

**ULTIMA BANK MINNESOTA
PO BOX 299
HWY 2 EAST
FOSSTON, MN 56542
PHONE: (218)435-2265**

**ELECTRONIC FUND TRANSFERS
YOUR RIGHTS AND RESPONSIBILITIES**

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may 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.

Types of Transactions

Preauthorized credits - You may make arrangements for certain direct deposits to be accepted into your checking and savings accounts.

Preauthorized payments - You may make arrangements to pay certain recurring bills from your checking and savings accounts.

Debit Card transactions - You may access your account(s) by ATM using your Ultima Bank Minnesota Debit Card and personal identification number (PIN) to:

-- withdraw cash from checking and savings
Some of these services may not be available at all terminals.

Debit Card ATM transactions - You may access your account(s) by ATM using your Ultima Bank Minnesota Debit Card and personal identification number (PIN) to:
---withdraw cash from checking and savings
---transfer funds from checking to savings
---transfer funds from savings to checking

Some of these services may not be available at all terminals.

Debit Card point-of-sale transactions - You may access your checking account(s) by debit card to:

---purchase goods in person or by phone
---pay for services in person or by phone
---get cash from a participating merchant or financial institution
---do any transaction that can be made with a credit card
---Your Ultima Bank Minnesota Debit Card may not be used for any illegal transaction.

NetBanc and ExecuBanc transactions - You may access your account(s) on computer by logging on to www.ultimabank.com using your access ID number(s) and password to:

---transfer funds from checking to savings, line of credit and loans
---transfer funds from savings to checking, line of credit and loans
---transfer funds from line of credit to checking, savings and third party
---transfer funds from loans to checking and savings
---make payments from checking to line of credit, third party and loans
---get balance information about checking, savings, line of credit, third party and loans
---get withdrawal history about checking, savings, line of credit, third party and loans
---get deposit history about checking and savings
---get transaction history about checking, savings, line of credit, third party and loans

Indicated below are additional types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully and keep it 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 Clearinghouse (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. In some cases, your authorization can occur when the merchant posts a sign informing you of their policy. In all cases, the transaction will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. 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:

Electronic check conversion. You may provide your check to a merchant or service provider who will scan the check for the encoded bank and account information. The merchant or service provider will then use this information to convert the transaction into an electronic fund transfer. This may occur at the point of purchase, or when you provide your check by other means such as by mail or drop box.

Electronic returned check charge. Some merchants or service provider will initiate an electronic fund transfer to collect a charge in the event a check is returned for insufficient funds.

Limits and Fees

The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account:

Preauthorized credits (direct deposits):

---"NOTICE REGARDING ATM FEES BY OTHERS: If you use an automated teller machine that is not operated by us, you may be charged a fee by the operator of the machine and/or by an automated transfer network."

Miscellaneous:

---Please refer to the fee schedule for additional fees that may apply.

Limitations on frequency of transfers - In addition to any limitations described elsewhere, the following limitations apply to your savings account:

---During any statement period, you may not make more than six withdrawals or transfers to another account of yours or to a third party by means of a preauthorized or automatic transfer or telephone order or instruction. If you exceed the transfer limitations set forth above in any statement period, your account will be subject to closure by the financial institution.

Except as indicated elsewhere, we do not charge for or limit these electronic fund transfers.

Termination

You may terminate the electronic fund transfer agreement by giving us written notice. We may terminate the electronic fund transfer agreement by giving you written notice.

Documentation

Terminal transfers - You can get a receipt at the time you make any transfer to or from your account using one of our automated teller machines or point-of-sale terminals.

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, you can call us at (218) 435-2265 to find out whether or not the deposit has been made.

Periodic statements:

-- You will get a monthly account statement from us for your checking and savings account(s).

-- You will get a quarterly account statement from us for your checking and savings account(s), if the only possible electronic transfers to or from the account are preauthorized credits.

-- You will get a monthly account statement from us for your checking and savings account(s), unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

Preauthorized Payments

Right to stop payment and procedure for doing so -

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 three 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.

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).

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Liability for failure to stop payment of preauthorized transfer

If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Financial Institution's Liability

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 automated teller machine 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) if you give us written permission.

Unauthorized Transfers

(a) Consumer liability. (1) 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 of the money in your account (plus your maximum overdraft line of credit). We will be liable for all unauthorized transfers unless the unauthorized transfer was due to the loss or theft of your card and/or code. If due to the loss or theft of your card and/or code, and you notify us within 60 days of when the unauthorized transfer appears on the statement you can lose no more than \$50 if someone used your card and/or code without permission.

If you do NOT notify us within 60 days after the unauthorized transfer appears on your statement, and we prove that we could have stopped someone from using your card and/or code without your permission if you had told us within 2 days of when you discover the loss or theft of your card and/or code, you could lose as much as \$500 for unauthorized transfers that appear on the statement.

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 period.

MASTERCARD DEBIT CARD. Additional Limits on Liability. You will not be liable for any unauthorized transactions using your MasterCard 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. MasterCard is a registered trademark of MasterCard International Incorporated.

(b) Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call or write us at the telephone number or address listed in this disclosure.

Right to Bring Civil Action

You may bring a civil action against any person violating any provision of Minnesota Statutes section 47.69 (governing consumer privacy and unauthorized withdrawals). If you prevail in such an action, you may recover the greater of your actual damages or \$500. You may also be entitled to recover punitive damages, your court costs and reasonable attorney's fees.

Point-Of-Sale Transactions

Payment for goods or services made in this manner shall not affect any of the rights, protections or liabilities in existing law concerning a cash or credit sale by means other than through the use of a terminal.

You cannot reverse a point-of-sale transaction.

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 (5 business days if the transfer involved a point-of-sale transaction and 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 (5 business days if the transfer involved a point-of-sale transaction and 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. An account is considered a new account for 30 days after the first deposit is made, if you are a new customer.

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.

If you have inquiries regarding your account, please contact us at:

ULTIMA BANK MINNESOTA

PO BOX 299
603 Hilligoss Blvd SE
FOSSTON, MN 56542

PO BOX 09
9 West MN Ave
WINGER, MN 56592

PO Box 127
101 Central Ave E
Plummer MN 56748

101 Shevlin Ave SW
Bemidji MN 56601

Phone (800) 421-2588

BUSINESS DAYS:

Monday, Tuesday, Wednesday, Thursday
and Friday
Holidays are not included.

www.ultimabank.com

CURRENCY CONVERSION: When you use your Mastercard-branded debit card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either: 1) A rate selected by Mastercard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Mastercard itself receives; or 2) The government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.