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**BANKOH COVERCHECK AGREEMENT  
AND DISCLOSURE STATEMENT**

**PLEASE READ AND SAVE**

This Agreement and Disclosure Statement governs and contains important information about your Bankoh CoverCheck Account.

In this CoverCheck Agreement and Disclosure Statement (this "Agreement"), the words "you" and "your" mean each and all who signed the application or any other written request (the "Application") for it. The words "we", "us" and "our" mean Bank of Hawaii. The words "your Account" mean your CoverCheck Account. This Agreement governs your Account. The terms of this Agreement will be binding upon you and you will be liable for all changes that it requires.

**1. APPLICATION AND CREDIT INVESTIGATION.** You have requested us to open a CoverCheck Account in your name. To support your request you have given us the Application which we can keep. By signing the Application, you represent that all the information in it is true and correct. In addition, you authorize us to verify the information in it and to get and give credit information about you, both now and in the future.

**2. PERSONAL CHECKING ACCOUNT.** When you completed the Application, you designated a personal checking account you maintain with us (your "Personal Checking Account") by which you may obtain advances (See Section 4 below). You acknowledge and agree that anyone who is authorized to access your Personal Checking Account by any means is also authorized to access your Account. You must maintain your Personal Checking Account at all times, and, if your Personal Checking Account is closed for any reason, or if any of you is no longer an authorized signor on your Personal Checking Account, this Agreement and your Account may be cancelled.

**3. CREDIT LIMIT.** Based on the Application, we have decided on the maximum principal amount of the advances which you may have outstanding under this Agreement at any time (which we will call your "Credit Limit"). We can increase your Credit Limit or decrease it at any time just by letting you know. The amount of your available Credit Limit is determined by subtracting from your Credit Limit the principal balance. Each advance that you get reduces the amount of your available Credit Limit. Your payments, over and above any Interest Charges, plus any Annual Fees (not applicable to covered borrowers afforded protection under the Military Lending Act), Late Charges (not applicable for Guam accounts), Additional Charges, and Credit Insurance Premiums (applicable Annual Fees, Late Charges, Additional Charges, and Credit Insurance Premiums will collectively be called "Other Charges"), will increase the amount of your available Credit Limit. By signing the Application and using your Account after receiving a copy of this Agreement, you promise to never allow your principal balance to exceed your Credit Limit. If you try to use your Account for an advance which would cause your principal balance to exceed your Credit Limit, we do not have to make the advance. If we do make the advance, we will still charge you for it without giving up any of our rights under this Agreement.

**4. OBTAINING ADVANCES.** If any debit or charge you or anyone authorized by you make to your Personal Checking Account, by whatever means, or any charge we make to your Personal Checking Account, such as a service charge, exceeds the balance of your Personal Checking Account, we will automatically make an advance to your Personal Checking Account in multiples of \$50 up to the balance of your available

Credit Limit. For example, if the debit or charge amount exceeds your Personal Checking Account balance by \$101, we will make an advance in the amount of \$150. However, if your available Credit Limit is less than \$150, we will make an advance in the amount of the lesser of: (1) your available Credit Limit or (2) the \$101. We will then charge the amount of the advance to your Account.

**5. PROMISE TO PAY.** When you use your Account, or if anyone you authorize uses it, you promise to pay the amount of all advances charged to it. You also promise to pay all Interest Charges and Other Charges, as described below.

**6. ANNUAL FEE.** You agree to pay each year the Annual Fee listed in the Current Account Opening Interest Rate and Fee Disclosures (the "Disclosures") which we gave to you with this Agreement. The Annual Fee will be billed on the first monthly statement after the date your Account is opened and each year thereafter. You also agree to pay the Annual Fee whether or not you use your Account. This section does not apply to covered borrowers afforded protection under the Military Lending Act.

