

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

AND

STATE OF WASHINGTON

DEPARTMENT OF FINANCIAL INSTITUTIONS

OLYMPIA, WASHINGTON

In the Matter of)
SHOREBANK, PACIFIC) AMENDMENT TO THE
ILWACO, WASHINGTON) CONSENT ORDER
(STATE CHARTERED) FDIC-09-513b
INSURED NONMEMBER BANK)
)

The Federal Deposit Insurance Corporation ("FDIC") and the State of Washington Department of Financial Institutions ("WDFI") issued a CONSENT ORDER ("ORDER") on March 10, 2010 against Shorebank, Pacific, Ilwaco, Washington ("Bank"). The FDIC and the WDFI have determined that it is necessary to amend the ORDER.

The Bank, having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the additional unsafe or unsound banking practices alleged to have been committed by the Bank, and of its right to a hearing on the charges under section 8(b) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C.

§ 1818(b), and Revised Code of Washington, Anno. § 30.04.450 ("RCW"), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN AMENDMENT TO THE CONSENT ORDER ("STIPULATION TO AMENDMENT") with representatives of the FDIC and the WDFI dated July 9, 2010, whereby, solely for the purpose of this proceeding and without admitting or denying the charges of unsafe or unsound banking practices, the Bank consented to the issuance of an AMENDMENT TO THE CONSENT ORDER ("AMENDMENT TO THE ORDER") by the FDIC and the WDFI.

The FDIC and the WDFI considered the matter and determined that the requirements for issuance of an Order under 12 U.S.C. § 1818(b) and RCW § 30.04.450 have been met. The FDIC and the WDFI therefore accepted the STIPULATION TO AMENDMENT and HEREBY ORDER, that the ORDER be and is hereby amended to add the following affirmative actions. The Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns shall take affirmative action as follows:

SALE OR MERGER

1. (a) Within 10 days from the effective date of this AMENDMENT TO THE ORDER, the Bank shall develop, adopt, and implement a plan to sell or merge itself into an insured depository institution that is not controlled by The Shorebank Corporation, Chicago, Illinois, or otherwise recapitalize the

Bank so that the Bank is no longer controlled by The Shorebank Corporation.

(b) The plan required by this paragraph shall be acceptable to the Regional Director of the FDIC Chicago Regional Office ("Regional Director") and the Director of Banks for the WDFI ("Director").

PROGRESS REPORTS

2. Within 30 days from the end of each calendar quarter following the effective date of this AMENDMENT TO THE ORDER, the Bank shall furnish to the Regional Director and Director written progress reports signed by each member of the Bank's board of directors, detailing the actions taken to secure compliance with the AMENDMENT TO THE ORDER and the results thereof.

NOTIFICATION TO SHAREHOLDER

3. Following the effective date of this AMENDMENT TO THE ORDER, the Bank shall send to its shareholder a copy of this AMENDMENT TO THE ORDER: (1) in conjunction with the Bank's next shareholder communication; or (2) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting.

This AMENDMENT TO THE ORDER shall be effective upon its issuance by the FDIC and the WDFI.

The provisions of this AMENDMENT TO THE ORDER shall be binding upon the Bank, its institution-affiliated parties, and

any successors and assigns thereof.

The provisions of this AMENDMENT TO THE ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the FDIC and the WDFI.

This AMENDMENT TO THE ORDER does not modify, terminate, suspend, or set aside any provision of the ORDER.

Pursuant to delegated authority.

Dated: August 10, 2010

/s/

M. Anthony Lowe
Regional Director
Chicago Regional Office
Federal Deposit Insurance
Corporation

/s/

Brad Williamson
Director of Banks
Department of
Financial Institutions
State of Washington