

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

LAWRENCE FINANCIAL HOLDINGS INC

CIK: **1121577** | IRS No.: **311724442** | State of Incorporation: **MD** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-31847** | Film No.: **041080566**
SIC: **6035** Savings institution, federally chartered

Mailing Address
311 SOUTH FIFTH STREET
IRONTON OH 45638

Business Address
311 SOUTH FIFTH STREET
IRONTON OH 45638
7405320263

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 12, 2004

Lawrence Financial Holdings, Inc.

(Exact Name of Registrant as Specified in Its Charter)

| | | |
|-------------------------------------------------------------------|-----------------------------|--------------------------------------|
| Maryland ----- | 0-31847 ----- | 31-1724442 ----- |
| (State or other Jurisdiction of Incorporation or Organization) | (Commission File Number) | (IRS Employer Identification No.) |

301 South Fifth Street, Ironton, Ohio 45638

(Address of Principal Executive Offices) (Zip Code)

(740) 532-0263

(Registrant's Telephone Number, including Area Code)

Not Applicable

(Former Name or Former Address, If Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

AGREEMENT AND PLAN OF MERGER

On October 12, 2004, Oak Hill Financial, Inc. ("Oak Hill Financial"), the parent company of Oak Hill Banks, and Lawrence Financial Holdings, Inc. ("Lawrence Financial"), the parent company of Lawrence Federal Savings Bank, entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which Lawrence Financial will merge with and into Oak Hill Financial. Concurrently with the merger, it is expected that Lawrence Federal Savings Bank will merge with Oak Hill Banks.

Under the terms of the agreement, Lawrence Financial shareholders may elect to receive either \$23.75 of Oak Hill Financial common stock or \$23.75 in cash in exchange for their shares of Lawrence Financial common stock. The elections of Lawrence Financial shareholders will be subject to the requirement that the stock portion of the merger consideration be at least 50% of the aggregate merger consideration and no more than 52% of the aggregate merger consideration. To the extent they receive shares of Oak Hill Financial, the transaction is expected to be tax-free to Lawrence Financial shareholders.

The number of shares of Oak Hill Financial common stock into which each Lawrence Financial share will be exchanged will be based on the price of Oak Hill Financial common stock over a measurement period prior to the closing.

The transaction is expected to close in the first quarter of 2005. It is subject to certain conditions, including the approval of the shareholders of Lawrence Financial and the receipt of regulatory approval.

A press release announcing the transaction was issued on October 12, 2004, a copy of which is filed as Exhibit 99.1 to this Form 8-K and which is incorporated herein by reference in its entirety.

EXECUTIVE OFFICER AND DIRECTOR PAYMENT AGREEMENTS

On October 12, 2004 and in connection with the execution of the Merger

Agreement, Jack L. Blair, President and Chief Executive Officer of Lawrence Financial, and RobRoy Walters, Executive Vice President and Chief Financial Officer of Lawrence Financial, each entered into a letter agreement with Lawrence Financial, Lawrence Federal Savings Bank and Oak Hill Financial pursuant to which his employment agreement will be terminated in exchange for a lump sum cash payment equal to the severance payment that the executive is entitled to receive under his employment agreement. The employment agreements also provide that following termination, Lawrence Financial will provide continued health and welfare benefits for a period of three years. In lieu of providing those benefits, the letter agreements provide for a cash payment equal to the estimated cost of those benefits. In addition, each letter agreement provides for the termination of the Lawrence Federal Savings Bank Supplemental Executive Retirement Plan, in which Mr. Blair and Mr. Walters are participants, in exchange for a lump

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sum cash payment equal to the expected benefit as of the closing of the merger. The aggregate payments to be made to Mr. Blair and Mr. Walters under the letter agreements are \$530,936 and \$480,422, respectively.

On October 12, 2004 and in connection with the Merger Agreement, each non-employee director also entered into a letter agreement with Lawrence Financial, Lawrence Federal Savings Bank and Oak Hill Financial pursuant to which the Director Retirement Agreement between Lawrence Federal Savings Bank and the director will be cancelled in exchange for a lump sum cash payment. The total payment to be made to the non-employee directors under the letter agreements is equal to \$293,280 in the aggregate.

SALE OF MOBILE HOME LOAN PORTFOLIO

On October 12, 2004 and as a condition to the consummation of the merger with Oak Hill Financial, Lawrence Federal Savings Bank agreed to enter into two Agreements of Purchase and Sale with Morgan Keegan Mortgage Company, Inc. pursuant to which Lawrence Federal Savings Bank will sell \$11.9 million of indirect mobile home loans. The loans subject to the sale will be sold at a discount to the unpaid loan balances as of the closing date of the agreement. Lawrence Federal Savings Bank expects to incur a pre-tax loss of \$4.4 million in connection with the loan sale. The loan sale transactions closed on October 13 and 14, 2004. The total amount of cash received for the sale of the loans was \$7.2 million.

ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

The information under the caption "Sale of a Mobile Home Loan Portfolio" under Item 1.01 of this report is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

Exhibit 2.1 - Agreement and Plan of Merger, dated October 12, 2004, by and between Lawrence Financial Holdings, Inc. and Oak Hill Financial, Inc.

Exhibit 10.1 - Letter Agreement, dated October 12, 2004, by and among Jack L. Blair, Lawrence Financial Holdings, Inc., Lawrence Federal Savings Bank and Oak Hill Financial, Inc.

Exhibit 10.2 - Letter Agreement, dated October 12, 2004, by and among RobRoy Walters, Lawrence Financial Holdings, Inc., Lawrence Federal Savings Bank and Oak Hill Financial, Inc.

Exhibit 10.3 - Form of Letter Agreement, dated October 12, 2004, by and among the non-employee directors, Lawrence Financial Holdings, Inc., Lawrence Federal Savings Bank and Oak Hill Financial, Inc.

Exhibit 10.4 - Agreement for Purchase and Sale, dated October 12, 2004, between Lawrence Federal Savings Bank and Morgan Keegan Mortgage Company, Inc. (Agreement No. 1).

Exhibit 10.5 - Agreement for Purchase and Sale, dated October 12, 2004, between Lawrence Federal Savings Bank and Morgan Keegan Mortgage Company, Inc. (Agreement No. 2).

Exhibit 99.1 - Press Release dated October 12, 2004.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

LAWRENCE FINANCIAL HOLDINGS, INC.

Date: October 15, 2004

By: /s/ Jack L. Blair

Jack L. Blair
President and Chief Executive Officer

EXHIBIT 2.1

As Executed

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement") is made as of October 12, 2004, by and between OAK HILL FINANCIAL, INC., an Ohio corporation ("Oak Hill Financial"), and LAWRENCE FINANCIAL HOLDINGS, INC., a Maryland corporation ("Lawrence Financial").

RECITALS

A. Oak Hill Financial is a registered bank holding company under the Bank Holding Company Act of 1956, as amended. Oak Hill Banks, an Ohio-chartered commercial bank ("Oak Hill Banks"), is a wholly owned subsidiary of Oak Hill Financial. Oak Hill Financial is a corporation organized and existing under the laws of Ohio and is authorized to issue 15,000,000 shares of common stock, without par value ("Oak Hill Common"), of which 5,544,514 shares were issued and outstanding as of the date hereof, and (ii) 1,500,000 voting shares of preferred stock, without par value, and 1,500,000 non-voting shares of preferred stock, without par value, of which there are no shares issued and outstanding as of the date hereof.

B. Lawrence Financial is a registered savings and loan holding company under the Home Owners' Loan Act, as amended. Lawrence Federal Savings Bank ("Lawrence Federal") and Lawrence Financial Services Corp., are wholly owned subsidiaries of Lawrence Financial. Lawrence Financial is a corporation organized and existing under the laws of Maryland and is authorized to issue 4,000,000 shares of common stock with a par value of one cent (\$.01) per share ("Lawrence Financial Common"), of which 650,110 shares were issued and outstanding as of the date hereof and 1,000,000 shares of preferred stock with a par value of one cent (\$.01), of which there are no shares issued and outstanding as of the date hereof.

C. The respective Boards of Directors of Oak Hill Financial and Lawrence Financial have approved the merger of Lawrence Financial with and into Oak Hill Financial (the "Merger") substantially on the terms and conditions contained in this Agreement.

D. Immediately following the consummation of the Merger, it is anticipated Oak Hill Banks will merge with and into Lawrence Federal under the

terms of the Agreement and Plan of Merger by and between Oak Hill Banks and Lawrence Federal (or its successor as an Ohio state-chartered banking organization), attached hereto as Exhibit A.

E. The parties intend that the Merger shall qualify as a reorganization under the revisions of Section 368(a) of the Code and the parties intend, by executing this Agreement, to adopt a plan of reorganization within the meaning of Treasury Regulation Section 1.368-2(g).

AGREEMENT

In consideration of the foregoing and of the mutual promises contained herein, the parties agree as follows:

SECTION 1. DEFINITIONS

1.01 Definitions Contained Elsewhere in this Agreement. For the

purposes of this Agreement, the following terms shall have the meanings assigned to them in the preamble and Recitals of this Agreement:

- (a) this "Agreement";
- (b) "Lawrence Financial";
- (c) "Lawrence Financial Common";
- (d) "Oak Hill Banks";

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As Executed

- (e) "Oak Hill Financial";
- (f) the "Merger"; and
- (g) "Oak Hill Common"

1.02 Other Definitions. For the purposes of this Agreement, certain

other terms shall be defined as follows:

- (a) the "1933 Act" means the Securities Act of 1933, as amended;
- (b) the "1934 Act" means the Securities Exchange Act of 1934, as

amended;

(c) an "Acquisition Proposal" means an inquiry received from, or an offer or proposal made by or on behalf of, any other corporation, firm, association, person, or other entity relating to (i) the possible acquisition of more than 25 percent of the shares of the capital stock of Lawrence Financial, including, but not limited to, an exchange or tender offer therefor, (ii) the possible acquisition of a majority of the assets of Lawrence Financial, (iii) a merger or consolidation involving Lawrence Financial, other than a transaction in which Lawrence Financial will be the owner of all of the stock of the surviving corporation following the transaction, or (iv) a merger or consolidation involving Lawrence Financial, other than a transaction in which Lawrence Financial will be the surviving corporation and the current stockholders of Lawrence Financial will be the owners of a majority of the stock of the surviving corporation following the transaction;

(d) an "Affiliate" of a party means a director, officer, employee, agent, or adviser of such party;

(e) the "Audited Financial Statements" mean the consolidated, audited financial statements of Lawrence Financial, consisting of balance sheets as of December 31, 2003, and statements of income, cash flows, and changes in stockholders' equity for the fiscal years ended December 31, 2003, with the report thereon of Crowe Chizek and Company LLC, a registered public accounting firm. If a set of consolidated, audited financial statements of Lawrence Federal for a fiscal period ended as of a date after December 31, 2003, are subsequently audited by any registered public accounting firm, such later statements shall be the statements to which reference is made;

(f) "Average Closing Price" shall mean the average of the last sales prices of Oak Hill Common during the primary trading session of the Nasdaq National Market System (as reported in a mutually agreed upon authoritative source) for the twenty most recent full trading days in which such shares are traded on the Nasdaq National Market System ending at the closing of trading on the date four business days prior to the Closing Date.

(g) "BIF" means the Bank Insurance Fund of the FDIC;

(h) "CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended;

(i) the "Code" means the Internal Revenue Code of 1986, as amended;

(j) "Confidential Information" of or relating to a party means any and all information received from or on behalf of such party or their Affiliates concerning the Merger, the terms of this Agreement, or the assets, business, operations, or financial condition of such party or their Affiliates, unless and to the extent that any such information is in the public domain;

(k) "CRA" means the Community Reinvestment Act of 1977, as

amended;

(l) the "Division of Financial Institutions" means the Division of Financial Institutions, Ohio Department of Commerce;

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(m) "Employee Benefit Plans" means any and all "employee benefit plans" or "welfare benefit plans" as defined in ERISA;

(n) "Environmental Law" means CERCLA, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Federal Water Pollution Control Act, the Clean Water Act, the Clean Air Act, regulations promulgated thereunder, and any other federal, state, county, municipal, local, foreign, provincial, or other statute law, ordinance, or regulation which may relate to or deal with human health or the environment, all as may be amended from time to time.

(o) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended;

(p) "Exempt Lawrence Financial Employees" means Mr. Jack L. Blair and Mr. RobRoy Walters;

(q) "FDIC" means the Federal Deposit Insurance Corporation;

(r) the "Federal Reserve Board" means the Board of Governors of the Federal Reserve System, or its delegate;

(s) "Hazardous Substances" means (i) any "hazardous substance" as defined in Section 101(14) of CERCLA or regulations promulgated thereunder; (ii) any "solid waste," "hazardous waste," or "infectious waste," as such terms are defined in any other Environmental Law; (iii) asbestos, urea-formaldehyde, polychlorinated biphenyls (PCBs), nuclear fuel or material, chemical waste, radioactive material, explosives, known carcinogens, petroleum products and by-products, and other dangerous, toxic, or hazardous pollutants, contaminants, chemicals, materials, or substances listed or identified in, or regulated by, any Environmental Law; and (iv) any other substances or materials which are classified or considered to be hazardous or toxic under any Environmental Law;

(t) "Knowledge" as used herein shall mean those facts that are actually known or should reasonably have been known after due inquiry by the President, or any Senior or Executive Vice President of any party hereto;

(u) the "Lawrence Financial Disclosure Memorandum" means a

certain Disclosure Memorandum, dated October 8, 2004, which has been previously delivered by Lawrence Financial to Oak Hill Financial, as the same has been amended and supplemented through the date of this Agreement, and as the same may subsequently be amended or supplemented prior to the Effective Date;

(v) "Material Adverse Effect" means a material adverse change in the consolidated results of operations, financial condition, properties, or business of Lawrence Financial or Oak Hill Financial, as the case may be, other than any such change attributable to or resulting from (i) changes in law, regulation, or generally accepted accounting principles of general application to the banking or thrift industries, (ii) changes in economic conditions that affect the banking and thrift industries generally, including changes in the general level of interest rates, (iii) any matter or matters relating to Lawrence Financial or Oak Hill Financial which have been disclosed in the Lawrence Financial Disclosure Memorandum or the Oak Hill Financial Disclosure Memorandum as of the date of this Agreement, (iv) actions and omissions of Oak Hill Financial or Lawrence Financial taken with the prior written consent of the other in contemplation of the transactions contemplated hereby or (v) direct effects of compliance with this Agreement on the operating performance of the parties, including expenses incurred by the parties in consummating the transactions contemplated by this Agreement.

(w) the "Oak Hill Disclosure Memorandum" means a certain Disclosure Memorandum, dated October 11, 2004, which has been previously delivered by Oak Hill Financial to Lawrence Financial, as the same has been amended and supplemented through the date of this Agreement, and as the same may subsequently be amended or supplemented prior to the Effective Date;

(x) "Oak Hill Financial Rights" means rights to purchase shares of Oak Hill Common and Oak Hill Financial preferred stock under the Oak Hill Rights Agreement.

As Executed

(y) "Oak Hill Financial Rights Agreement" means the Rights Agreement, dated as of January 23, 1998, as amended as of December 26, 2000, between Oak Hill Financial and Registrar and Transfer Company, as Rights Agent.

(z) a "Principal Shareholder" or a "Principal Stockholder" of a party means a person who owns five percent or more of the outstanding shares of any class of the capital stock of such party;

(aa) "Proxy Statement" means the proxy statement used by Lawrence Financial to solicit the approval of its shareholders of the transactions contemplated by the Agreement, which shall include the prospectus

of Oak Hill Financial relating to the issuance of shares of Oak Hill Common to certain holders of Lawrence Financial Common.

(bb) the "Real Property" means any and all real property owned or leased by Lawrence Financial or Oak Hill Banks, as appropriate, as of the date of this Agreement or acquired at any time after the date of this Agreement and prior to the Effective Time, together with any and all improvements thereon;

(cc) the "Registration Statement" means the Registration Statement on Form S-4, or other appropriate forms, filed or to be filed by Oak Hill Financial with the SEC under the provisions of the 1933 Act for the purpose of registering the shares of Oak Hill Common to be issued by Oak Hill Financial pursuant to the terms of this Agreement, including, but not limited to, the prospectus and Proxy Statement to be included therein as a part thereof;

(dd) "SAIF" means the Savings Association Insurance Fund;

(ee) the "SEC" means the Securities and Exchange Commission;

(ff) the term "Tax" or "Taxes" means (i) all federal, state, local, and foreign income, excise, gross receipts, gross income, AD VALOREM, profits, gains, property, use, capital, sales, transfer, use, payroll, employment, severance, occupancy, withholding, duties, intangibles, franchise, backup withholding, and other taxes, charges, duties, levies or like assessments together with all penalties and additions to tax and interest thereon and (ii) any liability for Taxes described in clause (i) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law and liability for any taxes as a result of being a party to any tax sharing or obligations to indemnify any party);

(gg) "Tax Returns" means all federal, state, local and foreign Tax returns, reports, estimates, declarations, schedules, information returns, reports and forms, and any amendments to any of the foregoing relating to Taxes, required to be filed with any governmental authority; and

(hh) an "Unsolicited Acquisition Proposal" means a written Acquisition Proposal that is received by Lawrence Financial or made public by or on behalf of the proponent of such Acquisition Proposal without any solicitation of such proposal by any director, officer, employee, agent, or other person acting on behalf of Lawrence Financial.

SECTION 2. AGREEMENT AND PLAN OF MERGER

2.01. Merger Transaction. Subject to the terms and conditions hereof,

Lawrence Financial shall be merged with and into Oak Hill Financial (the "Merger") at the "Effective Time" (as such term is defined in Section 2.02 hereof). Oak Hill Financial shall be the surviving corporation following the consummation of the Merger (the "Surviving Corporation"), which shall continue its corporate existence under the laws of Ohio. Lawrence Financial and Oak Hill

Financial are hereinafter sometimes referred to as the "Constituent Corporations." At the Effective Time and following the Merger the separate existence and corporate organization of Lawrence Financial shall cease.

2.02 Effective Time; Effective Date. The Merger shall be effective

at 11:59 p.m., local Ohio time (the "Effective Time"), on (i) the day on which this Agreement and the related Certificate of Merger have been filed in accordance with the requirements of the laws of Ohio, or (ii) such later date as may be specified in such Certificate of Merger (the "Effective Date").

As Executed

2.03. Name. The name of the Surviving Corporation shall be "Oak Hill

Financial, Inc."

2.04. Charter. The Articles of Incorporation of Oak Hill Financial in

effect at the Effective Time shall be the articles of incorporation of the Surviving Corporation, until amended in accordance with law.

2.05. Directors. The directors of the Surviving Corporation shall be

R. Eugene Coffman, Jr.; 250 Summerhill, Chillicothe, Ohio 45601; Evan E. Davis, 1114 Moriah Road, Oak Hill, Ohio 45656; Barry M. Dorsey, 505 W. College Avenue, Rio Grande, Ohio 45674; John D. Kidd, 2500 Five Points Road, Jackson, Ohio 45640; D. Bruce Knox, 450 N. Boundary Avenue, McArthur, Ohio 45651; Candice D. Peace, 7430 Amy Beth Court, West Chester, Ohio 45069; Donald R. Seigneur, 46 Fruit Hill Drive, Chillicothe, Ohio 45601; William S. Siders, 10149 Sleepy Ridge Dr., Loveland, Ohio 45140; H. Grant Stephenson, 5363 Godown Road, Columbus, Ohio 43235; Neil S. Strawser, 10721 Weatherstone Ct., Loveland, Ohio 45140; and Donald P. Wood, 900 East State Street, Athens, Ohio 45701, to serve until their successors are duly elected and qualified in accordance with the Code of Regulations of the Surviving Corporation and the laws of Ohio.

2.06. Regulations. The Code of Regulations of Oak Hill Financial in

effect at the Effective Time shall be the regulations of the Surviving Corporation, until amended in accordance with law.

2.07. Statutory Agent. The name and address of the agent upon whom any

process, notice, or demand against any Constituent Corporation or the Surviving Corporation may be served is H. Grant Stephenson, 41 South High Street, Suite

2.08. Treatment of Shares.

(a) All shares of Oak Hill Common that are issued and outstanding immediately prior to the Effective Time shall continue to be issued and outstanding shares of Oak Hill Common at and after the Effective Time and shall not be affected by the Merger.

(b) Subject to the provisions of Section 2.11 hereof, by virtue of the Merger, automatically and without any action on the part of the holder thereof, each share of Lawrence Financial Common issued and outstanding at the Effective Time (other than treasury shares, if any, which shall be cancelled, and any shares as to which statutory dissenters' rights are properly sought, which shall be treated as provided in subparagraph (c) of this Section 2.08) shall become and be converted into, at the election of the holder as provided in and subject to the limitations set forth in this Agreement, either (i) the right to receive \$23.75 in cash without interest (the "Cash Consideration"), or (ii) the number of shares (the "Exchange Ratio") of Oak Hill Common equal to \$23.75 divided by the Average Closing Price rounded to the nearest ten-thousandth (the "Stock Consideration"). The Cash Consideration and the Stock Consideration are sometimes referred to herein collectively as the "Consideration."