**7. RATES.** Your Account has a variable rate feature. This means that the Daily Periodic Rate (which is 1/365 of the ANNUAL PERCENTAGE RATE) and ANNUAL PERCENTAGE RATE may increase or decrease from time to time if the Index described below changes. The ANNUAL PERCENTAGE RATE will increase or decrease on any day there is a change to the Index (each of which we call an "Interest Adjustment Date"). On each Interest Adjustment Date, the ANNUAL PERCENTAGE RATE will be set at the sum of the index rate (the "Index"), plus a margin rate (the "Margin"). The Margin is a rate we determine when we approve and open your Account. The Index is determined on each Interest Adjustment Date and will be equal to the highest U.S. Prime Rate, published in the Money Rates section of The Wall Street Journal. If the U.S. Prime Rate is not published or is otherwise unavailable, whether temporarily or permanently, we will select a substitute Index that we believe, in our sole discretion, to be similar to the U.S. Prime Rate. An increase in the ANNUAL PERCENTAGE RATE may cause the Interest Charges described in Section 8 below to increase, and will result in an increase to your minimum monthly payment. The ANNUAL PERCENTAGE RATE for your Account will never exceed 24%, or 18% for Guam accounts. Please refer to the Disclosures for your Margin and the Index, Daily Periodic Rate, and corresponding ANNUAL PERCENTAGE RATE currently in effect. We do not have the right to receive any Interest Charge if the Interest Charge is prohibited by applicable law, and in the event we receive an Interest Charge payment that is prohibited, it will be credited towards the reduction of your unpaid Account balances.

**8. INTEREST CHARGES.** For each monthly billing cycle we figure the Interest Charge on your Account each day by applying the Daily Periodic Rate to the Daily Balance (including current transactions) for your Account. Then we add up all the daily Interest Charges for the billing cycle to get the total Interest Charge for the billing cycle. To get the Daily Balance (which appears on your monthly periodic statement as the "Balance Subject to Interest Rate"), we take the beginning outstanding

principal balance of your Account each day, and make any necessary adjustments by subtracting any principal payments or credits, and by adding any new advances. This gives us the Daily Balance. Interest Charges on your Account advances begin on the day the advances are charged to your Account. Therefore, there is no time period within which you may repay an advance without incurring an Interest Charge. No Interest Charges will be computed on any accrued Interest Charges and Other Charges.

**9. PAYMENTS.** Your minimum monthly payment will be equal to the greater of \$25; or the sum of: (1) 2.08% of the ending principal balance for that statement cycle, (2) accrued Interest Charges, and (3) Other Charges. If the total amount of the (1) ending principal balance for that statement cycle, (2) accrued Interest Charges, and (3) Other Charges is less than \$25, your minimum monthly payment will be equal to that total amount. You must pay us, whenever we demand it, any amount by which your Daily Balance exceeds your Credit Limit. We may apply payments to your Daily Balance or Interest Charges and Other Charges in whatever order we choose as long as we don't violate any law or regulation. If late charges are applicable, we will not "pyramid" Late Charges. That is, we will not cause you to owe another Late Charge by applying a payment to a Late Charge. You agree the minimum monthly payments shall be made by automatic debit from your Bank of Hawaii Personal Checking Account and you agree to have sufficient funds available to pay the minimum monthly payment by automatic debit from your Personal Checking Account. These conforming payments will be credited to your account that business day. When you make payments in addition to your minimum monthly payment you may mail them to our Bank of Hawaii Loan Operations Department (See Section 26 for address), make them at a local Bank of Hawaii Branch, or by using our Bankoh by Phone or e-Bankoh services. These payments may not be credited to your account on the same day due to varying processing cut-off times. They will be credited no later than the 5<sup>th</sup> business day after receipt. All such additional payments must be made by check, automatic account debit, electronic funds transfer, money order, or other instrument in U.S. dollars. If your additional payment is made prior to the due date and is greater than or equal to the minimum monthly payment, then an automatic payment will not be made for that month.

**10. CREDIT INSURANCE.** Credit life insurance and credit disability insurance are not required to obtain credit. They are not available if your Account is not in good standing or you are over age 65. If you requested credit insurance, you will pay a monthly Credit Insurance Premium. We will calculate each monthly premium by applying the monthly premium rate, disclosed to you in the Insurance Application, to each Daily Balance for that month. The amount insured each month is the Daily Balance. However, the insured balance will not be more than \$10,000. Although such insurance is freely cancellable, so



long as you pay the premium, it will be retained in effect on a month-to-month basis until you have notified us of your intention to cancel it, you have reached age 66, or if we cancel it because of your default or because a credit life insurance claim has been paid on your Account. We may cancel your coverage with 30 days prior written notice if you are in default on your Account. For covered borrowers afforded protection under the Military Lending Act, their Military ANNUAL PERCENTAGE RATE will never exceed the maximum allowed, even if insurance premiums increase.

