

## AMENDMENT TO SUPERVISORY AGREEMENT

This Amendment to Supervisory Agreement (Amendment) is entered into and made effective this 23rd day of February 2010 (Effective Date), by and between The Home Building and Loan Company, Greenfield, Ohio (hereinafter referred to as Home or the Association), OTS Docket No. 08107, a federally insured state-chartered savings association, the Office of Thrift Supervision (OTS), a bureau of the United States Department of the Treasury, acting through its Central Regional Director or his designee (Regional Director), and the Ohio Department of Commerce – Division of Financial Institutions (Division, and together with the OTS, the Supervisory Authorities).

**WHEREAS**, the OTS, pursuant to 12 U.S.C. § 1818, has the statutory authority to enter into, amend and enforce supervisory agreements to ensure the establishment and the maintenance of the appropriate safeguards in the operation of entities that it regulates, specifically, the Association;

**WHEREAS**, the Association is doing business under authority granted by the Division and is subject to regulation by the Division pursuant to Chapters 1151 through 1157 and Chapter 1181 of the Ohio Revised Code;

**WHEREAS**, the Supervisory Authorities have previously entered into a Supervisory Agreement with Association, effective December 13, 2007 (2007 Supervisory Agreement);

**WHEREAS**, based on the findings contained within the Association's Report of Examination dated August 10, 2009 (ROE), the Supervisory Authorities are of the opinion that the Association has continued to engage in unsafe or unsound practices;

**WHEREAS**, based on findings in the ROE and noncompliance with certain provisions of the 2007 Supervisory Agreement, the OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to 12 U.S.C. § 1818(b) and the Division is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to Section 1155.02 of the Ohio Revised Code;

**WHEREAS**, Home, acting by and through its Board of Directors (Board) desires to cooperate with the Supervisory Authorities and demonstrate its commitment to the continued development and implementation of appropriate financial policies and practices;

**WHEREAS**, the Supervisory Authorities are of the view that it is appropriate to enter into this Amendment to ensure that the Association engages in the implementation of safe and sound financial policies, reduces its classified assets, and addresses deficiencies in its compliance with the 2007 Supervisory Agreement; and

**WHEREAS**, Home, acting by and through its Board, enters into this Amendment without admitting or denying that grounds exist to initiate an administrative proceeding, except to admit that the Supervisory Authorities have jurisdiction to bring such action.

**NOW, THEREFORE**, in consideration of the above premises and the mutual undertakings set forth herein, the parties agree as follows:

**Amendment of 2007 Supervisory Agreement.**

1. The 2007 Supervisory Agreement is hereby amended by adding the following paragraphs:

29. (a) *By January 31, 2010, the Board shall adopt a schedule of quarterly targets to reduce the level of adversely classified assets of the Association, beginning with the quarter ending March 31, 2010, through the quarter ending December 31, 2012 (Classified Asset Plan). The Board shall send a copy of the Classified Asset Plan to the Regional Director and the Division for review and comment within ten (10) days of the Board's adoption.*

*(b) Within fifteen (15) days of receipt of comments from the Regional Director and the Division, if any, the Board shall incorporate the comments and adopt and implement the revised Classified Asset Plan. The Association shall provide a copy of the adopted revised Classified Asset Plan to the Regional Director and the Division within fifteen (15) days of approval by the Board.*

*(c) Within thirty (30) days of the end of each quarter, beginning with the quarter ending March 31, 2010, the Board shall review the Association's compliance with the Classified Asset Plan. The Board's review shall be fully detailed in the Board meeting minutes. A copy of the Board meeting minutes, including any supporting documents, reports or other information reviewed by the Board shall be provided to the Regional Director and the Division within forty-five (45) days after the date of the meeting. Nothing herein shall diminish the responsibility of the Board to ensure compliance with the Supervisory Agreement and this Amendment.*

30. (a) *By January 31, 2010, the Association shall develop and implement a written plan to resolve and lessen the Association's risk for each asset or credit relationship that in the aggregate equals or exceeds fifty thousand dollars (\$50,000) and is designated as an adversely classified asset by the Association's internal loan review process (each a Remediation Plan, collectively the Remediation Plans). Each Remediation Plan shall include, but not be limited to, the following:*