If, between the date of this Agreement and the Effective Time, the outstanding shares of Oak Hill Common shall have been changed into a different number of shares or into a different class by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, the Exchange Ratio shall be adjusted appropriately to provide the holders of Lawrence Financial Common the same economic effect as contemplated by this Agreement prior to such event.

(c) Each outstanding share of Lawrence Financial Common held by a person who has demanded and perfected a right to relief as a dissenting stockholder under Section 3-202 of the Maryland General Corporation Law (the "Dissenters' Rights Law") and who has not effectively withdrawn or lost such right ("Dissenting Shares") shall not be converted into or represent a right to receive the Consideration pursuant to subsection 2.08(b) hereof, but the holder thereof shall be entitled only to such rights as are granted by the Dissenters' Rights Law. Each holder of Dissenting Shares who becomes entitled to relief as a dissenting stockholder under the Dissenters' Rights Law with respect to such holder's shares of Lawrence Financial Common shall receive payment therefor from Oak Hill Financial in accordance with the provisions of the Dissenters' Rights Law. If any holder of Lawrence Financial Common who demands relief as a dissenting stockholder under the Dissenters' Rights Law with respect to such holder's shares of Lawrence Financial

Common shall effectively withdraw or lose (through failure to perfect or otherwise), the right to such relief, each share of Lawrence Financial Common held by such holder shall automatically be converted into the right to receive the Consideration.

(d) No Lawrence Financial stock options shall be assumed by Oak Hill Financial. At the Effective Time, each option to acquire shares of Lawrence Financial Common (a "Lawrence Financial Option") granted pursuant to Lawrence Financial's 2001 Stock-Based Incentive Plan (the "Lawrence Financial Option Plan") that is then outstanding and unexercised, whether or not then vested, shall be canceled, and in lieu thereof the holders of such options shall be paid in cash an amount equal to the product of (i) the number of shares of Lawrence Financial Common subject to such option at the Effective Time and (ii) the amount by which the Cash Consideration exceeds the exercise price per share of such option, net of any cash which must be withheld under federal and state income and employment tax requirements. In the event that the exercise price of a Lawrence Financial Option is greater than the Cash Consideration, then at the Effective Time such Lawrence Financial Option shall be canceled without any payment made in exchange therefor. At the Effective Time the Lawrence Financial Option Plan shall be deemed terminated. From the date of execution of this Agreement, Lawrence Financial will use its best efforts to not permit the exercise of Lawrence Financial Options in transactions other than transactions to which Oak Hill Financial has consented.

(e) At the Effective Time, each share of restricted stock outstanding as of the Effective Time and issued pursuant to Lawrence Financial's 2001 Stock-Based Incentive Plan, to the extent not already vested, shall vest and shall represent a right to receive the same rights provided to other holders of Lawrence Financial Common pursuant to subparagraph (b) of this Section 2.08.

2.09. Effect of the Merger.

(a) At the Effective Time, the effect of the Merger shall be as provided by the applicable provisions of the laws of Ohio. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, the separate existence of Lawrence Financial shall cease and all assets and property (real, personal, and mixed, tangible and intangible, choses in action, rights, and credits) then owned by each Constituent Corporation, or which would inure to either of them, shall immediately, by operation of law and without any conveyance, transfer, or further action, become the assets and property of the Surviving Corporation. All rights and obligations of the Constituent Corporations shall remain unimpaired and the Surviving Corporation shall succeed to all such rights and obligations.

(b) From time to time, as and when requested by the Surviving Corporation or by its successors, the officers and directors of Lawrence Financial in office at the Effective Time shall execute and deliver such

instruments and shall take or cause to be taken such further or other action as shall be necessary in order to vest or perfect in the Surviving Corporation, or to confirm of record or otherwise, title to, and possession of, all the assets, property, interests, rights, privileges, immunities, powers, franchises, and authority of Lawrence Financial and otherwise to carry out the purposes of this Agreement.

2.10. Offices. The principal executive offices of the Surviving

Corporation shall be located at 14621 State Route 93, Jackson, Ohio 45640.

2.11 Election Procedures. Oak Hill Financial will cause to be sent to

all record holders of Lawrence Financial Common as of a record date fixed for such purpose by Lawrence Financial, with the concurrence of Oak Hill Financial, not later than 30 days prior to the expected Closing Date, and Oak Hill Financial will use its best efforts to cause to be sent to each holder of Lawrence Financial Common who first becomes a holder after such date, an election form in such form as Oak Hill Financial and Lawrence Financial shall mutually agree (the "Election Form") and other appropriate materials to effect the surrender of certificates representing shares of Lawrence Financial Common in exchange for either cash or stock as provided herein. The Election Form will allow each such holder (i) to elect to receive the Stock Consideration with respect to all of such holder's shares of Lawrence Financial Common, (ii) to elect to receive the Cash Consideration with respect to all of such holder's shares of Lawrence Financial Common, (iii) to elect to receive the Cash Consideration with respect to some of such holder's shares of Lawrence Financial Common and the Stock Consideration with respect to such holder's remaining shares of Lawrence Financial Common or (iv) to indicate no election (the "No-Election Shares"). Shares of Lawrence Financial Common as to which an election to receive the Stock Consideration has been made, including pursuant to a mixed election, are referred to herein as "Stock Election Shares." Shares of Lawrence Financial Common as to which an election to receive the Cash

As Executed

Consideration has been made, including pursuant to a mixed election, are referred to herein as "Cash Election Shares." As of the Election Deadline, as defined below, any shares of Lawrence Financial Common with respect to which the holder thereof shall not have made such election by submission to Registrar and Transfer Co., as Exchange Agent (the "Exchange Agent"), of an effective, properly completed Election Form shall be deemed to be No-Election Shares.

Any election to receive the Stock Consideration or the Cash

Consideration shall have been properly made only if the Exchange Agent shall have received by 5:00 p.m., New Jersey time, three business days prior to the Closing Date (or such other time as Oak Hill Financial and Lawrence Financial may mutually agree) (the "Election Deadline"), a properly completed Election Form. An Election Form will be properly completed only if accompanied by certificates representing all shares of Lawrence Financial covered thereby (or customary affidavits and, if required by Oak Hill Financial, indemnification regarding the loss or destruction of such certificates or the guaranteed delivery of such certificates) together with all other documents required by the Election Form with respect to such shares. Any Election Form may be revoked or changed by the person submitting such Election Form to the Exchange Agent by written notice to the Exchange Agent if, but only if, such notice is received by the Exchange Agent at or prior to the Election Deadline. All elections shall automatically be revoked if the Merger is abandoned for any reason, whereupon all certificates for shares of Lawrence Financial Common to which each such election relates shall be promptly returned to the holder submitting the same to the Exchange Agent. The Exchange Agent shall have reasonable discretion to determine when any election, modification or revocation is received and whether any such election, modification or revocation has been properly made, consistent with the duty of the Exchange Agent to give effect to such elections, modifications or revocations to the extent possible.

For the purpose of this Section 2.11, the number of shares of Lawrence Financial held of record by each holder of Lawrence Financial immediately prior to the Effective Time shall be determined with reference to a complete list of the holders of Lawrence Financial prepared and certified as correctly reflecting its stock records by Lawrence Financial as of the Election Deadline (the "Stock List"). Each entry on the Stock List shall be presumed to represent a different holder of Lawrence Financial unless it appears from the face of the Stock List that several entries are only variations in the spelling or presentation of the same name or names. Any questions concerning the Stock List shall be determined by the Exchange Agent, the decision of which shall be final and binding on all parties involved.

Holders of record of shares of Lawrence Financial Common who hold such shares as nominees, trustees or in other representative capacities (a "Representative") may submit multiple Election Forms, provided that such Representative certifies that each such Election Form covers all of the shares of Lawrence Financial Common held by that Representative for a particular beneficial owner.

Oak Hill Financial may establish such other rules and procedures relating to the elections herein provided, not inconsistent with the terms of this Agreement, as may be necessary to facilitate the prompt and orderly receipt and processing of elections and the prompt distribution of the Stock Consideration and the Cash Consideration to which the former holders of Lawrence Financial become entitled by virtue of this Agreement, including procedures governing the issuance and delivery of certificates of Oak Hill Common into which shares of Lawrence Financial Common are converted in the Merger and the payment for Lawrence Financial Common converted into the right to receive the Cash Consideration in the Merger, provided that no such rule or procedure shall

have the effect of impairing the continuity of proprietary interest needed to qualify the Merger as a tax-free reorganization under the Code.

No transfer taxes shall be payable by any shareholder of Lawrence Financial with respect to the issuance of certificates for Oak Hill Common and no expenses shall be imposed on any shareholder of Lawrence Financial in connection with the conversion of shares of Lawrence Financial Common into cash or shares of Oak Hill Common and the delivery of such cash or shares to the former holder of Lawrence Financial Common entitled thereto, except that (i) if any certificate of Oak Hill Common is to be issued in a name other than that in which a certificate or certificates for shares of Lawrence Financial surrendered shall have been registered, it shall be a condition to such issuance that the person requesting such issuance shall pay to Oak Hill Financial any transfer taxes payable by reason thereof or of any prior transfer of such surrendered certificate or certificates or establish to the satisfaction of Oak Hill Financial that such

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taxes have been paid or are not payable, and (ii) nothing herein shall relieve a shareholder of Lawrence Financial Common of any expenses associated with surrendering such holder's certificates of Lawrence Financial Common to the Exchange Agent.

2.12. Allocation of Shares and Cash. The parties hereto intend for the

Merger to qualify as a reorganization within the meaning of Sections 368(a) and related sections of the Code.

As soon as practicable but in any event within three business days after the Election Deadline, the Exchange Agent shall effectuate the allocation among holders of Lawrence Financial Common of rights to receive the Stock Consideration and the Cash Consideration as follows:

(a) If the number of Stock Election Shares is less than 325,055 (the amount by which 325,055 exceeds the number of Stock Election Shares being referred to herein as the "Shortfall Number"), then

(i) all Stock Election Shares will be converted into the right to receive the Stock Consideration,

(ii) if the Shortfall Number is less than or equal to the number of No-Election Shares, then all Cash Election Shares shall be converted into the right to receive the Cash Consideration and each holder of No-Election Shares shall receive (A) the number of

shares of Oak Hill Common equal to the product obtained by multiplying (1) the number of No-Election shares held by such holder by (2) the Exchange Ratio by (3) a fraction the numerator of which is the Shortfall Number and the denominator of which is the total number of No-Election Shares (the "No-Election Proration Factor") and (B) cash in an amount equal to the product obtained by multiplying (1) the number of No-Election Shares held by such holder by (2) the Cash Consideration by (3) one minus the No-Election Proration Factor, and

(iii) if the Shortfall Number exceeds the number of No-Election Shares, then all No-Election Shares shall be converted into the right to receive the Stock Consideration, and each holder of Cash Election Shares shall receive (1) the number of shares of Oak Hill Common equal to the product obtained by multiplying (x) the number of Cash Election Shares held by such holder by (y) the Exchange Ratio by (z) a fraction the numerator of which is the amount by which the Shortfall Number exceeds the number of No-Election Shares and the denominator of which is the total number of Cash Election Shares (the "Cash Proration Factor") and (B) cash in an amount equal to the product obtained by multiplying (x) the number of Cash Election Shares held by such holder by (y) the Cash Consideration by (z) one minus the Cash Proration Factor.

(b) If the number of Stock Election Shares is greater than 338,057, then

(i) all Cash Election Shares will be converted into the right to receive the Cash Consideration,

(ii) all No-Election Shares will be converted into the right to receive the Cash Consideration, and

(iii) each holder of Stock Election Shares will be entitled to receive (A) the number of shares of Oak Hill Common equal to the product obtained by multiplying (1) the number of Stock Election Shares held by such holder by (2) the Exchange Ratio by (3) a fraction, the numerator of which is 338,057 and the denominator of which is the number of Stock Election Shares (the "Stock Proration Factor") and (B) cash in an amount equal to the product obtained by multiplying (1) the number of Stock Election Shares held by such holder by (2) the Cash Consideration by (3) one minus the Stock Proration Factor.

(c) If the number of Stock Election Shares is equal to or greater than 325,055 and less than or equal to 338,057, then

(i) all Stock Election Shares will be converted into the right to receive the Stock Consideration,

(ii) all Cash Election Shares will be converted into the right to receive the Cash Consideration, and

(iii) all No-Election Shares will be converted into the right to receive the Cash Consideration.

For purposes of the foregoing calculations, Dissenters' Shares shall be deemed to be Cash Election Shares.

2.13. Distribution Procedures.

(a) As soon as practicable after the Effective Time and the completion of the allocation procedure described above, Oak Hill Financial shall cause the Exchange Agent to distribute the Stock Consideration and the Cash Consideration as provided herein (the "Distribution Date"). Not later than the Distribution Date, Oak Hill Financial will deliver to the Exchange Agent the number of shares of Oak Hill Common issuable and the aggregate Cash Consideration payable in the Merger in order for the Exchange Agent to make such distribution.

(b) Appropriate transmittal materials ("Letter of Transmittal") in a form satisfactory to Oak Hill Financial and Lawrence Financial shall be mailed as soon as practicable after the Effective Time to each holder of record of Lawrence Financial Common as of the Effective Time who did not previously submit a completed Election Form. A Letter of Transmittal will be deemed properly completed only if accompanied by certificates representing all shares of Lawrence Financial Common to be exchanged thereby.

(c) Neither Oak Hill Financial, the Surviving Corporation, nor the Exchange Agent, shall be obligated to deliver certificates for Oak Hill Common or cash to a former shareholder of Lawrence Financial until the later of the Distribution Date or the date on which such former shareholder surrenders his certificate or certificates representing shares of Lawrence Financial or, in default thereof, an appropriate affidavit of loss and indemnity agreement and bond as may be required by Oak Hill Financial. Until so surrendered, each outstanding certificate representing shares of Lawrence Financial which have been converted into shares of Oak Hill Common shall be deemed for all corporate purposes (except the payment of dividends or other distributions) to evidence ownership of the number of whole shares of Oak Hill Common into which the shares of Lawrence Financial represented thereby shall have been converted. Adoption of this Agreement by the shareholders of Lawrence Financial shall constitute ratification of the appointment of such Exchange Agent.

(d) No dividends or other distributions payable to holders of record of Oak Hill Common after the Effective Date shall be paid to a holder of

Lawrence Financial whose shares have been converted into Oak Hill Common until the latter of the Distribution Date or the date such holder surrenders his certificates formerly representing shares of Lawrence Financial. Promptly upon surrender of such outstanding certificates there shall be paid to the holder of the certificates for Oak Hill Common issued in exchange therefor the amount of dividends and other distributions, if any, which theretofore became payable with respect to such full shares of Oak Hill Common, but which have not theretofore been paid on such stock. No interest shall be payable with respect to the payment of any dividends or other distributions. All such dividends or other distributions (including cash payable in lieu of any fractional share of Oak Hill Common) unclaimed at the end of one year from the Effective Date shall be repaid by the Exchange Agent to Oak Hill Financial, and thereafter the holders of such outstanding certificates for Lawrence Financial shall look, subject to applicable escheat, unclaimed funds and other laws, as general creditors only to Oak Hill Financial for payment thereof.

(e) The stock transfer books of Lawrence Financial shall be closed immediately upon the Effective Time.

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(f) Oak Hill Financial is empowered to adopt additional reasonable rules and regulations with respect to the matters referred to in this Section 2.13 not inconsistent with the provisions of this Agreement.

2.14. Fractional Shares. No fractional shares of Oak Hill Common shall

be issued. Each former holder of Lawrence Financial who would otherwise be entitled to receive a fractional share of Oak Hill Common shall receive from the Exchange Agent cash in an amount equal to the product resulting from multiplying such fraction by \$23.75. Such payment with respect to fractional shares is intended to avoid the expense and inconvenience of issuing fractional shares and to provide a mechanical rounding off of shares, and is not a separately bargained for consideration. On the Effective Date, Oak Hill Financial shall deliver cash sufficient to permit the payment in respect of such fractional shares to the Exchange Agent for distribution in accordance with this Section 2.14. No interest shall be payable with respect to such cash payment.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF LAWRENCE FINANCIAL

Lawrence Financial represents and warrants to Oak Hill Financial that, except as set forth in the Lawrence Financial Disclosure Memorandum:

3.01 Organization and Authority. Lawrence Financial is a corporation

duly organized, validly existing, and in good standing under the laws of Maryland, is registered with the Office of Thrift Supervision as a savings and loan holding company, is duly qualified to do business and is in good standing in all jurisdictions where its ownership or leasing of property or the conduct of its business requires it to be so qualified, and has the corporate power and authority to own its properties and assets, to carry on its business as it is presently being conducted, and, subject to the approval of its stockholders, and to the filing of all requisite regulatory applications and notices and the receipt of all requisite regulatory approvals, to enter into and carry out its obligations under this Agreement.

3.02 Capitalization. The authorized capital stock of Lawrence

Financial consists of 4,000,000 shares of Lawrence Financial Common, of which 650,110 shares were issued and outstanding as of the date of this Agreement, and 1,000,000 shares of preferred stock with a par value of one cent (\$.01), of which there are no shares issued and outstanding as of the date of this Agreement. All of the outstanding shares of Lawrence Financial Common are duly authorized, validly issued, fully paid and nonassessable. Other than Lawrence Financial Options to acquire 58,187 shares of Lawrence Financial Common, there are no existing options, warrants, or commitments of any kind which might require the issuance by Lawrence Financial of any additional shares of Lawrence Financial Common or other equity securities of Lawrence Financial.

3.03 Subsidiaries. The Lawrence Financial Disclosure Memorandum

lists all corporations in which Lawrence Federal owns, directly or indirectly, five percent or more of any class of capital stock of any corporation as of the date of this Agreement, and indicates, with respect to the equity securities of each such corporation as of such date, the number of shares of each class authorized, the number of shares outstanding, and the number of shares owned or controlled directly or indirectly by Lawrence Financial. There are no options, contracts, commitments, understandings, or arrangements by which any subsidiary of Lawrence Financial is bound to issue additional shares of its equity securities. Lawrence Federal is a member of the Federal Home Loan Bank System and its deposits are insured up to the applicable limits by the SAIF.

3.04 Directors, Officers, and Principal Stockholders. No person is

known by Lawrence Financial to own more than 5% of the outstanding shares of Lawrence Financial Common.

3.05 Authorization. The execution, delivery, and performance of this

Agreement by Lawrence Financial, and the consummation of the transactions contemplated hereby have been duly approved by the Board of Directors of Lawrence Financial, subject to the adoption of this Agreement by the stockholders of Lawrence Financial.

3.06 Absence of Defaults. Neither the execution and delivery of this

Agreement, nor the consummation of the Merger, nor compliance by Lawrence Financial with any provisions hereof will violate any provisions of the articles or incorporation or bylaws, or other charter documents of Lawrence Financial or result in a breach or termination of, or

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accelerate the performance required by, any note, bond, mortgage, lease, agreement, or other instrument to which Lawrence Financial is a party or by which Lawrence Financial may be bound, except for such violations or breaches that would not, individually or in the aggregate, have a Material Adverse Effect on Lawrence Financial.

3.07 Financial Statements. Lawrence Financial has delivered the

Audited Financial Statements to Oak Hill Financial. The Audited Financial Statements fairly present the financial position, results of operations, and cash flows of Lawrence Financial at the dates shown and for the periods indicated in conformity with generally accepted accounting principles applied on a consistent basis. There are no obligations or liabilities, whether absolute, accrued, or contingent (including, without limiting the generality of the foregoing, liabilities for taxes), of Lawrence Financial which are required in conformity with generally accepted accounting principles to be reflected or disclosed in the Audited Financial Statements which have not been or will not be so reflected or disclosed.

3.08 Title to Properties.

(a) Lawrence Financial owns no Real Property, provided however, Lawrence Financial has good and marketable title to the Real Property listed as owned by it in the Lawrence Financial Disclosure Memorandum and valid leasehold interests in all of the Real Property listed as leased by it in the Lawrence Financial Disclosure Memorandum, free and clear of any liens and encumbrances except taxes and assessments not delinquent and utility and other easements that do not interfere with the use of the property for the business being conducted thereon. The Real Property and the present use thereof by Lawrence Financial do not violate any local zoning or similar land use laws, any governmental regulations, or any restrictive covenants. To the Knowledge of Lawrence Financial, (i) the Real Property and the use thereof by Lawrence Financial do not encroach upon any property owned by any other person, and (ii) no property owned by any other person encroaches upon any of the Real Property. The Real Property is not subject to any easements, restrictions, set backs, encroachments, or other limitations except utility and other easements that do

not interfere with the use of the Real Property for the business then being conducted thereon. The Real Property is not located in any flood hazard area.

(b) Each item of the personal property owned by Lawrence Financial, including without limitation all contractual rights and assets reflected in the Audited Financial Statements or acquired after the date hereof except for assets sold or otherwise disposed of in the ordinary course of business since such date or assets which, either individually or in the aggregate, are not material to the operations or financial condition of Lawrence Financial), is owned by Lawrence Financial, free and clear of any lien or encumbrance, except for assets securing loans from the Federal Home Loan Bank of Cincinnati and assets pledged for public deposits.

