

AGREEMENT BY AND BETWEEN
Pickens Savings & Loan Association, F.A.
Pickens, South Carolina
and
The Comptroller of the Currency

Pickens Savings and Loan Association, F.A., Pickens, South Carolina (“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 has found unsafe and unsound banking practices relating to credit risk management, asset quality, liquidity risk management, and earnings performance at the Bank, and a violation of 12 C.F.R. § 162.200 (Conflicts of Interest).

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. § 163.555. 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:

Kent D. Stone
Assistant Deputy Comptroller
Carolinas Field Office
212 South Tryon Street, Suite 700
Charlotte, North Carolina 28281

ARTICLE II

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of the date of this Agreement, the Board shall appoint a Compliance Committee of at least three (3) directors, of which no more than one (1) shall be an employee or controlling shareholder 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 and, in the event of a change of the membership, the name of any new member 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) Within sixty (60) days of the date of this Agreement and quarterly thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) a description of the actions needed to achieve full compliance with each Article of this Agreement;
 - (b) actions taken to comply with each Article of this Agreement; and
 - (c) the results and status 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 within ten (10) days of receiving such report.

ARTICLE III

BOARD AND MANAGEMENT OVERSIGHT

(1) Within ninety (90) days, the Compliance Committee shall assess whether the Bank has competent and effective Board and management in place to carry out the Board's policies; manage the day-to-day operations of the Bank in a safe and sound manner; and ensure compliance with this Agreement and applicable laws, rules, and regulations. The findings and recommendations of the Compliance Committee shall be set forth in a written report to the Board. At a minimum, the report shall consider:

- (a) an assessment of the Board committees to ensure members are knowledgeable of areas delegated to the respective committees;
- (b) an assessment of whether Board members are receiving timely and adequate information on the condition, risks and operations of the Bank to enable them to fulfill their fiduciary responsibilities and other responsibilities under law;

- (c) an assessment of Board processes in place to respond to the findings of control functions, such as internal audit, loan review and compliance, and to determine appropriate corrective actions, assignment of management responsibilities, tracking progress, and enforcing accountability;
- (d) an assessment of the Bank's management to perform present and anticipated duties, including a determination of whether any management changes will be made (additions or deletions from current management); and
- (e) recommendations to correct or eliminate any other deficiencies in the supervision or organizational structure of the Bank.

(2) Within sixty (60) days after completion of the review required by paragraph (1), the Board shall develop, adopt and thereafter ensure Bank implementation and adherence to a written plan, with specific time frames, that will correct any deficiencies identified in the review.

(3) Copies of the Board's written plan shall be forwarded to the Assistant Deputy Comptroller. The Assistant Deputy Comptroller shall retain the right to determine the adequacy of the report and its compliance with the terms of this Agreement. In the event the written plan, or any portion thereof, is not implemented, the Board shall promptly advise the Assistant Deputy Comptroller, in writing, of specific reasons for deviating from the plan.

(4) The Board shall ensure that competent and effective Board and management remains in place at all times to perform present and anticipated duties; ensure compliance with this Agreement; and ensure safe and sound operations of the Bank.

ARTICLE IV

STRATEGIC PLANNING

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written Strategic Plan for the Bank covering at least a three-year period. The Strategic Plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy, reduction in the volume of problem and nonperforming assets, product line development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives and, at a minimum, include:

- (a) an assessment of the Bank's present and future operating environment;
- (b) the development of strategic goals and objectives to be accomplished over the short and long term;
- (c) a management employment and succession program to promote the retention and continuity of capable management; and
- (d) an action plan to improve bank earnings as required in Article V, Profit Plan, of this document.

(2) The Strategic Plan, and any subsequent amendments or revisions, shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and ensure adherence to the Strategic Plan.

(3) At least quarterly, the Board shall review financial reports and earnings analyses prepared by the Bank that evaluate the Bank's performance against the goals and objectives

established in the Strategic Plan, as well as the Bank's written explanation of significant differences between actual and projected balance sheet, income statement, and expense accounts, including descriptions of extraordinary and/or nonrecurring items. The Bank shall submit a copy of these reports to the Assistant Deputy Comptroller upon completion.

