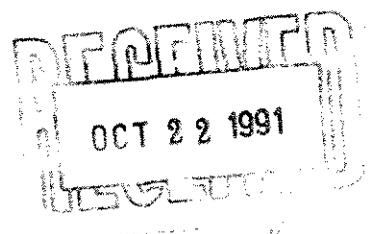


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AGREEMENT

This Agreement is made and is effective this 26th day of September 1991 ("Effective Date"), by and between FIRST SAVINGS AND LOAN ASSOCIATION OF SOUTH HOLLAND, SOUTH HOLLAND, ILLINOIS ("Institution"), the OFFICE OF THRIFT SUPERVISION ("OTS") and the OFFICE OF THE COMMISSIONER OF SAVINGS AND RESIDENTIAL FINANCE ("OCSRF").

This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of Institution. It is understood and agreed that this Agreement is a "written agreement" entered into with the OTS and the OCSRF within the meaning of Section 8(b) and (i)(2) of the Federal Deposit Insurance Act, as amended by Title IX of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA"), (to be codified at 12 U.S.C. Section 1818(b)(1) and (i)(2)).

WHEREAS, the OTS is of the opinion that, based on the results of the Report of Examination as of October 15, 1990, grounds exist for the initiation of formal enforcement action pursuant to 12 U.S.C. Section 1818(b) against the Institution by the OTS; and

WHEREAS, the OCSRF is of the opinion that, based on the results of the Report of Examination as of October 15, 1990, and as recited in the Supervisory Letter, dated May 31, 1991, transmitting the Report of Examination, grounds exist for the issuance of formal orders against the Institution by the OCSRF; and

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings and the OCSRF is willing to forbear at the time from the issuance of formal orders against the Institution on the subjects covered by this Agreement for so long as the Institution is in compliance with the provisions of this Agreement; and

WHEREAS, the Institution, by its Board of Directors ("Board"), without admitting nor denying that grounds exist for the initiation of cease and desist proceedings and/or issuance of formal orders and in the interest of regulatory compliance and cooperation, and in order to avoid litigation, deems it in the best interest of the Institution to enter into this Agreement;

NOW THEREFORE, in consideration of the above-stated forbearance by the OTS from the initiation of cease and desist proceedings and/or by the OCSRF from the issuance of formal orders against the Institution, it is agreed between the parties hereto as follows:

Compliance with Regulations

1. The Institution and its controlled subsidiaries shall correct any violations cited in this Article and the Report of Examination, dated October 15, 1990, and/or the Supervisory Letter transmitting same, dated May 31, 1991, which continue to exist, and shall not initiate any action which would result in a violation of, or the aiding and abetting of any violation of:

12 C.F.R. Subsection 563.170(c) pertaining to the establishment and maintenance of records;

12 C.F.R. Subsection 563.93(f)(2) pertaining to the records of Loans-to-One Borrower regulation;

12 C.F.R. Subsection 563.41(b) pertaining to restrictions on real property transactions with affiliated persons;

12 C.F.R. Subsection 563.43(b) and (c) pertaining to restrictions on loans and other investments involving affiliated persons;

12 C.F.R. Subsection 571.7 pertaining to conflicts of interest;

Illinois Savings and Loan Act, Sec. 3-9. (Ill. Rev. Stat. 1989, ch. 17, par. 3303-9;

Illinois Savings and Loan Act, Sec. 5-13(b) (Ill. Rev. Stat. 1989, ch. 17, par. 3305-13(b));

Illinois Savings and Loan Act, Sec. 5-16 (Ill. Rev. Stat. 1989, ch. 17, par. 3305-16);

Rules and Regulation, Subpart D, Sec. 400.430 (38 Ill. Adm. Code 400.430);

Rules and Regulation, Subpart E, Sec. 400.510 (38 Ill. Adm. Code 400.510);

Rules and Regulation, Subpart F, Sec. 400.610 and 400.615 (38 Ill. Adm. Code 400.610 and 400.615); and

Rules and Regulation, Subpart I, Sec. 400.1060 (38 Ill. Adm. Code 400.1060).

