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AGREEMENT

This Agreement ("Agreement") is made and is effective this 19 day of August, 1991, by and between Hunter Savings Association, Cincinnati, Ohio, (hereinafter "Hunter") 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 Hunter, its directors, officers, employees, agents, and service corporations. 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. Hunter and its directors, officers, employees, agents, and service corporations shall refrain from using the investment advice and services of American Money Management ("AMM"), or of any other affiliate, affiliated person (other than an employee of Hunter) or entity.

2. Hunter's board shall provide for the timely hiring and/or designation of qualified Hunter employees who shall henceforth be responsible, subject to policies and procedures established by Hunter's board of directors ("the Hunter Board"), for the prudent management of Hunter's investment activity.

3. Hunter shall not utilize the services of, engage, or contract with an independent investment advisor without complying with the requirements of paragraph 2 above and obtaining the prior approval of the Assistant Director of the Cincinnati District of OTS.

4. Hunter shall provide for the immediate implementation of an internal audit function appropriate, in OTS's sole judgement, for an institution of Hunter's size and complexity and which meets the minimum requirements set forth in the OTS Thrift Activities Regulatory Handbook. Hunter shall require the submission of periodic reports from the internal audit department to the Hunter Board.

5. Hunter shall engage in only such investment activity as has received the prior approval of the Hunter Board. The Hunter Board shall be responsible for the adoption of investment strategies, the prioritization of investment objectives, and the establishment of definitive lines of authority and management responsibilities including prudent risk exposure limitations. The foregoing shall be reviewed by the Hunter Board, or a committee thereof, on at least a quarterly basis to ensure that activities are consistent with the aforementioned strategies, objectives, and responsibilities. Within 60 days from the date of this Agreement, the Hunter Board shall review, approve and submit to the Assistant Director, for approval, written policies and procedures concerning the aforementioned strategies, objectives, responsibilities and policies governing investment, liquidity, and funds management. Such policies and procedures shall provide for the prudent management of the institution's investment portfolio and shall, at a minimum:

- a. Establish the types and levels of allowable investments, including the types of securities which may be traded, the volume of outstanding positions, and the maximum amount of gains or losses (realized or unrealized) in a certain period;
- b. Contain specific guidelines for investment, trading and hedging strategies, diversification, maturity schedules, and limitations on quality ratings;

- c. Establish specific limitations on concentrations of investments in single borrowers and industries;
- d. Outline comprehensive internal controls, including but not limited to the following:
 - i. Minimum standards for written pre-purchase analysis, documentation requirements, and guidelines for documentation of approval and review of transactions;
 - ii. Monitoring procedures, including schedules for regular post-purchase analysis of investments and their issuers, and guidelines for review procedures to be performed on an ongoing basis which would alert Hunter to possible impaired assets prior to the scheduled analysis;
 - iii. Monitoring by the internal audit department for compliance with stated board policies;
- e. Contain specific references to applicable laws, rules and regulations;
- f. Identify specific types and levels of investment authority which may be exercised by specified employees without additional prior board approval;
- g. Contain guidelines for identification of specific investments (including loans) as held-for-investment, held-for-sale, or trading;
- h. Establish guidelines to govern movement of securities and require that transfers between the held-for-investment and held-for-sale portfolios be (i) based on sound rationale, and

in accordance with written guidelines, (ii) consistent with the board's investment strategies and interest-rate-risk policy, and (iii) fully documented.

- i. Proscribe under what circumstances the sale of securities due to changes in external factors will be allowed.
- j. Establish guidelines for determining the institution's ability to purchase, and hold to maturity, investments, including but not limited to (i) the availability of funding, (ii) the ability to meet margin calls and over-collateralization requirements; and (iii) the ability of the institution to fund commitments to purchase or originate securities in light of applicable regulatory limitations; and
- k. Outline requirements for documentation of monitoring of levels of capital, liquidity and valuation allowances in relation to the investment portfolios.

6. Hunter, on or before December 31, 1991, shall account for as held-for-sale, and, accordingly, apply lower-of-cost-or-market accounting to, its current portfolio of mortgage-backed and mortgage-derivative securities.

Beginning with the effective date of this Agreement, investments identified for "trading" pursuant to Section 5(g) of this Agreement shall be periodically marked to market. Alternately, Hunter shall transfer all or a portion of its portfolio of mortgage-backed and mortgage-derivative securities to its investment portfolio and shall comply with the policies in paragraph 5.

7. Hunter shall revise the tax allocation agreement dated May 13, 1974, as amended, to assure that such agreement conforms with Section 600 of the

Regulatory Handbook of the OTS dated March 1991 and such revised agreement shall be acceptable to the Deputy Regional Director. At a minimum, any tax allocation agreement between Hunter and its parent company shall contain the following provisions: (1) tax payments from the association are not to be made more than 5 days prior to the payment due dates; (2) the amount of tax paid from the association shall not exceed the amount estimated to be due and currently payable; and (3) the association shall not pay or transfer deferred taxes to the holding company. Further, the association is to establish and maintain proper deferred tax accounts, in accordance with GAAP, on the books of the association as of December 31, 1991.

8. Hunter shall comply with OTS requirements for the documentation, recordkeeping and reporting of investment activity.

These policies and procedures shall be reviewed by the Hunter Board on at least an annual basis and revised where appropriate.

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 ("HOLA"), Federal Deposit Insurance Act ("FDIA") or OTS Memoranda, as amended, and all such technical words or terms used in this Agreement, and undefined by the statutes, rules and regulations contained in such Code of Federal Regulations, HOLA, FDIA, or OTS Memoranda, shall have meanings that accord with the best custom and usage in the savings and loan industry. The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

This Agreement shall remain in effect until terminated by the OTS, acting through its Deputy Regional Director. Any decision to amend or modify the Agreement is left to the discretion of the OTS Deputy Regional Director.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officer or designated agent. A certified copy of the resolution of the Board of Directors of Hunter authorizing the execution of this Agreement is attached hereto and made a part hereof.

HUNTER SAVINGS ASSOCIATION
Cincinnati, Ohio

By: JS
Its: ALS

OFFICE OF THRIFT SUPERVISION

By: JS
~~Regional Director~~
Central Region