

National Bank of Alaska



November 15, 2000

Corporate Headquarters
P.O. Box 100600
Anchorage, AK 99510-0600
Phone (907) 522-8888

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

Re: Loan Documentation

Dear Cathy:

Enclosed are the loan documents for the \$100,000 line of credit you recently requested. Hopefully, most of the documents will be self-explanatory. Please sign where indicated, make sure the two copies of the Deed of Trust are notarized, and return the originals in the enclosed self-addressed envelope.

The disclosure statement might be somewhat confusing because it details monthly payments. The disclosure presumes you draw down the entire \$100,000 on the first day, and maintain the full amount through the maturity of the loan in December 2001. Obviously, you do not have to pay interest unless, and until you use the line. You will be sent a bill each month for interest if there is a balance outstanding on the loan. If you want us to automatically charge your checking account at the end of the month for any interest owing, please sign the enclosed authorization. It would ensure the timely payment of interest.

In my last letter, I detailed the anticipated closing costs for the transaction. We decided to combine documentation, filing, and recording fees into one \$100 fee. I did not mention the \$500 appraisal fee in my letter, because I thought it had been paid. It had not. Consequently, the total owed to cover costs associated with the loan is \$600. You can either enclose a check, or we can charge your checking account. Let us know.

We are including two copies of the appraisal for your records. We kept one copy for our files. We are also including a copy of the loan documents for your files.

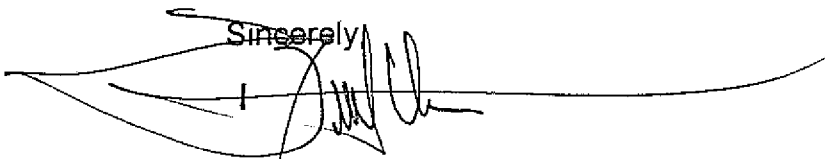
We have determined that it will not be necessary to wait three days after closing to activate the loan. As soon as we receive the signed documents, we will give your office a call. At that point, any check you write on your checking account [REDACTED] that "overdraws" the account (not enough funds to cover the check) will trigger a draw on your line in \$100 multiples. Advances will show on your statement the day after the overdraft; interest on advances will begin accruing as of the date of the overdraft.



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If you have questions I haven't answered in this letter, give me a call at (907) 265-2768. Thank you for the opportunity to assist you and Senator Stevens.

Sincerely,



Brent Ulmer
Vice President

Encl.