

AGREEMENT REGARDING PUBLIC DEPOSITS
PURSUANT TO PENNSYLVANIA ACT 72

THIS AGREEMENT, made the 12th day of October, 2015, by and between Red Lion Borough, a public body organized and operating under the laws of the Commonwealth of Pennsylvania (hereinafter the "Public Body"), and YORK TRADITIONS BANK, a Pennsylvania chartered bank having its principal place of business in York, Pennsylvania (hereinafter the "Bank").

WITNESSETH

WHEREAS, the Bank is duly authorized to act as a depository for Public Funds; and

WHEREAS, the Public Body as the depositor of Public Funds and the Bank as the Depository for such Public Funds desire to comply with the provisions of the laws of the Commonwealth of Pennsylvania (hereinafter the "Commonwealth") relating to the deposit of Public Funds and the pooling of assets pledged by the Bank as security for such Public Funds.

NOW THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. "Act 72" means Pennsylvania Act 72 of 1971, as amended and supplemented from time to time. The terms "Custodian," "Depository," "Public Body," "Public Funds" and "Public Deposits" have the meanings set forth in Act 72.
2. The Public Body represents and warrants that it is a "Public Body" as defined in Act 72.
3. The Public Body is making a deposit in the Bank of certain of its Public Funds, and the Public Body may from time to time make other deposits of Public Funds in the Bank. Such deposits constitute Public Deposits.
4. As security for the deposit of the Public Body's funds with the Bank, the Public Body is hereby granted a security interest in and to that certain pool of pledged assets deposited by the Bank with the Federal Home Loan Bank of Pittsburgh (located in Pittsburgh, Pennsylvania) and with such other depositories as may be permitted by law (hereinafter, collectively, the "Bank Depositories"); provided, however, that such security shall apply only to those funds deposited by the Public Body which are in excess of the amount of deposited funds insured by the Federal Deposit Insurance Corporation (the "FDIC"). The Public Body's security interest in the pool of pledged assets (hereinafter the "Pool") shall be expressed in terms of a fraction, the numerator of which shall be the amount of the Public Body's funds deposited with the Bank in excess of the amount of those deposits insured by the FDIC and the denominator of which shall be the total amount of all Public Deposits in excess of the amount of those Public Deposits insured by the FDIC. The Public Body agrees that it shall not cause the total amount of all Public Deposits to exceed the amount insured by the FDIC by more than \$_____ (the "Pool Limit"), nor shall it cause the total amount of its time deposits maintained with the Bank to exceed \$250,000 at any time.
5. The Pool shall at all times be of sufficient market value to secure all uninsured Public Deposits up to the Pool Limit and shall contain the same types of assets as permitted by Act 72. Within the restrictions set forth by Act 72, the Bank shall be permitted, but not required, to provide a letter of credit issued by a Federal Home Loan Bank in lieu of pledging securities. In the event that the amount of the Public Deposits exceeds the Pool Limit, the Public Body hereby authorizes the Bank, at the Bank's sole election, to secure such excess Public Deposits

by a letter of credit issued by a Federal Home Loan Bank, and the Public Body hereby agrees to pay all costs and expenses incurred by the Bank associated with providing such letter of credit.

