

95095 #1672

AGREEMENT

This Agreement ("Agreement") is made and is effective this 4th day of November 1992 ("Effective Date"), by and between Columbia Savings and Loan Association (OTS Docket No. 01672), Milwaukee, Wisconsin, ("Institution") for itself 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 the Institution. It is understood and agreed that this Agreement is a "written agreement" entered into with the OTS within the meaning of 12 U.S.C. Sections 1818(b)(1) and (i)(2).

WHEREAS, the OTS is of the opinion that the Institution has not complied with certain of the regulations to which the Institution is subject in conducting the business of the Institution, specifically 12 C.F.R. §§ 226.18 and 226.22, and has engaged in unsafe or unsound practices in conducting the business of the Institution, thereby providing grounds for the initiation of cease and desist proceedings against the Institution by the OTS; and

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings against the Institution for its failure to comply with regulations, and unsafe and/or unsound practices as set forth in the Institution's Report of Compliance Examination, dated June 29, 1992, ("ROCE") for so long as the Institution is in compliance with the provisions of this Agreement; and

WHEREAS, in the interest of regulatory compliance and cooperation, the Institution, by its Board of Directors ("Board"), is willing to enter into this Agreement to avoid the initiation of such cease and desist proceedings.

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

Statutes and Regulations

1. The Board shall correct existing violations cited in this Section and the ROCE and shall not initiate any action which would result in a violation of, or the aiding and abetting of any violation of:

- (a) 12 C.F.R. §§ 226.18(d) and (e), pertaining to Regulation Z general disclosure requirements;
- (b) 12 C.F.R. § 226.22(a), pertaining to Regulation Z, determination of annual percentage rate ("APR").

Regulation Z - Truth In Lending Act

2. Within 60 days from the Effective Date, the Board shall submit a report of restitution ("Restitution Report") to the OTS Deputy Regional Director. The Restitution Report shall detail all mortgage loans originated by the Institution since July 1, 1989, in the categories of construction-only, loans with private mortgage insurance and loans with balloon payments, with an understated APR

and/or finance charges which are reimbursable pursuant to 12 C.F.R. Part 226 ("Regulation Z"). The Restitution Report shall contain, at a minimum, the following:

- (a) Borrower's name;
- (b) Loan number;
- (c) Calculation and amount of restitution;
- (d) Cause of restitution; and
- (e) Manner in which the Institution effected the required restitution.

3. The Board shall ensure that the restitution required in paragraph No. 2 is made within 60 days from the Effective Date.

4. Within 60 days from the Effective Date, the Board shall review and amend the Institution's policies and procedures regarding compliance with all applicable Regulation Z requirements to prevent future violations. These amended policies and procedures shall be adopted by the Board within 60 days from the Effective Date and shall include, but not necessarily be limited to, the following:

- (a) The assignment of compliance responsibilities to specific officers or other staff;
- (b) Provisions for the adequate training of personnel as to the requirements of Regulation Z and the procedures and practices necessary to achieve compliance; and
- (c) Procedures to monitor the effectiveness of the Institution's compliance with Regulation Z on an ongoing basis.

5. After the revised policies and procedures required in Paragraph No. 4 are adopted by the Board, the Institution shall comply with them in all respects. A copy of the amended policies shall be submitted to the OTS Deputy Regional Director within 60 days from the Effective Date.

Closings

- 6. (a) Although the Board is by this Agreement required to submit certain proposed actions and programs for the review or approval of the Deputy Regional Director or his/her designee, the Board has the ultimate responsibility for proper and sound management of the Institution. In exercising and fulfilling its fiduciary duties, the Board may consider the reports of management, counsel, and other agents and consultants of the Board. Nothing contained herein shall require the Board or any member or agent thereof to take any action or omit to take any action inconsistent with his or her fiduciary duties.

- (b) It is expressly and clearly understood that if, at any time, the OTS deems 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 the Institution, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the OTS from doing so.
- (c) 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 Deputy Regional Director or his/her designee for good cause upon written application by the Board.
- (d) 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 the rules and regulations adopted by the OTS (including, without limitation, Chapter V of Title 12 Code of Federal Regulations). Any such technical words or terms used in this Agreement and undefined in said rules and regulations shall have meanings that accord with the best custom and usage in the thrift industry.
- (e) 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.
- (f) 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 the Institution.
- (g) Any report or other document required by this Agreement to be submitted to the OTS shall be filed with the Office of Thrift Supervision, 111 East Wacker, Chicago, Illinois, 60601, Attention: James Jamrok, Assistant Director. All reports and other documents shall be deemed filed when received by the OTS.
- (h) 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.
- (i) The section headings used in this Agreement are for the convenience of reference only and are not to affect the construction of or be taken into consideration in the interpretation of this Agreement.
- (j) This Agreement shall remain in effect until terminated, modified, or suspended by the OTS, acting through the Deputy Regional Director or his/her designee.
- (k) The Supervisory Agreement by and between the Institution and the OTS dated February 25, 1991 remains in full force and effect according to its terms.

IN WITNESS WHEREOF, the OTS, acting through its Deputy Regional Director, and the Institution, by its board of directors, have executed this Agreement on the date first above written.

THE OFFICE OF THRIFT SUPERVISION

By: 151
Chester A. Biedron
Deputy Regional Director

**Columbia Savings and Loan Association
Milwaukee, Wisconsin**

By: 151
Director Sanford Carter

By: 151
Director Lafayette Mc Kinney

By: 151
Director George E. Gary

By: 151
Director Thalia B. Winfield

By: 151
Director William T. Gore

By: 151
Director Emmett A. Gambrell

By: 151
Director Willie H. Marlowe