

2. Jurisdiction.

(a) Solely for the purpose of entering into the Order, the Shareholders agree they may be deemed to be "institution-affiliated parties" within the meaning of Section 3 of the FDIA.

(b) First Federal Bank, A Federal Savings Bank, Vincennes, Indiana, ("First Federal") is a "savings association within the meaning of Section 3 of the FDIA and Section 2 of the Home Owners' Loan Act, as amended by FIRREA. Accordingly, First Federal is an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, as amended by FIRREA, 12 U.S.C. 1813(c).

(c) Pursuant to Section 3 of the FDIA, as amended by FIRREA, the Director of OTS is the "appropriate Federal Banking agency" to maintain an enforcement proceeding against such institution-affiliated parties. Therefore, the Shareholders are subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against them pursuant to Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C. 1818(b).

3. Consent. The Shareholders consent to the issuance by the OTS of the Order. They further agree to comply with the terms of the Order upon issuance and stipulate that the Order complies with all requirements of law.

4. Finality. The Order is issued under Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C. 1818(b). Upon its issuance by the Deputy Regional Director for the Indianapolis Office, Central Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, as amended by FIRREA, 12 U.S.C. 1818(i).

5. Waivers. The Shareholders waive their right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C. 1818(b), and further waive any right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, as amended by FIRREA, 12 U.S.C. 1818(h), or otherwise to challenge the validity of the Order.

WHEREFORE, in consideration of the foregoing, the OTS, by and through its Deputy Regional Director for the Indianapolis Office, Central Region, and the Shareholders execute this Stipulation and Consent to Issuance of Order to Cease and Desist.

OFFICE OF THRIFT SUPERVISION

 / S /
C. James McCormick

 / S /
Bettye J. McCormick

 / S /
C. James McCormick, III

 / S /
Michael D. McCormick

 / S /
Patrick E. McCormick

 / S /
Jane A. Wissel

By: / S /
JAMES M. WISSEL
Deputy Regional Director
Indianapolis Office
Central Region

5. Waivers. The Shareholders waive their right to a notice of charges and the administrative hearing provided by Section 8(b) of the FDIA, as amended by FIRREA, 12 U.S.C. 1818(b), and further waive any right to seek judicial review of the Order, including any such right provided by Section 8(h) of the FDIA, as amended by FIRREA, 12 U.S.C. 1818(h), or otherwise to challenge the validity of the Order.

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C. James McCormick

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By: _____

Jill A. Drake
Deputy Regional Director
Indianapolis Office
Central Region

regulations applicable to all savings associations, Sections 561 et seq. (1991), including, but not limited to, 12 C.F.R. Part 574, (1991) (the "Control Regulations") and 12 C.F.R. Part 563b (the "Conversion Regulations"), Section 13(d) of the Securities Exchange Act of 1934, 15 U.S.C. Section 78m ("Exchange Act"), and the rules promulgated thereunder, 17 C.F.R. Section 240.13d-1, et seq.

IT IS FURTHER ORDERED that:

1. As soon as practicable, the Shareholders shall dispose of all the common stock of 1st Bancorp, Vincennes, Indiana ("1st Bancorp"), that they own or control, either directly or indirectly, in excess of ten percent (hereinafter the "Excess Shares"). In the event the Shareholders are unable to dispose of the Excess Shares within one hundred eighty (180) days after the effective date of this Order, the Shareholders agree to contribute any unsold portion of the Excess Shares to a trust (the "Trust") administered by a trustee (the "Trustee") independent from the Shareholders. The identity of the Trustee and the terms of the Trust shall be approved by the Deputy Regional Director of OTS and shall require the Trustee to sell the Excess Shares as soon as practicable (either in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended, or pursuant to an effective registration statement). Additionally, the terms of the Trust shall require that the Trustee shall pay all reasonable and customary expenses of sale from the proceeds, and after the final sale shall then remit the remaining amount up to a maximum of Eight Dollars (\$8.00) per share to the Shareholders, pro rata in accordance with the number of shares placed in the trust, and remit the balance of the proceeds, if any, to the Treasurer of the United States within thirty (30) days after the final sale as provided in Paragraph 6 below.

2. Until such time as the Shareholders dispose of their Excess Shares pursuant to this Order, the Shareholders or the Trustee, as the case may be, shall vote the Excess Shares on a pro-rata basis in accordance with the votes of other 1st Bancorp stockholders. In order to effect this requirement, the Shareholders, or a representative thereof, shall provide written instructions to the Secretary of 1st Bancorp that the Excess Shares shall be voted on this basis and shall furnish a copy of such instructions to the Deputy Regional Director.

3. If the Shareholders or the Trustee, as the case may be, are unable to sell the Excess Shares within one (1) year after the date of this Order, the Excess Shares shall be donated to a charitable organization, as that term is defined in the Internal Revenue Code, designated by the Shareholders with the approval of the Deputy Regional Director.

