

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 26th day of November, 1991 (the "Effective Date"), by and between Citizens Savings Bank, FSB (the "Bank"), a federally chartered stock savings bank, having its main office located at 118 North Tioga Street, Ithaca, New York 14850 and the Office of Thrift Supervision ("OTS"), an office within the Department of the Treasury, a department in the Executive Branch of the United States Government, having its principal executive offices located at 1700 G Street, N.W., Washington, D.C.

WHEREAS, the Bank is a federally chartered stock savings bank, the deposits of which are insured by the Savings Association Insurance Fund ("SAIF") of the Federal Deposit Insurance Corporation ("FDIC"), and is subject to federal laws and regulations; and

WHEREAS, the OTS is the primary federal regulator of the Bank; and

WHEREAS, the OTS, represented by the Regional Director for the Northeast Region ("Regional Director") is of the opinion that the Bank has engaged in acts and practices in operating the business of the Bank that violate certain of the laws or regulations to which the Bank is subject, do not conform to safe and sound banking practices and provide grounds for the initiation of judicial and/or administrative proceedings against the Bank; and

WHEREAS, the Board of Directors of the Bank (the "Board"), without concurring with the foregoing opinion of the OTS, wishes to cooperate with the OTS and to demonstrate that they have the intent and ability to: (1) comply with all applicable laws and regulations; (2) engage in safe and sound practices; and (3) maintain the Bank in a safe and sound condition, consistent with its fiduciary duties owed to the Bank; and

WHEREAS, the OTS is of the view that it is appropriate to take measures intended to ensure that the Bank will: (1) comply with all applicable laws and regulations; (2) engage in safe and sound practices; and (3) maintain itself in a safe and sound condition; and

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

SECTION 1 -- COMPLIANCE WITH LAWS AND REGULATIONS

1.1. The Bank shall comply with the following Federal laws and regulations:

- (a) Sections 545.32, 545.35, 545.36 and 545.37 of the OTS Regulations, 12 C.F.R. §§545.32, 545.35, 545.36. and 545.37 (regarding real estate loans, other real estate loans, loans to acquire or improve real estate and combination loans);
- (b) Sections 563.160 and 571.26 of the OTS Regulations, 12 C.F.R. §563.160 and §571.26 (regarding classification of assets);
- (c) Section 563.170(c)(1) of the OTS Regulations, 12 C.F.R. §563.170(c)(1) (regarding establishment and maintenance of records with respect to loans secured by real estate);
- (d) Section 563.172 of the OTS Regulations, 12 C.F.R. §563.172 (regarding re-evaluation of assets; adjustment of book value; adjustment charges);
- (e) Section 563.176 of the OTS Regulations, 12 C.F.R. §563.176 (regarding interest-rate-risk management);
- (f) Section 563.180(d) of the OTS Regulations, 12 C.F.R. §563.180(d) (regarding filing of reports of crimes, suspected crimes and unexplained losses);
- (g) Section 563.190 of the OTS Regulations, 12 C.F.R. §563.190 (regarding bonds for directors, officers, employees and agents); and
- (h) Part 564 of the OTS Regulations, 12 C.F.R. §564.1 et seq. (regarding appraisals).

1.2. The compliance requirements of this Agreement shall not be construed as an authorization for the Bank to engage in the activities governed by the aforesaid laws, rules and regulations. To the extent that it is lawful for the Bank or its affiliates to engage in such activities, and if provisions of this Agreement set forth more strict restrictions, limitations and requirements than are set forth in applicable laws, rules and regulations, then, under such circumstances, those activities shall be subject to the stricter restrictions, limitations and requirements set forth in this Agreement.

SECTION 2 --RESTRICTIONS ON ACTIVITIES

2.1. Prohibition on Asset Growth:

The Bank shall not increase its Total Assets to an amount in excess of the amount of its Total Assets as of January 8, 1991 without the prior written notice of non-objection of the Regional Director and shall abide by any OTS policy restrictions on growth, including OTS Regulatory Bulletin 3a-1.

