PRINCIPAL FEDERAL FUNDS PURCHASED AGREEMENT

THIS AGREEMENT, made this___ day of _____, 20__ by and between Atlantic Central Bankers Bank (hereinafter sometimes referred to as "Principal") and the undersigned Bank (hereinafter sometimes referred to as "Respondent"):

WHEREAS, The Principal is engaged in the business of purchasing excess funds for its own account and the Principal may from time to time purchase federal funds from the Respondent.

NOW THEREFORE, in consideration of the covenants and agreements contained herein, for and in consideration of the mutual promises herein made and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Principal and Respondent hereby agree, as follows:

1. **Definitions.** For the purposes of this Agreement the Principal and Respondent agree that (i) "Federal Funds" (hereinafter sometimes referred to as "Funds") are defined "as cash reserves that are available for purchase or sale, between banks on a mutually agreed short term basis", (ii) the investing of Funds is "selling", and (iii) the acquiring of Funds is "purchasing".

2. **Transactions.** Funds transactions will be on a daily origination and return basis. Transactions may be originated in writing, verbally, by telephone or electronic means by mutual agreement between authorized and designated personnel of the parties hereto and are subject to daily advices of confirmation. Interest paid by the Principal for Funds purchased is to be determined by the Principal, based on market conditions, on a transaction by transaction basis, and paid by a credit to the account of the Respondent, on the Principal's following business day. Settlement will ordinarily be made on a daily basis, however, the Principal and Respondent may agree to settlement and reporting on a weekly, monthly or otherwise mutually determined time interval. Principal has responsibility for the maintenance of daily records. Without instructions to the contrary, Principal shall presume that a transaction negotiated on a particular day is renewed by the Respondent for each succeeding day thereafter. The daily interest rate shall fluctuate and be determined on a daily basis unless otherwise agreed to by the parties hereto.

3. **Acknowledgment and Authorization.** The Principal acknowledges its liability for all the Funds it acquires from the Respondent, as Principal, unless the Principal notifies the Respondent in writing that the Principal is acting as the agent for another bank in connection with such Funds. Respondent hereby authorizes the Principal to acquire from the Respondent such Funds as are mutually agreed upon by the authorized and designated representatives of the Respondent and the Principal.

4. **Regulation F.** Principal will make available to the Respondent, each quarter, the financial information required to satisfy Regulation F.

5. **Principal Warranty.** The Principal hereby warrants that its officer(s) executing this Agreement and the transactions resulting there from have been duly authorized by the Principal's Board of Directors.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the date first above written.

Atlantic Central Bankers Bank

_____

(Print Name of Respondent)

By: _____ By: _____

Title_____ Title_____

Certification by the Respondent

I certify that I am the duly elected, qualified and acting Cashier or Secretary of the Respondent Bank and that the foregoing Agreement has been duly authorized at a meeting of the Bank's Board of Directors held on _____ __, 20__, at which a quorum was present and voted.

_____

(Insert Name of Bank)

By:_____

_____

(Print name and title)