

APPRAISAL NOTICE

App. Date	Application No.	Loan Amount	Dept.	Collateral	Officer	Init.
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.						

Applicant:

Lender:

Northwoods Bank of Minnesota
1200 First Street East
PO Box 112
Park Rapids, MN 56470-0112
(218) 732-7221

We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close.

You can pay for an additional appraisal for your own use at your own cost.

By signing below, you acknowledge receipt of this Appraisal Notice.

APPLICANT:

X _____ X _____
Applicant Date Applicant Date

NOTICE AND ACKNOWLEDGMENT OF THIRD-PARTY EXPENSES

The borrower is hereby notified and acknowledges that in order to properly process the borrower's mortgage loan application it may be necessary for the Northwoods Bank of Minnesota (lender) to incur third-party expenses. If for any reason this mortgage loan does not close, the borrower hereby agrees to reimburse the lender for the cost of the incurred third-party expenses. Reimbursement by the borrower to the lender for the cost of the incurred third-party expenses shall be made within thirty (30) days after demand for payment has been made on the borrower by the lender.

COLLECTION FEES: Should this matter be placed in the hands of an attorney for collection, the borrower agrees to pay reasonable collection costs including reasonable attorney's fees, whether or not suit is brought hereon. In the event of court action, the court shall determine said costs and fees.

Date

Date

FEDERAL CREDIT APPLICATION INSURANCE
DISCLOSURE

I have applied for an extension of credit with you. You are soliciting, offering or selling me an insurance product or annuity in connection with this extension of credit.

FEDERAL LAW PROHIBITS YOU FROM CONDITIONING THE EXTENSION OF CREDIT ON EITHER:

1. My purchase of an insurance product or annuity from you or from any of your affiliates; or
2. My agreement not to obtain or prohibition on me from obtaining, an insurance product or annuity from an unaffiliated entity.

By signing, I acknowledge that I have received a copy of this form on today's date. Unless this disclosure is provided electronically or I have applied for credit by mail, I also acknowledge that you have provided this disclosure to me orally.

Borrower

Date

Co-Borrower

SERVICING DISCLOSURE STATEMENT

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 1200 First Street East
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SERVICING DISCLOSURE STATEMENT

NOTICE TO FIRST LIEN MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED.

You are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2601 et seq.). RESPA gives you certain rights under Federal law. This statement describes whether the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest, and escrow payments, if any, as well as sending any monthly or annual statements, tracking account balances, and handling other aspects of your loan. You will be given advance notice before a transfer occurs.

Servicing Transfer Information

- We may assign, sell or transfer the servicing of your loan while the loan is outstanding.
- or
- We do not service mortgage loans of the type for which you applied. We intend to assign, sell, or transfer the servicing of your mortgage loan before the first payment is due.
- or
- The loan for which you have applied will be serviced at this financial institution and we do not intend to sell, transfer, or assign the servicing of the loan.

ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT

I/WE HAVE READ THIS DISCLOSURE FORM, AND UNDERSTAND ITS CONTENTS, AS EVIDENCED BY MY/OUR SIGNATURES BELOW. I/WE UNDERSTAND THAT THIS ACKNOWLEDGMENT IS A REQUIRED PART OF THE MORTGAGE LOAN APPLICATION.

APPLICANT:

X _____ X _____
 Applicant's Signature Date Co-Applicant's Signature Date

EARLY ARM DISCLOSURE STATEMENT

Applicant:

Lender:

Northwoods Bank of Minnesota
1200 First Street East
PO Box 112
Park Rapids, MN 56470-0112
(218) 732-7221

Origination Co. NMLSR ID: 416535

ADJUSTABLE RATE MORTGAGE ("ARM") IMPORTANT MORTGAGE LOAN INFORMATION -- PLEASE READ CAREFULLY PROGRAM NAME: EARLY ARM DISCLOSURE STATEMENT

If you wish to apply for an Adjustable Rate Mortgage loan (referred to in this disclosure as an "ARM") with Northwoods Bank of Minnesota (referred to in this disclosure as "we," "us," "our" or "Lender"), you should read the information below concerning the differences between this ARM program and other mortgage loan programs with which you may be familiar. This disclosure describes the features of the specific ARM that you are considering. Upon your request, we will provide you with information about any other Adjustable Rate Mortgage programs we offer.