Internal Auditor

2. Within thirty (30) calendar days from the date of this Agreement, the Board shall appoint an internal auditor ("Internal Auditor") who shall report directly to the Board Audit Committee. It shall be the responsibility of the Internal Auditor to coordinate, monitor, and apprise the Board Audit Committee of compliance with each provision of this Agreement and any other duties that the Board Audit Committee deems appropriate.
3. The Internal Auditor shall submit monthly written progress reports to the Board Audit Committee beginning with the month following the appointment of the Internal Auditor, setting forth in detail:
 - (a) actions taken to comply with each Article of the Agreement; and
 - (b) results of those actions.
4. Within ten (10) calendar days following each of its meetings, beginning with the month following the appointment of the Internal Auditor, the Board Audit Committee shall forward a copy of the Internal Auditor's report required pursuant to Article 3, with any additional comments by the Board, to the OTS Manager and the OCSRF.

Loans to Affiliated Persons

5. The Institution shall not, directly or indirectly pay money or the equivalent to, or extend credit in any form to or for the benefit of: its affiliated persons (as defined by 12 C.F.R. Subsection 561.5 (1990)) including their adult children and spouses if any; its service corporation directors, officers, and employees; or its attorneys; except as authorized by the Indemnification provisions of the Institution's By-Laws and as required by 12 C.F.R. Subsection 545.121 (1990).
6. The Institution shall not enter into or engage in any transaction which obligates the Institution to do the same as set forth in Article 5.
7. The Institution may extend credit to the affiliated persons set forth in Article 5 for purposes defined in 12 C.F.R. Subsection 563.43 (1990), provided such credit complies with 12 C.F.R. Subsection 563.43 (1990), Section 22(h) of the Federal Reserve Act, and the Illinois Savings and Loan Act, Section 5-11 (Ill. Rev. Stat. 1989, ch. 17, par. 3005-11).

Conflicts of Interest

8. Within thirty (30) calendar days from the date of this Agreement, the Board shall adopt the conflicts of interest policy, which is attached as Appendix A ("Conflicts of Interest Policy"), pertaining to affiliated persons and employees of the Institution (said persons hereinafter referred to as "Insiders") and their related interests (as that term is defined by Regulation O, 12 C.F.R. Subsection 215.2(k)). The policy addresses, at a minimum:
 - (a) the definition of a conflict of interest;
 - (b) the restrictions set forth in Article 5 of this Agreement;
 - (c) prohibition from involvement by Insiders who may benefit directly or indirectly from the granting of credit in the loan approval process;
 - (d) disclosure by Insiders of actual and potential conflicts of interest to the Board, and annual disclosures by affiliated persons (the Illinois Savings and Loan Act, Sec. 1-10.32, 1-10.33 and 1-10.34 (Ill. Rev. Stat. 1989, ch. 17 pars. 3001-10.32 through 3001-10.34));
 - (e) avoidance of conflicts of interest and the appearance of conflicts of interest, and breaches of fiduciary duty;
 - (f) requirements for arms-length dealing in any transactions by Insiders involving the Institution's sale or purchase of property and services;
 - (g) usurpation of corporate opportunities;
 - (h) periodic disclosure of any material interest held by an Insider in the business of a borrower, an applicant, or other customer of the Institution; and
 - (i) restrictions on and disclosures of receipt of anything of value by Insiders, directly or indirectly, from borrowers, loan applicants, or other customers or suppliers of the Institution.
9. Upon adoption, the Board shall adhere to the Conflicts of Interest Policy in all respects with no modifications, amendments nor revisions without prior written approval of the OTS and the OCSRF.

