INDEX POWERED® CERTIFICATES OF DEPOSIT
Standard & Poor's 500® Composite Stock Price Index Market-Linked Deposit
Product Description and Disclosure Statement (Series 4.25-4-2007)
Four Year Three Month Term

I. PRODUCT DESCRIPTION

This description of an "Index Powered®" Standard and Poor's 500 Market-Linked Certificate of Deposit ("IPCD"), hereinafter "Product", offered by the Bank, contains general information about this type of certificate of deposit. This Product may not be suitable for some Purchasers. A potential Depositor should not purchase this Product if said Depositor does not have the intent or ability to hold the deposit to maturity. Further, potential Depositors are advised to rely solely upon the statements made in this "Product Description and Disclosure Statement", together with any collateral materials so designated by the Bank, in purchasing this Product. Any and all statements or representations made in any advertising or marketing materials, whether written or electronic, are qualified by and subject to the statements made in this "Product Description and Disclosure Statement", and any designated collateral materials thereto.

DEFINITIONS:

Closing Market Value:	The arithmetic average of the closing values of the S&P 500 Index on the Pricing Dates.
Comparable Yield Measurement:	The interest rate of a long-term fixed rate deposit instrument with terms and conditions similar to this Product, determined for purposes of annual income tax computation. The Comparable Yield Measurement shall be a Zero-Coupon Treasury Obligation with a like term that matures during the same general time period as a specific Product Offering.
Depositor:	Any person or entity who purchases a Product.
FDIC Insurance:	This Product will be insured by the Federal Deposit Insurance Corporation to a maximum amount of $100,000.00 for each Depositor, subject to FDIC regulations. (See Sections II.I. and III.D. of this document).
Interest Earned:	The greater of a. (Final Average Index Value – Initial Index Value) b. The Minimum Interest Rate
Minimum Interest Rate:	7% (over a 4 year 3 month period this is equivalent to a 1.61% annual percentage yield)
Investment Currency:	United States dollars.
Issue Date:	The Settlement Date of a specific Product Offering.
Market Assessment:	A numerical percentage rate, applicable only upon Early Withdrawal that is used to assess the relative value of a specific Product Offering at a given time. The Market Assessment is dictated to the Bank by unrelated third-party sources and is not wholly contingent upon the value of the Market Measure. (See Section II.E. of this document.)

Market Measure:	Standard and Poor's 500 Stock Price Index (the "Index"). Note: Index values are exclusive of dividend income, i.e., they reflect only price action of the underlying component stocks.
Market Participation Factor:	100%
Market Rate:	A numerical percentage rate that is determined by multiplying the Market Participation Factor (100%) by the difference between the Closing Market Value number and the Starting Market Value number, and dividing the result by the Starting Market Value number. (See Section I.B. of this document).
Maturity Date:	The completion date of the Product Term.
Minimum Deposit:	$1,000.00
Minimum Return of Principal:	100%, with the possible exception of Early Withdrawal.
Pricing Dates:	The last exchange business day of the previous eight (8) semi-annual periods immediately preceding the Valuation Date, and the Valuation Date. The closing value of the S&P 500 Index on the Pricing Dates is determined at the close of trading on the New York Stock Exchange on each Pricing Date.
Product:	A specific type of IPCD which has unique components, including a specific Market Measure, Product Term, Market Participation Factor, and other conditions. This Disclosure Statement defines the general terms and conditions of a four year three month IPCD linked to the S&P 500 Index.
Product Offering:	A Product which has been issued by the Bank to one or more Depositors on a specific Issue Date. A Product Offering has distinct features on the date of issue, including inter alia, a specific Maturity Date, Pricing Dates, and a Market Participation Factor value.
Product Term:	The period beginning on the Issue Date and ending on the Maturity Date. The Product Term is five 4 years and 3 months.
Starting Market Value:	The closing value of the S&P 500 Index on the Issue Date.
Valuation Date:	The Maturity Date.

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A. INTRODUCTION.

Index Powered® Certificates of Deposit are offered through individual banks, which bear interest at the Market Rate, as determined by the Market Measure. The amount of interest is not predetermined at a set rate on the Issue Date. As such, no assurance can be given that a Depositor will receive any Interest Earned above the Minimum with respect to a specific IPCD. However, with respect to principal, each IPCD specifies that one hundred percent (100%) of the deposit amount (principal) will be returned at maturity regardless of how the relevant Market Measure performs.

The Market Measure for this Product is the S&P 500 Index. The Market Rate is computed as one hundred percent (100%) of the difference between the Starting Market Value and the Closing Market

Value, divided by the Starting Market Value. The Market Rate is then multiplied by the deposit amount of the Product to determine the amount of Interest Earned, if greater than minimum. Interest Earned is paid only at maturity. This Product is insured by the Federal Deposit Insurance Corporation ("FDIC"), subject to FDIC Regulations (See Section II.I. and III.D.).

There are no Fees or Bonuses paid or received by an individual Depositor in this Product.