GENERAL DESCRIPTION OF AN ADJUSTABLE RATE MORTGAGE LOAN. This loan is an Adjustable Rate Mortgage loan. The applicable interest rate may change from time to time based upon the movements of an interest rate index. This ARM program is based on the terms and conditions set forth in this disclosure and in the loan documents. We have based this disclosure on recent interest rates, index and margin values, and fees. Ask us for our current interest rate and margin.

You should read carefully this disclosure and the promissory note, deed of trust or mortgage, any riders and all other documents that you will be asked to sign if we offer an ARM to you and you accept it. This disclosure is not a contract or a loan commitment. However, the loan documents once signed will be a contract between you and us. The matters discussed in this disclosure are subject to change by us at any time without notice.

HOW YOUR INTEREST RATE IS DETERMINED. Your interest rate will be determined by means of an index that may change from time to time.

The Index. The interest rate charged under this ARM program will be based on an interest rate index (referred to in this disclosure as the "Index"). The Index is the Federal Home Loan Bank, Des Moines 5 year advance rate. Information about this Index is available at Federal Home Loan Bank of Des Moines web site. If the Index is no longer available, we will choose a new index that is based upon comparable information.

Interest Rate. The interest rate is based on the Index value, plus a margin. A change in the Index generally will result in a change in the interest rate. The amount that your interest rate may change also may be affected by periodic interest rate change limitations and any minimum or maximum interest rate limits, as discussed below.

Interest Rate Adjustments. Your interest rate under this ARM program can change every 5 years. Your interest rate cannot increase or decrease more than 2.000 percentage points at each adjustment. However, under no circumstances will your interest rate increase more than 6.000 percentage points during the term of your loan. Additionally, the interest rate will not decrease below the margin.

HOW YOUR PAYMENTS ARE DETERMINED. Your monthly payment of principal and interest will be determined based on the interest rate, loan term, and loan balance. If your interest rate changes, your payment will be adjusted to fully amortize the loan by the end of the loan term.

Frequency of Payment Changes. Based on increases or decreases in the Index, payment amounts under this ARM program can change every 5 years.

Payment Example. Your payment may increase or decrease substantially depending on changes in the interest rate. For example, on a \$10,000, 30-year loan with an initial interest rate of 2.720% (the index rate in effect January 2022, plus a margin of 1.000%), the maximum amount that the interest rate can rise under this program is 6.000 percentage points to 8.720%, and the monthly payment can rise from an initial payment of \$40.67 to a maximum of \$66.85 in the sixteenth year.

Note: To see what your payments would be, divide your mortgage amount by \$10,000; then multiply the monthly payment by that amount. (For example, the monthly payment for a mortgage amount of \$60,000 would be: \$60,000 divided by \$10,000 = 6; 6 X \$40.67 = \$244.02 monthly.)

Adjustment Notice. You will be notified at least 210, but no more than 240, days before the first payment at the adjusted level is due after the initial interest rate adjustment of the loan. This notice will contain information about the adjustment, including the rate, payment amount, and loan balance. You will also be notified at least 60, but no more than 120, days before the first payment at the adjusted level is due after any interest rate adjustments resulting in a corresponding payment change. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

EARLY ARM DISCLOSURE STATEMENT

Applicant:

Lender:

Northwoods Bank of Minnesota
1200 First Street East
PO Box 112
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Origination Co. NMLSR ID: 416535

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If you wish to apply for an Adjustable Rate Mortgage loan (referred to in this disclosure as an "ARM") with Northwoods Bank of Minnesota (referred to in this disclosure as "we," "us," "our" or "Lender"), you should read the information below concerning the differences between this ARM program and other mortgage loan programs with which you may be familiar. This disclosure describes the features of the specific ARM that you are considering. Upon your request, we will provide you with information about any other Adjustable Rate Mortgage programs we offer.

GENERAL DESCRIPTION OF AN ADJUSTABLE RATE MORTGAGE LOAN. This loan is an Adjustable Rate Mortgage loan. The applicable interest rate may change from time to time based upon the movements of an interest rate index. This ARM program is based on the terms and conditions set forth in this disclosure and in the loan documents. We have based this disclosure on recent interest rates, index and margin values, and fees. Ask us for our current interest rate and margin.

You should read carefully this disclosure and the promissory note, deed of trust or mortgage, any riders and all other documents that you will be asked to sign if we offer an ARM to you and you accept it. This disclosure is not a contract or a loan commitment. However, the loan documents once signed will be a contract between you and us. The matters discussed in this disclosure are subject to change by us at any time without notice.

