

#2000-95

**AGREEMENT BY AND BETWEEN
GATEWAY NATIONAL BANK OF SAINT LOUIS
ST. LOUIS, MISSOURI
AND
THE OFFICE OF THE COMPTROLLER OF THE CURRENCY**

Gateway National Bank of St. Louis, St. Louis, Missouri ("Bank") and the Comptroller of the Currency of the United States of America ("Comptroller") wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

The Comptroller, through his National Bank Examiners, has examined the Bank, and his findings are contained in the Reports of Examination, dated November 29, 1999 and August 28, 2000 (collectively, "ROE").

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors ("Board"), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

This Agreement shall be construed to be a "written agreement entered into with the agency" within the meaning of 12 U.S.C. § 1818(b)(1).

This Agreement shall be construed to be a "written agreement between such depository institution and such agency" within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).

This Agreement shall be construed to be a "formal written agreement" within the meaning of 12 C.F.R. § 5.51(c)(6)(ii). *See* 12 U.S.C. § 1831i.

This Agreement shall be construed to be a "written agreement" within the meaning of 12 U.S.C. § 1818(u).

All reports or plans which the Bank or Board has agreed to submit to the Assistant Deputy Comptroller pursuant to this Agreement shall be forwarded to:

Assistant Deputy Comptroller Lawrence Beard
Fairview Heights Field Office
Suite 7
13 Executive Drive
Fairview Heights, Illinois 62208-1342

Article I

COMPLIANCE COMMITTEE

(1) The Board shall continue the existence of the Bank's Compliance Committee. The Compliance Committee shall consist of at least three (3) directors, of which no more than one (1) shall be an employee of the Bank or any of its affiliates (as the term "affiliate" is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee shall be submitted, in writing, to the Assistant Deputy Comptroller. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Agreement.

(2) The Compliance Committee shall meet at least monthly.

(3) The Compliance Committee shall submit a monthly, written progress report to the Board setting forth in detail:

(a) the date and full description of corrective actions taken to comply with each Article of this Agreement;

(b) identification of the individual(s) personally responsible for the performance of each corrective action;

- (c) the results of each corrective action; and
- (d) each Compliance Committee member's concurrence or non-concurrence with the conclusions that the Bank has complied with each Article of this Agreement.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Assistant Deputy Comptroller.

Article II

VIOLATIONS OF LAW

(1) The Board shall immediately take all necessary steps to ensure that Bank management corrects each violation of law, rule or regulation cited in the ROE and in any subsequent Report of Examination. Quarterly progress reports will be submitted to the Assistant Deputy Comptroller.

(2) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations of law, rule or regulation as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(3) Within thirty (30) days of receipt of any subsequent Report of Examination which cites violations of law, rule, or regulation, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(4) Upon completion of the plan, the Bank shall submit the plan to the Assistant Deputy Comptroller for review.

(5) In the event the Assistant Deputy Comptroller recommends changes to the action plan, the Board shall, within ten (10) business days, consider the recommendations. If the recommendations are not adopted at that time, the Board shall, within five (5) business days, provide the Assistant Deputy Comptroller with a full and written explanation of the rationale for its inaction or choice of an alternate course of action.

(6) The plan shall be implemented pursuant to the time frames set forth within the plan unless events dictate modifications to the plan. Where the Board considers modifications appropriate, those modifications shall be submitted to the Assistant Deputy Comptroller for review.

(7) The Board shall ensure the Bank has processes, personnel, and control systems to ensure implementation of, and adherence to, the plan developed pursuant to this Article.

Article III

MANAGEMENT AND BOARD SUPERVISION STUDY

(1) Pursuant to the OCC letter dated October 4, 2000, the Bank shall provide the Assistant Deputy Comptroller, by November 10, 2000, with a proposal that identifies the duties and responsibilities and staffing needs required to operate the Bank in a safe and sound manner.

(a) If the Assistant Deputy Comptroller does not object to the proposal, the OCC will monitor the Bank's progress in implementing the proposal and paragraphs two (2) through four (4) of this Article III shall not apply.

(b) If the Assistant Deputy Comptroller objects to the proposal or if the Bank is notified, in writing, by the OCC that it is not making satisfactory progress under

the proposal, then paragraphs two (2) through four (4) of this Article III shall govern efforts to improve management of the Bank.

