

# 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 words *we* or *us* means the financial institution, and the word *you* means the account holder(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.

**Available Balance** – The “Available Balance” is your account balance, which can include available funds in a linked sweep account or ChexMate Account, if applicable, less any holds placed on your account, pending transactions and uncollected deposits. In other words, the Available Balance is your actual balance less any pending ATM withdrawals, debit card purchases, ACH transactions, checks being processed or any other pending withdrawals and outstanding transactions from your account and less any deposits that are not yet available. The Available Balance factors in processed items that have not yet posted to your account. Because certain external system applications are outside of the Bank’s control, they may not always display an up-to-date Available Balance. Even so, your Available Balance should be understood by you to be the resulting balance set forth in the above definition, and it is this definition that shall be the controlling definition for your account at all times. If you have any trouble understanding Available Balance, you are invited to contact us for assistance.

**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 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. 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.

**Account Signatures** – 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, regardless of account ownership type.

**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 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, including without limitation any debit card transaction, or ACH debit, whether initiated by you or a third-party, hereafter referred to as *an item*, is drawn on this account and there are not sufficient funds in the account (your Available Balance) to pay the item, we may pay or refuse to pay the item. If we pay the item, either because you have entered into an overdraft practice or protection plan with us or because you requested the item be paid, an *Insufficient Funds, Overdraft – POS, and/or Uncollected Funds* fee (collectively, “Fee” or “Fees”) may be charged against your account for the paid item. If your Checking Account has a ChexMate Overdraft Protection Line of Credit associated with it, the terms and conditions contained in your ChexMate Overdraft Protection Line of Credit Agreement will control with respect to overdrafts of your Checking Account regardless of whether they result from purchases, cash withdrawals, use of checks or use of any other card or device. Transactions are posted in the order received. Generally: Credits are posted first, followed by debits; credits are posted by amount in descending order, and debits are posted by amount in ascending order. The assessment of fees is based on the posting order. 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 account holder 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.

**In Case of Errors or Questions About Your Statements** - To minimize our mutual risk of loss, you must carefully examine your statement and report to us as soon as possible any problem, including but not limited to errors, forgeries, unauthorized withdrawals or alterations, and any *Insufficient Funds, Overdraft - POS, and/or Uncollected Funds* fees that you believe were improperly assessed. You agree that 60 days after the statement is first made available to you is the maximum reasonable amount of time for you to review your statement and report any problem related to a matter shown on the statement. 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 fees and charges assessed and the account balance reported as correct. Failure to notify us of a problem within 60 days after your statement is first made available to you shall preclude you from recovering any amounts against us. Call us at (585) 394-4260, (800) 724-2621, or write to us at the address provided below as soon as you can. **IF YOU TELL US ORALLY, WE MAY REQUIRE THAT YOU SEND US YOUR COMPLAINT OR QUESTION IN WRITING TO THE ADDRESS PROVIDED BELOW, TO BE RECEIVED BY US WITHIN 10 BUSINESS DAYS.**

**Canandaigua National Bank & Trust  
72 South Main Street, Canandaigua, NY 14424**

For additional Information on electronic funds transfer error resolution, see the Bank's *Electronic Funds Transfer Disclosure Statement*.

**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** - 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 14 calendar days unless confirmed in writing within that period. A written order is effective for only 6 months unless renewed in writing.

**Early Account Closeout** - If this account is closed within 6 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.

**Waiver of Class, Collective and Representative Actions** - **ACCOUNT HOLDER AND BANK WAIVE THE RIGHT TO COMMENCE, BE A PARTY TO, JOIN IN OR BE AN ACTUAL OR PUTATIVE CLASS MEMBER OF ANY CLASS, COLLECTIVE OR REPRESENTATIVE ACTION OF ANY KIND IN ANY FORUM, INCLUDING IN COURT, ARISING FROM OR RELATED TO THIS AGREEMENT.** This provision shall be enforced to the extent permissible by law and shall survive the termination of this Agreement.

**Severability** - Any provision of this agreement which is prohibited or unenforceable under federal and/or state law shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof. To the extent that any provision(s) of this Agreement shall ever be invalidated because of a conflict with any applicable law, the invalidation shall affect said provision(s) only, and any and all provisions herein that are not so invalidated shall continue in full force and effect. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law.