

ASSIGNMENT OF DEPOSIT ACCOUNT AGREEMENT**LAKE SHORE SAVINGS AND LOAN ASSOCIATION**Date April 16, 2004Name and address of deposit owner 1 Gregory Lorenzo

Name and address of deposit owner 2 _____

Name of financial institution Lake Shore Savings and Loan AssociationType of account Certificate of Deposit Account number 0012024299Original amount of deposit \$ 10,000.00 Current amount of deposit \$ 10,000.00Current rate of interest 3% Next maturity date (if time deposit) 4-16-09

Meaning of some words. In this agreement, (1) "you" and "your" mean anyone signing this agreement, (2) "we," "us" and "our" mean Lake Shore Savings and Loan Association, 126 East Fourth Street, Dunkirk, New York 14048, (3) "the borrower" means _____

Name and address of person receiving credit from us other than you _____

and (4) "the collateral" means (a) whether or not represented by a certificate of deposit, the deposit account that has the account number set forth in the blanks at the beginning of this agreement and is maintained at the financial institution identified in those blanks, (b) all other at accounts, whether or not represented by a certificate of deposit, into which is directly or indirectly deposited any money withdrawn or paid from the deposit account referred to in item (a) of this sentence, (c) all direct or indirect additions to, extensions, renewals and replacements of, increases in, interest, dividends and other income on account of and proceeds at any sale or other disposition of or of any collection on account of any deposit account referred to item (a) or (b) at this sentence and (d) all certificates of deposit, passbooks and other instruments and records representing or otherwise relating to any deposit account referred to in item (a) or (b) of this sentence of anything referred to in item (c) of this sentence.

Security. To secure the payment of all indebtedness from you or the borrower to us existing now or coming into existence in the future, you give us a security interest in the collateral and assign it to us. A person who has a security interest in property has a number of rights depending on what the property is - for example, if the property is a certificate of deposit, the right under certain circumstances to sell it or collect any money payable on account of it. To assign property means to transfer rights in it.

Reduction in rate. The rate of interest or effective rate at interest (taking into account the effect of compounding) paid in connection with any deposit account included in the collateral will be reduced to the rate necessary to comply with any law or regulation requiring the rate of interest or effective rate of interest to be at least a specified percentage (such as 1%) below the rate of interest paid in connection with any indebtedness the payment of which is secured by the collateral. If the rate of interest or effective rate of interest paid in connection with any deposit account included in the collateral is reduced as provided in the preceding sentence, it need not be increased except at a time it would be subject to change if it were not included in the collateral.

Some assurances about the collateral. You assure us that no one other than you owns any of the collateral or has any claim to any of it.

Delivering instruments and records. You are delivering to us all certificates of deposit, passbooks and other instruments and records included in the collateral and received by you, and you assure us that each of them is genuine and what it appears to be.

Care of instruments and records. We will have taken reasonable care of any certificate of deposit, passbook or other instrument or record included in the collateral and delivered to us if we treat it in basically the same way as we treat our own property of the same sort.

Some promises. You must promptly (1) deliver to us any certificate of deposit, passbook or other instrument or record included in the collateral and received by you, (2) pay any tax on the ownership of any of the collateral and (3) sign any document we want signed to protect our interest in any of the collateral. Without first obtaining our consent in writing, you must not (1) sell, give away or in any other way dispose of any of the collateral, (2) permit anyone other than you or us have any claim to any of the collateral or (3) do anything that would adversely affect our interest in any of the collateral. Also, without first obtaining our consent in writing, you must not (1) ask for or collect any of the collateral, (2) extend or renew any of the collateral, (3) agree to any change in any agreement applicable to any other collateral, (4) make or settle any claim relating to any of the collateral, (5) bring, conduct or settle any legal proceeding relating to any of the collateral (6) waive any right relating to any of the collateral, (7) sign, deliver or make any request or order for any withdrawal or payment relating to any of the collateral, (8) acknowledge receipt of any of the collateral or (9) sign your name to endorse any check or other order for any payment relating to any of the collateral.

Amounts paid by us. We can, but we do not have to, (1) pay any tax on the ownership of any of the collateral if you do not pay it and (2) make any payment we believe necessary to eliminate any claim to any of the collateral superior to our interest in it. When we ask you to do so, you must immediately pay us any amount we pay under this section and interest at the rate of 16% a year on the portion of that amount not yet paid to us.

Revocation of authority. If you have previously authorized anyone to make withdrawals from any deposit account included in the collateral or to do any other thing concerning any of the collateral, you revoke that authority.

