

AGREEMENT BY AND BETWEEN
National Bank of Malvern
Malvern, Pennsylvania
and
The Office of the Comptroller of the Currency

National Bank of Malvern, Malvern, Pennsylvania (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 Examiner, has examined the Bank, and his findings are contained in the Report of Examination, dated January 2, 2001(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.

ARTICLE I

JURISDICTION

(1) 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).

(2) 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).

(3) 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.

(4) This Agreement shall be construed to be a “written agreement” within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(5) 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:

Betty Lane Bowman
Assistant Deputy Comptroller
Eastern Pennsylvania Field Office
3325 Street Road, Suite 120
Bensalem, Pennsylvania 19020-2025

ARTICLE II

STAFFING PLAN

(1) Within forty-five (45) days, the Board shall develop a staffing plan that is consistent with the Bank's goals and objectives and appropriate for the Bank's overall risk profile. At a minimum, the plan will consist of the following:

- (a) identification of the skills, expertise and level of staffing resources needed to develop, market, and administer the products and services the Bank currently provides or intends to provide;

- (b) identification of the skills, expertise, duties and responsibilities of the Bank's current staff; and
- (c) comparison of the current staff's skills, expertise, duties and responsibilities identified in (1) (b) of this Article to the skills, expertise and level of staffing resources identified in (1)(a) of this Article as necessary to develop, market, and administer the products and services that will be utilized in accomplishing the Bank's goals and objectives.

(2) In developing the plan required in paragraph (1), the Board shall give due consideration to the deficiencies noted in the ROE and the corrective action required to be implemented by this Order.

(3) Upon completion of the plan, the Board shall immediately provide a copy to the the Assistant Deputy Comptroller for review and a written determination of no supervisory objection.

(4) Within forty-five (45) days of receiving the Assistant Deputy Comptroller's determination of no objection, the Board will implement the plan and direct any changes necessary to ensure the Bank maintains an adequate size staff with the skills and expertise identified in paragraph (1)(a) of this Article. Thereafter, the Board will ensure that the Bank adheres to the staffing plan.

ARTICLE III

CONSUMER COMPLIANCE PROGRAM

(1) Within ninety (90) days, the Bank shall adopt, implement, and thereafter ensure adherence to a written consumer compliance program designed to ensure that the Bank is operating in compliance with all applicable consumer protection laws, rules and regulations. This program shall include, but not be limited to:

- (a) a written description of the duties and responsibilities of the compliance officer;
- (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;
- (d) semi-annual 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 corrected and responded to by the appropriate Bank personnel;
- (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.

(2) Upon adoption, a copy of the program 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 program developed pursuant to this Article.

ARTICLE IV

INFORMATION TECHNOLOGY/INTERNET BANKING

(1) For purposes of this Agreement, "Information Technology" means all systems and methods by or through which the Bank processes data and information, including mainframe computer systems, personal or microcomputers, telecommunication networks, and Internet Banking servers, whether maintained by the Bank or a third party.

(2) For purposes of this Agreement, except as limited in paragraph (3), "Internet Banking" includes systems that enable individuals to access general information on the Bank's products and services or through which bank customers may communicate or transact business with the Bank, through a personal computer or other intelligent device.

(3) From and after the effective date of this Agreement, the Bank shall not offer Internet Banking until it has fully complied with the terms of this Article, as determined by the Assistant Deputy Comptroller, in the exercise of her discretion. For purposes of this paragraph only, "Internet Banking" means systems through which bank customers may communicate or transact business with the Bank, through a personal computer or other intelligent device.

(4) The Bank shall immediately initiate all steps necessary to improve the management of Information Technology (IT) activities, including Internet Banking (IB) activities, and correct each deficiency cited in the Report of Examination or any subsequent Report of Examination.

