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SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 19th day of November 1990 ("Effective Date"), by and between Fairfield Savings and Loan Association, Long Grove, Illinois (OTS No. 3637) ("Fairfield"), for itself and any subsidiary, the Office of Thrift Supervision ("OTS") and the Office of the Commissioner of Savings and Residential Finance ("Commissioner"). This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of Fairfield. 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), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), Pub. L. No. 101-73, §§ 902 and 907 (1989).

WHEREAS, the OTS and the Commissioner are of the opinion, based on the results of the Report of Examination as of January 29, 1990 ("Report"), that grounds exist for the initiation of cease and desist proceedings against Fairfield by the OTS; and

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings on the subjects covered by this Agreement for so long as Fairfield is in compliance with the provisions of this Agreement; and

WHEREAS, in the interest of regulatory compliance and cooperation, Fairfield, by its Board of Directors ("Board"), without admitting that grounds for a cease and desist proceeding exist, is willing to enter into this Agreement to avoid the initiation of such cease and desist proceeding;

NOW, THEREFORE, in consideration of the above-stated forbearance by OTS, it is agreed between the parties hereto as follows:

Statutes and Regulations

1. Fairfield and its subsidiaries shall not knowingly initiate any action which would result in any violation of, or the aiding and abetting of any violation of:

   12 C.F.R. Section 563.171(c);
   12 C.F.R. Section 563.43(b)(2); and
   12 C.F.R. Section 563.174(d).

Recapitalization

2. By December 15, 1990, the Board shall submit a completed application for conversion to stock form of ownership with said stock conversion bringing the institution into acceptable capital compliance.

The Board shall complete the conversion to stock form of ownership within the timeframes contained within the approval of the stock conversion application. If the application is withdrawn or denied, within 30 days of the withdrawal or denial date, Fairfield shall submit a plan for bringing the institution into acceptable capital compliance within 120 days.

Management Study

3. Within 60 days, the Board shall conduct a study of current management and Board supervision presently being provided to Fairfield. The study shall include:

(a) the identification of present and future management and staffing requirements of each area of Fairfield;

(b) an evaluation of the ability of current management;

(c) objectives by which management's effectiveness will be measured;

(d) the need for additions to or deletions from the current management team;

(e) an assessment of whether Board members are receiving adequate information on the operation of Fairfield to enable them to fulfill their fiduciary responsibilities or other responsibilities under law;

(f) an evaluation of whether Board members are acting responsibly and expeditiously in fulfilling their duties as directors;

(g) an evaluation of the extent of responsibility of current management for present weaknesses in Fairfield's condition; and

(h) a plan for management succession.

4. Within 30 days of the completion of the Board's study, the Board shall adopt a written plan, with specific time frames, to eliminate any deficiencies in Fairfield's management, staffing or in supervision of management by the Board.

5. Copies of the Board's written plan and the Board's study shall be forwarded, when completed, to the OTS Manager and Commissioner. In the event the management plan, or any portion thereof, is not implemented, the Board shall immediately advise the OTS Manager and Commissioner, in writing, of the reasons for deviating from the management plan.

Conflict of Interest

6. Within 30 days, the Board shall adopt a written comprehensive conflict of interest policy to be applicable to directors, officers, employees of Fairfield, and if and when applicable, principal shareholders. The Board shall consider the information contained in 12 C.F.R. Section 571.7 in formulating the policy. At a minimum, the conflict of interest policy shall address:

(a) avoidance of conflicts of interest and the appearance of conflicts of interest, and of breaches of fiduciary duty;

(b) disclosure of actual and potential conflicts of interest to the Board, as well as, periodic disclosure of "related interests" as defined by 12 C.F.R. Part 215.2(k); and

(c) requirements for arms-length dealing and documentation of any transactions involving payment of fees by Fairfield or any of its subsidiaries for services or goods from an affiliated person or affiliated person related organization.

7. The policy shall also provide that the total amount of securities transactions between Fairfield and any family members or in-laws of affiliated persons shall not exceed 25% of the total of Fairfield's annual dollar volume of securities without the prior written approval of the OTS Manager and Commissioner.

8. Upon adoption, Fairfield shall forward a copy of this conflict of interest policy to the OTS Manager and Commissioner for their review and shall adhere to it in all respects, including bringing any existing relationships or transactions between Fairfield and its directors or officers into conformance with the policy.

Business Plan

9. The three-year business plan to be submitted with the conversion application shall include a projection of major balance sheet and income statement components, and shall provide for injections of equity capital. The business plan shall also include a written profit plan and a detailed budget. Specifically, the plan shall describe Fairfield's objectives for improving earnings, contemplated strategies and major capital expenditures required to achieve those objectives. The Board shall also establish procedures to monitor, on at least a quarterly basis, Fairfield's actual results against the projections and to provide for appropriate adjustments to the budget and profit plan.

10. The plan, and the quarterly monitoring results, shall be submitted to the OTS Manager and the Commissioner for review.

11. The Board shall take such necessary measures to reduce the ratio of operating expense to average assets to the levels contained in the approved business plan. If for any quarter, the specified level is not met, Fairfield shall, within 30 days after the end of the quarter, provide to the OTS Manager and Commissioner a written notice explaning the reason(s) for not achieving the specified ratio and a plan for bringing the ratio to an acceptable level within six months.

These measures are to include, but not be limited to, procedures for the board's review and approval of business expenses. Additionally, the Board shall not allow any further charging of personal expenses to the institution. Only those expenses which are directly attributable to the institution's business may be allowed with proper documentation. A copy of the Board's plan in these areas shall be forwarded to the OTS Manager and the Commissioner.

