

BERKSHIRE HILLS BANCORP

Mr. Neil M. Barofsky
Special Inspector General
Office of the Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Ave. N.W., Suite 1064
Washington, DC 20220

March 5, 2009

Dear Mr. Barofsky:

This letter is in response to your letter of February 6, 2009 requesting certain information from Berkshire Hills Bancorp, Inc. (hereinafter, "BHLB") in relation to our existing and planned use of the \$40 million in funds invested in our company under the Capital Purchase Program (hereinafter "CPP") of the Troubled Asset Relief Program (hereinafter "TARP"). As you know, under the terms of the CPP and the documentation we jointly executed in connection therewith, BHLB agreed:

"to expand the flow of credit to U.S. consumers and businesses on competitive terms to promote the sustained growth and vitality of the U.S. economy....[and] to work diligently, under existing programs, to modify the terms of residential mortgages as appropriate to strengthen the health of the U.S. housing market..."

BHLB views itself to be in compliance with the above terms of the CPP agreement. As the largest locally headquartered regional bank, we are well positioned to provide credit to our markets in Western Massachusetts, Northeastern New York, and Southern Vermont. Since the date of our agreement, we have closed on approximately \$57 million in new money loans (i.e. new loans to new borrowers, plus the new funds portion of loans provided in refinancings to existing borrowers), \$55 million of which were to retail borrowers (Exhibit A) and \$2 million of which were to commercial borrowers (Exhibit B). Based on our most recent loan pipeline information we have firm commitments to originate more than \$71 million in new money consumer and commercial loans (Exhibits C and D). We plan to continue making credit readily available in our regions throughout the year. Of note, one week before the CPP program was announced, BHLB raised nearly \$40 million of public common equity for general corporate purposes.

Our activities to keep homeowners in their homes have been limited only by the small number of delinquent borrowers that we have experienced to date. Berkshire Bank had only one residential loan go to foreclosure last year and that was a case of an abandoned property. We are currently

working with a number of delinquent borrowers and are actively pursuing resolutions that are consistent with FDIC guidelines and, if successful, would likely keep the borrower in the home.

The following are the questions contained in your letter and related responses:

1a) A narrative response outlining anticipated use of TARP funds.

We were encouraged by the Bank's primary regulator to consider participating in CPP as a public/private partnership to provide additional financial capacity to healthy banks due to the financial and economic crisis. Our expectation was that these funds would provide additional financial capacity to Berkshire Bank

1b) Whether TARP funds were segregated from other institutional funds.

We did not specifically segregate the TARP funds from other institutional funds. All of the \$40 million in proceeds was downstreamed to our primary banking subsidiary, Berkshire Bank. Of this amount, \$30 million was provided as additional paid in capital and \$10 million was provided as demand deposits. The balance held as demand deposits provided assurance that we could pay required dividends on the CPP proceeds and provided some flexibility in case Congress made unanticipated changes in the program terms.

1c) Actual Use of TARP funds to date.

TARP funds are not segregated as noted above. We have made \$57 million in incremental loans since receiving the CPP proceeds.

1d) Your expected use of unspent TARP funds...[taking into consideration] your anticipated use of TARP funds at the time that you applied for such funds, or any actions that [you] have taken that you would not have been able to take absent the infusion of TARP funds.

We have commitments to close an additional \$71 million in new money loans in the near term. We have announced a comprehensive Community Investment Program (see Exhibit E) in which we describe our plan to lend \$500 million in new money during 2009, and support homeowners, builders, and non-profits in our region. Of note, all of the actions announced would have been possible even had we not received the CPP proceeds.

2) Your specific plans, and the status of implementation of those plans, for addressing executive compensation requirements associated with the funding... assessments made of loan risks and their relationship to executive compensation; how limitations on executive compensation will be implemented... and whether any such limitations may be offset by other changes to other , longer term or deferred forms of executive compensation.

Executive Compensation Actions Taken

Review of Incentive Compensation Arrangements. On February 26, 2009, the Compensation Committee approved a report to the Board of Directors, to be included in the Proxy Statement, including the following certification "As a participant in the United States Department of

Treasury's TARP Capital Purchase Program, the Compensation Committee certifies that it has reviewed with its Chief Risk officer the SEO incentive compensation arrangements and has made reasonable efforts to ensure that such arrangements do not encourage SEOs to take unnecessary and excessive risks that threaten the value of the financial institution."

