financial institutions to gather and report information on some types of cash transactions. If the information we need to complete the report is not provided, we are required to refuse to handle the transaction. If you have any questions regarding these rules, the U.S. Treasury Financial Crimes Enforcement Network (FinCEN) maintains a frequently asked questions (FAQ) document online. The FAQ also includes additional information for contacting FinCEN.

UNLAWFUL INTERNET GAMBLING NOTICE

Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this Account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

OFFICE OF FOREIGN ASSETS CONTROL

The Office of Foreign Assets Control (OFAC) may prevent us from opening an Account, sending a check or other item, ACH transaction or wire transfer to or receiving a check or other item, ACH transaction or wire transfer from certain parties that are referred to as "Blocked Parties". It is your obligation to make sure you do not initiate or receive checks or other items, ACH transactions or wire transfers to or from Blocked Parties. You acknowledge that if we receive any item from you for credit to a Blocked Party, we are obligated to deduct the amount of the item from your Account, and credit the amount to a bank controlled Account and report the event to the OFAC.

DEATH OR INCOMPETENCE

You agree to notify us promptly if any person with a right to withdraw funds from your Account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by an authorized party to the Account.

INTERNATIONAL ACH TRANSACTIONS

Financial institutions are required by law to scrutinize or verify any international ACH transaction (IAT) that they receive against the Specially Designated Nationals (SDN) list of the Office of Foreign Assets Control (OFAC). This action may, from time to time, cause us to temporarily suspend processing of an IAT and potentially affect the settlement and/or availability of such payments.

ACCOUNT CLOSURE

You may close your Account by notifying us in person or in writing. You understand that bringing your Account balance to zero may not cause it to close and that additional service charges may be assessed. Writing a memo or note on a check written for the balance and indicating "To Close Account" will not satisfy the requirement for a separate written request. If your Account remains overdrawn for 87

(eighty-seven) days, the Bank may close your Account on the 88th (eighty-eight) day. Accounts that remain at a zero balance for 90 days may also be closed.

We are not responsible for acceptance of any credit item or payment of any debit item once your Account has been closed. If your Account is interest bearing, you may not be paid interest that has accrued but not been posted to the Account. Some types of Accounts, such as certificate of deposit Accounts, may charge a penalty for early withdrawal.

We may close your Account for any reason or for no reason within the timeframe dictated by applicable law or regulation. At the time of closure, we will issue a cashier's check for any balance owing and mail it to the address of record using first class mail. If your Account is being closed for cause such as fraud or overdraft activity, we reserve the right to freeze activity on your Account pending review of each item. Without prior notice, we may require you to close your Account and open a new Account if we feel that keeping the existing Account open poses an unacceptable risk of loss to you or to us. Such risks may include, but not be limited to, forgery, fraudulent activity, lost or stolen checks and withdrawal slips.

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your Account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

ELECTRONIC FUND TRANSFERS INITIATED BY THIRD PARTIES

You may authorize a third party to initiate electronic fund transfers between your Account and the third party's Account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your Account number and bank information. This information can be found on your check or you may contact us for this information. Thus, you should only provide your bank and Account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits** – You may make arrangements for certain direct deposits (such as for example, U.S. Treasury (Social Security) or some employers (payroll)) to be accepted into your checking or savings Account(s).
- **Preauthorized payments** – You may make arrangements to pay certain recurring bills from your checking or savings Account(s).
- **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 or pay bills.
- **Electronic returned check charge** – You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

TELEBANKING TRANSFERS

You may access your Account by telephone at Anchorage: (907) 562-2228, Mat-Su: (907) 376-0356, Fairbanks: (907) 455-1155, Southeast: (907) 790-2265, or Toll Free: (800) 478-3311 using your personal identification number, a touch tone phone, your Account numbers, and VRU Access Number (10 digit number customer establishes), to obtain information about the Account balance of checking and savings Account(s) and the last 10 deposits, and additional deposits in groups of 10 up to 30. You may also request the last 10 withdrawals, and additional withdrawals in groups of 10 up to 30. Based on the Accounts established you may transfer from; checking to checking, checking to savings, savings to checking, savings to savings, line of credit to checking, and line of credit to savings. You may also make payments from a checking or savings to loan Accounts with us.

ATM TRANSFERS AND TRANSACTION LIMITS

You may access your Account(s) by ATM using your ATM Card and personal identification number or debit card and personal identification number, to make deposits at most Northrim ATMs to checking and savings Account(s).