2.2. Capital Distributions:

The Bank shall not make any capital distributions, except as provided in Section 563.134 of the OTS Regulations, 12 C.F.R. § 563.134. This restriction shall not prevent the Bank from paying interest on its deposit accounts in accordance with the terms of such deposit accounts.

2.3. Restrictions on Lending:

As of the Effective Date, the Bank shall not, without the prior written notice of non-objection of the Regional Director, make, invest in, participate, purchase, refinance, extend, or otherwise modify any Construction Real Estate Loans provided that the Bank shall be permitted to (i) advance funds necessary to honor existing legally binding commitments in existence as of October 4, 1990 to fund loans ("Commitments") or loans-in-process ("Loans In Process") relating to Construction Real Estate Loans and (ii) fund those commitments and loans listed on Exhibit A attached hereto and made a part hereof.

2.4. Commitments and Loans in Process:

- (a) Prior to finalizing any Commitment or making any disbursement under Loans In Process, in connection with Construction Real Estate Loans, the Bank shall affirmatively determine that all material conditions precedent to the Commitment or disbursement have been satisfied or have been waived pursuant to established written policies for granting such waivers.
- (b) Within 30 days of the Effective Date of this Agreement, the Bank shall provide the Regional Director with a list of all Commitments and Loans In Process existing as of October 4, 1990 relating to Construction Real Estate Loans. This list should include the following information: (i) amount and type of Commitments and Loans

In Process (including whether firm or standby); (ii) date the Commitment was issued; (iii) identity of the borrower and amount of other outstanding loans or Commitments and Loans In Process to the borrower; (iv) type, location, and value of the collateral; (v) schedule of anticipated funding; (vi) amount of any commitment fee received and date of receipt; and (vii) amount and portion of interest and fees funded by loans proceeds, if any.

- (c) For any Commitments or Loans in Process, relating to Charleston Loans, that exceed the aggregate loan to one borrower ("LTOB") amount of \$1 million, to the extent that it has not already done so, the Bank shall provide the Regional Director, within 60 days of the Effective Date, with a written opinion from independent legal counsel, setting forth the following: (i) a statement that counsel has reviewed the terms of each such Commitment or Loan In Process, which shall be identified in a schedule appended to the written opinion; (ii) identifying each such Commitment or Loan in Process that in the opinion of counsel constitutes a legally binding obligation of the Bank that could be enforced in a court of law by the party to whom the Commitment and Loan in Process is made; and (iii) opining that the honoring of such Commitment and Loan in Process will not cause the Bank to violate any laws or regulations applicable to it.
- (d) In addition to the requirements specified in this Section 2.4, the Bank shall not make any advances or disbursements on any such Construction Real Estate Loans unless the Bank shall have adopted policies and procedures which ensure that: (i) construction loan proceeds are used for the intended purpose and are advanced only in accordance with the plan of construction; and (ii) such advances or disbursements must be supported by adequate documentation, including inspection reports done upon completion of the paid for improvements and detailed invoices documenting materials provided and work performed. If advances or disbursements must be made prior to completion of the work or materials provided because of the requirements of vendors and subcontractors, such advances or disbursements must be supported by inspection reports done upon completion of the paid for improvements and detailed invoices documenting materials provided and work performed.

