



Comptroller of the Currency
Administrator of National Banks

Northeastern District Office
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Licensing Division
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May 1, 2009

Conditional Approval #902
June 2009

Steven H. Swartout
Executive Vice President & General Counsel
Canandaigua National Bank & Trust Co.
72 South Main Street
Canandaigua, New York 14424

Re: De Novo Charter Application
Canandaigua National Trust Company of Florida (Proposed), Sarasota, Florida
OCC Control No.: 2009-NE-01-0007

Dear Mr. Swartout,

This letter is in response to the above referenced application to establish a new national trust bank with the title of Canandaigua National Trust Company of Florida, Sarasota, Florida (“CNTF” or “Bank”). Based on a thorough evaluation of all information available to the OCC, including the representations and commitments made in the application and by the Bank’s representatives, I grant preliminary conditional approval of the subject application.

This preliminary conditional approval is granted with the understanding that CNTF will apply for Federal Reserve membership. The OCC has granted preliminary conditional approval only. Final approval and authorization for the Bank to open will not be granted until all preopening requirements are met. Until final approval is granted, the OCC has the right to modify, suspend, or rescind this preliminary conditional approval should the OCC deem any interim development to warrant such action.

This preliminary conditional approval is subject to the following conditions:

1. CNTF shall limit its business to the operations of a trust company and activities related or incidental thereto. In no event shall CNTF engage in activities that would cause it to be a “bank” as defined in section 2(c) of the Bank Holding Company Act.
2. CNTF: (i) shall give the appropriate OCC Supervisory Office at least sixty (60) days prior written notice of CNTF’s intent to significantly deviate or change from the business plan or operations, as reflected in this application, and (ii) shall obtain the OCC’s written determination of no objections before CNTF engages in

any significant deviation or change from its business plan or operations.¹ This condition shall remain in effect during the Bank's first three years of operation.

3. At all times, CNTF shall maintain minimum Tier 1 Capital in an amount at least equal to the greater of (a) \$3.0 million (which excludes the \$500,000 pledge required by the State of Florida) or (b) such other higher amount as may be required by the OCC pursuant to the exercise of its regulatory authority ("Minimum Tier 1 Capital Requirement"). At all times, liquid assets² shall comprise at least 75% of CNTF's Minimum Tier 1 Capital Requirement (the "Minimum Liquid Capital Requirement"). (The Minimum Tier 1 Capital Requirement and the Minimum Liquid Capital Requirement are collectively the "Minimum Capital Requirement".)
4. If at any time, CNTF fails to maintain the Minimum Capital Requirement, CNTF shall take such corrective measures as the OCC may direct from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. § 1831o(e) and 12 C.F.R. Part 6. For purposes of this requirement, an action "necessary to carry out the purpose of this section" under section 1831o(e)(5) shall include restoration of CNTF's capital to levels which comply with the Minimum Capital Requirement, and any other action deemed advisable by the OCC to address CNTF's capital deficiency or the safety and soundness of its operations.
5. CNTF's Board shall adopt, implement, and maintain a system to analyze and maintain capital and liquidity commensurate with CNTF's risk profile, in conformance with OCC Bulletin 2007-21, Supervision of National Trust Banks- Revised Guidance: Capital and Liquidity (and any subsequent OCC guidance).

These conditions of approval are conditions "imposed in writing by a Federal banking agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C § 1818. As such, the conditions are enforceable under 12 U.S.C § 1818.

Final approval will not be granted until and unless the Federal Reserve acts favorably on your application. You must furnish the OCC with a copy of all related filings to the Federal Reserve, including registration material. Send this information to J. Greg Parvin, District Director in our Northeastern District Licensing Office.

The OCC poses no objection to the following person(s) serving as executive officer(s), directors, and/or organizers as proposed in the application:

<u>Name</u>	<u>Title</u>
Mr. George W. Hamlin, IV	Chairman & Chief Executive Officer

¹ If such deviation is the subject of an application filed with the OCC, the OCC does not require any further notice to the supervisory office.

² The term "liquid assets" means (a) cash and cash equivalents, (b) deposits at insured depository institutions, and (c) investment securities eligible for investment by national banks under 12 C.F.R. Part 1 and valued at the lower of cost or market value. However, liquid assets shall not include any assets encumbered or pledged by lien, right of setoff, preference, or otherwise, or any other asset pledged as security in any transaction with any party.

Mr. Richard C. McCarthy	President & Director
Mr. Daniel R. Goodwin	Director
Mr. Alan M. Lupton	Director
Mr. Stephen D. Natapow	Director
Mr. Albert W. White	Director

Prior to the Bank's opening, the Bank must obtain the OCC's prior written determination of no objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position. For a two-year period after the Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position.

Background checks requested by the OCC have not been received yet from two sources for Messieurs McCarthy, Goodwin, Lupton, Natapow, and White. Accordingly, the continued service of these individuals will be dependent on satisfactory completion of the background investigation process.

The "Charters" booklet in the *Comptroller's Licensing Manual* provides guidance for organizing your bank. The booklet is located at the OCC's web site: <http://www.occ.treas.gov/corpbook/group4/public/pdf/charters.pdf>. The booklet contains all of the steps you must take to receive your charter.

The OCC reviewed and accepted the Bank's Articles of Association and Organization Certificate. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval. "In Organization" should follow the Bank's name in all official documents, stationery, advertisements, and other references to the Bank until it opens for business. The Bank may not begin the business of banking until it fulfills all requirements for a bank in organization and the OCC grants final approval.

Enclosed are standard requirements and minimum policies and procedures for new national banks. The Bank must meet the standard requirements before it is allowed to commence business and the Board of Directors must ensure that the applicable policies and procedures are established and adopted before the Bank begins operation.

Under separate cover, the OCC will send to you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the *Comptroller's Licensing Manual*, which is available only in electronic form at our Web site: <http://www.occ.treas.gov/corpapps/corpapplic.htm>.

This preliminary conditional approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Canandaigua National Trust Company of Florida
OCC Control No.: 2009-NE-01-0007

Direct any questions concerning this preliminary conditional approval to Senior
Licensing Analyst, Yoo Jin Na at (202) 874-4604 or yoojin.na@occ.treas.gov.

Sincerely,

signed

J. Greg Parvin
District Director for Licensing

Enclosures: Standard Requirements
Minimum Policies and Procedures