

- b. The request will not bind the Bank until it has had a reasonable opportunity to act upon it.
- c. The request does not affect rights, which others, including any branch of Bank, may acquire with respect to the check.
- d. Bank will rely on the correctness of the description of the check furnished as part of the request. Payment of any credit check, which is not correctly and completely described, will not be in violation of the request.
- e. The effectiveness of any request will expire without further notice from Bank six months from the date of the request, unless the request is renewed in the same manner as originally communicated within one week of expiration.
- f. Bank will charge the account of the cardholder who issued the credit check a fee if Bank acts on the request.
- g. Business agrees to hold Bank harmless for the amount of the credit check as well as for all costs, expenses or damages Bank may incur or suffer by refusing payment of the credit check.

20. **Notice.** All notices, requests, and other communication provided for herein, unless otherwise specified herein, may be sent to bank by emailing CCCustomerService@FNBAAlaska.com or by facsimile transmission to (907)-777-4507; Monday through Friday, 8:00 A.M. to 5:00 P.M., Alaska Standard Time, except for Bank holidays. Notice will be considered given, or a request received, upon acknowledgment of receipt of the e-mail or facsimile transmission by the other party.

21. **Automation and Information Management.** Bank agrees to provide all cardholder account balance information on a monthly basis. Bank agrees that it will maintain all information relative to the account of Business with Bank arising under this agreement as confidential information and will exercise the same standard of care and security to protect such information as Bank uses to protect its own confidential information. Bank agrees to use such information exclusively for the purpose of providing of services to Business hereunder and not to release such information to any other party; provided, however, that Bank may collect, maintain and, at its option, disseminate information and data to others concerning card transactions which does not contain any direct or indirect identification of Business or a cardholder.

22. **Proprietary Information.** Bank considers the services that are the subject of this agreement to be unique and involving proprietary information of Bank. Business agrees that any reports, manuals, documentation or related materials will be circulated only to persons, and only to the extent necessary in order that Business and Cardholders may benefit from the services being offered. Business agrees to take all reasonable steps to safeguard such proprietary information and not to release such information to any persons.

23. **Financial Statements.** At any time the Bank has the right to request and obtain financial statements on your Business.

24. **Continuity of Service.** Bank recognizes that the services provided under this agreement are important to Business and upon the expiration or termination of this agreement, a successor service provider may continue these services for Business. Bank shall assist with an orderly and efficient transition to such successor services provider.

25. **Indemnification.** Bank shall indemnify and hold Business harmless against demands, claims, suits, or proceedings alleging infringement of any patent of the United States, or any trademark, service mark, copyright or other proprietary right arising out of or incident to this agreement.

26. **Termination and Suspension.** This Agreement shall remain in full force until terminated by either Business or Bank upon ninety (90) days prior written notice to the other party. All Cards and related Cardholder Accounts shall be deemed canceled effective upon termination of this agreement.

Notwithstanding the foregoing, either party shall have the right to terminate this agreement immediately, by written notice of such ter-

mination to the other party, upon any one or more of the following events:

- a. Dissolution or liquidation of the other party;
- b. Insolvency of the other party or the filing of a Bankruptcy or insolvency proceeding, the appointment of a receiver or trustee for benefit of creditors or if the other party enters into an arrangement with its creditors;
- c. Any material and adverse change in the financial condition of the other party;
- d. Any failure to perform any covenant of this agreement.

Upon termination of this agreement for any reason, Business shall promptly pay all amounts outstanding and instruct all cardholders to return all cards, cut in half, to Business, and Business shall be responsible for returning all cards to Bank. Bank shall terminate all services hereunder upon the stated termination date. Business shall remain liable for all credit extended and charges imposed arising from use of any card prior to the termination date.

Bank shall have the right to suspend all services and obligations under this agreement if the amount due from Business as the result of credit extended and charges imposed hereunder, equals or exceeds Business's credit limit, or such higher credit limit as may be agreed to by Bank in writing from time to time. Bank will promptly notify Business whenever the amount due from Business hereunder is as much as eighty percent (80%) of its credit limit.

Rights, obligations or liabilities, which arise prior to the suspension or termination of this agreement, shall survive the suspension or termination of this agreement.

27. **Right of Setoff.** To the extent permitted by applicable law, Bank reserves a right of setoff in all Business's accounts with Bank (whether checking, savings, or some other account). However, this does not include any IRA and Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Business authorizes Bank, to the extent permitted by applicable law, to hold these funds if there is a default, and Bank may apply the funds in these accounts to pay what Business owes to bank.