2.5. Changes in Construction Real Estate Loans:

- (a) Notwithstanding the provisions of Section 2.3, the Bank shall be permitted to modify, extend or restructure ("Change" or "Changes") Construction Real Estate Loans provided that: (i) for loans in the aggregate loan to one borrower amount ("LTOB") of less than \$300M, the Bank shall, within 30 days of the Effective Date and every month thereafter, provide the Regional Director with a list of all such Changes; (ii) for loans in the aggregate LTOB amount of \$300M to \$750M, the Bank shall, immediately upon the closing of any such Change, provide the Regional Director with a summary of such Change; and (iii) for loans in the aggregate LTOB amount of more than \$750M, no Change shall be made without the prior written notice of non-objection to such Change of the Regional Director.
- (b) In addition to the notice and approval requirements of Section 2.5(a), no Change of a Construction Real Estate Loan shall be permitted until the Board shall have established written policies and procedures for Changes to ensure that such Changes are adequately controlled. Such policies and procedures shall include, at a minimum, (i) complete documentation of the terms of the Change and the reasons for the Change, including all records and documentation as required by 12 C.F.R. §563.170; (ii) an adequate credit analysis of the borrower's ability to repay the loan; (iii) concurrence with such credit analysis and recommendation by a loan officer, senior in position to the person performing the credit analysis; and (iv) documentation of such analysis and concurrent review.
- (c) Notwithstanding the provisions of Section 2.5(a), the Bank may not make any Change in a Construction Real Estate Loan or any other loan whose purpose is to fund interest reserves through the granting of a second mortgage loan.

2.6. Request for Notice of Non-Objection:

The OTS, in the exercise of its discretion, may from time to time provide the Association with a written notice of non-objection to permit extensions of credit otherwise prohibited by this Agreement. The Association may request of the OTS the issuance of such written notice(s) of non-objection. Such requests must be submitted in writing to the OTS Northeast Regional office. The OTS will not process such requests unless they are accompanied by (a) a resolution

duly adopted by the Board wherein the Board, upon due inquiry, has determined the proposed lending activity to be in the best interests of the Association and has authorized the activity contingent upon OTS non-objection, and (b) such documentation and information as the OTS may deem appropriate.

SECTION 3 -- ADDITIONAL REQUIREMENTS

3.1. Asset Classification Program:

- (a) The Bank shall continue to employ the services of Bank Management Resources, Inc. ("BMR") to perform the Bank's internal asset classification function. The Bank shall not terminate the employment of BMR or materially modify the terms of its contract with BMR without the prior written notice of non-objection of the Regional Director.
- (b) Within 30 days of the Effective Date, the Bank shall develop and implement an asset review and classification policy which shall comply with the provisions of 12 C.F.R. §§563.160 and 571.26. Such policy shall at a minimum ensure: (i) the identification of problem assets and where appropriate, the classification of such assets; (ii) the proper reporting of the level of asset classifications; (iii) adequate valuation allowances to reflect credit risk in its portfolio; and (iv) appointment of a management official responsible for carrying out such program who is independent of the lending function and reports directly to the Board.
- (c) Beginning with the quarter ending September 30, 1991, management shall submit to OTS a summary of all classified assets as reported on Schedule TA, lines 400, 410, 420 and 430 of the Thrift Financial Report, in the same format as appears on pages A-12.1 through A-13 of the OTS Examination Report. Such classified asset summaries shall include classified assets which have been paid off, disposed of, or written off since the previous quarterly submission of the Thrift Financial Report. This report should include: (i) a brief synopsis of each loan in the LTOB amount of \$750M or greater listed; (ii) the highlighting of any upgrades or changes in major loan classifications; and (iii) for the first submission, the classification data for June 30, 1991. Management shall submit such report to the Board for review, which review shall be documented in the Board's minutes. The first submission pursuant to this Section 3.1(c) shall be

submitted to OTS by the fifth Business Day following the meeting of the Board in December 1991 and thereafter each submission pursuant to this Section 3.1(c) shall be submitted to OTS by the 45th day following the end of each quarter.