Funds Management Policy

12. Within 30 days, the Board shall review and revise Fairfield's funds management policy. The policy shall contain the basic elements of a sound asset/liability policy as described in 12 C.F.R. Parts 571.3, 566.1, and 566.2, and Thrift Bulletin 13, dated January 26, 1989. The policy shall provide for a coordinated asset/liability management strategy and, at a minimum, address:

(a) limits to be placed on the degree of imbalance in Fairfield's rate sensitive position;

(b) limits on the minimum/maximum average maturities for different categories of assets and liabilities;

(c) a timetable, not to exceed one year, for reducing Fairfield's interest rate risk exposure to an acceptable level;

(d) procedures which enable the Board and management to monitor Fairfield's liquidity position and maintain liquidity at an adequate level;

(e) limits on the minimum acceptable rate differential between liability cost and asset yield on new business;

(f) measures to improve net interest earnings;

(g) the nature, extent, and purpose of Fairfield's borrowings; and

(h) periodic reviews of Fairfield's adherence to the policy. This includes an interest rate risk analysis report ("analysis report") that shall be submitted quarterly to the Board. This report shall, at a minimum, compare Fairfield's current levels of interest rate risk versus those authorized as acceptable by the Board.

13. Upon revision of the funds management policy, Fairfield shall submit it to the OTS Manager and Commissioner for review and comment and shall adhere to it in all respects.

Investment Policy

14. Within 30 days, the Board shall review and revise Fairfield's investment policy. The policy shall contain the basic elements of a sound investment policy as described in 12 C.F.R. Part 571.19 and Thrift Bulletin 41, dated December 29, 1989. At minimum the policy shall include:

(a) an investment portfolio strategy which is consistent with Board approved asset and liabilities policies;

(b) individual and committee investment portfolio purchase and sale authority;

(c) approval procedures which should include dollar size limits, quality limitations, maturity limitations, and concentration or diversification guidelines;

(d) periodic reports to and approval by the Board for all investment portfolio purchases and sales and strategy changes; and

(e) monthly review by the Board of Fairfield's investment portfolio activity to ensure adherence to the investment policy and to applicable thrift and securities laws and regulations.

15. The investment policy shall also provide that no trading activities are to occur without prior approval from the OTS Manager and Commissioner, which approval shall not be unreasonably withheld.

16. The revised investment policy shall be implemented and a copy shall be forwarded to the OTS Manager and Commissioner for review.

Hedging

17. Neither Fairfield nor any of its subsidiaries shall enter into any artificial or synthetic hedging transactions using financial instruments, futures or options, unless prior written approval is requested and received from the OTS Manager and Commissioner, which approval shall not be unreasonably withheld. Approval will not be granted unless Fairfield has submitted a detailed plan, including policies and procedures, that supports its hedging request.

Criticized Assets

18. Within 30 days, the Board shall adopt a written plan for the disposition of the real estate investment known as Olympia Fields within applicable regulations. A copy of that plan shall be forwarded to the OTS Manager and Commissioner.

19. The Board, or a delegated Committee thereof, shall conduct a review, on at least a quarterly basis, to determine:

(a) the status of the Olympia Fields investment;

(b) management's adherence to the board adopted plan for disposition; and

(c) the need to revise the plan or take alternative action.

20. A copy of the quarterly review shall be forwarded to the OTS Manager and Commissioner within 30 days of the review date.

Closings

21. (a) Although the Board is by this Agreement required to submit certain proposed actions and programs for the review or approval of the OTS Manager and Commissioner, the Board has the ultimate responsibility for proper and sound management of Fairfield.

(b) It is expressly and clearly understood that if, at any time, the OTS or Commissioner deems it appropriate in fulfilling the lawful responsibilities placed upon them by the several laws of the United States of America and/or the State of Illinois to undertake any lawful action affecting Fairfield, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the OTS or Commissioner from doing so.

(c) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time limitations may be extended by the OTS Manager and the Commissioner for good cause upon written application by the Board.

(d) 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 12 C.F.R. Part 500.1 et seq., Part 541.1 et seq., and Part 561.1 et seq. (1986)). Any such technical words or terms used in this Agreement and undefined in said rules and regulations shall have meanings that accord with the best custom and usage in the thrift industry.

(e) 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.

22. This Agreement shall remain in effect until terminated, modified, or suspended by the OTS, acting through the District Director at the Chicago District and the Commissioner. The District Director and the Commissioner, jointly, may suspend, in their sole discretion, any or all provisions of this Agreement at any time.

IN WITNESS WHEREOF, the OTS, acting through its District Director, the Commissioner and Fairfield, by its board of directors, have executed this Agreement on the date first above written.

THE OFFICE OF THRIFT SUPERVISION

Chicago, Illinois

By: /S/
Stuart M. Brafman
District Director

OFFICE OF THE COMMISSIONER OF SAVINGS AND RESIDENTIAL FINANCE
STATE OF ILLINOIS

By: /S/
John D. Seymour
Commissioner

FAIRFIELD SAVINGS AND LOAN ASSOCIATION
Long Grove, Illinois

By: /S/
George M. Briody
Director

By: /S/
Maurice F. Leahy
Director

By: /S/
Joseph J. Nimrod
Director

By: /S/
William B. O'Connell
Director

By: /S/
F. Gregory Opelka
Director

By: /S/
Eugene W. Pilawski
Director

By: /S/
Walter E. Powers
Director