You may use various ATMs to obtain cash withdrawals from checking and savings Account(s) with an ATM or debit card. You may withdraw no more than \$600 per day. Limits on minor Accounts can be set to \$20-\$600. You may transfer funds using an ATM or debit card from savings to checking Accounts or checking to savings Accounts. You may also obtain information about the Account balance of checking and savings Account(s). Some of these services may not be available at all terminals.

TYPES OF DEBIT CARD POINT-OF-SALE TRANSACTIONS

You may access your checking Account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept. You may not exceed \$2,500 in transactions per day.

CURRENCY CONVERSION AND CROSS-BORDER TRANSACTION FEES

If you initiate a transaction with your Mastercard®-branded Debit Card in a currency other than US Dollars, Mastercard will convert the charge into a US Dollar amount. The Mastercard currency conversion procedure is based on rates observed in the wholesale market or,

where applicable, on government-mandated rates. The currency conversion rate Mastercard generally uses is the rate for the applicable currency that is in effect on the day the transaction occurred. However, in limited situations, particularly where Mastercard transaction processing is being delayed, Mastercard may instead use the rate for the applicable currency in effect on the day the transaction is processed.

Mastercard charges us a Currency Conversion Assessment of 20 basis points (.2% of the transaction) for performing the currency conversion. In addition, Mastercard charges us an Issuer Cross-Border Assessment of 90 basis points (.9% of the transaction) on all cross-border transactions regardless of whether there is a currency conversion. A cross-border transaction is a transaction that occurs at a card acceptance location in a different country from the country in which the card was issued. This means a cross-border transaction can occur even though the transaction is made when you are not in a foreign country. For example, a transaction made online with a foreign merchant is a cross-border transaction even though made while you are physically in the United States.

ADVISORY AGAINST ILLEGAL USE

You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

ONLINE BANKING TRANSFERS AND TRANSACTION LIMITS

You may access your Account(s) by computer through the internet by logging onto our website at www.northrim.com and using your user identification, password and multifactor authentication (when required), to obtain Account balance and transaction activity on checking, savings, and certificate of deposit Accounts. Based on the approved Accounts available through online banking, you may also transfer funds from; checking to checking, checking to savings, savings to checking, savings to savings, a line of credit to checking, and a line of credit to savings. You may also make payments from; checking and savings Accounts to loan Accounts with us. You may make payments from your checking Account to third parties for no more than \$2,000 per transfer, amount may be higher for transfers provided by check. External transfers to or from Accounts in your name are also available for no more than \$2,500 per day.

MOBILE BANKING TRANSFERS

You may access your Account(s) through the browser on your cell or mobile phone at northrim.com or by downloading our mobile banking app and using your user identification, password and multifactor authentication, to obtain Account balance and transaction activity on checking, savings, and certificate of deposit Accounts. Based on the approved Accounts accessible through Mobile Banking you may also transfer funds from; checking to checking, checking to savings, savings to checking, savings to savings, a line of credit to checking, and a line of credit to savings. You may also make payments from; checking and savings Accounts to loan Accounts with us. You may make payments from your checking Account to third parties; limits are dependent on the method used to transfer the funds and can range between \$200 up to \$2,000 per transfer, amount may be higher for transfers provided by check. External transfers to or from Accounts in your name are also available for no more than \$2,500 per day.

You may be charged access fees by your device provider based on your individual plan. Web access is needed to use this service. Check with your cell phone provider for details on specific fees and charges.

FEES

Except as indicated elsewhere, we do not charge a fee for direct deposits or for preauthorized payments from any type of Account.

ATM Operator/Network 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). We also may assess an out of network fee if you use an ATM not owned by us to obtain a withdrawal.

DOCUMENTATION

Terminal Transfers – You can obtain a receipt at the time you make a transfer to or from your Account using an ATM or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.

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, the person or company making the deposit will tell you every time they send us the money. You can call us at (907) 562-0062 or (800) 478-2265 to find out whether or not the deposit has been made.

Periodic Statements – Monthly Account statements are provided for your checking Account. Monthly Account statements are also provided for your savings Account, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly. We will provide a quarterly Account statement for your certificate of deposit Account.

PREAUTHORIZED PAYMENTS

Right to Stop Payment – If you have told us in advance to make regular payments out of your Account, you can stop any of these payments. Here is how: Call or write us at the telephone number or address listed in this disclosure 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. Please refer to our separate fee schedule for the amount we will charge you for each stop-payment order you request.

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 and you provided accurate information 3 business days or more before the transfer is scheduled, and we do not do so, we may be liable for your losses or damages.