(5) Within ninety (90) days, the Bank shall develop and implement effective IT and IB security and operations policies and procedures as described in the Federal Financial Institutions Examination Council's 1996 Information Systems Examination Handbook; the Internet Banking Booklet of the Comptroller's Handbook, October, 1999; and other relevant OCC guidance, including: OCC Bulletin 98-3, Technology Risk Management (February 4, 1998);

OCC Bulletin 98-38, Technology Risk Management: PC Banking (August 24, 1998); OCC Bulletin 2000-14, Infrastructure Threats --Intrusion Risks (May 15, 2000); OCC Bulletin 2001-8, Guidelines Establishing Standards for Safeguarding Customer Information (February 15, 2001); and OCC Advisory Letter 2000-12: FFIEC Guidance on Risk Management of Outsourced Technology Services (November 28, 2000). These policies and procedures shall address, at a minimum:

- (a) logical and physical security, including customer privacy considerations, of all IT equipment, including the Bank's mainframe, network and Fedline systems;
- (b) appropriate periodic testing of security controls to identify whether system security has been compromised;
- (c) appropriate staff training to ensure familiarity with the Bank's IT and IB policies and procedures;
- (d) minimum due diligence standards for the selection and monitoring of third party vendors;
- (e) documenting relationships with third party vendors and consultants to identify the expectations, rights and responsibilities of the Bank and such third parties regarding services provided.

(6) The Board shall take immediate steps to engage the services of a qualified, independent consultant to assist with implementation of the Bank's IB program, including the establishment of appropriate policies, procedures, risk management processes and internal controls outlined in the relevant guidance referred to in paragraph (5) above. The qualifications of the consultant considered for retention by the Bank shall be submitted to the Assistant Deputy Comptroller who shall have the power of veto over any proposed consultant. However, the failure to exercise such veto power shall not constitute approval or endorsement of the

consultant. The requirement to submit information and the prior veto provisions are based on the authority of 12 U.S.C. ' 1818(b) and do not require the Assistant Deputy Comptroller to complete her review and act on any such information within ninety (90) days. Although not anticipated, should the Assistant Deputy Comptroller require more than ninety (90) days to complete her review of the proposed consultant's qualifications, then the time period within which the Bank must develop and implement the policies and procedures required in paragraph (5) shall be extended accordingly.

(7) Prior to execution, a copy of the Bank's proposed "Engagement Letter" with the independent consultant, and any amendments thereto, shall be submitted to the Assistant Deputy Comptroller for review and a written determination of no supervisory objection.

(8) Within one-hundred and twenty days (120) days, the Bank shall review, revise and expand the IT audit program performed by its external auditor to ensure it includes the fundamental elements of a sound audit program as described in the Federal Financial Institutions Examination Council's 1996 Information Systems Examination Handbook and appropriate procedures addressing Internet banking. At a minimum, the IT audit program shall be performed by an independent and qualified individual, and provide for:

- (a) testing the adequacy of IT and IB internal controls;
- (b) evaluation of vendor management processes and controls;
- (c) determination of consistency between IT and IB policies, procedures and standards, including security and privacy standards, and actual bank practices;
- (d) evaluation of contingency planning and business resumption plans; and
- (e) written reports to the Board detailing any exceptions, deficiencies or recommendations noted as a result of the auditor's review. The Board shall ensure that immediate actions are undertaken to remedy deficiencies

cited in these reports or to address other audit recommendations, and that the independent auditor maintains a written record describing those actions.

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

ARTICLE V

ASSET MANAGEMENT

(1) From and after the effective date of this Agreement, the Bank shall not accept any new asset management business until it has fully complied with the terms of this Article, as determined by the Assistant Deputy Comptroller, in the exercise of her discretion.

(2) Within ninety (90) days, the Bank shall strengthen its investment portfolio management practices by developing a formal process that requires the determination, implementation and on-going maintenance of written investment strategies to achieve account objectives. Prior to implementing these strategies, the Bank shall perform an analysis of investment alternatives appropriate to achieve account objectives and document its investment selection rationale. The Bank shall forward a written description of the process, as well as copies of the written investment strategies and supporting investment analyses for each account to the Assistant Deputy Comptroller who shall determine, in her sole discretion, whether the Bank has developed a process in compliance with this paragraph. If the Assistant Deputy Comptroller determines that the Bank has failed to develop a process in compliance with this paragraph, then the Board, within forty-five (45) days of receiving the Assistant Deputy Comptroller's determination, shall either expand current staff to include personnel with requisite expertise in investment portfolio management or engage the services of a qualified, external investment manager.