The advantage of this Product is that the individual Depositor has the assurance of a one hundred percent (100%) return of principal at maturity plus a guaranteed minimum, subject to FDIC Regulations (See Section II.I. and III.D.), together with the added benefit of a market-linked rate of interest based upon the relative performance of the S&P 500 Index with a minimum return guaranteed and a guaranteed minimum (if applicable). This amount of interest may or may not exceed a fixed rate of interest offered by other standard CDs.

B. COMPUTATION OF MARKET RATE INTEREST

As stated above, the amount of Interest Earned, if any, payable on this Product is determined by multiplying the Market Rate by the deposit amount at the Maturity Date. The Market Rate is determined by multiplying by 100% the difference between the Closing Market Value number from the Starting Market Value number, and dividing the result by the Starting Market Value number. The Closing Market Value will be determined by calculating the arithmetic average of the closing values of the S&P 500 Index on the Pricing Dates. Interest Earned is ordinarily payable on the third business day following the Maturity Date, subject to Special Considerations (Section III). No interest shall be paid with respect to any period after the Maturity Date or with respect to any period prior to the Issue Date. The following examples indicate how Interest Earned would be calculated with respect to a hypothetical Ten Thousand and No/100 Dollars ($10,000.00) Product Offering:

1. Assume that on the Issue Date the Starting Market Value is 1350. Assume further that on the first Pricing Date the value of the Index is 1000; on the second Pricing Date the value of the Index is 1250; on the third Pricing Date the value of the Index is 1500; on the fourth Pricing Date the value of the Index is 1750; on the fifth Pricing Date the value of the Index is 2000; on the sixth Pricing Date the value of the Index is 2250; on the seventh Pricing Date the value of the Index is 2750; on the eighth Pricing Date the value of the Index is 3000; on the ninth Pricing Date (maturity date) the value of the Index is 3250;. The Closing Market Value is the arithmetic average of the values of the Index on the Pricing Dates, or ([1000+ 1250 + 1500 + 1750 + 2000 + 2250 + 2750 + 3000 + 3250]/9), which equals 2083.33. Since the Closing Market Value is 2083.33, the Market Rate is calculated as (100% x (2083.33 - 1350))/1350, which equals 54.32%. The Market Rate would be 54.32%, and the Depositor would be entitled to receive Interest Earned at maturity equal to $5,432 (10,000 x 54.32%). Therefore, at maturity the Depositor would receive $15,432, which is the sum of the principal amount of $10,000 and the amount of Interest Earned of $5,432.

2. Assume that on the Issue Date the Starting Market Value is 1350. Assume further that on the first Pricing Date the value of the Index is 1000; on the second Pricing Date the value of the Index is 975; on the third Pricing Date the value of the Index is 950; on the fourth Pricing Date the value of the Index is 875; on the fifth Pricing Date the value of the Index is 850; on the sixth Pricing Date the value of the Index is 825; on the seventh Pricing Date the value of the Index is 775; on the eighth Pricing Date the value of the Index is 725; on the ninth

Pricing Date (maturity date) the value of the Index is 700. The Closing Market Value is the arithmetic average of the values of the Index on the Pricing Dates, or ([1000 + 975 + 950 + 875 + 850 + 825 + 775 + 725 + 700]/9), which equals 852.78. Since the Closing Market Value is less than the Starting Market Value, the Depositor would receive the minimum guaranteed rate of interest (7%) or $700.00. In addition, the Depositor would receive the principal amount of $10,000. The total receive would be $10,700.

C. DETERMINATION OF PRICING DATES

As stated above, the determination of the Closing Market Value is calculated by computing the arithmetic average of the closing value of the S&P 500 Index on the Pricing Dates. The following example indicates how the Pricing Dates would be determined with respect to a hypothetical Maturity Date of February 15, 2006:

Assume that February 15, 2011 is the maturity date and last business day in which the New York Stock Exchange is open for trading. This date would then become the Valuation Date. There are eight (8) other Pricing Dates that would then be determined, in addition to the Valuation Date. These eight dates would comprise the last exchange business days of the previous eight semi-annual periods immediately preceding February 28, 2010. As such, the Pricing Dates would include the last exchange business days of the following months:

1. February 2007
2. August 2007
3. February 2008
4. August 2008
5. February 2009
6. August 2009
7. February 2010
8. August 2011
9. February 2011 (Valuation Date)

D. IMPACT OF PRICING DATE AVERAGING

Potential Depositors are again advised that the Closing Market Value is not determined merely by calculating the closing value of the S&P 500 Index on the Valuation Date, or even on the Maturity Date. As stated previously, the Closing Market Value is determined by calculating the arithmetic average of the S&P 500 Index on the Pricing Dates. As a result, marked changes in the closing value of the S&P 500 Index on the Valuation Date will have less impact upon the calculation of the Closing Market Value than it would have if the Closing Market Value were determined solely by calculating the closing value of the S&P 500 Index on the Valuation Date. If the closing value of the S&P 500 Index on the Valuation Date is greater than on the previous Pricing Dates, the effect of averaging would have a negative impact upon Interest Earned. However, if the closing value of the S&P 500 Index on the Valuation Date is less than on the previous Pricing Dates, the effect of averaging would have a positive impact upon Interest earned.

