

**#2004-94 Amends  
#2002-73**

**AMENDMENT TO THE AGREEMENT  
BY AND BETWEEN  
STEEL VALLEY BANK, N.A.  
DILLONVALE, OHIO  
AND  
THE OFFICE OF THE COMPTROLLER OF THE CURRENCY**

Steel Valley Bank, N.A., Dillonvale, Ohio (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/her National Bank Examiner, has examined the Bank, and his/her findings are contained in the Report of Examination, June 4, 2001 (ROE).

The Comptroller, through his authorized representative, and the Bank, by and through its duly elected and acting Board of Directors (Board), executed a Formal Agreement (Agreement) on July 12, 2002.

The Comptroller, through his authorized representative, and the Bank, by and through its Board, mutually agree that an amendment to the Agreement is now warranted. This Amendment to the Agreement (Amendment) is incorporated by reference into the Agreement as if fully set forth therein, and is agreed upon by and between the Bank and the Comptroller.

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected Board, and the Comptroller, through his/her authorized representative, that the Bank shall operate at all times in compliance with the articles of this Amendment.

## **ARTICLE I**

### **JURISDICTION**

(1) This Amendment 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 Amendment 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 Amendment 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 Amendment 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 Amendment shall be forwarded to the:

James M. Calhoun  
Assistant Deputy Comptroller  
Pittsburgh Field Office  
4075 Monroeville Boulevard, Suite 300  
Monroeville, PA 15146

## **ARTICLE II**

### **STRATEGIC PLAN**

(1) Within thirty (30) days, the Board shall amend and thereafter ensure Bank adherence to a revised, written strategic plan that prioritizes the Board's objective of selling the Bank,

including timeframes for achieving the sale and the means by which the Board shall value and market the Bank.

(2) Within thirty (30) days, the Board shall establish appropriate procedures for the implementation of the plan, including designating a specific Board member, or committee of the Board, who shall be the Board's sole representative in negotiating the sale of the Bank.

(3) Upon amendment of the strategic plan and establishment of the procedures required by paragraph 2 of this Article, the Board shall submit the plan and procedures to the Assistant Deputy Comptroller for review.

(4) In the event the Assistant Deputy Comptroller recommends changes to the plan or procedures, the Board shall immediately incorporate those changes.

(5) The revised 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 and prior determination of no supervisory objection.

(6) 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 III**

#### **BOARD TO ENSURE COMPETENT MANAGEMENT**

(1) Within sixty (60) days, the Board shall identify and propose to the OCC for appointment, a competent individual to fulfill the duties of a Chief Financial Officer.

(2) Prior to the appointment of any individual to the position required by Paragraph 1 of this

Article, the Board shall submit to the Assistant Deputy Comptroller the following information:

- (a) the information sought in the “Changes in Directors and Senior Executive Officers” booklet of the Comptroller’s Corporate Manual, together with a legible fingerprint card for the proposed individual;
- (b) a written statement of the Board's reasons for selecting the proposed officer; and
- (c) a written description of the proposed officer's duties and responsibilities.

(3) The Assistant Deputy Comptroller shall have the power of veto over the employment of the proposed Chief Financial Officer. However, the failure to exercise such veto power shall not constitute an approval or endorsement of the proposed officer.

(4) The requirement to submit information and the prior veto provisions of this Article are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Comptroller to complete his/her review and act on any such information or authority within ninety (90) days.

(5) If a position mentioned in Paragraph (1) of this Article is vacant now or in the future, including if the Board realigns an existing officer’s responsibilities and a position mentioned in paragraph (1) of this Article becomes vacant, the Board shall within 15 days of such vacancy appoint a capable person to the vacant position who shall be vested with sufficient executive authority to ensure the Bank’s compliance with this Agreement and the safe and sound operation of functions within the scope of that position’s responsibility.

## **ARTICLE IV**

### **DESIGNATION OF INDIVIDUALS**

(1) Within fifteen (15) days, the Board shall designate an individual who shall serve as the primary contact between the Board of Directors and the OCC. The Board shall ensure that such

person has sufficient authority to speak on behalf of the Board and to communicate the consensus decisions of the Board of Directors to the OCC.

(2) Effective immediately, no Board member who is not an officer of the Bank shall have contact with Bank customers regarding their business dealings with the Bank.

## **ARTICLE V**

### **BREACH OF PROTOCOL**

Actions by Board members inconsistent with the specific designations in Paragraph 2 of Article II and Paragraphs 1 and 2 of Article IV shall be deemed violations of this Amendment.

## **ARTICLE VI**

### **CLOSING**

(1) Although the Board has agreed to submit plans, policies and procedures to the Assistant Deputy Comptroller for review or approval, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) In each instance in this Amendment in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall: (i) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Agreement; (ii) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement; (iii) follow-up on any non-compliance with such actions in a timely and appropriate manner; and (iv) require corrective action be taken in a timely manner of any non-compliance with such actions.

(3) 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 Amendment shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(4) The Board shall submit all new and/or revised plans, policies, and procedures stipulated in this Amendment to the Assistant Deputy Comptroller for review. Any revisions, additions, deletions, or nonacceptance of said plans, policies, and/or procedures shall be at the discretion of the Assistant Deputy Comptroller. However, the failure to exercise such revision and veto powers shall not constitute an approval or endorsement of the proposed plan, policy, and/or procedure.

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

(6) The provisions of this Amendment 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 Amendment or excepted, waived, or terminated in writing by the Comptroller.

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

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

*/s/ James M. Calhoun*

*7/27/04*

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James M. Calhoun  
Assistant Deputy Comptroller  
Pittsburgh Field Office

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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	7-20-04
_____ Roger Perkins	_____ Date
Signed	07/20/04
_____ Cindy Lafferty	_____ Date
Signed	7/20/04
_____ Joseph Weir	_____ Date
Signed	7-20-04
_____ John Witt	_____ Date
Signed	7-20-04
_____ George Hazlett	_____ Date
_____	_____ Date
_____	_____ Date
_____	_____ Date
_____	_____ Date
_____	_____ Date