

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made and is effective this 30th day of September, 2008 (the Effective Date), by and between United Bancorp, Inc., Bridgeview, Illinois (United or the Bancorp) OTS Docket No. H3475, a registered savings and loan holding company, and the Office of Thrift Supervision (OTS), a bureau of the United States Department of the Treasury, acting through its Central Regional Director or his designee (Regional Director).

WHEREAS, the OTS is the primary Federal regulator of United pursuant to the Home Owners' Loan Act (HOLA), 12 U.S.C. §§ 1467a *et seq.*, and is the Bancorp's appropriate Federal banking agency for purposes of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. §§ 1811 *et seq.*;

WHEREAS, based upon the findings contained within the Bancorp's April 28, 2008 Holding Company Report of Examination (ROE), the OTS is of the opinion that the Bancorp has engaged in acts and practices that are considered to be unsafe and unsound and has violated laws or regulations;

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of an administrative proceeding against the Bancorp pursuant to 12 U.S.C. §§ 1467a(g) and 1818(b)(9);

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

WHEREAS, the Bancorp, acting through its Board of Directors (Board), without admitting or denying that such grounds exist except those as to jurisdiction, which are admitted, wishes to cooperate with the OTS and to evidence the intent to: (i) comply with all applicable laws and regulations; and (ii) engage in safe and sound practices.

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

Operations.

1. As of the Effective Date of this Agreement, the Bancorp shall not incur or increase its debt position, without the prior written approval of the Regional Director.
2. As of the Effective Date of this Agreement, the Bancorp shall not repurchase any Bancorp Stock, without the prior written approval of the Regional Director.

3. As of the Effective Date of this Agreement, the Bancorp shall not pay any dividends, without the prior written approval of the Regional Director.

4. Within sixty (60) days of the Effective Date of this Agreement, the Board shall correct the violations of 12 C.F.R. Part 223 and adopt procedures to prevent future violations.

Transactions with Affiliates

5. As of the Effective Date of this Agreement, the Bancorp may not engage in transactions with its subsidiary without a 30-day advance written notice to the Regional Director of any proposed subsidiary transaction that includes a full description of the transaction.

Change in Board or Management.

6. The Bancorp must notify the Regional Director of the proposed addition of any individual to its board of directors or the employment of any individual as a senior executive officer or changing of responsibilities of any senior executive officer at least 30 days before such addition or employment or change becomes effective, as required by 12 C.F.R. Part 563, Subpart H.

Golden Parachute Payment.

7. The Bancorp is restricted from making any "golden parachute payment" (including severance payments and agreements relating thereto), within the meaning and subject to the restrictions of 12 U.S.C. § 1828(k) and 12 C.F.R. Part 359, except as may be permitted under the above-mentioned statute and regulation.

Definitions.

8. 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 Chapter V of Title 12 of the Code of Federal Regulations, the HOLA, the FDIA, or published OTS guidance. Any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations, HOLA, FDIA, or OTS Publications shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

Successor Statutes, Regulations, Guidance, Amendments.

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

Notices.

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

- i) The OTS, by United, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Regional Director, Office of Thrift Supervision, Department of the Treasury, One South Wacker Drive, Suite 2000, Chicago, Illinois 60606 or by facsimile to (312) 917-5002, and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address; and
- ii) United, by the OTS, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid, or sent via overnight delivery service or physically delivered in each case addressed to the Board of Directors of United Bancorp Inc., 8028 S. Harlem, Bridgeview, IL 60455 or by facsimile to ((708) 728-9270, and confirmed by first class mail, 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 by facsimile, 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.

Effect of Headings.

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

Separability Clause.

12. 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, unless the Regional Director, in his sole discretion, determines otherwise.

No Violations of Law, Rule, Regulation or Policy Statement Authorized; OTS Not Restricted.

13. Nothing in this Agreement shall be construed as: (i) allowing United to violate any law, rule, regulation, or policy statement to which it is subject, or (ii) restricting or estopping the OTS from taking any action(s), including without limitation, any type of supervisory or enforcement action that the OTS determines to be appropriate in fulfilling the responsibilities placed upon it by law.

Duration, Termination or Suspension of Agreement.

14. (a) This Agreement shall become effective upon its execution by the OTS through its authorized representative whose signature appears below. The Agreement shall remain in effect until terminated, modified, or suspended, in writing, by the OTS, acting through its Director, Regional Director, or other authorized representative; and

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

Successors in Interest/Benefit.

15. 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. Nothing in this Agreement, expressed 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.

Integration Clause.

16. This Agreement represents the final written agreement of the parties with respect to the subject matter hereof and constitutes the sole agreement of the parties, as of the Effective Date of this Agreement, with respect to the subject matter.

Enforceability of Agreement.

17. The Bancorp 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 United. The Bancorp 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.

Counterparts

18. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

Signature of Directors.

19. Each Director signing the Agreement attests, by such act, that she or he voted in favor of a Board Resolution authorizing the execution of this Agreement by the Bancorp. A copy of the Resolution of United's Board of Directors authorizing the execution of the Agreement shall be delivered to the OTS along with the executed original of the Agreement.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the OTS, acting by and through the Regional Director, and the Bancorp hereby execute this Agreement as of the Effective Date of this Agreement.

OFFICE OF THRIFT SUPERVISION

By: _____ /s/
Thomas A. Barnes,
Regional Director, Central Region

UNITED BANCORP, INC.

By: _____ /s/
Khalil H. Khalil,
Chairman of the Board

By: _____ /s/
Neil Haleem,
Director

By: _____ /s/
Bassam Salman,
Director

By: _____ /s/
Alan Hambourger,
Director

By: _____ /s/
George Habeeb,
Director

By: _____ /s/
Roger Sweis,
Director