(2) Within thirty (30) days of notification by the Assistant Deputy Comptroller, the Board shall employ an independent outside management consultant ("Consultant"). Prior to employment of the Consultant, the name and the qualifications of the Consultant considered for employment shall be submitted to the Assistant Deputy Comptroller, who shall have the power of veto over the employment of the proposed consultant. It is expressly agreed, however, that any failure by the Assistant Deputy Comptroller to exercise such veto power shall not be deemed to constitute approval or endorsement of the Consultant.

(3) Within ninety (90) days of retention, the Consultant shall complete a study of current management and Board supervision presently being provided to the Bank, the Bank's management structure, and its staffing requirements in light of the Bank's present condition. The findings and recommendations of the Consultant shall be set forth in a written report to the Board. At a minimum, the report shall contain:

(a) the identification of present and future management and staffing requirements of each area of the Bank, with particular emphasis given to regulatory compliance;

(b) detailed written job descriptions for all executive officers, as that phrase is defined at 12 C.F.R. § 215.2(e)(1);

(c) an evaluation of each executive officer's qualifications and abilities and a determination of whether each of these individuals possesses the experience and other qualifications required to perform the present and anticipated duties of his/her officer position;

(d) recommendations as to whether management or staffing changes should be made, including the need for additions to or deletions from the current management team;

(e) quantifiable standards by which each executive officer's effectiveness for each major job responsibility will be measured;

(f) a training program to address identified weaknesses in the skills and abilities of the Bank's staff and management team;

(g) an evaluation of current lines of authority, reporting responsibilities and delegation of duties for all executive officers. Such evaluation shall specifically include identification of any overlapping duties or responsibilities, as well as identifying whether one or more officers have been given specific responsibility and sufficient authority to secure the Bank's compliance with every regulatory requirement to which it is subject;

(h) a recommended organization chart that clearly reflects areas of responsibility and lines of authority for all executive officers, including the Bank's president and chief executive officer;

(i) an assessment of the Board's strengths and weaknesses along with a director education program designed to strengthen identified weaknesses;

(j) an assessment of whether Board members are receiving adequate information on the operation of the Bank to enable them to fulfill their fiduciary responsibilities and other responsibilities under law;

(k) recommendations to expand the scope, frequency and sufficiency of information provided to the Board by management;

(l) an evaluation of the extent of responsibility of current management and/or the Board for present weaknesses in the Bank's condition; and

(m) recommendations to correct or eliminate any other deficiencies in the supervision or organizational structure of the Bank.

(4) Within thirty (30) days of completion of this study, the Board shall develop, implement, and thereafter ensure Bank adherence to a written plan, with specific time frames, that will correct any deficiencies that are noted in the study.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

(6) Copies of the Board's written plan and the Consultant's study shall be forwarded to the Assistant Deputy Comptroller. The Assistant Deputy Comptroller shall retain the right to determine the adequacy of the report and its compliance with the terms of this Agreement. In the event the written plan, or any portion thereof, is not implemented, the Board shall immediately advise the Assistant Deputy Comptroller, in writing, of specific reasons for deviating from the plan.

Article IV

CREDIT RISK

(1) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program to reduce the level of credit risk in the Bank. The program shall include, but not be limited to:

- (a) procedures to strengthen management of loan operations and to maintain an adequate, qualified staff in all lending areas; and,
- (b) procedures for strengthening collections.

(2) The Board shall submit a copy of the program to the Assistant Deputy Comptroller.

(3) At least quarterly, the Board shall prepare a written assessment of the Bank's credit risk, which shall evaluate the Bank's progress under the aforementioned program. The Board shall submit a copy of this assessment to the Assistant Deputy Comptroller.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

Article V

INTERNAL LOAN REVIEW

(1) The Board shall within ninety (90) days employ or designate a sufficiently experienced and qualified person(s) or firm to ensure the timely and independent identification of problem loans and leases.

(2) Within ninety (90) days, the Board shall establish an effective, independent and on-going loan review system to review, at least quarterly, the Bank's loan and lease portfolios to assure the timely identification and categorization of problem credits. The system shall provide for a written report to be filed with the Board after each review and shall use a loan and lease grading system consistent with the guidelines set forth in Section 215 of the Comptroller's Handbook for National Bank Examiners. Such reports shall, at a minimum, include conclusions regarding:

- (a) the overall quality of the loan and lease portfolios;
- (b) the identification, type, rating, and amount of problem loans and leases;
- (c) the identification and amount of delinquent loans and leases;
- (d) credit and collateral documentation exceptions;

- (e) the identification and status of credit related violations of law, rule or regulation;
- (f) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (b) through (e) of this Article;
- (g) concentrations of credit;
- (h) loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank; and,
- (i) loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank's lending and leasing policies.