10. Within thirty (30) calendar days of Board adoption of the Conflicts of Interest Policy, the Internal Auditor shall conduct a review of the Institution's existing relationships with its Insiders and their related interests for the purpose of identifying relationships not in conformance with the policy. The findings and recommendations of the Internal Auditor shall be submitted to the Board Audit Committee in writing and shall include, at a minimum:
 - (a) identification of the Institution's relationship with its Insiders and their related interests;
 - (b) a statement regarding the relationships identified in Article 10(a) with respect to compliance, or lack thereof, with the Board-approved Conflicts of Interest Policy; and
 - (c) recommendations to bring all nonconforming relationships into compliance with the Board-approved Conflicts of Interest Policy.
11. Within thirty (30) calendar days of the receipt of the Internal Auditor's report pursuant to Article 10, the Board Audit Committee shall submit to the OTS Manager and the OCSRF for review and approval a written plan which sets forth specific time frames to correct any noted deficiencies in the event that such are disclosed by the Internal Auditor.
12. Upon receipt of written approval from the OTS Manager and the OCSRF, the Board shall adopt and adhere to the written plan required in Article 11 in all respects.
13. Beginning with the quarter end following approval by the OTS Manager and the OCSRF of the written plan required by Article 11, and on a quarterly basis thereafter, the Internal Auditor shall review and report its findings to the Board Audit Committee on all new or proposed transactions, or modifications of existing relationships, between the Institution and any of its Insiders and their related interests for compliance with the Conflicts of Interest Policy.

Loan Administration

14. Within thirty (30) calendar days from the date of this Agreement, the Board shall adopt the income property loan policy, which is attached as Appendix B ("Income Property Loan Policy"), pertaining to loan administration for loans secured by income producing properties and loans in excess of \$300,000. The policy addresses that, at a minimum:
 - (a) satisfactory and perfected collateral documentation is maintained;
 - (b) no extensions of credit are granted, by renewal or otherwise, to any borrower without first obtaining and analyzing satisfactory credit information which is no more than ninety (90) days old at the time of approval of the loan; such information may include verifications from the borrower that existing credit information is still accurate;
 - (c) guarantees are obtained on loans covered by the Income Property Loan Policy which are granted, renewed, modified, or restructured, directly or indirectly, by the Institution, which have a loan to value ratio of greater than 80% and/or a current debt service requirement of less than 1.1%, with the exception of loans classified by the Institution and/or the OTS and the OCSRF; and
 - (d) accurate internal management information systems will be maintained.
15. Upon adoption, the Board shall adhere to the Income Property Loan Policy in all respects with no modifications, amendments, nor revisions without prior written approval of the OTS and the OCSRF.
16. Within thirty (30) calendar days of the date of adoption by the Board of the Income Property Loan Policy, and on a monthly basis thereafter, the Internal Auditor shall conduct a review of loans covered by the policy which are granted, renewed, modified, or restructured during the previous month to ensure compliance.
17. the internal auditor shall submit quarterly written reports to the board audit committee, beginning with the quarter end following board adoption of the income property loan policy, which outline the results of the review conducted pursuant to article 16.

18. Within forty-five (45) calendar days from the date of this agreement, the board shall adopt written procedures that enable the institution to monitor compliance with the loans-to-one borrower regulation, 12 C.F.R. Subsection 563.93 (1990).
19. A quarterly report detailing the Institution's compliance with 12 C.F.R. Subsection 563.93 (1990) shall be provided to the Board for review beginning with the quarter end following adoption of the written procedures required by Article 18. This report shall include a listing of borrowers that warrant the additional recordkeeping requirements enumerated in 12 C.F.R. Subsection 563.93 (1990).
20. The Board shall review for approval all loans and extensions of credit greater than or equal to \$2 million prior to committing to fund such loans or extensions of credit. The Board's review and decision should be documented in the minutes of its meetings.

Criticized Assets

21. Within forty-five (45) calendar days from the date of this Agreement, the Board shall adopt and submit to the OTS Manager and the OCSRF for review work-out programs designed to eliminate the basis of criticism of assets over \$1 million identified in the Report of Examination, dated October 15, 1990, as doubtful, substandard, or special mention. The programs shall include, at a minimum:
 - (a) the primary course of action to be taken, as well as alternatives, on each of the Institution's criticized assets;
 - (b) the respective time frames for the work-out to be accomplished; and
 - (c) a review of current credit information, including a cash flow analysis where loans are to be paid from the operations of the collateral.
22. After the work-out programs required in Article 21 are adopted, the Institution shall adhere to them in all respects. No modifications to the work-out programs shall be made without prior written notice to the OTS Manager and the OCSRF.

