

#2001-82
and Termination of #2000-66

**AGREEMENT BY AND BETWEEN
CITY NATIONAL BANK OF WEST VIRGINIA
CHARLESTON, WEST VIRGINIA
AND
THE OFFICE OF THE COMPTROLLER OF THE CURRENCY**

City National Bank of West Virginia, Charleston, West Virginia, (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 April 3, 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

(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 “final order” within the meaning of 12 U.S.C. § 1818(u).

(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 the:

John Noonan
Assistant Deputy Comptroller
Midsize Bank Supervision
830 Morris Turnpike - 2nd Floor
Short Hills, New Jersey 07078

with copies to the Comptroller of the Currency, Southeastern District, 245 Peachtree Center Avenue, N.E., Marquis One Tower, Suite 600, Atlanta, Georgia 30303 and to National Bank Examiners, Suite 400, Security Building, 100 Capital Street, Charleston, WV 25301-2611.

ARTICLE II

COMPLIANCE COMMITTEE

(1) The Board shall continue its Compliance Committee of at least five (5) directors, of which no more than two (2) shall be employees 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. 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 continue to submit quarterly written progress reports to the Board setting forth in detail:

(a) actions taken to comply with each Article of this Agreement; and

(b) the results of those actions.

(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 III

STRATEGIC PLAN

(1) The Board shall ensure that the Bank implements and adheres to the strategic plan approved by the Board in December 2000. The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the aforementioned strategic plan.

ARTICLE IV

APPRAISALS OF REAL PROPERTY

(1) Within sixty (60) days, the Board must ensure a process independent of the line function is developed to request and review real estate appraisals for adequacy and compliance with 12 C.F.R. Part 34, sub-part C.

(2) The Bank shall specifically instruct the appraiser(s) to comply with the requirements of 12 C.F.R. Part 34.

(3) Subject to the provisions in this paragraph, within one hundred twenty (120) days, the Board shall certify in writing that all commercial loans in excess of one million dollars (\$1,000,000) that are secured by real estate have appraisals that comply with 12 C.F.R. Part 34, sub-part C, unless exempted by 12 C.F. R. Part 34, sub-part C. Upon completion, the Board shall forward a copy of its certifications to the Assistant Deputy Comptroller. At the expiration of the one hundred twenty (120) day period, the Board shall list such commercial loans for which it is unable to obtain such appraisal. This list shall include an explanation of the actions taken to

obtain such appraisal, the reasons why such appraisal has not been obtained, and a plan to obtain such appraisal by a specified time.

(4) Subject to the provisions in this paragraph, within ninety (90) days, the Board shall ensure that existing violations of 12 C.F.R. Part 34, sub-part C noted in the ROE are corrected. At the expiration of ninety (90) days, the Board shall list all violations that have not been corrected. This list shall include an explanation of the actions taken to correct the violation, the reasons why the violation has not been corrected, and a plan to correct the violation by a specified time.

(5) Within sixty (60) days, the Board shall establish, implement, and thereafter ensure Bank adherence to written procedures to prevent future violations of 12 C.F.R. Part 34, sub-part C.

ARTICLE V

CREDIT AND COLLATERAL EXCEPTIONS

(1) Subject to the provisions in this paragraph, within one hundred twenty (120) days the Board shall obtain current and satisfactory credit information on all loans over three hundred thousand dollars (\$300,000) lacking such information, including those listed in the ROE, in any subsequent Report of Examination, in any internal or external loan review conducted after the effective date of this Agreement, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination. At the expiration of the one hundred twenty (120) day period, the Board shall list all loans for which it is unable to obtain such information. This list shall include an explanation of the actions taken to obtain such information, the reasons why such information has not been obtained, and a plan to obtain such information by a specified time.

(2) Subject to the provisions in this paragraph, within one hundred twenty (120) days, the Board shall ensure proper collateral documentation is maintained on all loans over three hundred thousand dollars (\$300,000) and correct each collateral exception listed in the ROE, in any subsequent Report of Examination, in any internal or external loan review conducted after the effective date of this Agreement, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination. At the expiration of the one hundred twenty (120) day period, the Board shall list all loans for which it is unable obtain such documentation. This list shall include an explanation of the actions taken to obtain such documentation, the reasons why such documentation has not been obtained, and a plan to obtain such documentation by a specified time.

