

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of:)	
)	
DWELLING HOUSE SAVINGS)	Order No: NE-09-05
AND LOAN ASSOCIATION)	
Pittsburgh, Pennsylvania)	Effective Date: May 5, 2009
)	
(OTS No. 07178))	
)	
_____)	

PROMPT CORRECTIVE ACTION DIRECTIVE

WHEREAS, Dwelling House Savings and Loan Association (Association), is a state chartered savings association that is regulated by the Office of Thrift Supervision (OTS); and

WHEREAS, Section 38 of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. § 1831o, and Part 565 of the OTS Regulations, 12 C.F.R. Part 565, require institutions that are undercapitalized to file a capital restoration plan specifying the steps the institution will take to become at least “adequately capitalized”; and

WHEREAS, Section 38 of the FDIA, 12 U.S.C. § 1831o, requires the OTS to take prompt corrective action to resolve the problems of insured savings associations at the least possible long-term loss to the deposit insurance fund; and

WHEREAS, OTS, on April 24, 2009 notified the Association that: (i) it was critically undercapitalized for purposes of the prompt corrective action provisions of Section 38 of FDIA, 12 U.S.C. § 1831o, (ii) it must submit a Capital Restoration Plan no later than May 7, 2009, and (iii) OTS intended to issue a Prompt Corrective Action Directive (PCA Directive or Directive); and

WHEREAS, the Association also is not in compliance with the capital standards required by Section 5(t) of the Home Owners’ Loan Act (HOLA), 12 U.S.C. § 1464(t); and

WHEREAS, Section 5(t)(6)(B)(ii) of HOLA, 12 U.S.C. § 1464(t)(6)(B)(ii), requires any institution not in compliance with the capital standards to comply with a capital directive issued by OTS; and

WHEREAS, Section 565.7 of the OTS Regulations, 12 C.F.R. § 565.7, provides for the issuance by the OTS of directives to take prompt corrective action to resolve the problems of insured depository institutions and to restore their capital; and

WHEREAS, the Association and its Board of Directors, by execution of the attached Stipulation and Consent (Stipulation) to the issuance of this Directive, the terms of which are incorporated herein by this reference, have stipulated and consented to the issuance of the Directive; and

WHEREAS, the OTS finds it necessary in order to carry out the purposes of Section 38 of the FDIA, 12 U.S.C. § 1831o, to issue a Directive requiring the Association immediately to take certain actions and to follow certain proscriptions.

NOW THEREFORE, pursuant to Section 38 of FDIA, 12 U.S.C. § 1831o, including but not limited to subsection (f) thereof, Section 5(t)(6)(B)(ii) of HOLA, 12 U.S.C. § 1464(t)(6)(B)(ii), and Section 565.7 of the OTS Regulations, 12 C.F.R. § 565.7, OTS directs the Association and its Board of Directors to do the following:

PART I – IMPROVING CAPITAL

Section 1.1. Required Recapitalization

(a) Pursuant to 12 U.S.C. § 1831o(e)(2) and 12 C.F.R. § 565.5, and in accordance with the guidance supplied by OTS in the letter dated April 24, 2009, the Association must submit an acceptable capital restoration plan (Capital Plan) to OTS no later than May 7, 2009 with copies to the Pennsylvania Department of Banking and Federal Deposit Insurance Corporation (FDIC). To be acceptable, the Capital Plan must comport with the guidance previously supplied by OTS and demonstrate that, by no later than June 30, 2009 the Association shall achieve and thereafter maintain “adequately capitalized” status, as defined in 12 C.F.R. § 565.4(b)(2) by one or more of the following actions:

(i) increasing capital in an amount causing it to become “adequately capitalized” by one or more of the following actions: (A) pursuing all available legal avenues and means to seek recovery of losses related to improper Automated Clearing House (ACH) transactions, (B) securing capital contributions that are available to and would be considered as Core Capital (as defined in 12 C.F.R. § 567.5(a)) for a mutually-owned association from directors and/or outside parties in a form acceptable to the Regional Director (Capital Contributions) or (C) any other means acceptable to the Regional Director, which could include a Voluntary Supervisory Conversion pursuant to 12 C.F.R. Part 563b, Subpart B, or

(ii) entering into a written agreement with another federally insured depository institution (or holding company thereof) providing for the Association to be acquired by or merged with such other party whereby the resulting depository institution would be at least “adequately capitalized”.