28. **Warranties.**

Business warrants that:

- a. This agreement constitutes a valid, binding and enforceable agreement;
- b. The execution of this agreement and the performance of its obligations under this agreement are within its powers; has been authorized by all necessary action; and does not constitute a breach of any agreement of Business with any party;
- c. The execution of this agreement and the performance of its obligations under this agreement will not cause a breach by it of any duty arising in law or equity; and
- d. Business possesses the financial capacity to perform all of its obligations under this agreement.

Bank warrants that:

- a. This agreement constitutes a valid, binding and enforceable agreement of Bank;
- b. The execution of this agreement and the performance of its obligations under this agreement are within Bank's powers; has been authorized by all necessary action; does not require action by or approval of any governmental or regulatory body, agency or official; and does not constitute a breach of any agreement of Bank with any party;
- c. Bank has and continues to comply with all applicable state and federal statutes, ordinances, rules, regulations and requirements of governmental authorities as they relate to the services, which are the subject of this agreement.
- d. The execution of this agreement and the performance of Bank's obligations under this agreement will not cause a

breach by it of any duty arising in law or equity; and

- e. Bank possesses the financial capacity to perform all of its obligations under this agreement.

The parties agree that the failure of any of the above representations and warranties to be true during the term of this agreement shall constitute a material breach of this agreement and the non-breaching party will have the right, upon notice to the other party, to immediately terminate this Agreement and all amounts outstanding hereunder shall be immediately due and payable.

29. **Registered Marks and Trademarks.** Business and Bank each recognize that they have no right, title or interest, proprietary or otherwise, in or to the name or any logo, copyright, service mark or trademark owned or licensed by the other party. Business and Bank each agree that, without prior written consent of the other party, they will not use the name or any name, logo, copyright, service mark or trademark owned or licensed by the other party.

30. **Employment of Agents.** Bank may in its sole discretion employ agents to perform part or all of its obligations under the Agreement at any time without the consent of Business; provided, however, that such action shall not affect Bank's obligations to Business hereunder.

31. **Severability.** Should any provision of this agreement be declared invalid for any reason, such decision shall not affect the validity of any other provisions, which other provisions shall remain in force and effect as if this agreement had been executed with the invalid provision(s) eliminated, and it is hereby declared the intention of the parties that they would have executed the other provisions of this agreement without including therein any such provision(s) which may for any reason be hereafter declared invalid.

32. **Non-waiver.** The failure of Bank or Business to exercise any right, power or option arising under this agreement, or to insist upon strict compliance with the terms of this agreement shall not constitute a waiver of the terms and conditions of this agreement with respect to any other or subsequent breach thereof, nor a waiver by Bank or Business of their rights at any time thereafter to require exact and strict compliance with all the terms hereof.

33. **Survivability of Payment Obligations, Rights, and Remedies.** The obligation of Business to make payments as herein set forth shall continue until fully performed. Any rights and remedies Business or Bank may have with respect to each other arising out of either party's performance of services or obligations hereunder shall survive the expiration or termination of this Agreement.

34. **Entire Agreement.** This agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. Any prior agreements, representations, statements, negotiations or undertakings dealing with the subject matter of this agreement are superseded hereby.

35. **Binding Effect and Assignment.** This agreement shall be binding upon and insure to the benefit of the parties and their respective successors and assigns; provided, however, that this agreement may not be assigned by Business without the prior written approval of Bank or its designate.

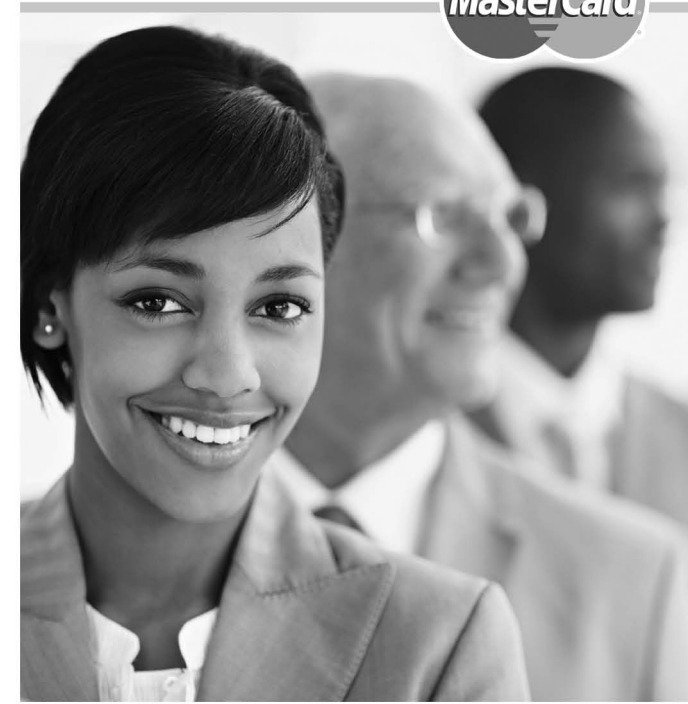
36. **Headings.** The headings of the sections and subsections of this agreement are intended for the convenience of the parties only and shall in no way be held to explain, modify, amplify or aid in the interpretation of the provisions hereof.

