

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)	
)	
AMERIBANK)	Order No. NE 07- 14
)	
Northfork, West Virginia (OTS No. 14177))	Date: October 19, 2007
)	

ORDER TO CEASE AND DESIST

WHEREAS, **AMERIBANK**, Northfork, West Virginia (the "Savings Association") has executed a Stipulation and Consent to Issuance of an Order to Cease and Desist ("Stipulation"); and

WHEREAS, the Savings Association, by its execution of the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order") pursuant to 12 U.S.C. § 1818(b);¹ and

WHEREAS, the Director of the Office of Thrift Supervision ("OTS") has delegated to the Regional Directors of the OTS the authority to issue consent orders on behalf of the OTS pursuant to provisions of Section 8 of Federal Deposit Insurance Act, 12 U.S.C. § 1818.

NOW, THEREFORE, IT IS ORDERED THAT:

1. Compliance With Laws, Regulations and Safe and Sound Practices.

The Savings Association and its directors, officers, employees, and agents shall cease and desist from any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling or the aiding and abetting of the following unsafe or unsound practices and violations:

- (a) 12 C.F.R. § 560.93 (Lending limitations);
- (b) 12 C.F.R. § 560.101 (Real estate lending standards);
- (c) 12 C.F.R. § 560.170 (Records for lending transactions);
- (d) 12 C.F.R. § 563.170(c) (Establishment and maintenance of records);
- (e) Safety and Soundness Standards set forth in the Interagency Guidelines Establishing Standards for Safety and Soundness, Appendix A to 12 C.F.R. Part 570 with respect to:

¹ All references to the United States Code ("U.S.C.") are as amended, unless otherwise indicated.

- (i) Operational and managerial standards (Section II.A),
- (ii) Loan documentation (Section II.C),
- (iii) Credit underwriting (Section II.D);

(f) Safety and Soundness Standards set forth in the Interagency Guidelines Establishing Information Security Standards, Appendix B to 12 C.F.R. Part 570 and Supplement A thereto, entitled “Interagency Guidance on Response Programs for Unauthorized Access to Customer Information and Customer Notice”; and

(g) Operating with undue concentrations of credit in relation to the Savings Association’s capital.

2. Prohibition on New Rehab-Related Assets/Asset Concentration Reduction Plan Required.

(a) By no later than November 15, 2007, the Board shall adopt, and the Savings Association shall implement, an acceptable written action plan (Asset Concentration Reduction Plan or Plan) to reduce the concentration of assets related to Construction Rehabilitation Accounts (“CRAs”), End Loans, and the line of credit to its third party service provider (collectively “Rehab-Related Assets”) that are described and summarized in a chart on Page 61 of the Report of Examination (the “Asset Concentration”). The Plan must be submitted to OTS for its non-objection no later than November 6, 2007. To be acceptable, the Plan must provide for:

(i) an aggressive and consistent reduction of the Asset Concentration to an amount no greater than 25% of Tier 1 (Core) Capital plus allowances for loan and lease losses by December 31, 2008 and thereafter, and

(ii) monthly projections of the reduction in the Concentration, together with detailed information about how the reduction will be achieved (e.g. payoffs, sales, etc.).

(b) The Board shall monitor the Savings Association’s performance under the Plan as follows:

(i) For the month ended November 30, 2007, and for each month thereafter, management shall prepare and submit a report to the Board and OTS addressing the Savings Association’s progress toward reducing the Asset Concentration (Progress Report) during that month by no later than the 10th calendar day of the following month. Each Progress Report shall include, at a minimum,

- (A) a comparison of actual results with those projected in the Plan,
- (B) for any month in which the actual reduction is less than projected, an explanation for the variation, and
- (C) suggestions for improving the Savings Association's performance.

(ii) The report shall be considered by the Board and attached to the minutes of the meeting at which it is presented. The minutes shall reflect the Board's deliberations and any actions directed by the Board to improve performance.