(3) Within ninety (90) days, the Board shall engage, at the Bank's expense, a qualified, independent, external auditor to perform a full reconciliation of the trust department's books and records and ensure such books and records reflect all appropriate accounting entries. The scope of this engagement shall also include an evaluation of the department's internal control structure relative to the maintenance of accounting records, including a determination as to whether the bank maintains appropriate general ledger accounts regarding its fiduciary activities and whether the bank provides for adequate separation of duties in the posting and reconciliation of its fiduciary accounts. Prior to engagement, the qualifications of the firm or individual proposed to perform the reconciliation required in this paragraph shall be submitted to the Assistant Deputy Comptroller who shall have the power of veto over any proposed individual(s). However, the failure to exercise such veto power shall not constitute approval or endorsement of any individual. The requirement to submit information and the prior veto provisions are based on the authority of 12 U.S.C. ' 1818(b) and do not require the Assistant Deputy Comptroller to complete her review and act on any such information within ninety (90) days. Although not anticipated, should the Assistant Deputy Comptroller require more than ninety (90) days to complete her review of the proposed auditor's qualifications, then the time period within which the Bank must engage the auditor shall be extended accordingly.

(4) The Board shall require the external auditor to provide, within sixty (60) days after engagement, a written report detailing any exceptions, deficiencies or recommendations noted as a result of the auditor's review. The Board shall ensure that immediate actions are undertaken to remedy deficiencies cited or to address other audit recommendations in the report. The Board shall also ensure that the independent auditor maintains a written record describing those actions.

(5) Within thirty (30) days, the Bank shall engage the services of an independent, outside counsel to review the Bank's administration of the E. Smedley Ward Trust under Will

#50-007-0 (“ESW Trust”) and the Anne G. Ward Irrevocable Trust under Agreement #50-006-2

(“AGW Trust”). The counsel shall review:

- (a) the Bank's transfers of funds between the two accounts;
- (b) discretionary principal distributions to income beneficiaries;
- (c) interpretation of income distribution instructions contained in both trusts;
- (d) the Bank's recognition of the income beneficiary as co-trustee on the AGW Trust;
- (e) the Bank's delegation of investment discretion in both accounts to the income beneficiary;
- (f) the loan of \$40,000 in principal funds from the ESW Trust to the income beneficiary.

(6) The Board shall require the counsel to discuss the requirements outlined in paragraph (5) with the Assistant Deputy Comptroller prior to undertaking its review.

(7) The Board shall require the counsel to submit, within sixty (60) days after engagement, a written report to the Board and the Assistant Deputy Comptroller detailing the conclusions of its review, including its opinion regarding the propriety of the Bank's actions and any concerns regarding potential Bank liability. The Board shall take action to ensure that any recommendations or concerns in the counsel's report are appropriately and immediately addressed.

(8) Within one-hundred and twenty (120) days the Board shall make a written determination of whether the Bank shall continue to offer trust services. In making this determination, the Board shall consider, among other things:

- (a) the cost of operating an adequately staffed trust department;
- (b) an evaluation of the profitability and future prospects of the trust department;

- (c) the existence of sufficient business in the community to support a trust department;
- (d) an evaluation of the quality and depth of current management;
- (e) a determination as to whether additions to or deletions from the current management team are necessary; and
- (f) future costs of training personnel.

(9) A copy of the Board's written determination, including the reasons upon which it is based, shall be forwarded to the Assistant Deputy Comptroller.

(10) Within one-hundred and fifty days (150) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to written policies and procedures for proper trust asset administration. At a minimum, the policies and procedures shall address:

- (a) accurate accounting systems for trust assets;
- (b) methods for preventing self-dealing and conflicts of interest;
- (c) short-term investment of funds awaiting investment or distribution;
- (d) the selection and retention of legal counsel to be available to advise the bank on fiduciary matters;
- (e) the fiduciary account review requirements of 12 C.F.R. § 9.6;
- (f) the portfolio management process, including the initial determination and on-going maintenance of investment objectives and the development of investment strategies; and
- (g) the investment management process, including the process for, and controls over, the delegation of investment discretion.