(4) At least quarterly, the Board shall prepare a written evaluation of the Bank's performance against the Strategic Plan, based on the Bank's quarterly reports, analyses, and written explanations of any differences between actual performance and the Bank's strategic goals and objectives, and shall include a description of the actions the Board will require the Bank to take to address any shortcomings, which shall be documented in the Board meeting minutes. The Board shall submit a copy of the evaluation and Board minutes to the Assistant Deputy Comptroller.

ARTICLE V

PROFIT PLAN

(1) Within ninety (90) days, the Board shall review and revise, as necessary, and thereafter ensure Bank adherence to its written profit plan to improve and sustain the earnings of the Bank. This plan shall include, at minimum, the following elements:

- (a) identification of the major areas in and means by which the Board will seek to improve the Bank's operating performance;
- (b) realistic and comprehensive budgets, including projected balance sheets and year-end income statements; and
- (c) a budget review process to monitor both the Bank's income and expenses, and to compare actual figures with budgetary projections.

(2) The budgets and related documents required in paragraph (1) above shall be

submitted to the Assistant Deputy Comptroller upon completion.

(3) The Board shall submit to the Assistant Deputy Comptroller annual budgets as described in paragraph (1) above for each year this Formal Agreement remains in effect. The budget for each year shall be submitted on or before December 15th, of the preceding year.

(4) The Board shall forward comparisons of its balance sheet and profit and loss statement to the profit plan projections to the Assistant Deputy Comptroller on a quarterly basis.

ARTICLE VI

CAPITAL PLAN

(1) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a three year capital program. The program shall include:

- (a) specific plans for the maintenance of adequate capital level in relation to the Bank's risk profile;
- (b) projections for growth and capital requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (c) projections of the sources and timing of additional capital to meet the Bank's current and future needs;
- (d) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank's needs;
- (e) contingency plans that identify alternative methods should the primary source(s) under (d) above not be available;
- (f) a dividend policy that permits the declaration of a dividend only:

(i) when the Bank is in compliance with its approved capital program;
and

(ii) in conformance with the requirements set forth at 12 C.F.R Part
163 Subpart E – Capital Distributions.

(g) a periodic review of Board approved capital minimums. Capital
minimums should be based on the Board’s analysis of the risk profile of
the bank, and not regulatory minimums.

(2) Upon completion, the Bank's capital program shall be submitted to the Assistant
Deputy Comptroller for prior determination of no supervisory objection. Upon receiving a
determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall
implement and adhere to the capital program. 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.

ARTICLE VII

INTERNAL AUDIT

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

(a) detect irregularities and weak practices in the Bank's operations;

(b) determine the Bank's level of compliance with all applicable laws, rules
and regulations;

(c) assess and report the effectiveness of policies, procedures, controls, and
management oversight relating to accounting and financial reporting;

(d) evaluate the Bank's adherence to established policies and procedures, with

particular emphasis directed to the Bank's adherence to its loan policies concerning underwriting standards and problem loan identification and classification;

- (e) adequately cover all areas; and
- (f) establish an annual audit plan using a risk based approach sufficient to achieve these objectives.

(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 immediate actions are undertaken to remedy deficiencies cited in audit reports,

(5) The Board shall ensure all deficiencies identified by audit and/or regulatory agencies are appropriately monitored and reported through a factually accurate tracking report.

(6) The Board shall ensure prompt follow-up testing is performed.