HOW YOUR INTEREST RATE IS DETERMINED. Your interest rate will be determined by means of an index that may change from time to time.

The Index. The interest rate charged under this ARM program will be based on an interest rate index (referred to in this disclosure as the "Index"). The Index is the Northwoods Bank Base Rate. Information about this Index is available at Northwoods Bank of Minnesota. If the Index is no longer available, we will choose a new index that is based upon comparable information. The Index is subject to our control.

Interest Rate. The interest rate is based on the Index value, plus a margin. A change in the Index generally will result in a change in the interest rate. The amount that your interest rate may change also may be affected by periodic interest rate change limitations and any minimum or maximum interest rate limits, as discussed below.

Interest Rate Adjustments. Your interest rate under this ARM program can change every 5 years. Your interest rate cannot increase or decrease more than 2.000 percentage points at each adjustment. However, under no circumstances will your interest rate increase more than 6.000 percentage points during the term of your loan. Additionally, the interest rate will not decrease below the margin.

HOW YOUR PAYMENTS ARE DETERMINED. Your monthly payment of principal and interest will be determined based on the interest rate, loan term, and loan balance. If your interest rate changes, your payment will be adjusted to fully amortize the loan by the end of the loan term.

Frequency of Payment Changes. Based on increases or decreases in the Index, payment amounts under this ARM program can change every 5 years.

Payment Example. Your payment may increase or decrease substantially depending on changes in the interest rate. For example, on a \$10,000, 30-year loan with an initial interest rate of 5.250% (the index rate in effect January 2022, plus a margin of 1.000%), the maximum amount that the interest rate can rise under this program is 6.000 percentage points to 11.250%, and the monthly payment can rise from an initial payment of \$55.24 to a maximum of \$86.44 in the sixteenth year.

Note: To see what your payments would be, divide your mortgage amount by \$10,000; then multiply the monthly payment by that amount. (For example, the monthly payment for a mortgage amount of \$60,000 would be: \$60,000 divided by \$10,000 = 6; 6 X \$55.24 = \$331.44 monthly.)

Adjustment Notice. You will be notified at least 210, but no more than 240, days before the first payment at the adjusted level is due after the initial interest rate adjustment of the loan. This notice will contain information about the adjustment, including the rate, payment amount, and loan balance. You will also be notified at least 60, but no more than 120, days before the first payment at the adjusted level is due after any interest rate adjustments resulting in a corresponding payment change. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

HOME EQUITY APPLICATION DISCLOSURE

Northwoods Bank of Minnesota
1200 First Street East
PO Box 112
Park Rapids, MN 56470-0112

IMPORTANT TERMS OF OUR HOME EQUITY APPLICATION DISCLOSURE

This disclosure contains important information about our HE ADJ RATE - INTEREST ONLY (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS. All of the terms of the Plan described herein are subject to change. If any of these terms change (other than the ANNUAL PERCENTAGE RATE) and you decide, as a result, not to enter into an agreement with us, you are entitled to a refund of any fees that you paid to us or anyone else in connection with your application.

SECURITY INTEREST. We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

POSSIBLE ACTIONS. Under this Plan, we have the following rights:

Termination and Acceleration. We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

- (a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.
- (b) You do not meet the repayment terms of the Plan.
- (c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

- (a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.
- (b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.
- (c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions).
- (d) We are precluded by government action from imposing the annual percentage rate provided for under the Plan.
- (e) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit limit.
- (f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.
- (g) The maximum annual percentage rate under the Plan is reached.

Change in Terms. We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems).

Fees and Charges. In order to open and maintain an account, you must pay certain fees and charges.

Lender Fees. The following fees must be paid to us:

Description	Amount	When Charged
Non Customer documentation fee:	\$100.00	At Account Opening
NSF Handling Fee:	\$30.00	At the time a payment is returned to us for non-sufficient funds

Late Charge. Your payment will be late if it is not received by us within **16 days after the "Payment Due Date" shown on your periodic statement.** If your payment is late we may charge you 5.000% of the payment.

Third Party Fees. You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total between \$46.23 and \$1,192.35. We estimate the breakdown of these as follows:

Description	Amount	When Charged
Recording:	\$46.00 per document	Upon Each Occurrence
Title Registration:	\$.23 per hundred	
Appraisal fee:	estimated at \$550.00 if required	

**HOME EQUITY APPLICATION DISCLOSURE
(Continued)**

Description		Amount	When Charged
Title Examination:	estimated at	\$450.00 if required	
Conservation fee:	estimated at	\$5.00 if required	
Flood Cert:		18.35	At closing

PROPERTY INSURANCE. You must carry insurance on the property that secures the Plan.

