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Comptroller of the Currency  
Administrator of National Banks

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Northeastern District  
1114 Avenue of the Americas, Suite 3900  
New York, NY 10036-7780

Licensing Unit  
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**Conditional Approval #693  
June 2005**

May 26, 2005

By facsimile: 610.988.0828  
And regular mail.

Timothy F. Demers, Esq.  
Stevens & Lee  
111 North Sixth Street  
Post Office Box 679  
Reading, PA 19603-0679

Re: Application by The First National Bank of McConnellsburg, McConnellsburg, Pennsylvania (“McConnellsburg”) to purchase the assets and assume the liabilities of the “Hancock, Maryland Office” of Hagerstown Trust Company, Hagerstown, Maryland (“Hagerstown”)  
Control Number: 2005 NE 02 0015 Charter No.: 8083

Dear Mr. Demers:

This is to inform you that today the Office of the Comptroller of the Currency (OCC) has conditionally approved the proposal by McConnellsburg to purchase the assets and assume the liabilities of the “Hancock, Maryland Office” of Hagerstown.

This approval is granted based on a thorough review of all information available, including commitments and representations made in the application, by representatives of the bank, in the agreement or in any subsequent correspondence.

This approval is subject to the following special requirement:

- Prior to consummation, McConnellsburg shall submit a three-year capital plan to Assistant Deputy Comptroller James Calhoun in the OCC’s Pittsburgh Field Office for review and receive the OCC’s non-objection to the plan. The capital plan shall require, among other things, that McConnellsburg restore its leverage capital ratio to 7.5% within fifteen months of this approval and, at all times, maintain satisfactory capital to support operations.

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This approval is also subject to the following “condition imposed in writing by the agency in connection with the granting of any application or other request” within the meaning of 2 U.S.C. § 1818. As such, this condition is enforceable under 12 U.S.C. § 1818. The condition is:

- The Board of Directors of McConnellsburg shall fully implement and ensure continued adherence to the terms and provisions of the capital plan.

As a reminder, the district office must be advised in writing in advance of the desired effective date for the transaction so that the OCC may issue the necessary certification letter. The effective date must follow the applicable Department of Justice injunction period and any other required regulatory approval.

The OCC will issue a letter certifying consummation of the transaction when we have received:

- 1) A Secretary’s Certificate for both banks, certifying that a majority of the board of directors approved the transaction, if not previously provided.
- 2) An executed purchase and assumption agreement, if not previously provided.

If the purchase and assumption is not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

This approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or any officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

If you have questions, please contact Kerry Rice, Licensing Analyst, at (215) 245-2606.

Sincerely,

**signed**

Sandya Reddy  
Senior Licensing Analyst