3.09 Absence of Undisclosed Liabilities. Except to the extent

reflected or reserved against on the consolidated balance sheet of Lawrence Financial as of June 30, 2004 as included in Lawrence Financial's Quarterly Report on Form 10-QSB for the period ended June 30, 2004, Lawrence Financial has no liabilities, whether absolute, accrued, contingent, or otherwise, due or to become due, including without limitation any liabilities as guarantor under any guaranty or liabilities for taxes, except liabilities and taxes incurred in the ordinary course of business, which have had or would reasonably be expected to have a Material Adverse Effect on Lawrence Financial.

3.10 Absence of Certain Changes. Since June 30, 2004, Lawrence

Financial has not:

(a) made or permitted to be made any changes in its capital or corporate structure, certificate or articles of incorporation, regulations, bylaws, or other incorporation documents;

(b) merged with any other corporation or bank, or permitted any other corporation or bank to merge into or consolidate with it or its subsidiary; acquired control over any other firm, bank, corporation, or organization; or created any subsidiaries;

(c) issued, sold, delivered, or agreed to issue, sell, or deliver any additional shares of its capital stock or any options, warrants, or rights to acquire any such capital stock, or securities convertible into or exchangeable for such capital stock, except for capital stock issued pursuant to the exercise of stock options previously issued, in accordance with their respective terms;

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(d) purchased, sold, transferred, or otherwise acquired or

disposed of, or agreed to purchase, sell, transfer, acquire, or dispose of, any capital stock or other securities of any kind, or options or other rights to acquire any such securities, of any other entity (including, but not limited to, any such transactions involving either Lawrence Financial or any of its subsidiaries with respect to the capital stock or other securities of Lawrence Financial or its subsidiaries), other than in the ordinary course of business;

(e) incurred any indebtedness, obligations, or liabilities, whether absolute, accrued, contingent, or otherwise, including, without limitation, liabilities as guarantor under any guaranty, other than indebtedness, obligations, and liabilities incurred in the ordinary course of its business or incurred under the contracts and commitments referred to in Section 3.18 hereof;

(f) issued as borrower any promissory notes, guarantees, or other evidences of indebtedness, other than in the ordinary course of business;

(g) forgiven or cancelled any indebtedness or contractual obligation, other than in the ordinary course of business;

(h) mortgaged, pledged, or subjected to any lien or lease any of its assets, tangible or intangible, or permitted or suffered any such asset to be subjected to any lien or lease, other than in the ordinary course of business;

(i) purchased, sold, transferred, liquidated, or otherwise acquired or disposed of any assets or properties, or entered into any contract for any such purchase, sale, transfer, liquidation, acquisition, or disposition, other than in the ordinary course of business;

(j) entered into any lease of real or personal property, other than in the ordinary course of business;

(k) declared, paid, made, or set apart any sum or property for, any dividend or other distribution, or otherwise paid or transferred any funds or property to its stockholders, except for regularly scheduled dividends;

(l) increased the wages, salaries, compensation, pension or other fringe benefits, or perquisites payable to any executive officer after June 30, 2004, or granted any severance or termination pay, or entered into any contract to make or grant any severance or termination pay, or entered into any employment or consulting contract which is not terminable by Lawrence Financial, without cause and without penalty, upon notice of 30 days or less;

(m) made any loans or loan commitments, other than in the ordinary course of business, to any director, officer, or Principal Stockholder (or any person or business entity controlled by or affiliated with such director, officer, or Principal Stockholder);

(n) modified, altered, amended, terminated, or withdrawn from participation in any Employee Benefit Plan or any other plan or benefit provided

to one or more employees, or paid or distributed any sum from any such plan except to participants in the ordinary course of the operation of the plan, or made any payment or contribution to any such plan except as required by the terms of such plan or consistent with past practices, but, in any event, not to exceed four percent (4%) of eligible salaries, in the aggregate, on an annual basis;

(o) entered into any transaction involving the expenditure of more than \$25,000, other than in the ordinary course of business, except pursuant to and in accordance with the terms of the contracts and commitments referred to in Section 3.18 hereof;

(p) adopted any change in any accounting policy or method unless required by accounting principles generally accepted in the United States, provided however that if a change in accounting policy or method is required by accounting principles generally accepted in the United States, Lawrence Financial shall give written advance notice of such change of Oak Hill Financial;

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(q) revalued any asset or adjusted any reserve other than in the ordinary course of business;

(r) failed to keep in full force and effect insurance and bonds at least equal in amount and scope of coverage to the insurance and bonds carried on June 30, 2004;

(s) suffered any Material Adverse Effect;

(t) suffered any damage, destruction, or loss (whether or not covered by insurance) which, individually or in the aggregate, has had a Material Adverse Effect;

(u) suffered any strike, work stoppage, slow-down, or other labor disturbance; or

(v) suffered any loss of employees or customers which has had a Material Adverse Effect.

3.11 Taxes and Tax Returns. Each of Lawrence Financial and its

subsidiaries has duly filed all federal, state, foreign and local information returns and Tax Returns required to be filed by it on or prior to the date of this Agreement (all such returns being accurate and complete) and has duly paid

or made adequate provision according to generally accepted accounting principles for the payment of all Taxes that have been incurred or are due or claimed to be due from it by federal, state, foreign or local taxing authorities. The federal income Tax Returns of Lawrence Financial and its subsidiaries have been filed for all years to and including 2002 and any liability with respect thereto has been satisfied. There are no material disputes pending, or claims asserted, for Taxes or assessments upon Lawrence Financial of its subsidiaries. Lawrence Financial and its subsidiaries have not waived any statute of limitations in respect of Taxes or agreed to an extension of time with respect to a Tax assessment or deficiency. There are no liens with respect to Taxes upon any of the properties or assets of Lawrence Financial or its subsidiaries, tangible or intangible. Neither Lawrence Financial nor any of its subsidiaries is a party to or is bound by any Tax sharing, allocation or indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among Lawrence Financial and its subsidiaries). Within the past five years, neither Lawrence Financial nor any of its subsidiaries has been a "distributing corporation" or a "controlled corporation" in a distribution intended to qualify under Section 355(a) of the Code. There is and will be no disallowance of a deduction under Section 162(m) of the Code on any Tax Return filed or to be filed by Lawrence Financial or its subsidiaries for employee remuneration of any amount paid or payable by Lawrence Financial or any of its subsidiaries under any contract, plan, program or arrangement or understanding. Lawrence Financial and its subsidiaries have no net operating losses or other tax attributes presently subject to limitations under the Code or regulations thereunder.

3.12 Labor Matters. Lawrence Financial is not a party to any

collective bargaining or other union agreement with any of its employees, or is involved in any labor dispute.

3.13 Litigation. There is no action, suit, proceeding, or claim by

any governmental agency or other person or entity nor any investigation by any governmental agency pending or, to the Knowledge of Lawrence Financial, threatened against (i) Lawrence Financial, (ii) any subsidiary of Lawrence Federal, (iii) the assets, business, or goodwill of Lawrence Financial or any of its subsidiaries, or (iv) any director, officer or Principal Stockholder of Lawrence Financial or any of its subsidiaries, in relation to the business of Lawrence Financial or any of its subsidiaries, or any such person's capacity as a director, officer or Principal Stockholder of Lawrence Financial or any of its subsidiaries. Neither Lawrence Financial nor any of its subsidiaries is subject to any supervisory agreement, consent order or decree, cease and desist order, or other restriction on their business or assets.

3.14 Environmental Matters.

(a) To the Knowledge of Lawrence Financial, Lawrence Financial and its subsidiaries are and have been at all times in substantial compliance with all applicable Environmental Laws and neither Lawrence Financial nor any of its subsidiaries has engaged in any activity resulting in a material violation

of any applicable Environmental Law. No orders, hearings, actions, or other proceedings by or before any court or governmental agency in which Lawrence Financial or any of its subsidiaries is a party are pending or, to the Knowledge of Lawrence Financial, threatened in connection with any alleged violation of any applicable Environmental Law (i) by Lawrence Financial or any of its

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subsidiaries or (ii) in relation to any part of the Real Property and Lawrence Financial has no Knowledge of any investigations or inquiries with respect to any such alleged violation. No claims have been made or, to the Knowledge of Lawrence Financial, threatened at any time by any third party against Lawrence Financial or any of its subsidiaries relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Substance. To the Knowledge of Lawrence Financial, neither Lawrence Financial nor any of its subsidiaries has caused or permitted any Hazardous Substance to be integrated into the Real Property or any component thereof in such manner or quantity as may reasonably be expected to or in fact would pose a threat to human health or the value of the Real Property. None of the Real Property has been used by Lawrence Financial or any of its subsidiaries for the storage or disposal of Hazardous Substances nor to the Knowledge of Lawrence Financial, is any of the Real Property contaminated by any Hazardous Substance. To the Knowledge of Lawrence Financial, none of the Real Property has in the past contained or presently contains any underground storage tanks. To the Knowledge of Lawrence Financial, neither Lawrence Financial nor any of its subsidiaries has any interest, direct or indirect, in any property owned by a third party which has been contaminated by Hazardous Substances (excluding any property as to which the sole interest of Lawrence Financial or any of its subsidiaries is that of a lien holder or mortgagee, but including any property as to which title has been taken by Lawrence Financial or any of its subsidiaries pursuant to mortgage foreclosure or similar proceeding and any property as to which Lawrence Financial or any of its subsidiaries has participated in the financial management to a degree sufficient to influence the property's treatment of Hazardous Substances).

(b) To the Knowledge of Lawrence Financial, the representations set forth in paragraph (a) above are also true and correct in relation to any and all real property owned or leased by it or any of its subsidiaries at any time prior to the date of this Agreement, together with any improvements located thereon.

3.15 Community Reinvestment Act Compliance. Lawrence Federal is in

material compliance with the applicable provisions of the CRA and the regulations promulgated thereunder, and currently has a CRA rating of satisfactory or better from the Office of Thrift Supervision. Lawrence Financial

knows of no fact or circumstance or set of facts or circumstances which would cause Lawrence Financial to fail to comply with such provisions or to cause the CRA rating of Lawrence Federal to fall below satisfactory.

3.16 Compliance with Laws. Lawrence Financial and its subsidiaries

hold all permits, licenses, certificates of authority, orders, and approvals of, and have made all filings, applications, and registrations with, all governmental or regulatory bodies that are required in order to permit them to carry on their respective businesses as they are presently conducted. To the Knowledge of Lawrence Financial, Lawrence Financial and its subsidiaries have conducted their businesses so as to comply in all material respects with all applicable statutes, regulations, rules, and orders.

3.17 Information Provided by Lawrence Financial. None of the

information supplied or to be supplied by Lawrence Financial for inclusion in the Registration Statement, the Proxy Statement, the application for approval, or any other document to be filed with the Federal Reserve Board, the Division of Financial Institutions, the SEC, or any other federal or state regulatory authority in connection with the transactions contemplated herein or in this Agreement is or will be false or misleading with respect to any material fact, or omits or will omit any material fact necessary in order to make the statements therein not misleading.

3.18 Material Contracts.

(a) Lawrence Financial has no written or oral agreements, leases, and other obligations and commitments of the following types, to which either Lawrence Financial is a party, by which Lawrence Financial or any subsidiary or any of their property is bound, or which has been authorized by Lawrence Financial (the "Material Contracts"):

(i) promissory notes, guaranties, mortgages, security agreements, or other evidences of indebtedness of Lawrence Financial;

(ii) partnership or joint venture agreements;

(iii) employment, bonus, compensation, severance, or consulting agreements;

(iv) collective bargaining agreements;

(v) Employee Benefit Plans and any other plans, benefits, programs of benefits, or deferred compensation arrangements for the benefit of directors, employees, or former or retired employees;

(vi) agreements or commitments for sale (other than in the ordinary course of business) of assets exceeding \$50,000 in the aggregate;

(vii) agreements or commitments for capital expenditures in excess of \$50,000 in the aggregate;

(viii) agreements or other documents creating liens or security interests relating to any real or personal property owned, rented, or leased by Lawrence Financial and used in connection with the business of such entity;

(ix) leases of, commitments to lease, and other agreements relating to the lease or rental of, real or personal property by Lawrence Financial and used in connection with the business of such entity with annual payments in excess of \$25,000;

(x) all policies of insurance and fidelity bonds of Lawrence Financial;

(xi) all direct or indirect loans or guaranties of loans to any director, officer, or Principal Stockholder of Lawrence Financial or their spouses or children or any partnership, corporation, or other entity in which any such director, officer, or Principal Stockholder or their spouses or children, have a significant (ten percent or more) interest; and

(xii) all other contracts and commitments not made in the ordinary course of business.

(b) The Lawrence Financial Disclosure Memorandum includes complete and correct copies of all written agreements, leases and commitments, except loan commitments less than \$500,000, together with all amendments thereto, that constitute the Material Contracts (or Lawrence Financial has previously provided copies thereof to Oak Hill Financial) and includes a complete and correct written description of all oral agreements that constitute Material Contracts.

(c) As of and through the date of this Agreement: (i) each Material Contract is valid and subsisting and in full force and effect in all material respects; (ii) Lawrence Financial has in all material respects performed all obligations required to be performed by it to date under the Material Contracts; and (iii) no event or condition exists which constitutes or, after notice or lapse of time, would constitute, a material default on the part of Lawrence Financial under any Material Contract.

3.19 Employee Benefit Plans.

(a) All Employee Benefit Plans maintained by Lawrence

Financial or any subsidiary are listed on the Lawrence Financial Disclosure Memorandum and comply in all material respects with the requirements of ERISA and the Code and all such plans have been administered to date in compliance with the requirements of ERISA, the Code, and subsequent legislation regulating ERISA plans. If required, shares of Lawrence Financial owned by any Employee Benefit Plan have been registered pursuant to applicable securities law. Each of such plans that is an employee pension benefit plan within the meaning of Section 3(2) of ERISA that is intended to be a qualified plan under Section 401(a) of the Code has been amended to comply in all material respects with current law as required or the remedial amendment period for such amendment under Section 401(b) of the Code has not expired and Lawrence Financial or a subsidiary has obtained current favorable determination letters with respect to all such plans. As of the date hereof, neither Lawrence Financial nor a subsidiary has liability on account of any accumulated funding deficiency (as defined in Section 412 of the Code) or on account of any failure to make contributions to or pay benefits under any such plan nor is Lawrence Financial or a subsidiary aware of any claim pending or threatened to be brought by any party regarding such matters.

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No prohibited transaction has occurred with respect to any such plan that would result, directly or indirectly, in the imposition of any excise tax under Section 4975 of the Code; nor has any reportable event under Section 4043 of ERISA occurred with respect to any such plan. Neither Lawrence Financial nor a subsidiary is a defendant in any lawsuit or criminal action concerning such entity's conduct as a fiduciary, party-in-interest, or disqualified person with respect to any plan, nor is either of them engaged in litigation or a continuing controversy with, or, to the knowledge of Lawrence Financial or any subsidiary, under investigation or examination by, the Department of Labor, Internal Revenue Service, Justice Department, or Pension Benefit Guaranty Corporation involving compliance with ERISA or the provisions of the Code relating to employee benefit plans. All reporting and disclosure requirements of ERISA and the Code have been met in all respects by all such plans. Neither Lawrence Financial nor any subsidiary is required to contribute to an Employee Benefit Plan that is a "multiemployer plan" within the meaning of Section 3(37) of ERISA. Lawrence Federal and its subsidiaries have complied with all reporting and disclosure obligations to all governmental entities and all participants and beneficiaries with respect to each Employee Benefit Plan required by the terms of such Employee Benefit Plan, any statutes, orders, rules or regulations, including but not limited to ERISA, the Code and the Sarbanes-Oxley Act of 2002, to the extent that the failure to do so would have an adverse effect on the Company.

(b) Lawrence Financial has no Employee Benefit Plans or any other benefit plans or programs currently in effect for employees, former employees, and retired employees of Lawrence Financial or any subsidiary

including, without limitation, those providing any form of medical, health, and dental insurance, severance pay and benefits continuation, relocation assistance, vacation pay, tuition aid, and matching gifts for charitable contributions to educational or cultural institutions, whether or not subject to ERISA. If any plans are listed on the Lawrence Financial Disclosure Memorandum, then the memorandum includes complete and correct copies of all such plans or programs, including each trust or other agreement under which any trustee or custodian holds funds or property of the plan and all current financial and actuarial reports, all current reporting and disclosure documents and filings, and currently effective Internal Revenue Service rulings or determination letters in respect thereof, or copies of such material has been previously provided to Oak Hill Financial. If any of the Employee Benefit Plans listed in the Lawrence Financial Disclosure Memorandum has not been amended to comply with the Tax Reform Act of 1986 and subsequent legislation, Lawrence Financial will also deliver to Oak Hill Financial information and documentation regarding such plan's operation during the remedial amendment period which is sufficient to enable Oak Hill Financial to amend such plans to comply with the Tax Reform Act of 1986 and subsequent legislation.

(c) The Lawrence Financial Disclosure Memorandum sets forth (i) an accurate list of any plan or employment agreement under which the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby could (either alone or in conjunction with any other event) result in, cause the accelerated vesting, funding or delivery of, or increase the amount or value of, any payment or benefit to any employee, officer or director of Lawrence Financial or any of its subsidiaries, and (ii) the financial calculations and assumptions whereby Lawrence Financial determined that \$815,000 is a reasonable estimate of the amount required to be paid in calendar year 2004 such that payments made to employees in connection with the transactions contemplated hereby will not constitute "excess parachute payments" within the meaning of Section 280G of the Code, provided any outstanding employment agreements are terminated prior to December 31, 2004 and all payments and benefits are made or provided in accordance with the agreements entered into by and between Jack L. Blair, RobRoy Walters and Lawrence Financial, Lawrence Federal and Oak Hill Financial; and (iii) the financial calculations and assumptions whereby Lawrence Financial determined that \$295,000 is a reasonable estimate of the amount required to be paid in calendar year 2004 for the termination of obligations to directors under any outstanding director retirement plan such that payments made in the termination of the director retirement plan obligations will not constitute "excess parachute payments" within the meaning of Section 280G of the Code, provided the obligations to directors are terminated prior to December 31, 2004 and all payments and benefits are made or provided in accordance with the agreements entered into by and between each director and Lawrence Financial, Lawrence Federal and Oak Hill Financial.

3.20 Insurance Policies. Except as shown on the Lawrence Financial

Disclosure Memorandum, neither Lawrence Financial nor any subsidiary maintains insurance policies and fidelity bonds. A complete and correct list of the insurance policies and fidelity bonds currently maintained by Lawrence Financial

or any subsidiary is listed on the Lawrence Financial Disclosure Memorandum and the Lawrence Financial Disclosure Memorandum includes complete and correct copies of all such policies and bonds currently in effect together with all riders and amendments thereto or copies of such policies, bonds, riders and amendment have been previously provided to Oak Hill Financial. All

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premiums due thereon have been paid and Lawrence Financial has complied in all respects with the provisions of such policies and bonds. Lawrence Financial has not failed to give any notice or present any claim under any insurance policy or fidelity bond in due and timely fashion.

3.21 Capital Requirements. Lawrence Financial is in compliance with

all currently applicable capital requirements and guidelines prescribed by all appropriate federal regulatory agencies.

3.22 Loan Loss Reserves. Since June 30, 2004 Lawrence Financial has

not incurred any unusual or extraordinary loan losses. The allowance for loan losses reflected on the financial statements of Lawrence Financial has been determined in accordance with generally accepted accounting principles and in accordance with all applicable regulations of all appropriate regulatory agencies and is adequate in all material respects under requirements of accounting principles generally accepted in the United States to provide for reasonably anticipated losses on outstanding loans. Lawrence Financial has no knowledge of any potential losses that have not been considered in establishing the current allowance for loan losses.

3.23 Brokers; Certain Fees. Neither Lawrence Financial, nor any of

its officers, directors, or employees, has employed any broker or finder or incurred any liability for any financial advisory fees, brokerage fees, commissions, or finder's fees in connection with this Agreement, or the transactions contemplated herein or therein.

3.24 Material Facts. Neither this Agreement, the Lawrence Financial

Disclosure Memorandum, nor any list, schedule, or certificate furnished to Oak Hill Financial by or on behalf of Lawrence Financial contains any untrue statement of a material fact or omits a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which made.

3.25 Tax Treatment of the Merger. Neither Lawrence Financial nor any

Affiliate thereof has taken any action or has any Knowledge of any fact or circumstance that is reasonably likely to prevent the transactions contemplated hereby, including the Merger, from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

3.26 Filing of Reports. Lawrence Financial Common is registered

pursuant to Section 12 of the 1934 Act. Lawrence Financial has been subject to the reporting requirements of Section 13 of the 1934 Act for a period of at least 90 days prior to the date hereof and has filed all reports required to be filed thereunder during the twelve months preceding the date hereof. Since January 1, 2001, Lawrence Financial has filed with the SEC all documents and reports (including all amendments, exhibits, and schedules thereto and documents incorporated by reference therein) required to be filed by Lawrence Financial under the 1934 Act and the 1933 Act, and the rules and regulations promulgated by the SEC thereunder. None of such documents or reports, as of their respective dates and as amended through the date hereof, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in view of the circumstances under which they were made, not misleading.