The above information was accurate as of the date printed and is subject to change after that date. For changes since print date:

Write: First National Bank Alaska
Credit Card Operations Dept.
P.O. Box 107006
Anchorage, Alaska 99510-7006

Or call: 1-907-777-4519 Anchorage/Eagle River or
1-800-856-4FNB(4362) option 4 in other communities

BUSINESS and CORPORATE Card Service Agreement



Business Card Service Agreement

This is an agreement between First National Bank Alaska, a National Banking Association with its main office in Anchorage, Alaska ("Bank") and the Business listed on the credit application, respecting credit card services to be furnished by Bank. The agreement of the parties is as follows:

- Definitions.** As used in this agreement, (a) "Account balance" means the total outstanding amount of credit extended and charges imposed by Bank under this agreement; (b) "Billing Cycle" means the period of time that ends on the billing statement date, having commenced immediately after the previous billing statement date; (c) "Card" means a credit card issued by Bank to a person authorized that has been activated by Bank's third party processor; (d) "Cardholder" means a person authorized by Bank, to whom a card has been issued by Bank, as indicated by the appearance of their name, embossed on the card (e) "Cardholder Account Balance" means the total outstanding amount of credit extended and charges imposed in connection with a single cardholder's use of a card; (f) "Card purchase" means a purchase of goods or services from a merchant by a cardholder, using the card; (g) "Cash Advance" means the delivery of cash by Bank or a correspondent to a cardholder, using a card or the payment by Bank of a credit check drawn on Bank by a cardholder against Business's right to extension of credit hereunder; (h) "Correspondent" means a member, or an affiliate of a member, of MasterCard International; (i) "Merchant" means a person who has agreed with Bank or a Correspondent to sell goods or services to cardholders, using cards; (j) "New Balance" means the account balance on the statement of account; (k) "Previous Balance" means the account balance on the previous statement of account; and, (l) "Statement Date" means the date appearing on a statement of account that has been mailed to a cardholder and your Business.
- Issuance of Cards.** You will designate on a form of application supplied by Bank each person you authorize to receive a card, a credit limit with respect to each person designated, and whether the person designated is entitled to cash advances and/or credit checks. Applications may be submitted to Bank in the manner set forth in Section 20 of this agreement. Upon request, a cardholder's credit limit may be changed.
- Card Classification.** As requested from time to time, Bank shall establish, based upon Standard Industry Classifications ("SIC") or MasterCard's Merchant Classification Codes ("MCC"), authorization procedures which will enable merchants to confirm in advance that a particular card purchase is authorized.
- Extension of Credit; Over-limit Fee.** Bank shall extend credit, in amounts which do not cause any cardholder account balance to exceed 110% of the authorized credit limit assigned. You expressly agree that Bank may, but is not obliged, to extend credit in amounts which cause a cardholder account balance to exceed its authorized credit limit.
- Expiration of Cards; Mailing of Cards.** All cards shall expire upon termination of this agreement. Bank will mail a card directly to each person designated in an application that Bank approves, at the address set forth in the application, unless notified to do otherwise.
- Merchant Adjustments.** Business will pay Bank for credit extended notwithstanding any claim, defense or dispute Business may have concerning the goods or services purchased unless Business and the merchant agree to, and notify Bank of, a cancellation of the purchase or a price adjustment.
- Statement(s) of Account.** Bank will mail to your Business and each cardholder a statement of credit extended, charges imposed, payments received, adjustments and the new cardholder account balance, unless no such activity occurs during a billing cycle and the cardholder account balance is zero. Bank will furnish to business contemporaneously a copy of any statement mailed to a cardholder.
- Fees. Corporate:**
 - There is no Annual Fee**
 - Transaction Fees**
 - Foreign Transaction Fee is **3%** of each transaction in U.S. dollars
 - Cash Advance Fee is either **3%** of the amount of each cash

advance or **\$5.00**, whichever is greater (no maximum)

iii. Credit Check Fee is **2.23%** of cash advance dollar amount (not less than \$2.00 or more than \$12.00)

c. Penalty Fees

i. Late payment is **2.5%** of all delinquent sums

ii. Over Limit Fee is **\$25.00**

iii. Return Payment Fee is **\$25.00**

iv. Stop Payment Fee (for credit checks) is **\$15.00**

d. Other Fees

i. Research Fee is **\$20.00** per hour, minimum 30 minutes and **\$2.00** for each copy of statement. If you request a copy of a sales slip there is a **\$3.00** fee for each.

ii. Expedited Card Issuance Fee is if, at your request, we furnish you with an expedited new card, you will be assessed a **\$35.00** fee.