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

ARTICLE VIII

CONFLICT OF INTEREST POLICY

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written, comprehensive conflict of interest policy applicable to the Bank's

directors, principal shareholders, executive officers, affiliates, and employees (Insiders) and related interests of such Insiders. The conflict of interest policy shall comport with: (i) 12 C.F.R. § 163.43 (Loans by savings associations to their executive officers to their executive officers, directors, and principal shareholders); (ii) 12 C.F.R. Part 215 (Regulation O); and (iii) 12 C.F.R. § 163.200 (Conflicts of Interests). The policy, in addition to defining a conflict of interest, shall address:

- (a) avoidance of conflicts of interest and breaches of fiduciary duty, and the appearance of conflicts of interest;
- (b) involvement in the loan approval process of Insiders who may benefit directly or indirectly from the decision to grant credit;
- (c) disclosure of actual and potential conflicts of interest to the Board, and periodic disclosure of "related interests," as defined by 12 C.F.R. § 215;
- (d) requirements for arms-length dealing in any transactions by Insiders, or their related organizations, involving the Bank's sale, purchase, or rental of property and services;
- (e) disclosure of any Insider's material interest in the business of a borrower, an applicant, or other customer of the Bank; and
- (f) restrictions on and disclosure of receipt of anything of value by Insiders, directly or indirectly, from borrowers, loan applicants, other customers, or suppliers of the Bank.

(2) Upon adoption, a copy of this conflict of interest policy shall be forwarded to the Assistant Deputy Comptroller for review.

(3) Within ninety (90) days, the Compliance Committee shall conduct a review of the

Bank's existing relationships with its directors, executive officers, affiliates, principal shareholders, employees and their related interests for the purpose of identifying relationships not in conformity with the policy. The Board shall ensure that any nonconforming relationships are brought into conformity within ninety (90) days from the date of discovery.

(4) Thereafter, the Board shall review all proposed transactions, or modifications of existing relationships, between the Bank and any of its directors, executive officers, affiliates, principal shareholders, employees and their related interests. Documentation supporting these reviews shall be in writing and preserved in the Bank.

ARTICLE IX

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 Comptroller's Examiners during any examination.

(2) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written program designed to eliminate the basis of criticism of assets criticized in the ROE, in any subsequent Report of Examination, or by any internal or external loan review, or in any list provided to management by the Comptroller's Examiners during any examination as "doubtful," "substandard," or "special mention." This program shall include, at a minimum:

- (a) the origination date and any renewal or extension dates, amount, purpose of the loan or other asset, and the originating and current handling officer(s);

- (b) an identification of the expected sources of repayment;
- (c) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable;
- (d) an analysis of current and complete credit information, including global cash flow analysis where loans are to be repaid from operations;
- (e) the results of any impairment analysis;
- (f) significant developments, including a discussion of changes since the prior quarter; and
- (g) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment.

(3) Upon adoption, a copy of the program for all criticized assets equal to or exceeding two hundred and fifty thousand dollars (\$250,000) shall be forwarded to the Assistant Deputy Comptroller.

(4) 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 ROE, in any internal or external loan review, or in any list provided to management by the Comptroller's Examiners during any examination and whose aggregate loans or other extensions exceed two hundred and fifty thousand dollars (\$250,000) only if each of the following conditions is met:

- (i) 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

- (ii) a comparison to the written program adopted pursuant to this Article shows that the Board's formal plan to collect or strengthen the criticized asset will not be compromised.

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

ARTICLE X

CONCENTRATIONS OF CREDIT

(1) Within ninety (90) days, the Board shall review and revise, as necessary, and thereafter ensure Bank adherence to its written asset diversification program consistent with the guidance set forth in OTS CEO Memo 252 and the "Concentrations of Credit" booklet of the Comptroller's Handbook (December 2011). The program shall include, but not necessarily be limited to, the following:

- (a) a review of the balance sheet to identify any concentrations of credit;
- (b) a written analysis of any concentration of credit identified above in order to identify and assess the inherent credit, liquidity, and interest rate risks;
- (c) limitations on concentrations commensurate with the risk analysis in subparagraph (b);
- (d) action plans approved by the Board to reduce the risk of any concentration deemed imprudent in the above analysis or falling outside the limitations established in subparagraph (c); and

- (e) on a quarterly or more frequent basis, reports to the Board of Directors for monitoring concentrations and tracking compliance with concentration limits.
- (f) For purposes of this Article, a concentration of credit is as defined in the “Concentrations of Credit” booklet of the Comptroller’s Handbook (December 2011).