Senior Executive Officer Waivers. On or around December 12, 2008, the Senior Executive Officers signed waivers waiving any claims against the United States or their employer resulting from the Company's compliance with the TARP CPP Agreement. These waivers were provided to the Treasury Department at the closing of the TARP CPP transaction.

Senior Executive Officer Acknowledgements. On or around December 12, 2008, the Senior Executive Officers signed acknowledgement letters to the Company agreeing that all benefit plans were thereby amended to comply with the Golden Parachute Payment and Recovery of Bonus and Incentive Compensation requirements as set forth in the TARP CPP Agreement. In these letters, these executives also agreed to negotiate in good faith with the Company regarding any other changes to benefit plans that the Company determines are necessary in order to comply with the TARP CPP executive compensation requirements. These letters were filed with the SEC and are available at the following link:

<http://idea.sec.gov/Archives/edgar/data/1108134/000136231009000104/0001362310-09-000104-index.idea.htm>

Shareholder Vote on Executive Compensation. On March 6, 2009, the Company plans to file a preliminary proxy with the SEC including an agenda item for a nonbinding shareholder vote on the Company's Executive Compensation program.

Other Executive Compensation Actions

The Company's Human Resources Director has been instructed to prepare procedures to assure compliance with limitations on executive compensation in line with Treasury Department Guidelines. The Company's Controller has been instructed to prepare Company tax returns in compliance with the Treasury Department Guidelines regarding executive compensation.

Assessment of Loan Risks and Executive Compensation

The Chief Risk Officer met on February 26, 2009 with the Compensation Committee to discuss his findings based on his research and analysis of BHLB's compensation philosophy and the specific programs that were in existence during 2008 and the programs that are now in place for 2009. The Chief Risk Officer concluded that the incentive programs at BHLB do not induce excessive risk taking that could impair the value of the firm. Our compensation plans are "low leverage", balanced with regard to upside and downside, and focus on both short term and long term results. Incentive plan funding is based on a single metric, but individual awards under the plan are based on an array of individual performance goals and objectives.

Offsetting Benefit Changes

There have been no benefit changes made to offset the Company's compliance with the TARP CPP Executive Compensation restrictions.

Based on my knowledge, this response and the supporting documents do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading. If you have questions about this response, please feel welcome to call me at 413-236-3195.

Very truly yours,

A handwritten signature in black ink, appearing to read "K. P. Riley". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Kevin P. Riley
Executive Vice President, CFO & Treasurer

Berkshire County BORROWER		LOAN OFFICER	LOAN AMOUNT	NEW MONEY	INT RATE	CONTRACTDATE	EDIC	MINOR	ACCTNBR	ORIGINATINGPERSON	BRANCHNAME
	HJB		\$176,000.00	\$176,000.00	%	12/30/2008	RENO	OPFX			Commercial Lending - Berk
	WCD		\$300,000.00	\$300,000.00	%	12/31/2008	REMU	MFVA			Commercial Lending - Berk
	RPK		\$16,000.00	\$16,000.00	%	12/22/2008	CIUS	TEFF			Commercial Lending - Berk
	DRH		\$43,926.18	\$0.00	%	12/31/2008	CIUS	TEFF			Commercial Lending - Berk
	DRH		\$96,500.00	\$66,500.00	%	12/23/2008	CIUS	TEFF			Commercial Lending - Berk
	RPK		\$26,000.00	\$26,000.00	%	12/26/2008	CIUS	TEFF			Commercial Lending - Berk
	WCD		\$25,000.00	\$25,000.00	%	12/30/2008	CIUS	TEVA			Commercial Lending - Berk
	WCD		\$50,000.00	\$50,000.00	%	12/19/2008	RENO	NOVA			Commercial Lending - Berk
	WCD		\$674,500.00	\$500,033.00	%	12/19/2008	RENO	NOVA			Commercial Lending - Berk
	RPK		\$36,000.00	\$36,000.00	%	12/22/2008	CIUS	TEFF			Commercial Lending - Berk
			\$1,443,926.18	\$1,225,533.00	%						

