

# Rules of the Deposit Account

**Agreement** - The following printed rules will govern the operation of this account, unless clearly varied in writing or typing on this form or in a separate written agreement. Additional rules applying only to electronic funds transfers will be disclosed on a separate form. The word *we* means the financial institution, and the word *you* means the accountholder(s). This agreement includes your promise to pay the charges attributable to your account which will be disclosed on a separate form and may be changed in the future and your permission for us to deduct these charges, as earned, directly from the account balance. This agreement incorporates clearing house rules and state and federal law, especially the Uniform Commercial Code (as amended by this form), and is subject to laws regulating transfers at death and estate and other succession taxes.

**Deposits** - Any non-cash items tendered for deposit (including items drawn on us) will be given provisional credit only until collection is final (and actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. Dollars). If a deposit item is not paid, we will reverse this credit and we may charge the fee for *Deposit Item Returned*. We are not responsible for transactions initiated by mail until we actually receive them. All transactions received after our *daily cut-off time* on a business day, or received on a day in which we are not open for business, will be treated and recorded as if initiated on our next business day. You agree to use our night deposit facilities at your own risk; that we may process such deposits, and our findings and records with respect to such deposits shall be conclusive and binding; and that we will not be responsible for any loss or damage you may sustain.

**Withdrawals - Paper** - Withdrawals may be made by written order (check or withdrawal slip), on forms approved by us, signed by you. Withdrawals will first be made from collected funds. We reserve the right, at any time, to require not less than seven (7) days' notice in writing before each withdrawal from a savings, Money Market, or interest-bearing checking account. We do not now require such notice, and, if we impose it, it will be uniformly applied to all such accounts.

**Withdrawals - Electronic** - Additional rules applying specifically to electronic funds transfers are contained in the *Electronic Funds Transfer Disclosure Statement*.

**Disclosures Regarding Electronic "Wholesale Credit" Transactions Subject to the Uniform Commercial Code Article 4A - Provisional Payment:** Credit given by us to you with respect to an automated clearing house credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you in the amount of such entry. **Notice of Receipt of Entry:** Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, we are not required to give next-day notice to you of receipt of an ACH item, and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statement we provide to you. **Choice of Law:** We may accept, on your behalf, payments to your account which have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Fund Transfer Act, and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the State of New York, unless otherwise specified in a separate agreement that the law of some other state shall govern. For questions call or write: 1-800-724-2621. Canandaigua National Bank & Trust, 72 S. Main St., Canandaigua, NY 14424.

**All Personal Accounts** - Any one of the persons who signs this agreement may withdraw all or any portion of the account balance. However, upon our receipt of notice of the death or incompetence of a person having the right of withdrawal, we may restrict or prohibit further withdrawals until we are satisfied that our obligations under the law and this agreement have been met.

**In Trust For Accounts (Totten Trust)** - If you open an *In Trust For Account*, you may withdraw all or any portion of the account balance during your lifetime. A named beneficiary who does not sign this agreement acquires the right to withdraw from this account only if and when the beneficiary survives you. If more than one beneficiary is named and survives you, the interest of such surviving beneficiaries shall be in equal shares and in accordance with NYS Law.

**Joint Accounts With Rights of Survivorship** - Each joint tenant who signs this agreement grants to each other signing joint tenant, the power to endorse any item payable to any joint tenant or to the order of any joint tenant, for deposit of such item to this account, for cash, or for any other transaction with us, which power shall terminate upon our receipt of notice of the death or incapacity of the joint tenant, or this account is changed or closed. Each joint tenant agrees to be jointly and severally liable to us for any account deficit (caused, for example, by an overdraft, the assessment of fees, or withdrawal against uncollected funds) regardless of which joint tenant caused such deficit. The initial deposit and any additions to the account are the property of the owners as joint tenants. This means we may release the entire account to any owner during the lifetime of all owners. We may honor withdrawal requests (including checks) from any owner during the lifetime of all owners. We may be required to release money in the account to satisfy a judgment against, or any other valid debt incurred by, any owner. We may honor withdrawal requests (including checks) from any surviving owner after the death of any owner, and may treat the account as the sole property of the surviving owner. Unless an owner directs us by written notice not to honor the withdrawal request (including checks) of an owner, we will not be liable for doing so. After we receive such a notice, we may require written authorization of any or all joint owners for any further payments or deliveries.

**Organization Accounts** - You must supply us with an up-to-date business resolution form, as applicable. Any one of the authorized signers may withdraw all or any portion of the account balance. The Bank's action in paying such check, draft, written order or paying pursuant to such written withdrawal or oral request shall be binding on the Corporation or Association, since the requirement of more than one signature is solely an internal requirement of the Corporation or Association and shall not be binding on the Bank. If you open a deposit account for a retirement or employee benefit plan or similar arrangement, you acknowledge no fiduciary responsibilities with respect to such plan or account are conferred on the Bank.