HYPOTHETICAL EXAMPLE OF REDEMPTION AMOUNT CALCULATIONS

The following hypothetical examples indicate how the Index Return and Maturity Amount would be calculated with respect to a hypothetical $100,000 deposit in an IPCD. Assume no early redemption . These are examples only; actual outcomes will be different.

DATE	Scenario 1	Scenario 2
Initial Index Level	1400.00	1400
Pricing Date 1	1500.00	1350
Pricing Date 2	1750.00	1300
Pricing Date 3	1849.50	1375
Pricing Date 4	1980.00	1400
Pricing Date 5	2174.50	1405
Pricing Date 6	2250.00	1450
Pricing Date 7	2295.00	1500
Pricing Date 8	2461.00	1550
Maturity Date	2604.00	1650
Sum	18864.00	12980
Final Average Index Value	2096.00	1442.22
(FAIV - IIL)/IIL*	49.71%	3.02%
Indes Return with Minimum Guarantee	49.71%	7.00%
Annualized Return	8.42%	1.61%
Amount at Maturity	$149,710.00	$107,000.00

* FAIV = Final Average Index Value   ILL = Initial Index Level

E. THE S&P 500 COMPOSITE STOCK PRICE INDEX

1. General Description

The S&P 500 Index is published by S&P® and is intended to provide an indication of the pattern of common stock price movements. Changes in the S&P 500 Index are reported daily in the financial pages of most major newspapers and on the Bloomberg Financial Service. The calculation of the value of the S&P 500 Index is based on the relative value of the aggregate market value of the common stocks of 500 companies as compared to the aggregate average market value of the common stocks of 500 similar companies during a certain base period in the 1940s. The stocks of the 500 companies representing the S&P 500 Index are listed for trading either on the New York Stock Exchange or the American Stock Exchange or are traded in the over-the-counter market. The "market value" of any common stock in the S&P 500 Index is the product of its market price per share times the number of outstanding shares. S&P®

chooses companies for inclusion in the S&P 500 Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the New York Stock Exchange. S&P® may from time to time, in its sole discretion, add companies to or delete companies from the S&P 500 Index to achieve the objectives stated above. A committee of S&P® analysts is responsible for ensuring that the S&P 500 Index is an accurate gauge of market performance. The committee attempts to maintain a consistency in the composition of the S&P 500 Index over time, but adjustments or deletions and subsequent replacements are sometimes required if a company included in the S&P 500 Index is acquired or merged or files for bankruptcy.

2. Disclaimer

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All disclosures contained in this "Product Description and Disclosure Statement" regarding the S&P 500 Index, including its make-up, method of calculation, or changes in its components and historical information, are derived from publicly available information and the Bank does not assume any responsibility for the accuracy or completeness of such information, and shall have no liability for any errors, omissions, or interruptions therein. The Bank makes no express or implied warranties of merchantability or fitness for a particular purpose or use with respect to the S&P 500 Index or any data *included therein. In no event shall the Bank have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages, which relate to or arise out of reliance upon the S&P 500 Index.*

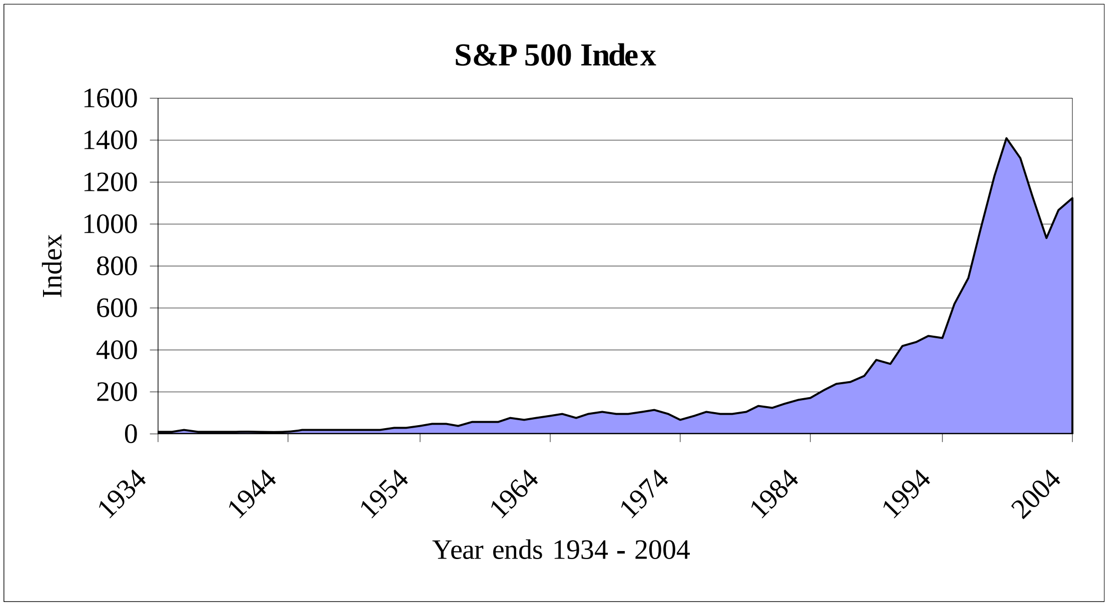
The IPCD Website (www.indexpoweredcd.com) is owned and operated by Index Powered CD, Inc. ("IPCD"), a Colorado Corporation. Specific data or information referenced in this "Product Description and Disclosure Statement," and reported on the IPCD website, is derived from publicly available information, and IPCD does not assume any responsibility for the accuracy or completeness of such information, and shall assume no liability for any errors, omissions, or interruptions therein. Any other factual statements or data, as well as any marketing or advertising information, provided on the IPCD website, is not intended as a substitute for information provided in this "Product Description and Disclosure Statement," and should not be solely relied upon. Both the Bank and IPCD specifically disclaim any and all liability for any judgments, damages, costs, expenses, losses or liabilities incurred by any person or entity, including liability for any compensatory, special, punitive, indirect or consequential damages, including lost profits, as a result of any reliance by any person or entity upon information published on the website that is not verified by or is inconsistent with any information provided in this "Product Description and Disclosure Statement," together with any collateral materials so designated by the Bank.