LIABILITY FOR FAILURE TO MAKE TRANSFERS

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

- (1) If, through no fault of ours, you do not have enough money in your Account to make the transfer.
- (2) If you have an overdraft line and the transfer would go over the credit limit.
- (3) If the ATM where you are making the transfer does not have enough cash.
- (4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

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

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant; or
- (3) in order to comply with government agency or court orders; or
- (4) as explained in the separate Privacy Disclosure.

UNAUTHORIZED TRANSFERS

Consumer liability

Tell us AT ONCE if you believe your card and/or code 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 and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

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

Also, if your statement shows transfers that you did not make, including those made by card, code 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.

Additional Limits on Liability for Mastercard®-branded Debit Card. You will not be liable for any unauthorized transactions using your Mastercard®-branded Debit Card if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us. In the event these additional limits do not apply (e.g., if you failed to exercise reasonable care or failed to promptly notify us) the liability limits of Regulation E (described above) apply. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this disclosure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

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

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

We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new Account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new Account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your Account within 10 business days (20 business days if the transfer involved a new Account) 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. Your Account is considered a new Account for the first 30 days after the first deposit is made, unless each of you already has an established Account with us before this Account is opened.

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.

NORTHRIM BANK
P.O. BOX 241489
ANCHORAGE, AK 99524-1489

Business Days: Monday through Friday
Excluding Federal Holidays
Phone: (907) 562-0062 or (800) 478-2265
MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

FUNDS AVAILABILITY

This policy statement applies to “transaction” Accounts, but not to savings deposits. Transaction Accounts, in general, are Accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other Accounts of yours with us. Checking Accounts are the most common transaction Accounts. Savings Accounts and money market deposit Accounts are examples of savings deposits. Feel free to ask us whether any of your other Accounts might also be under this policy.

Our policy is to make funds from your check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits and cash will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

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 closing 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 closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

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

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another Account with us. The funds in the other Account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

LONGER DELAYS MAY APPLY

Case-by-case delays – 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 your deposit. Depending on the type of check that you deposit, funds may not be available until the third business day after the day of your deposit. The first \$275 of your deposits, however, will be available on the first business day.

If all of the funds from your deposit will not be available on the first business day, we will notify you at the time you make your deposit. We will also inform you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you a notice no later than one business day after the day we receive your deposit.

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

Safeguard exceptions – Funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$6,725 on any one day.
- You redeposit 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 the Bank's computer or communications equipment.

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

SPECIAL RULES FOR NEW ACCOUNTS

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

Funds from electronic direct deposits and cash deposits to your Account will be available on the day we receive the deposit. Funds from deposits of wire transfers and the first \$6,725 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, 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 payable to you (and you may have to use a special deposit slip). The excess over \$6,725 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$6,725 will not be available until the second business day after the day of your deposit.

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

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any check deposits made at automated teller machines (ATMs) we own or operate may not be available until the second business day after the day of your deposit.

SUBSTITUTE CHECKS AND YOUR RIGHTS

As our customer we think it's important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights.

SUBSTITUTE CHECKS

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with 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." You may use a substitute check as proof of payment just like the original check.

When you deposit an item with us drawn on another institution for credit to your Account, we may remove the original item from the collection system by creating an electronic representation of that item. We would then submit the item electronically to the check collection system for payment by the institution on which the check is drawn. The removal of the original physical item from the collection system is referred to as truncation. An institution in the collection system may choose to convert the electronic item back to a paper item for further processing. The paper re-creation of the original item is a "substitute check."

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice 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.

YOUR RIGHTS REGARDING SUBSTITUTE 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. These procedures only apply when you receive an original substitute check that is charged to your Account. 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, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your Account is an interest-bearing Account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your Account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your Account earns interest) not later than 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.

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your Account, please contact us at:

Customer Service (907) 562-0062 or (800) 478-2265

You must contact us within 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 or the following information to help us identify the substitute check: the check number, the amount of the check, the date of the check, and the name of the person to whom you wrote the check.