3.27. Termination of Benefits. Based on its Knowledge, Lawrence

Financial can terminate prior to December 31, 2004, its and any subsidiary's obligations (i) under any outstanding employment agreements of its Chief Executive Officer and its Chief Financial Officer, for payments aggregating no more than \$815,000 and such payments shall not result in any amounts or benefits expended under such agreements or plans constituting "excess parachute payments" within the meaning of Section 280G of the Code and (ii) to directors under any outstanding retirement plan for payments aggregating no more than \$295,000 and such payments shall not result in any amounts or benefits expended under such agreements or plans constituting "excess parachute payments" within the meaning of Section 280G of the Code.

3.28. Fairness Opinion. Lawrence Financial has received a fairness

opinion from Keefe, Bruyette & Woods, Inc. relating to the Merger stating that the Consideration to be paid to the stockholders of Lawrence Financial is fair to the stockholders of Lawrence Financial from a financial point of view.

As Executed

SECTION 4. REPRESENTATIONS AND WARRANTIES OF OAK HILL FINANCIAL

Oak Hill Financial represents and warrants to Lawrence Financial that, except as set forth in the Oak Hill Disclosure Memorandum:

4.01 Organization and Authority. Oak Hill Financial is a corporation

duly organized, validly existing, and in good standing under the laws of the State of Ohio, is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended, is duly qualified to do business and is in good standing in all jurisdictions where its ownership or leasing of property or the conduct of its business requires it to be so qualified, and has the corporate power and authority to own its properties and assets, to carry on its business as it is presently being conducted, and to enter into and carry out its obligations under this Agreement.

4.02 Capitalization. The authorized capital stock of Oak Hill

Financial consists of (i) 15,000,000 shares of Oak Hill Common, of which 5,544,514 shares were issued and outstanding as of the date hereof (excluding treasury shares) and 1,200,000 reserved for issuance upon exercise of existing stock options, and (ii) 1,500,000 voting shares of preferred stock, without par value, and 1,500,000 non-voting shares of preferred stock, without par value, of which there are no shares issued and outstanding as of the date hereof. All the outstanding shares of Oak Hill Common are duly authorized, validly issued, fully paid and nonassessable. All of the shares of Oak Hill Common to be issued pursuant to this Agreement will, when so issued, be duly authorized, validly issued, fully paid and nonassessable, and the issuance of such shares will not be subject to any preemptive or similar rights.

4.03 Authorization. The execution, delivery, and performance of this

Agreement by Oak Hill Financial, and the consummation of the transactions contemplated hereby, have been duly approved by the Board of Directors of Oak Hill Financial.

4.04 Absence of Defaults. Neither the execution and delivery of this

Agreement, nor the consummation of the Merger, nor compliance by Oak Hill Financial with any of the provisions hereof will violate any provision of the certificate of incorporation or code of regulations of Oak Hill Financial or result in a breach or termination of, or accelerate the performance required by, any note, bond, mortgage, lease, agreement, or other instrument to which Oak Hill Financial is a party or to which Oak Hill Financial may be bound, except for such violations or breaches that would not, individually or in the aggregate, have a Material Adverse Effect on Oak Hill Financial.

4.05 Financial Statements. Oak Hill Financial has previously made

available to Lawrence Financial copies of (i) the consolidated balance sheets of Oak Hill Financial and its subsidiaries as of December 31, 2003 and 2002 and related consolidated statements of income, cash flows and changes in

stockholders' equity for each of the three years in the three-year period ended December 31, 2003, together with the notes thereto, accompanied by the audit report of Oak Hill Financial's independent public auditors, as reported in Oak Hill Financial's Annual Report on Form 10-K for the year ended December 31, 2003 filed with the SEC and (ii) the unaudited consolidated balance sheet of Oak Hill Financial and its subsidiaries as of June 30, 2004 and the related consolidated statements of income, cash flows and changes in stockholders' equity for the six months ended June 30, 2004 and 2003, as reported in Oak Hill Financial's Quarterly Report on Form 10-Q for the period ended June 30, 2004 filed with the SEC. Such financial statements fairly present the financial position, results of operations, and cash flows of Oak Hill Financial at the dates shown and for the periods indicated in conformity with generally accepted accounting principles applied on a consistent basis. There are no obligations or liabilities, whether absolute, accrued, or contingent (including, without limiting the generality of the foregoing, liabilities for taxes), of Oak Hill Financial which are required in conformity with generally accepted accounting principles to be reflected or disclosed in such financial statements which have not been so reflected or disclosed.

4.06 Material Facts. Neither this Agreement nor this Agreement

contains any untrue statement of a material fact or omits a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which made; provided, however, that the scope of this representation does not extend to any information relating to or furnished by Lawrence Financial.

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4.07 Absence of Undisclosed Liabilities. Except to the extent

reflected or reserved against on the consolidated balance sheet of Oak Hill Financial as of June 30, 2004 as included in Oak Hill Financial's Quarterly Report on Form 10-Q for the period ended June 30, 2004, Oak Hill Financial has no liabilities, whether absolute, accrued, contingent, or otherwise, due or to become due, including without limitation any liabilities as guarantor under any guaranty or liabilities for taxes, except liabilities and taxes incurred in the ordinary course of business, which have had or would reasonably be expected to have a Material Adverse Effect on Oak Hill Financial.

4.08 Absence of Certain Changes. Except as provided in the Oak Hill

Disclosure Memorandum, since June 30, 2004, Oak Hill Financial has not:

(a) made or permitted to be made any changes in its capital or corporate structures, certificates or articles of incorporation, regulations,

bylaws, or other charter documents;

(b) merged with any other corporation or bank, or permitted any other corporation or bank to merge into or consolidate with it; acquired control over any other firm, bank, corporation, or organization; or created any subsidiaries;

(c) issued, sold, delivered, or agreed to issue, sell, or deliver any additional shares of its capital stock or any options, warrants, or rights to acquire any such capital stock, or securities convertible into or exchangeable for such capital stock, and except for capital stock issued pursuant to the exercise of stock options previously issued, in accordance with their respective terms;

(d) purchased, sold, transferred, or otherwise acquired or disposed of, or agreed to purchase, sell, transfer, acquire, or dispose of, any capital stock or other securities of any kind, or options or other rights to acquire any such securities, of any other entity (including, but not limited to, any such transactions involving either of Oak Hill Banks or Oak Hill Financial with respect to the capital stock or other securities of the other of them), other than in the ordinary course of business;

(e) incurred any indebtedness, obligations, or liabilities, whether absolute, accrued, contingent, or otherwise, including, without limitation, liabilities as guarantor under any guaranty, other than indebtedness, obligations, and liabilities incurred in the ordinary course of their business;

(f) adopted any change in any accounting policy or method;

(g) revalued any asset or adjusted any reserve, other than in the ordinary course of business;

(h) failed to keep in full force and effect insurance and bonds at least equal in amount and scope of coverage to the insurance and bonds carried on June 30, 2004;

(i) suffered any Material Adverse Effect; and

(j) made any material increase in dividends until the Effective Date of this Agreement.

4.09 Taxes. Oak Hill Financial has filed or caused to be filed all

federal and other tax returns which are required to be filed and has paid or made provision for payment of all taxes shown as due on such returns. No deficiencies for any tax, assessment, or governmental charge have been proposed, asserted, or assessed against Oak Hill Financial that have not been settled and paid.

4.10 Litigation. There is no action, suit, proceeding, or claims

by any governmental agency or other person or entity nor any investigation by any governmental agency pending or, to the Knowledge of Oak Hill Financial, threatened against (i) Oak Hill Banks, (ii) Oak Hill Financial, (iii) the assets, business or goodwill of Oak Hill Banks or Oak Hill Financial, or (iv) any director, officer, or Principal Shareholder of Oak Hill Banks or Oak Hill Financial, in relation to the business of Oak Hill Banks or Oak Hill Financial or any such person's capacity as a director, officer, or Principal Shareholder of Oak Hill Banks or Oak Hill Financial. Neither Oak Hill Financial nor any of its subsidiaries

As Executed

is subject to any supervisory agreement, consent order or decree, cease and desist order, or other restriction on its business or assets.

4.11 Environmental Matters.

(a) To the Knowledge of Oak Hill Financial, Oak Hill Financial and its subsidiaries are and have been at all times in substantial compliance with all applicable Environmental, and Oak Hill Financial nor any of its subsidiaries has engaged in any activity resulting in a material violation of any applicable Environmental Law. No orders, hearings, actions, or other proceedings by or before any court or governmental agency in which Oak Hill Financial or any of its subsidiaries is a party are pending or, to the Knowledge of Oak Hill Financial, threatened in connection with any alleged violation of any applicable Environmental Law (i) by Oak Hill Financial or any of its subsidiaries or (ii) in relation to any part of the Real Property, and Oak Hill Financial has no Knowledge of any investigations or inquiries with respect to any such alleged violation. No claims have been made or, to the Knowledge of Oak Hill Financial, threatened at any time by any third party against Oak Hill Financial or any of its subsidiaries relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Substance. To the Knowledge of Oak Hill Financial, neither Oak Hill Financial or any of its subsidiaries has not caused or permitted any Hazardous Substance to be integrated into the Real Property or any component thereof in such manner or quantity as may reasonably be expected to or in fact would pose a threat to human health or the value of the Real Property. None of the Real Property has been used by Oak Hill Financial or any of its subsidiaries for the storage or disposal of Hazardous Substances nor to the Knowledge of Oak Hill Financial, is any of the Real Property contaminated by any Hazardous Substance. To the Knowledge of Oak Hill Financial, none of the Real Property has in the past contained or presently contains any underground storage tanks. To the Knowledge of Oak Hill Financial, Oak Hill Financial or any of its subsidiaries has any interest, direct or indirect, in any property owned by a third party which has

been contaminated by Hazardous Substances (excluding any property as to which the sole interest of Oak Hill Financial or any of its subsidiaries is that of a lien holder or mortgagee, but including any property as to which title has been taken by Oak Hill Financial or any of its subsidiaries pursuant to mortgage foreclosure or similar proceeding and any property as to which Oak Hill Financial or any of its subsidiaries has participated in the financial management to a degree sufficient to influence the property's treatment of Hazardous Substances).

(b) To the Knowledge of Oak Hill Financial, the representations set forth in paragraph (a) above are also true and correct in relation to any and all real property owned or leased by it or any of its subsidiaries at any time prior to the date of this Agreement, together with any improvements located thereon.

4.12 Community Reinvestment Act Compliance. Oak Hill Banks is in -----
material compliance with the applicable provisions of the CRA and the regulations promulgated thereunder, and currently has a CRA rating of satisfactory or better from the FDIC. Oak Hill Financial knows of no fact or circumstance or set of facts or circumstances which would cause Oak Hill Financial to fail to comply with such provisions or to cause the CRA rating of Oak Hill Banks to fall below satisfactory.

4.13 Compliance with Laws. Oak Hill Banks and Oak Hill Financial hold -----
all permits, licenses, certificates of authority, orders, and approvals of, and have made all filings, applications, and registrations with, all governmental or regulatory bodies that are required in order to permit them to carry on their respective businesses as they are presently conducted. To the Knowledge of Oak Hill Financial, Oak Hill Banks and Oak Hill Financial have conducted their businesses so as to comply in all material respects with all applicable statutes, regulations, rules, and orders.

4.14 Information Provided by Oak Hill Financial. None of the -----
information supplied or to be supplied by Oak Hill Financial for inclusion in the Registration Statement, application for approval, or any other document to be filed with the Federal Reserve Board, the Division of Financial Institutions, the SEC, or any other federal or state regulatory authority in connection with the transactions contemplated herein or in this Agreement is or will be false or misleading with respect to any material fact, or omits or will omit any material fact necessary in order to make the statements therein not misleading.

4.15 Employee Benefit Plans. All Employee Benefit Plans maintained

by Oak Hill Banks or Oak Hill Financial comply in all material respects with the requirements of ERISA and the Code and all such plans have been administered to date in compliance with the requirements of ERISA, the Code, and subsequent legislation regulating ERISA plans. Each of such plans that is an employee pension benefit plan within the meaning of Section 3(2) of ERISA that is intended to be a qualified plan under Section 401(a) of the Code has been amended to comply in all material respects with current law as required or the remedial amendment period for such amendment under Section 401(b) of the Code has not expired and Oak Hill Banks or Oak Hill Financial has obtained favorable determination letters with respect to all such plans. As of the date hereof, Oak Hill Banks or Oak Hill Financial has no liability on account of any accumulated funding deficiency (as defined in Section 412 of the Code) or on account of any failure to make contributions to or pay benefits under any such plan nor is Oak Hill Banks or Oak Hill Financial aware of any claim pending or threatened to be brought by any party regarding such matters. No prohibited transaction has occurred with respect to any such plan that would result, directly or indirectly, in the imposition of any excise tax under Section 4975 of the Code; nor has any reportable event under Section 4043 of ERISA occurred with respect to any such plan. Neither Oak Hill Banks nor Oak Hill Financial is a defendant in any lawsuit or criminal action concerning such entity's conduct as a fiduciary, party-in-interest, or disqualified person with respect to any plan, nor is either of them engaged in litigation or a continuing controversy with, or, to the Knowledge of Oak Hill Financial, under investigation or examination by, the Department of Labor, Internal Revenue Service, Justice Department, or Pension Benefit Guaranty Corporation involving compliance with ERISA or the provisions of the Code relating to employee benefit plans. All reporting and disclosure requirements of ERISA and the Code have been met in all respects by all such plans. Neither Oak Hill Banks nor Oak Hill Financial is required to contribute to an Employee Benefit Plan that is a "multiemployer plan" within the meaning of Section 3(37) of ERISA.

4.16 Capital Requirements. Neither Oak Hill Financial nor any

Affiliate thereof is not in compliance with all currently applicable capital requirements and guidelines prescribed by all appropriate federal regulatory agencies.

4.17 Tax Treatment of the Merger. Neither Oak Hill Financial nor any

Affiliate thereof has not taken any action or has any knowledge of any fact or circumstance that is reasonably likely to prevent the transactions contemplated hereby, including the Merger, from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

4.18 Filing of Reports. Oak Hill Common is registered pursuant to

Section 12 of the 1934 Act. Oak Hill Financial has been subject to the reporting requirements of Section 13 of the 1934 Act for a period of at least 90 days prior to the date hereof and has filed all reports required to be filed

thereunder during the twelve months preceding the date hereof. Since January 1, 1996, Oak Hill Financial has filed with the SEC all documents and reports (including all amendments, exhibits, and schedules thereto and documents incorporated by reference therein) required to be filed by Oak Hill Financial under the 1934 Act and the 1933 Act, and the rules and regulations promulgated by the SEC thereunder. None of such documents or reports, as of their respective dates and as amended through the date hereof, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in view of the circumstances under which they were made, not misleading.

4.19 Insurance of Accounts. The deposits of Oak Hill Banks are

insured up to the applicable limits by the BIF.

4.20 Availability of Funds. Oak Hill Financial will have available

to it at the Effective Time sources of capital sufficient to pay the aggregate Cash Consideration and to pay any other amounts payable pursuant to this Agreement and to effect the transactions contemplated hereby.

SECTION 5. COVENANTS OF LAWRENCE FINANCIAL

Lawrence Financial covenants and agrees as follows:

5.01 Applications for Regulatory Approvals; Registration Statement.

Lawrence Financial will cooperate, and will cause its respective directors, officers, employees, agents, and advisers to cooperate, to the extent reasonably

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necessary, with Oak Hill Financial and its advisers in connection with the preparation of the Registration Statement and the applications for regulatory approvals described in Section 6.02 hereof and shall furnish all information concerning it and the holders of its capital stock as Oak Hill Financial may reasonably request in connection with such action. Lawrence Financial shall assist Oak Hill Financial in the preparation of the Proxy Statement, as part of the Registration Statement filed with the SEC, and shall mail such Proxy Statement to Lawrence Financial Shareholders in accordance with Section 5.03 hereof.

5.02 Applications for Charter Conversion. As soon as reasonably

practicable after the execution of this Agreement, at the sole expense and with

the assistance of Oak Hill Financial, Lawrence Financial shall prepare and file such applications with the Ohio Division of Financial Institutions, and any other regulatory authorities having jurisdiction as may be required to secure all necessary regulatory approvals for conversion of Lawrence Federal to a bank chartered by the State of Ohio, which conversion shall occur immediately prior to the Effective Time, and to immediately after the Effective Time consummate a merger of Oak Hill Banks with and into Lawrence Federal as an Ohio state chartered bank, and shall use its best efforts to secure such approvals.

5.03 Stockholders' Meeting. As soon as practicable and, in any

event, within ten business days after the SEC has declared the Registration Statement effective, Lawrence Financial will call and mail notice of a meeting of its stockholders for the purpose of adopting this Agreement along with the Proxy Statement, which meeting shall be held not more than 45 days from the date the notice is mailed, and the Board of Directors of Lawrence Financial will to the extent consistent with their fiduciary duty recommend to the stockholders that they vote their shares in favor of the Merger.

5.04 Conduct of Business. From the date of this Agreement until the

Effective Time, except as provided herein or as consented to by Oak Hill Financial in writing, Lawrence Financial will conduct its respective operations only, and shall not take any action except, in the ordinary and usual course of business, and Lawrence Financial will use its best efforts to preserve intact its business organization, assets, prospects, and business relationships, to keep available the services of its officers and employees, and to maintain existing relationships with other entities. Without limiting the generality of the foregoing, subject to the exceptions stated above, during such period, Lawrence Financial will not except as provided herein:

(a) enter into any agreement or commitment of the character referred to in subsections 3.18(a)(i) through (xii) hereof; or

(b) take or permit to be taken any action of a character which is listed in subsections (a) through (q) of Section 3.10 hereof; provided, however, that, after prior consultation with Oak Hill Financial, Lawrence Financial may take or permit such of those actions as may be required pursuant to any change in applicable accounting rules or standards, or by law or any applicable rules or regulations of any governmental authority.

5.05 Access to Information. Lawrence Financial shall give

representatives of Oak Hill Financial full access, during normal business hours and upon reasonable notice, to all assets, properties, books, records, agreements, and commitments of Lawrence Financial, provided that such access shall not unreasonably interfere with the operations of Lawrence Financial, and shall furnish to representatives of Oak Hill Financial all such information concerning its and their affairs as Oak Hill Financial may reasonably request. It is expressly understood that no investigation by Oak Hill Financial pursuant to this Section 5.05 or otherwise shall affect any representation or warranty

made herein.

5.06 Press Releases. Lawrence Financial shall consult in advance

with Oak Hill Financial as to the form and substance of any press release, written communication with its stockholders, or other public disclosure of matters related to this Agreement or the Merger, and shall not issue any such press release, written communication, or public disclosure without the prior written consent of Oak Hill Financial; provided, however, that nothing contained herein shall prohibit Lawrence Financial from making any disclosure (after consultation with Oak Hill Financial with respect thereto) which its counsel deems necessary under applicable law.

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5.07 Best Efforts. Lawrence Financial shall use its best efforts to

take or cause to be taken all actions necessary, proper, or advisable to consummate the Merger, including such actions as Oak Hill Financial may reasonably request in writing.

5.08 Acquisition Proposals. Unless and until this Agreement shall

have been terminated by either party pursuant to Section 12 hereof, Lawrence Financial shall not (i) directly or indirectly, through any of its officers, directors, agents, or affiliates, solicit, encourage, initiate or participate in any negotiations or discussions with respect to any Acquisition Proposal, or (ii) disclose any information not customarily disclosed to any person or entity or provide access to its properties, books, or records or otherwise assist or encourage any person or entity in connection with any Acquisition Proposal; provided, however, that Lawrence Financial shall be entitled to participate in negotiations and discussions regarding an Unsolicited Acquisition Proposal, and to disclose such information and provide such access in connection with an Unsolicited Acquisition Proposal, to the extent that the Board of Directors of Lawrence Financial determines in good faith, after consultation with its financial advisor with respect to the financial aspects of the Unsolicited Acquisition Proposal and the Merger, and with its legal counsel, that failure to take such action would be inconsistent with the fiduciary obligations of the directors of Lawrence Financial to the stockholders of Lawrence Financial. Lawrence Financial shall give Oak Hill Financial immediate notice of any Acquisition Proposals.

5.09 Advice of Changes. Between the date hereof and the Effective

Date, Lawrence Financial shall advise Oak Hill Financial promptly, in writing,

of any fact which, if existing or known on the date hereof, would have been required to be set forth or disclosed in or pursuant to this Agreement and any fact which, if existing or known on the date hereof, would have made any of the representations contained herein untrue. Prior to the Effective Date, Lawrence Financial shall deliver to Oak Hill Financial a supplement to the Lawrence Financial Disclosure Memorandum, which shall contain a description of any and all such matters.

5.10 Confidentiality. From and after the date of this Agreement,

Lawrence Financial shall, and shall cause its respective Affiliates to, treat all Confidential Information of Oak Hill Financial and Oak Hill Banks, as confidential, and Lawrence Financial shall, and shall cause its respective Affiliates to, not use any such Confidential Information for any purpose except in furtherance of the transactions contemplated hereby. In the event this Agreement is terminated pursuant to Section 12 hereof, Lawrence Financial shall, and shall cause its respective Affiliates to, promptly return to Oak Hill Financial all documents and workpapers, and all copies thereof, containing any such Confidential Information of Oak Hill Financial or Oak Hill Banks. The covenants of Lawrence Financial contained in this Section 5.09 are of the essence and shall survive any termination of this Agreement and the closing of the transactions contemplated hereby.