Capital District BORROWER		LOAN OFFICER	LOAN AMOUNT	NEW MONEY	INT RATE	CONTRACTDATE	EDIC	MINOR	ACCTNBR	ORIGINATINGPERSON	BRANCHNAME
	TPR		\$190,000.00	\$190,000.00	%	12/23/2008	REMU	MFVA			Commercial Lending - NY
	TPR		\$88,000.00	\$0.00	%	12/19/2008	CIUS	TEFF			Commercial Lending - NY
			\$278,000.00	\$190,000.00	%						

Pioneer Valley BORROWER		LOAN OFFICER	LOAN AMOUNT	NEW MONEY	INT RATE	CONTRACTDATE	EDIC	MINOR	ACCTNBR	ORIGINATINGPERSON	BRANCHNAME
	TPC		\$265,600.00	\$104,434.30	%	12/19/2008	REOT	OPVA			Commercial Lending - VT
	KRB		\$38,186.00	\$38,186.00	%	12/31/2008	CIUS	TEVA			Commercial Lending - VT
			\$1,150,000.00	\$416,000.00	%	12/30/2008	REOT	OPVA			Commercial Lending - VT
			\$1,453,786.00	\$568,620.30	%						

Vermont BORROWER		LOAN OFFICER	LOAN AMOUNT	NEW MONEY	INT RATE	CONTRACTDATE	EDIC	MINOR	ACCTNBR	ORIGINATINGPERSON	BRANCHNAME
	SB		\$40,000.00	\$40,000.00	%	12/23/2008	CIUS	STEF			Commercial Lending - Berk
	SB		\$50,000.00	\$50,000.00	%	12/23/2008	CIUS	SLOC			Commercial Lending - Berk
	SB		\$18,500.00	\$16,500.00	%	12/24/2008	CIUS	STEF			Commercial Lending - Berk
	SB		\$24,000.00	\$24,000.00	%	12/30/2008	CIUS	STEF			Commercial Lending - VT
	SB		\$195,000.00	\$195,000.00	%	12/29/2008	REMU	SMFF			Commercial Lending - NY
	SB		\$75,000.00	\$75,000.00	%	12/19/2008	CIUS	STEV			Commercial Lending - Berk
			\$400,500.00	\$400,500.00	%						
			\$3,576,212.18	\$2,374,653.30	%						

Small Business BORROWER		LOAN OFFICER	LOAN AMOUNT	NEW MONEY	INT RATE	CONTRACTDATE	EDIC	MINOR	ACCTNBR	ORIGINATINGPERSON	BRANCHNAME
	SB		\$40,000.00	\$40,000.00	%	12/23/2008	CIUS	STEF			Commercial Lending - Berk
	SB		\$50,000.00	\$50,000.00	%	12/23/2008	CIUS	SLOC			Commercial Lending - Berk
	SB		\$18,500.00	\$16,500.00	%	12/24/2008	CIUS	STEF			Commercial Lending - Berk
	SB		\$24,000.00	\$24,000.00	%	12/30/2008	CIUS	STEF			Commercial Lending - VT
	SB		\$195,000.00	\$195,000.00	%	12/29/2008	REMU	SMFF			Commercial Lending - NY
	SB		\$75,000.00	\$75,000.00	%	12/19/2008	CIUS	STEV			Commercial Lending - Berk
			\$400,500.00	\$400,500.00	%						
			\$3,576,212.18	\$2,374,653.30	%						

CML Loans 12/31/08 >= Originated >= 12/19/08		LOAN OFFICER	LOAN AMOUNT	NEW MONEY	INT RATE	CONTRACTDATE	EDIC	MINOR	ACCTNBR	ORIGINATINGPERSON	BRANCHNAME
	Berkshire County		\$1,443,926.18	\$1,225,533.00	%						
	Capital District		\$278,000.00	\$190,000.00	%						
	Pioneer Valley		\$0.00	\$0.00	%						
	Vermont		\$1,453,786.00	\$568,620.30	%						
	Small Business		\$400,500.00	\$400,500.00	%						
	Total		\$3,576,212.18	\$2,374,653.30	%						

