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**SUPERVISORY AGREEMENT**

This Supervisory Agreement ("Agreement") is made and is effective this 15 day of July, 1991, by and between Monroe Federal Savings and Loan Association, Tipp City, Ohio ("Monroe Federal"), and the Office of Thrift Supervision ("OTS").

This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of Monroe Federal. It is understood and agreed that this Agreement is a "written agreement" entered into with the Office of Thrift Supervision within the meaning of 12 U.S.C.A. § 1818(b)(1) and (i)(2) (West 1989).

NOW, THEREFORE, IT IS AGREED between the parties hereto as follows:

1. Monroe Federal shall not make any further purchases of participation certificates or make any other investments with Pacific Thrift and Loan ("PTL"). Monroe Federal shall also use its best efforts to resell such participations to PTL, without loss to Monroe Federal.

2. Within 60 days of the date of this Agreement, Monroe Federal shall submit a detailed business plan, acceptable to the Deputy Regional Director or designee, in accordance with OTS Business Plan Guidelines, issued on December 31, 1989, as OTS Thrift Bulletin 89-62. The plan shall be projected through December 31, 1994. This plan shall set forth Monroe Federal's activities and strategies and contain, at a minimum:

a. A statement that all future loans and investments shall only be undertaken if they comply with Monroe Federal's written loan underwriting and investment policies;

b. A commitment that all investments are intended to be held for investment and qualify as liquid assets under Part 566 of the OTS Regulations, 12 C.F.R. 566.1(1990).

c. A statement that Monroe Federal shall, at all times, refrain from undertaking investment transactions that are not compatible with a "held-for-investment" strategy.

d. A provision that Monroe Federal shall refrain from undertaking loans or investments which fall into a risk weight category of higher than 50% without notification to the Deputy Regional Director or designee.

Monroe Federal shall not implement material changes to the activities and strategies outlined in this plan without written approval of the Deputy Regional Director or designee.

3. Monroe Federal shall establish whatever policies and procedures that are necessary to assure the OTS that Thrift Financial Reports will be prepared timely and accurately according to report instructions. Monroe Federal understands that the failure to file accurate and timely reports may result in the assessment of civil money penalties.

4. Monroe Federal shall not reinstitute mobile home lending without notification to the Deputy Regional Director or designee. Monroe Federal shall closely monitor its mobile home portfolio and carefully administer the savings accounts established with it by Mobile Consultants, Inc., of Alliance, Ohio, to ensure that any disbursements from such accounts are contractually authorized.

All technical words or terms used in this Agreement, for which meanings are not specified or otherwise provided by the provisions of this Agreement shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, Home Owners' Loan Act, Federal



CERTIFIED COPY OF  
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of Monroe Federal Savings and Loan Association, Tipp City, Ohio, hereby certify that the following is a true copy of a resolution duly adopted by its board of directors at a meeting duly called and held on July 15, 1991, that at said meeting a quorum was present and voting throughout, and that said resolution has not been rescinded or modified and is now in full force and effect:

RESOLUTION

THEREFORE, BE IT RESOLVED, that the proposed Agreement, a copy of which is attached hereto, be and is hereby approved by the Board of Directors of Monroe Federal Savings and Loan Association. The officers and employees of Monroe are directed and authorized to take all necessary steps to implement immediately the terms of the Agreement.

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of Monroe Federal this 15 day of July, 1991.

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Secretary