5.11 Coordination of Dividends. Lawrence Financial agrees to

cooperate with Oak Hill Financial to ensure that the stockholders of Lawrence Financial receive a regular quarterly dividend from either Lawrence Financial or Oak Hill Financial during the quarter in which the Effective Date occurs, but that they do not receive dividends from both Lawrence Financial and Oak Hill Financial during such quarter.

5.12 Tax Representations. Lawrence Financial will use its reasonable

efforts to cause the Merger, and will take no action which would cause the Merger not to qualify for treatment as a "reorganization" within the meaning of Section 368(a) of the Code for federal income tax purposes.

5.13 Form 13D or 13G Filings. Lawrence Financial shall promptly

advise Oak Hill Financial of the filing of a Form 13D or 13G under the 1934 Act with respect to Lawrence Financial Common and shall provide Oak Hill Financial with a copy of any such Form 13D or 13G promptly after receipt thereof.

5.14 ESOP Termination. As soon as practicable following the date

hereof but, in any event, prior to the Effective Time, Lawrence Federal shall take any and all action necessary to terminate its employee stock ownership plan (the "Lawrence Federal ESOP") as of the Effective Time. The trustee of the Lawrence Federal ESOP shall repay the existing loan of the Lawrence Federal ESOP and allocate any unallocated assets remaining after the loan is repaid in accordance with the terms of the Lawrence Federal ESOP and applicable law.

5.15 Accounting Changes. Lawrence Financial agrees that, immediately

prior to the Effective Time, it will conform its and its subsidiaries accounting measures and procedures to the accounting measures and procedures of Oak Hill Financial and its subsidiaries, provided that such measures and procedures are not prohibited by generally accepted accounting principles or applicable laws and regulations.

5.16 Agreements of Affiliates. Lawrence Financial will use its best

efforts to obtain from each director of Lawrence Financial and their "affiliates," for purposes of Rule 145 under the 1933 Act, and to deliver to Oak Hill Financial prior to the Effective Date a written agreement providing that such person will not sell the shares of Oak Hill Common to be received by such person in the Merger unless such sales are pursuant to an effective registration statement under the 1933 Act or pursuant to Rule 145 of the SEC or another exemption from the registration requirements under the 1933 Act.

5.17 Termination of Executive Benefits. Lawrence Financial shall

terminate its and any subsidiary's obligations, under any outstanding employment agreements with its Chief Executive Officer and its Chief Financial Officer, for payments aggregating no more than \$815,000 in calendar year 2004 and in a manner which will not result in any amounts or benefits expended under such agreements or plans constituting "excess parachute payments" within the meaning of Section 280G of the Code. Lawrence Financial, together with Lawrence Federal and Oak Hill Financial, will enter into agreements with its Chief Executive Officer and Chief Financial Officer concurrently with the execution of this Agreement setting forth all payments and benefits to be made or provided to such persons and all obligations related thereto.

5.18 Termination of Director Benefits. Lawrence Financial shall

terminate its and any subsidiary's obligations to directors under any outstanding retirement plan for payments aggregating no more than \$295,000 in calendar year 2004 and in a manner which will not result in any amounts or benefits expended under such agreements or plans constituting "excess parachute payments" within the meaning of Section 280G of the Code. Lawrence Financial, together with Lawrence Federal and Oak Hill Financial, will enter into agreements with each director concurrently with the execution of this Agreement setting forth all payments and benefits to be made or provided to such persons and all obligations related thereto.

5.19 Tax Returns. Lawrence Financial and its subsidiaries shall

prepare and timely file all tax returns reasonably requested by Oak Hill Financial to be filed by them on or before the Closing Date. Oak Hill Financial shall have a reasonable opportunity to review such Tax Returns and approve any material elections. Lawrence Financial and its subsidiaries shall pay all Taxes shown on such Tax Returns.

5.20. Real Property Matters. For each parcel of the Real Property

described in the Lawrence Financial Disclosure Memorandum as being owned by Lawrence Financial, Lawrence Financial shall permit Oak Hill Financial to obtain, at the sole expense of Oak Hill Financial, (a) a title insurance commitment (ALTA 1966 form or its equivalent) for a fee owner's title insurance policy in an amount equal to the carrying cost of the premises to be insured (including all improvements thereon), on the books of Lawrence Financial as of December 31, 2003 on such form as may be acceptable to Oak Hill Financial, (b) current land surveys of those parcels of the Real Property, each survey to be conducted and prepared by a duly licensed land surveyor, with such survey to be a duly certified ALTA/ACSM field survey and (c) a "Phase I" environmental site assessment prepared by a licensed environmental engineering firm, in each case for the purpose of verifying the representations and warranties made by Lawrence Financial regarding the Real Property.

5.21. Sale of Mobile Home Loans. Lawrence Federal shall complete the

sale of its indirect mobile loan portfolio and related accounts, if any, pursuant to the agreements from purchase and sale between Lawrence Federal and Morgan Keegan Mortgage Company, Inc. dated as of October 12, 2004, and shall not enter into any amendment thereof without the written consent of Oak Hill Financial.

SECTION 6. COVENANTS OF OAK HILL FINANCIAL

Oak Hill Financial covenants and agrees as follows:

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6.01 Issuance of Oak Hill Common. At the Effective Time, Oak Hill

Financial shall issue all of the shares of Oak Hill Common into which shares of Lawrence Financial Common are to be converted in the Merger and will deliver the certificates for such shares, or cause the same to be delivered, to the Exchange Agent.

6.02 Applications for Regulatory Approvals. As soon as reasonably

practicable after the execution of this Agreement, Oak Hill Financial shall prepare and file such applications with the Office of Thrift Supervision, the FDIC, the Federal Reserve Board, the Ohio Division of Financial Institutions, and any other regulatory authorities having jurisdiction as may be required to secure all necessary regulatory approvals of the Merger and shall use its best efforts to secure such approvals. Oak Hill Financial shall deliver a draft or drafts of such regulatory applications to Lawrence Financial and provide Lawrence Financial a reasonable opportunity to review such draft or drafts prior to filing the same.

6.03 Registration Statement. As soon as reasonably practicable after

the execution of this Agreement, Oak Hill Financial shall prepare and file the Registration Statement with the SEC, shall use its reasonable efforts to cause the Registration Statement to become effective under the 1933 Act, and shall take such action as may be required to register or qualify for exemption such shares under the securities laws of the states where registration or an exemption from registration may be required. Oak Hill Financial shall deliver a draft or drafts of the Registration Statement to Lawrence Financial and provide Lawrence Financial a reasonable opportunity to review such draft or drafts prior to filing the same. Oak Hill Financial will advise Lawrence Financial, promptly after it receives notice thereof, of the time when the Registration Statement has become effective, the issuance of any stop order, the suspension of the qualification of the Oak Hill Common issuable in connection with the Merger for offering or sale in any jurisdiction, or any request by the SEC for amendment of the Registration Statement. If at any time prior to the Effective Time any information relating to Oak Hill Financial should be discovered by Oak Hill Financial which should be set forth in an amendment or supplement to any of the Registration Statement or the prospectus contained therein so that any of such documents would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, Oak Hill Financial shall promptly notify Lawrence Financial and, to the extent required by law, rules or regulations, an appropriate amendment or supplement describing such information shall be promptly filed with the SEC and disseminated to the stockholders of Lawrence Financial.

6.04 Press Releases. Oak Hill Financial shall consult in advance

with Lawrence Financial as to the form and substance of any press release, written communication with its shareholders, or other public disclosure of matters related to this Agreement or the Merger.

6.05 Best Efforts. Oak Hill Financial will use its best efforts to

take or cause to be taken all actions necessary, proper, or advisable to consummate the Merger.

6.06 Confidentiality. From and after the date of this Agreement, Oak

Hill Financial and Oak Hill Banks shall, and shall cause their respective Affiliates to, treat all Confidential Information of Lawrence Financial as confidential, and Oak Hill Financial and Oak Hill Banks shall, and shall cause their respective Affiliates to, not use any such Confidential Information for any purpose except in furtherance of the transactions contemplated hereby. In the event this Agreement is terminated pursuant to Section 12 hereof, Oak Hill Financial and Oak Hill Banks shall, and shall cause their respective Affiliates to, promptly return to Lawrence Financial all documents and workpapers, and all copies thereof, containing any such Confidential Information of Lawrence Financial. The covenants of Oak Hill Financial and Oak Hill Banks contained in this Section 6.06 are of the essence and shall survive any termination of this Agreement, but shall terminate as of the closing of the transactions contemplated hereby.

6.07 Coordination of Dividends. Oak Hill Financial agrees to

cooperate with Lawrence Financial to ensure that the stockholders of Lawrence Financial receive a regular quarterly dividend from either Lawrence Financial or Oak Hill Financial during the quarter in which the Effective Date occurs, but that they do not receive dividends from both Lawrence Financial and Oak Hill Financial during such quarter.

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6.08 Employment Contracts; Employees of Lawrence Financial; Severance.

(a) Oak Hill Financial agrees to honor in accordance with their terms all vested benefits or other vested amounts earned or accrued through the Effective Time under the employment contracts, supplemental executive retirement plan, director deferral fee agreements and director retirement agreements described in the Lawrence Financial Disclosure Memorandum, including benefits that vest or are otherwise accrued as a result of the consummation of the transactions contemplated by this Agreement, in each case except to the extent terminated by actions contemplated in this Agreement or superseded by agreements entered into in connection with this Agreement.

(b) All persons who are employees of Lawrence Federal immediately prior to the Effective Time and whose employment is not specifically terminated at or prior to the Effective Time (a "Continuing Employee") shall, at the Effective Time, become employees of Oak Hill Banks. All of the Continuing Employees shall be employed at the will of Oak Hill Banks and no contractual right to employment shall inure to such employees because of this Agreement.

(c) All persons who are employees of Lawrence Federal immediately prior to the Effective Time and whose employment is terminated at the Effective Time and all Continuing Employees whose employment is involuntarily terminated without cause within one year of the Effective Time shall be entitled to receive a severance payment pursuant to the terms of Lawrence Federal's Employee Severance Compensation Plan.

6.09 Employee Benefit Plans.

(a) Oak Hill Financial agrees to use its reasonable best efforts to coordinate the conversion of any pension Employee Benefit Plans, practices, or policies of Lawrence Financial into similar plans of Oak Hill Financial, to the extent that such plans may exist, and to give credit to any and all employees of Lawrence Financial and its subsidiaries who immediately following the Effective Date become employees of Oak Hill Financial and its subsidiaries following the consummation of the Merger for all service with Lawrence Financial prior to the Effective Time for purposes of eligibility, vesting, and all other purposes for which such service is taken into account or recognized, to the extent feasible and permissible under all applicable laws and regulations and the applicable terms of Oak Hill Financial's pension Employee Benefit Plans.

(b) Oak Hill Financial agrees to use its reasonable best efforts, including when permitted by law the amendment of existing plans, to coordinate the maintenance of or conversion into similar plans of Oak Hill Financial of any welfare Employee Benefit Plan, practice, or policy of Lawrence Financial, to the extent feasible and permissible under all applicable laws and regulations and the applicable terms of Oak Hill Financial's plans. Furthermore, the former officers and employees of Lawrence Financial (and their spouses and dependents, if applicable) who are under a Lawrence Financial plan on the Effective Date, may, upon the cessation of their participation in a Lawrence Financial plan being maintained by Oak Hill Financial after the Effective Date, immediately participate in the corresponding benefit plan maintain by Oak Hill Financial without regard to pre-existing conditions or waiting periods to the extent then-permitted by law and the existing plans of Oak Hill Financial.

6.10 Indemnification of Directors and Officers.

(a) Oak Hill Financial acknowledges that, by operation of law, at the Effective Time, Oak Hill Financial will assume any and all legally enforceable obligations of Lawrence Financial to indemnify and defend, and advance expenses to, the directors and officers of Lawrence Financial pursuant to, to the extent of, and in accordance with the terms and conditions of any such obligations that Lawrence Financial had to indemnify and defend, and advance expenses to, such persons in effect immediately prior to the Effective Time, in connection with such persons' status or services as directors and officers of Lawrence Financial, whether by contractual right or by any provision of the articles of incorporation or bylaws of Lawrence Financial, with respect to any claim asserted or made prior to or at any time after the Effective Time.

All such rights to indemnification and advancement of expenses with respect to any such claim shall continue until the final disposition of such claim regardless of when

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such claim was made or asserted; provided, however, that nothing contained herein shall increase or lengthen the duration of Oak Hill Financial's obligations with respect to such indemnification over that to which Lawrence Financial would have been subject had the Merger not been consummated.

(b) For a period of five years following the Effective Time, Oak Hill Financial will use its best efforts to provide directors' and officers' liability insurance that serves to reimburse the present and former directors and officers of Lawrence Financial or any of its subsidiaries with respect to claims against such directors and officers arising from facts or events occurring before the Effective Time (including the transactions contemplated hereby), which insurance will contain at least the same coverage and amounts, and contain terms and conditions no less advantageous to the person entitled to indemnified, as that coverage currently provided by Oak Hill Financial for its directors and officials; provided, however, that if Oak Hill Financial is unable to maintain or obtain the insurance called for by this Section 6.10(b), Oak Hill Financial will use its best efforts to obtain as much comparable insurance as is reasonably available.

SECTION 7. CONDITIONS PRECEDENT TO OBLIGATIONS OF ALL PARTIES

The obligations of each of the parties hereto to consummate the Merger are subject to the fulfillment, on or before the Closing Date, of the following conditions precedent:

7.01 Shareholder Approval. This Agreement shall have been approved

by the affirmative vote of the holders of at least a majority of the issued and outstanding shares of Lawrence Financial Common.

7.02 Regulatory Approvals. The Merger shall have been approved by

the Federal Reserve Board, and any other governmental authority having jurisdiction, and any applicable waiting periods shall have expired, with no such approval or authorization containing any provision which would be materially adverse to the business of Lawrence Financial, Lawrence Federal, Oak Hill Financial or Oak Hill Banks, either prior to or subsequent to the proposed merger of Lawrence Financial and Oak Hill Financial.

7.03 Litigation. No suit, action, investigation by any governmental

body, or legal or administrative proceeding shall have been brought or threatened which materially questions the validity or legality of the transactions contemplated hereunder or under this Agreement. For purposes hereof, advisory opinions or written requests for information which could be used in connection with such suit, investigation, or proceeding given by governmental agencies may be deemed to constitute such a threat.

7.04 Tax Opinion. Oak Hill Financial and Lawrence Financial shall

have received an opinion of Porter, Wright, Morris & Arthur LLP on the basis of facts, representations and assumptions referenced in such opinions substantially to the effect that the Merger will be treated as a reorganization within the meaning of Section 368(a).

In rendering such tax opinion, Porter, Wright, Morris & Arthur LLP may request and shall be entitled to rely upon representations contained in certificates of officers, directors and others of Lawrence Financial and Oak Hill Financial reasonably satisfactory in form and substance to Porter, Wright, Morris & Arthur LLP and Lawrence Financial and Oak Hill Financial shall use their best efforts to make available such certificates.

SECTION 8. CONDITIONS PRECEDENT TO OBLIGATIONS OF LAWRENCE FINANCIAL

The obligations of Lawrence Financial to consummate the Merger are subject to the fulfillment on or before the Closing Date of the following additional conditions precedent:

8.01 Representations and Warranties. The representations and

warranties made by Oak Hill Financial herein shall be true and correct as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of such date; provided that no representation or warranty (other than the representations and warranties contained in Section 4.02, which shall be true in all material respects) will be deemed

untrue, and Oak Hill Financial will not be deemed to have breached a representation or warranty, as a consequence of the existence of any fact, event or circumstance unless such fact, event or circumstance, individually or taken together with all other facts, events or circumstances inconsistent with any representation or warranty contained in Section 4 hereof, has had or is

reasonably likely to have a Material Adverse Effect with respect to Oak Hill Financial; Oak Hill Financial shall have performed in all material respects its obligations hereunder and under this Agreement to be performed on or before the Closing Date; and an executive officer of Oak Hill Financial shall have executed and delivered to Lawrence Financial a certificate or certificates, dated as of the Closing Date, in respect of the foregoing matters and in respect of such other matters as Lawrence Financial shall reasonably request.

8.02 Effectiveness of the Registration Statement; NASD Listing.

Lawrence Financial shall have received a certificate from a duly authorized officer of Oak Hill Financial to the effect that the Registration Statement has become effective by an order of the SEC, the Oak Hill Common to be exchanged in the Merger has been qualified or is exempt under all applicable state securities laws, and there has been no stop order issued or threatened by the SEC that suspends or would suspend the effectiveness of the Registration Statement, and no proceeding has been commenced or overtly threatened for such purpose. The shares of Oak Hill Common to be issued to Lawrence Financial stockholders pursuant to this Agreement shall have been authorized for listing on the NASDAQ National Market upon official notice of issuance.

8.03 Material Adverse Change. Since June 30, 2004, there shall not

have occurred any event which has had a Material Adverse Effect on Oak Hill Financial.

SECTION 9. CONDITIONS PRECEDENT TO OBLIGATIONS OF OAK HILL FINANCIAL

The obligations of Oak Hill Financial to consummate the Merger are subject to the fulfillment on or before the Closing Date of the following additional conditions precedent:

9.01 Regulatory Approval of the Subsidiary Merger. The merger of

Lawrence Federal and Oak Hill Banks shall have been approved by the Federal Reserve Board, the Division of Financial Institutions, and any other governmental authority having jurisdiction, and any applicable waiting periods shall have expired, with no such approval or authorization containing any provision which would be materially adverse to the business of Oak Hill Financial or Oak Hill Banks.

9.02 Representations and Warranties. The representations and

warranties made by Lawrence Financial herein shall be true and correct as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of such date, provided that no representation or warranty (other than the representations and warranties contained in Section 3.02, which shall be true in all material respects) will be deemed untrue, and Lawrence Financial will not be deemed to have breached a representation or warranty, as a consequence of the existence of any fact, event or circumstance

unless such fact, event or circumstance, individually or taken together with all other facts, events or circumstances inconsistent with any representation or warranty contained in Section 3 hereof, has had or is reasonably likely to have a Material Adverse Effect with respect to Lawrence Financial; and the chief executive officer and principal financial officer of Lawrence Financial shall have executed and delivered to Oak Hill Financial certificates, dated as of the Closing Date, in respect of the foregoing matters and in respect of such other matters as Oak Hill Financial shall reasonably request.

9.03 Dissenting Stockholders. The total number of shares of Lawrence

Financial Common, if any, as to which the right to dissent has been asserted under Section 3-202 of the Maryland Corporations and Associations Code shall not exceed ten percent (10%) of the total number of outstanding shares of Lawrence Financial Common.

9.04 Material Adverse Change. Since June 30, 2004, there shall not

have occurred any event which has had a Material Adverse Effect on Lawrence Financial.

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9.05 Title Insurance. Within 90 days of the date of this Agreement,

Oak Hill Financial shall have obtained a title insurance commitment (ALTA 1966 form or its equivalent) for a fee owner's title insurance policy or leasehold owner's title insurance policy, as appropriate, for each parcel of the Real Property described in the Lawrence Financial Disclosure Memorandum as being owned by Lawrence Financial, and for each lease for any parcel of the Real Property described in the Lawrence Financial Disclosure Memorandum as being leased by Lawrence Financial, each in an amount equal to the carrying cost of the premises or leasehold interest to be insured (including all improvements thereon), on the books of Lawrence Financial as of December 31, 2003. Each title insurance commitment shall show that marketable fee simple title to the owned premises or that valid leasehold title to the leased premises, as appropriate, is in the name of Lawrence Financial, and that it is free and clear of any liens and encumbrances except taxes and assessments not delinquent and utility and other easements that do not interfere with the use of the property for the business being conducted thereon; provided however that any defect noted that is correctable, in Oak Hill Financial's reasonable discretion, for less than \$100,000 shall be deemed to have been corrected. Each such commitment shall provide that such fee owner's policy committed for therein shall be an ALTA 1970 form, revised in 1984, and each leasehold owner's policy shall be an ALTA 1975 form, or other form acceptable to Oak Hill Financial.

9.06 Survey. Within 90 days of the date of this Agreement, Oak Hill

Financial Banks shall have obtained current land surveys of those parcels of the Real Property. Each survey to be conducted and prepared by a duly licensed land surveyor, with such survey to be a duly certified ALTA/ACSM field survey, which confirm that the Real Property is not subject to any easements, restrictions, set backs, encroachments, or other limitations except utility and other easements that do not interfere with the use of the Real Property for the business then being conducted thereon, and that the Real Property is not located in any flood hazard area, provided however that any defect noted that is correctable, in Oak Hill Financial's reasonable discretion, for less than \$100,000 shall be deemed to have been corrected.

9.07 Phase I. Within 90 days of the date of this Agreement, for

each parcel of the Real Property described in the Lawrence Financial Disclosure Memorandum as being leased or owned by Lawrence Financial, Oak Hill Financial shall have completed a "Phase I" environmental site assessment prepared by a licensed environmental engineering firm indicating that there is no evidence of contamination with Hazardous Substances or other violations of environmental Laws and concluding that no testing or additional investigations appears to be warranted, provided however that any defect noted that is correctable, in Oak Hill Financial's reasonable discretion, for less than \$100,000 shall be deemed to have been corrected.