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8	12/20/2008	1/13/2009	3/7/2009	10%	360	\$149,600
9	12/19/2008	1/15/2009	2/13/2009	10%	360	\$330,000
10	12/29/2008	1/15/2009	2/15/2009	10%	360	\$293,000
11	12/28/2008	1/15/2009	6/15/2009	10%	360	\$256,000
12	12/30/2008	1/20/2009	2/27/2009	5%	360	\$107,000
13	12/18/2008	1/21/2009	2/10/2009	5%	360	\$200,000
14	1/16/2009	1/26/2009	3/1/2009	10%	360	\$260,000
15	1/2/2009	1/27/2009	3/27/2009	5%	360	\$183,000
16	1/18/2009	1/28/2009	3/16/2009	10%	180	\$230,000
17	1/12/2009	1/28/2009	3/28/2009	0%	180	\$191,500
18	12/18/2008	1/29/2009	2/28/2009	5%	360	\$234,000
19	12/29/2008	1/30/2009	1/29/2009	0%	360	\$178,000
20	12/30/2008	1/30/2009	1/30/2009	0%	360	\$248,300
21	1/15/2009	1/30/2009	2/15/2009	0%	180	\$133,000
22	1/14/2009	1/30/2009	3/5/2009	0%	360	\$85,500
23	1/2/2009	1/31/2009	2/10/2009	0%	360	\$413,218
24	1/15/2009	2/2/2009	2/15/2009	0%	360	\$152,000
25	1/21/2009	2/5/2009	3/5/2009	3%	180	\$127,000
26	1/15/2009	2/5/2009	3/5/2009	3%	360	\$200,000
27	1/20/2009	2/5/2009	3/10/2009	3%	180	\$194,250
28	1/13/2009	2/6/2009	3/2/2009	3%	180	\$129,000
29	1/13/2009	2/6/2009	3/4/2009	0%	360	\$140,000
30	1/14/2009	2/6/2009	3/5/2009	0%	180	\$150,000
31	12/27/2008	2/6/2009	3/6/2009	5%	360	\$82,000
32	12/24/2008	2/7/2009	2/7/2009	5%	360	\$145,000
33	1/7/2009	2/7/2009	3/4/2009	5%	180	\$91,500
34	12/17/2008	2/7/2009	3/6/2009	0%	360	\$375,000
35	1/27/2009	2/9/2009	3/18/2009	5%	120	\$65,000
36	1/20/2009	2/10/2009	3/20/2009	5%	360	\$209,500
37	1/21/2009	2/10/2009	3/20/2009	5%	180	\$136,000
38	1/16/2009	2/10/2009	4/16/2009	0%	360	\$272,000
39	1/20/2009	2/11/2009	3/11/2009	0%	360	\$304,700
40	1/29/2009	2/11/2009	3/30/2009	5%	180	\$85,000
41	1/31/2009	2/11/2009	3/31/2009	5%	360	\$143,250
42	1/12/2009	2/12/2009	3/31/2009	5%	360	\$98,000
43	1/4/2009	2/13/2009	2/20/2009	3%	180	\$160,000
44	1/10/2009	2/13/2009	2/27/2009	3%	180	\$411,882
45	1/7/2009	2/13/2009	3/2/2009	3%	360	\$118,400
46	1/12/2009	2/13/2009	3/3/2009	3%	360	\$196,115
47	1/13/2009	2/13/2009	3/4/2009	3%	360	\$285,000
48	1/14/2009	2/13/2009	3/5/2009	3%	360	\$168,000
49	12/30/2008	2/13/2009	3/13/2009	3%	360	\$117,500
50	12/22/2008	2/13/2009	3/31/2009	3%	360	\$214,000
51	12/31/2008	2/17/2009	3/17/2009	3%	180	\$87,000
52	12/21/2008	2/18/2009	1/21/2009	3%	360	\$275,000
53	1/29/2009	2/18/2009	3/16/2009	3%	360	\$106,700
54	2/3/2009	2/18/2009	4/3/2009	3%	360	\$245,000
55	12/31/2008	1/19/2009	3/6/2009	3%	120	\$90,000
56	1/10/2009	2/19/2009	3/9/2009	3%	180	\$318,500
57	1/14/2009	2/19/2009	3/20/2009	3%	180	\$243,000
58	1/7/2009	2/20/2009	3/3/2009	3%	360	\$261,000
59	1/6/2009	2/20/2009	3/3/2009	5%	240	\$135,000
60	2/11/2009	2/20/2009	3/6/2009	0%	360	\$228,000
61	2/11/2009	2/20/2009	3/11/2009	3%	360	\$130,400
62	1/19/2009	2/20/2009	3/17/2009	3%	240	\$95,000
63	12/18/2008	2/20/2009	3/30/2009	3%	240	\$230,000
64	1/18/2009	2/21/2009	3/1/2009	3%	360	\$170,000
65	1/5/2009	2/21/2009	3/2/2009	3%	360	\$208,500
66	1/12/2009	2/21/2009	3/2/2009	3%	180	\$195,000
67	1/26/2009	2/21/2009	3/17/2009	3%	180	\$63,000
68	1/7/2009	2/21/2009	4/1/2009	3%	180	\$150,000
69	1/11/2009	2/23/2009	3/8/2009	3%	180	\$110,000
70	1/15/2009	2/23/2009	3/9/2009	3%	180	\$88,000
71	1/26/2009	2/23/2009	3/23/2009	3%	360	\$260,000
72	12/29/2008	2/23/2009	3/23/2009	3%	240	\$163,500
73	1/12/2009	2/23/2009	3/23/2009	3%	360	\$85,000
74	1/26/2009	2/24/2009	2/26/2009	3%	180	\$288,000
75	1/9/2009	2/25/2009	3/4/2009	3%	360	\$179,890
76	1/13/2009	2/25/2009	3/25/2009	3%	180	\$90,000
77	1/27/2009	2/26/2009	2/27/2009	3%	180	\$160,000
78	12/29/2008	2/26/2009	3/25/2009	3%	120	\$266,000
79	2/14/2009	2/26/2009	3/25/2009	3%	360	\$100,000
80	12/30/2008	2/26/2009	3/31/2009	3%	360	\$188,000
81	2/20/2009	2/26/2009	4/3/2009	3%	360	\$172,000
82	1/8/2009	2/27/2009	2/18/2009	3%	300	\$234,400
83	1/14/2009	2/27/2009	2/14/2009	3%	180	\$170,000
84	1/22/2009	2/27/2009	2/22/2009	3%	180	\$77,800
85	1/23/2009	2/27/2009	2/23/2009	3%	240	\$115,000
86	1/3/2009	2/27/2009	3/5/2009	3%	180	\$152,200
87	2/2/2009	2/27/2009	3/31/2009	3%	360	\$87,000
88	1/9/2009	2/28/2009	3/5/2009	3%	360	\$225,000
89	1/14/2009	2/28/2009	3/6/2009	3%	360	\$240,000
90	12/31/2008	2/28/2009	3/9/2009	3%	240	\$51,926
91	1/8/2009	2/28/2009	3/17/2009	0%	180	\$375,000
92	1/9/2009	3/2/2009	3/6/2009	5%	180	\$142,000
93	1/16/2009	3/2/2009	3/9/2009	0%	360	\$161,800
94	1/26/2009	3/2/2009	3/17/2009	10%	180	\$323,000