(2) The Board shall ensure that future concentrations of credit are subjected to the analysis required by subparagraph(1)(b) and that the analysis demonstrates that the concentration will not subject the Bank to undue credit or interest rate risk.

(3) The Board shall forward a copy of any analysis performed on existing or potential concentrations of credit to the Assistant Deputy Comptroller immediately following the review.

ARTICLE XI

CREDIT RISK IDENTIFICATION AND LOAN REVIEW

(1) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program to improve the Bank’s credit risk identification process. The program shall include, but not be limited to:

- (a) credit risk rating definitions consistent with applicable regulatory guidance, including income accrual status;
- (b) implementation of an effective training program for all lending staff;
- (c) procedures for early problem loan identification;
- (d) procedures to ensure accurate and timely risk grades, including loss recognition and identification of nonaccrual loans; and

- (e) procedures to ensure loan officer and credit administration accountability for failure to assign accurate and timely risk grades on loans, including recognition of nonaccrual status, under their respective supervision.

(2) Within ninety (90) days, the Board shall establish an effective independent loan review system to review the Bank's loan and lease portfolios to assure the timely identification and classification of problem credits in accordance with 12 C.F.R. § 160.160. The system shall provide for a written report to be filed with the Board after each review and shall use a loan and lease grading system consistent with the guidelines set forth in the "Asset Quality" section of the OTS Examination Handbook. Such reports shall include, at a minimum, conclusions regarding:

- (a) the overall quality of the loan and lease portfolios;
- (b) the identification, type, rating, and amount of problem loans and leases;
- (c) the identification and amount of delinquent loans and leases;
- (d) credit and collateral documentation exceptions;
- (e) the identification and status of credit related violations of law, rule or regulation;
- (f) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (b) through (e) of the Article;
- (g) concentrations of credit; and
- (h) loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank's lending and leasing policies.

(3) The Board shall evaluate the Bank's external loan review firm to ensure objectives are met, and the scope, quality, and timelines are adequate.

(4) The Board shall evaluate loan review report(s) and ensure that immediate,

adequate, and continuing remedial action, if appropriate, is taken upon all findings noted in the report(s).

(5) A written description of the programs required by paragraphs (1) and (2) of this Article shall be forwarded to the Assistant Deputy Comptroller upon implementation.

(6) The Board shall submit a copy of loan review reports to the Assistant Deputy Comptroller upon receipt.

ARTICLE XII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) The Board shall immediately review the adequacy of the Bank's Allowance for Loan and Lease Losses ("ALLL") and, within thirty (30) days of the date of this Agreement, establish a program for the maintenance of an adequate ALLL in accordance with generally accepted accounting principles. This review and program shall be consistent with the comments on maintaining a proper ALLL found in *OCC Bulletin 2006-47: Interagency Policy on the Allowance for Loan and Lease Losses* and shall incorporate the following factors:

- (a) results of the Bank's internal and external loan reviews;
- (b) trends of problem, delinquent, and nonaccrual loans;
- (c) concentrations of credit in the Bank;
- (d) present and prospective economic conditions;
- (e) analytical support for historic loss factors, including the qualitative adjustments to the historical loss factors;
- (f) criteria for determining which loans will be reviewed for impairment under Accounting Standard Codification ("ASC") 310, how impairment

will be determined, and procedures to ensure that the analysis of loans complies with ASC 310 requirements;

- (g) accurate measurement of impairment amounts at the time a loan is determined to be impaired;
- (h) for impaired collateral dependent loans secured by real estate, the use of reliable real estate appraisals or evaluations, adjusted for selling costs, to determine the fair value of the collateral;
- (i) timely recognition of losses, including the recognition of the impaired portion of collateral dependent loans as loss; and
- (j) procedures for validating the ALLL methodology.

(2) The program shall provide for a review of the ALLL by the Board at least once each calendar quarter. Any deficiency in the ALLL 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 ALLL. The Board shall ensure that its financial reports and statements are timely and accurately prepared in accordance with 12 C.F.R. § 162 and include an accurate statement of ALLL balances.