(3) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program providing for independent review of problem loans and leases in the Bank's loan and lease portfolios for the purpose of monitoring portfolio trends, on at least a quarterly basis. The program shall require a quarterly report to the Board. At a minimum the program shall provide for an independent reviewer's assessment of the Bank's:

- (a) monitoring systems for early problem loan identification to assure the timely identification and rating of loans and leases based on lending officer submissions;
- (b) statistical records that serve as a basis for identifying sources of problem loans and leases by industry, size, collateral, division, group, indirect dealer, and individual lending officer;
- (c) system for monitoring previously charged-off assets and their recovery potential;

- (d) system for monitoring compliance with the Bank's lending policies and laws, rules, and regulations pertaining to the Bank's lending function; and
- (e) system for monitoring the adequacy of credit and collateral documentation.

(4) A written description of the program called for in this Article shall be forwarded to the Assistant Deputy Comptroller upon implementation.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

(6) The Board shall evaluate the internal loan and lease review report(s) and shall ensure that immediate, adequate, and continuing remedial action, if appropriate, is taken upon all findings noted in the report(s).

(7) A copy of the reports submitted to the Board, as well as documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits, shall be preserved in the Bank.

Article VI

COLLECTION PROCEDURES

(1) Within sixty (60) days, the Bank shall develop, implement and thereafter adhere to a written program designed to improve and strengthen collection efforts. The program shall include specific plans to:

- (a) reduce delinquent loans; and
- (b) improve recovery of charged-off assets.

(2) Upon completion, a copy of the program shall be forwarded to the Assistant Deputy Comptroller.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

Article VII

CREDIT AND COLLATERAL EXCEPTIONS

(1) Within sixty (60) days the Board shall obtain current and satisfactory credit information on all loans, including those identified in lists given to the Bank, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination.

(2) Within sixty (60) days the Board shall ensure proper collateral documentation is maintained on all loans and correct each collateral exception identified in lists given to the Bank, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination.

(3) Effective immediately, the Bank may grant, extend, renew, alter or restructure any loan or other extension of credit only after:

- (a) documenting the specific reason or purpose for the extension of credit;
- (b) identifying the expected source of repayment in writing;
- (c) structuring the repayment terms to coincide with the expected source of repayment;

- (d) obtaining and analyzing current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations;
 - (i) Failure to obtain the information in (d) shall require a majority of the full Board (or a delegated committee thereof) to certify in writing the specific reasons why obtaining and analyzing the information in (d) would be detrimental to the best interests of the Bank.
 - (ii) A copy of the Board certification shall be maintained in the credit file of the affected borrower(s). The certification will be reviewed by this Office in subsequent examinations of the Bank; and
- (e) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable.

Article VIII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within ninety (90) days, the Board shall review the adequacy of the Bank's Allowance for Loan and Lease Losses ("Allowance") and shall establish a program for the maintenance of an adequate Allowance. This review and program shall be designed in light of the comments on maintaining a proper Allowance found in the Allowance for Loan and Lease Losses booklet, A-ALLL, of the Comptroller's Handbook, and shall focus particular attention on the following factors:

- (a) results of the Bank's internal loan review;
- (b) results of the Bank's external loan review;
- (c) an estimate of inherent loss exposure on each significant credit;
- (d) loan loss experience;

- (e) trends of delinquent and nonaccrual loans;
- (f) concentrations of credit in the Bank; and
- (g) present and prospective economic conditions.

(2) The program shall provide for a review of the Allowance by the Board at least once each calendar quarter. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Reports of Condition and Income, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the Allowance.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

(4) Upon completion, a copy of the program shall be forwarded to the Assistant Deputy Comptroller for review.

Article IX

INTEREST RATE RISK POLICY

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written interest rate risk policy. In formulating this policy, the Board shall refer to the Interest Rate Risk booklet, L-IRR, of the Comptroller's Handbook. The policy shall provide for a coordinated interest rate risk strategy and, at a minimum, address:

- (a) the establishment of adequate management reports on which to base sound interest rate risk management decisions;

- (b) establishment and guidance of the Bank's strategic direction and tolerance for interest rate risk;
- (c) implementation of effective tools to measure and monitor the Bank's performance and overall interest rate risk profile;
- (d) employment of competent personnel to manage interest rate risk;
- (e) prudent limits on the nature and amount of interest rate risk that can be taken; and
- (f) periodic review of the Bank's adherence to the policy.