(b) Pursuant to 12 U.S.C. § 1831o(f)(2)(A), and subject to Subsection (d) of this Section 1.1 and any and all applicable laws and regulations, the Association is directed to increase the amount of capital to a level sufficient to restore the Association to an “adequately capitalized” capital category by June 30, 2009 by taking any and all necessary actions that would result in one or more of the following: (i) recoveries of losses related to improper ACH transactions, (ii) recapitalization through Capital Contributions, (iii) acquisition by another depository institution holding company, (iv) merger with another depository institution, or (v) such other transaction(s) that OTS may approve pursuant to a plan of voluntary dissolution. The Association shall thereafter maintain “adequately capitalized” status.

(c) The Board of Directors of the Association shall at all times make diligent efforts to cause the Association to comply with subsections (a) and (b) of this Section 1.1. In furtherance of its obligations hereunder, the Board of Directors, *inter alia*, shall:

(i) authorize and direct appropriate Association officers to take appropriate actions consistent with the Association’s obligations under said subsections (a) and (b);

(ii) cause the Association to hire such professionals as are necessary and appropriate to maximize the likelihood of recovering losses resulting from improper ACH transactions, raising equity capital and engaging in a merger or other appropriate business combination; and

(iii) cause the Association to share appropriate information about itself with potential investors, acquirors, and/or merger partners; including, but not limited to, any such potential investor, acquiror or merger partner identified or referred to the Association by the OTS or the Federal Deposit Insurance Corporation (FDIC).

(d) The Association shall not issue any securities or capital instruments or enter into any agreement or understanding to merge, consolidate, or otherwise be acquired, or enter into any agreement or understanding to reorganize unless (i) the Association has provided the OTS with prior written notice of its intention to take such action (of issuing securities or entering into such an agreement), and (ii) following such notice the OTS has provided the Association with prior written notice of its non-objection to the proposed action by the Association.

(e) The Association shall cooperate fully with FDIC efforts to avoid a loss or otherwise minimize exposure to the Insurance Fund. Such cooperation includes, but is not limited to, responding to requests for information, providing full access to personnel, agents and service providers, accommodating on-site visits, and permitting the FDIC to provide otherwise confidential information to third parties to facilitate the liquidation or other resolution of the Association in anticipation of the possible appointment of the FDIC as conservator, receiver, or other legal custodian. The OTS directs this action pursuant to 12 U.S.C. § 1831o(f)(2)(J) and based upon a determination by the OTS that such action will better carry out the purposes of Section 38 of the FDIA.

Section 1.2. Reports of Compliance

(a) No later than fifteen (15) days following the end of each month, management of the Association shall prepare, and the Board of Directors of the Association shall review, a written report concerning the Association's compliance with each of the requirements of this Directive during the preceding month. The report and review shall include verification of the Association's prompt corrective action capital category and confirmation that the Association is in compliance with: (i) all restrictions that apply automatically to an institution in that category, and (ii) with the other restrictions and requirements contained in this Directive. This review shall be documented in the minutes of the meeting of the Board. All documentation considered by the Board in performing its review shall be explicitly referenced in the minutes of the meeting at which the review was undertaken.

