

The First National Bank of Henning, Ottertail and Battle Lake Cardholder Agreement

1. Agreement. This Cardholder Agreement (this “Agreement”) governs the possession and use of credit cards (“Card” or “Cards”) issued by First National Bank of Henning, Ottertail and Battle Lake and its successors or assigns (“Issuer”, “us” “we” or “our”) to you in connection with your credit card account (“Account”) with Issuer. Each person who applies for a Card and in whose name the Card is issued (“Holder”, “you” or “your”) or who receives or uses a Card, consents and agrees to this Agreement’s terms and conditions and to the terms contained on the Cards, sales drafts, credit adjustment memos and cash advance drafts, signed by or given to Holder or any authorized user of Holder’s Cards (collectively the “Credit Obligations”). When Cards are issued upon the application of two or more persons, all such persons shall be jointly and severally liable as Holders for all Credit Obligations. The provisions of this Agreement, as amended from time to time, govern Holder’s obligations, notwithstanding any additional or different terms contained in sales drafts, credit adjustment memos, cash advance drafts or other forms signed by or given to Holder or any user of Holder’s Cards to evidence a credit card transaction. You authorize us, both now and in the future to check your credit and employment history and to disclose information to third parties relating to your credit standing. If you believe that we have incorrect information or have reported incorrect information about you to a credit bureau, please call us at 1.866.531.5253. As required by law, you are hereby notified that a negative credit report reflecting on your credit history may be submitted to a credit-reporting agency if you fail to fulfill the terms of your Credit Obligations. This Agreement’s terms apply to all Cards issued to Holder or to others on Holder’s authorization and to any user of Holder’s Cards.

2. Membership Fees. As a condition of participation in Issuer’s credit plan and the issuance of a Card, Holder agrees that we do not charge a membership fee for VISA consumer accounts. Membership described above entitles the Holder to two VISA Cards.

3. Use of Card. Credit for purchases from a merchant (“Purchases”), cash advances from a participating financial institution that allow you direct access to funds (“Cash Advances”) or transfer of balances and obligations that you owe other companies or financial institutions to your Account (“Balance Transfers”), may be obtained by Holder or an authorized user of Holder’s Card presenting one of Holder’s Cards to the merchant or participating financial institution and, if requested, by providing the proper identifying information and signing the appropriate drafts. Failure to sign a draft does not relieve the Holder of liability for Purchases made or cash received. The use of this Card for illegal transactions is prohibited. The Card may also be used to obtain Cash Advances from certain automated equipment provided it is used with Holder’s correct Personal Identification Number (“PIN”) issued to Holder. Holder may make only two Cash Advance withdrawals totaling not more than your total Credit Limit each day from compatible ATM terminals. Terminals or terminal operators may have other limits on the amounts or frequency of cash withdrawals. Holder will not be liable for the unauthorized use of the Card or PIN issued to Holder which occurs before Issuer receives notification orally or in writing of loss, theft or possible unauthorized use of a Card or PIN. Lost or stolen Cards or PINS

should be reported immediately to Issuer by notifying FNB CUSTOMER SERVICE, PO Box 96, Henning, MN 56551, and Telephone 866.531.5253 or at branch locations listed on the last page of this Agreement.

4. Balance Transfer. Balances transferred shall be treated as a credit purchase. Balance Transfers may not be used to pay your Account or any other obligation you owe us.

5. Credit Limit. Your Card has a maximum amount of credit available under the Account established by us (the “Credit Limit”). We will notify you of the Credit Limit for each Account you have with us. You agree that your total charges, including Purchases, Cash Advances, Balance Transfers, Interest Charges and fees that may be due will not exceed your Credit Limit. If you do go over your Credit Limit, you must repay the excess amount immediately, including fees and Interest Charges. You may apply to increase your Credit Limit at any time, but we are not obligated to increase your Credit Limit at any time. Furthermore, we reserve the right to lower or increase your Credit Limit at any time. If we accept a payment in excess of the outstanding balance on your Account, your Credit Limit will not be increased by the amount of the overpayment nor will we be required to authorize transactions for an amount in excess of your Credit Limit.