4. Until such time as the Excess Shares are disposed of, except as necessary solely in connection with performance of his duties as a Director or Chairman of First Federal's or 1st Bancorp's Board of Directors, C. James McCormick shall not, and the other Shareholders shall not, exercise nor attempt to exercise, directly or indirectly, control or a controlling influence over the management or policies of First Federal Bank, A Federal Savings Bank, Vincennes, Indiana ("First Federal"), or 1st Bancorp. While the Shareholders own the Excess Shares, they shall not, directly or indirectly:

- (a) seek or accept representation of more than one member of the Board of Directors of First Federal or 1st Bancorp;
- (b) without the prior written approval of the OTS (or any successor agency), engage in any transactions with First Federal or 1st Bancorp other than transactions as a bank customer in the ordinary course of business;

- (c) propose a director or slate of directors in opposition to a nominee or slate of nominees proposed by the management or Board of Directors of First Federal or 1st Bancorp other than as permitted in Item (a) above;
- (d) solicit proxies or participate in any solicitation of proxies with respect to any matter presented to the stockholders of First Federal or 1st Bancorp other than in support of, or in opposition to, a solicitation conducted on behalf of the management of First Federal or 1st Bancorp;
- (e) except as necessary solely in connection with performance of duties as a member or Chairman of First Federal's or 1st Bancorp's Board of Directors, do any of the following:
 - (i) influence or attempt to influence in any respect the loan or credit decisions or policies of First Federal or 1st Bancorp, the pricing of services, any personnel decisions, the location of any offices, branching or similar activities of First Federal or 1st Bancorp;
 - (ii) influence or attempt to influence the dividend policies and practices of First Federal or 1st Bancorp or any decisions or policies of First Federal or 1st Bancorp as to issuing, offering or exchanging any securities;

(iii) seek to amend, or otherwise take action to change the bylaws, articles of incorporation or charter of First Federal or 1st Bancorp;

(iv) exercise, or attempt to exercise, directly or indirectly, control or a controlling influence over the management policies or business operations of First Federal or 1st Bancorp; or

(v) seek or accept access to any non-public information concerning First Federal or 1st Bancorp.

(f) The undertakings of this paragraph shall supersede all previous agreements entered into by the OTS and the Shareholders regarding the Shareholders' acquisition of the securities of First Federal or 1st Bancorp.

5. In selling the Excess Shares pursuant to this Order:

(a) Neither the Shareholders nor the Trustee shall, after reasonable inquiry, knowingly sell stock to individuals or companies that are "institution-affiliated parties" as that term is defined in 12 U.S.C. 1813(u), as amended by FIRREA, or any person with whom the seller may be presumed to act in concert pursuant to 12 C.F.R. 574.4(d).

(b) Neither the Shareholders nor the Trustee shall, after reasonable inquiry, knowingly sell or transfer securities to any individual purchaser or group of purchasers, acting in concert, who by reason of such purchase would become the owner of 25 percent or

more of the common stock of 1st Bancorp, unless such purchaser or group of purchasers received prior regulatory approval for such purchases.

- (c) Purchasers shall have no understandings, arrangements or agreements (written or oral) with the Shareholders relating to any repurchase or any future disposition of the voting stock of 1st Bancorp.

6. The Shareholders understand and agree that any profits realized from the sale of the Excess Shares by the Shareholders in the aggregate shall be paid to the Treasurer of the United States within thirty (30) days after the final sale by delivering a check made out to the United States Treasury to the Deputy Regional Director, P.O. Box 6139, Indianapolis, Indiana 46206. Such profits shall be measured by the difference between the aggregate certified sales price (net of reasonable and customary expenses of sale) received by the Shareholders and the aggregate certified purchase price of the shares when purchased by the Shareholders. The Shareholders shall submit to the Deputy Regional Director within twenty (20) days after the final sale of all the Excess Shares, certification of the amount of profit or that there was no profit. The payment of profits may be waived if the Deputy Regional Director determines that such profit is a de minimus amount.

7. The Shareholders understand and agree that sales of the Excess Shares shall be effected in compliance with all applicable state and federal securities laws.

8. C. James McCormick shall resign from the Board of Directors of 1st Bancorp and First Federal if he violates the Control Act, the Control Regulations, the Conversion Regulations, Section 13(d) of the Exchange Act, or

the rules and regulations promulgated pursuant to Section 13(d) of the Exchange Act, with respect to securities of any savings association or holding company thereof in the future.

9. Reference in this Order to provisions of statutes, regulations, and OTS Memoranda shall be deemed to include references to successor provisions as they become applicable.

10. All technical words or terms used in this Order for which meanings are not specified or otherwise provided by the provisions of this Order, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations ("CFR"), Home Owners' Loan Act ("HOLA"), and the FDIA, as amended. Any such technical words or terms used in this Order and undefined in the CFR, HOLA, FDIA, or OTS Memoranda shall have meanings that are in accordance with the best custom and usage in the savings association industry.

11. This Order shall remain in effect until terminated, modified or suspended by the OTS.

OFFICE OF THRIFT SUPERVISION

By: _____

/S/

Bill A. Drake
Deputy Regional Director
Indianapolis Office
Central Region