- (d) Beginning with the quarter ending September 30, 1991, management shall submit to OTS a status report on: (i) the Bank's compliance with the Board's plan to manage and reduce classified assets to a reasonable level; and (ii) the actual reductions in Charleston Loans compared to the projected reduction detailed in the Charleston Plan. Any variance in an amount greater than 10% between the actual level of classified assets (or Charleston Loans, as the case may be) and the projected level of classified assets (or Charleston Loans, as the case may be) shall be fully explained. Such status report shall be submitted to the Board for review, which review shall be documented in the Board's minutes. The first status report pursuant to this Section 3.1(d) shall be submitted to OTS by the fifth Business Day following the meeting of the Board in December 1991 and thereafter, each such status report pursuant to this Section 3.1(d) shall be submitted to OTS by the 45th day following the end of each quarter.

3.2. Interest Rate Risk Policy:

Within 45 days of the Effective Date, the Bank shall develop and implement a revised interest rate risk policy and procedures which are consistent with OTS Regulation 12 C.F.R. §563.176 and 571.3 and OTS Thrift Bulletins Nos. 13, 13-1 and 13-2. The Board shall, on a quarterly basis, monitor the Bank's compliance with its established interest rate risk policies and procedures and interest rate risk exposure.

3.3. Appraisals:

- (a) The Bank shall immediately cease using the appraisal services of Charles Middleton, MAI, Charleston, South Carolina.
- (b) The Bank shall immediately obtain appraisals of the classified assets listed on pages A-12.1 to A-12.66 of the OTS Examination Report, to the extent that such appraisals have not already been obtained as of the Effective Date.
- (c) Within 30 days of the Effective Date and every month thereafter, the Bank shall provide OTS with a report of the results of the appraisals required by Section 3.3(b)

including: (i) the date of each such appraisal; (ii) the market value as determined by such appraisal; and (iii) whether additional specific and/or general valuation reserves are required.

- (d) Within 30 days of the Effective Date, the Bank shall implement an effective policy regarding its appraisal program consistent with 12 C.F.R. §§563.170, 563.172(a) and 564.1 et seq. The Bank shall consider, as a reference in establishing its appraisal policy, the "Appraisal Policy and Procedures Guide", dated November 1990 and written by Gregg A. Hoefer, MAI, Department of the Treasury, Office of Thrift Supervision, Seattle, Washington. At a minimum, such policy shall include the designation by the Board of one or more qualified individual(s) whose responsibility shall be to: (i) ensure that the Bank is in compliance with the appraisal regulations; (ii) review all appraisal reports submitted to the Bank on classified assets, other than owner occupied one to four family residential loans; and (iii) document such review in the loan files.

3.4. Surety Bond Coverage:

The Bank shall diligently attempt to obtain Surety Bond coverage in a form and amount consistent with Section 563.190 of the OTS Regulations, 12 C.F.R. §563.190. The Bank shall document all such attempts to obtain the required coverage.

3.5. Criminal Referrals:

The Bank shall submit criminal referrals within 14 Business Days of the discovery of any known or suspected criminal act in accordance with Section 563.180(d) of the OTS Regulations.

3.6. Internal Audit Review:

Within 30 days of the Effective Date, the Bank shall adopt and implement an internal audit policy which will enable the Board to monitor management's compliance with Bank's policies and procedures regarding Construction Real Estate Loans. Such policy shall include the preparation by the internal audit department of quarterly reports, beginning with the first quarter ending September 30, 1991, documenting such compliance (or lack thereof). These reports shall be submitted to the Board for review and such review shall be documented in the Board's minutes.

SECTION IV - THE BOARD

4.1 Certain Actions Required by the Board:

- (a) Each member of the Board owes fiduciary duties to the Bank. Notwithstanding that certain provisions of this Agreement require the Board to submit various matters to the Regional Director for the purpose of receiving approval, notice of acceptability or non-objection, such regulatory oversight does not derogate or supplant the fiduciary duties owed by the members of the Board. The Board, at all times, shall have the ultimate responsibility for overseeing the safe and sound operation of the Bank. In the opinion of OTS, no member of the Board shall be deemed to have breached such director's fiduciary duties by complying or seeking to comply with the terms of this Agreement in good faith.
- (b) In connection with its oversight of the Bank, the Board shall, at a minimum, obtain and consider all applicable information suggested in the Director Information Guidelines, published by the OTS in December, 1989. The Bank shall make such information available to the Regional Director upon request.
- (c) The Board shall take immediate action for the purpose of causing the Bank to comply with this Agreement.

