**Advanced Notification to IRA Account Holders**

Dear IRA Customer,

I am writing today to give you advanced notice of a stock opportunity anticipated to be available in January 2013. Union Financial Corporation, Union Bank's holding company, is offering for sale shares of its common stock to Michigan residents. Union Bank IRA customers may be able to use a portion of their current IRA account with Union Bank to purchase shares of stock of Union Financial Corporation. The deadline to subscribe for shares is , 2013. All of the terms and conditions of the offer by Union Financial Corporation are set forth in a Confidential Offering Memorandum, as supplemented from time to time.

If you decide to purchase stock of Union Financial Corporation using your existing IRA account with Union Bank, we want to bring some very important points to your attention:

* Union Financial Corporation stock is privately held/traded. Typically, very few shares actually trade, making it difficult to acquire an adequate number of shares to add to a retirement portfolio. This offering provides those that seek long-term value with an opportunity to make Union Financial Corporation stock part of their investment retirement strategy. If you wish to invest a portion of your IRA account in Union Financial Corporation stock, you must establish a separate IRA to hold the stock. To facilitate the placement of Union Financial Corporation stock in an IRA account, Union Bank established a "Self-Directed IRA account." The account will consist of a stock portion and a certificate of deposit (or cash) portion. The cash portion will be FDIC insured. The stock portion is not FDIC insured and is subject to a total loss of principal. The setting up of a Self-Directed IRA is very simple and Union Bank provides custodial services for the safe-keeping of your stock certificates. All at no charge.
* You generally must begin to receive distributions from your IRA by April 1 of the year that follows the year in which you attain age 70-1/2. This is called a "required minimum distribution." The required minimum distribution will automatically be calculated and placed in a separate non-IRA account at Union Bank. However, you can elect to have the required minimum distribution withdrawn from another IRA if you have more than one IRA. If you wish to have your required minimum distribution taken from another IRA account, please notify Union Bank in writing prior to the date that you reach age 70-1/2.
* If Union Bank makes any required minimum distribution from your Self-Directed IRA account holding shares of Union Financial Corporation stock, the distribution will be in-kind, meaning that neither the bank nor the holding company will have any obligation to liquidate, sell, or assist you in liquidating or selling your stock. As noted above, there is relatively little trading of our holding company's stock, so you should not use IRA funds to invest in the stock if you anticipate that you will need those funds for your retirement.
* You have the exclusive responsibility for and control over the investments in your IRA. Union Financial Corporation and Union Bank bear no responsibilities for your investment choices or for any losses incurred as a result of the investments in your IRA. There are a number of issues for you to consider, including complex prohibited transaction rules, before investing your IRA in Union Financial Corporation stock. You should seek the assistance of your own legal and tax advisors prior to investing your IRA in Union Financial Corporation stock.

If you have any questions regarding the Self-Directed IRA's, please contact Suzanne Dahms, Union Bank, at 616-374-3278. If you would like to be placed on our ‘to receive prospectus list’ or would like to know more about our Self-Directed IRA account, please complete and mail the enclosed self-addressed card.

I want to thank you for your continued support of our bank.

Sincerely,

Union Bank

Encl. Become a Shareholder Brochure

 Union Bank Regulatory Capital Levels

*This letter is neither an offer to sell nor a solicitation of an offer to buy any securities. An offer can only be made through the Confidential Offering Memorandum issued by Union Financial Corporation. Funds held in corporate stock are not insured by the FDIC or any other government agency. Investments involve varying degrees of risk, including loss of principal. Please read the Confidential Offering Memorandum carefully (including all of the "Risk Factors" described in the memorandum) before making any decision to invest in the common stock of Union Financial Corporation.*