(b) By the twentieth (20th) day of each month, the Association shall submit the following documents to the OTS in a format acceptable to the OTS:

(i) a summary of actions taken, during the immediately preceding month, by the Association and its Board of Directors and executive officers in furtherance of the Association's efforts to increase its capital and/or towards a merger/acquisition, as required by paragraphs (a), (b) and (c) of Section 1.1, including descriptions of any material discussions with potential investor(s), acquiror(s) or merger partner(s), any letters of intent entered into with potential merger partner(s) and any due diligence performed by potential acquiror(s) or merger partner(s);

(ii) confirmation of the Association's compliance with this Directive or a description of any instance of noncompliance with any of the Association's obligations under this Directive and the specific measures undertaken to cure such noncompliance; and

if requested, copies of the minutes of the Association's Board of Directors supporting actions taken to comply with this Directive.

(c) The OTS directs the actions required by this Section 1.2 pursuant to 12 U.S.C. § 1831(o)(f)(2)(J), and based upon a determination by the OTS that such action will better carry out the purposes of Section 38 of the FDIA.

PART II - OPERATING RESTRICTIONS

Section 2.1. Compliance with Mandatory Restrictions.

The Association shall comply with all of the mandatory prompt corrective action provisions contained in Section 38 of FDIA, 12 U.S.C. § 1831o, that automatically apply to the Association based upon the Association's prompt corrective action capital category. These provisions are set forth at 12 U.S.C. §§ 1831o(d)(1) (capital distributions restriction), (d)(2) (management fees restriction), (e)(3) (asset growth restriction), (e)(4) (restrictions on acquisitions, branching, and new lines of business), (f)(4) (senior executive officers' compensation restriction), (h)(2) (prohibition on payment of subordinated debt), and (i) (restrictions on activities). However, if the Association should improve from a lower to a higher PCA capital category, it must continue to comply with the previously applicable mandatory sanctions of the lower category, until such time as approval to cease compliance with the lower category sanctions is requested of and received from the OTS.

Section 2.2. Restrictions on Interest Rates/Limitations on Brokered Deposits.

The Association shall restrict the rates it pays on deposits to the prevailing rates of interest on deposits of comparable amounts and maturities in the Association's normal market area, and shall comply fully with the restrictions set forth in the FDIC's brokered deposit regulation, 12 C.F.R. § 337.6. Nothing herein shall be construed as requiring a reduction of rates paid on outstanding time deposits prior to their renewal. The OTS is imposing the restriction set out in this section pursuant to the authority at 12 U.S.C. § 1831o(f)(2)(C).

Section 2.3. Restrictions on Activities.

(a) The Association's lending and investment activities are restricted as provided by this Section 2.3. The OTS imposes these restrictions pursuant to 12 U.S.C. § 1831o(f)(2)(J), having determined that those activities not permitted pose excessive risk to the Association in view of its deteriorating financial condition.

(b) Restricted Activities. Except as permitted by subsection (c) of this Section 2.3 or as may be required by legally binding written commitments of the Association outstanding on the Effective Date, the Association shall not directly or indirectly do the following:

(i) make, invest in, purchase, sell, refinance, extend, deal in (including loan brokering) or otherwise modify, or commit to make, invest in, purchase, sell, refinance, extend, deal in (including loan brokering) or otherwise modify any loan secured by real estate or any participation therein or any real estate investment (including, but not limited to, any loan to finance the acquisition, development and/or construction of real property), or any set of such loans, participations, or investments. All marketing and advertising related to loans not permitted herein shall be immediately discontinued;

(ii) make, invest in, purchase, sell, refinance, extend, or otherwise modify, or commit to make, invest in, purchase, sell, refinance, extend, or otherwise modify any commercial loans, letters of credit, participations therein, or any set of such loans, letters of credit, or participations;

(iii) make, invest in, purchase, sell, refinance, extend or otherwise modify or commit to make, invest in, purchase, sell, refinance, extend or otherwise modify any consumer or education loans;

(iv) release any borrower or guarantor from personal or corporate liability on any loan or extension of credit granted by the Association, except when the outstanding balance of the loan and other outstanding loans to the borrower or guarantor have been paid in full;

