

Information About Your Ulster Savings Bank Tiered Certificate of Deposit Account

Required Balances

The minimum balance required to open your tiered 7 month or 13 month Certificate of Deposit account is \$2500.00. You must maintain a checking account and have direct deposit to either a checking or savings account with Ulster Savings Bank to be eligible for either certificate of deposit.

Balance to Earn Interest

The Interest Rate and Annual Percentage Yield earned on balances will be based on the following four tiers for your certificate of deposit term:

7 Month and 13 Month Certificate

Tier I	2,500.00	through	49,999.99
Tier II	50,000.00	through	99,999.99
Tier III	100,000.00	through	199,999.99
Tier IV	200,000.00	and up	

Based on your daily balance, you will earn the Interest Rate and Annual Percentage Yield in effect, as disclosed to you under separate cover, on the entire balance in your account.

Interest Computation

We use the daily balance method to calculate interest on your account. This method applies a periodic rate to the balance in the account each day.

Compounding Period

Interest compounds on your account daily, using a 365/360 interest factor.

Interest Accrual

Interest begins to accrue on the business day you deposit non- cash items, such as checks. Although your account may earn interest each day, you may not withdraw the earnings until the end of the interest-crediting period (see Payment of Interest).

Interest Crediting

Accrued interest will be credited to your account monthly. Final crediting for all Certificate of Deposit accounts is at maturity.

Payment of Interest

Interest credited will be added to the account. If requested in writing, we will send you a check for the interest amount or transfer the amount to another Ulster Savings Bank account. (Restrictions may apply to withdrawals or transfers from IRA Accounts.)

Withdrawal of Interest Prior to Maturity

The disclosed Annual Percentage Yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Special Features of Certificates of Deposit

You may not make deposits to this account prior to maturity. Nor are you permitted to make withdrawals, except for withdrawal of interest, prior to maturity without our consent.

Early Withdrawal Penalties

If we consent to any of the principal in your account being withdrawn before maturity, we may impose a penalty on the principal withdrawn based on the term of the account. The penalty for a 7 month term shall be calculated as 1 month's simple interest, the penalty for a 13 month term, shall be calculated as 6 month's simple interest.

Withdrawals that reduce the account balance below the minimum balance required for the account may result in the account being closed and/or the disclosed Annual Percentage Yield not being obtained.

A bank penalty will not be charged if the owner of a Certificate of Deposit account dies or is declared legally incompetent. If a withdrawal is made for either of these reasons, we will credit any accrued interest to the account, up to the closing date.

A bank penalty also will not be charged on traditional IRA and Keogh accounts if the owner has become permanently disabled or if the owner is 70 ½ years of age or older and the withdrawal is made to satisfy the minimum distribution requirements of the Internal Revenue Service ("IRS"). Unless any of the preceding conditions apply, Bank penalties may be imposed for withdrawals before maturity that are reported as distributions from traditional IRA's made after the account owner has reached age 59 ½.

Bank penalties will be imposed on withdrawals from Roth IRA's and Coverdell Education Savings Accounts made prior to maturity.

Roth and traditional IRA accounts which are closed within 7 days of account opening date will not incur a Bank penalty (if certain conditions are met), nor will any interest be credited. This exception does not apply to Coverdell Education Savings Accounts.

For traditional IRA accounts, the IRS may impose its own 10% premature distribution penalty for amounts withdrawn prior to age 59 ½. Other IRS penalties may apply to certain Roth IRA withdrawals. See your IRA Disclosure Statement for details.

Automatic Renewals

Certificate of Deposit accounts will automatically renew at maturity. We will send you a Maturity Notice at least 20 calendar days prior to the maturity date of the account. If we do not hear from you by the maturity date we will automatically renew the account for a term similar to the prior term at the maximum rate offered for that term on the renewal date. Upon account renewal, all credited interest remaining in the account will automatically become part of the principal for the new account term. Upon automatic renewal, you will have 10 calendar days after the maturity date to withdraw funds without our imposing a Bank penalty.

Certificate of Deposit accounts that mature on Saturdays, Sundays or legal holidays (non-banking days) will be available to you for withdrawal on the next business day. The account will earn interest to that next business day.

CDs Opened for a Legal Entity: Note, if this CD is being opened or maintained on behalf of a legal entity for which beneficial ownership was certified, the legal entity opening the CD is also agreeing that Ulster Savings Bank will be promptly notified of any changes to the beneficial ownership or control of the legal entity.

Additional disclosures for your account are included on the attached sheet.