9.08 Consents and Approvals. Lawrence Financial shall have obtained

any and all consents or approvals that may be required under the terms of (i) any contract, agreement, lease, or other obligation or commitment, including, but not limited to, the types described in Section 3.18 hereof, to which either Lawrence Financial or Lawrence Federal is a party or by which either Lawrence Financial or Lawrence Federal or any of their property or assets is bound, or (ii) any license or permit of Lawrence Financial or Lawrence Federal, in order to avoid the occurrence of any breach or default which may result from the consummation of the Merger and which, if not obtained, is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on Oak Hill Financial after giving effect to the consummation of the transactions contemplated hereby.

9.09 Stockholders' Equity. The consolidated total stockholders'

equity of Lawrence Financial, calculated as set forth in the following sentence, as of the end of the month prior to the month in which the Closing Date shall occur shall not be less than the \$13,715,612. For purposes of this Section 9.09, the consolidated total stockholders' equity of Lawrence Financial shall be as determined in accordance with accounting principles generally accepted in the United States, but shall be exclusive of (a) any change in accumulated other comprehensive income, net of tax, since June 30, 2004; (b) financial advisory fees and legal and other expenses related to the transactions contemplated by this Agreement; (c) accounting adjustments relating to the Merger as requested by Oak Hill Financial, (d) the effect of the sale by Lawrence Federal of its

indirect mobile home loan portfolio, and (e) other payments and expenses contemplated by this Agreement and agreed to by the parties.

9.10 Termination of Executive Benefits. Lawrence Financial shall

have terminated its and any subsidiary's obligations under any outstanding employment agreements with its Chief Executive Officer and its Chief Financial

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Officer for payments aggregating \$815,000 or less in calendar year 2004 in accordance with the agreements entered into pursuant to Section 5.17 hereof.

9.11 Termination of Director Benefits. Lawrence Financial shall have

terminated its and any subsidiary's obligations to its directors under any outstanding director retirement plan for payments aggregating \$295,000 or less in calendar year 2004 in accordance with the agreements entered into pursuant to Section 5.18 hereof.

9.12 Sale of Mobile Home Loans. Lawrence Federal shall have

completed the sale of its indirect mobile loan portfolio and related accounts, if any, and purchaser pursuant to agreements for purchase and sale between Lawrence Federal and Morgan Keegan Company, Inc. dated as of October 12, 2004.

9.13 Effectiveness of the Registration Statement; NASD Listing; Blue

Sky. The Registration Statement shall have been declared effective by an order

of the SEC, there shall be no stop order issued or threatened by the SEC that suspends or would suspend the effectiveness of the Registration Statement, and no proceeding has been commenced or overtly threatened for such purpose. The shares of Oak Hill Common to be issued to Lawrence Financial stockholders pursuant to this Agreement shall have been authorized for listing on the NASDAQ National Market upon official notice of issuance. The Oak Hill Common to be exchanged in the Merger shall have been qualified or is exempt from registration under all applicable state securities laws.

SECTION 10. CLOSING DATE

The closing of the transactions contemplated by this Agreement ("Closing Date") shall be held at 11:00 a.m. at the offices of Porter, Wright, Morris & Arthur LLP in Columbus, Ohio, on a date on which the parties agree after the conditions specified in Sections 7.01 and 7.02 hereof have been satisfied.

SECTION 11. AMENDMENT

At any time prior to the Closing Date, the parties, subject to Section 12 of this Agreement, may modify, amend, or supplement this Agreement by mutual agreement authorized by their respective boards of directors and evidenced by an instrument in writing executed and delivered by the parties hereto, whether before or after the stockholders of Lawrence Financial have adopted this Agreement.

SECTION 12. TERMINATION

12.01 Termination. This Agreement shall terminate on September 1,

2005, unless a later date is agreed upon in writing by the parties, and may be terminated and the Merger may be abandoned at any time prior to the Effective Time as follows:

(a) by the mutual consent, evidenced in writing, of the boards of directors of Oak Hill Financial, and Lawrence Financial;

(b) by the board of directors of Oak Hill Financial, by giving written notice thereof to Lawrence Financial, which notice shall specify in reasonable detail the grounds therefor: (i) if any condition precedent to performance by Oak Hill Financial and Oak Hill Banks has not been satisfied or waived (other than those conditions that by their terms are intended to be satisfied on the Closing Date); (ii) if Lawrence Financial has not fully performed its obligations and agreements hereunder and under this Agreement; or (iii) if any of the representations of Lawrence Financial set forth herein are untrue or incorrect in any material respect subject to the standard set forth in Section 9.02 and such untrue or incorrect representation is not cured within 30 days following written notice to Lawrence Financial or such untrue or incorrect representation, by its nature, cannot be cured prior to the Effective Time; or

(c) by the board of directors of Lawrence Financial, by giving written notice thereof to Oak Hill Financial, which notice shall specify in reasonable detail the grounds therefor: (i) if any condition precedent to

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performance by Lawrence Financial has not been satisfied or waived (other than those conditions that by their terms are intended to be satisfied on the Closing Date); (ii) if Oak Hill Financial and Oak Hill Banks have not fully performed their obligations and agreements hereunder and under this Agreement; or (iii) if

any of the representations of Oak Hill Financial set forth herein are untrue or incorrect in any material respect subject to the standard set forth in Section 9.02; or and such untrue or incorrect representation is not cured within 30 days following written notice to Oak Hill Financial or such untrue or incorrect representation, by its nature, cannot be cured prior to the Effective Time.

12.02 Survival of Certain Provisions upon Termination; Nonsurvival of

Representations, Warranties and Agreements. Upon a termination of this Agreement

as provided herein, this Agreement shall become void and there shall be no further obligation or liability on the part of any party hereto or their respective shareholders, directors, or officers, except pursuant to Sections 5.10, 6.06, 12.03, and 13 hereof, which shall survive a termination of this Agreement in accordance with the express terms of such Sections. None of the representations, warranties covenants and agreements in this Agreement shall survive the Effective Time, except for those covenants and agreements contained herein that by their terms apply in whole or in part after the Effective Time.

12.03 Termination Fee. During the term of this Agreement, if (i) an

Unsolicited Acquisition Proposal is submitted to and approved by the stockholders of Lawrence Financial at any time prior to the Effective Time, or (ii) an Unsolicited Acquisition Proposal is received by Lawrence Financial or is made directly to the stockholders of Lawrence Financial at any time prior to the holding of the meeting of the stockholders of Lawrence Financial to be called pursuant to Section 5.03 hereof, the board of directors of Lawrence Financial fails to recommend to the stockholders of Lawrence Financial approval of this Agreement or this Agreement, withdraws such recommendation previously made to the stockholders of Lawrence Financial, or fails to solicit proxies of stockholders of Lawrence Financial to approve the Merger and this Agreement are subsequently rejected by the stockholders of Lawrence Financial at such meeting, then, in either such event, Lawrence Financial shall pay to Oak Hill Financial, within five business days after a termination of this Agreement following such an event, a cancellation fee in the amount of \$500,000, as liquidated damages, and not as a penalty, and, upon the payment in full thereof, Lawrence Financial shall have no further liability under this Agreement. The obligations of Lawrence Financial under this Section 12.03 shall survive a termination of this Agreement, provided that, at the time of such termination, (1) an event described in Section 8.03 hereof has not occurred, and (2) Lawrence Financial does not have the right to terminate this Agreement by virtue of a material breach of this Agreement by Oak Hill Financial or Oak Hill Banks.

SECTION 13. EXPENSES

Except as otherwise expressly provided herein, all expenses incurred by or on behalf of the parties hereto in connection with the authorization, preparation, execution, and consummation of this Agreement, including, without limitation, all fees and expenses of agents, representatives, printers, and counsel employed by the parties hereto, and taxes, if any, shall be borne solely

by the party which has or shall have incurred the same. The covenants of the parties contained in this Section 13 shall survive a termination of this Agreement for any reason.

SECTION 14. NOTICES

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by facsimile and confirmed by first-class, certified mail, postage prepaid, addressed as indicated below, or at such other address as such party may designate in writing to the other parties:

(a) If to Lawrence Financial or Lawrence Federal, to:

Jack L. Blair
President and CEO
Lawrence Financial Holdings, Inc.
311 South Fifth Street
Ironton, Ohio 45638

As Executed

(b) If to Oak Hill Financial or Oak Hill Banks, to:

Ralph E. Coffman Jr.
President and CEO
Oak Hill Financial, Inc.
14621 State Route 93
Jackson, Ohio 45640

SECTION 15. GENERAL PROVISIONS

15.01 Entire Agreement. This Agreement, together with the documents

referred to or incorporated herein or therein, reflect the entire agreement among the parties with respect to the subject matter thereof and supersede all prior agreements and understandings, oral or written, among the parties with respect to such subject matter, and no party shall be liable or bound to any other party in any manner by any representations, warranties, or covenants except as specifically set forth herein or therein.

15.02 Waiver. At any time on or prior to the Effective Date, any

party hereto may (i) waive any inaccuracies in the representations and warranties of the other parties contained in this Agreement or in any document delivered pursuant hereto or thereto, or (ii) waive compliance by the other parties with any of the conditions, covenants, and agreements contained in this Agreement.

15.03 Assignment. Neither this Agreement nor any rights, interests,

or obligations hereunder shall be assigned or transferred by operation of law or otherwise by any of the parties hereto without the prior written consent of the other party; provided that following the Effective Time this Agreement shall be binding upon the successors and assigns of the Surviving Corporation.

15.04 Benefit. Except as specifically provided herein, nothing in

this Agreement, express or implied, is intended to confer upon any person or entity other than the parties hereto and their successors in interest any rights or remedies under or by reason of this Agreement.

15.05 Counterparts. This Agreement may be executed in any number of

counterparts, each of which shall be deemed an original for all purposes, but such counterparts taken together shall constitute one and the same instrument.

15.06 Governing Law. This Agreement shall be construed and enforced in

accordance with the laws of the State of Ohio without regard to its conflicts of laws principles.

15.07 Incorporation by Reference. The Disclosure Memoranda, and all

Exhibits attached hereto are hereby incorporated by reference herein.

[Left intentionally blank. Signature pages follow.]

As Executed

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

OAK HILL FINANCIAL, INC.

By: /s/ Ralph E. Coffman Jr.

Ralph E. Coffman Jr., President and CEO

LAWRENCE FINANCIAL HOLDINGS, INC.

By: /s/ Jack L. Blair

Jack L. Blair, President and CEO

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EXHIBIT A

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is made as of _____, 200_, between OAK HILL BANKS, a banking corporation chartered under the law of Ohio ("Oak Hill Banks") and LAWRENCE BANK formerly known as LAWRENCE FEDERAL SAVINGS BANK, a banking corporation chartered under the law of Ohio ("Lawrence Federal") Lawrence Federal and Oak Hill Banks are collectively referred to herein as the "Constituent Corporations".

RECITALS

A. Oak Hill Banks is a banking corporation organized and existing under the laws of Ohio and is authorized to issue 1300 shares of common stock, \$1,000.00 par value ("Oak Hill Banks Common"), all of which are issued and outstanding as of the date hereof and owned by Oak Hill Financial, Inc., an Ohio corporation ("Oak Hill Financial").

B. Lawrence Federal is a banking corporation organized and existing under the laws of Ohio and is authorized to issue _____ shares of common stock, _____ par value ("Lawrence Federal Common"), of which _____ shares are issued and outstanding as of the date hereof and owned by Oak Hill Financial.

C. The respective boards of directors of the Constituent Corporations have approved the merger of Oak Hill Banks with and into Lawrence Federal substantially on the terms and conditions contained in this Agreement. Furthermore, the board of directors and the parties hereto intend for this transaction to be a tax-free reorganization pursuant to Section 368(a) of the Internal Revenue Code of 1986, as amended.

AGREEMENT

In consideration of the foregoing and the mutual promises contained herein, the parties agree as follows:

1. Merger. Subject to the terms and conditions hereof, at the

"Effective Time" (as such term is defined in Section 2 hereof), Oak Hill Banks shall be merged with and into Lawrence Federal (the "Merger"). Lawrence Federal shall be the surviving corporation in the Merger (the "Surviving Corporation"), and shall continue its corporate existence under the laws of Ohio following the consummation of the Merger. At the Effective Time, the separate existence and corporate organization of Oak Hill Financial shall cease.

2. Effective Date and Time. The Merger shall be effective on (i) the

day on which this Agreement and the related Certificate of Merger have been filed in accordance with the requirements of the laws of Ohio, or (ii) such later date and time as may be specified in such Certificate of Merger (the "Effective Time").

3. Name. The name of the Surviving Corporation shall be "Oak Hill

Banks."

4. Charter. The Articles of Incorporation attached hereto as

Exhibit A shall be the articles of incorporation of the Surviving Corporation, until amended in accordance with law.

5. Directors. The directors of the Surviving Corporation shall be

Ralph E. Coffman, Jr., 250 Summerhill Drive, Chillicothe, OH 45601; Evan E. Davis, 225 S. Front Street, Oak Hill, OH 45656; John D. Kidd, 2500 Five Points Rd., Jackson, OH 45640; David Ratz, 493 Abbey Lane, Jackson, OH 45640; Ron J. Copher, 5841 Franklin Valley, Jackson, OH 45640; Scott J. Hinsch, Jr., 535 Aaron Avenue, Jackson, OH 45640; Darrell D. Boggs, 13683 State Route 279, Oak Hill, OH 45656; and Miles R. Armentrout, 45 Brandon Court, Springboro, OH 45066 to serve until their successors are duly elected and qualified in accordance with the regulations of the Surviving Corporation and the laws of Ohio.

6. Regulations. The Code of Regulations attached hereto as Exhibit

B shall be the regulations of the Surviving Corporation, until amended in accordance with law.

7. Statutory Agent. The name and address of the agent upon whom any

process, notice, or demand against any Constituent Corporation or the Surviving Corporation may be served is H. Grant Stephenson, 41 South High Street, Suite 3100, Columbus, Ohio 43215.

8. Conversion of Shares. All shares of Oak Hill Banks that are

issued and outstanding immediately prior to the Effective Time shall continue to be issued and outstanding shares of Oak Hill Banks Common at and after the Effective Time. At the Effective Time, the shares of Lawrence Federal Common issued and outstanding immediately prior to the Effective Time shall be cancelled.

9. Effect of the Merger.

(a) At the Effective Time, the effect of the Merger shall be as provided by the applicable provisions of the laws of Ohio. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, the separate existence of Oak Hill Banks shall cease; all assets and property (real, personal, and mixed, tangible and intangible, choses in action, rights, and credits) then owned by Oak Hill Banks, or which would inure to Oak Hill Banks, shall immediately, by operation of law and without any conveyance, transfer, or further action, become the assets and property of the Surviving Corporation. All rights and obligations of Oak Hill Banks shall remain unimpaired and the Surviving Corporation shall succeed to all such rights and obligations.

(b) From time to time, as and when requested by the Surviving Corporation or by its successors, the respective officers and directors of Lawrence Federal in office at the Effective Time shall execute and deliver such instruments and shall take or cause to be taken such further or other action as

shall be necessary in order to vest or perfect in the Surviving Corporation, or to confirm of record or otherwise, title to, and possession of, all the assets, property, interests, rights, privileges, immunities, powers, franchises, and authority of Lawrence Federal, as the case may be, and otherwise to carry out the purposes of this Agreement.

10. Offices. The principal executive offices of the Surviving

Corporation shall be located at 120 Twin Oaks Drive, Jackson, Ohio 45640.

11. Additional Agreements. Subject to the terms and conditions

provided in this Agreement, the parties hereto shall use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws and regulations to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement, subject, however, to the adoption of this Agreement by the shareholders of Lawrence Federal and Oak Hill Banks and the receipt of all required regulatory approvals.

12. Amendment. At any time prior to the Effective Time, the parties

hereto may amend, modify, or supplement this Agreement by mutual agreement authorized by their respective boards of directors and provided, further, that this Agreement may not be amended, modified, or supplemented, except by an instrument in writing executed and delivered by each of the parties hereto.

13. Termination. This Agreement may be terminated only by the mutual

agreement of the parties hereto.

14. Entire Agreement. This Agreement constitutes the entire agreement

among the parties with respect to the subject matter thereof and supersedes all prior agreements and understandings, oral or written, among the parties with respect to such subject matter and no party shall be liable or bound to the others in any manner by any covenants, representations, or warranties except as specifically set forth herein or therein.

15. Titles and Subtitles. The titles and subtitles used in this

Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

16. Assignment. Neither this Agreement nor any rights, interests, or

obligations hereunder shall be assigned or transferred by operation of law or otherwise by any of the parties hereto without the prior written consent of the other parties.

17. Benefit. Nothing in this Agreement, express or implied, is

intended to confer upon any person or entity other than the parties hereto and their successors in interest any rights or remedies under or by reason of this Agreement.

18. Counterparts. This Agreement may be executed in any number of

counterparts, each of which shall be deemed an original for all purposes, but such counterparts taken together shall constitute one and the same instrument.

19. Governing Law. This Agreement shall be construed and enforced in

accordance with the laws of the State of Ohio without regard to its conflict of laws principles.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

OAK HILL BANKS

By:

Scott J. Hinsch, President

LAWRENCE BANK

By:

Jack E. Blair, President

EXHIBIT 10.1

Jack L. Blair
President and Chief Executive Officer
Lawrence Financial Holdings, Inc.
311 South Fifth Street
Ironton, Ohio 45638

Dear Mr. Blair:

In connection with the anticipated merger (the "Merger") of Lawrence Financial Holdings, Inc. ("Lawrence Financial") with and into Oak Hill Financial, Inc. ("Oak Hill Financial") as contemplated by the Agreement and Plan of Merger, by and between Oak Hill Financial and Lawrence Financial (the "Merger Agreement"), which is entered into as of today, Lawrence Financial, Lawrence Federal Savings Bank ("Lawrence Federal"), Oak Hill Financial and you hereby enter into this agreement (this "Agreement"). Capitalized terms used but not otherwise defined in this Agreement shall have the meaning set forth in the Merger Agreement.

In the event that the Effective Time does not occur for any reason, this Agreement shall be deemed null and void AB INITIO and of no force and effect, and the Employment Agreement by and among you, Lawrence Financial and Lawrence Federal dated as of December 28, 2000 (the "Lawrence Federal Agreement"), and the Employment Agreement between you and Lawrence Financial dated as of December 28, 2000 (the "Lawrence Financial Agreement," and together with the "Lawrence Federal Agreement," the "Prior Agreements"), shall be reinstated effective immediately; provided that you have not yet received the payment set forth in Section 1(a) of this Agreement. If you have received the full payment set forth in Section 1(a) of this Agreement, and the Effective Time does not occur for any reason, you acknowledge and agree that, the Prior Agreements shall be null and void and you shall have no further rights under the Prior Agreements.

1. COMPENSATION AND BENEFITS.

(a) EMPLOYMENT AGREEMENTS. No later than December 15, 2004, Lawrence Financial shall make to you a lump sum payment in cash in the amount equal to \$412,448.37 (the "Employment Agreement Payment"). For the avoidance of doubt, and notwithstanding anything herein to the contrary, this Employment Agreement Payment shall not be taken into account in computing any benefits under any plan, program or other arrangement of Oak Hill Financial, Lawrence

Financial, Lawrence Federal or their affiliates.

(b) OPTIONS AND RESTRICTED STOCK. All stock options, as well as any shares of restricted stock, held by you that have not vested or exercised as of the Effective Time, will be treated in accordance with the Merger Agreement. For the avoidance of doubt, and notwithstanding anything herein to the contrary, the payment described in this paragraph shall

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not be taken into account in computing any benefits under any plan, program or other arrangement of Oak Hill Financial, Lawrence Financial, Lawrence Federal or their affiliates.

(c) SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN PAYMENT. At the Effective Time, Lawrence Financial hereby agrees to pay to you in satisfaction of your expected benefit as of the Effective Time under the Lawrence Federal Savings Bank Supplemental Executive Retirement Plan, (the "SERP"), an amount equal to \$45,796.00. You hereby agree and acknowledge that, after such payment is made to you, Oak Hill Financial, Lawrence Financial, Lawrence Federal and their respective affiliates shall have no further payment obligations to you or for your benefit whatsoever under the SERP and your participation in the plan shall cease immediately upon full payment. For the avoidance of doubt, and notwithstanding anything herein to the contrary, the payment described in this paragraph shall not be taken into account in computing any benefits under any plan, program or other arrangement of Oak Hill Financial, Lawrence Financial, Lawrence Federal or their affiliates.

(d) HEALTH AND WELFARE BENEFITS. At the Effective Time, Lawrence Financial hereby agrees to pay to you in satisfaction of your expected cost for continued life and medical insurance an amount equal to \$72,692.37. You hereby agree and acknowledge that, after such payment is made to you, Oak Hill Financial, Lawrence Financial, Lawrence Federal and their respective affiliates shall have no further payment or benefit obligations to you or for your benefit whatsoever with respect to providing you and/or your dependents continued life or medical insurance. For the avoidance of doubt, and notwithstanding anything herein to the contrary, the payment described in this paragraph shall not be taken into account in computing any benefits under any plan, program or other arrangement of Oak Hill Financial, Lawrence Financial, Lawrence Federal or their affiliates.