IPCDs have not been recommended by any federal or state securities commission or regulatory authority, nor has any said commission or authority reviewed this "Product Description and Disclosure Statement" to confirm its accuracy or determine its adequacy. Any representation to the contrary is a criminal offense.

IPCDs are not registered under the Securities Act of 1933, as amended, or under any state securities laws, and are not required to be so registered. Neither the U.S. Securities Exchange Commission nor any state securities commission or regulatory authority has recommended or approved IPCDs.

The Purchase of an IPCD does not equate to an ownership interest in the underlying securities which comprise the S&P 500 Index.

3. Historical Performance of the S&P 500 Index. The following chart shows the historical performance of the Index over the period noted.



Historical performance of the S&P 500 Index should not be viewed as an indication of its future performance. The Bank makes no warranties or representations, either express or implied, that this information regarding the historical performance of the S&P 500 Index is in any way indicative of the future performance of the S&P 500 Index, or is in any way indicative of any future calculation of Interest Earned upon maturity of any Product Offering. In no event shall the Bank or S&P assume any liability for any damages, including, inter alia, any compensatory, punitive, indirect, or consequential damages (including potential lost interest or profits) as a result of any Depositor's reliance upon this historical performance of the S&P 500 Index in choosing to invest in any IPCD.

F. UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

1. General

The following summary is a general discussion of the principal United States federal income tax consequences relating to the ownership of this Product. This summary only applies to a Depositor that is (i) a citizen or resident of the United States, (ii) a domestic corporation, or (iii) otherwise subject to United States federal income taxation on a net income basis in respect to this Product. This summary does not address the rules that may apply to certain special classes of Depositors, including dealers in currencies, commodities or securities; Depositors holding IPCDs as part of a conversion transaction or as hedges against currency, commodity or security price risks arising from other transactions undertaken (or about to be undertaken) by the Depositor; Depositors whose functional currency is not the U.S. dollar; and, banks and life insurance companies.

PROSPECTIVE DEPOSITORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF OWNING THIS PRODUCT IN THEIR OWN PARTICULAR SITUATIONS, AS WELL AS ANY CONSEQUENCES UNDER THE LAWS OF OTHER TAXING JURISDICTIONS (INCLUDING THE INCOME TAX LAWS OF THE STATES AND LOCALITIES OF WHICH THEY ARE RESIDENTS OR IN WHICH THEY TRANSACT BUSINESS).

2. Federal Income Tax Consequences

The federal income tax consequences of owning CDs will vary depending upon the terms of your CD and the type of account in which you hold your CD. In addition, there may be tax consequences upon the sale, early withdrawal or other disposition of your CD. These tax consequences may differ for non-U.S. persons. You should consult your own tax advisor to determine the federal, state, local and other income and estate tax consequences of your CD purchase.

Most U.S. holders of CDs will recognize income (or loss) on the CD in accordance with rules set forth in the Treasury regulations governing the tax treatment of contingent payment debt instruments. These regulations require the application of a “noncontingent bond” method to determine accruals of income, gain, loss and deduction with respect to a contingent payment debt instrument. Under the noncontingent bond method, most U.S. holders of CDs, other than those purchasing the CDs through a tax advantaged retirement account (such as an IRA), will be required for tax purposes to include in income each year interest at an assumed rate (the “comparable yield”). In addition, for purposes of the calculation required by the original issue discount (“OID”) rules, most U.S. holders of CDs will be assumed to be entitled to receive a single fixed payment on the maturity date in respect of the CD (the “Assumed Payment”), which payment is calculated so as to reflect the comparable yield. As a result, most U.S. holders of CDs will be required to include amounts in respect of OID accruing on the CDs in taxable income each year, without the current receipt of cash from the CDs with which to pay any resulting tax. You will be provided with an annual statement reporting OID accruals, which accruals will reflect the comparable yield.