ARTICLE VI

LOAN PORTFOLIO MANAGEMENT

(1) The Board shall, within one hundred twenty (120) days, develop, implement, and thereafter ensure Bank adherence to a written program to improve the Bank's loan portfolio management. The program shall include, but not be limited to:

- (a) procedures to ensure satisfactory and perfected collateral documentation;
- (b) procedures to ensure that extensions of credit are granted or renewed to any borrower only after obtaining and analyzing current and satisfactory credit information;
- (c) procedures to ensure conformance with loan approval requirements;
- (d) a system to track and analyze exceptions on all extensions of credit over three hundred thousand dollars (\$300,000); and

- (e) procedures to ensure the accuracy of internal loan management information systems.

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

(3) Within one hundred twenty (120) days, for loans over three hundred thousand dollars (\$300,000), the Board shall develop, implement, and thereafter ensure Bank adherence to systems which provide for effective monitoring of:

- (a) early problem loan identification to assure the timely identification and rating of loans and leases based on lending officer submissions;
- (b) assets charged-off on or after January 1, 2001, and the recovery potential of such charged-off assets;
- (c) compliance with the Bank's lending policies and laws, rules, and regulations pertaining to the Bank's lending function;
- (d) adequacy of credit and collateral documentation; and
- (e) concentrations of credit.

(4) Beginning December 31, 2001, on a quarterly basis, management will provide the Board with written reports on all loans over three hundred thousand dollars (\$300,000) including, at a minimum, the following information:

- (a) the identification, type, rating, and amount of problem loans and leases;
- (b) the identification and amount of delinquent loans and leases;
- (c) credit and collateral documentation exceptions;
- (d) the identification and status of credit related violations of law, rule or regulation;

- (e) an analysis of loans in excess of the supervisory LTV limits;
- (f) the identification and amount of loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank;
- (g) the identification of loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank's lending and leasing policies; and
- (h) management's analysis of the level and direction of the Bank's risk profile as indicated by the information in subparagraphs (a) through (g) of this paragraph.

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

ARTICLE VII

INTERNAL LOAN REVIEW

(1) The Board shall within sixty (60) 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 sixty (60) days, the Board shall establish an effective, independent and on-going loan review system that is consistent with the guidelines set forth in Section 215 of the Comptroller's Handbook for National Bank Examiners.

(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) Within thirty (30) days of submission, the Board, or the Audit Committee, 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).

(5) A copy of the reports submitted to the Board, or the Audit Committee, 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 VIII

CRITICIZED ASSETS

(1) The Bank shall take immediate and continuing action to protect its interest in those assets criticized in the ROE, in any subsequent Report of Examination, by internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination.

(2) Within ninety (90) days, the Board shall implement, and thereafter ensure Bank adherence to its existing written program that is designed to eliminate the basis of criticism of assets exceeding five hundred thousand dollars (\$500,000) that are criticized in the ROE, in any subsequent Report of Examination, or by any internal or external loan review conducted after the effective date of this Agreement, or in any list provided to management by the National Bank Examiners during any examination as "doubtful," "substandard," or "special mention." The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to this written program.

(3) The Board, or a designated committee, shall conduct a review, on at least a quarterly basis, to determine:

- (a) the status of each criticized asset or criticized portion thereof that equals or exceeds five hundred thousand dollars (\$500,000);
- (b) management's adherence to the written program;
- (c) the status and effectiveness of the written program;
- (d) the identity of each loan officer who originated each criticized asset; and
- (e) the need to revise the program or take alternative action.

(4) A copy of each review shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis.

(5) The Bank may extend credit, directly or indirectly, including renewals, extensions or capitalization of accrued interest, to a borrower whose loans or other extensions of credit are criticized in the ROE, in any subsequent Report of Examination, in any internal or external loan review conducted after the effective date of this Agreement, or in any list provided to management by the National Bank Examiners during any examination and whose aggregate loans or other extensions exceed five hundred thousand dollars (\$500,000) only if each of the following conditions is met:

- (a) the Board or designated committee finds that the extension of additional credit is necessary to promote the best interests of the Bank and that prior to renewing, extending or capitalizing any additional credit, a majority of the full Board (or designated committee) approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank; and

(b) such proposed action has been compared to the written program adopted pursuant to this Article and a determination has been made that such proposed action is in the best interest of the Bank.

