

OFFICE OF THRIFT SUPERVISION

Notice of Intent by Mutual Holding Company
to Waive Dividend from Subsidiary Savings Bank

Order No. 97-104

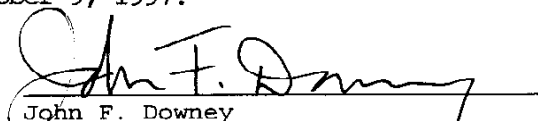
Date: October 9, 1997

ComFed, M.H.C., North Palm Beach, Florida (the "MHC"), has filed with the Office of Thrift Supervision ("OTS"), pursuant to Section 10(o) of the Home Owners' Loan Act and 12 C.F.R. Section 575.11(d), a notice (the "Notice") of the MHC's intent to waive its right to receive cash dividends to be paid by its subsidiary savings association, Community Savings, F.A., North Palm Beach, Florida (the "Savings Association"), or by Community Savings Bankshares, Inc., North Palm Beach, Florida, for the quarter ending September 30, 1997.

The OTS has considered the written analyses and recommendations of the Southeast Regional Office, the Chief Counsel's Office and Corporate Activities and has determined that the waiver of cash dividends by the MHC is not detrimental to the safe and sound operation of the Savings Association, provided that the conditions set forth below are satisfied. Accordingly, the OTS does not object to the waiver of dividends by the MHC as proposed in the Notice subject to the following conditions:

1. For as long as the Savings Association is controlled by the MHC, the dollar amount of dividends waived by the MHC must be considered a restriction on the retained earnings of the Savings Association. Such restriction, if material, must be disclosed in the public financial statements of the Savings Association as a note to the financial statements. The amount of any dividend waived by the MHC shall be available for declaration as a dividend solely to the MHC. In accordance with Statement of Financial Accounting Standards No. 5, where the Savings Association determines that the payment of such dividend to the MHC is probable, an appropriate dollar amount shall be recorded as a liability; and
2. The amount of any waived dividend must be considered as having been paid by the Savings Association (and the Savings Association's capital ratios adjusted accordingly) in evaluating any proposed dividend under 12 C.F.R. §§ 563.134 and 565.6(a)(1), or any successor regulations.

By Order of the Director of the Office of Thrift Supervision, or his designee, effective October 9, 1997.


John F. Downey
Executive Director, Supervision