

OFFICE OF THRIFT SUPERVISION

APPROVAL OF APPLICATION FOR PERMISSION TO ORGANIZE A FEDERAL SAVINGS BANK, HOLDING COMPANY ACQUISITION, AND BANK MERGER ACT APPLICATION

Order No.: 99-43

Date: July 9, 1999

Third Federal Savings and Loan Association of Cleveland, MHC, Cleveland, Ohio, and its subsidiary, TFS Financial Corporation, Wilmington, Delaware ("ACQUIRORS"), which are registered savings and loan holding companies that control Third Federal Savings and Loan Association, Cleveland, Ohio ("ASSOCIATION"), have submitted applications to the Office of Thrift Supervision ("OTS") for approval of (1) the organization of a new federal stock savings bank to be chartered as Third Federal Savings and Loan Association of Florida, North Miami Beach, Florida ("NEW THRIFT"), (2) the issuance of a charter for NEW THRIFT; (3) the acquisition of control of NEW THRIFT; (4) the purchase of certain assets or assumption of certain liabilities, or both, of Oceanmark Bank, F.S.B., North Miami Beach, Florida ("OLD THRIFT"), by NEW THRIFT, as specified in a bid approved by the Federal Deposit Insurance Corporation ("FDIC") pursuant to subsections (c) and (k) of section 13 of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1823(c) and (k); and (5) the maintenance, as necessary, of any offices of OLD THRIFT so acquired as the home office and, where applicable, branch offices of NEW THRIFT (collectively, the "APPLICATIONS"). NEW THRIFT will be a member of the Savings Association Insurance Fund.

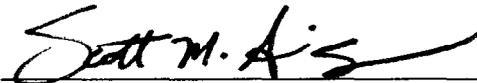
The OTS has considered the APPLICATIONS under the standards set forth in sections 5(e) and 10(e) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. §§1464(e) and 1467a(e), section 18(c) of the FDIA, 12 U.S.C. § 1828 (c), 12 C.F.R. §§ 543.3(f), 552.2-3, 552.15, 563.22, and 574.7, 575.10(a), 575.11(a), the Community Reinvestment Act ("CRA"), 12 U.S.C. §§ 2901 *et seq.*, and the OTS regulations thereunder, 12 C.F.R. Part 563e. In addition, the OTS has considered the digest by the OTS Central Regional Office ("Regional Office"), a legal opinion by the Business Transactions Division, and an analysis by the Office of Examination and Supervision ("collectively the "Staff Memoranda"). For the reasons set forth in the Staff Memoranda, the OTS has determined that the APPLICATIONS satisfy all applicable statutory and regulatory criteria, provided that the conditions set forth below are satisfied. Accordingly, the APPLICATIONS are hereby approved, subject to the following conditions:

1. The ACQUIRORS and NEW THRIFT must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals provided to the Regional Office;

2. The proposed transactions must be consummated within one hundred and twenty (120) calendar days from the date of this Order or within such additional period as the Regional Director, or his designee, may grant;
3. Within 60 days of consummation of the transaction, and prior to engaging in any activities not currently conducted by the ASSOCIATION, NEW THRIFT must submit a three year business plan for the review and non-objection of the Regional Director. NEW THRIFT must operate within the parameters of the approved business plan throughout the three year business plan period. Any proposed material deviations from the business plan must be submitted to the Regional Director at least 30 calendar days before any proposed change is implemented, for his non-objection. NEW THRIFT must also submit quarterly variance reports, comparing NEW THRIFT's operations to business plan projections, to the Regional Director within 45 days of the end of each quarter for the first three years of operation;
4. Within 30 days, NEW THRIFT must identify all directors and senior executive officers for Regional Director non-objection. For a period of one year thereafter, NEW THRIFT must receive the prior non-objection of the Regional Director for the appointment of any new director or senior executive officer. Within one year of consummation, the composition of the board of directors must comply with the requirements of 12 C.F.R. Section 543.3(d);
5. Within 60 days of consummation of the transaction, NEW THRIFT must submit a written CRA plan for the review and non-objection of the Regional Director;
6. NEW THRIFT must submit independent audit reports to the Regional Office for its first three fiscal years. These reports must be in compliance with the audit rules set forth in 12 C.F.R. Section 562.4;
7. Within 90 days of consummation of the transaction, NEW THRIFT must submit to the Regional Director, and receive his written non-objection to any tax sharing agreement between the ACQUIRORS and NEW THRIFT;
8. Any contracts or agreements pertaining to transactions with affiliates, not yet submitted to the OTS for review, must be provided to the Regional Director, or his designee, at least 30 days prior to execution and must receive his written non-objection prior to implementation;
9. Prior to accepting any deposit or similar account, NEW THRIFT must provide the prospective depositor with full, fair, and prominent disclosure (in a form acceptable to the Regional Director, or his designee) that account holders of NEW THRIFT have no right to priority subscription rights in connection with any conversion of the ACQUIRORS, or any successor entity, from the mutual to the stock form of organization, and that account holders of NEW THRIFT have no right to any distributions in connection with any voluntary dissolution of the ACQUIRORS, or any successor entity;

10. Written approval of the OTS must be obtained before any issuance of stock by NEW THRIFT and before any disposition of stock of NEW THRIFT by the ACQUIRORS;
11. All dividend payments by NEW THRIFT, and all distributions in connection with a voluntary dissolution by NEW THRIFT, must receive prior, written OTS approval; and
12. Within 20 days of consummation, NEW THRIFT will submit a written assessment of its Year 2000 preparedness to the Regional Director. Within 60 days of consummation of the transaction, NEW THRIFT must submit written evidence, acceptable to the Regional Director, that NEW THRIFT's Year 2000 efforts comply with the terms, milestone dates, requirements, and conditions contained in the Year 2000 guidance issued by the OTS and/or the Federal Financial Institutions Examination Council.

By order of the Director of the Office of Thrift Supervision, or her designee, effective July 9, 1999.



Scott M. Albinson
Managing Director
Supervision