**11. LATE CHARGES.** (Not applicable to Accounts opened in Guam) On each payment that is not received within ten (10) days after the Due Date, or (15) days after the Due Date for Palau, shown on your monthly statement, you must pay the Late Charge listed in the Disclosures, provided that before your next payment is due we tell you that the Late Charge is due. You will only have to pay the Late Charge once on the same late payment, but when you make any payment, it can be treated as being your oldest payment(s) due, whether or not the amounts are the same. We will not charge you any more Late Charges after the acceleration of your payments.

**12. ADDITIONAL CHARGES.** If a non-Bank of Hawaii check, electronic debit, or any other payment method you use to make any payment is returned unpaid, you will have to pay the Returned Payment Fee listed in the Disclosures. If you request a copy of your monthly statement, you must pay the Statement Copy Fee listed in the Disclosures. If you ask us to research your Account, you will have to pay the Research Fee listed in the Disclosures. We will not, however, make any additional charge which is not allowed by applicable law.

**13. STATEMENTS.** You will receive from us a monthly statement for each monthly billing period in which your Account has activity such as advances, payments, or Interest Charges and Other Charges. Your statement will be your receipt for your payments made to us which are shown on it.

**14. CHANGE OF TERMS.** We can change the terms of this Agreement at any time. The new terms will apply to both new advances and your Daily Balance and accrued Interest Charges and Other Charges at the time the change is effective. We will notify you of changes to your Account Agreement as required by applicable law.

**15. TIME.** It is essential that you make your payments on time and keep your promises under this Agreement.

**16. WAIVER.** By signing the Application and using your Account after receiving a copy of the Agreement, you agree and everyone else signing with you also agrees to be liable for the repayment of everything you owe under this Agreement, even if we do not follow all of the legal procedures (such as diligence, demand, presentment and notice and protest of dishonor) which we might be required to follow in the absence of this waiver to the extent allowed by law. In addition, all of you consent to any breaks that we give with respect to the time of payment (such as extensions or postponements or even multiple extensions for longer than the original period), or that in any other way impair or suspend

our remedies or rights. We shall not waive any of our rights under this Agreement by giving you a break. No waiver, consent or approval by us will be effective unless it is in writing and we have signed it.

**17. JOINT AND SEVERAL.** By signing the Application and using your Account after receiving a copy of the Agreement, all of you agree to be liable to us jointly, and each of you also agree to be liable to us individually, for your advances, and other obligations under this Agreement. We may collect from or sue any one or more of you without giving up any of our rights against the others. This Agreement is also binding upon your heirs and personal representatives in probate, and upon anyone to whom you assign your assets or who succeeds to them in any other way.

**18. NOT SECURED CREDIT; SET OFF.** Your Account is not secured credit. We have no security for it regardless of any other agreement you may have with us. However, to the extent permitted by applicable law, we may set off amounts that you owe us against any obligations we owe you (such as the balance in your checking and savings accounts). If we decide to make any such set off, we can do so without any prior notice or demand.

**19. DEFAULT.** You will be in default under this Agreement if:

- You close your Personal Checking Account; or
- Any statement about yourself or your financial condition that you have made to us or in the Application or any place else that is false; or
- You do not pay us something you owe us under this Agreement or something else you owe us; or
- You do not keep some other promise or agreement you have made to us in this Agreement or elsewhere; or
- The payment due date of any other debt you owe to us or anyone else is accelerated; or
- Any of the following things happen to you: death, dissolution, termination of existence, failure to pay any of your debts as it comes due, appointment of or taking possession by a receiver or other custodian of any of your property, or the commencement of a case under the Federal Bankruptcy Laws or against you as a debtor; or
- You cancel the automatic debit of your minimum monthly payment from your Checking Account.

