

OFFICE OF THRIFT SUPERVISION

Order No.: 2000-74

Date: August 14, 2000

Order Approving Conversion of Federal Mutual Savings Bank into Federal Stock Savings Bank and Related Applications

Harris Financial, M.H.C. and Harris Savings Bank, Harrisburg Pennsylvania, filed on June 26, 2000, as amended, with the Office of Thrift Supervision (OTS), an application (the Application) for approval to convert to stock form pursuant to Sections 5(i) and 10(o) of the Home Owners' Loan Act of 1933 (the HOLA), and 12 C.F.R. Parts 563b and 575. Pursuant to a Plan of Conversion and Reorganization, Harris Savings Bank will first convert to a federal savings bank, Waypoint Bank (the Institution) and form a holding company, Waypoint Financial Corporation, Harrisburg, Pennsylvania (the Holding Company), which will acquire all of the Institution's capital stock to be issued upon conversion. The parties to the transaction have requested OTS approval of each constituent element of the mutual-to-stock conversion, including, among other things, the formation of three interim federal associations and the merger of each interim association into the Institution. The Institution has also requested a waiver from OTS regulations to permit the exchange of certain shares of the Holding Company's capital stock for shares of York Financial Corporation, York, Pennsylvania (Target Company) in connection with Holding Company's acquisition of Target Company, in a limited set of circumstances. The Institution also has submitted a proposed charter, bylaws and security form for approval pursuant to 12 C.F.R. Part 563b.

The OTS has considered the Applications under Sections 5(i) and 10(o) of the HOLA, section 18(c) of the Federal Deposit Insurance Act, and 12 C.F.R. §§ 552.13 and 563.22, and Parts 563b and 575, the Community Reinvestment Act, 12 U.S.C. §§ 2901 et seq., the OTS Community Reinvestment Act regulations, and all other applicable statutes and regulations. In addition, the OTS has considered the digest submitted by the OTS Northeast Regional Office, a legal opinion from the Business Transactions Division, and an analysis by the Office of Examination and Supervision (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, the OTS has determined that approval of the Application is appropriate, provided the conditions set forth below are satisfied. Accordingly, the Application and the request for a waiver is approved, subject to the following conditions:

1. Promptly after the completion of the sale of all of the shares of capital stock to be sold in connection with the offering, the Holding Company must submit: (a) a certification by the Holding Company's chief executive officer stating that all the shares proposed to be sold have been sold, the price at which they were sold, and the date of completion of the offering; (b) seven copies of the proposed

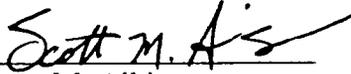
amendments to the Institution's charter, the appropriate form of bylaws as prescribed by 12 C.F.R. § 552.5 and a certification by the Institution's secretary that the copies are in conformity with the proposal of the board of directors adopted by the Institution's members; and (c) a statement by the Institution's independent appraiser that, to the best of his/her knowledge and judgment, nothing of a material nature has occurred (taking into account all of the relevant factors including those which would be involved in a change in the maximum subscription price) which would cause him/her to conclude that the sales price was not compatible with his/her estimate of the Holding Company's and the Institution's total pro forma market value at the time of sale;

2. The Holding Company's capital stock to be sold in connection with the conversion of the mutual holding company shall be sold in compliance with the restrictions contained in 12 C.F.R. 563.76;
3. The following general principles of conversion contained in 12 C.F.R. Part 563b shall apply to the Holding Company, and if applicable, any successor corporation, subsequent to the conversion as if they were the converting association:

563b.3(i), 563b.3(c)(9), 563b.3(c)(17), 563b.3(c)(18), 563b.3(c)(19) and 563b.3(g);
4. For a period of one year following the completion of the conversion, neither the Holding Company nor the Institution shall, without prior written consent of the Director, Office of Examination and Supervision, or his designee, take any action with a view toward a transaction which would require stockholder approval under 12 C.F.R. § 552.13(h);
5. For three years following the completion of the conversion, the Institution must have a charter that subjects it to OTS jurisdiction;
6. Upon completion of the organization of the interim federal savings associations, the boards of directors of the interim associations must ratify the agreement and plan of reorganization; and
7. The proposed mergers involving the interim federal associations are effective within 120 calendar days after the date of this Order.

The proxy soliciting material included under Items 3 and 4 of the Application, and the stock offering materials included under Item 3 and Exhibit 2(b) of the Application will be discussed in a separate letter.

By Order of the Director of the Office of Thrift Supervision, or her designee,
effective August 14, 2000.



Scott M. Albinson
Managing Director
Office of Supervision