Business:

a. **There is no Annual Fee**

b. Transaction Fees

i. Balance transfer is **3%** of the amount of each transfer. Minimum **\$5.00** (no-maximum fee).

ii. Cash Advance Fee is either **3%** of the amount of each cash advance or **\$5.00**, whichever is greater (no maximum fee)

iii. Foreign transaction is **3%** of each transaction in U.S. dollars

c. Penalty Fees

i. Late Payment is **\$30.00**

ii. Over Limit Fee is **\$25.00**

iii. Return Payment is **\$25.00**

d. Other Fees

i. Research Fee is **\$20.00** per hour, minimum 30 minutes and **\$2.00** for each copy of statement. If you request a copy of a sales slip there is a **\$3.00** fee for each.

ii. Expedited Card Issuance Fee is if, at your request, we furnish you with an expedited new card, you will be assessed a **\$35.00** fee.

9. **Payment of Account.** Bank may accept late payments, partial payments, or any payments marked as being payment in full or as in settlement of any dispute without losing any rights under this agreement or under law. Bank's acceptance of any late payment, partial payment, or payment so marked will not operate as an amendment of this agreement. Bank will accept payment for credit to any cardholder account balance from either Business or cardholder. Business may effect payments through an Automated Clearing House transfer. Payments mailed to P.O. Box 107006, Anchorage, Alaska, 99510, will be credited, as directed, as of the date received by Bank. A payment in cash will not be accepted by Bank at 1751 Gambell, Anchorage, Alaska location, but any other form of payment Bank receives before 5:00 P.M. Alaska Standard Time will be credited as of the date received. Payment may be made at any branch office of Bank, however credit for any payment received at any branch office of Bank may be delayed as long as 5 days. All payments are effective on the date they are applied.

a. **Corporate** – Payment of any cardholder account balance is due 25 days after the statement of account date by the cardholder to whom it is sent and Business.

b. **Standard Business** – Within 25 days (grace period) after the statement date cardholder will pay bank not less than the amount of the minimum payment specified in the statement of account. The minimum amount of the payment is equal to the sum of (i) if the new balance does not exceed the credit limit 3% of the new balance, or if the new balance exceeds the credit limit the higher of 3% of the credit limit or the amount of such excess. If the amount thus determined (or a lower amount in certain cases) is less than \$10.00 the minimum amount of the payment is \$10.00. In no event, however, is the minimum payment greater than the new balance and (ii) the portion of the new balance that is delinquent.

10. **Application of Payments.** Payments shall be applied first to any fees, then to past due amounts in the order in which credit was extended, then

to credit extended in the last billing cycle.

11. Finance Charges.

a. **Corporate - none.**

b. **Standard Business** –

i. **The interest rate** is fixed as of publication date. As of publication date, interest rate is 1.158% per billing cycle (Annual Percentage Rate of 13.9%).

ii. **Conditions under which imposed.** A charge is imposed if, during the billing cycle:

(a) Credit is extended for a cash advance. Part of the charge is denominated "cash advance fee" and accrues when the credit is extended.

(b) Credit is extended for a purchase. That charge is denominated "interest". If the previous balance was paid in full within the first **25** days of the billing cycle (grace period), such interest begins to accrue immediately after the statement date; otherwise it accrues from the time credit is extended.

12. **Late fees; Suspension of Charging Privileges; Card Cancellation.** The amount (or portion) of any new balance remaining unpaid at the end of the following billing cycle shall be deemed delinquent. Bank will impose a late fee each month of all sums that are delinquent.

Bank will be privileged to revoke the card issued to any cardholder whose cardholder account balance includes a delinquency for three consecutive billing cycles. Bank may, but will not be obliged, to extend credit in connection with any cardholder's attempted use of their card as long as any portion of their cardholder account balance is delinquent.

13. **Late Notices.** Bank will send written notice to a cardholder, at the address set forth in the cardholder's application, 15 days after the statement date of an account statement sent to the cardholder that includes any delinquent balance. Bank will notify business of any card that has been canceled and Business will pay on demand the cardholder account balance of any cardholder whose card has been canceled by Bank.