**20. WHOLE BALANCE DUE.** If you are in default under this Agreement, we can “accelerate” all of your payments. That is to say, we can make the entire unpaid principal balance and all accrued Interest Charges and Other Charges immediately due and payable. We don’t have to give you any notice before we do that.

**21. COLLECTION COSTS.** If we have to sue you to collect your unpaid balance or anything else you owe under this Agreement, you will have to pay us court costs. If we hire an attorney to do that, you will also have to pay reasonable attorneys’ fees to the extent permitted by law. You must pay such amounts when we demand. We can, if we choose, treat the money you owe us just as we would any advance that we make to you under this Agreement.

**22. THINGS WE HAVE THE RIGHT TO DO TO PROTECT OURSELVES IF YOU DEFAULT.** Whenever you are in default under this Agreement, we can do the following things among others that we do in our normal collection procedures:

- We can, without prior notice or demand, stop the making of advances.
- We can hold you liable for any unpaid difference between the sum of any amount we set off and deduct from our obligations to you and the unpaid amount of your principal balance and all accrued Interest Charges and Other Charges.
- Before or after doing anything else, we can go to court and get a judgment against you for the unpaid amount of your principal balance and all accrued Interest Charges and Other Charges. Then we can collect the judgment by having the marshal seize and sell any nonexempt real or personal property of yours or by garnisheeing any nonexempt wages or other amounts that other people owe you.

**23. DISCLOSURE OF ACCOUNT INFORMATION.** In the ordinary course of business, we may disclose information to third parties about your Account:

- In order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant; or
- In order to comply with government agency or court orders; or
- If you give us your written permission you acknowledge and agree that we may disclose information about your Personal Checking Account or any other depository account you have with us to an account or check verification service if any check or draft drawn on your Personal Checking Account or any other checking account you have with us for payment of any amount you owe us under this Agreement is returned for insufficient funds, or if we close your Personal Checking Account or any other depository account you have with us because of unsatisfactory handling, fraud, attempted fraud or criminal activity. Information that we normally report includes the name, address, tax identification number, driver’s license number and social security number of the accountholder, and whether we closed the account for cause. The account or check verification service may supply that information to other financial institutions or agencies.

**24. CANCELLATION.** We may freeze your Account and cancel this Agreement at any time for any reason, including, but not limited to, our reasonable belief that you will not be able to meet your obligations under this Agreement due to a material change in your financial conditions, or if you or we close your Personal Checking Account for any reason. If we do, we will notify you by telephone or by mailing you a letter saying that we are doing so. You can cancel this Agreement when we change the terms of this Agreement or at any other time by mailing or delivering to us a letter saying that you are doing so. If your Account is cancelled, you still have to pay everything you owe us, including any amounts that have not yet been billed to you.

**25. QUESTIONS AND BILLING ERRORS.** Let us know right away if you have any questions about your statement. If you think we have made a mistake on your monthly statement, read the statement on your rights to dispute billing errors contained at the end of this Agreement.

**26. ADDRESSES; NOTICES.** If you move, you must give us your new address. Write it on the payment stub of your monthly statement or give us some other written notice so that we can change our records. By signing the Application and using your Account after receiving a copy of this Agreement, you are agreeing that whenever we are required to give you notice of something, we may presume without fear of contradiction, that we have given it to you if we mail it to you at your present address, or any new address that you have given to us or to your last known address that you have given to us or to your last address known to us. You should mail any notice that you need to give us to Bank of Hawaii, Loan Operations Department, P. O. Box 2715, Honolulu, Hawaii 96803-2715 or call us at the number listed on your statement.

**27. ASSIGNMENT.** You may not assign to anyone your rights under this Agreement without our prior written consent.

**28. APPLICABLE LAW.** This Agreement and your Account transactions are governed by the laws of the state, territory, or country where your account was opened.

**29. JURY TRIAL WAIVER.** You and we each waive our respective rights to a trial before a jury in connection with any disputes related to your Account or Account services. This includes any claim by us or by you, claims brought by you as a class representative on behalf of others, and claims by a class representative on your behalf as a class member (so-called “class action” suits). This section does not apply to covered borrowers afforded protection under the Military Lending Act.