6. The securities in the Pool shall be held by the Bank Depositories in a separately designated Act 72 pledge account and shall be marked to market monthly using market prices from commercially available pricing services, brokers, or other sources deemed reliable and appropriate by the Bank.
7. The Bank may at any time and from time to time withdraw from the Bank Depositories any assets theretofore deposited in the Pool and shall have full right to substitution of the assets contained in the Pool; provided, however, that any such withdrawal or substitution shall not cause the total value of assets contained in the Pool to fall below the amount required by law to secure fully all Public Deposits intended to be secured by the Pool.
8. The Public Body shall have no rights of ownership to any of the assets contained in the Pool and nothing herein shall be construed to grant to the Public Body any such ownership interest in or power over any asset in the Pool by reason of its security interest in the Pool.
9. On not less than a quarterly basis, as well as upon receipt of a written request from the chief financial officer or other duly appointed representative of the Public Body, the Bank shall make a report of the amount of funds the Public Body has on deposit with the Bank, the total amount of Public Deposits, and the total amount and market value of assets contained in the Pool securing Public Deposits. All such reports shall be delivered promptly to the requesting officer or to other such person as shall be designated in the written request.
10. The parties hereto agree, and represent to each of the Bank Depositories, that as custodians of the assets contained in the Pool, the Bank Depositories may rely upon requests and instructions of the Bank, without the necessity of any joinder or consent of the Public Body, in dealing with the assets contained therein, and more particularly, but not by way of limitation, in releasing assets contained in the Pool to the Bank or in accepting any substitutions therefore, all without liability to the Public Body, unless the Bank Depositories have been notified in writing that the Bank is in default under this Agreement.
11. This written agreement is being entered into in accordance with the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended, and, in particular, 12 U.S.C. § 1823(e) (hereinafter "FIRREA"). As required by FIRREA, the Bank represents and warrants that the pledge of collateral by the Bank to secure Public Deposits has been approved by the Bank's board of directors (hereinafter the "Approval") and that such Approval is kept continuously as an official record of the Bank. A copy of the Approval is attached hereto as Exhibit A.
12. This agreement wholly supersedes and replaces any previous agreements related to the subject matter hereof between the Public Body and the Bank or any predecessor of the Bank. Any such prior agreements shall be deemed automatically terminated and of no further force or effect upon the date this agreement is executed.
13. This agreement may be terminated by either party upon 30 days' prior written notice. Upon notice of such termination, the Public Body shall promptly provide the Bank with wire instructions for transferring to another depository institution an amount not less than the amount of any funds maintained with the Bank in excess of the amount insured by the FDIC.
14. This agreement is governed by the laws of the Commonwealth of Pennsylvania.

[signature page follows]

IN WITNESS THEREOF, the Bank and the Public Body have caused this Agreement to be duly executed by their authorized officers the day and year first above written.

(The Public Body)

York Traditions Bank

By: *Alanna B. P.*

By: _____

Name: *DIANNE PRILE*

Name: _____

Title: *SECRETARY*

Title: _____

EXHIBIT A:
RESOLUTION OF BOARD OF DIRECTORS OF YORK TRADITIONS BANK
REGARDING COLLATERAL PLEDGES

WHEREAS, YORK TRADITIONS BANK, a Pennsylvania chartered bank having its principal place of business in York, Pennsylvania (hereinafter the "Bank"), desires to accept deposits of public funds (hereinafter, the "Public Deposits") from Pennsylvania public bodies (hereinafter, the "Public Bodies"); and

WHEREAS, the Bank desires, in accordance with applicable federal and Pennsylvania law, including Pennsylvania Act 72 of 1971, as amended, to pledge collateral (hereinafter, the "Collateral") for such Public Deposits in excess of FDIC insurance limits; and

WHEREAS, the Bank and a custodian appointed by the Bank (hereinafter the "Custodian") has or will enter into an agreement under which Collateral is pledged for the Public Deposits (hereinafter, the "Pledge Agreement"); and

WHEREAS, the Bank will enter into deposit agreements with its Public Body depositors (hereinafter, the "Deposit Agreements") in which the Bank agrees to pledge Collateral to secure the Public Deposits in excess of FDIC insurance limits.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

1. The Bank is authorized to pledge Collateral to secure the Public Deposits received by the Bank from the Public Bodies.
2. The Bank approves the Agreement Regarding Public Deposits Pursuant to Pennsylvania Act 72 (the "Act 72 Agreement"), and related Pledge Agreement and Deposit Agreements.
3. Each of the Director of Accounting, Director of Personal Banking, Director of Treasury Management, and any senior officer of the Bank is hereby authorized to execute the Act 72 Agreement, Pledge Agreement, the Deposit Agreements, and such other documents as is necessary or desirable to effectuate the pledge of Collateral for the Public Deposits.
4. This resolution shall be reflected in the minutes of the Board of Directors of the Bank.
5. The Pledge Agreement, the Deposit Agreements, and any related documents or any amendments or supplements thereto shall be kept continuously as official records of the Bank.

CERTIFICATE OF SECRETARY

The foregoing "Resolution of Board of Directors of York Traditions Bank Regarding Collateral Pledges" was duly adopted by the Board of Directors of York Traditions Bank at a meeting duly called and held on the ____ day of _____, 20__, has not been repealed or amended since that date, and remains in full force and effect as of this ____ day of _____, 20__. Such Resolution is maintained continuously as an official record of the Bank.

[SEAL]

, (Asst) Secretary