14. **Liability.** Business shall be liable to Bank for all credit extended and charges imposed by Bank arising from use of a card except as set forth below. Bank will offer MasterCard's MasterCoverage Program which protects financial institutions and companies from employee misuse of charge privileges.

15. **Liability for Unauthorized Charges.** If Business or a cardholder knows or believes a card has been lost or stolen, or that a card has or may be used by a person who is not authorized to use it, the Business or the cardholder shall immediately (within 24 hours) notify Bank. Business will have no liability if the lost or stolen card is reported within 24 hours of discovery, reasonable care was exercised with respect to the card, cardholder has not reported two or more occurrences of unauthorized use within the preceding 12 months of discovery, and the unauthorized use occurred before the right to use the card was suspended, or it was canceled by Bank. Business will be liable for unauthorized charges if any of the above criteria are not satisfied at the time of unauthorized use of the card. If a card is used by someone with actual, implied, or apparent authority; or, the cardholder or Business received a benefit from the use of the card, the foregoing limitations of Business's liability do not apply. Notice of loss, theft or unauthorized use of a card may be given in the manner set forth in Section 20 of this agreement or by calling 1-800-556-5678.

16. **Termination of Business Cardholder's Authority to Use Card and Subsequent Liability.** Upon signing this agreement, business shall designate one or more of its employees as representative(s) who shall provide Bank notice of any Cardholder's termination of employment. Business shall take all reasonable actions necessary to collect a card issued to a cardholder who is no longer employed and no longer authorized to use a card. Any card obtained by Business that is no longer authorized for use shall be destroyed by Business. Failure to give notice to Bank of the termination of employment of a cardholder and termination of authority to use a card shall result in

continuing liability to pay for all credit extended and charges imposed arising from use of the card between the time of termination of employment of the cardholder and the date such notice is received by Bank.

17. **Claims of Errors in Statement of Account.** In the event there is an error in a statement of account, business shall notify Bank. Communication regarding a claim of error in an account statement should be sent to Bank as soon as possible. Bank must receive such a communication no later than **60** days after the statement date that appears on the account statement on which the error being claimed first appeared. Failure to report a suspected error within this time will entitle Bank to reject and deny the claim. To be effective, the communication must include the cardholder's name and account number, the dollar amount of the suspected error, and describe the error claimed and why Business believes there is an error.

18. **Charge-backs.** Bank shall, upon the receipt of written correspondence from Business or a cardholder addressed to, First National Bank Alaska, Credit Card Operations, P.O. Box 107006, Anchorage, Alaska 99510, initiate a provisional charge-back to the appropriate cardholder account balance. Such correspondence must be received by Bank within 60 days of the statement date that appears on the statement of account on which the item to be charged-back first appeared. Bank shall resolve each documented charge-back request within **90** days of the date of receipt of such request.

19. **Cash Advances and Credit Checks; Fees.** Bank provides access to cash advance services through owned and participating Bank ATM's (Automated Teller Machines) and MasterCard member offices. Cardholders identified by Business in the card application as authorized to receive cash advances may obtain cash by accessing an ATM with a Card or presenting the Card at a MasterCard member bank. The amount of the fee shall appear on the statement of account including the cash advance.

Bank will also provide access to cash advance services through a credit check program, and will provide to cardholder, identified by Business in this card application as authorized to receive cash advances by use of credit checks, credit check forms which, when completed, may be used by the cardholder to obtain cash advances, goods, or services. The amount of the fee shall appear on the statement of account including the cash advance arising from use of the credit check. By furnishing credit check forms to anyone, Bank does not commit to pay any credit check upon presentment. It is solely the Bank's discretion to pay or dishonor any credit check presented. The amount of any credit check paid by Bank shall appear as a cash advance on the statement of account sent to the cardholder who issued the credit check.

Business will pay the amount of any credit extended in connection with the use of a credit check deemed to be for the benefit of Business in the event Bank is unable to verify the authenticity of the signature on the credit check or the identity of the person signing the check used for the purchase of goods, services, or cash advance. The Business or a cardholder may request Bank not to pay a credit check that has been issued. Such a request may be communicated in the manner set forth in Section 20 of this agreement, but will not be effective unless confirmed in writing in the form commonly used by Bank, duly executed and delivered to Bank within 5 days after the request is made. To be effective, any request made otherwise than by use of the preprinted form used by Bank, must contain all of the following information: account number, issuing cardholder, credit check number, date of credit check, named payee and amount. Furthermore, Bank will act upon such a request and will be bound by it only in accordance with the following:

a. Although it does not appear that the check has yet been paid at the time the request is accepted by Bank, it may have been, in which event the request is not effective.