**30. BUSINESS DAYS.** For purposes of the Agreement, the term “business day” means every day except Saturday, Sunday and U.S. federal holidays.

**31. MILITARY LENDING ACT DISCLOSURES:** If you are a covered borrower under the Military Lending Act, the following applies to you:

- Federal Law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; application fee charged; and any participation fee charged.
- Please call toll-free 1-877-222-6564, press 4 then 3 to access an oral statement of the MAPR applicable to this loan and a clear description of the payment obligation of this loan.

**32. FAIR CREDIT REPORTING ACT DISCLOSURES.** If you believe that we may have reported inaccurate information about your account to a consumer reporting agency, write us on a separate sheet of paper at **Bank of Hawaii, Loan Operations Department, P.O. Box 2715, Honolulu, Hawaii 96803-2715.** Please include your Account number and the last four digits of your social security number, and identify the inaccurate information and why you feel it is inaccurate.

#### **FAIR CREDIT BILLING ACT DISCLOSURES**

**YOUR BILLING RIGHTS -- KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

#### ***What To Do If You Find a Mistake on Your Statement***

If you think there is an error on your statement, write to us at:

Bank of Hawaii  
Loan Operations Department  
P.O. Box 2715  
Honolulu, Hawaii 96803-2715

In your letter, give us the following information:

- *Account information:* Your name and account number.
- *Dollar amount:* The dollar amount of the suspected error.
- *Description of problem:* If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors *in writing*. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

#### ***What Will Happen After We Receive Your Letter***

**When we receive your letter, we must do two things:**

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

**While we investigate whether or not there has been an error:**

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.

- We can apply any unpaid amount against your credit limit.

**After we finish our investigation, one of two things will happen:**

- *If we made a mistake:* You will not have to pay the amount in question or any interest or other fees related to that amount.
- *If we do not believe there was a mistake:* You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount—we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within *10 days* telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

# BANKOH COVERCHECK ACCOUNT

## CURRENT ACCOUNT OPENING INTEREST RATE AND FEE DISCLOSURES (SOH)

| Interest Rate and Interest Charges |   |
|------------------------------------|---|
| APR for Cash Advances              | <b>16.25%</b><br><br>This APR will vary with the market based on the U.S. Prime Rate published in the Money Rates section of the Wall Street Journal. |
| Paying Interest                    | You will be charged interest from the transaction date.   |

| Fees               |   |
|--------------------|---|
| Annual Fee         | <b>\$25.00*</b>                                       |
| Penalty Fees       |   |
| • Late Payment     | 5% of the unpaid amount of each payment that is late. |
| • Returned Payment | <b>\$15.00</b>  |

\* **There is no Annual Fee for covered borrowers afforded protection under the Military Lending Act**

**How We Will Calculate Your Balance:** We use a method called “daily balance.” See your account agreement for more details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

SEE OTHER SIDE FOR ADDITIONAL CURRENT ACCOUNT OPENING  
INTEREST RATE AND FEE DISCLOSURES

**Additional Current Account Opening Interest Rate and  
Fee Disclosures**

The Margin and the current Index, Daily Periodic Rate, and APR that are described in Section 7 of the Bankoh CoverCheck Agreement and Disclosure Statement (the "Agreement") and that apply to your CoverCheck account as of the date your account was opened, are as follows:

|                                    |                  |
|------------------------------------|------------------|
| Index                              | 4.25%            |
| Margin                             | 12.00%           |
| <b>Current Daily Periodic Rate</b> | <b>0.044521%</b> |
| <b>Corresponding APR</b>           | <b>16.25%</b>    |

In addition to the Annual and Penalty Fees listed in the Fee Disclosure on the front side of these disclosures, the following fees described in Section 12 of the Agreement will also apply to your CoverCheck account:

|                    |  |
|--------------------|--|
| Statement Copy Fee | \$5.00                                       |
| Research Fee       | \$10.00 per half hour or<br>fraction thereof |

These disclosures are part of the Agreement. Refer to the Agreement for definitions or capitalized terms, and additional information regarding and all terms and conditions governing your CoverCheck account.