(11) Upon adoption, a copy of these policies and procedures shall be forwarded to the Assistant Deputy Comptroller.

(12) The Board shall annually assess the scope and nature of the Bank's asset

management activities and develop, revise and adopt as necessary policies and procedures to ensure asset management activities are conducted in compliance with applicable law.

(13) 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 VI

BUSINESS RESUMPTION AND CORPORATE CONTINGENCY PLANNING

(1) Within one hundred and eighty (180) days, the Board shall take all steps necessary to ensure the Bank's formal Business Resumption and Corporate Contingency Planning complies with the Federal Financial Institutions Examination Council (FFIEC) Interagency Statement on Corporate Business Resumption and Contingency Planning, OCC 97-23, May 16, 1997, and the FFIEC's Information Systems Examination Handbook (1996) guidance on developing an organization-wide contingency plan, including:

- (a) enhancing the Bank's Business Resumption and Corporate Contingency Plan to address evacuation plans, fire and weather-related emergency procedures, the potential disruption of Internet Banking services anticipated to be offered by the Bank and any other Bank areas not covered by the Bank's current plan to ensure prompt resumption of services in the case of a disaster;
- (b) reviewing the Bank's Business Resumption and Corporate Contingency Plan at least annually;

- (c) ensuring that testing of all necessary programs and IT system applications using the Bank's backup location, or recovery operation center is performed on an annual basis;
 - (d) requiring management to document the results of all Business Resumption and Corporate Contingency Plan testing in a written report to the Board; and
 - (e) reviewing management's written report of testing results and documenting its review in Board minutes.
- (3) A copy of the revised plan 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 development and testing of the plan required by this Article.

ARTICLE VII

BANK SECRECY ACT/ANTI-MONEY LAUNDERING

(1) Within one hundred and twenty (120) days, the Board shall revise, implement and thereafter ensure Bank adherence to a written program of policies and procedures to ensure compliance with the Bank Secrecy Act, as amended (31 U.S.C. §§ 5311 - 5330), the regulations promulgated thereunder at 31 C.F.R. Part 103, as amended, and 12 C.F.R. Part 21, Subparts B and C (collectively referred to as the Bank Secrecy Act). In revising the Bank's Program, the Board shall refer to the Bank Secrecy Act/Anti-Money Laundering Booklet of the Comptroller's Handbook, September 2000, OCC Advisory Letter 2000-3, April 24, 2000; and any subsequent Bank Secrecy Act/Anti-Money Laundering guidance the OCC may issue. At a minimum, the Bank's written program shall include:

- (a) a system of internal controls and independent testing and auditing to ensure ongoing compliance with the Bank Secrecy Act;
- (b) operating procedures for both the opening of new accounts and the monitoring of high risk accounts;
- (c) adequate controls and procedures to ensure that all-suspicious and large currency transactions are identified and reported. Procedures should be comprehensive as to all points of cash entry and exit;
- (d) procedures to ensure that records are maintained on monetary instrument transactions and funds transfers, as required by the Bank Secrecy Act;
- (e) a comprehensive training program for all appropriate operational and supervisory personnel to ensure their awareness of and compliance with the requirements of the Bank Secrecy Act and the Office of Foreign Assets Control (OFAC), including the currency reporting and monetary instrument and funds transfer recordkeeping requirements, and the reporting requirements associated with Suspicious Activity Reports (SARs) pursuant to 12 C.F.R. Part 21, Subpart B;
- (f) a capable officer who shall be vested with sufficient authority to monitor and ensure compliance with the Bank Secrecy Act and OFAC and who shall be responsible for filing Currency Transaction Reports (CTRs) and Suspicious Activity Reports (SARs); and
- (g) guidelines, procedures, and systems for compliance with the rules and regulations of the Office of Foreign Assets Control (OFAC).

