

Rec'd 11/2/91

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SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 21 day of October, 1991, by and between Milton Federal Savings and Loan Association, West Milton, Ohio, (hereinafter "Milton") 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 Milton, its officers, directors, agents, employees 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. § 1818(b)(1) and (i)(2) (Supp. I 1989).

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

1. Milton shall adopt a formal compliance program which recognizes the importance of consumer oriented regulations and affixes responsibility for each facet of the institution's performance in the area of compliance. Said program shall be submitted for approval by the OTS Deputy Regional Director for the Cincinnati District.

2. Milton shall rewrite its Loan Underwriting Standards for both mortgage and consumer loans to eliminate vague and potentially discriminatory wording and implement procedures for the Board of Directors to conduct a comprehensive annual review of the Loan Underwriting Standards in accordance with 12 C.F.R. 528.2a(b) (1991). Milton shall further ascertain that the reasons for all credit denials are properly supported in the appropriate Loan Underwriting Standards.

3. Milton shall adopt policies and implement procedures to cause it to be in compliance with the Truth In Lending Act, 15 U.S.C. 1601 et seq, and Regulation Z, 12 C.F.R. 226.1 - 226.30 (1991). As part of these procedures, the Board of Directors shall provide sufficient training for the person(s) given the responsibility to complete the required disclosures, as well as for those entrusted with the necessary review.

4. Milton shall implement procedures to assure that its written Bank Secrecy Act (BSA) Policy is followed in practice. As part of these procedures, the Board of Directors shall provide sufficient training for the persons given the responsibility to complete the necessary forms.

5. Milton shall implement procedures to assure that it is in compliance with the provisions of the Real Estate Settlement Procedures Act and Regulation X, 24 CFR 3500. As part of these procedures, the Board of Directors shall provide sufficient training for the persons given the responsibility to complete the necessary forms.

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OFFICE OF
SUPERVISION

6. The Compliance Officer shall be appropriately trained in the responsibilities accompanying this position and shall make a periodic report directly to the Board of Directors indicating Milton's compliance with the statutes and regulations covered by a Regular Compliance Examination. Guidelines for his review may most readily be found in the Compliance: A Self-Assessment Guide mailed to each institution as of November 1990.

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 Deposit Insurance Act or OTS Memoranda, and all such technical words or terms used in this Agreement, and undefined by said statutes, rules and regulations, 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 for the Cincinnati District. 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. A certified copy of the resolution of the Board of Directors of Milton authorizing the execution of this Agreement is attached hereto and made a part hereof.

OFFICE OF THRIFT SUPERVISION

MILTON FEDERAL SAVINGS AND
LOAN ASSOCIATION
By Its Directors:

By: IS/
Deputy Regional Director
Cincinnati District

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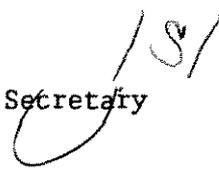
CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of Milton Federal Savings and Loan Association, West Milton, 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 October 7, 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 Milton Federal Savings and Loan Association. The officers and employees of Milton 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 Milton this 7th day of October, 1991.


Secretary 