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EXHIBIT D-1

January 31, 2003

BORROWERS	OFFICER	AMOUNT INVESTMENTS	LESS SETTLEMENTS	COLLATERAL	TERM	RATE	FEE	COMMITMENT DATE	EXPIRATION DATE	Exceptions to Loan Policy
BERKSHIRE COUNTY	ONE	\$715,000.00	\$0.00	Total Security Interest on Business Assets	On Demand	B+1 EO Floating Daily	\$0.00	01/16/03	06/16/03	none
	FEB	\$260,000.00	\$0.00	Total Security Interest on Business Assets	90 months	B 6.00% fixed	250.00	01/30/06	07/30/08	none
	DRH	\$343,000.00	\$0.00	Package of \$70,500.00 in a Bank Sav	60 months	A. FHLB 1 yr Class L Adv. Plus 2% floor 4% B. FHLB 5.25% +2.50 Floor 4%	\$0.00	12/15/02	02/15/08	none
	LEB	\$370,000.00	\$0.00	Package of \$70,500.00 in a Bank Sav	180 months	FHLP 5.35% +2.50% Adv Rate +2.75%	\$0.00	11/25/06	05/25/09	none
TOTALS FOR BERKSHIRE COUNTY		\$1,748,000.00	\$0.00		120 months		\$0.00	01/26/02	07/09/09	none