(2) Upon adoption, a copy of the written policy shall be forwarded to the Assistant Deputy Comptroller for review.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

Article X

ASSET/LIABILITY MANAGEMENT POLICY

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written liquidity, asset and liability management policy. In formulating this policy, the Board shall refer to the Comptroller's Handbook for National Bank Examiners, Section 405. The policy shall provide for a coordinated asset/liability management strategy and, at a minimum, address:

- (a) adequate management reports that enable the Board and management to monitor the Bank's liquidity position and maintain liquidity at an adequate level;

- (b) the liquidity, maturity and pledging requirements of the investment portfolio;
- (c) development of a liquidity contingency plan;
- (d) the nature, extent and purpose of Bank borrowings;
- (e) limits on concentrations of funding sources; and
- (f) periodic review of the Bank's adherence to the policy.

(2) Upon adoption, a copy of the written policy shall be forwarded to the Assistant Deputy Comptroller for review.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

Article XI

LIQUIDITY

(1) The Board shall review the Bank's liquidity on a monthly basis. Such reviews shall consider:

- (a) a maturity schedule of certificates of deposit, including large uninsured deposits;
- (b) the volatility of demand deposits including escrow deposits;
- (c) the amount and type of loan commitments and standby letters of credit;
- (d) an analysis of the continuing availability and volatility of present funding sources;
- (e) an analysis of the impact of decreased cash flow from the Bank's loan portfolio resulting from delinquent and non-performing loans; and

- (f) an analysis of the impact of decreased cash flow from the sale of loans or loan participations.

(2) The Board shall take appropriate action to ensure adequate sources of liquidity in relation to the Bank's needs. Monthly reports shall set forth liquidity requirements and sources and establish a contingency plan. Copies of these reports shall be forwarded promptly to the Assistant Deputy Comptroller at the conclusion of each calendar quarter.

Article XII

INVESTMENT POLICY

(1) Within ninety (90) days, the Board shall review and revise the Bank's investment policy and implement the revised policy, and thereafter ensure Bank adherence to the policy. The policy shall contain the basic elements of a sound investment policy as described in the Comptroller's Handbook for National Bank Examiners at Section 203.1 and shall include:

- (a) an investment portfolio strategy that is consistent with Board approved Bank asset and liability management policies and interest rate risk tolerances. Investment portfolio management shall be consistent with regulatory guidance provided in An Examiner's Guide to Investment Products and Practices, dated December 1992, 12 C.F.R. Part 1, and the Comptroller's issuance OCC 98-20;
- (b) individual and committee investment portfolio purchase and sale authority;
- (c) approval procedures that will include dollar size limits, quality limitations, maturity limitations, and concentration or diversification guidelines;

- (d) a requirement that investment securities be supported by adequate credit and interest rate risk measurement information as described in the Interest Rate Risk booklet, L-IRR, of the Comptroller's Handbook and in the Comptroller's issuance OCC 98-20, dated April 27, 1998;
- (e) required reviews and use of securities dealers;
- (f) periodic reports to and approval by the Board for all investment portfolio purchases and sales and strategy changes; and
- (g) monthly review by the Board's investment committee of the Bank's investment portfolio activity to ensure adherence to the investment policy and to applicable banking and securities laws and regulations.

(2) The revised investment policy shall be implemented and a copy shall be forwarded to the Assistant Deputy Comptroller.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

Article XIII

BUDGET/BUSINESS PLAN

(1) Within ninety (90) days, the Board shall prepare, implement, and thereafter ensure Bank adherence to a written three-year business plan that shall include a projection of major balance sheet and income statement components, and shall provide for injections of equity capital, as necessary. The business plan shall also include a written profit plan and a detailed budget. Specifically, the plan shall describe the Bank's objectives for improving Bank earnings, contemplated strategies and major capital expenditures required to achieve those objectives.

Such strategies shall include specific market segments that the Bank intends to promote or develop. Procedures shall also be established to monitor the Bank's actual results against these projections and to provide for appropriate adjustments to the budget and profit plan. The plan shall set forth specific time frames for the accomplishment of these objectives.

(2) No later than five (5) business days after preparation, a copy of the plan shall be submitted to the Assistant Deputy Comptroller for review.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

Article XIV

PROFIT PLAN

(1) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written profit plan to improve and sustain the earnings of the Bank.

This plan shall include, at minimum, the following elements:

- (a) identification of the major areas in and means by which the Board will seek to improve the Bank's operating performance;
- (b) realistic and comprehensive budgets, including projected balance sheets and year-end income statements;
- (c) a budget review process to monitor both the Bank's income and expenses, and to compare actual figures with budgetary projections; and
- (d) a description of the operating assumptions that form the basis for major projected income and expense components.