(c) The Savings Association shall not: (i) make, invest in, purchase, refinance, extend, or commit to make, invest in, purchase, refinance, extend, any Rehab-Related Asset or any participation therein that would, directly or indirectly increase the Asset Concentration or (ii) take any other action that would operate to, or have the effect of, increasing the Asset Concentration. This restriction is to be construed expansively and includes, but is not limited to, any action that would increase the Savings Association's exposure, such as release of collateral. However, this restriction shall not limit the Savings Association's ability to: (i) refinance CRAs into acceptable loan products in conformity with underwriting standards acceptable to OTS, provided that no new funds are advanced or (ii) expend funds necessary to protect the assets against loss, consistent with proper use of its salvage powers as described in Section 211 of OTS's Examination Handbook, provided that such expenditures are made in conformance with an asset action plan developed in accordance with Section 8 of the Order.

3. Escrow Accounts and Reconciliations Thereof

(a) The Savings Association shall not permit withdrawals from the repair escrow account (currently GL#1516434) and interest escrow account (currently GL#1516450) (collectively, the Escrow Accounts") related to CRAs unless they are properly supported, documented and used for legitimate and intended purposes.

(b) No withdrawals or reductions from the Escrow Accounts shall be permitted unless, at a minimum, a Savings Association officer: (i) has first reviewed all documentation supporting the request and (ii) signs a certification, based on the review, that the withdrawal request comports with all applicable requirements. To the extent that any repair escrow agreement permits withdrawals to fund delinquent interest, no such withdrawals shall be permitted for that purpose at any time that the CRA is not serviced

by the Bank for its own account. All such documentation and certifications shall be retained in the Savings Association's records.

(c) By no later than the 10th day of each month management shall prepare a reconciliation of the accounts as of the previous month end, which shall be reviewed by the Board. Such reconciliations, together with the Board's review thereof, shall be documented in the Board minutes.

4. Access/Retention of Records.

By no later than October 31, 2007, the Savings Association shall obtain from its service provider all records in its possession or under its control, whether in paper or electronic format, relating to CRAs that are currently active and outstanding. This includes, but is not limited to, all records relating to the origination, purchase, administration and servicing of CRAs. The Savings Association shall immediately report to OTS any impediments to its access to such records.

5. Management Enhancements/Retention of Third Party Consultant and Outside Legal Counsel.

(a) By no later than November 15, 2007, the Savings Association shall adopt (by official action of its Board) and commence implementation of an acceptable written corrective action plan ("Corrective Plan") reasonably designed to provide adequate staffing of the monitoring, review, control and workout of the Rehab-Related Assets.

(b) To assist management in the reduction and resolution of the Rehab-Related Assets, the Savings Association shall, by no later than November 20, 2007:

(i) engage an acceptable qualified outside and independent firm that is an expert in developing effective asset workout programs for the types of assets comprising the Asset Concentration ("Asset Workout Consultant"), provided however, that OTS may consider a modification of this requirement if Ameribank can demonstrate to the satisfaction of the Regional Director that this function can be carried out effectively with existing management; and

(ii) identify acceptable qualified outside legal counsel that has background and experience with real estate asset workout resolution in all of the areas in which its CRAs are located.

(c) By no later than November 12, 2007, the Savings Association shall submit to OTS: (i) its candidates for the Asset Workout Consultant and (ii) the identity of legal counsel, as required by Section 5(b).

6. Servicing, Administration and Collection of CRAs.

Unless there is significant, measurable improvement in the performance of the CRA portfolio to the satisfaction of the Regional Director by October 31, 2007, the Savings Association shall commence in-house servicing, administration and collection of all outstanding CRAs by no later than November 30, 2007.

7. Asset Classification.

By no later than November 15, 2007, the Board shall adopt, and the Savings Association shall implement, a revised formal written program to identify and classify problem assets that satisfies the requirements of: 12 C.F.R. § 560.160; Section II.G of Appendix A to the Part 570 Safety and Soundness Standards (12 CFR Part 570); and the Interagency Policy Statement on the Allowance for Loan and Lease Losses Methodologies and Documentation for Savings Associations and Savings Institutions issued December 13, 2006. At a minimum, the program must:

(a) be supervised by the Savings Association's Chief Financial Officer or another designated management official who: (i) has no independent loan origination or approval authority, (ii) is independent of the appraisal preparation process, and (iii) reports directly to the Board or the Audit Committee thereof concerning the program;

(b) effectively identify risk in the various types of assets the Savings Association holds;

(c) ensure the proper identification of assets as "loss," "doubtful," "substandard," or "special mention" (collectively referred to as "Criticized Assets") and the accurate reporting of each such asset to the Board at least quarterly, to coincide with the preparation of the Savings Association's Thrift Financial Report ("TFR").