6. Temporary Reduction of Credit Limit. Merchants, such as car rental companies and hotels, may request prior credit approval from us for an estimated amount of your Purchases, even if you ultimately do not pay by credit. If our approval is granted, your available Credit Limit will be temporarily reduced by the amount authorized by us. If you do not ultimately use your Card account to pay for your Purchases or if the actual amount of Purchases posted to your Account varies from the estimated amount approved by us, it is the responsibility of the merchant, not us, to cancel the prior credit approval based on the estimated amount. The failure of the merchant to cancel a prior credit approval may result in a temporary reduction of your available Credit Limit but will not increase the amount you owe us under this Agreement.

7. Payment and periodic statement. You agree to pay us for all Purchases, Cash Advances, Balance Transfers and Interest Charges and fees, borrowings and any other transactions by you or anyone authorized to use your Card as provided for within this Agreement. Holder will be furnished a monthly statement (the “Statement”) for each Billing Period at the end of which there is an undisputed debit or credit balance of \$1.00 or more. A “Billing Period” covers the approximately 30 day period that begins on the day following the “Statement Closing Date” as defined in your Statement immediately preceding the Current Monthly Statement (the “Previous Statement”) and ends on the Statement Closing Date reflected in your most recent Statement (the “Current Statement”). Holder shall pay within 25 days after each Statement Closing Date either (a) the full amount billed (“New Balance”) or, at Holder’s option, (b) a minimum Payment (the “Minimum Payment”) of \$25.00 or 2% of the New Balance rounded up to the nearest dollar, whichever is greater, plus any Interest Charges, late fees, or Over the Credit Limit Fees, past due Minimum Payments or other fees (if any) that are shown on the Statement. Payments must be made in U.S. Dollars and may be mailed to First National Bank of Henning, Ottertail and Battle Lake, P.O. Box 96, Henning, MN 56551. Do not send cash in the mail. You may not request Balance Transfers on

existing obligations you owe us. Under no circumstance shall Issuer be liable for cash lost or stolen in the mail. Payments may be made, in person, at any First National Bank of Henning, Ottertail and Battle Lake office. Payments received after 5:00 p.m. on any business day or at any time on any non-business day will be considered as payments made on the following business day. Any payment amount in excess of the Minimum Payment shall not be applied in satisfaction of future Minimum Payments or change the requirement that you make at least the Minimum Payment. All payments by Holder will be applied first to payment of Interest Charges in the order of their entry to the Account, second to additional fees, if any, in the order of their entry to the Account, third to previously billed Cash Advances, Purchases and other similar charges in the order of their entry to the Account, and then to current Cash Advances, Purchases and other similar charges in the order of their entry to the Account.

8. Interest Charges. Holder shall pay “Interest Charges” on Holder’s Account as shown on Holder’s Statements, for each Billing Period in which there is a Cash Advance, Balance Transfer or a previous balance listed on the Previous Statement (the “Previous Balance”) which is not paid in full prior to the Statement Closing Date. For Cash Advance and Balance Transfer fees, please see the Rates and Fees Disclosure Table. We figure the Interest Charges on your Account by applying the applicable monthly Periodic Rate as provided in the Rates and Fees Disclosure Table, to the entire “Balance Subject to Interest Rate” for each of the categories of Purchases, Balance Transfers and Cash Advances (collectively the “Categories”). The additional charge for Cash Advances shall not apply to any Cash Advance obtained under a separate credit agreement with Holder and written in connection with these regulations. The “Balance Subject to Interest Rate” is the “average daily balance” of each of the Categories of the Account (including new Purchases). To get the “average daily balance,” we take the beginning balance of each of the Categories of the Account each day, add any new Cash Advances, Purchases, Balance Transfers and other charges to each of the requisite Categories, subtract any payments or credits and add any unpaid late charges, unpaid membership fees and unpaid Interest Charges to each of the requisite Categories. This gives us the daily balance for each of the Categories. Then, we add up all of the daily balances for the Billing Period and divide the total by the number of days in the Billing Period. This gives us the “Average Daily Balance” for each of the Categories. Interest Charges for Purchases begin on the date the Purchase is posted to the Account unless the Previous Balance shown on the Statement is paid in full prior to the Statement Closing Date. Purchases made during the Billing Period and the Previous Balance will be excluded from the calculation of the “average daily balance” if the Previous Balance shown on the front of the Statement was paid in full prior to the Statement Closing Date. The Interest Charges for Cash Advances begin on the date the Cash Advance is posted to the Account. Holder may avoid additional Interest Charges on an Account by paying in full the New Balance shown on the Account’s Statement within 25 days after the Closing Date for that Statement. Billed and unpaid Interest Charges and additional fees will be included in the average daily balance, and as such, will accrue interest and reduce your Credit Limit.