January 31, 2003

BORROWERS	OFFICER	AMOUNT INVESTMENTS	LESS SETTLEMENTS	COLLATERAL	TERM	RATE	FEE	COMMITMENT DATE	EXPIRATION DATE	Exceptions to Loan Policy
CAPITAL DISTRICT	LSM	\$8,840,000.00	\$0.00	Total Security Interest on Business Assets	120 months	3c rate LIBOR +3.00 4.00% Floor Swap Rate 5.00%	\$50,000.00	01/30/03	07/30/08	none
	PJC	\$2,000,000.00	\$0.00	Package of \$70,500.00 in a Bank Sav	120 months	5 yr FHLB Almost Adv 3.75% 4.00% Floor				
	PJC	\$1,000,000.00	\$0.00	Package of \$70,500.00 in a Bank Sav	On Demand	W.S.J. Prime Floating Daily				
	PJC	\$708,000.00	\$0.00	Package of \$70,500.00 in a Bank Sav	60 months		1.00%	04/18/08	10/18/08	none
TOTALS FOR CAPITAL DISTRICT		\$12,548,000.00	\$0.00				\$50,000.00			

EXHIBIT A-2

APPROVERS	OFFICER	AMOUNT INVESTMENTS NET FINDS	COLLATERAL	TERM	RATE	FCC	COMMITMENT DATE	EXPIRATION DATE	Exceptions to Loan Policy
	KJC	LESS \$1,800,000.00 \$0.00 \$1,800,000.00 \$940,000.00 \$0.00 \$940,000.00	100%	120 months	8 yr FHLB +7.25 5.06% floor	\$0.00	12/15/08	06/18/06	none
	KJC	LESS \$400,000.00 \$0.00 \$400,000.00	100%	36 months	WSL Floating Daily 4.00% floor	\$0.00	01/13/09	07/13/09	none
	KJC	LESS \$1,000,000.00 \$0.00 \$1,000,000.00	Letter of Credit	48 months	30 day LIBOR + 1.50%	\$4,270.00	06/12/08	12/12/08	none
	KJC	LESS \$1,275,000.00 \$0.00 \$1,275,000.00		48 months	30 day LIBOR + 1.50%	\$0,000.00	09/12/08	12/12/08	none
	KJC	LESS \$1,000,000.00 \$0.00 \$1,000,000.00		12 months	WSJ Floating Daily	\$10,000.00	04/21/09	10/27/09	none
TOTALS FOR CAPITAL DISTRICT		LESS \$1,800,000.00 \$0.00 \$1,800,000.00							

KJC

KJC

TOTALS FOR CAPITAL DISTRICT

EXHIBIT D-3

BORROWERS	OFFICER	AMOUNT INVESTMENTS	LEAS	COLLATERAL	TERM	RATE	FEE	COMMITMENT DATE	EXPIRATION DATE	Exceptions to Loan Policy
PIONEER VALLEY	DR	Loss	\$700,000.00 30.00 \$700,000.00		120 months 25 yr Amort	FHLB 10/28 +1.75	\$1,000.00	10/14/03	04/14/08	25 yr Amort
	JMM	Loss	\$17,000,000.00 50.00 \$17,000,000.00		120 months	30 Day LIBOR +2.75% 4.05% Floor	\$600,000.00	05/15/05	07/16/08	25 yr Amort
	TC	Loss	\$5,700,000.00 50.00 \$5,700,000.00		60 months	A 5 yr FHLB +2.07% 4.05% Floor B 30 Day LIBOR +2.50% WISDOM Swap rate 4 B	\$75,000.00	01/14/05	07/14/08	none
	DR	Loss	\$50,000.00 50.00 \$50,000.00		60 months	7.5% Fixed	\$1,000	10/24/08	04/24/08	None
TOTALS FOR PIONEER VALLEY		Loss	\$29,000,000.00 50.00 \$29,000,000.00		78 months	Const WISJ Floating 4.05% floor Term 5:30 FHLB +2.00	\$24,000.00	01/01/09	07/14/08	30 yr Amort