2. TERMINATION OF THE PRIOR AGREEMENTS; AGREEMENT TO REMAIN EMPLOYED THROUGH EFFECTIVE TIME. Except as provided in paragraph 3 of this Agreement, you hereby agree that, in consideration for entering into this Agreement, effective as of the date hereof, the Prior Agreements shall be null and void and no person or entity shall be obligated to pay to you or any person

any amounts in respect of the Prior Agreements. Further, in consideration of the benefits conferred upon you and Lawrence Financial pursuant to this Agreement, you hereby agree not to terminate your employment with Lawrence Financial or any of its subsidiaries prior to the Effective Time, and, prior to the Effective Time, Lawrence Financial agrees not to terminate your employment with Lawrence Financial or its subsidiaries without the prior written consent of Oak Hill Financial.

3. WITHHOLDING AND DEDUCTIONS. Lawrence Financial will withhold and deposit all federal, state and local income and employment taxes that are owed with respect to all amounts paid or benefits provided to or for you by Lawrence Financial or any affiliate pursuant to this Agreement. You, Lawrence Financial and Oak Hill Financial agree that none of the payments and benefits payable or provided to you or for your benefit in connection with the Merger under this Agreement or otherwise are expected to constitute an "excess parachute payment" within the meaning of Section 280G of the Code. In the event that any amounts payable or benefits provided hereunder or otherwise would be or become subject to the excise tax under Section 4999 of the Internal Revenue Code of 1986, as amended, such amounts and benefits shall be treated in the manner set forth under Section 6 of Lawrence Financial Agreement, the provisions

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of which you and Oak Hill Financial expressly assume under and in accordance with the terms of this Agreement. You hereby agree to report any amounts paid or benefits provided under this Agreement for purposes of Federal, state and local income, employment and excise taxes in a manner consistent with the manner in which Oak Hill Financial reports any such amounts or benefits for purposes of Federal, state and local income, employment and excise taxes and that you shall cooperate with Oak Hill Financial in good faith in connection with any valuation of the restrictions and obligations under this Agreement.

4. SUCCESSORS. This Agreement is personal to you and without the prior written consent of Oak Hill Financial shall not be assignable by you otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by your legal representatives. This Agreement shall inure to the benefit of and be binding upon Lawrence Financial, Oak Hill Financial and their successors and assigns.

5. WAIVER. Failure of Oak Hill Financial to demand strict compliance with any of the terms, covenants or conditions of this Agreement shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any such term, covenant or condition on any occasion or multiple occasions be deemed a waiver or relinquishment of such term, covenant or condition.

6. GOVERNING LAW AND JURISDICTION. This Agreement is governed by and construed under the laws of the State of Ohio, without regard to conflict of laws rules. You, Lawrence Financial and Oak Hill Financial (a) hereby consent to submit to the exclusive personal jurisdiction of any Federal court located in the State of Ohio or any court of the State of Ohio in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, and (b) hereby waive any right to challenge jurisdiction or venue in such courts with regard to any suit, action, or proceeding under or in connection with the Agreement. Each party to this Agreement also hereby waives any right to trial by jury in connection with any suit, action, or proceeding under or in connection with this Agreement.

7. ENTIRE AND FINAL AGREEMENT. This Agreement shall supersede any and all prior oral or written representations, understandings and agreements of the parties with respect to their employment relationship (including, but not limited to all correspondence, memoranda and term sheets and the Prior Agreements), and it contains the entire agreement of the parties with respect to those matters. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Once signed by the parties hereto, no provision of this Agreement may be modified or amended unless agreed to in a writing, signed by you and a duly authorized officer of Lawrence Financial and Oak Hill Financial.

8. ASSIGNMENT. Neither this Agreement nor any of the rights, obligations or interests arising hereunder may be assigned by you. Neither this Agreement nor any of the rights, obligations or interests arising hereunder may be assigned by Lawrence Financial or Oak Hill Financial without your prior written consent, to a person or entity other than an affiliate or parent entity of Lawrence Financial or Oak Hill Financial, or their successors or assigns; PROVIDED, HOWEVER, that, in the event of the merger, consolidation, transfer, or sale of all or substantially all of the assets of Lawrence Financial or Oak Hill Financial with or to any other individual or

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entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of Lawrence Financial or Oak Hill Financial hereunder.

9. SECTION HEADINGS. The section headings contained in this Agreement are inserted for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

10. NOTICES. All notices required by this Agreement shall be sent in writing and delivered by one party to the other by overnight express mail to the following persons and addresses:

If to Lawrence Financial or Lawrence Federal:

Lawrence Financial Holdings, Inc.
c/o Chairman of the Board of Directors
311 South Fifth Street
Ironton, Ohio 45638

With a copy to Oak Hill Financial.

If to Oak Hill Financial:

Ralph E. Coffman, Jr.
President and Chief Executive Officer
Oak Hill Financial, Inc.
14621 State Route 93
Jackson, Ohio 45640

If to you:

At the most recent address on file at Lawrence Financial.

14. EXECUTION IN COUNTERPARTS. This Agreement may be executed by the parties hereto in counterparts, and each of which shall be considered an original for all purposes.

If the foregoing is satisfactory, please so indicate by signing and returning to Lawrence Financial and Oak Hill Financial and the enclosed copy of this letter whereupon this will constitute our agreement on the subject.

LAWRENCE FINANCIAL HOLDINGS, INC.

By: /s/ Herbert J. Karlet

Name: Herbert J. Karlet

Date: October 12, 2004

LAWRENCE FEDERAL SAVINGS BANK

By: /s/ Herbert J. Karlet

Name: Herbert J. Karlet

Date: October 12, 2004

OAK HILL FINANCIAL, INC.

By: /s/ Ralph E. Coffman, Jr.

Name: Ralph E. Coffman, Jr.

Date: October 12, 2004

ACCEPTED AND AGREED TO:

/s/ Jack L. Blair

JACK L. BLAIR

Date: October 12, 2004

EXHIBIT 10.2

RobRoy Walters
Chief Financial Officer
Lawrence Financial Holdings, Inc.
311 South Fifth Street
Ironton, Ohio 45638

Dear Mr. Walters:

In connection with the anticipated merger (the "Merger") of Lawrence Financial Holdings, Inc. ("Lawrence Financial") with and into Oak Hill Financial, Inc. ("Oak Hill Financial") as contemplated by the Agreement and Plan of Merger, by and between Oak Hill Financial and Lawrence Financial (the "Merger Agreement"), which is entered into as of today, Lawrence Financial, Lawrence Federal Savings Bank ("Lawrence Federal"), Oak Hill Financial and you hereby enter into this agreement (this "Agreement"). Capitalized terms used but not otherwise defined in this Agreement shall have the meaning set forth in the Merger Agreement.

In the event that the Effective Time does not occur for any reason, this Agreement shall be deemed null and void AB INITIO and of no force and effect, and the Employment Agreement by and among you, Lawrence Financial and Lawrence Federal dated as of December 28, 2002 (the "Lawrence Federal Agreement"), and the Employment Agreement between you and Lawrence Financial dated as of December 28, 2002 (the "Lawrence Financial Agreement," and together with the "Lawrence Federal Agreement," the "Prior Agreements"), shall be reinstated effective immediately; provided that you have not yet received the payment set forth in Section 1(a) of this Agreement. If you have received the full payment set forth in Section 1(a) of this Agreement, and the Effective Time does not occur for any reason, you acknowledge and agree that, the Prior Agreements shall be null and void and you shall have no further rights under the Prior Agreements.

1. COMPENSATION AND BENEFITS.

(a) EMPLOYMENT AGREEMENTS. No later than December 15, 2004, Lawrence Financial shall make to you a lump sum payment in cash in the amount equal to \$400,270.22 (the "Employment Agreement Payment"). For the avoidance of doubt, and notwithstanding anything herein to the contrary, this Employment Agreement Payment shall not be taken into account in computing any benefits under any plan, program or other arrangement of Oak Hill Financial, Lawrence Financial, Lawrence Federal or their affiliates.

(b) OPTIONS AND RESTRICTED STOCK. All stock options, as well as any shares of restricted stock, held by you that have not vested or exercised as of the Effective Time, will be treated in accordance with the Merger Agreement. For the avoidance of doubt, and notwithstanding anything herein to the contrary, the payment described in this paragraph shall

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not be taken into account in computing any benefits under any plan, program or other arrangement of Oak Hill Financial, Lawrence Financial, Lawrence Federal or their affiliates.

(c) SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN PAYMENT. At the Effective Time, Lawrence Financial hereby agrees to pay to you in satisfaction of your expected benefit as of the Effective Time under the Lawrence Federal Savings Bank Supplemental Executive Retirement Plan, (the "SERP"), an amount equal to \$35,537.00. You hereby agree and acknowledge that, after such payment is made to you, Oak Hill Financial, Lawrence Financial, Lawrence Federal and their respective affiliates shall have no further payment obligations to you or for your benefit whatsoever under the SERP and your participation in the plan shall cease immediately upon full payment. For the avoidance of doubt, and notwithstanding anything herein to the contrary, the payment described in this paragraph shall not be taken into account in computing any benefits under any plan, program or other arrangement of Oak Hill Financial, Lawrence Financial, Lawrence Federal or their affiliates.

(d) HEALTH AND WELFARE BENEFITS. At the Effective Time, Lawrence Financial hereby agrees to pay to you in satisfaction of your expected cost for continued life and medical insurance an amount equal to \$44,615.38. You hereby agree and acknowledge that, after such payment is made to you, Oak Hill Financial, Lawrence Financial, Lawrence Federal and their respective affiliates shall have no further payment or benefit obligations to you or for your benefit whatsoever with respect to providing you and/or your dependents continued life or medical insurance. For the avoidance of doubt, and notwithstanding anything herein to the contrary, the payment described in this paragraph shall not be taken into account in computing any benefits under any plan, program or other arrangement of Oak Hill Financial, Lawrence Financial, Lawrence Federal or their affiliates.

2. TERMINATION OF THE PRIOR AGREEMENTS; AGREEMENT TO REMAIN EMPLOYED THROUGH EFFECTIVE TIME. Except as provided in paragraph 3 of this Agreement, you hereby agree that, in consideration for entering into this Agreement, effective as of the date hereof, the Prior Agreements shall be null and void and no person or entity shall be obligated to pay to you or any person any amounts in respect of the Prior Agreements. Further, in consideration of the benefits conferred upon you and Lawrence Financial pursuant to this Agreement,

you hereby agree not to terminate your employment with Lawrence Financial or any of its subsidiaries prior to the Effective Time, and, prior to the Effective Time, Lawrence Financial agrees not to terminate your employment with Lawrence Financial or its subsidiaries without the prior written consent of Oak Hill Financial.

3. WITHHOLDING AND DEDUCTIONS. Lawrence Financial will withhold and deposit all federal, state and local income and employment taxes that are owed with respect to all amounts paid or benefits provided to or for you by Lawrence Financial or any affiliate pursuant to this Agreement. You, Lawrence Financial and Oak Hill Financial agree that none of the payments and benefits payable or provided to you or for your benefit in connection with the Merger under this Agreement or otherwise are expected to constitute an "excess parachute payment" within the meaning of Section 280G of the Code. In the event that any amounts payable or benefits provided hereunder or otherwise would be or become subject to the excise tax under Section 4999 of the Internal Revenue Code of 1986, as amended, such amounts and benefits shall be treated in the manner set forth under Section 6 of Lawrence Financial Agreement, the provisions

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of which you and Oak Hill Financial expressly assume under and in accordance with the terms of this Agreement. You hereby agree to report any amounts paid or benefits provided under this Agreement for purposes of Federal, state and local income, employment and excise taxes in a manner consistent with the manner in which Oak Hill Financial reports any such amounts or benefits for purposes of Federal, state and local income, employment and excise taxes and that you shall cooperate with Oak Hill Financial in good faith in connection with any valuation of the restrictions and obligations under this Agreement.

4. SUCCESSORS. This Agreement is personal to you and without the prior written consent of Oak Hill Financial shall not be assignable by you otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by your legal representatives. This Agreement shall inure to the benefit of and be binding upon Lawrence Financial, Oak Hill Financial and their successors and assigns.

5. WAIVER. Failure of Oak Hill Financial to demand strict compliance with any of the terms, covenants or conditions of this Agreement shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any such term, covenant or condition on any occasion or multiple occasions be deemed a waiver or relinquishment of such term, covenant or condition.

6. GOVERNING LAW AND JURISDICTION. This Agreement is governed by and construed under the laws of the State of Ohio, without regard to conflict of

laws rules. You, Lawrence Financial and Oak Hill Financial (a) hereby consent to submit to the exclusive personal jurisdiction of any Federal court located in the State of Ohio or any court of the State of Ohio in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, and (b) hereby waive any right to challenge jurisdiction or venue in such courts with regard to any suit, action, or proceeding under or in connection with the Agreement. Each party to this Agreement also hereby waives any right to trial by jury in connection with any suit, action, or proceeding under or in connection with this Agreement.

7. ENTIRE AND FINAL AGREEMENT. This Agreement shall supersede any and all prior oral or written representations, understandings and agreements of the parties with respect to their employment relationship (including, but not limited to all correspondence, memoranda and term sheets and the Prior Agreements), and it contains the entire agreement of the parties with respect to those matters. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Once signed by the parties hereto, no provision of this Agreement may be modified or amended unless agreed to in a writing, signed by you and a duly authorized officer of Lawrence Financial and Oak Hill Financial.

8. ASSIGNMENT. Neither this Agreement nor any of the rights, obligations or interests arising hereunder may be assigned by you. Neither this Agreement nor any of the rights, obligations or interests arising hereunder may be assigned by Lawrence Financial or Oak Hill Financial without your prior written consent, to a person or entity other than an affiliate or parent entity of Lawrence Financial or Oak Hill Financial, or their successors or assigns; PROVIDED, HOWEVER, that, in the event of the merger, consolidation, transfer, or sale of all or substantially all of the assets of Lawrence Financial or Oak Hill Financial with or to any other individual or

entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of Lawrence Financial or Oak Hill Financial hereunder.

9. SECTION HEADINGS. The section headings contained in this Agreement are inserted for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

10. NOTICES. All notices required by this Agreement shall be sent in writing and delivered by one party to the other by overnight express mail to the following persons and addresses:

If to Lawrence Financial or Lawrence Federal:

Lawrence Financial Holdings, Inc.
c/o Chairman of the Board of Directors
311 South Fifth Street
Ironton, Ohio 45638

With a copy to Oak Hill Financial.

If to Oak Hill Financial:

Ralph E. Coffman, Jr.
President and Chief Executive Officer
Oak Hill Financial, Inc.
14621 State Route 93
Jackson, Ohio 45640

If to you:

At the most recent address on file at Lawrence Financial.

14. EXECUTION IN COUNTERPARTS. This Agreement may be executed by the parties hereto in counterparts, and each of which shall be considered an original for all purposes.

If the foregoing is satisfactory, please so indicate by signing and returning to Lawrence Financial and Oak Hill Financial and the enclosed copy of this letter whereupon this will constitute our agreement on the subject.

LAWRENCE FINANCIAL HOLDINGS, INC.

By: /s/ Herbert J. Karlet

Name: Herbert J. Karlet

Date: October 12, 2004

LAWRENCE FEDERAL SAVINGS BANK

By: /s/ Herbert J. Karlet

Name: Herbert J. Karlet

Date: October 12, 2004

OAK HILL FINANCIAL, INC.

By: /s/ Ralph E. Coffman, Jr.

Name: Ralph E. Coffman, Jr.

Date: October 12, 2004

ACCEPTED AND AGREED TO:

/s/ RobRoy Walters

ROBROY WALTERS

Date: October 12, 2004

EXHIBIT 10.3

[Name]
Director
Lawrence Financial Holdings, Inc.
311 South Fifth Street
Ironton, Ohio 45638

Dear Mr. [Name]:

In connection with the anticipated merger (the "Merger") of Lawrence Financial Holdings, Inc. ("Lawrence Financial") with and into Oak Hill Financial, Inc. ("Oak Hill Financial") as contemplated by the Agreement and Plan of Merger, by and between Oak Hill Financial and Lawrence Financial (the "Merger Agreement"), which is entered into as of today, Lawrence Financial, Lawrence Federal Savings Bank ("Lawrence Federal"), Oak Hill Financial and you hereby enter into this agreement (this "Agreement"). Capitalized terms used but not otherwise defined in this Agreement shall have the meaning set forth in the Merger Agreement.

In the event that the Effective Time does not occur for any reason, this Agreement shall be deemed null and void AB INITIO and of no force and effect, and the Lawrence Federal Savings Bank Amended and Restated Director Retirement Agreement by and among you and Lawrence Federal dated as of December 24, 2003 (the "Director Retirement Agreement"), shall be reinstated effective immediately; provided that you have not yet received the payment set forth in Section 1(a) of this Agreement. If you have received the full payment set forth in Section 1(a) of this Agreement, and the Effective Time does not occur for any reason, you acknowledge and agree that, the Director Retirement Agreement shall be null and void and you shall have no further rights under the Director Retirement Agreement.

1. COMPENSATION AND BENEFITS.

(a) DIRECTOR RETIREMENT AGREEMENT. No later than December 15, 2004, Lawrence Financial shall make to you a lump sum payment in cash in the amount equal to \$_____ (the "Director Retirement Agreement Payment"). For the avoidance of doubt, and notwithstanding anything herein to the contrary, this Director Retirement Agreement Payment shall not be taken into account in computing any benefits under any plan, program or other arrangement of Oak Hill Financial, Lawrence Financial, Lawrence Federal or their affiliates.

(b) OPTIONS AND RESTRICTED STOCK. All stock options, as well as any shares of restricted stock, held by you that have not vested or exercised as of the Effective Time, will be treated in accordance with the Merger Agreement. For the avoidance of doubt, and notwithstanding anything herein to the contrary, the payment described in this paragraph shall not be taken into account in computing any benefits under any plan, program or other arrangement of Oak Hill Financial, Lawrence Financial, Lawrence Federal or their affiliates.

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(c) DEFERRED FEE AGREEMENT. At the Effective Time, Lawrence Financial agrees to pay to you all benefits due under the Lawrence Federal Savings Bank Deferred Fee Agreement as of the Effective Time.

2. WITHHOLDING AND DEDUCTIONS. If required to do so, Lawrence Financial will withhold and deposit all federal, state and local income and employment taxes that are owed with respect to all amounts paid or benefits provided to or for you by Lawrence Financial or any affiliate pursuant to this Agreement. You, Lawrence Financial and Oak Hill Financial agree that none of the payments and benefits payable or provided to you or for your benefit in connection with the Merger under this Agreement or otherwise are expected to constitute an "excess parachute payment" within the meaning of Section 280G of the Code.

3. SUCCESSORS. This Agreement is personal to you and without the prior written consent of Oak Hill Financial shall not be assignable by you otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by your legal representatives. This Agreement shall inure to the benefit of and be binding upon Lawrence Financial, Oak Hill Financial and their successors and assigns.

4. WAIVER. Failure of Oak Hill Financial to demand strict compliance with any of the terms, covenants or conditions of this Agreement shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any such term, covenant or condition on any occasion or multiple occasions be deemed a waiver or relinquishment of such term, covenant or condition.

5. GOVERNING LAW AND JURISDICTION. This Agreement is governed by and construed under the laws of the State of Ohio, without regard to conflict of laws rules. You, Lawrence Financial and Oak Hill Financial (a) hereby consent to submit to the exclusive personal jurisdiction of any Federal court located in the State of Ohio or any court of the State of Ohio in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, and (b) hereby waive any right to challenge jurisdiction or venue in such courts with regard to any suit, action, or proceeding under or in connection with the Agreement. Each party to this Agreement also hereby waives

any right to trial by jury in connection with any suit, action, or proceeding under or in connection with this Agreement.

6. ENTIRE AND FINAL AGREEMENT. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Once signed by the parties hereto, no provision of this Agreement may be modified or amended unless agreed to in a writing, signed by you and a duly authorized officer of Lawrence Financial and Oak Hill Financial.

7. ASSIGNMENT. Neither this Agreement nor any of the rights, obligations or interests arising hereunder may be assigned by you. Neither this Agreement nor any of the rights, obligations or interests arising hereunder may be assigned by Lawrence Financial or Oak Hill Financial without your prior written consent, to a person or entity other than an affiliate or parent entity of Lawrence Financial or Oak Hill Financial, or their successors or assigns; PROVIDED, HOWEVER, that, in the event of the merger, consolidation, transfer, or sale of all or substantially all of the assets of Lawrence Financial or Oak Hill Financial with or to any other individual or

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entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of Lawrence Financial or Oak Hill Financial hereunder.

8. SECTION HEADINGS. The section headings contained in this Agreement are inserted for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

9. NOTICES. All notices required by this Agreement shall be sent in writing and delivered by one party to the other by overnight express mail to the following persons and addresses:

If to Lawrence Financial or Lawrence Federal:

Jack L. Blair
Chief Executive Officer
Lawrence Financial Holdings, Inc.
311 South Fifth Street
Ironton, Ohio 45638

With a copy to Oak Hill Financial.

