

95143

OTS No. 4558

AGREEMENT

This Agreement ("Agreement") is made and is effective this 1st day of August, 1991 ("Effective Date"), by and between County Savings Bank, Newark, Ohio (hereinafter "County"), 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 County. 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. §§ 1818(b)(1) and (i)(2).

NOW, THEREFORE, IT IS AGREED that County and its directors, officers, employees, agents, and service corporations shall comply with the provisions of this Agreement.

1. County shall, within 30 days following the date of this Agreement, and as of the 25th day of each month thereafter, develop and submit to the Deputy Regional Director of the Cincinnati Office (the "Deputy Regional Director") or his designee, with respect to each commercial real estate loan having a then outstanding balance of \$500,000 or more and each delinquent commercial mortgage loan, regardless of size, a schedule which provides the following information, at a minimum, as to each such commercial mortgage loan in its portfolio:

- a. Borrower name;
- b. Loan number;
- c. Remaining balance;
- d. Description and address of security property;
- e. Debt coverage ratio of the security property for the most recent period available;

- f. Expected date when current operating information will be provided by the borrower;
- g. The rating assigned to the loan (Pass, Special Mention, Substandard, Doubtful, or Loss, as such terms are defined in 12 C.F.R. 563.160(b));
- h. Maturity date (or anticipated sale/refinance date; and
- i. Brief plan of action for monitoring or sale of property.

2. County shall use its best efforts and make progress toward reducing its classified assets to no more than 80% of tangible capital plus general valuation allowances by December 31, 1992. Interim targeted benchmarks for the above-defined ratio shall be determined as follows:

**Classified Assets as a Percentage
of Total Capital Plus GVAs**

<u>12/31/91</u>	<u>06/30/92</u>	<u>12/31/92</u>
215%	170%	80%

Should the above target benchmarks, which County shall use its best efforts to achieve, not be met, the Deputy Regional Director shall, among other considerations, grant County an opportunity to justify the level of progress made in reducing classified assets in determining in his sole discretion the quality of the efforts expended and the need of any additional supervisory action.

3. County shall continue to comply with, and be bound by, the provisions and conditions of OTS's May 14, 1990 approval of its Capital Plan, except to the extent that such plan is modified by this Agreement.

4. County shall use its best efforts to raise sufficient equity capital so as to increase its tangible capital to a level of 6% of total tangible assets. The target date for accomplishment of this objective is June 30, 1992. As an interim step, County anticipates that capital equal

to 5% of total tangible assets will be achieved as of December 31, 1991.

County shall retain, during the first quarter of 1992, a qualified financial entity to advise it concerning the projections and mode for raising additional capital, and shall report the findings of such entity to the Deputy Regional Director, together with the action proposed to be taken by the board of directors based upon such report. In addition, County will report quarterly to the Deputy Regional Director on its efforts to raise capital.

5. County's board of directors shall meet at least one each month to review the prior month's operation, specifically reviewing progress in reducing classified assets, the need for additional general valuation allowances, management's compliance with this Agreement, statutory and regulatory requirements, as well as existing board policies and procedures, timely response to regulatory correspondence and inquiries, and other actions normal for an effective and active board of directors. County shall provide a monthly report detailing progress towards achieving both objectives.

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 County, nothing in this Agreement shall in any way inhibit, estop, bar or otherwise prevent the OTS from doing so.

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 C.F.R.). Any such technical words or terms used in this Agreement