23. Beginning with the quarter end following adoption of the work-out programs required pursuant to Articles 21 and 22, the Board, or a delegated committee under the direction of the Board, shall conduct a review of the Board adopted work-out programs to determine:
- (a) the status of the criticized assets compared to the work-out programs goals;
 - (b) the Institution's adherence to the work-out programs; and
 - (c) the need to revise the work-out programs or take alternative action.
24. A status report for the criticized assets shall be prepared following each review undertaken pursuant to Article 23 and shall be forwarded to the OTS Manager and the OCSRF within thirty (30) calendar days following each quarter-end.

Closings

25. It is understood that the execution of this Agreement shall not be construed as an approval of any application or notices that are contemplated by Institution.
26. 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.
27. Although the Board, by this Agreement, is required to submit certain proposed actions and programs for the approval of the OTS Manager and the OCSRF, the Board has the ultimate responsibility for proper and sound management of Institution.
28. It is expressly and clearly understood that if, at any time, the OTS and/or the OCSRF deem it appropriate in fulfilling the lawful responsibilities placed upon it by the several laws of the United States of America to undertake any lawful action affecting Institution, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the OTS and/or the OCSRF from doing so.
29. Any time limitations imposed by this Agreement shall begin to run from the Effective Date of this Agreement, unless otherwise provided for. Such time limitations may be extended by the OTS Manager and/or the OCSRF for good cause upon written application by the Board

30. Any report or other document required by this Agreement to be submitted to the OTS Manager shall be filed with the Office of Thrift Supervision, 111 East Wacker Dr., Suite 800, Chicago, Illinois 60601, Attn: Katrinka Markowitz. Any report or other document required by this Agreement to be submitted to the OCSRF shall be filed with the Office of the Commissioner of Savings and Residential Finance, 205 W. Randolph, Suite 1900, Chicago, Illinois 60606. All reports and other documents shall be deemed filed when received by the OTS Manager and the OCSRF.
31. In the event any provision of this Agreement shall be declared invalid, illegal, or unenforceable; the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
32. All technical words or terms used in this Agreement, for which meanings are not specified herein shall, insofar as applicable, have such meaning as defined in the rules and regulations adopted by the OTS (including without limitation, Chapter V of Title 12 Code of Federal Regulations), or as such definition is amended after the Effective Date of this Agreement. Additionally, any such technical words or terms used in this Agreement and undefined in said rules and regulations shall have such meaning that accord with the best custom and usage in the thrift industry.
33. The section headings used in this Agreement are for the convenience of reference only and are not to affect the construction of or to be taken into consideration in the interpretation of this Agreement.
34. This Agreement shall remain in effect until terminated, modified, waived, or suspended by the OTS and the OCSRF, acting through the Regional Director and the State Commissioner or their designees.

IN WITNESS WHEREOF, the OTS and the OCSRF acting through the Regional Director and the State Commissioner, and Institution, by its duly elected directors, have executed this Agreement on the date first above written.

OFFICE OF THRIFT SUPERVISION
CHICAGO, ILLINOIS

By:

15/
Stuart M. Braiman
Regional Director

10/16/91
Date

OFFICE OF THE COMMISSIONER OF SAVINGS
AND RESIDENTIAL FINANCE
STATE OF ILLINOIS

By:

15/
John D. Seymour
Commissioner

10/17/91
Date

FIRST SAVINGS AND LOAN ASSOCIATION
OF SOUTH HOLLAND
South Holland, Illinois

By:

15/
Director Harry Dykstra, Jr.

15/
Director Howard Anker

15/
Director Chester Degraff

15/
Director William Blthoff

15/
Director Lawrence H. Chlum

15/
Director Marvin Beckman

15/
Director Gary L. Gulbranson

15/
Director Thomas M. Terrill