Default. A default under this agreement occurs if (1) any indebtedness from you or the borrower to us existing now or coming into existence in the future is not paid by the day it becomes due - even though a late charge would not be imposed until later, (2) you violate any provision of this agreement or of any other agreement with us existing now or coming into existence in the future, (3) the borrower violates any provision of any agreement with us existing now or coming into existence in the future, (4) you die or become incompetent or insolvent (5) the borrower dies or becomes incompetent or insolvent, (6) any proceeding under any bankruptcy law or other law concerning the relief of debtors is started by or against you or the borrower, (7) we discover that in this agreement, any other agreement with us existing now or coming into existence in the future or any application you have made or make to us for credit you made any false or misleading statement about an important matter, (8) we discover that in any agreement with us existing now or coming into existence in the future or any application the borrower has made or makes to us for credit the borrower made any false or misleading statement about an important matter, (9) we reasonably believe that any indebtedness from you or the borrower to us existing now or coming into existence in the future will not be paid by the day it becomes due or (10) we reasonably believe that something seriously affects the value to us of any property in which any interest has been or is given to secure the payment of any indebtedness from you or the borrower to us existing now or earning into existence in the future.

If default occurs. If any default under this agreement occurs, we can (1) sell any of the collateral, (2) take any action described in the third sentence of the section entitled "Some promises" even if doing so would result in a penalty being imposed by the financial institution at which any deposit included in the collateral is maintained and (3) exercise any right given us by applicable law.

Sale. At least 10 days before we sell any of the collateral, we will send you a notice of the proposed sale if we are required by applicable law to do so. We will send the notice 10 your current address shown in our records concerning this agreement. We can send it by regular mail. To redeem any of the collateral before we sell it, you may pay us all amounts the payment of which is secured by the collateral, including those described in the first sentence of the next section. To redeem any of the collateral means to get it back.

Expenses of sale or collection and application of money received from sale or collection. You must pay us any amount we pay for selling any of the collateral, arranging for the sale of any of the collateral or collecting any of the collateral. We will apply any money we receive as a result of the sale or collection as required by applicable law - for example, to (1) amounts described in the first sentence of this section and (2) other amounts the payment of which is secured by the collateral and that are not yet paid. We can apply the money to those other amounts in any order we choose, whether or not they are then due.

Authorization. You irrevocably authorize us, whether or not any default under this agreement has occurred, to do any of the things described in the third sentence of the section entitled "Some promises."

Liabilities and expenses. You must pay us any liability or expense we incur in connection with our interest in any of the collateral. For example - if we hire an attorney to defend or enforce any of our rights in any of the collateral or to perform any other legal service in connection with any of the collateral, you must pay us the attorney's fee and all legal expenses we pay in connection with the defense, enforcement or other legal service.

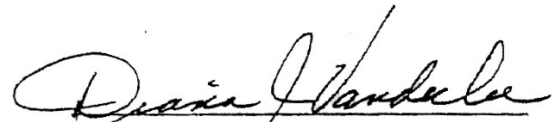
Agreement. You agree to be bound by all provisions of this agreement, including those on the reverse side.

STATE OF NEW YORK

ss.

COUNTY OF CHAUTAUQUA

On the 16th day of April in the year 2004 before me, the undersigned, a notary public in and for said state, personally appeared Gregory Lorenzo, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity (ies), and that by his/her/their signature (s) on the instrument, the individual(s), or the person upon behalf of which the individual (s) acted, executed the instrument.

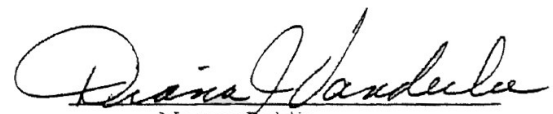

Notary Public
DIANA J. VANDERLEE
Notary Public, State of New York
No. 01VA6000115
Qualified in Chautauqua County
My Commission Expires December 8, 2005

STATE OF NEW YORK

ss.

COUNTY OF CHAUTAUQUA

On the 16th day of April in the year 2004 before me, the undersigned, a notary public in and for said state, personally appeared Kathryn A. Ziemba, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name (s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity (ies), and that by his/her/their signature (s) on the instrument, the individual(s), or the person upon behalf of which the individual (s) acted, executed the instrument.


Notary Public
DIANA J. VANDERLEE
Notary Public, State of New York
No. 01VA6000115
Qualified in Chautauqua County
My Commission Expires December 8, 2005