9. Additional Fees. For a listing of fees charged in association with this Card, please see the Rates and Fees Disclosure Table accompanying this Agreement (the “Rates and Fees Disclosure Table”). We may charge you a Late Payment Fee to the balance of your Account if your Minimum Payment is not received by the due date provided within the Statement. Holder also agrees to pay such Cash Advance and Foreign Fees in addition to the Interest Charges as provided for within this Agreement and the Rates and Fees Disclosure Table. Charges will not be imposed if such charges were incurred directly resulting from Holder’s request in connection with or delivery of the documents in response to an alleged billing error under Regulations E or Z issued by the Board of Governors of the Federal Reserve System.

10. Security Interest. We have no security for any amounts which become due under this Agreement, even though any other agreement you may have with us, such as a mortgage, may provide for such a security interest, unless you have given us a specific security interest in connection with this Agreement, which is described on the Supplement attached to this Agreement.

11. Foreign Transactions. If a Holder’s Card is used to effect a transaction in a foreign currency or the Holder makes a transaction outside of the United States of America, the transaction amount will be converted to U.S. dollars by VISA International, VISA converts currency to U.S. dollars using either the government mandated exchange rate or the wholesale exchange rate in effect one day before the date of the conversion, as applicable. The exchange rate is increased by 1% if the conversion is made in connection with a charge to an Account and decreased by 1% if the conversion is made in connection with a credit to an Account. The date of conversion by VISA may differ from the Purchase date and the posting date identified in the Statement for the Account. Visa charges 1% for this service which is passed thru to the Holder at cost. Holder agrees to pay charges and accept credits for the converted transaction amounts in accordance with the terms of this paragraph.

12. Disputes. Issuer is not responsible for refusal by any merchant, financial institution or automated equipment to honor or accept a Card. Except as provided in the Federal Truth-in-Lending laws (as indicated in the Summary of Billing Rights below), Issuer has no responsibility for merchandise or services obtained by Holder with a Card and any dispute concerning merchandise or services will be settled between Holder and the merchant concerned.

13. Default. Holder covenants to observe and comply with this Agreement’s terms and conditions and covenants not to permit an event of default to occur. Upon the occurrence of any one or more of the following events of default: (a) Holder fails to pay at least the Minimum Payment when due on two occasions within any 12-month period; (b) Holder dies, ceases to exist, changes residency to another state, becomes insolvent or the subject of bankruptcy or insolvency proceedings or fails to observe any covenant or duty contained in this Agreement; (c) Holder makes false statements on Holder’s Account application or in the maintenance of Holder’s Account; (d) any event occurs which we in good faith believe materially increases the risk that Holder will not perform Holder’s obligations pursuant to this Agreement’s terms; or (e) we have reason to believe Holder’s Account is being used for fraud or illegally; the full amount of Holder’s Account for