(d) provide for and require the maintenance of an adequate allowance for loan and lease losses ("ALLL");

(e) ensure the prompt charge-off of loans, or portions of loans, that available information indicates are uncollectible, or when applicable regulations or guidance require that action;

(f) require a prompt independent determination of the fair value of (i) the real property

securing each CRA that, is as of the Effective Date hereof or subsequently becomes: (A) 60 or more days contractually delinquent, (B) outstanding more than 1 year, or (C) placed on nonaccrual status and (ii) all "Reposessed Assets" required to be reported on lines SC405, SC415, SC425, SC426, SC428, and SC429 as of the Effective Date and thereafter, in accordance with 12 C.F.R. § 560.172.

(g) require the timely and accurate reporting of Criticized Assets, ALLL, and charge-offs in the Savings Association's TFRs.

8. Asset Workout Policies/Asset Action Plans.

(a) By no later than November 15, 2007, the Board shall adopt, and the Savings Association shall implement, a comprehensive asset workout policy. The workout policy shall provide for, at a minimum:

(i) establishment of an asset workout group whose responsibilities shall be: (A) to develop and implement asset action plans with respect to each asset referred to the workout group, and (B) to report to the Board on the status of workout efforts on a monthly basis,

(ii) the identification of all assets that will be referred to the asset workout group, which shall include, at a minimum, all:

(A) assets exceeding \$250,000 that are reported as Criticized Assets in the most recent OTS Report of Examination or identified internally as a Criticized Asset, and

(B) CRAs that: (1) are 60 or more days contractually delinquent, (2) are outstanding more than 1 year, or (3) are placed on nonaccrual status.

(iii) a comprehensive analysis of all loan documents and related correspondence,

(iv) documented telephone contacts with CRA borrowers, consistent with the terms of the loan documents and applicable law, to solicit information about: (A) their payment status, (B) the condition of the property securing the loan, (C) the status of any repairs to the property, (D) contact information for third parties who may have information about the repair work or other matters affecting the loan, (E) making arrangements to provide access to the property as necessary to facilitate inspections and/or appraisals thereof, and (F) any other information that may be utilized to maximize recovery to the Savings Association,

(v) a realistic analysis of: (A) the available cash flow to service the debt, (B) the fair value of any collateral and (C) the ability to enforce any guarantees,
(vi) an assessment of potential legal issues relating to the workout, and
(vii) based on the above, the development of an asset action plan for the workout of each asset referred to the workout group, including a proposed timetable for each suggested action.

(b) Each asset action plan shall, inter alia, identify the amount (if any) of any additional disbursements planned or contemplated for each asset, and contain a description of any contemplated modifications, extensions or renewals in connection with the asset.

9. Lending Limits/Loans to One Borrower Compliance.

The Savings Association shall maintain and implement such enhanced policies and procedures as are necessary to ensure that the Savings Association complies with the loans-to-one-borrower limitations set forth in 12 C.F.R. § 560.93 (“LTOB Policies”), including with respect to loans that the Savings Association purchases. Among other things, such enhanced LTOB Policies must: (i) require implementation of LTOB-related procedures, including but not limited to the maintenance and updating of a list/spreadsheet with sufficient information to identify all of a borrower’s/applicant’s related persons, entities and interests who would be deemed to be a “borrower” within the meaning of 12 C.F.R. § 560.93 and 12 C.F.R. Part 32; and (ii) require quarterly monitoring, updating, and documentation of the applicable amount of the Savings Association’s “lending limit” for purposes of 12 C.F.R. § 560.93.

10. Required Capital Levels/Capital Distributions Prohibited.

(a) At December 31, 2007 and at all times thereafter, the Savings Association shall have and maintain: (i) a Tier 1 (Core) Capital Ratio of at least **8.5** percent and (ii) a total risk-based capital ratio of at least **11.5** percent.

