

UNITED STATES OF AMERICA
BEFORE
THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

_____)	
Written Agreement by and between)	
)	
BRICKYARD BANCORP, INC.)	Docket No. 03-016-WA/RB-HC
Lincolnwood, Illinois)	
)	
and)	
)	
FEDERAL RESERVE BANK)	
OF CHICAGO)	
Chicago, Illinois)	
_____)	

WHEREAS, in recognition of their common goal to restore and maintain the financial soundness of Brickyard Bancorp, Inc., Lincolnwood, Illinois ("Brickyard"), a registered bank holding company that owns and controls the Brickyard Bank, Lincolnwood, Illinois (the "Bank"), a state chartered nonmember bank, Brickyard and the Federal Reserve Bank of Chicago (the "Reserve Bank") have mutually agreed to enter into this Written Agreement (the "Agreement"); and

WHEREAS, on May 22, 2003, the board of directors, at a duly constituted meeting, adopted a resolution authorizing and directing Daniel M. Arzoum to enter into this Agreement on behalf of Brickyard and consenting to compliance by Brickyard and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. 1813(u) and 1818(b)(3)), with each and every provision of this Agreement.

NOW, THEREFORE, Brickyard and the Reserve Bank agree as follows:

Capital

1. Within 45 days of this Agreement, Brickyard shall submit to the Reserve Bank an acceptable written plan to achieve and, thereafter, maintain sufficient capital at the Bank and the consolidated organization. The plan shall, at a minimum, address, consider, and include:

- (a) The current and future capital requirements of the Bank and the consolidated organization, including compliance with the Capital Adequacy Guidelines for Bank Holding Companies: Risk-Based Measure and Tier 1 Leverage Measure, Appendices A and D of Regulation Y of the Board of Governors (12 C.F.R. Part 225, App. A and D);
- (b) the asset quality, condition, and risk profile of the Bank;
- (c) the source and timing of additional funds to fulfill the Bank's and the consolidated organization's future capital requirements and to maintain the adequacy of the Bank's allowance for loan loss reserves;
- (d) federal or state supervisory requests for additional capital at the Bank or the requirements of any supervisory action imposed on the Bank by any federal or state regulator; and
- (e) the requirements of section 225.4(a) of Regulation Y of the Board of Governors (12 C.F.R. 225.4(a)) that Brickyard serve as a source of strength to the Bank.

Debt and Stock Redemption

2. (a) Brickyard shall not, directly or indirectly, increase its debt, including debt to shareholders, without the prior written approval of the Reserve Bank. All requests for prior written approval shall contain, but not be limited to, a statement regarding the purpose of the debt, the terms of the debt, the planned source(s) for debt repayment, and an analysis of the cash flow resources available to meet such debt repayment.

(b) Within 60 days of this Agreement, Brickyard shall submit to the Reserve Bank an acceptable written plan to service its current debt without incurring any additional debt.

(c) Brickyard shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank.

Dividends

3. (a) Brickyard shall not take dividends or any other form of payment representing a reduction in capital from the Bank without the prior written approval of the Reserve Bank. All requests for prior approval shall be received by the Reserve Bank at least 30 days prior to the proposed dividend declaration date or other payment date and shall contain, but not be limited to, an analysis of the impact such dividend or other payment would have on the Bank's capital position.

(b) Brickyard shall not declare or pay any dividends without the prior written approval of the Reserve Bank and the Director of the Division of Banking Supervision and Regulation of the Board of Governors. All requests for prior approval shall be received by the Reserve Bank at least 30 days prior to the proposed dividend declaration date and shall contain, but not be limited to, current and projected information on consolidated earnings, Brickyard's and the Bank's capital levels and cash flow, and the asset quality and loan loss reserve needs of the Bank.

Tax Allocation

4. (a) Within 30 days of this Agreement, Brickyard shall reimburse the Bank for the amount of income tax refunds and loss carrybacks for the years 2000 to the present that were allocable to the Bank but retained by Brickyard.

(b) Within 60 days of this Agreement, Brickyard shall submit to the Reserve Bank an acceptable proposed written tax allocation agreement between Brickyard and the Bank and shall take such other actions as are necessary to execute the tax allocation agreement with the

Bank within 15 days of receipt of the Reserve Bank's approval. The tax allocation agreement shall, at a minimum, address, consider, and include:

- (i) The equitable and proportional allocation of all items of income, expense, loss, and gain;
- (ii) the timing and method of estimating quarterly tax payments;
- (iii) the disposition of any deferred tax liability;
- (iv) the computation and payment of any tax benefit;
- (v) any refund due the Bank on a separate entity basis, regardless of the availability of a consolidated refund; and
- (vi) the Interagency Policy Statement on Income Tax Allocation in a Holding Company Structure, dated November 23, 1998.

(c) In no event shall the tax allocation agreement require the Bank to incur a greater liability because of its affiliation with Brickyard than it would as a separate taxable entity.

Statutory Restrictions

5. (a) In appointing any new officers or directors, Brickyard shall comply with the notice provisions of section 32 of the FDI Act (12 U.S.C. 1831i) and Subpart H of Regulation Y of the Board of Governors.

(b) Brickyard shall comply with the restrictions on indemnification and severance payments of section 18(k) of the FDI Act (12 U.S.C. 1828(k)) and Part 359 of the Federal Deposit Insurance Corporation's regulations (12 C.F.R. Part 359).

Approval of Plans and Tax Agreement

6. The written plans and tax allocation agreement required by paragraphs 1, 2(b), and 4(b) of this Agreement shall be submitted to the Reserve Bank for review and approval. Acceptable plans and an acceptable tax allocation agreement shall be submitted within the time periods set forth in the Agreement. Brickyard shall adopt all approved plans and the tax allocation agreement within 10 days of approval by the Reserve Bank and then shall fully comply

with them. During the term of this Agreement, the approved plans and tax allocation agreement shall not be amended or rescinded without the prior written approval of the Reserve Bank.

Compliance with Agreement

7. Within 30 days after the end of each calendar quarter (June 30, September 30, December 31, and March 31) following the date of this Agreement, the board of directors shall furnish to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with this Agreement and the results thereof. Such reports may be discontinued when the corrections required by this Agreement have been accomplished and the Reserve Bank has, in writing, released the Brickyard from making further reports.

Communications

8. All communications regarding this Agreement shall be sent to:

(a) Mr. Douglas Kasl
Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60604

(b) Mr. David Aronin
Chairman
Brickyard Bancorp
6676 North Lincoln Avenue
Lincolnwood, Illinois 60645

Miscellaneous

9. Notwithstanding any provision of this Agreement to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to Brickyard to comply with any provision of this Agreement.

10. The provisions of this Agreement shall be binding upon Brickyard and its institution-affiliated parties, in their capacities as such, and their successors and assigns.

11. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated or suspended by the Reserve Bank.

12. The provisions of this Agreement shall not bar, estop or otherwise prevent the Board of Governors, the Reserve Bank, or any other federal or state agency from taking any other action affecting Brickyard or any of its current or former institution-affiliated parties and their successors and assigns.

13. This Agreement is a "written agreement" for the purposes of, and is enforceable by the Board of Governors as an order issued under, section 8 of the FDI Act (12 U.S.C. 1818).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 7th day of May, 2003.

Brickyard Bancorp, Inc.

By: 
Chairman of Board

Federal Reserve Bank of Chicago

By: 