The comparable yield and the Assumed Payment are used to determine accruals of interest <u>for tax purposes only</u> and are not assurances by the Issuer with respect to the actual yield of, or payments to be made in respect of, the CDs. Further, the comparable yield and the Assumed Payment do not necessarily represent the Issuer’s expectations regarding such yield or the amount of such payment. The Issuer is required to inform holders of the CDs of the comparable yield and to provide holders with an assumed payment schedule based on the comparable yield.

You should consult your own tax advisor regarding the rules applicable to OID instruments such as the CDs and, in particular, the rules applicable to contingent payment debt instruments**..**

If an IPCD provides for contingent payments of either interest or principal, and has a maturity at issue of more than one year ("Long-Term Contingent Deposit"), the IPCD generally will be subject to special rules set forth in treasury regulations governing contingent payment obligations. Under those rules, in general, the amount of interest taken into account for each accrual period will be determined by constructing a projected payment schedule for the long-term contingent deposit and applying rules similar to those for accruing an original issue discount on a hypothetical noncontingent debt instrument with that projected payment schedule. This method is applied by first determining the yield of a fixed rate debt instrument with terms and conditions similar to the long-term contingent deposit (the "Comparable

Yield") and then determining a payment schedule as of the Issue Date that would produce the Comparable Yield.

In general, any gain recognized by a Depositor at maturity will be treated as interest income, and any loss recognized by a Depositor will be treated as ordinary loss to the extent of the Depositor's prior interest inclusions (reduced by prior ordinary losses attributable to net negative differences between actual contingent payments and projections of such payments), and thereafter as capital loss.

3. Issues Upon Death

In the event a Depositor dies prior to the Maturity Date, and a subsequent beneficial owner and/or authorized holder elects to exercise the Early Withdrawal Option pursuant to Section II.F. herein, said owner/holder may be precluded from recovering the benefit of any taxes paid on this Product by the decedent/owner during his/her lifetime.

POTENTIAL DEPOSITORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF EXERCISING THE EARLY WITHDRAWAL OPTION UPON DEATH, AS WELL AS ANY OTHER TAX CONSEQUENCES THAT MAY EXIST UNDER THE LAWS OF OTHER JURISDICTIONS RELEVANT TO THIS ISSUE.

4. Data-Based Information

The Comparable Yield Measurement applicable to any specific Product Offering will be determined on the Issue Date, if applicable (See Section I.F.3 above). Information regarding the determination of the Comparable Yield Measurement shall be available to all Depositors on the IPCD website, at *www.indexpoweredcd.com.*

G. BANK PROCEDURE

1. Execution of Orders

This Product is only issued on a specific day of a given month (excluding weekends or bank holidays), as determined by the Bank. In the event that a proposed Issue Date falls on a Saturday, Sunday, or on a scheduled bank holiday, the Issue Date shall be the business day immediately following the proposed Issue Date.

The Bank shall use its best efforts to execute orders for this Product on a proposed Issue Date. This Product shall not be issued on any date prior to the date of the Depositor’s order. "Good Funds" must be received by the Bank no later than the close of business on the Issue Date to enable the Bank to issue the Product on said date.

The Bank does not guarantee or warrant that any orders received shall be executed on any proposed Issue Date, and in no event shall the Bank assume any liability for any compensatory, special, punitive, indirect or consequential damages, including lost profits, as a result of any failure on the part of the Bank to issue this Product on any proposed Issue Date.

2. Verification of Pricing Dates

The Pricing Dates for any Product Offering, together with the closing values of the S&P 500 Index on said Pricing Dates, shall be made available to Depositors on the IPCD website at *www.indexpoweredcd.com.* The closing value of the S&P 500 Index on any Pricing Date shall be recorded as reported by S&P publicly, and said closing value shall be final when announced.

II. PRODUCT DISCLOSURES

A. MARKET RATE

Because the Closing Market Value is determined by any number of market factors affecting the S&P 500 Index, the Market Rate of any Product Offering may be more or less than a fixed rate of interest earned in other standard CDs. As stated above, Interest Earned is not accrued throughout the Product Term. As such, the Market Rate does not change or vary at preset intervals, and is not determined on any date other than the Valuation Date. There is no fixed limitation on the growth or decline of the Market Rate. Further, the Market Rate is not quoted as a compounded rate of interest.

If there is no change, or if there is an adverse change in the Market Measure from the Starting Market Value to the Closing Market Value, Interest Earned shall be determined by the Minimum Interest Rate as set forth in Definitions. The Bank does not guarantee any specific rate of interest above the Minimum Interest Rate, and offers no warranties, either express or implied, that any Product Offering will result in any additional Interest Earned above the Minimum. As such, the Bank disclaims any liability for damages incurred by any Depositor by way of any loss of interest, or any other damages incurred by any Depositor as a result of the purchase of any Product, including compensatory, punitive, indirect, or consequential damages (including lost profits) incurred.

B. TERM

The term of this Product shall be for four (4)years three (3)months. Each Product Offering will begin on the Issue Date specified in the relevant schedule and will terminate on the Maturity Date specified in the relevant schedule, subject to adjustment in the event of Special Considerations (Section III). "Good Funds" in the form of United States currency must be received from the Depositor on the Issue Date to be eligible for deposit into a Product account for a term beginning on that Issue Date.