(v) sell, pledge, or exchange any loan secured by real estate, or participation therein, or real estate investment, security, or other asset, or any set of such loans, participations, real estate investments, or securities, or other assets except as may be required pursuant to legally binding commitments, existing as of the Effective Date, calling for mandatory delivery of home mortgage loans;

(vi) make, or commit to make, any investment in any service corporation, finance subsidiary, or operating subsidiary, or any subsidiary of a service corporation or in real estate or equity securities;

(vii) enter into any joint venture or limited partnership agreement, directly or indirectly;

(viii) engage in any forward commitment (except for firm commitments not exceeding 60 days for the purchase of FHLMC and GNMA securities), futures transaction, or financial options transaction;

(ix) enter into any contract or agreement for the purchase, sale, or lease of goods, materials, equipment, supplies, services or capital assets, except, however, that this restriction does not apply to contracts or agreements to be entered into in the ordinary course of business where the amount of each such contract or agreement does not exceed \$12,500;

(x) enter into any lease or contract for the purchase or sale of real estate or of any interest therein, except, however, that this restriction does not apply to such leases and contracts to be entered into in the ordinary course of business (including but not limited to contracts for the sale of real estate owned due to foreclosure), where the consideration for the lease or contract does not exceed \$10,000;

(xi) encumber any of its property or other assets, except, however, that the Association may pledge its assets in connection with borrowings necessary to meet liquidity needs;

(xii) incur any material obligation or contingent liability, except as otherwise permitted by this Directive;

(xiii) establish any branch, loan production or agency office; or

(xiv) accept any non-cash capital contribution.

Nothing herein shall restrict the Association from accepting partial or late payments from a borrower as long as: (i) such actions are conducted in a safe and sound manner designed to maximize the collection of amounts owed to the Association and (ii) there is no modification of the borrower's contractual legal obligation to make full payment of the indebtedness.

(c) Permitted Activities. The Association is permitted to engage in the following lending (including origination) and investment activities, provided that: (i) any loans or investments are either readily salable or are eligible collateral for borrowings from a Federal Home Loan Bank or a Federal Reserve Bank with a maximum excess collateral requirement ("haircut") of no greater than 10% and (ii) the Association engages in such activities in a prudent manner:

(i) Home Mortgage Loans. Origination of Home Mortgage Loans that have a documented loan-to-value ratio ("LTV") (or combined loan-to-value ratio ("CLTV") no greater than eighty percent (80%) at origination, unless any loan amount in excess of eighty percent (80%) is insured by private mortgage insurance provided by an issuer approved by the Federal Home Loan Mortgage Corporation ("FHLMC") or the Federal National Mortgage Association ("FNMA"), and is one of the following types:

(A) A conforming loan underwritten in accordance with criteria established for residential loans eligible for purchase by FHLMC or FNMA ("Conforming Loan"), with evidence in the loan file indicating that the loan does, in fact, conform to FHLMC and/or FNMA standards (except principal amount limitations where applicable),

(B) Guaranteed by the Department of Veterans Affairs against default ("VA Mortgage"), or

(C) Insured by the Federal Housing Administration against default ("FHA Mortgage")

(ii) Savings Account Loans: Loans fully secured by savings or time deposit accounts over which the Association establishes proper collateral controls.

(iii) Secondary Marketing Sales: Sale of Home Mortgage Loans (within the meaning of Subsection (c)(1) above) in the secondary market without recourse and prudently managed forward commitments in connection therewith.

(iv) Salvage Power Activities: Acquisition of property in satisfaction of debt previously contracted in connection with the exercise of the Association's salvage powers, provided that the Association may release a guarantor/borrower from personal

liability in order to obtain title to real property only if it is able to document that: (i) the current appraised value of the property equals or exceeds the book value of the loan; or (ii) the net value to be gained from further pursuing the borrower/guarantor is de minimis, considering costs of legal action and possible value to be obtained. Any such transactions which result in the release of guarantor or borrower from an obligation which results in a deficiency exceeding \$15,000 are subject to prior notice to, and opportunity to object, by the OTS.

