

OFFICE OF THRIFT SUPERVISION

Order No. 96-63

Date: July 8, 1996

Savings Bank of the Finger Lakes, FSB
Geneva, New York

Finger Lakes Financial Corporation, M.B.C.
Geneva, New York

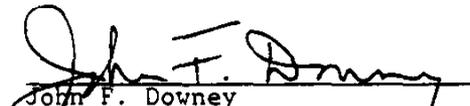
Order Approving the Issuance of Common Stock
by a Savings Association Subsidiary of
a Mutual Savings and Loan Holding Company

Savings Bank of the Finger Lakes, FSB, Geneva, New York (the "Savings Bank"), has applied pursuant to section 10(o) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1467a(o) and 12 C.F.R. § 575.7 for approval to issue 59,000 shares of its authorized but unissued common stock to the Savings Bank's Stock Option Plan (the "SOP"). Upon completion of the issuance, assuming all the options to be awarded under the SOP are granted and exercised, the Mutual Holding Company would own approximately 64.8% of the issued and outstanding Common Stock and 35.2% of the Common Stock would be owned by persons other than the Mutual Holding Company. In addition, the Savings Bank has requested that the OTS waive the requirements that: (i) the stock be offered under the SOP in accordance with the purchase priorities and underwriting provisions applicable to mutual to stock conversions in 12 C.F.R. § 563b.3; (ii) the Savings Bank obtain an independent appraisal in connection with the SOP; (iii) the stock be offered at a uniform price; and (iv) the Savings Bank disclose the use of the proceeds of the stock offering.

The Director, or his designee, has considered the application and the waiver request, and, on the basis of the facts and circumstances reflected in the record, has determined that approval of the application, including the Plan of Stock Issuance and the waiver request, are appropriate provided the condition set forth below is satisfied. Accordingly, the application is approved subject to the following condition:

1. The Savings Association's capital stock to be sold in the Offering shall be sold in accordance with the application on Form MHC-2, and the restrictions set forth at 12 C.F.R. Section 563.76.

By Order of the Director of the Office of Thrift Supervision, or his designee, effective July 8, 1996.


John F. Downey
Executive Director, Supervision