(2) To meet the requirement in paragraph (1)(a) regarding the independent testing and auditing component of the Bank's program, the Board shall engage the services of an independent external auditor to develop a program to test the adequacy of the Bank's internal

controls designed to ensure compliance with all aspects of the Bank Secrecy Act, including suspicious activity reporting. This program shall, at a minimum, include:

- (a) testing for implementation of and compliance with the Bank's Bank Secrecy Act policies and procedures;
- (b) a risk based approach to Bank Secrecy Act compliance that includes transactional testing and verification of data for all areas of the bank, with specific emphasis on higher risk accounts, products, services, or geographic areas of specific concern;
- (c) determining that all appropriate personnel receive adequate training to ensure compliance with the requirements of the Bank Secrecy Act and the Office of Foreign Assets Control (OFAC), including the currency reporting and monetary instrument and funds transfer recordkeeping requirements, and the reporting requirements associated with Suspicious Activity Reports (SARs) pursuant to 12 C.F.R. Part 21, Subpart B;
- (d) the provision of written reports to the Board detailing any exceptions, deficiencies or recommendations noted as a result of the auditor's review. The Board shall ensure that immediate actions are undertaken to remedy deficiencies cited in these reports or to address other audit recommendations, and that the independent auditor maintains a written record describing those actions.

(3) The Board shall require the independent external auditor to conduct, within one-hundred and twenty (120) days, a review of all deposits, withdrawals, exchanges of currency or other payments or transfers, by, through, or to the Bank since January 1, 2001, which involved a transaction in currency of more than \$10,000. Upon completion of this review, the findings of the external auditor shall be reported to the Board, with a copy to the Assistant Deputy

Comptroller. Within thirty (30) days of receiving the written report of the external auditor, the Bank shall file Currency Transaction Reports, in accordance with 31 C.F.R. ' 103.22, for any previously unreported cash transactions identified during this review. In the event the auditor identifies any suspicious activity during its review, the Bank shall also complete and file a SAR with regard to such activity.

(4) Prior to execution, a copy of the Bank's proposed "Engagement Letter" with the independent external auditor, and any amendments thereto, shall be submitted to the Assistant Deputy Comptroller for review and a written determination of no supervisory objection.

(5) Upon completion, a copy of the programs required in paragraphs (1) and (2) shall be submitted to the Assistant Deputy Comptroller for review. In the event the Assistant Deputy Comptroller recommends changes to the programs, the Board shall immediately incorporate those changes into the programs.

(6) 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 VIII

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. The quarterly progress reports required by Article VIII of this Agreement shall include the date and manner in which each correction has been effected during that reporting period.

(2) To the extent not already addressed through compliance with previous Articles of this Agreement, within one-hundred and eighty (180) days, 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.

(3) Within sixty (60) 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 adoption, a copy of these procedures shall be promptly forwarded to the Assistant Deputy Comptroller.

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

ARTICLE IX

PROGRESS REPORTING - QUARTERLY

(1) The Board shall submit quarterly progress reports to Betty Lane Bowman, Assistant Deputy Comptroller, Eastern Pennsylvania Field Office. These reports shall set forth in detail:

- (a) actions taken to comply with each Article of this Agreement;
- (b) results of those actions; and
- (c) a description of the actions needed to achieve full compliance with each Article of this Agreement.

(2) The progress reports should also include any actions initiated by the Board and the Bank pursuant to the criticisms and comments in the Report of Examination or in any future Report of Examination.

(3) The first progress report shall be submitted for the period ending September 30, 2001 and will be due within fifteen (15) days after that date. Thereafter, progress reports will be due within fifteen (15) days after the quarter end.

CLOSING

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or approval, the Board 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/her 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.

(5) This Agreement is intended to be, and shall be construed to be, a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the OCC

or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the OCC has any intention to enter into a contract. The Bank also expressly acknowledges that no OCC officer or employee has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the OCC's exercise of its supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or arrangements, or negotiations between the parties, whether oral or written.

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

Signed _____
Betty Lane Bowman
Assistant Deputy Comptroller
Office of the Comptroller of the Currency

Aug - 6 -01

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.

Jamie L. Bartholomew

Signed _____
Lydia W. Bartholomew

Date

Aug. 6 - 2001

Date

Signed

Barbara W. Shipp

Signed

John W. Shipp

Signed

Lydia H. Willits

William L. Willits

8/6/01

Date

8/6/01

Date

8/6/01

Date

Date
