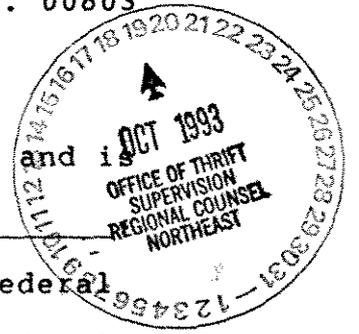


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OTS No. 00803

SUPERVISORY AGREEMENT



This Supervisory Agreement ("Agreement") is made and is effective this 27th day of July, 1992 (the "Effective Date"), by and between Enfield Federal Savings and Loan Association (the "Association"), a federally chartered mutual association, having its main office located at Enfield, Connecticut 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 OTS is the primary federal regulator of the Association; and

WHEREAS, based on the Report of Examination dated March 16, 1992 ("ROE"), the OTS, represented by the Regional Deputy Director for the Boston Area Office of the Northeast Region ("Regional Deputy Director") is of the opinion that the Association has engaged in acts and practices in operating the business of the Association that: (i) have resulted in violations of certain of the regulations to which the Association is subject and/or (ii) are considered to be unsafe and unsound; and

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of administrative proceedings against the Association; and

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

WHEREAS, the Board of Directors of the Association (the "Board") without admitting or denying any violations of regulations and/or unsafe and unsound practices wishes to cooperate with the OTS and to demonstrate that they have the intent to: (1) comply with all applicable regulations and (2) engage in safe and sound practices;

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:

1. The Institution shall charge-off or establish specific reserves for all assets classified Loss in the ROE. In addition, the Institution shall immediately increase general reserves to an amount not less than \$385,000.

2. Within ninety (90) days from the effective date of this Agreement, the Institution shall update its loan policies and procedures. The Institution shall, at a minimum:

(a) develop and adopt adequate policies and procedures to identify assets that meet the criteria for other real estate and in-substance foreclosures, as defined by 12 C.F.R. 571.18(h)(1). Such policies and procedures shall assure that in-substance foreclosures and other real

estate owned are properly accounted for and that adequate valuation allowances are provided;

(b) expand and adopt lending policies to include underwriting guidelines for construction mortgages, home equity loans, and other second mortgage loans;

(c) develop and adopt a comprehensive set of loan collection policies and procedures;

(d) develop and adopt policies and procedures to obtain new appraisals on troubled loans prior to capitalizing interest or expenses to the loan balance, unless such capitalized interest and/or expenses are immediately offset with a specific reserve;

(e) establish and adopt an adequate loan closing quality control function to ensure that documents are accurate and complete, and that the Institution is able to document use of loan proceeds, current selling price of each asset and current market value of the collateral being pledged; and

(f) establish and adopt a procedure to report all loans that are delinquent greater than ninety (90) days, and where interest is being specifically reserved against, as "loans on non-accrual" on the Institution's Thrift Financial Report to the OTS.

3. Within sixty (60) days of the effective date of this Agreement, the Institution shall develop, and thereafter shall maintain, a comprehensive borrower credit ledger. At a

minimum, the ledger shall provide an accurate record of total credit from the Institution to each borrower in all loan types, including direct liability (including liability as maker, co-maker, partner, and any other kind of direct liability), and indirect liability (including liability as-endorser, guarantor, and any other kind of indirect or contingent liability). Such ledger shall be maintained in a current status for all borrowers with other than one-to-four family owner-occupied residential loans and/or consumer loans.

4. Within ninety (90) days of the effective date of this Agreement, the Institution will review and rewrite its Internal Asset Review and classification policies so that:

(a) such policies and procedures comply with 12 C.F.R. 571.26, regarding Classification of certain assets;

(b) a Special Mention category will be adopted and utilized where appropriate;

(c) asset reviews and classification will be driven by an assessment of all relevant factors related to the borrower, including current financial statements/information, and not be solely delinquency driven; and

(d) the Board shall utilize the results of the periodic asset reviews to make a quarterly affirmative finding of the adequacy of general and specific loan loss reserves, and shall cause any additions to be made to such reserves as shall be necessary to achieve the required level of adequacy.

5. The Institution shall submit to the Regional Deputy Director a quarterly progress report on all assets criticized or classified within the ROE, with borrower balances in excess of \$100,000. This report shall also include any additional loans internally classified or criticized by Institution management. The first such report shall be due as of July 30, 1992, with asset balances as of June 30, 1992. Such balances shall be reconciled to the June 30, 1992 Thrift Financial Report, Schedule TA (Troubled Assets).

6. A copy of all updated policies and procedures shall be forwarded to the Regional Deputy Director for review and comment upon approval by the Board. Such approval shall be entered into the Board's minutes and shall contain an affirmative statement that the Board has reviewed the revised such policies and procedures and finds that they are consistent with the requirements of this Agreement.

7. Within sixty (60) days of the effective date of this Agreement, the Institution shall correct all violations noted on page A-2.1 of the ROE.

8. Within ninety (90) days of the effective date of this Agreement, the Institution shall review the Glynn loan, as detailed on Page A-12.3 of the ROE, and provide a written explanation of the discrepancies noted in the documents to the OTS. Moreover, the Institution shall review such loan to determine whether criminal activity is suspected, and, if appropriate following such review, shall file a criminal referral as required by 12 C.F.R. 563.180(d).

9. Within thirty (30) days after each Board meeting immediately following the end of each calendar quarter, the Board shall submit to the Regional Deputy Director a resolution signed by each director, certifying that to the best of his or her knowledge and belief, the Institution and its subsidiaries are complying in all material respects with each condition of this Agreement. This resolution shall set forth any exceptions to any conditions of this Agreement that were approved by the Regional Deputy Director.

10. References in this Agreement to provisions of statutes and regulations shall be deemed to include references to all successor provisions of such statutes and regulations as they become applicable.

11. (a) All technical words or terms used in this Agreement, for which meanings are not specified or otherwise provided by the provisions of the Agreement, shall, insofar as applicable, have meanings as defined in the Home Owners' Loan Act, 12 U.S.C. 1461 et seq. ("HOLA"), the Federal Deposit Insurance Act, 12 U.S.C. 1811 et seq. ("FDIA"), Chapter V of Title 12 of the Code of Federal Regulations ("CFR"), and/or OTS Regulatory or Thrift Bulletins. Any such technical words or terms used in this Agreement and undefined in the HOLA, FDIA, CFR or OTS Bulletins shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

(b) 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.

(c) This Agreement shall remain in effect until terminated, modified or suspended by the OTS, acting through the Regional Deputy Director of the OTS.

12. A copy of all documentation or reports required under the terms of this Agreement are to be submitted to the Regional Deputy Director and shall also be provided to the Regional Director of the Federal Deposit Insurance Corporation.

IN WITNESS WHEREOF, the parties have executed this Agreement.

ENFIELD FEDERAL SAVINGS AND
LOAN ASSOCIATION
Enfield, Connecticut
By: Its Board of Directors

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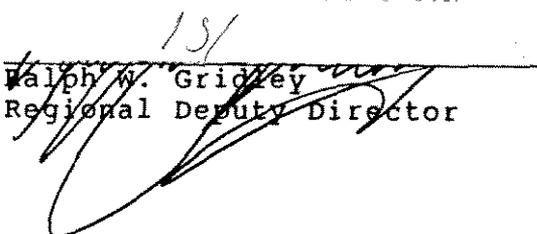
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DEPARTMENT OF THE TREASURY
OFFICE OF THRIFT SUPERVISION

By: *15/*

Ralph W. Gridley
Regional Deputy Director