(2) The budgets and related documents required in paragraph one (1) of Article XIII above for 2001 shall be submitted to the Assistant Deputy Comptroller upon completion. The Board shall submit to the Assistant Deputy Comptroller annual budgets as described in paragraph two (2) of Article XIII above for each year this Agreement remains in effect. The budget for each year shall be submitted on or before November 30, of the preceding year.

(3) The Board shall forward comparisons of its balance sheet and profit and loss statement to the profit plan projections to the Assistant Deputy Comptroller on a quarterly basis.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

Article XV

CONSUMER COMPLIANCE PROGRAM

(1) The Bank shall comply with all applicable consumer protection laws, rules and regulations.¹

(2) The Bank shall continue to ensure adherence to its internal compliance program adopted by the Board on May 26, 2000. If the Board determines a different consumer compliance program is better suited to the Bank's needs, it will adopt, implement and thereafter ensure adherence to an alternate written consumer compliance program. Any such program shall include, but not be limited to:

- (a) a written description of the duties and responsibilities of the Bank's compliance officer;

¹ For purposes of this Agreement, the phrase "consumer protection laws, rules and regulations" shall be deemed to include the Bank Secrecy Act, as amended, 31 U.S.C. §§ 5311 - 5330, and the regulations promulgated thereunder, 31 C.F.R. Part 103 (collectively, the "Bank Secrecy Act"), all such other statutes and regulations identified in tabular

- (b) adequate internal controls to ensure compliance with consumer protection laws, rules, and regulations;
- (c) the preparation of a policies and procedures manual covering all consumer protection laws, rules and regulations for use by appropriate Bank personnel in the performance of their duties and responsibilities. The manual will address the Bank Secrecy Act, including, specifically:
 - (i) operating procedures for both the opening of new accounts and the monitoring of current accounts;
 - (ii) adequate controls and procedures to ensure that all suspicious and large currency transactions are identified and reported. Procedures must be comprehensive as to all of the Bank's points of cash entry and exit;
 - (iii) procedures to ensure that records are maintained on monetary instrument transactions and funds transfers, as required by the Bank Secrecy Act;
- (d) semiannual updates of the written policies and procedures manual to ensure it remains current;
- (e) an audit program to test for compliance with consumer protection laws, rules and regulations;
- (f) procedures to ensure that exceptions noted in the audit reports are promptly corrected and responded to by the appropriate Bank personnel;

form on page 15 of the OCC's August 1996 Consumer Compliance Examination Overview Handbook, and any future legislative enactments governing the Bank's conduct toward its customers and potential customers.

(g) the education and training of all appropriate Bank personnel in the requirements of all federal and state consumer protection laws, rules and regulations; and

(h) periodic reporting of the results of the consumer compliance audit to the Board or a committee thereof.

(3) Upon adoption, a copy of the alternate program shall be forwarded to the Assistant Deputy Comptroller for review.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to any existing or alternate program developed pursuant to this Article.

Article XVI

CALL REPORTS - REFILE AND REPUBLISH

(1) Within ninety days (90) days, the Board shall cause the Bank to refile and republish amended Reports of Condition and Income for the period ending June 30, 2000 due to errors noted in filed reports.

(2) Within ninety (90) days, the Board shall adopt and cause the Bank to implement policies and procedures, in accordance with the Instructions for Preparation of Consolidated Reports of Condition and Income, to ensure that all official and regulatory reports filed by the Bank accurately reflect the Bank's condition as of the date that such reports are submitted. Thereafter the Board shall ensure Bank adherence to the policies and procedures adopted pursuant to this Article.

(3) Upon completion of the policies, the Board shall submit a copy of the policies to the Assistant Deputy Comptroller.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policies developed pursuant to this Article.

Article XVIII

CLOSING

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review, the Board expressly acknowledges it has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Assistant Deputy Comptroller for good cause, upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set her hand on behalf of the Comptroller.

/s/ Lawrence E. Beard for

10/27/00

Jerilyn Gilland
Deputy Comptroller
Midwestern District

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/ Brian F. McNamara

10/27/00

Brian F. McNamara
Chairman of the Board of Directors
and President

Date

/s/ Clifford W. Gates

10/27/00

Clifford W. Gates
Director

Date

/s/ Wafik W. Malek

10/27/00

Wafik W. Malek
Director

Date

/s/ Young Chul Rho

10/27/00

Young Chul Rho
Director

Date

/s/ Rand Jay Springman

10/27/00

Rand Jay Springman
Director

Date