(6) A copy of the approval of the Board or of the designated committee shall be maintained in the file of the affected borrower.

ARTICLE IX

CAPITAL PLAN

(1) The Bank shall maintain the following capital level (as defined in 12 C.F.R. Part 3):

(a) Total risk based capital at least equal to ten percent (10%) of risk-weighted assets.

(2) The requirement in this Agreement to maintain a specific capital level means that the Bank may not be deemed to be “well capitalized” for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 pursuant to 12 C.F.R. § 6.4(b)(1)(iv).

(3) The Bank shall implement and adhere to the capital program approved by the Board in December of 2000. The Board shall review and update the Bank's capital program on an annual basis, or more frequently if necessary. Copies of the reviews and updates shall be submitted 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 X

INTERNAL AUDIT

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to an independent and risk-based internal audit program sufficient to:

- (a) detect irregularities in the Bank's operations;
- (b) determine the Bank's level of compliance with all applicable laws, rules and regulations;
- (c) evaluate the Bank's adherence to established policies and procedures; and
- (d) ensure adequate audit coverage in all areas.

(2) As part of this audit program, the Board shall evaluate the audit reports of any party providing services to the Bank, and shall assess the impact on the Bank of any audit deficiencies cited in such reports.

(3) The Board shall ensure that the audit function is supported by an adequately staffed department or outside firm, with respect to both the experience level and number of the individuals employed.

(4) The Board shall ensure that the audit program is independent. The persons responsible for implementing the internal audit program described above shall report directly to the Audit Committee of the Board, that shall have the sole power to direct their activities. All reports prepared by the audit staff shall be filed directly with the Audit Committee of the Board and not through any intervening party, although nothing in this Article shall preclude audit staff from discussing issues with management, as appropriate, or from providing copies of audit reports to management.

(5) All audit reports shall be in writing. The Board shall ensure that the Bank takes immediate actions to remedy deficiencies cited in audit reports, and that auditors maintain a written record describing those actions.

(6) Upon adoption, a copy of the internal audit program shall be promptly submitted to the Assistant Deputy Comptroller.

(7) If the Bank engages a third party vendor to perform the internal audit function, the Bank must ensure compliance with OCC Advisory Letter 2000-9 (Third-Party Risk) (August 29, 2000).

(8) 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 XI

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) The Board shall review the adequacy of the Bank's Allowance for Loan and Lease Losses (Allowance) and shall continue its 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 continue to 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 problem loan greater than three hundred thousand dollars (\$300,000), including documented support for the specific allocation;
- (d) documented support for historical loss rates;
- (e) an analysis as required by the Statement of Financial Accounting Standards 114 on impaired loans;
- (f) documented support for amounts or percentages assigned for concentrations, off-balance sheet, policy/procedures/staff, economy, and portfolio and delinquency trends;
- (g) loans not reviewed in detail by management and the potential risk those loans pose should be addressed in the methodology; and,
- (h) a Peer Bank comparison should be performed.

(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.

ARTICLE XII

(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 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) The Agreement by and between City National Bank of West Virginia, Charleston, West Virginia, and the Office of the Comptroller of the Currency dated July 11, 2000, is hereby terminated.

(6) This Agreement is intended, 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 hand on behalf of the Comptroller.

Signed

September 26, 2001

John Noonan
Assistant Deputy Comptroller
Midsize Bank Supervision

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.

Signed	9-26-01
_____ Samuel Bowling	_____ Date
Signed	9-26-01
_____ Oshel Craigo	_____ Date
Signed	9-26-01
_____ William File	_____ Date
Signed	9-24-01
_____ Gerald Francis	_____ Date
Signed	9-26-01
_____ Robert Grist	_____ Date
Signed	9-26-01
_____ James Rossi	_____ Date
Signed	9-26-01
_____ Sharon Rowe	_____ Date
Signed	9-26-01
_____ Mary Hooten Williams	_____ Date