4.2 Board Review of Compliance With Agreement:

- (a) The Board, on a monthly basis, shall adopt a Board Resolution (the "Compliance Resolution") formally resolving that, following a diligent inquiry of relevant information (including reports of management), to the best of its knowledge and belief, during the immediately preceding calendar month, the Bank has complied with each provision of this Agreement currently in effect, except as otherwise stated. The Compliance Resolution shall: (i) specify in detail how, if at all, full compliance was found not to exist; (ii) identify all notices of exemption issued by the Regional Director that were outstanding as of the date of its adoption; and (iii) identify each Director voting in opposition to or abstaining from its adoption.

- (b) The minutes of the meeting of the Board shall set forth the following information with respect to the adoption of each Compliance Resolution: (i) the identity of each Director voting in favor of its adoption; (ii) the identity of each Director voting in opposition to its adoption; and (iii) the identity of each Director abstaining from voting thereon.
- (c) No later than the 25th Business Day of the month following the end of a calendar quarter, beginning with the end of the first calendar quarter following the Effective Date, the Bank shall provide to the Regional Director a certified true copy of the Compliance Resolutions adopted at the Board meeting for the month immediately following the end of such calendar quarter. The Board by virtue of the Bank's submission of a certified true copy of each such Compliance Resolution to the Regional Director, shall be deemed to have certified to the accuracy of the statements set forth in each Compliance Resolution, except as provided below. In the event that one or more Directors do not agree with the representations set forth in a Compliance Resolution such disagreement shall be noted in the minutes of the Bank.

SECTION 5 -- DEFINITIONS AND MISCELLANEOUS PROVISIONS

5.1. Definitions:

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires: (a) the terms defined in this Section 5.1 have the meanings assigned to them in this Section 5.1 and include the plural as well as the singular; (b) all accounting terms not otherwise defined have the meanings assigned to them in accordance with generally accepted accounting principles in the United States, except that if such terms are defined in the Rules and Regulations of the OTS, such regulatory definitions shall be controlling; (c) all terms not otherwise defined herein that are defined in the HOLA, the FDIA, FIRREA, the Rules and Regulations of the OTS or its publicly available Bulletins and Advisory Memoranda shall have the meanings assigned to them in such statutes, Rules and Regulations, Bulletins, and Advisory Memoranda; and (d) all technical words or terms not subject to a definition in this Agreement shall have the meanings that accord with the best custom and usage in the thrift and banking industries.

"Advisory Memoranda" refers to inter alia, R Memoranda and T Memoranda issued by the staff (or agents) of the OTS (or its predecessors in interest).

"Bulletins" refers to, inter alia, Regulatory Bulletins, Thrift Bulletins, and PA Bulletins, issued by the staff (or agents) of the OTS (or its predecessors in interest).

"Business Day" means any weekday excluding Federal holidays.

"Charleston Loan or Loans" means any loan(s) secured by real property located in the Charleston, South Carolina area (other than a one-to-four family home which is to be occupied by the borrower) and listed in the Charleston Plan.

"Charleston Plan" means the plan adopted by the Bank and submitted to OTS, dated December 21, 1990 setting forth the Bank's plan to reduce the total outstanding amount of Charleston Loans.

"Construction Real Estate Loan or Loans" means (i) any Charleston Loan, and (ii) any loan(s), the proceeds of which are used to acquire land, or acquire, improve, construct and/or rehabilitate residential or commercial property, which is secured by real property other than by a one-to-four family home which is to be occupied by the borrower. Construction Real Estate Loan or Loans shall not include any permanent real estate loan(s) the proceeds of which are used to finance or refinance the acquisition of residential or commercial real estate, provided that in connection with such permanent real estate loans, the Bank may disburse up to the lesser of (i) 10% of the total loan amount committed or (ii) \$50M for construction, improvement or rehabilitation.