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BORROWERS	OFFICER	AMOUNT INVESTMENTS	LEAS	COLLATERAL	TERM	RATE	FEE	COMMITMENT DATE	EXPIRATION DATE	Exceptions to Loan Policy
VEDDPOINT	SB	Loss	\$140,000.00 50.00 \$140,000.00		240 months	6.00% for 5 yrs then WSJ +1.00 Y APRM	\$0.00	01/22/09	07/22/09	None
	DR	Loss	\$25,000,000.00 50.00 \$25,000,000.00		On demand	WSJ +1.00% Floating Floor	\$0.00	1/14/03	1/14/03	None
	DR	Loss	\$50,000.00 50.00 \$50,000.00		60 months	WSJ Prime	\$0.00	08/08/08	07/21/08	None
	KPB	Loss	\$200,000.00 50.00 \$200,000.00		30 months	7.75% for 5 yrs then WSJ + 2.25 Y APRM	\$0.00	1/14/03	1/14/03	None
TOTALS FOR VEDDPOINT		Loss	\$215,000.00 50.00 \$215,000.00		96 months	WSJ + 2.25% Adjusting Quarterly	\$0.00	01/22/09	07/22/09	None

b(4)

b(4)

EXHIBIT D-4

BORROWERS	OFFICER	AMOUNT INVESTMENTS	LESS COLLATERAL	TERM	RATE	FEE	COMMITMENT DATE	EXPIRATION DATE	Exceptions to Loan Policy
	KRB	NET FLUIDS \$765,000.00 Less \$400,000.00 \$365,000.00		On Demand	WSJ Prime Floating Daily	\$0.00	10/18/08	04/18/09	none
	TFC	Less \$1,000,000.00 \$1,650,000.00		120 months	6.50% to 5 yrs then 5 y 1.5% + 2.7%	\$0.00	10/07/08	04/07/09	1.0% LIBOR + 2.5% p.a.
	KRB	Less \$1,750,500.00 \$1,750,500.00		120 Months	7.84% Fixed	\$2,500.00	11/18/08	04/18/09	LIBOR + 2.5% p.a.
		Less \$275,000.00 \$3,000.00 \$278,000.00		180 days	7.95% Fixed				LIBOR + 2.5% p.a.
		Less \$1,237,750.00 \$0.00 \$1,237,750.00		120 months	WSJ + RPS				LIBOR + 2.5% p.a.
		Less \$1,233,750.00 \$40,000.00 \$1,273,750.00		180 days	WSJ + 67%				LIBOR + 2.5% p.a.
	TFC	Less \$850,000.00 \$0.00 \$850,000.00		120 months	WSJ + 1.00% 4.00% Fixed	\$0.00	12/01/08	03/01/09	none
	TFC	Less \$40,000.00 \$0.00 \$40,000.00		60 months	7.00% or WSJ Prime	\$0.00	11/13/08	04/13/09	none
	KRB	Less \$225,000.00 \$166,472.00 \$588,528.00		60 months	WSJ + 60%	\$0.00	01/01/09	07/01/09	none
		Less \$7,346,342.00 \$1,034,087.96 \$8,380,429.96							
TOTALS FOR VERVOY									

Total Commitments \$55,481,418.00
 Less Present Investment \$2,276,584.08
 TOTAL \$53,204,833.92

REPORT PREPARED BY: [Signature]
 Rosemary Vervoort, Assistant Vice President
 Risk Management

EXHIBIT E



Berkshire Bank Offers New Community Investment Program

Company Release - 02/20/2009 12:06

PITTSFIELD, Mass., Feb. 20, 2009 (GLOBE NEWSWIRE) -- Berkshire Bank will launch its Community Investment Program on March 16, 2009, expanding personal and business credit, supporting the growth of the housing market and providing assistance to nonprofit organizations which are central to tourism and the cultural vitality of the communities in our western Massachusetts, northeastern New York and southern Vermont markets. Berkshire Bank is the banking subsidiary of Berkshire Hills Bancorp (Nasdaq:BHLB).

