

UNITED STATES OF AMERICA

BEFORE

THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D.C.

_____)	
Written Agreement by and between)	
)	
BELMONT BANCORP)	
Bridgeport, Ohio)	Docket No. 99-020-WA/RB-BHC
)	
and)	
)	
FEDERAL RESERVE BANK)	
OF CLEVELAND)	
Cleveland, Ohio)	
_____)	

WHEREAS, in order to maintain the financial soundness of Belmont Bancorp, Bridgeport, Ohio ("Belmont"), a registered bank holding company, the Federal Reserve Bank of Cleveland (the "Reserve Bank") and Belmont have mutually agreed to enter into this Written Agreement (the "Agreement");

WHEREAS, as of the date of this Agreement, Belmont owns and controls the Belmont National Bank, Wheeling, West Virginia (the "Bank");

WHEREAS, this Agreement is being executed in accordance with the Rules Regarding Delegation of Authority of the Board of Governors of the Federal Reserve System (the "Board of Governors") specifically 12 C.F.R. 265.11(a)(15), and the Reserve Bank has received the prior

approval of the Director of the Division of Banking Supervision and Regulation (the "Director") and the General Counsel of the Board of Governors to enter into this Agreement with Belmont; and

WHEREAS, on August 3, 1999, the board of directors of Belmont, at a duly constituted meeting, adopted a resolution authorizing and directing W. QUAY MULL III to enter into this Agreement on behalf of Belmont and consented to compliance with each and every provision of this Agreement by Belmont and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. 1813(u) and 1818(b)(3)).

NOW, THEREFORE, before the taking of any testimony or adjudication of or finding on any issue of fact or law herein, and without this Agreement constituting an admission of any allegation made or implied by the Board of Governors, the Reserve Bank and Belmont hereby agree as follows:

1. Belmont shall not declare or pay any dividends without the prior written approval of the Reserve Bank and the Director. All requests for prior approval shall be received by the Reserve Bank and the Director at least 30 days prior to the proposed dividend declaration date and shall include, but not be limited to, current and projected information on consolidated earnings, cash flow and capital levels, and the asset quality of the Bank.

2. Belmont shall not take dividends or any other form of payment representing a reduction of capital from the Bank without the prior written approval of the Reserve Bank.

3. Belmont shall not impose, levy, or in any other manner charge the Bank any fee or fees that represent service or management fees of any nature without the prior written approval of the Reserve Bank. Any request for such approval shall be accompanied by documentation justifying the fee with respect to the services provided.

4. Belmont shall not, directly or indirectly, engage, undertake, initiate, or in any other manner participate in any transaction with the Bank that would cause the Bank to violate the lending limitations and restrictions of Section 23A and 23B of the Federal Reserve Act (12 U.S.C. 371c and 371c-1).

5. Belmont shall not incur any debt, either directly or indirectly, in the form of a guarantee or otherwise, without the prior written approval of the Reserve Bank.

6. Belmont shall not, directly or indirectly, purchase or redeem any of its stock or make, affirm, or ratify any commitment to purchase or redeem any of its stock without the prior written approval of the Reserve Bank.

7. (a) Within ^{75 W 4 M 17} ~~30~~ days of this Agreement, Belmont shall submit to the Reserve Bank its annual cash flow projections statement through the end of 1999.

(b) Within 30 days after the end of 1999 and the end of each calendar year thereafter, Belmont shall submit to the Reserve Bank its annual cash flow projections statement for the ensuing year.

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8. Within ~~30~~ days of this Agreement, Belmont shall submit to the Reserve Bank an acceptable written plan to achieve and, thereafter, to maintain an adequate capital position for the Bank and the consolidated organization. The plan shall, at a minimum, address and consider:

(a) the current and future capital requirements of the Bank and the consolidated organization, including compliance with the Capital Adequacy Guidelines for Bank Holding Companies: Risk-Based Measure and Tier 1 Leverage Measure, Appendices A and D of Regulation Y of the Board of Governors (12 C.F.R. Part 225, App. A and D); (b) the volume of adversely classified assets at the Bank; (c) the Bank's anticipated level of retained earnings; (d) the growth of the Bank's assets and its relationship to the Bank's capital ratios; and (e) the source and timing of additional funds to fulfill the Bank's future capital requirements and maintain the adequacy of the allowance for loan and lease loss reserves.