"Executive Officer" has the meaning assigned to the term "Officer" as set forth in Section 561.35 of the OTS Regulations, 12 C.F.R. § 561.35.

"FDIA" means the Federal Deposit Insurance Act, as amended, 12 U.S.C. §1811 et seq.

"FDIC" means the Federal Deposit Insurance Corporation.

"FIRREA" means the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183.

The words "herein", "hereof", and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, or other subdivision, unless the context otherwise requires.

"OTS Examination Report" means the Report of Examination of the Bank, conducted by OTS, beginning July 23, 1990 and ending October 23, 1990.

"Regional Director" or his successor is the "senior supervisory official" within the meaning of Section 723(d) of the FIRREA, and refers to the Regional Director of the Northeast region of OTS. All references to the Regional Director shall include the Regional Director and/or his designee(s).

"Total Assets" has the meaning set forth at Section 567.1(ff) of the OTS Regulations, 12 C.F.R. § 567.1(ff).

5.2. Successor Statutes, Regulations, Guidance, Amendments:

Reference in this Agreement to provisions of statutes, regulations, and OTS Memoranda shall be deemed to include references to all amendments to such provisions as have become effective as of the Effective Date and references to successor provisions as they become applicable.

5.3. Notices:

(a) Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by the Agreement to be made upon, given or furnished to, delivered to, or filed with:

(i) the OTS by the Bank shall be sufficient for every purpose hereunder if in writing and mailed, first class or airmail postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Deputy Regional Director, Pittsburgh District Office, Office of Thrift Supervision, Department of the Treasury, One Riverfront Center, Pittsburgh, Pennsylvania 15222 or telecopied to (412) 338-2599 and confirmed by mail, first class or airmail postage prepaid, overnight delivery service or physically delivered, in each case to the above address.

(ii) the Bank by the OTS shall be sufficient for every purpose hereunder if in writing and mailed, first class or airmail postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Bank at Citizens Savings Bank, FSB, P.O. Box 400, 118 North Tioga Street, Ithaca, New York 14851 or telecopied to (607)273-8051 and confirmed by mail, first class or airmail postage prepaid, overnight delivery service or physically delivered, in each case to the above address.

(b) Notices hereunder shall be effective upon receipt, if by mail, overnight delivery service or telecopy, and upon delivery, if by physical delivery. If there is a dispute about the date on which a written notice has been received by a party to this Agreement, then, in the event such notice was sent by the United States mail, there shall be a presumption that the notice was received two Business Days after the date of the postmark on the envelope in which the notice was enclosed.

5.4. Duration, Termination or Suspension of Agreement:

(a) The Agreement shall remain in effect until terminated, modified or suspended in writing by the OTS, acting through its Director or the Regional Director (including any authorized designee thereof).

(b) The Regional Director (or his designee), in his or her sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

5.5. Effect of Headings:

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

5.6. Separability Clause:

In case any provision in this Agreement 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.

5.7. No Violations of Law, Rule, Regulation or Policy Statement Authorized:

Nothing in this Agreement shall be construed as allowing the Bank to violate any law, rule, regulation, or policy statement to which it is subject.

5.8. Successors in Interest:

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.

5.9. Benefits of the Agreement:

Nothing in this Agreement, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

5.10. Signature of Directors:

Each Director signing the Agreement attests that s/he voted positively in favor of the resolution authorizing the execution of the Agreement by the Bank.

5.11. Enforceability of Agreement:

The Bank represents and warrants that this Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Bank. The Bank acknowledges that this Agreement is a "written agreement" entered into with the OTS within the meaning of Section 8 of the FDIA, 12 U.S.C. §1818.