C. NO AUTOMATIC RENEWAL

On the Valuation Date of any specific Product Offering, the Market Rate will be calculated according to the S&P 500 Index (See Section I.B. above). Interest Earned will be paid, together with principal, on or before the third business day following the Maturity Date, subject to Special Considerations (Section III). There is no option available for an automatic renewal of this Product past the Maturity Date.

D. AMOUNT

This Product is available to all Depositors at a minimum principal amount of One Thousand and No/100 Dollars ($1,000.00). There is no provision made for any additional deposits in any specific Product Offering following the Issue Date.

E. EARLY WITHDRAWAL PROVISIONS

On the fifteenth (15th) day of the month in which the Issue Date falls, beginning on the first anniversary thereof, and continuing throughout the Product Term on each subsequent anniversary, prior to, but not including, the Maturity Date ("Annual Withdrawal Date"), a Depositor may exercise an early withdrawal option ("Early Withdrawal Option" or "Early Withdrawal") for an amount as computed below ("Early Withdrawal Amount"). In the event the Annual Withdrawal Date selected for the exercise of Early Withdrawal does not fall on a business day, said Annual Withdrawal Date shall be deemed to fall on the next succeeding business day. In order to exercise the Early Withdrawal Option, the Depositor must provide the Bank written notice, signed by the Depositor ("Written Notice"), of his/her intent to exercise Early Withdrawal no less than fifteen (15) days prior to an Annual Withdrawal Date ("Notice Period"). The Annual Withdrawal Date will not be included in the calculation of the Notice Period. The Early Withdrawal Amount will be paid to the Depositor within five (5) business days immediately following the applicable Annual Withdrawal Date. The following provisions apply to the Early Withdrawal Option:

1. Notice Provisions

Written Notice from the Depositor choosing to exercise the Early Withdrawal Option shall include the specific IPCD Account Number, together with the deposit amount, the amount of principal that the Depositor wishes to commit to Early Withdrawal, the Issue Date, and the date selected by the Depositor for the exercise of Early Withdrawal. The Depositor shall also provide the Bank a copy of a Confirmation Statement, or other documentation of ownership of the specific IPCD, as applicable. Written Notice provided by the Depositor is irrevocable.

2. Calculation of Early Withdrawal Amount

The Early Withdrawal Amount shall be determined at the sole discretion of the Bank and shall be computed differently than the amount payable on the IPCD at maturity.

Depositors should be aware that there is a charge to the Bank embedded in the IPCD. Upon purchase, Depositors agree to keep their initial investment on deposit until maturity. The Bank benefits from the use of these funds. If Holders hold the IPCD until maturity, this alone extinguishes the charge and the Bank returns 100% of the initial principal deposit. However, if Holders choose to redeem the IPCD early, the redemption price they receive will be reduced by the amount equal to the remainder of the implied charge at the time of redemption.

As stated above, the Depositor is guaranteed 100% of principal at maturity, subject to FDIC Regulations (See Sections II.I. and III.D.). However, if the Depositor chooses to exercise the Early Withdrawal Option, principal is not guaranteed. The Early Withdrawal Amount is computed by multiplying the Market Assessment of the IPCD on the applicable Annual Withdrawal Date by the principal amount the Depositor chooses to withdraw. The Market Assessment will be calculated as a percentage amount. This Market Assessment may be determined by a number of factors, including, but not limited to:

(a.) The value of the Market Measure on the applicable Annual Withdrawal Date relative to the Starting Market Value on the Issue Date.

(b.) The volatility of the Market Measure (Volatility is the term used to describe the size and frequency of fluctuations in the Market Measure.).

(c.) The dividend yield of the components underlying the Market Measure.

(d.) The time period remaining in the Product Term.

(e.) The current level of interest rates as of the applicable Annual Withdrawal Date.

(f.) The cost of liquidation of the hedge maintained by the Bank.

Because the aforementioned factors may be subject to sudden or dramatic change over any time period, and are, in part, directly related to fluctuations in the market, there can be no assurance that the Market Assessment of a specific IPCD on any Annual Withdrawal Date will be more or less than 100%. Since the Market Assessment is not determined solely upon any one of the aforementioned factors, the Market Assessment upon Early Withdrawal may be relatively low, even though the Market Measure may be comparatively high. Because the Market Assessment is dictated to the Bank by unrelated third-party sources, the Bank has no control over the rate at which the Market Assessment is determined. Further, the Market Assessment upon Early Withdrawal is computed differently than the Market Rate at maturity, and the calculation is more subjective and complex.

As stated above, calculation of the Early Withdrawal Amount is contingent upon the Market Assessment. For example, assume a Depositor has a total principal balance of $100,000.00 and elects to withdraw $10,000.00 of this balance. Assume also that the applicable Market Assessment is quoted at 92.5%. The Early Withdrawal Amount would then equal the Market Assessment multiplied by $10,000.00, or 92.5%X $10,000.00, which would equal $9,250.00. The Depositor would therefore suffer a partial loss of principal in the amount of $750.00 as a result of Early Withdrawal.

