AVAILABILITY OF FUNDS

This statement applies to all deposit accounts. These provisions do not apply to checks drawn on banks outside the United States, its territories and possessions.

Our practice is to make funds from your cash, wire transfers, check, and electronic direct deposits available to you on the same day we receive your deposit. At that time, you can withdraw the funds in cash, and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

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

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will not be available until the first business day after the day of your deposit.

You may not make deposits at non-Ulster Savings Bank ATMs. All ATMs that we own or operate are identified as our machines.

If you make a deposit at an ATM before 3:00 P.M. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit at an ATM after 3:00 P.M. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

LONGER DELAYS MAY APPLY

Case-by-case delays.

In some cases, we will not make all of the funds that you deposit by check available to you on the same day we receive your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first $275 of your deposits, however, will be available on the same day.

Funds from the first $6,725 of a day's total deposits of cashier's, certified, tellers, 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 $6,725 will be available on the third 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 $6,725 will not be available until the second 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 day we receive your deposit, 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 will be available.

Safeguard exceptions.

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 $6,725 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. They will generally be available no later than the seventh business day after the day of your deposit.

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 cash, wire transfers and electronic direct deposits to your account will be available on the day we receive the deposit. Funds from the first $6,725 of a day's total deposits of cashier's, certified, teller, 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 $6,725 will be available on the fifth 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 at an Ulster Savings Branch location, the first $6,725 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 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 at the time received at our administrative facility.

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 at a branch.

The Order in Which Other Items are Paid

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 at the time received at our administrative facility.

Applicable laws, regulations and rules permit an item to be presented multiple times for payment and we do not control the number of times an item is presented and re-presented for payment, regardless of the method by which the item is presented and/or represented for payment, the presentment and each and every re-presentment of the item may constitute a separate new transaction and may be subject to a separate new fee each time the item is presented and/or re-presented for payment.

In the event an item is represented with an improper designation, and the Bank is made aware that the item was improperly designated, the Bank will refund the non-sufficient funds (NSF) fee for the item.