

National Bank of Alaska



Corporate Headquarters
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Phone (907) 276-1132

November 2, 2000

Ms. Catherine Stevens
P. O. Box 100879
Anchorage, Alaska 99510

Sent by Fax

Dear Cathy:

Sorry for the missed telephone connections yesterday. I guess we'll have to rely on fax machines to get you the information you requested.

As I told you during our brief meeting on Wednesday, we would be happy to establish a line of credit for \$100,000 to assist you with your remodeling project. The line would be secured by your Alyeska home; however, we would waive requirements for title insurance, property insurance, etc. By recording a Deed of Trust on the property, it should allow you to write off the interest on your tax return. It would be a non-revolving line, which means that once the \$100,000 was expended, or used, it could not be paid down and used again. The process would be similar to a normal construction loan, except we wouldn't require you to submit bills or provide progress reports.

The rate would be fixed at the equivalent of prime rate, which is 9.5% at present. Interest would be billed and payable monthly, based on the outstanding balance of the line. So if you don't use the line, there would be no interest expense. There would be a \$100 documentation fee and filing and recording fees of \$104. As for the method of advancing, we could do it a couple of different ways. You could call or fax when you wanted a draw down and I could deposit it to the special account you set up to keep track of the remodel project. We could also monitor your "remodel" checking account on a daily basis, and if checks were presented that created an overdraft, we would advance on the line of credit in \$1,000 increments to cover the overdraft. That way, you could use your checking account as a means of drawing on the line.



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As far as closing is concerned, we could certainly do that by mail if you and Senator Stevens are not going to be back to Anchorage before you need funds. If you decide to establish the line of credit, and know a date when you will be back in town, I can have the documents ready for you to sign when you get here. Be aware that regulations require us to wait three (3) business days after closing before we can allow advances on the line. The law, which is intended to protect consumers who are encumbering their homes, requires a three day "cooling off" period (to rescind the transaction) before funds become available.

It was nice to see you again after so many years. I hope I can be of assistance on this transaction, or any other banking needs you might have in the future.

—Best regards,

A handwritten signature in black ink, appearing to read "Brent Ulmer", written over a horizontal line. The signature is stylized and somewhat cursive.

Brent Ulmer
Vice President