For purposes of calculation of the Early Withdrawal Amount upon the death of a Depositor pursuant to Section II.F., the term "Annual Withdrawal Date", as referenced in this Section, is changed to the term "Monthly Withdrawal Date", as defined in Section II.F.

3. Confirmation of Market Assessment

A Market Assessment may be obtained from the Bank on any business day (excluding bank holidays) upon request of the Depositor, as an indication of the value of the Product Offering on that specific date. However, except in the event of the death of a Depositor prior to the Maturity Date (See Section II.F. below), the Market Assessment applicable to Early Withdrawal shall not be determined on any date except the Annual Withdrawal Date. Following the determination of the Market Assessment on the Annual Withdrawal Date, the Early Withdrawal Amount will be computed. No other Market Assessment shall be utilized in computing the Early Withdrawal Amount.

4. Early Withdrawal Penalties/Fees

There are no specific fees or penalties assessed against the Depositor as part of the Early Withdrawal Option. However, the Depositor does risk a partial loss of principal if he or she exercises the Early Withdrawal Option, in that the Market Assessment may be significantly less than 100%. A POTENTIAL DEPOSITOR SHOULD NOT PURCHASE THIS PRODUCT IF SAID DEPOSITOR DOES NOT

HAVE THE INTENT OR ABILITY TO HOLD THE DEPOSIT IN THE BANK UNTIL THE MATURITY DATE.

5. Amount Withdrawn

The Depositor may choose to exercise the Early Withdrawal Option with all or part of the original principal amount invested at his/her discretion. As stated above, the Depositor shall specify in the Written Notice the amount of principal the Depositor chooses to commit to Early Withdrawal.

F. PROVISIONS UPON DEATH

Upon the death of a Depositor prior to the Maturity Date of any Product Offering, a subsequent beneficial owner and/or authorized holder ("Owner/Holder") of said Product Offering has the option of exercising Early Withdrawal on the fifteenth (15th) day of each month following the Issue Date, and continuing throughout the Product Term, prior to, but not including, the Maturity Date ("Monthly Withdrawal Date"). In the event the Monthly Withdrawal Date selected for the exercise of Early Withdrawal does not fall on a business day, the applicable Monthly Withdrawal Date shall be deemed to fall on the next succeeding business day. Should the Owner/Holder choose to exercise the aforesaid option, a certified death certificate must be provided to the Bank which verifies the date of death of said Depositor. The Owner/Holder may then elect to exercise Early Withdrawal on any Monthly Withdrawal Date by providing Written Notice to the Bank no less than fifteen (15) days prior to the Monthly Withdrawal Date selected for the exercise of Early Withdrawal. The Monthly Withdrawal Date will not be included in the calculation of the Notice Period. All requirements for Written Notice pursuant to Section II.E.1. shall apply.

The Market Assessment will be calculated on the Monthly Withdrawal Date selected by the Owner/Holder for the exercise of Early Withdrawal. The calculation of the Market Assessment shall be made according to the provisions of Section II.E.2. The Early Withdrawal Amount will then be computed and subsequently paid to the Owner/Holder within five (5) business days of the date that Early Withdrawal is exercised.

In the event that an Owner/Holder fails to provide the Bank a certified death certificate prior to providing Written Notice as stated above, said Owner/Holder shall be precluded from exercising Early Withdrawal on any date other than on an Annual Withdrawal Date. Except as otherwise stated or defined in this Section, all provisions regarding the Early Withdrawal Option in Section II.E. that apply to the Depositor shall also apply to the Owner/Holder.

G. FEES/BONUSES

There shall be no application, maintenance, or other fees paid by a Depositor, and there shall be no bonuses offered a Depositor during the Product Term.

H. ILLIQUIDITY

IPCDs are not traded or listed on any recognized or designated investment exchange. The Bank does not provide assistance or advice concerning the sale of an IPCD and does not participate in any secondary market. For this reason, IPCDs may not be suitable for some Depositors.

I. FDIC INSURANCE

All IPCDs are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum amount of One Hundred Thousand and No/100 Dollars ($100,000.00) for each Depositor, subject to FDIC Regulations. If a Depositor buys one or more IPCDs in the same legal capacity (including accounts held for the Depositor by and in the name of agents, representatives or custodians for the Depositor), all such IPCDs would be aggregated together with other deposits that are maintained by the Depositor in said legal capacity at the Bank, for purposes of calculating the $100,000.00 insurance limit. Special rules apply with respect to trust accounts, IRAs and Keogh accounts, or joint accounts and trust accounts held by guardians, executors, and administrators. If a Depositor holds an account or accounts with the Bank in any of such capacities (or is the beneficiary of such accounts), he or she is urged to discuss with his or her attorney the effect of such accounts on any insurance coverage afforded for any IPCD that he or she may purchase. Because IPCDs may be aggregated with other accounts held by or for a Depositor with the Bank, each Depositor should monitor the total amount of accounts held by or for the Depositor with the Bank in order to determine the extent of insurance coverage available on such deposits, including IPCDs (See Section III.D. of this document.). The aforementioned guidelines are not exhaustive and are based on rules issued by the FDIC, which rules are subject to change from time to time, and in certain instances additional terms and conditions may apply which are not described above. Accordingly, these guidelines are qualified in their entirety by such rules, and each Depositor is urged to discuss with his or her attorney the insurance coverage afforded to any IPCD that he or she may purchase. Depositors may also write to the following address: FDIC, Office of Consumer Affairs, 550 17th Street, N.W., Washington, DC 20489, or obtain more information on the FDIC's website at www.fdic.gov.