Berkshire's President and CEO Michael P. Daly stated, "We have identified key areas of opportunity where we can provide the greatest benefit to our markets and that will have a positive ripple effect impacting the most consumers. We plan to provide \$500 million in personal and business lending in 2009. Our program will stimulate the housing market, and also focuses on key Federal and State mortgage initiatives. The program will also support the unique needs of our nonprofit organizations, which have been particularly hard hit by declining endowments, grants, and contributions as a result of the economic downturn."

Massachusetts State Senator Benjamin B. Downing was briefed on the program and provided this endorsement: "Berkshire is one of Massachusetts' oldest and largest independent banks, and the largest banking institution in Western Massachusetts. It is a strong element of our state's financial system and what they are doing at this point is spot-on with their responsibilities as a leader in their communities."

Highlights of the program are listed below and additional details will be available at all Berkshire Bank branches on March 16, 2009, and through its website at www.berkshirebank.com.

COMMUNITY INVESTMENT PROGRAM HIGHLIGHTS:

-- \$500 Million to Lend in 2009

Berkshire Bank plans to lend over \$500 million to personal and business borrowers in 2009. This includes \$300 million in residential mortgages and home equity lines of credit, which will help support the housing market, stabilize housing prices, and encourage sales of new and existing homes. The Bank plans to originate over \$200 million in business loans. Our wide range of lending programs includes government assisted VHA loans for individuals and SBA loans for small businesses.

Customers and non-customers will be encouraged to come to Berkshire Bank for a free financial and budgeting consultation. Through this process, many times, monthly payment obligations can be reduced through debt consolidation. Another benefit will include a monthly budget process that includes a systematic savings program resulting in more money in our consumer's pockets as well as the local economies. Qualifying applicants may also receive special financing terms, as well as up to a \$100 savings stimulus incentive.

Berkshire Bank will continue to work with its customers that experience financial challenges to assess their options. The parameters of this program will complement the FDIC's loan modification program guidelines and are designed to keep families in their homes.

-- Support for the Housing Market

In collaboration with its designated local builder customers, Berkshire will offer preferred mortgage terms and discounted closing costs to consumers who purchase a qualified home or building lot. A database of these properties will be available in all Berkshire branch locations. This program will provide attractive home buying opportunities, and as a result will support construction jobs as these projects are completed.

-- Nonprofit Support to Stimulate and Sustain our Local Economy

Berkshire will provide innovative broad-reaching programs focusing on 501(c)(3) organizations that play a critical role in our regional economies (also known as the "creative economy") and which are currently financially challenged due to a decline in State and Federal grants and private donations. Eligible nonprofit customers will receive much needed short-term working capital lines of credit to carry these organizations through this tough recovery period.

The Berkshire Bank Foundations have historically been leaders in philanthropy and community involvement. Since their

inception, the foundations have awarded nearly \$12 million in donations to nonprofit organizations and they will award more than \$1 million in 2009. In addition to this on-going support, a new Cultural Enrichment Fund of \$100,000 will be available to increase arts and cultural programming for elementary school students.

BACKGROUND

Berkshire Hills Bancorp is headquartered in Pittsfield, Massachusetts. It has approximately \$2.7 billion in assets and is the parent of Berkshire Bank -- America's Most Exciting Bank(sm). Berkshire provides personal and business banking, insurance, wealth management, and investment services through 48 banking and insurance offices in western Massachusetts, northeastern New York, and southern Vermont. Berkshire Bank also offers the added benefit of providing its depositors 100% insurance protection, regardless of amount, based on a combination of FDIC insurance and the Depositors Insurance Fund (DIF). For more information, visit www.berkshirebank.com or call 800-773-5601.

The Berkshire Hills Bancorp, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=5000>

FORWARD-LOOKING STATEMENTS

Statements in this news release regarding Berkshire Hills Bancorp and Berkshire Bank that are not historical facts are "forward-looking statements." These statements reflect management's views of future events, and involve risks and uncertainties. For a discussion of factors that could cause actual results to differ materially from expectations, see "Forward Looking Statements" in the Company's 2007 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available at the Securities and Exchange Commission's Internet website (www.sec.gov) and to which reference is hereby made. Actual future results may differ significantly from results discussed in these forward-looking statements, and undue reliance should not be placed on such statements. Except as required by law, the Company assumes no obligation to update any forward-looking statements.

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