

Availability of Funds

This section sets forth the availability of funds deposited to your deposit accounts at the Bank. It provides information to allow you to determine when funds you deposit or receive for credit to any deposit accounts you maintain with us are available for payment of checks to others or for cash withdrawal (as these functions apply to the specific types of accounts).

Note: These provisions do not apply to checks drawn on banks outside the United States, its territories and possessions.

Our policy is to make funds from your cash and check deposits available to you on the same business day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit on a business day we are open, we will consider that day to be the day of your deposit. However, if you make a deposit on a day we are not open or on a Saturday, we will consider that the deposit was made on the next business day we are open.

Deposits Made at Automated Teller Machines (ATMs)

All deposits made to Ulster Savings Bank ATMs will be made available on the business day following the business day the deposit was made. The business day ends at 3:00 p.m. at our ATMs. If you make a deposit after 3:00 p.m., or not on a business day that we are open, the deposit will be considered made on the next business day that we are open.

You may not make deposits at non-Ulster Savings Bank ATMs.

Commercial Checking Account Deposits

Our general policy is to allow you to withdraw funds deposited in your account on the same business day we receive your deposit. Cash and electronic direct deposits will be available on the business day of your deposit.

Funds deposited to our ATMs before 3:00 P.M. will be available on the business day following the business day of your deposit.

When we have a justified reason, we may delay your ability to withdraw funds beyond the time frame stated above. Then, the funds will generally be available by the second (2nd) business day after the business day we receive your deposit.

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you on the same business day as your deposit. Depending on the type of check that you deposit, funds may not be available until the second (2nd) business day after the day of your deposit. The first \$225 of your deposits, however, may be available on the first business day after the day of your deposit.

If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds would be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available.

Special Rules for New Accounts

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from deposits of cash, wire transfers and electronic direct deposits to your account will be available on the day we receive the deposit. Funds from the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,525 will be available on the fifth (5th) business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the fifth (5th) business day after the day of your deposit.

Check Payment Information

The Order in Which Your Checks are Paid

When checks you have written against your account are received and presented to us for payment, we draw available funds from your account in the following priority: 1.) First, time received at our administrative facility; 2.) Second, multiple checks received at the same time from the lowest check number to the highest check number. We continue to pay in this order until all checks presented are paid, or there are insufficient funds available in your account for that day.

Example: We receive check number 111 at 10:00am. We receive check numbers 101, 103, 105, and 110 at 3:00pm. We will pay the check numbers in the following order: Check # 111, 101, 103, 105 and 110 provided there are sufficient funds.

In-Branch Exception — The above payment method does not apply to checks presented in one of our branches. These are paid in the order received.

Example: Assume one of your checks is presented by you or other authorized payee at 9:00 a.m. on Tuesday, a normal business day. The amount is \$200.00. Further assume that another one of your checks – this one for \$1,000.00 – is presented later in the afternoon of the same day. Because both were presented in-branch on the same day, we would pay the one presented first (\$200) and the other check (\$1,000) second.

The Order in Which Other Items are Paid

Currently when ATM withdrawals and transfers, POS (point of sale) transactions, ACH debits, other electronic debits and other withdrawal orders and debits are presented to us for payment, we draw available funds from your account in the following priority: 1.) First, time received at our administrative facility; 2.) Second, multiple items received at the same time from the lowest item amount to the highest item amount.

Example: Assume an ATM withdrawal is conducted by you at Tuesday 9:00 a.m. and presented for payment on Tuesday, a normal business day. The amount is \$200.00. Further assume that an ACH debit in the amount of \$100.00 is presented later in the afternoon on the same day. Because both were presented on the same day, we would pay the one presented first (\$200.00) and the other (\$100.00) second. If both Items were presented at the same time, we would pay the smallest item first (\$100.00) and then the other (\$200.00) provided there are sufficient funds.