

SUPERVISORY AGREEMENT BETWEEN
THE OFFICE OF THRIFT SUPERVISION

AND

AMERICAN SAVINGS, FSB
MUNSTER, INDIANA

This Supervisory Agreement ("Agreement") is made and is effective June 19, 1991, 1991 by and between American Savings, FSB, Munster, Indiana, Docket Number 4247 (hereinafter "Institution") 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) and (i)(2), as amended.

Whereas, the OTS is of the opinion that the Institution has violated certain statutes or regulations to which the Institution is subject and has engaged in certain unsafe or unsound practices in conducting the business of the Institution, and that such violations and practices provide grounds for the initiation of cease-and-desist proceedings; and

Whereas, the OTS is willing to forbear from the initiation of formal cease-and-desist proceedings on the subjects covered by this Agreement for so long as the Institution is in compliance with the provisions of the Agreement that pertain to such subjects;

Now, therefore, in consideration of the OTS's above-stated forbearance from initiation of final enforcement proceedings against the Institution, it is agreed between the parties as follows:

1. Criticized Assets

Within sixty (60) days from the execution of this Agreement, the Board of Directors ("Board") shall adopt a comprehensive plan, subject to the prior written approval of the Deputy Regional Director, to reduce the level of criticized assets.

2. Operating Results

Within sixty (60) days from the execution of this Agreement, the Board shall adopt a detailed plan, subject to the prior written approval of the Deputy Regional Director, for returning the Institution to a profitable operating position. This plan shall include a detailed three-year budget and a list of the assumptions used in projecting this budget.

3. Conflicts of Interest - Policy

Within sixty (60) days from the execution of this Agreement, the Institution shall submit and adopt, subject to the prior written approval of the Deputy Regional Director, a written conflicts of interest policy which fully complies with OTS regulations and specifically addresses the Institution's compliance with Section 22(h) of the Federal Reserve Act.

4. Conflicts of Interest - Uncollected Late Fees

- a. Within thirty (30) days from the execution of this Agreement, the Institution shall provide the Deputy Regional Director with a list of all late fees which should have been charged against the two commercial loans granted to Abrahamson, Reed & Adley, the Institution's general counsel. This list shall include all late fees that have been incurred since the inception of these two loans, the date the late fee should have been assessed, and the amount of the late fees.
- b. Within forty-five (45) days from the execution of this Agreement, the Institution shall submit evidence that these late fees have been collected or that a timeframe for their collection has been established with the borrower.

5. Conflicts of Interest - Overdrafts

- a. Within thirty (30) days from the execution of this Agreement, the Institution shall provide the Deputy Regional Director a list of all overdrafts which the Institution has paid for executive officers and directors. This list shall include the name of the accountholder, his or her title, and the date and amount of the overdraft.
- b. Within sixty (60) days from the execution of this Agreement, the Institution shall provide evidence to the Deputy Regional Director that all overdrafts that were paid by the Institution for an executive officer or director have been repaid to the Institution, plus accrued interest at a rate of prime plus two percent (prime + 2%), by the individual whose account was overdrafted; or

Within sixty (60) days from the execution of this Agreement, the Institution shall provide the Deputy Regional Director with a timeframe for collection of overdrafts that were paid by the Institution for an executive officer or director, plus accrued interest at a rate of prime plus two percent (prime + 2%).

Additional Terms and Conditions

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 pertinent statute or regulations of the OTS, and any such technical words or terms used in this Agreement and undefined in said regulations shall have meanings that accord with the best custom and usage in the savings and loan industry.

In this Agreement, the term "Deputy Regional Director" refers to the Office of Thrift Supervision's Deputy Regional Director, Indianapolis Office, Central Region, or his or her successor or designee. Wherever this agreement requires action approved by or acceptable to the Deputy Regional Director, prior written approval is required.

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. The Deputy Regional Director will grant written requests for termination of the Agreement, if, in his/her opinion, the Institution has satisfactorily complied with the terms of this Agreement.

IN WITNESS THEREOF, 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 the Institution authorizing the execution of this Agreement is attached hereto and made a part thereof.

Approved:

AMERICAN SAVINGS, FSB
MUNSTER, INDIANA

OFFICE OF THRIFT SUPERVISION

By:

15/
~~Clement B. Knapp, Jr.~~ ///
Chairman of the Board and President

By:

15/
Jill A. Drake
Deputy Regional Director

15/
Ronald Borto
Director

15/
William D. Fitzpatrick
Director

15/
John C. McLaughlin
Director

15/
John G. Pastrick
Director

15/
Robert Tolley
Director