ARTICLE XIII

LIQUIDITY

(1) The Board shall ensure the liquidity of the Bank is maintained at a level that is sufficient to sustain the Bank's current operations and to withstand any anticipated or extraordinary demand against its funding base. Such actions may include, but are not limited to:

- (a) ensuring the volume of stable funding sources in relation to the Bank's anticipated liquidity and funding needs;
- (b) reducing wholesale or credit-sensitive liabilities;
- (c) reducing the level of liquidity risk; and
- (d) establishing prudent risk limits for wholesale and term funding.

(2) The Board shall immediately ensure liquidity risk management practices are strengthened. Such actions include, but are not limited to:

- (a) developing strategies to maintain sufficient liquidity at a reasonable cost, including, but not limited to, the following:
 - (i) better diversification of funding sources;
 - (ii) reducing reliance on high cost providers;
 - (iii) reducing rollover risk;
 - (iv) increasing liquidity through such actions as obtaining additional capital, placing limits on asset growth, aggressive collection of problem loans and recovery of charged-off assets, and asset sales; and
 - (v) monitoring the projected impact of reputation, economic, and credit conditions in the Bank's market(s).
- (b) developing appropriate policies and procedures to govern wholesale funding activities, including the establishment of internal limits on funding concentrations;
- (c) implementing a process to identify, measure, and monitor the Bank's rollover risk in contractual funding sources (*e.g.*, Federal Home Loan

Bank Advances, Certificates of Deposit, Fed Funds Purchased, Correspondent Lines, Repurchase Agreements); and

- (d) developing a comprehensive contingency funding plan that forecasts funding needs, sources, and strategies under different quantitative stress scenarios, and includes a process for regular testing of the plan to ensure it is operationally robust.

(3) The Board shall review the Bank's liquidity on a quarterly basis. At a minimum, reports shall set forth:

- (a) liquidity requirements and sources;
- (b) a maturity schedule of certificates of deposits, including large uninsured deposits;
- (c) an analysis of the continuing availability and volatility of present funding sources; and
- (d) contractual or effective maturity of each significant funding source including any maturity rollover risk.

(4) Reports developed for the purpose of implementing paragraphs (2) and (3) shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis.

ARTICLE XIV

EMPLOYMENT CONTRACTS AND COMPENSATION ARRANGEMENTS

(1) The Bank shall not enter into, renew, extend, or revise any contractual arrangement relating to compensation or benefits for any Senior Executive Officer or director of the Bank, unless it first provides the Assistant Deputy Comptroller with not less than thirty (30)

days prior written notice of the proposed transaction. The notice to the Assistant Deputy Comptroller shall include a copy of the proposed employment contract or compensation arrangement or a detailed, written description of the compensation arrangement to be offered to such officer or director, including all benefits and perquisites. The Board shall ensure that any contract, agreement or arrangement submitted to the Assistant Deputy Comptroller fully complies with the requirements of 12 C.F.R. Part 359, 12 C.F.R. §§ 163.39 and 163.161(b), and 12 C.F.R. Part 170 – Appendix A.

ARTICLE XV

CLOSING

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or prior written determination of no supervisory objection, 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) In each instance in this Agreement 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:

- (a) 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;
- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement;
- (c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) 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 Comptroller or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his 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 Comptroller has any intention to enter into a contract. The Bank also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency has

statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements 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.

/s/

Kent D. Stone
Assistant Deputy Comptroller
Carolinas Field Office

5/7/12

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.

<u>/s/</u> Randy Griffin	<u>5/7/12</u> Date
<u>/s/</u> Starr Pajela	<u>5/7/12</u> Date
<u>/s/</u> Milton Ponder	<u>5/7/12</u> Date
<u>/s/</u> W.C. Singleton	<u>5/7/12</u> Date
<u>/s/</u> Jack D. Tinsley	<u>5/7/12</u> Date
<u>Earle Youngblood</u>	<u> </u> Date