MINIMUM PAYMENT REQUIREMENTS. You can obtain advances of credit during the following period: FOR THE TERM OF 60 MONTHS UNTIL MATURITY (the "Draw Period"). Your Regular Payment will equal the amount of your accrued FINANCE CHARGES or \$1.00, whichever is greater. You will make 59 of these payments. You will then be required to pay the entire balance owing in a single balloon payment. If you make only the minimum payments, you may not repay any of the principal balance by the end of this payment stream. Your payments will be due monthly. Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your Regular Payment.

In any event, if your Credit Line balance falls below \$1.00, you agree to pay your balance in full.

MINIMUM PAYMENT EXAMPLE. If you made only the minimum payment and took no other credit advances, it would take 5 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 4.250%. During that period, you would make 59 monthly payments ranging from \$32.60 to \$36.10 and one final payment of \$10,036.10.

TRANSACTION REQUIREMENTS. The following transaction limitations will apply to the use of your Credit Line:

Overdraft, Telephone Request and In Person Request Limitations. The following transaction limitations will apply to your Credit Line and overdrawing a designated deposit account, requesting an advance by telephone and requesting an advance in person.

Other Transaction Requirements. REQUESTED ADVANCES CAN BRING UNPAID BALANCE TO BUT NOT OVER LOAN LIMIT.

TAX DEDUCTIBILITY. You should consult a tax advisor regarding the deductibility of interest and charges for the Plan.

VARIABLE RATE FEATURE. The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

THE INDEX. The annual percentage rate is based on the value of an index (referred to in this disclosure as the "Index"). The Index is the New York Prime Rate. Information about the Index is available or published in the Wall Street Journal. We will use the most recent Index value available to us as of the date of any annual percentage rate adjustment.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your account, we add a margin to the value of the Index, then divide the value by 365 days. To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (366 during leap years). This result is the **ANNUAL PERCENTAGE RATE**. A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

Please ask us for the current Index value, margin, discount and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your ANNUAL PERCENTAGE RATE can change DAILY. There is no limit on the amount by which the annual percentage rate can change during any one year period. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 8.750% per annum or, go below 3.750% per annum at any time during the term of the Plan.

MAXIMUM RATE AND PAYMENT EXAMPLE. If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 8.750% would be \$74.32. This ANNUAL PERCENTAGE RATE could be reached at the time of the 1st payment.

PREPAYMENT. You may prepay all or any amount owing under the Plan at any time without penalty.

HISTORICAL EXAMPLE. The example below shows how the ANNUAL PERCENTAGE RATE and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the Index from 2008 to 2022. The Index values are from the following reference period: as of the 1st business day of January. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the Index or your payments would change in the future.

**HOME EQUITY APPLICATION DISCLOSURE
(Continued)**

INDEX TABLE

Year (as of the 1st business day of January)	Index (Percent)	Margin (1) (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2008.....	7.250....	1.000	8.250	70.07
2009.....	3.250....	1.000	4.250	36.10
2010.....	3.250....	1.000	4.250	36.10
2011.....	3.250....	1.000	4.250	36.10
2012.....	3.250....	1.000	4.250	36.10
2013.....	3.250....	1.000	4.250	
2014.....	3.250....	1.000	4.250	
2015.....	3.250....	1.000	4.250	
2016.....	3.500....	1.000	4.500	
2017.....	3.750....	1.000	4.750	
2018.....	4.500....	1.000	5.500	
2019.....	5.500....	1.000	6.500	
2020.....	4.750....	1.000	5.750	
2021.....	3.250....	1.000	4.250	
2022.....	3.250....	1.000	4.250	

(1) This is a margin we have used recently; your margin may be different.

HOME EQUITY APPLICATION DISCLOSURE

Northwoods Bank of Minnesota
1200 First Street East
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Park Rapids, MN 56470-0112

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AVAILABILITY OF TERMS. All of the terms of the Plan described herein are subject to change. If any of these terms change and you decide, as a result, not to enter into an agreement with us, you are entitled to a refund of any fees that you paid to us or anyone else in connection with your application.

SECURITY INTEREST. We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

POSSIBLE ACTIONS. Under this Plan, we have the following rights:

Termination and Acceleration. We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

- (a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.
- (b) You do not meet the repayment terms of the Plan.
- (c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

- (a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.
- (b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.
- (c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions).
- (d) We are precluded by government action from imposing the annual percentage rate provided for under the Plan.
- (e) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit limit.
- (f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.
- (g) The maximum annual percentage rate under the Plan is reached.