(v) Liquid Assets: Investments in Cash Equivalents.

Section 2.4. Process for Exemptions from Restrictions

(a) The Association may submit written requests to the OTS, requesting the OTS to issue a notice of non-objection for the purpose of either relieving the Association from certain restrictions hereunder, or requesting the OTS to provide notice of supervisory non-objection with respect to a particular specifically identified transaction, loan, or investment.

(b) Requests for written notice of non-objection of the OTS to make loans or investments must be accompanied by a resolution of the Board, signed by each individual member of the Board voting in favor of the resolution, finding as follows:

(i) management is capable of underwriting and administering the loans or investments in a safe and sound manner;

(ii) the Board has adopted policies and procedures to ensure that the loans or investments are prudently underwritten and administered;

(iii) internal controls measuring compliance with such policies and procedures are in place;

(iv) during the preceding 12 months, the Association has not experienced significant losses in connection with similar loans or investments; and

(v) the loans or investments contemplated are necessary to preserve the Association's franchise value.

All documentation considered by the Board in adopting each such resolution shall be explicitly referenced in the minutes of the meeting at which the resolution was adopted and shall be made available to representatives of the OTS upon request.

PART III - GENERAL PROVISIONS

Section 3.1. Definitions.

All technical words or terms used in this Directive, for which meanings are not

specified or otherwise provided by the provisions of this Directive, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, HOLA, FDIA or OTS Memoranda. Any such technical words or terms used in this Directive and undefined in said Code of Federal Regulations, HOLA, FDIA, or OTS Memoranda shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

“Cash Equivalents” means any of the following, to the extent owned by the Association free and clear of all Liens and having a maturity of not greater than 365 days from the date of issuance thereof: (i) federal funds sold that are reported on Line SC125 of the Thrift Financial Report (ii) readily marketable direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States, (iii) insured certificates of deposit of or time deposits with any FDIC-insured depository institution and (iv) other assets determined to be acceptable in writing by the Regional Director

“Home Mortgage Loan” means a mortgage loan secured by a borrower’s primary residence and that is not a “Business purpose loan” defined at 24 C.F.R. § 3500.5(b).

“Effective Date” has the meaning set forth in Section 3.9 of this Directive.

Section 3.2. Successor Statutes, Regulations, Guidance Amendments.

Reference in this Directive to provisions of statutes and regulations shall be deemed to include references to all amendments to such provisions as have been made as of the effective date hereof and references to successor provisions as they become applicable.

Section 3.3. Notices.

Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by the Directive to be made upon, given or furnished to, delivered to, or filed with the OTS or the Association shall be in writing and sent by first class U.S. mail (or by reputable overnight courier, electronic facsimile transmission, or hand delivery via messenger) addressed as follows:

<p>To the OTS: Michael E. Finn Regional Director Office of Thrift Supervision Department of the Treasury Harborside Financial Center Plaza Five, Suite 1600 Jersey City, New Jersey 07311</p>	<p>To the Association: John W. Haines President Dwelling House Savings and Loan Association 501 Herron Ave Pittsburgh, PA 15219</p>
--	--

Section 3.4. Duration, Termination or Suspension of the Directive.

(a) The terms and provisions of this Directive shall be binding upon the Association and its successors in interest.

(b) The Directive shall remain in effect until terminated, modified or suspended in writing by the OTS.

(c) The OTS, in its discretion, may, by written notice, suspend any or all provisions of the Directive, except for Section 2.1.

Section 3.5. Effect of Headings.

The Part and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 3.6. Separability Clause.

In case any provision in this Directive is ruled to be invalid, illegal or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby unless the OTS, in its sole discretion, determines otherwise.