9. Belmont shall take all actions necessary to ensure that the Bank complies fully with all formal or informal supervisory actions that have been imposed or may be imposed on the Bank by the Office of the Comptroller of the Currency.

10. The plan required by paragraph 8 hereof shall be submitted to the Reserve Bank for review and approval. An acceptable plan shall be submitted to the Reserve Bank within the required time period. Belmont shall adopt the approved plan within 10 days of receipt of

approval by the Reserve Bank and then shall fully comply with it. During the term of this Agreement, the approved plan shall not be amended or rescinded without the prior written approval of the Reserve Bank.

11. Within 30 days of the end of each quarter (September 30, December 31, March 31 and June 30) following the date of this Agreement, Belmont shall furnish to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with this Agreement and the results thereof.

12. All communications regarding this Agreement shall be sent to:

- (a) R. Chris Moore
Senior Vice President
Federal Reserve Bank of Cleveland
East 6th & Superior
P.O. Box 6387
Cleveland, Ohio 44101-1387

- (a) W. Quay Mull II
Chairman and Interim Chief Executive Officer
Belmont Bancorp
154 West Main Street
St. Clairsville, Ohio 43950

13. The provisions of this Agreement shall be binding upon Belmont all of its institution-affiliated parties, in their capacities as such, and their successors and assigns.

14. The provisions of this Agreement shall remain effective and enforceable until stayed, modified, terminated or suspended, in writing, by the Reserve Bank.

15. Notwithstanding any provision of this Agreement to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to Belmont to comply with any provision of this Agreement.

16. The provisions of this Agreement shall not bar, estop or otherwise prevent the Board of Governors, the Reserve Bank or any federal or state agency or department from taking any other action affecting Belmont or any of its current or former institution-affiliated parties and its successors or assigns.

17. This Agreement is a "written agreement" for the purposes of section 8 of the FDI Act (12 U.S.C. 1818).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 3 day of Aug, 1999.

BELMONT BANCORP

By: W. Tony Mall
INTER. C.F.O.

FEDERAL RESERVE BANK OF
CLEVELAND

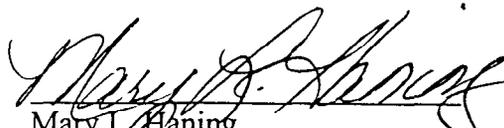
By: R. Chris Moore
R. Chris Moore
Senior Vice President

The undersigned directors of Belmont each acknowledges having read the foregoing Agreement and approves of the consent thereto by Belmont.


John A. Belot

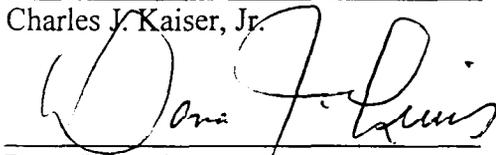
J. Vincent Ciroli, Jr.


John H. Goodman, II

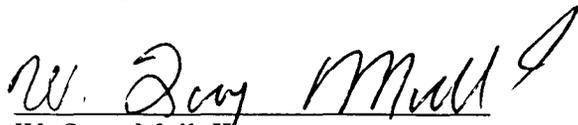

Mary L. Haning


Charles J. Kaiser, Jr.


Terrence A. Lee

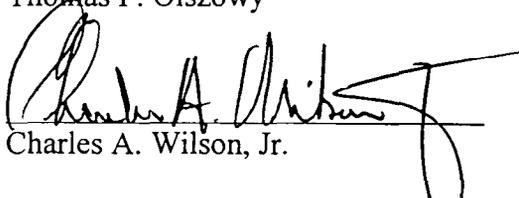

Dana J. Lewis


James R. Miller


W. Quay Mull, II

Thomas P. Olszowy


Keith A. Sommer


Charles A. Wilson, Jr.