

#2001-88

AGREEMENT BY AND BETWEEN
Cumberland Valley National Bank & Trust Company
East Bernstadt, Kentucky
and
The Office of the Comptroller of the Currency

Cumberland Valley National Bank & Trust Company, East Bernstadt, Kentucky (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 March 31, 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 the:

Assistant Deputy Comptroller
Louisville Field Office
9200 Shelbyville Road, Suite 505
Louisville, Kentucky 40222

ARTICLE II

COMPLIANCE COMMITTEE

(1) Within thirty (30) days, the Board shall appoint a Compliance Committee of at least three (3) directors, of which no more than one 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. 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) By December 31, 2001, and every calendar quarter-end thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) the actions taken to comply with each Article of this Agreement;
- (b) the results of those actions; and

(c) a description of the actions needed to achieve full compliance with each Article of this Agreement.

(4) The progress report should also include any actions initiated by the Board and the Bank pursuant to Articles III and IV of this Agreement. A copy of the progress report shall be forwarded to the Assistant Deputy Comptroller.

(5) The Compliance Committee's meeting minutes and progress reports, along with any additional comments made by the Board, shall be retained in the Bank's records for review by National Bank Examiners.

ARTICLE III

MATTERS REQUIRING ATTENTION

(1) The Board shall develop and adopt the policies, processes, and controls recommended in the Matters Requiring Attention (MRA) section of the ROE on or before December 31, 2001. The Board shall develop and adopt the policies, processes, and controls recommended in the MRA section of any subsequent report of examination on or before the date promised in the "Management's Response" section of each MRA recommendation. The quarterly progress reports required by Article II of the Agreement shall include the date and manner in which each correction has been effected during that reporting period.

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

ARTICLE IV

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 II of this Agreement shall include the date and manner in which each correction has been effected during that reporting period.

(2) The Board shall ensure the Bank has processes, personnel, and reporting systems to ensure implementation of the policies, procedures, and controls developed pursuant to this Article.

ARTICLE V

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 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 hand on behalf of the Comptroller.

-SIGNED-
Curtis D. Schuman
Assistant Deputy Comptroller
Louisville Field Office

10/22/01
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.

-SIGNED- Elmo Lee Greer	10-22-2001 Date
-SIGNED- Jerry Greer	10-22-2001 Date
-SIGNED- Rex Greer	10-22-2001 Date
-SIGNED- Winston Griffin	10/22/01 Date
-SIGNED- Don Rogers	10-22-01 Date
-SIGNED- James A. Tatum	10/22/01 Date
-SIGNED- Dr. Ross Halbleib	10/22/01 Date
_____	_____ Date
_____	_____ Date
_____	_____ Date