Section 3.7. No Violations Authorized; Consequences of Directive

Nothing in this Directive, including, without limitation, any of the time-frames for actions set forth in Part I, shall be construed as: (i) allowing the Association to violate any law, rule, regulation, or policy statement to which it is subject or (ii) restricting the OTS from taking such actions as are appropriate in fulfilling the responsibilities placed upon it by law, including, without limitation, actions pursuant to Section 38 of the FDIA, or taking any other type of supervisory, enforcement, or resolution action that the OTS determines to be appropriate.

Section 3.8. Other Enforcement Documents.

(a) The Order to Cease and Desist, OTS Order No. NE-08-05 dated June 30, 2008, remains in effect and fully enforceable. Nothing in this Directive shall affect or limit OTS's ability to take enforcement action in connection with any violation of OTS Order NE-08-05.

(b) The Association must implement the actions required by OTS's letter dated February 10, 2009, which directed the Association to take various steps to address improper ACH transactions that resulted in large losses and depletion of the Association's capital.

Section 3.9. Effective Date, Incorporation of Stipulation.

This Directive is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION
By:

_____/s/_____
Michael E. Finn
Regional Director

Date: See Effective Date on page 1

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

_____)	
In the Matter of:)	
)	
DWELLING HOUSE SAVINGS)	Order No: NE-09-05
AND LOAN ASSOCIATION)	
Pittsburgh, Pennsylvania)	Effective Date: May 5, 2009
)	
(OTS No. 07178))	
)	
_____)	

STIPULATION AND CONSENT TO
PROMPT CORRECTIVE ACTION DIRECTIVE
AND APPOINTMENT OF A CONSERVATOR OR RECEIVER

1. The Office of Thrift Supervision (OTS) has informed Dwelling House Savings and Loan Association (the Association), based upon information reported to OTS, that: (i) it is “critically undercapitalized” as that phrase is used in 12 U.S.C. §§ 1821(c)(5) and 1831o(b) and (ii) grounds exist to issue a Prompt Corrective Action Directive (PCA Directive) pursuant to Section 38 of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. § 1831o, and Section 565.7 of the OTS Regulations, 12 C.F.R. § 565.7, against the Association.
2. The Association stipulates it is a savings association subject to the supervision and regulation by OTS. The Association is a “savings association” as that term is used in the Home Owners’ Loan Act (HOLA), 12 U.S.C. §§ 1461 et seq., and an “insured depository institution” as defined in 12 U.S.C. §§ 1813(b) and 1813(c)(2). The Association stipulates, as such, it is subject to OTS’s authority to issue a directive to take prompt corrective action pursuant to Section 38 of FDIA, 12 U.S.C. § 1831o, and Section 565.7 of the OTS Regulations, 12 C.F.R. § 565.7.
3. The Association, by execution of this Stipulation and Consent, hereby stipulates and consents to the terms set forth in this Stipulation and Consent and to OTS’s issuance by of the accompanying PCA Directive. The Association further agrees to comply with the terms of the PCA Directive.
4. The Association, by execution of this Stipulation and Consent, consents to OTS’s appointment of a conservator, receiver or other legal custodian for the Association until such time as OTS determines that the Association has become “adequately capitalized” pursuant to Section 38 of FDIA, 12 U.S.C. § 1831o, and Section 565.4 of the OTS Regulations, 12 C.F.R. § 565.4. The Association hereby waives any right it may otherwise have under 12

U.S.C. § 1464(d)(2)(B) or any other law to challenge the appointment by the OTS of a conservator, receiver, or other legal custodian.