- (i) an identification of the expected source of repayment;*
- (ii) the fair value of supporting collateral and the position of the Association's lien on such collateral where applicable;*
- (iii) an analysis of current and satisfactory credit information,*

- (iv) *the proposed action to resolve and lessen the Association's risk for each asset or credit relationship and time frame for resolution.*

*(b) On a quarterly basis, beginning with the quarter ending March 31, 2010, the Board shall review the Remediation Plans to: (i) ensure management is adhering to the Remediation Plans; (ii) review the status and assess the effectiveness of each Remediation Plan; and (iii) determine whether to revise a Remediation Plan or pursue alternative action. The Board's review of the Remediation Plans and any corrective actions adopted by the Board shall be fully documented in the appropriate Board meeting minutes. A copy of the Board meeting minutes, including any supporting documents, reports or other information reviewed by the Board shall be provided to the Regional Director and the Division within forty-five (45) days after the date of the meeting.*

31. *Effective immediately, the Board shall establish an Oversight Committee consisting of independent outside directors who shall be responsible for ensuring that management fully implements timely and complete corrective action as required in order for the Association to be in full compliance with the 2007 Supervisory Agreement and this Amendment. On a monthly basis, beginning with the month of February 2010, the Oversight Committee shall formally document in writing its review of the Association's compliance with this paragraph, including any recommendations for corrective action, and provide the written review to the full Board.*

**Duration, Termination or Suspension of Amendment.**

2. This Amendment shall: (i) become effective upon its execution by the Supervisory Authorities, through their respective authorized representatives whose signatures appear below; and (ii) remain in full force and effect until terminated, modified, or suspended in writing by the Supervisory Authorities, acting through their respective authorized representatives (including any authorized designee thereof).

3. Except as otherwise set forth herein, the terms and conditions of the 2007 Supervisory Agreement remain in full force and effect.

4. The Regional Director and the Division may jointly, in their sole discretion, suspend any or all provision of the 2007 Supervisory Agreement or this Amendment upon written notice to the Association.

**Integration.**

5. The 2007 Supervisory Agreement and the Amendment represent the final written agreement of the parties with respect to the subject matter hereof and constitutes the sole agreement of the parties, as of the Effective Date of this Amendment, with respect to the

subject matter herein. All terms and conditions of the 2007 Supervisory Agreement are incorporated herein by reference and made a part hereof.

**Signature of Directors.**

6. Each Director of the Association signing this Amendment attests, by such act, that he or she voted in favor of a board resolution authorizing the execution of this Amendment by the Association to evidence the agreement of the Association with the terms and conditions of this Amendment. A copy of the Board resolution authorizing the execution of this Amendment shall be delivered to the Supervisory Authorities along with the executed original of the Amendment.

**Enforceability of Amended Agreement.**

7. The Association represents and warrants that this Amendment has been duly authorized, executed and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Association. The Association acknowledges that this Amendment is a written agreement entered into with the OTS for purpose of 12 U.S.C. § 1818.

**[Remainder of Page Intentionally Left Blank]**

**IN WITNESS WHEREOF**, the OTS, acting by and through its Regional Director, the Division, acting by and through its Superintendent, and the Association, in accordance with a duly adopted resolution of its Board, hereby executed this Amendment as of the Effective Date.

**OFFICE OF THRIFT SUPERVISION**

By: \_\_\_\_\_ /s/  
Daniel T. McKee  
Regional Director, Central Region

**OHIO DEPARTMENT OF COMMERCE  
DIVISION OF FINANCIAL INSTITUTIONS**

By: \_\_\_\_\_ /s/  
John B. Reardon  
Superintendent of Financial Institutions

**THE HOME BUILDING AND LOAN COMPANY**

By: \_\_\_\_\_ /s/  
Floyd W. Bartley, Director

By: \_\_\_\_\_ /s/  
Dane E. Iseman, Director

By: \_\_\_\_\_ /s/  
Stephen D. Lewis, Director

By: \_\_\_\_\_ /s/  
Sandra T. McNeil, Director

By: \_\_\_\_\_ /s/  
George S. Pearce, Director

By: \_\_\_\_\_ /s/  
Peter D. Quance, Director