(b) The Savings Association shall not make any capital distribution, as defined in 12 C.F.R. § 563.141.

11. Correction of IT Deficiencies.

The Savings Association shall: (i) continue to implement the action plans described in the “Action Plan Update” dated June 25, 2007 that are designed to resolve deficiencies identified in the April 2, 2007 Information Technology Report of Examination and (ii) provide quarterly status updates on its progress toward implementing the Action Plan as described therein.

12. Restriction on Asset Growth.

Except as the OTS may otherwise require by written notice to the Savings Association, at the end of each quarter, the Savings Association’s total assets shall not increase in an amount exceeding the amount of net interest credited to the Savings Association’s deposit liabilities during that quarter. See OTS Regulatory Bulletin 3b.

13. Board and Management Changes; Terms of Employment and Golden Parachute Payments

(a) The Savings Association is and shall be subject to the requirements and limitations set out in Subpart H of Part 563 of the OTS’s regulations (12 C.F.R. §§ 563.550 - .590). Without limitation on such requirements and limitations, this means, among other things, that, except as otherwise permitted by 12 C.F.R. § 563.590, (i) the Savings Association must notify the OTS at least 30 days before adding or replacing any member of its Board, employing any person as a senior executive officer, or changing the responsibilities of any senior executive officer so that the person would assume a different senior executive officer position, and (ii) the proposed director or senior executive officer may not begin service except as permitted by 12 C.F.R. § 563.585 and 12 U.S.C. § 1831i.

(b) The Savings Association shall not enter into, renew, extend or revise any contractual arrangement related to compensation or benefits with any director or senior executive officer of the Savings Association unless the Savings Association first (i) provides a minimum of 30 days advance notice of the proposed transaction and (ii) receives a written notice of non-objection from the OTS. See OTS Examination Handbook § 310 (p. 310.17) and OTS Regulatory Bulletin 27b.

(c) The restrictions at 12 C.F.R. Part 359 are applicable to the Savings Association. Such restrictions concern the making of agreements (including employment agreements) with severance provisions, “golden parachute payments” and “prohibited indemnification payments”. Without limitation on the generality of the foregoing, this means, inter alia, that the Savings Association shall not make or agree to make any "golden parachute payment", as that term is defined 12 U.S.C. § 1828(k) and in 12 C.F.R. Part 359, except as may be permitted by the aforesaid statutory provision and regulations. See 12 C.F.R. §§ 359.2 and 359.4.

14. Prior Notice to OTS Regarding Transactions with Affiliates.

Pursuant to 12 C.F.R. § 563.41(e)(3), the Savings Association must provide thirty (30) days prior written notice to OTS of any and all proposed transactions with affiliates.

15. Contracts Outside of the Ordinary Course of Business.

The Savings Association shall not enter into any third-party contracts outside of the normal course of business without the prior written non-objection of the OTS (including any contract with a loan related service provider). To seek such non-objection the Savings Association shall provide 30 days advance written notice to the OTS of any such proposed contract. At a minimum, such notice shall set forth the Savings Association’s reasons for seeking the contract and shall transmit a copy of the proposed contract. See OTS Examination Handbook § 310 and OTS Thrift Bulletin 82a.

16. Brokered Deposit Restrictions.

The Savings Association shall not accept brokered deposits except in compliance with Section 337.6(b)(2) of the Federal Deposit Insurance Corporation (FDIC) regulations (12 C.F.R. § 337.6(b)(2)), applicable to “adequately capitalized” institutions. The Savings Association shall provide (i) written notice to the OTS if the Savings Association requests the FDIC for a waiver and (ii) the OTS with a copy of the FDIC’s document indicating its disposition of any request for such a waiver.

17. Board Oversight Committee.

(a) By no later than thirty (30) calendar days following the Effective Date of this Order, the Board shall establish and appoint an oversight committee of the Board (the

“Oversight Committee”) comprised of three or more Outside Directors², whose function shall be to: (i) monitor and coordinate the Savings Association’s compliance with the provisions of this Order and (ii) proactively formulate strategies, consistent with the requirements of this Order, that are designed to reduce the Asset Concentration in a safe and sound manner.