**Reclassification of Account for Regulatory Reporting Purposes** - If this account is a checking account, it consists of a checking sub-account and a savings sub-account. The Bank may periodically transfer funds between these two sub-accounts for regulatory reporting purposes. On a sixth transfer during a calendar month, any funds in the savings sub-account will be transferred back to the checking sub-account. If your account is an account upon which interest is paid, your interest calculation will remain the same. Otherwise, the savings sub-account will be non-interest-bearing. The savings sub-account will not affect your available balance, the interest you may earn, FDIC insurance protection, or your monthly statement.

**Amendments and Termination** - We may amend these rules, including the interest rate and schedule of charges, from time to time upon giving reasonable notice to you. Reasonable notice may consist of posting such changes in our building, our website or other methods of electronic delivery for a reasonable period of time, enclosing notice in the statement of this account, or by mail to you. Your use of the account subsequent to our providing notice to you serves as your acceptance of the amendment. We may also close this account at any time upon reasonable notice and tender of the account balance personally or by mail to you.

**Insufficient Funds and Overdrafts** - If a check, in-person withdrawal, or transaction made by other electronic means, hereafter referred to as *an item*, is drawn on this account and there are not sufficient funds to pay the item, we may pay or refuse to pay the item and charge the *Insufficient Funds* fee. If we pay a debit Point of Sale transaction which overdraws the account, we may charge the *Overdraft* fee - POS and deduct the overdraft from the next deposit or use any other collection remedy. If we pay an item which is presented against uncollected funds, we may charge the *Uncollected Funds* fee. More than one *Insufficient Funds*, *Overdraft* - POS, or *Uncollected Funds* fee may be charged against your account per day, depending on the number of items presented on the same day. Transactions may not be processed in the order in which they occurred. The order in which transactions are received and processed by the bank can affect the amount of fees you may incur. Fees may be imposed on both paper and electronic transfers. We do not in any way obligate ourselves to pay any item which would overdraw this account, regardless of the frequency with which we may do so as a matter of practice. You authorize us to obtain a credit bureau report on any accountholder in the event that it becomes necessary to collect overdrafts on your account. If we enlist the services of an attorney for collection purposes, we have the right to collect reasonable attorney's fees and court costs from you.

**Statements** - To minimize our mutual risk of loss, you must carefully examine your statement and report any errors, forgeries, unauthorized withdrawals or alterations to us as soon as possible, but in no event, later than 60 days after the statement is made available to you. If no report is made to us within such time, you waive your right to contest the payment of any items so disclosed, and you accept the charges assessed and the account balance reported as correct.

**Notice** - Notice from us to any one of you, whether by mail, or otherwise, shall constitute notice to all of you.

**Account Transfer** - This account may not be transferred.

**Set-Off** - By signing this form you each agree that we may at any time (and without prior notice, except as prohibited by law) set-off funds in this account against any debt owed to us now or in the future, by any of you having the right of withdrawal, subject to any limit on the right of withdrawal from this account by such person or legal entity. This right of set-off does not apply to this account if (a) it is an IRA or a tax-deferred retirement account; or (b) the debtor's right of withdrawal only arises in a representative capacity.

**Disclosure of Account Information** - The Bank's use of account information is governed by the Bank's Privacy Policy, which can be found on [www.cnbank.com](http://www.cnbank.com).

**Stop Payment** - Upon your request, a stop payment order may be placed against a specific check(s). This request is subject to a "Stop Payment" fee. An oral order is binding for only fourteen calendar days unless confirmed in writing within that period. A written order is effective for only six months unless renewed in writing.

**Early Account Closeout** - If this account is closed within six months from the date the account is opened, and it is not a time deposit, you agree that we may charge the *Early Account Closeout Fee*.

**Account Inactivity** - If this is a checking account, and has no customer-initiated activity or is dormant for 120 consecutive days and the balance is less than \$100, OR has no customer-initiated activity for 365 days, regardless of balance, you agree that we may charge the *Account Inactivity Fee*. This fee will be assessed each month thereafter until the account is no longer inactive or until such time as the bank is required to remit these funds to the NYS Comptroller in accordance with the NYS Abandoned Property Law. If this is a savings account and has no customer-initiated activity or is dormant for 731 consecutive days, and it is not a time deposit or a Looney Tunes Account, you agree that we may charge the *Account Inactivity Fee*. This fee will be assessed each month until the account is no longer inactive or until such time as the bank is required to remit these funds to the NYS Comptroller in accordance with the NYS Abandoned Property Law.