ADDITIONAL TERMS AND CONDITIONS

FUNDS TRANSFERS

You agree that this section is governed by Article 4A of the Uniform Commercial Code - Funds Transfers (UCC 4A) and the terms used in this section have the meaning given to them in UCC 4A. You also agree to be bound by all funds-transfer system rules, rules of the Board of Governors of the Federal Reserve System (Board) and their operating circulars, as appropriate. Unless otherwise required by applicable law, such as Regulation J or the operating circulars of the Board, this section is subject to UCC 4A as adopted in the state in which you have your account with us. If any part of this section is determined to be unenforceable, the rest shall remain effective. This section controls funds transfers unless supplemented or amended in a separate record. Generally, this section will not apply to you if you are a consumer. For example, this section generally does not apply to a funds transfer if any part of the transfer is governed by the Electronic Fund Transfer Act of 1978 (EFTA). However, this section does apply to a funds transfer that is a remittance transfer as defined in EFTA unless the remittance transfer is an electronic fund transfer as defined in EFTA. To the extent this section is not inconsistent with the EFTA, this section may also apply to a consumer electronic fund transfer sent through the FedNow system or through the Real Time Payments system (RTP)

operated by The Clearing House. In addition, even if you are a consumer, this section will apply to that part of any funds transfer that is conducted by Fedwire.

Funds Transfer – A funds transfer is the transaction or series of transactions that begin with the originator's payment order, made for the purpose of making payment to the beneficiary of the order. A funds transfer is completed by the acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's order. Unless otherwise required by the type of funds transfer you are initiating, you may transmit a payment order orally or in a record, but your order cannot state any condition to payment to the beneficiary other than the time of payment. Credit entries may be made by ACH

Authorized Account – An authorized Account is a deposit Account you have with us that you have designated as a source of payment of payment orders you issue to us. If you have not designated an authorized Account, any Account you have with us is an authorized Account to the extent that payment of the payment order is not inconsistent with the use of the Account.

Acceptance of Your Payment Order – We are not obligated to accept any payment order that you give us, although we normally will accept your payment order if you have collected and available funds in an authorized Account sufficient to cover the order. If we do not execute your payment order, but give you notice of our rejection of your payment order after the execution date or give you no notice, we are not liable to pay you as restitution any interest on a withdrawable credit in a non-interest-bearing Account.

Cutoff Time – If we do not receive your payment order or communication canceling or amending a payment order before our cutoff time on a funds transfer day for that type of order or communication, the order or communication will be deemed to be received at the opening of our next funds transfer business day.

Payment of Your Order – If we accept a payment order you give us, we may receive payment by automatically deducting from any authorized Account the amount of the payment order plus the amount of any expenses and charges for our services in execution of your payment order. We are entitled to payment on the payment or execution date. Unless your payment order specifies otherwise, the payment or execution date is the funds transfer date we receive the payment order. The funds transfer is completed upon acceptance by the beneficiary's bank. Your obligation to pay your payment order is excused if the funds transfer is not completed, but you are still responsible to pay us any expenses and charges for our services. However, if you told us to route the funds transfer through an intermediate bank, and we are unable to obtain a refund because the intermediate bank that you designated has suspended payments, then you are still obligated to pay us for the payment order. You will not be entitled to interest on any refund you receive because the beneficiary's bank does not accept the payment order.

Security Procedure – As described more fully in a separate writing, the authenticity of a payment order or communication canceling or amending a payment order issued in your name as sender may be verified by a security procedure. You affirm that you have no circumstances which are relevant to the determination of a commercially reasonable security procedure unless those circumstances are expressly contained in a separate writing signed by us. If you refuse a commercially reasonable security procedure that we have offered you, you agree that you will be bound by any payment order issued in your name, whether or not authorized, that we accept in good faith and in compliance with the security procedure you have chosen.

Identifying Number – If your payment order identifies an intermediate bank, beneficiary bank, or beneficiary by name and number, we and every receiving or beneficiary bank may rely upon the identifying number rather than the name to make payment, even if the number identifies an intermediate bank or person different than the bank or beneficiary identified by name. Neither we nor any receiving or beneficiary bank have any responsibility to determine whether the name and identifying number refer to the same financial institution or person.

Record of Oral or Telephone Orders – You agree that we may, if we choose, record any oral or telephone payment order or communication of amendment or cancellation.

Notice of Credit – If we receive a payment order to credit an account you have with us, we are not required to provide you with any notice of the payment order or the credit.

Provisional Credit – You agree to be bound by the automated clearing house association operating rules that provide that payments made to you or originated by you by funds transfer through the automated clearing house system are provisional until final settlement is made through a Federal Reserve Bank or otherwise payment is made as provided in Article 4A-403(a) of the Uniform Commercial Code.

Refund of Credit – You agree that if we do not receive payment of an amount credited to your Account, we are entitled to a refund from you in the amount credited and the party originating such payment will not be considered to have paid the amount so credited.