which the default occurred (including unpaid Interest Charges) shall, at Issuer's option become immediately due and payable if Holder does not cure the default within 15 calendar days after notice is mailed to the address of Holder, or after such notice is given as otherwise provided by law. Issuer has this right to immediately call the full amount of Holder's Account due and payable, without notice and opportunity to cure; if the default is the Holder's third default within 12 months and the Holder is notified of the prior two defaults and the Holder cured those defaults. If we have to turn your Account over to an attorney for collection, you further agree to pay all collection costs including but not limited to, reasonable attorney's fees and court costs as permitted by law. Upon Holder's default, Issuer may cancel your Account or suspend your ability to obtain Account credit immediately, without notice to the extent allowed under applicable law. If we cancel your Account, the unpaid balance will continue to bear interest (Finance Charges) at a rate of 19.99% per annum, or the highest amount allowable by applicable law, whichever is less, until your Account is paid in full. We will also continue to assess Inactivity Fees until your Account balance is paid in full. No failure or delay in Issuer exercising any of Issuer's rights under this Agreement shall constitute a waiver of such rights. We may accept late or partial payments or payments marked "payment in full" or with any other restrictive endorsements without losing any rights we may have under this Agreement due to your default.

14. Termination. Holder's consent to this Agreement's terms may be terminated at any time by surrendering the Cards issued to Holder or at Holder's written request, but such termination shall not affect Holder's obligations under this Agreement as to any balances or charges outstanding at the time of termination. Termination by any Holder shall be binding on each person in whose name the Card is issued. If Holder's spouse terminates this credit plan, the full amount of Holder's Account (including unpaid Interest Charges) may be declared immediately due and payable. Issuer may terminate Holder's privilege to use the Cards if Holder moves out of the service area of Issuer, as defined by Issuer from time to time. Unless sooner terminated, the privilege to use the Cards shall expire on the date shown on the Cards. At any time, without liability to Holder and without affecting Holder's liability for credit previously extended, Holder's privilege to use the Cards may be revoked or limited to the extent not prohibited by law. The Cards are and shall remain the property of Issuer and Holder agrees to surrender them to Issuer upon demand.

15. Authorization. You agree that Issuer shall not be liable if any merchant or financial institution refuses to honor any Card, operational difficulties prevent authorization of a transaction, authorization is denied because your Account is delinquent or over your Credit Limit; or your Account is otherwise restricted pursuant to this Agreement.

15. Amendments. Issuer may amend this Agreement from time to time by sending Holder advance written notice not less than 90 days prior to the effective date for any change that is either adverse to Holder's outstanding balance or increases certain fees, as required by the MN Consumer Act from time to time, or not less than 15 days prior to the effective date for other changes, or as may otherwise be required or permitted by applicable law. To the extent that Issuer indicates in the notice and that the law permits, amendments will apply to Holder's existing Account balance as well as to future transactions. Notices are

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deemed given when mailed by Issuer to any Holder to the current address for mailing monthly statements. Invalidity of any provision of this Agreement shall not affect the validity of any other provisions unless otherwise provided by the MN Consumer Act.

16. Governing Law. Holder agrees to be governed by the MN Consumer Act with respect to all aspects of the transactions arising under this Agreement. All statutory references are to the statutes as they may be renumbered or amended from time to time.

17. Assignment. You may not assign or transfer your Account.

18. Severability. The invalidity of any of this Agreement's provisions shall not affect the validity of any other provision.

19. Entire Agreement. This Agreement, as modified or amended as provided herein, along with the Rates and Fees Disclosure Table, which is incorporated herein by reference, constitutes the entire agreement between Issuer and Holder and supersedes any prior negotiation, agreement or understanding between Issuer and Holder concerning its subject matter.

Your Billing Rights

Keep this Notice for Future Use

This notice tells you 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:

First National Bank of Henning
Credit Card Services
PO Box 96
Henning, MN 56551

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 [or electronically]. You may call us at 800.325.3678, 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.

Your Rights If You Are Dissatisfied With Your Credit Card Purchases

If you are dissatisfied with the goods or services that you have purchased with your Card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
 2. You must have used your Card for the purchase. Purchases made with Cash Advances from an ATM or with a check that accesses your Card Account do not qualify.
 3. You must not yet have fully paid for the purchase.
1. If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at:

First National Bank of Henning
Credit Card Services
PO Box 96
Henning, MN 56551