5. The Association, by execution of this Stipulation and Consent, acknowledges that OTS may, in the exercise of its discretion, provide otherwise confidential information about the Association to third parties to facilitate the possible acquisition of the Association by a qualified buyer, sale of the Association's assets, or the possible merger of the Association with a qualified merger partner.
6. The Association, by execution of this Stipulation and Consent, authorizes the Federal Deposit Insurance Corporation (FDIC) to provide otherwise confidential information to third parties to facilitate the liquidation or other resolution of the Association in anticipation of the possible appointment of FDIC as conservator, receiver, or other legal custodian. The Association hereby agrees that it will cooperate fully with FDIC to avoid a loss or otherwise minimize exposure to the insurance fund. Such cooperation includes, but is not limited to, responding to requests for information, providing full access to personnel, agents and service providers, and accommodating on-site visits and due diligence efforts.
7. The attached PCA Directive is effective upon issuance. The Association acknowledges that the PCA Directive is enforceable pursuant to Section 5(d) of HOLA, 12 U.S.C. § 1464(d), and Section 8 of FDIA, 12 U.S.C. § 1818.
8. The Association hereby waives the following with respect to the issuance of the PCA Directive:
 - (i) its rights to pursue OTS's administrative process for issuance of the accompanying PCA Directive pursuant to 12 C.F.R. § 565.7;
 - (ii) any and all rights it might otherwise have pursuant to federal law or regulations (including, but not limited to, 12 U.S.C. § 1831o and 12 C.F.R. § 565.7) in connection with issuance of the PCA Directive;
 - (iii) its right to seek judicial review of the PCA Directive, including, but not limited to, any such right provided by Section 8(h) of FDIA, 12 U.S.C. § 1818(h); and
 - (iv) its right to challenge or contest in any manner the basis, issuance, validity or enforceability of the PCA Directive or any provision thereof.
9. (a) The laws of the United States of America shall govern the construction and validity of this Stipulation and Consent and the Directive.
 - (b) All references to OTS in this Stipulation and Consent and the Directive also shall mean any of the OTS's predecessors, successors, and assigns.
 - (c) To the extent this Stipulation and Consent and Directive may be deemed an agreement, the written terms herein and in the accompanying Directive represent the final and sole

binding written terms of such agreement with respect to the subject matters addressed therein.

10. The Board of Directors of the Association duly adopted a resolution authorizing the Association to consent to issuance of the PCA Directive and further authorizing and directing the Association's Chairman of the Board and/or Chief Executive Officer, to execute this Stipulation and Consent on behalf of the Association. The directors of the Association who have set their signatures at Appendix A (attached hereto) represent that they voted in favor of the above-mentioned board resolution.

WHEREFORE, the Association, by and through its duly authorized representative, hereby executes this Stipulation and Consent intending to be legally bound hereby.

<p>Dwelling House Savings and Loan Association</p> <p>By: _____ /s/</p> <p>Richard A. Thornton Chairman of the Board</p>	<p>Accepted By: Office of Thrift Supervision</p> <p>_____ /s/</p> <p>Michael E. Finn Regional Director</p> <p>Date: See Effective Date on Page 1</p>
--	--

APPENDIX A TO STIPULATION AND CONSENT

Re: Dwelling House Savings and Loan Association

The undersigned members of the Board of Directors of Dwelling House Savings and Loan Association represent that on May 4, 2009 they voted in favor of a duly adopted resolution of the Board of Directors of the Association that (i) authorizes the Association to stipulate to OTS's: (A) appointment of a conservator or receiver, and (B) issuance of the proposed Prompt Corrective Action Directive; and (ii) authorizes and directs Richard A. Thornton having the title of Chairman of the Board of the Association to execute on behalf of the Association the Stipulation and Consent.

This document may be executed in one or more counterparts and by each such member of the Board of Directors of Dwelling House Savings and Loan Association on a separate counterpart, each of which, when so executed and delivered, shall be an original, but all of which together shall constitute but one and the same instrument.

/s/
Barry Balliet

/s/
David W. Lendt

/s/
Robert M. Lavelle

/s/
Johnnie Monroe

/s/
Robert R. Lavelle

/s/
Richard A. Thornton