Cancellation or Amendment of Payment Order – You may cancel or amend a payment order you give us only if we receive the communication of cancellation or amendment before our cutoff time and in time to have a reasonable opportunity to act on it before we accept the payment order. The communication of cancellation or amendment must be presented in conformity with the same security procedure that has been agreed to for payment orders.

Intermediaries – We are not liable for the actions of any intermediary, regardless of whether or not we selected the intermediary. We are not responsible for acts of God, outside agencies, or nonsalaried agents.

Limit on Liability – You waive any claim you may have against us for consequential or special damages, including loss of profit arising out of a payment order or funds transfer, unless this waiver is prohibited by law. We are not responsible for attorney fees you might incur due to erroneous execution of payment order.

Erroneous Execution – If we receive an order to pay you, and we erroneously pay you more than the amount of the payment order, we are entitled to recover from you the amount in excess of the amount of the payment order, regardless of whether you may have some claim to the excess amount against the originator of the order.

Duty to Report Unauthorized or Erroneous Payment – You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. The time you have to notify us will depend on the circumstances, but that time will not in any circumstance exceed 14 days from when you are notified of our acceptance or execution of the payment order or amendment or that your Account was debited with respect to the order or amendment. If you do not provide us with timely notice you will not be entitled to interest on any refundable amount. If we can prove that you failed to perform either of these duties with respect to an erroneous payment and that we incurred a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order.

Objection to Payment – If we give you a notice that reasonably identifies a payment order issued in your name as sender that we have accepted and received payment for, you cannot claim that we are not entitled to retain the payment unless you notify us of your objection to the payment within one year of our notice to you.

ATTORNEY'S FEES AND COSTS

In the event either you or the Bank brings an arbitration or legal action to enforce 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 Account dispute or litigation, or when assistance is needed to collect any amounts you are obligated to pay the Bank, regardless of whether a lawsuit is filed.

DISPUTE RESOLUTION

Informal Dispute Resolution – If a dispute arises out of or relates to this agreement or the alleged breach thereof, the parties agree to exercise their best efforts to resolve the dispute informally. The executives or representatives of each of us with authority to resolve the dispute shall meet within ten (10) days of receipt of a written request for a meeting under this section of the agreement. The parties agree to exchange relevant information and, recognizing their mutual interests, diligently endeavor to resolve the dispute. All reasonable requests for information by one party shall be honored by the other party.

Mediation – If the parties cannot so resolve their dispute informally, the parties agree next to try in good faith to resolve the dispute by mediation under the mediation rules for Commercial Financial Disputes of the American Arbitration Association, before resorting to arbitration. The parties shall mutually select an acceptable mediator. If they are unable to do so, the parties may either use the process for selecting an arbitrator when the parties are unable to do so or they may elect to go directly to arbitration.

Arbitration – Any unresolved controversy or claim arising out of or relating to this Agreement, or alleged breach thereof not resolved informally or by mediation, shall be resolved by a single neutral arbitrator utilizing arbitration rules for Commercial Financial Disputes of the American Arbitration Association.

PLEASE READ THIS SECTION OF THE AGREEMENT CAREFULLY. IT PROVIDES THAT ANY DISPUTE MAY BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT. YOU WILL NOT BE ABLE TO BRING A CLASS ACTION OR OTHER REPRESENTATIVE ACTION IN COURT SUCH AS IN THE FORM OF A PRIVATE ATTORNEY GENERAL ACTION, NOR WILL YOU BE ABLE TO BRING ANY CLAIM IN ARBITRATION AS A CLASS ACTION OR OTHER REPRESENTATIVE ACTION. YOU WILL NOT BE ABLE TO BE PART OF ANY CLASS ACTION OR OTHER REPRESENTATIVE ACTION BROUGHT BY ANYONE ELSE, OR BE REPRESENTED IN A CLASS ACTION OR OTHER REPRESENTATIVE ACTION. IN THE ABSENCE OF THIS ARBITRATION AGREEMENT, YOU AND WE MAY OTHERWISE HAVE HAD A RIGHT OR OPPORTUNITY TO BRING CLAIMS IN A COURT, BEFORE A JUDGE OR JURY, AND/OR TO PARTICIPATE OR BE REPRESENTED IN A CASE FILED IN COURT BY OTHERS (INCLUDING CLASS ACTIONS AND OTHER REPRESENTATIVE ACTIONS). OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO A COURT, SUCH AS DISCOVERY OR THE RIGHT TO APPEAL THE DECISION MAY BE MORE LIMITED. EXCEPT AS OTHERWISE PROVIDED BELOW, THOSE RIGHTS ARE WAIVED.