Change in Terms. We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems).

Fees and Charges. In order to open and maintain an account, you must pay certain fees and charges.

Lender Fees. The following fees must be paid to us:

Description	Amount	When Charged
Non customer documentation fee:	\$100.00	At Account Opening
NSF Handling Fee:	\$30.00	At the time a payment is returned to us for non-sufficient funds

Late Charge. Your payment will be late if it is not received by us within **16 days after the "Payment Due Date" shown on your periodic statement.** If your payment is late we may charge you 5.000% of the payment.

Third Party Fees. You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total between \$46.23 and \$1,192.35. We estimate the breakdown of these as follows:

Description	Amount	When Charged
Recording:	\$46.00 per document	Upon Each Occurrence
Title Registration:	\$.23 per hundred	
Appraisal Fee:	estimated at \$550.00 if required	

**HOME EQUITY APPLICATION DISCLOSURE
(Continued)**

Description		Amount	When Charged
Title Examination:	estimated at	\$450.00 if required	
Conservation fee:	estimated at	\$5.00 if required	
Flood Cert:		18.35	At closing

PROPERTY INSURANCE. You must carry insurance on the property that secures the Plan.

MINIMUM PAYMENT REQUIREMENTS. You can obtain advances of credit during the following period: FOR THE TERM OF 36 MONTHS UNTIL MATURITY (the "Draw Period"). Your Regular Payment will equal the amount of your accrued FINANCE CHARGES or \$1.00, whichever is greater. You will make 35 of these payments. You will then be required to pay the entire balance owing in a single balloon payment. If you make only the minimum payments, you may not repay any of the principal balance by the end of this payment stream. Your payments will be due monthly. Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges.

In any event, if your Credit Line balance falls below \$1.00, you agree to pay your balance in full.

MINIMUM PAYMENT EXAMPLE. If you made only the minimum payment and took no other credit advances, it would take 3 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 4.250%. During that period, you would make 35 monthly payments ranging from \$32.60 to \$36.10 and one final payment of \$10,036.10.

TRANSACTION REQUIREMENTS. The following transaction limitations will apply to the use of your Credit Line:

Overdraft, Telephone Request and In Person Request Limitations. The following transaction limitations will apply to your Credit Line and overdrawing a designated deposit account, requesting an advance by telephone and requesting an advance in person.

Other Transaction Requirements. REQUESTED ADVANCES CAN BRING UNPAID BALANCE TO BUT NOT OVER LOAN LIMIT.

TAX DEDUCTIBILITY. You should consult a tax advisor regarding the deductibility of interest and charges for the Plan.

ANNUAL PERCENTAGE RATE INFORMATION. The ANNUAL PERCENTAGE RATE under the Plan is not based on an Index. It is based upon a fixed rate, which will be specified either at the time you receive a loan commitment or at the loan closing, and will be based upon the market conditions at that time. An ANNUAL PERCENTAGE RATE of 4.250% percentage points is representative of a fixed rate recently offered by us under the Plan. The ANNUAL PERCENTAGE RATE does not include costs other than interest. Please ask us for the current annual percentage rate under the Plan.

PREPAYMENT. You may prepay all or any amount owing under the Plan at any time without penalty.

FACTS**WHAT DOES NORTHWOODS BANK OF MINNESOTA DO WITH YOUR PERSONAL INFORMATION?****Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and payment history
- credit history and credit scores

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Northwoods Bank of Minnesota chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Northwoods Bank of Minnesota share?	Can you limit this sharing?
For our everyday business purposes —such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes —to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes —information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes —information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?

Call 218-732-7221 or go to www.northwoodsbank.com

Who we are

Who is providing this notice?	Northwoods Bank of Minnesota
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What we do

How does Northwoods Bank of Minnesota protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Northwoods Bank of Minnesota collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ● open an account or deposit money ● pay your bills or apply for a loan ● use your credit or debit card <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ● sharing for affiliates' everyday business purposes – information about your creditworthiness ● affiliates from using your information to market to you ● sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions

Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ● <i>Northwoods Bank of Minnesota has no affiliates.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ● <i>Northwoods Bank of Minnesota does not share with nonaffiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ● <i>Northwoods Bank of Minnesota doesn't jointly market.</i>

Other important information

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