(b) No less than monthly, the Savings Association’s management shall provide to the Oversight Committee such information and reports as are necessary to allow said Committee and the Board to monitor the Savings Association’s compliance and/or non-compliance with the requirements of this Order.

(c) Within thirty (30) days after the end of each calendar quarter, the Oversight Committee shall submit a written quarterly progress report to the Board that:

- (i) Details the actions taken by the Savings Association to comply with each provision of this Order; also there must be descriptions of the results of such actions;
- (ii) Identifies all violations of this Order, and further describes all remedial actions that have been effected and/or that are contemplated with respect to such violations, and
- (iii) Identifies, for consideration by the Board, the strategies developed and implementing procedures recommended for reducing the Asset Concentration in a safe and sound manner.

(d) Within forty-five (45) days after the end of each calendar quarter, the Board shall submit to the OTS: (i) a copy of the Oversight Committee’s quarterly progress report required by the foregoing subparagraph, with any additional comments made by the Board, to the OTS, (ii) a written certification that each director has reviewed the report and (iii) a report on the Board’s actions relating to the strategies recommended by the Oversight Committee.

(e) Nothing contained herein shall diminish the responsibility of the entire Board to ensure the Savings Association’s compliance with the provisions of this Order.

² As used in this Order, the term “Outside Director” means a director who is not currently: (i) an officer or employee of the Savings Association, or (ii) a service provider (or service provider principal or employee) engaged to provide services for the Savings Association.

18. Submission of Documents

The Savings Association, when required by this Order to submit documents to the OTS, shall submit them as follows:

The original to:

Joseph J. Donohue
Assistant Director
Office of Thrift Supervision
Harborside Financial Center Plaza Five
Suite 1600
Jersey City, New Jersey 07311

Copy to:

Randall L. Lyscik
Field Manager
Office of Thrift Supervision
875 Greentree Road
Parkway Center Building Seven
Suite 855
Pittsburgh, PA 15220

19. Definitions.

(a) All technical words or terms used in this Order for which meanings are not specified or otherwise provided by the provisions of this Order shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, the Home Owners' Loan Act ("HOLA"), the Federal Deposit Insurance Act ("FDIA"), OTS Memoranda or other published OTS guidance. Any such technical words or terms used in this Order and undefined in said Code of Federal Regulations, the HOLA, the FDIA, or OTS Memoranda/guidance shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

(b) For purposes of this Agreement, nothing shall be deemed "acceptable" to OTS unless the Regional Director has stated in writing that it is acceptable or has provided a written notice of non-objection in response to a written request by the Savings Association.

20. No Violations Authorized; OTS Not Restricted.

Nothing in this Order or the Stipulation shall be construed as: (a) allowing the Savings Association to violate any law, rule, regulation, or policy statement to which it is subject, or (b) restricting or estopping the OTS from taking any action(s) that it believes are appropriate in fulfilling the responsibilities placed upon it by law.

21. Time Limits; Effect of Headings; Separability Clause; Stipulation Incorporated.

(a) Time limitations for compliance with the terms of this Order run from the Effective Date, unless otherwise noted. The OTS's Regional Director (or his designee), in the exercise of his discretion, may extend any of the deadlines set forth in the provisions of this Order by providing written notice to the Savings Association of any such extension.

(b) The section and paragraph headings herein are for convenience only and shall not affect the construction hereof.

(c) In case any provision in this Order is ruled to be invalid, illegal or unenforceable by the decision of any court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his/her sole discretion determines otherwise.

(d) The Stipulation is made a part hereof and is incorporated herein by this reference.

22. Effective Date; Duration.

This Order is and shall become effective on the date it is issued, *i.e.*, the Effective Date as shown on the first page hereof. This Order (including the related Stipulation) shall remain in effect until terminated, modified or suspended, in writing by the OTS, acting through its Director, Regional Director or other authorized representative.