J. STATEMENTS TO DEPOSITORS

Within ten (10) days after the Issue Date of any Product Offering, the Bank will send the Depositor a confirmation statement (the "Confirmation") advising of the terms of that specific Product Offering. The ownership interest of each Depositor in each Product will be appropriately noted on the books and records of the Bank. However, other than this “Product Description and Disclosure Statement,” and the “Confirmation,” no certificate or any other notice fully setting forth the relevant terms of the Product Offering purchased by the Depositor will be sent to the Depositor. Accordingly, each Depositor is advised to retain a copy of this “Product Description and Disclosure Statement,” together with the “Confirmation,” for his or her records.

K. NOTICE OF MATURITY

Within ten (10) calendar days prior to the Maturity Date, the Bank shall mail a written disclosure to the Depositor which shall indicate the Maturity Date and principal amount maturing. Interest earned will be credited to depositor within three (3) business days after maturity.

III. SPECIAL CONSIDERATIONS

Unforeseen events may occur on the Pricing Dates of any specific Product Offering, which may adversely distort the Market Rate. In the event that any of the following unforeseen events should occur on any Pricing Date during the Product Term, the Bank shall act in accordance with the following provisions in determining the Closing Market Value:

A. MARKET DISRUPTION EVENTS

The absence of any calculation and announcement of the value of the S&P 500 Index on any Pricing Date shall be considered a market disruption event (“Market Disruption Event”). Should a Market Disruption Event occur on a Pricing Date, the closing value of the Market Measure for said Pricing Date shall be determined on the next business day in which the S&P 500 Index is calculated and announced.

B. MATERIAL CHANGES IN THE S&P INDEX

Changes in the way the S&P 500 Index is calculated may be announced on any Pricing Date. Such material changes are outside the control of the Bank, and may significantly affect the calculation of the Market Rate. If the S&P 500 Index is (i) not calculated and announced by S&P, but is calculated and announced by a successor publisher, or (ii) replaced by a successor index using the same or a substantially similar formula for any method of calculation as used in the calculation of the S&P 500 Index, then for the purpose of determining the closing value of the Market Measure on any Pricing Date, the Market Measure will be deemed to be the index so calculated and announced by that successor publisher or that successor index, as the case may be.

C. LIABILITY

Neither the Bank nor S&P shall assume any liability to any person or entity for any mathematical errors regarding the S&P 500 Index, or any changes in the method by which the S&P 500 Index is calculated. Further, neither the Bank nor S&P shall assume any liability which arises out of any decision by S&P to cease the compilation and publication of the S&P 500 Index, together with any possible adverse effects that a successor or replacement index may create. These disclaimers apply equally to any successor or replacement indexes which may be utilized in calculating the Market Rate. Both the Bank and S&P shall be immune from any liability for any and all damages, judgments, costs, expenses, losses or liabilities of any kind, including inter alia, any compensatory, special, punitive, incidental or consequential damages, including lost profits, sustained by any person or entity, including the Depositor, which arises out of or is related to any action or incident described or referenced under Section III. of this “Product Description and Disclosure Statement.”

D. INSOLVENCY OF BANK

If the Bank is insolvent and the FDIC is appointed conservator or receiver for the Bank, the FDIC will insure up to $100,000.00 of the principal of the IPCD for each Depositor (See Section II.I. of this document). However, the FDIC takes the position that if the IPCD has not matured on the date the Bank becomes insolvent, any potential Interest Earned is not covered by FDIC insurance because Interest Earned is not payable until maturity. In addition, the Depositor may be required to follow the FDIC's claim procedures, which may result in a delay in receiving payment.

In the event the Bank should become insolvent after the Depositor has provided Written Notice of intent to exercise the Early Withdrawal Option, but previous to the Annual Withdrawal Date, the Depositor shall receive principal as guaranteed by the FDIC up to $100,000.00, instead of the Early Withdrawal Amount, regardless of whether the Early Withdrawal Amount is more or less than principal. This provision would apply equally in the event of death of a Depositor, should an Owner/Holder elect to exercise the Early Withdrawal Option on any Monthly Withdrawal Date.

If the Bank is insolvent, the FDIC as conservator or receiver may take other steps with respect to the IPCD, including, but not limited to, transferring the IPCD to another financial institution. Regardless of the action taken by the FDIC in these circumstances, the principal of the IPCD will continue to be insured up to $100,000.00 per Depositor (See Section II.I. of this document.). A Depositor should consult his or her own attorney to discuss the full impact of insolvency on an IPCD. A Depositor may also contact the FDIC directly at FDIC, Office of Consumer Affairs, 550 17th Street, N.W., Washington, D.C. 20489, or obtain more information on the FDIC's website at www.fdic.gov.