5.12. Conflicts with Other Agreements:

In the event of any conflict between this Agreement and any other prior written agreements and understandings (including, but not limited to, letters dated October 4, 1990, January 8, 1991, March 8, 1991 and July 30, 1991), the terms and conditions of this Agreement shall be controlling.

IN WITNESS WHEREOF, the OTS, acting by and through the Regional Director and the Bank, in accordance with a duly adopted resolution of its Board (copy attached hereto as Appendix I), hereby execute this Agreement as of the Effective Date.

OFFICE OF THRIFT SUPERVISION

CITIZENS SAVINGS BANK, FSB

By:

By:

/s/
Name: Angelo A. Vigna
Title: Northeast Regional Director

/s/
Name: Arthur M. Pivirotto, Jr.
Title: President and Chief Executive Officer

DIRECTORS OF THE BANK

/s/
Director Victor Del Rosso

/s/
Director Arthur M. Pivirotto, Jr.

/s/
Director W. G. Herbster

/s/
Director John R. McGrath

/s/
Director R. Davis Cutting

/s/
Director K. A. Horowitz

/s/
Director Robert M. Matyas

/s/
Director Jorel M. Horowitz

/s/
Director James E. Morley, Jr.

/s/
Director F. W. Martin

SCHEDULE OF CONSTRUCTION AND LAND LOANS

ORIGINATED AFTER OCTOBER 4, 1990

The following is a list of all construction and land loans originated by Citizens Savings Bank, F.S.B. after October 4, 1990, other than one-to-four family owner occupied properties and other than loans which have been fully disbursed or paid in full.

Loans:

Borrower	Amount	Closing Date
#107589 Better Housing For Tompkins Co. (single family non-owner occupied construction loan to non-profit housing organization)	\$50,000	10/7/91
#108135 J. Iacovelli (single family non-owner occupied construction loan)	\$52,250	11/7/91
#107864 J. Iacovelli (single family non-owner occupied construction loan)	\$75,000	10/22/91

Commitments Not Yet Closed (loan numbers not yet assigned):

Better Housing For Tompkins Co. (single family non-owner occupied construction loan commitment to non-profit housing organization)	\$50,000	
Better Housing For Tompkins Co. (single family non-owner occupied construction loan commitment to non-profit housing organization)	\$50,000	
R. MacDonald (loan secured by vacant land)	\$15,750	

All of the above loans and commitments involve property located within the three counties in which Citizens maintains bank branch offices in New York State

APPENDIX I

CERTIFICATE OF SECRETARY
OF
CITIZENS SAVINGS BANK, FSB

I, DAVID G. HUCKLE, DO HEREBY CERTIFY AS FOLLOWS:

1. I am the duly appointed Secretary of Citizens Savings Bank, FSB (the "Bank")
2. A duly called meeting of the Board of Directors of the Bank was held on November 26, 1991.
3. At that meeting, at which a quorum was present and voting throughout, the following resolutions, which have not been rescinded or modified and which are presently in full force and effect, were adopted by the affirmative vote of at least a majority of the Directors:

WHEREAS, all of the Directors present have read and considered the proposed Supervisory Agreement (the "Agreement") between the Bank and the Office of Thrift Supervision, an Office of the United States Department of the Treasury, a copy of which is attached to the minutes of this meeting; and

WHEREAS, it is in the best interest of the Bank to enter into this Agreement;

NOW, THEREFORE, BE IT RESOLVED, that the Agreement is hereby adopted and approved and the Directors of the Bank are hereby authorized and directed to execute this Agreement on behalf of the Bank.

FURTHER RESOLVED, that the officers and employees of the Bank are authorized and directed to take all necessary and appropriate action to implement immediately the terms of the Agreement and to cause the Bank to comply with such Agreement.

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of the Bank on this 26th day of November, 1991.

[SEAL]


Name: David G. Huckle