OFFICE OF THRIFT SUPERVISION

By: /s Michael E. Finn
Michael E. Finn
Regional Director, Northeast Region

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)	
)	
AMERIBANK)	Re: Order No. NE 07-14
Northfork, West Virginia (OTS No. 14177))	Effective Date: October 19, 2007
)	

STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER TO CEASE AND DESIST

This Stipulation and Consent to Issuance of an Order to Cease and Desist ("Stipulation"), which concerns the accompanying and above-referenced Order to Cease and Desist (the "Order"), is submitted by **Ameribank**, Northfork, West Virginia (the "Savings Association"), to the Office of Thrift Supervision ("OTS"), acting by and through its Northeast Regional Director (Regional Director);

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, has informed Savings Association that the OTS is of the opinion that grounds exist to initiate administrative proceedings against Savings Association pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C. §1818(b); and

WHEREAS, Savings Association, desiring to cooperate with the OTS to avoid the time and expense of such administrative proceedings and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraph 1 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) Ameribank is a "savings association" within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. §1462(4). Accordingly, Ameribank is also an "insured depository institution" as defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain administrative enforcement proceedings against savings associations. Therefore, Savings Association is subject to the authority of the OTS to initiate and maintain administrative cease-and-desist proceedings against it pursuant to 12 U.S.C. § 1818(b).

2. OTS Findings of Fact.

Based on its April 16, 2007 Comprehensive Report of Examination and its April 2, 2007 Information Technology Report of Examination of the Savings Association, the OTS finds that the Saving Association has engaged in unsafe and unsound banking practices and/or has failed to comply with requirements of various laws and regulations including:

- (a) 12 C.F.R. § 560.93 (Lending limitations);
- (b) 12 C.F.R. § 560.101 (Real estate lending standards);
- (c) 12 C.F.R. § 560.170 (Records for lending transactions);
- (d) 12 C.F.R. § 563.170(c) (Establishment and maintenance of records);
- (e) Safety and Soundness Standards set forth in the Interagency Guidelines Establishing Standards for Safety and Soundness, Appendix A to 12 C.F.R. Part 570 with respect to:
 - (i) Operational and managerial standards (Section II.A),
 - (ii) Loan documentation (Section II.C),
 - (iii) Credit underwriting (Section II.D);
- (f) Safety and Soundness Standards set forth in the Interagency Guidelines Establishing Information Security Standards, Appendix B to 12 C.F.R. Part 570 and Supplement A thereto, entitled "Interagency Guidance on Response Programs for Unauthorized Access to Customer Information and Customer Notice"
- (g) Operating with undue concentrations of assets in relation to the Bank's capital.

3. Consent.

Savings Association consents to the issuance of the Order by the OTS. Savings Association further agrees to comply with the terms of the Order and stipulates that the Order complies with all requirements of law.

4. Finality.

The Order is issued under 12 U.S.C. § 1818(b) and upon the effective date shall be a final order, effective and fully enforceable by the OTS under 12 U.S.C. § 1818(i).

5. Waivers.

Savings Association waives the following:

- (a) The right to be served with a written notice of the OTS' charges;
- (b) The right to an administrative hearing of the OTS' charges; and
- (c) The right to seek judicial review of either the Order, including, without

limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

6. OTS Authority Not Affected.

Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent the OTS from taking any other action affecting Savings Association if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law.

7. Other Government Actions Not Affected.

Savings Association acknowledges and agrees that its consent to the issuance of the Order does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Savings Association that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

8. Relationship to Prior Informal Actions.

Upon the OTS's issuance of the Order, the restrictions imposed on the Bank by the OTS on May 25, 2007 (with subsequent written modifications) shall be superseded by the restrictions and requirements set out in the Order.

9. Miscellaneous.

(a) The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

(b) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS' predecessors, successors, and assigns.

(c) The section and paragraph headings in this Stipulation and the Order are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Order.

(d) The terms of this Stipulation and of the Order represent the final written agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

(e) The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

WHEREFORE, Savings Association, by authority of its board of directors, executes this Stipulation, intending to be legally bound hereby.

AMERIBANK

Accepted by:
OFFICE OF THRIFT SUPERVISION

By: /s David B. Hartman
David B. Hartman
Chairman of the Board

By: /s Michael E. Finn
Michael E. Finn
Regional Director, Northeast Region

Date: October 19, 2007

Effective Date: [date in caption on p.1]