The Arbitrator selected by the parties shall be appointed from the National Roster for Commercial Financial Disputes as provided in the Rules of the American Arbitration Association unless otherwise mutually agreed to by the parties. Mediators shall be appointed, with consent by the parties, from the National Panel of Mediators, when practicable, but otherwise by agreement of the parties. If the parties cannot agree on the selection of a mediator or arbitrator, each party shall select a representative and the representatives so selected shall select the mediator or the arbitrator. If the parties so selected shall not agree, either party may petition the superior court sitting in Anchorage, Alaska to appoint an arbitrator.

We will reimburse you for the initial arbitration filing fee if paid by you up to the amount of \$500 upon receipt of proof of payment. Additionally, if there is a hearing, we will pay any fees of the arbitrator and arbitration administrator for the first two days of that hearing. The payment of any such hearing fees by us will be made directly to the arbitration administrator selected pursuant to this Arbitration Agreement. All other fees will be allocated in keeping with the rules of the arbitration administrator and applicable law. Each party to this Agreement will bear the expense of its own counsel, experts, witnesses and preparation and presentation of its case; provided, however, that the arbitrator may include an award of recovery of all or a portion of the prevailing party's attorney's fees and costs (including the arbitrator's fees) in the arbitration award.

Any arbitrator award shall be in the form of a reasoned opinion signed by the arbitrator and shall generally state the reasons and the factual and legal basis upon which the award is based and shall include findings of fact and conclusions of law.

The arbitrator is not empowered and shall not have the authority to award damages (such as punitive, exemplary, or statutory damages) in addition to compensatory damages, and each of us hereby irrevocably waives any right to recover such damages with respect to any

dispute under this Agreement resolved by arbitration. The arbitrator shall not have the power to order specific performance of any obligation or duty of any party to this Agreement or to issue injunctions in connection therewith or otherwise.

The parties and any mediator and arbitrator shall treat all aspects of the mediation and arbitration proceedings including, without limitation, discovery, testimony and other evidence, briefs and award, as strictly confidential; provided, however, that any award or order entered by the arbitrator hereunder may be entered as a judgment or order in court.

Nothing in the preceding paragraphs, or otherwise, nor the exercise of any right to negotiation, mediation or arbitration, nor the commencement or pendency of any proceeding, shall limit the right of any party to this Agreement:

To seek judicial equitable relief or pursue provisional rights or remedies under applicable statutory and/or case law including, but not limited to, injunctive relief and the appointment of a receiver; or

To exercise any self-help rights or any other rights or remedies available to it by contract or applicable statutory or case law (including but not limited to the filing of an involuntary petition in bankruptcy, the right of set off, attachment, recoupment, foreclosure, or repossession) with respect to an extension of credit, the protection and preservation of collateral, the liquidation and realization of collateral, the protection, continuation and preservation of lien rights and priorities, the collection of indebtedness, and the processing and payment or return of checks or other items, whether such occurs before, during or after the pendency of any negotiation, mediation, or arbitration proceeding.

The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary rights or remedies or exercise of self-help remedies, all as provided herein, and the pursuit of any such rights or remedies, shall not constitute a waiver of the right or obligation of any party, including the party seeking judicial relief or remedies, to submit a dispute to negotiation, mediation and arbitration, including disputes that may arise from the exercise of such rights.

As an exception to this Arbitration agreement, you retain the right to pursue in a small claims court any claim that is within that court's jurisdiction and proceed on an individual basis. If a party elects to arbitrate a claim, the arbitration will be conducted as an individual action.

Neither you nor we agree to any arbitration on a class or representative basis, and the arbitrator will have no authority to proceed on such basis. This means that even if a class action lawsuit or other representative action, such as that in the form of a private attorney general action, is filed, any claim between us related to the issues raised in such lawsuits will be subject to an individual arbitration claim if either you or we so elect.

The laws of the State of Alaska, including the Alaska Revised Uniform Arbitration Act, and applicable Federal law govern this Agreement. Issues regarding arbitrability, validity, the class action waiver and enforceability of this dispute resolution shall be resolved by the court. In the event the class action waiver is determined to be unenforceable, this dispute resolution provision shall no longer be of any force or effect. Venue for any mediation or arbitration proceeding shall be where the branch of the Bank in which the Account giving rise to the dispute is located or where both parties may otherwise mutually agree. This Arbitration Agreement shall survive amendment, termination or expiration of this Agreement.