

OFFICE OF THRIFT SUPERVISION

Order No. 97-15

Date: March 3, 1997

**First Carnegie Deposit
Carnegie, Pennsylvania**

Order Approving Mutual Holding Company Reorganization

First Carnegie Deposit, Carnegie, Pennsylvania (the "Savings Bank"), has filed notice (the "Notice") of its intent to reorganize into a mutual holding company to be known as Skibo Bancshares, M.H.C. (the "Mutual Holding Company"), pursuant to section 10(o) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1467a(o), and 12 C.F.R. § 575.3.

The Notice requests that the Director of the Office of Thrift Supervision ("OTS"), or his designee, approve the reorganization of the Savings Bank into the Mutual Holding Company together with all the constituent elements of such reorganization.

The OTS has considered section 10(o) of the HOLA, and 12 C.F.R. § 575.4, and all other applicable statutes and regulations. In addition, the OTS has considered the digest submitted by the OTS Northeast Regional Office, a legal opinion by the Business Transactions Division, and an analysis by Corporate Activities. Based on its review, the OTS has determined that the proposed transaction would be in compliance with the standards and criteria therein, with the exception of 12 C.F.R. § 575.6(a) and § 575.6(b) provided that the Savings Bank and its successor savings bank, First Carnegie Deposit, Carnegie, Pennsylvania (the "New Savings Bank"), satisfy the conditions set forth below. Pursuant to 12 C.F.R. § 575.1(b), the OTS hereby waives the applicability of 12 C.F.R. §§ 575.6(a) and 575.6(b).

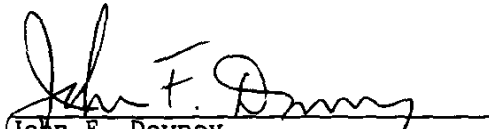
Accordingly, subject to the conditions set forth below, the OTS hereby approves the proposed reorganization of the Savings Bank, together with all the constituent elements of the reorganization but excluding any proposed issuance of stock to persons other than the Mutual Holding Company, which shall be the subject of a separate order.

OTS Approval of the Notice filed by the Savings Bank is subject to the following conditions:

1. The reorganization shall be consummated within 120 calendar days after the date of this order, unless an extension of time is granted for good cause by the Northeast Regional Office;

2. On the business day prior to consummation of the transaction, the Savings Bank shall submit to the Regional Director or his designee ("Regional Director") a certification stating that the transaction has been approved by the majority of the total votes eligible to be cast at the special meeting of members of the Savings Bank called to vote on the transaction;
3. On the business day prior to consummation of the proposed transaction, the chief executive officer of the Savings Bank shall certify to the Regional Director in writing that: (i) no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Savings Bank since the date of the financial statements submitted with the Notice and the Application; and (ii) any other required regulatory approvals have been obtained. Copies of any other regulatory approvals shall accompany this certification;
4. No later than 5 calendar days from the date of consummation of the reorganization, the Mutual Holding Company shall file with the Regional Director a certification by legal counsel stating: (i) the effective date of the reorganization; (ii) the initial capitalization of the Mutual Holding Company; (iii) the exact number of shares of the stock of the Savings Bank acquired by the Mutual Holding Company; (iv) the exact number of shares of the stock of the Savings Bank acquired by parties other than the Mutual Holding Company; (v) the amount of gross and net proceeds from the stock issuance; and (vi) that the reorganization and stock issuance have been consummated in accordance with the provisions of all applicable laws and regulations, the Notice, and the nondisapproval order; and
5. If the Mutual Holding Company plans to file consolidated tax returns, it shall submit within 30 days of the date of consummation of the transaction a written tax sharing agreement between the Mutual Holding Company and the Savings Bank which is acceptable to the Regional Director.

By Order of the Director of the Office of Thrift Supervision, or his designee, effective March 3, , 1997.


John F. Downey
Executive Director, Supervision