If to Oak Hill Financial:

Ralph E. Coffman, Jr.
President and Chief Executive Officer
Oak Hill Financial, Inc.
14621 State Route 93
Jackson, Ohio 45640

If to you:

At the most recent address on file at Lawrence Financial.

14. EXECUTION IN COUNTERPARTS. This Agreement may be executed by the parties hereto in counterparts, and each of which shall be considered an original for all purposes.

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If the foregoing is satisfactory, please so indicate by signing and returning to Lawrence Financial and Oak Hill Financial and the enclosed copy of this letter whereupon this will constitute our agreement on the subject.

LAWRENCE FINANCIAL HOLDINGS, INC.

By: /s/

Name:

Date:

LAWRENCE FEDERAL SAVINGS BANK

By: /s/

Name:

Date: _____

OAK HILL FINANCIAL, INC.

By: /s/ _____

Name: _____

Date: _____

ACCEPTED AND AGREED TO:

[Name]
Date: _____

Schedule A - Payments to Directors

The form of Letter Agreement set forth above is the same for all non-employee directors, except as to the name of each director and the payment to be received by each director under Section 1(a) of each Letter Agreement. The payments for each director are as follows:

| Name | Payment |
|-----------------------|-------------|
| ----- | ----- |
| Tracy E. Brammer, Jr. | \$98,134.61 |
| Herbert J. Karlet | \$61,427.44 |
| Robert N. Taylor | \$41,576.57 |
| Charles E. Austin II | \$38,579.85 |

EXHIBIT 10.4

AGREEMENT FOR PURCHASE AND SALE

This Agreement is entered into this 12 day of October, 2004, between Lawrence Federal Savings Bank ("Seller") and Morgan Keegan Mortgage Company, Inc., a Tennessee corporation ("Buyer").

WHEREAS, Seller wishes to sell and Buyer wishes to buy all of Seller's right, title and interest in and to certain Contracts (as defined below) secured by first liens on manufactured homes.

IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

DEFINITION

Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, will have the following meanings:

AGREEMENT: This Agreement together with all exhibits and schedules hereto and ----- all subsequent written amendments and supplements hereto and thereto.

BUSINESS DAY: Any day other than a Saturday or Sunday, or a day on which banking ----- institutions in Tennessee are authorized or obligated by law or executive order to be closed.

CLOSING: The consummation of the transactions contemplated to take place under ----- this Agreement on the Closing Date.

CLOSING DATE: October 13, 2004, or such later date as may be agreed to by the ----- parties to this Agreement for the consummation of the transactions contemplated to take place under this Agreement.

CONTRACT: A retail installment sales contract or note and security agreement ----- executed by an Obligor's in connection with the purchase of a manufactured home and any Improvements thereto.

CONTRACT FILE: The credit application, all documents of insurance, and all other

documentation in possession of seller relating to a Contract.

CONTRACT RATE: The per annum rate of interest to be paid by an Obligor as

provided in a Contract.

CUT-OFF DATE: October 5, 2004, after which date Seller will no longer process

payments received from or on behalf of Obligors.

DAMAGES: Any costs or expenses (including reasonable attorneys' fees),

judgments, fines, amounts paid in settlement, losses, claims, damages or
liabilities.

ESCROW: Any funds held in trust by Seller for payment of insurance premiums or

taxes and any funds received by Seller from an Obligor or for payment of any
purpose on a Contract, that have not been applied to reduce the principal or
interest owed by the Obligor and not otherwise applied to the Contract.

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KNOWLEDGE: Those facts that are actually known or should reasonably have been

known by Seller's senior executive with responsibility for the administration of
the Contracts.

OBLIGOR: The person or persons other than Seller who executed a Contract.

SCHEDULE OF CONTRACTS: The schedule listing the Contracts to be purchased by

Buyer on the Closing Date, in the form attached hereto as Exhibit A.

SECURITY INSTRUMENT: A manufacturer's certificate or statement of origin,

certificate of title, Personal Property Security Act financing statement,
mortgage, deed of trust and/or security deed duly filed and/or recorded, as
required, in the state in which the manufactured home is located, evidencing
Seller's perfected first priority security interest in a manufactured home.

UNPAID PRINCIPAL BALANCE: With respect to a Contract, the Obligor's original

principal balance minus (i) the cumulative principal portion of each installment
received from the Obligor and applied to reduce such balance, the application of

such installment being determined by applying interest at the Contract Rate through and including the date of such payment and the remainder being applied to reduce the principal balance, and minus (ii) any principal prepayments received from the Obligor and applied to reduce such balance. The principal and interest portion of each installment is determined in the manner specified in each Contract.

ARTICLE 2

PRICE

The purchase price of each Contract will be calculated as of the Closing Date and will be an amount equal to the sum of (i) seventy-seven (77%) of the Unpaid Principal Balance as of the Closing Date, and (ii) seventy-seven (77%) of all accrued, but unpaid, interest due in connection with all purchased Contracts, up to and including the Closing Date, and not to exceed 29 days of accrued interest on any individual Contract. No adjustment in the Purchase Price or Unpaid Principal Balance shall be made for any of the following receivable balances associated with the Contracts: (i) unpaid late charges, (ii) unpaid insurance, (iii) partial payments, and (iv) unpaid taxes.

ARTICLE 3

DUTIES, OWNERSHIP AND SECURITY INTEREST

Seller will reasonably cooperate with Buyer to take the action Buyer deems reasonably necessary to transfer to Buyer all of Seller's right, title and interest in and to the Contracts, and Seller shall notify the Obligors of Buyer's purchase of the Contracts and associated first priority security interest in the manufactured homes, inclusive of the delivery of all originals of the Contracts and Contract files to Buyer, together with the execution of assignments, financing statements, and certificates of title. After Closing, Seller will forward to Buyer in an expedient manner and at the expense of Seller, all moneys and correspondence received from obligors or in regards to a purchased Contract or the manufactured home. Subsequent to the Closing Date, Seller will reasonably assist Buyer in reconciling Obligor payments made to Seller prior to the Closing Date.

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ARTICLE 4

REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER

For each Contract purchased by Buyer, Seller, as of the Closing Date, hereby represents, warrants and covenants as follows:

1. All information set forth in any Contract File, and all other information furnished to Buyer by Seller with respect to the Contracts is true and correct in all material respects.

2. Each Security Instrument constitutes, or in the case of an application for a Security Instrument will constitute, upon proper assignment, filing or recording, a perfected first priority security interest in a manufactured home.
3. No Contract has been modified, extended or deferred, or any collateral released, within 120 days of the Cut-off Date. To the best of Seller's Knowledge, there is no material default, breach, violation or event of acceleration existing under any Contract and no event which, with notice and the expiration of any applicable grace or cure period, would constitute such a default, breach, violation or event of acceleration, Seller has not waived any such default, breach, violation or event of acceleration.
4. To the best of Seller's Knowledge, there are no mechanics' liens or claims for work, labor or material described in the Contract.
5. To the best of Seller's Knowledge, there is no delinquent tax, rent, assessment, lien or other charge outstanding against a manufactured home.
6. Seller has no notice of any valid offset, defense or counterclaim to any Contract or Security Instrument, including the obligation of the Obligor to pay the unpaid principal, interest, or other charges on such Contract.
7. To the best of Seller's Knowledge, the manufactured home, including any additional accessories and furnishings in the manufactured home described in the Contract, and any improvements thereto, has been delivered, set up and installed, as appropriate, to the satisfaction of the Obligor and in compliance with all applicable state, federal and local statutes, regulations, ordinances and requirements.
8. The Contract and Security Agreement represent a valid, binding and enforceable obligation on behalf of the Obligor under the related Contract, enforceable in accordance with their terms, subject only to applicable laws relating to insolvency, bankruptcy, and equitable remedies.
9. To the best of Seller's Knowledge, there is no claim against any third party available to the Obligor which would interfere with the Buyer's right to enforce the terms of the Contract or Security Instrument.
10. To the best of Seller's Knowledge, the manufactured home is required pursuant to the Contract to be, and as of the Closing Date is, insured under standard homeowner's hazard and casualty insurance policies naming Seller (including Buyer) as loss payee, for an amount equal to the Unpaid Principal Balance of the Contract or the full cash value of the manufactured home.
11. Seller is now and was at the time it originated the Contracts a legal entity, duly organized, validly existing, and in good standing and is able to perform its duties and obligations hereunder.
12. Seller has the corporate or other requisite legal power to sell, transfer and assign the Contract and corresponding Security Instrument, and such sale, transfer and assignment have been duly authorized by any necessary corporate or other legal

action of Seller and constitute the legal, valid and binding obligation of Seller, enforceable in accordance with the terms hereof. Seller has obtained any and all necessary consents of third parties required of it in order to accomplish such sale, transfer and assignment, and such sale, transfer, and assignment will not result in Seller's being in default under any of the provisions of its articles or by-laws.

13. There is only one original of each Contract document and such original is being delivered to Buyer on the Closing Date. Seller has good and marketable title to, and is the sole owner of, the Contracts.
14. No instrument of release or waiver has been executed by Seller in connection with any Contract or Security Agreement, and no lien has been released in whole or in part.
15. There are no actions, suits or proceedings existing, or to the best of Seller's Knowledge pending or threatened, against or affecting Seller before any court, arbitrator or governmental or administrative body or agency which materially affect the validity or enforceability of the Contract.
16. Each Contract at the time it was made complied in all material respects with applicable state and federal laws, including, without limitation, usury, consumer credit, truth in lending, and disclosure laws.
17. Each Contract was originated by Seller and no other person or entity retains or holds any rights or interests in the Contract, including any rights or options to service such Contract.
18. Seller has paid any taxes due as of the Closing Date due on account of Seller's sale or assignment of the Contracts.
19. Seller has transmitted, or will within the time prescribed by applicable law, rule or regulation transmit, to the appropriate federal or state taxing authority and to each Obligor any required form or other notice setting forth the amount of interest paid by the Obligor to Seller as of the Closing Date regardless of when collected during the calendar year 2004.
20. The amounts shown on the Schedule of Contracts (Exhibit A) delivered to Buyer at Closing are correct in all material respects.

ARTICLE 5 BREACH OF WARRANTY

Upon discovery by Buyer of any material breach of any representations and warranties, Buyer shall give prompt written notice to Seller. Within 30 days of its receipt of notice of breach, Seller must cure such breach, and if such breach is not cured within such 30 days ("Cure Period"), repurchase from Buyer the Contract within fifteen days of expiration of the Cure Period, with respect to which such breach exists. In the event of such a repurchase, Buyer must deliver to Seller the related Contract Security Agreement, Contract File and assign to Seller all of Buyer's right, title and interest in and to the related Contract free and clear of any and all claims, liens and encumbrances, except for those which existed at the time of Buyer's purchase of such Contract. Any such repurchase by Seller must be

for a repurchase price equal to Seventy-Seven (77%) of the Unpaid Principal Balance of such Contract, plus accrued interest as of its date of repurchase. Seller's obligation and duty to repurchase, and the associated representations and warranties contained herein, shall expire and be of no

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force or effect on the date twenty-four (24) months from and after the Closing Date and any and all claims by Buyer for any such claims must be made on or before that date.

ARTICLE 6
REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER

Buyer hereby represents, warrants and covenants to Seller as follows:

1. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee and has full corporate power and authority to own its properties and carry on its business as it is now being conducted, and is duly qualified to transact business as it is now being conducted as a foreign corporation in all jurisdictions where such qualification is required, unless such failure to qualify would not have a materially adverse effect on Buyer's ability to carry out its obligations hereunder.
2. Buyer has the corporate power to purchase the Contracts and corresponding Security Instruments and such purchase has been duly authorized by any necessary corporate action of Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable in accordance with its terms. Buyer has obtained any and all necessary consents of third parties required of it in order to accomplish such purchase, and such purchase will not result in Buyer's being in default under any of the provisions of its certificate of incorporation, by-laws or of any material credit or other agreements to which it is a party.
3. Buyer has received all necessary federal, state and local licenses, permits, and/or authorizations and approvals required to conduct its business as it is presently being conducted and to perform its functions under this Agreement, except with respect to such licenses, permits, authorizations and approvals which the failure to obtain would not have an adverse effect on Buyer's ability to perform its obligations hereunder.

ARTICLE 7
INDEMNIFICATION

Seller agrees to protect, indemnify, and hold Buyer harmless against any and in respect of, any and all Damages arising out of, connected with or resulting from

(i) any willful material breach of the agreements, representations, covenants or warranties made by Seller herein not known or reasonably discoverable by Buyer during its due diligence of Seller's records; or (ii) actions of Seller prior to the Closing Date not known or reasonably discoverable by Buyer during its due diligence review and investigation .

Buyer agrees to protect, indemnify, and hold Seller harmless against and in respect of, any and all Damages arising out of, connected with or resulting from (i) any breach of the agreements, representations, covenants or warranties made by Buyer herein or (ii) any acts or failures to act by Buyer under the terms hereof or (iii) any action taken or failure to act by Buyer after the Closing Date with respect to the Contracts.

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ARTICLE 8
PERFORMANCE AND POWER OF ATTORNEY

In order to transfer the Contracts sold pursuant to this Agreement, Seller hereby grants to Buyer a limited power of attorney under which Buyer may execute or endorse in connection with a purchased Contract, on Seller's behalf, any instruments, payments, checks, chattel paper, financing statements or amendments thereto, manufacturer's statements or certificates of origin, assignments, registrations, certificate of title reasonably necessary in order to properly reflect Buyer as lienholder or owner subsequent to the Closing Date. The limited power of attorney will not be terminable by Seller without the prior written consent of Buyer, and Seller hereby authorizes any individual or any person nominated by Buyer to exercise all rights and remedies that Seller would have with respect to the Contracts but for the sale and assignment to Buyer.

ARTICLE 9
BROKERAGE AND OTHER THIRD PARTY FEES

Buyer hereby assumes responsibility, and indemnifies Seller, for any and all brokerage or finder's fees due as a result of the transaction between Buyer and Seller that may or can be claimed as a result of this Agreement. Seller represents that it has not incurred any obligation for broker's commissions or finder's fees in connection with this transaction.

ARTICLE 10
THE CLOSING

At least two Business Days before the Closing Date, Seller must provide the Schedule of Contracts to Buyer. The Schedule of Contracts must list each Contract to be purchased on the Closing Date and must set forth as to each such

Contract:

- (1) the account number of the Contract,
- (2) the name of the Obligor,
- (3) the then Unpaid Principal Balance,
- (4) the next scheduled payment due date,
- (5) the payment amount,
- (6) the last payment date,
- (7) the interest rate,

At the Closing, in connection with each purchased Contract, Seller must deliver to Buyer the following:

1. The Contract File;
2. the original Contract, with an assignment in the form attached hereto as Exhibit E of all of Seller's right, title and interest therein;
3. the original Security Instrument or a copy of an application thereof, and an assignment in form acceptable to Buyer of all of Seller's right, title, and interest therein; In the event Seller does not have an original Security Instrument, Seller shall provide the original Security Instrument to Buyer no later than 60 days from and after the closing date. In the event Seller does not provide the original Security Instrument within 60 days after the closing date, Buyer may require

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Seller to repurchase the affected Contract as per the terms of Article 5.

4. Any and all Escrow funds held by Seller.
5. Evidence of physical damage insurance coverage of each manufactured home;
6. Obligor payment and collection records, including collection ledger comments;
7. A bill of sale in the form attached hereto as Exhibit B.
8. A certificate in the form attached hereto as Exhibit C,
9. A certificate of resolution of the Board of Directors of Seller, authorizing Seller to enter into this Agreement and any and all transactions contemplated hereunder and stating that said resolution is in full force and effect as of the Closing Date, substantially in the form attached hereto as Exhibit D.

Subject to Seller complying with all of the terms and provisions of this Agreement by 10:00 a.m. Eastern Standard Time on the Closing Date, Buyer will pay to Seller, by wire transfer in immediately available funds, to a bank account specified by Seller to Buyer in writing at least two Business Days prior

to the Closing Date the Purchase Price.

ARTICLE 11
NOTICES

Any notice, demand or communication which either party desires or is required to give to the other party in connection with this Agreement must be in writing and must be either served personally or sent by fax and Federal Express, addressed to the parties, as follows, or to such other fax number and/or address as either party hereafter specifies in accordance with this Article:

IF TO BUYER: Morgan Keegan Mortgage Company, Inc.
 1100 Ridgeway Loop Road, Ste. 400
 Memphis, Tennessee 38120
 Telephone: (901) 374-7873
 Facsimile: (901) 374-7694
 ATTN: R. A. Spell, Managing Director

IF TO SELLER: LAWRENCE FEDERAL SAVINGS BANK
 311 South Fifth Street
 Ironton, Ohio 45638
 Telephone: (740) 532-0263
 Facsimile: (740) 532-1885
 ATTN: Chief Executive Officer

ARTICLE 12
NONCIRCUMVENTION

Seller hereby understands and acknowledges that Buyer is selling the contracts to a third party ("Buyer's Customer"). Seller hereby agrees that Buyer's Customer will be considered a valuable, confidential and exclusive customer of Buyer and Seller will not make contact with Buyer's Customer relating to any other transactions, sales, relationships, including but not limited to the buying and selling of any Contracts or servicing rights or to have Buyer's Customer service Contracts for Seller, without the express prior written consent of Buyer. Seller's agreement contained herein shall remain effective regardless of

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the result of the negotiations related to the transactions contemplated hereby. This provision shall be considered a non-circumvention provision by the parties and shall remain in effect for a period of thirty-six (36) months from the Closing Date.

ARTICLE 13

GENERAL

This Agreement together with all Exhibits and Schedules hereto constitutes the entire agreement between the parties hereto and supersedes any and all representations, promises, and statements, oral or written, made in connection with the subject matter of this Agreement and the negotiation hereof, and no such representation, promise or statement not written herein will be binding on the parties. This Agreement may not be varied or altered or its provisions waived except by an agreement in writing executed by duly authorized agents of both parties hereto. This Agreement will be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns.

Both parties agree that, without respect to the place of making or place of performance of this Agreement, governing law and venue for any claim or action ("Action") shall as follows: (i) in the event that Buyer initiates any Action against Seller, the same shall be exclusively held in either the state courts of Ironton, Ohio or the Federal District located closest to Seller's principal place of business and the Agreement shall be governed by and construed under the laws of the State of Tennessee without regards to its conflicts of law principles; and (ii) in the event that Seller initiates any Action against Buyer, the same shall be exclusively held in the state courts located in Memphis, Tennessee, or the Federal District located closest to Buyer's principal place of business in Tennessee, and the Agreement shall be governed by and construed under the laws of Tennessee, without regard to its conflicts of law principles.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provisions in any other jurisdiction.

Captions are for convenience of reference only and are not to be considered as defining or limiting in any way the scope or intent of the provisions in any other jurisdiction.

The waiver of any breach, term, provision or condition of this Agreement may not be construed to be a subsequent waiver of any other breach, term, provision or condition. All remedies afforded by this Agreement for a breach hereof will be cumulative, that is, in addition to all other remedies provided for herein or at law or in equity.

All agreements, representations, warranties and covenants made herein will survive the execution and delivery of this Agreement, the Closing, and the purchase of the Contracts hereunder.

Headings of the Articles and Sections of this Agreement are intended for reference only and may not be deemed to affect or be utilized in the interpretation of any of the provisions hereof. All Schedules and Exhibits hereto are incorporated herein by the references thereto in this Agreement.

This Agreement may be executed in one or more counterparts or duplicate originals, each of which must be deemed an original, but all of which together will constitute but one and the same instrument.

The designations of the parties to this Agreement and any pronouns referring to any party, wherever used, must be so construed as to include the plural as well as the singular number, and, whenever the context permits, any gender includes all other genders and the singular number includes the plural. As used in this Agreement, the words "includes" and "including" are not limiting, and the words "hereof" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

Seller:
Lawrence Federal Savings Bank
By: /s/ RobRoy Walters

RobRoy Walters, Executive Vice
President and Chief Financial Officer

Buyer:
Morgan Keegan Mortgage Company, Inc.
By: /s/ R.A. Spell

R. A. Spell, Managing Director

EXHIBIT 10.5

AGREEMENT FOR PURCHASE AND SALE

This Agreement is entered into this 12 day of October, 2004, between Lawrence Federal Savings Bank ("Seller") and Morgan Keegan Mortgage Company, Inc., a Tennessee corporation ("Buyer").

WHEREAS, Seller wishes to sell and Buyer wishes to buy all of Seller's right, title and interest in and to certain Contracts (as defined below) secured by first liens on manufactured homes.

IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL COVENANTS AND AGREEMENTS HEREINAFTER CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

DEFINITION

Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, will have the following meanings:

AGREEMENT: This Agreement together with all exhibits and schedules hereto and ----- all subsequent written amendments and supplements hereto and thereto.

BUSINESS DAY: Any day other than a Saturday or Sunday, or a day on which banking ----- institutions in Tennessee are authorized or obligated by law or executive order to be closed.

CLOSING: The consummation of the transactions contemplated to take place under ----- this Agreement on the Closing Date.

CLOSING DATE: October 13, 2004, or such later date as may be agreed to by the ----- parties to this Agreement for the consummation of the transactions contemplated to take place under this Agreement.

CONTRACT: A retail installment sales contract or note and security agreement ----- executed by an Obligor's in connection with the purchase of a manufactured home and any Improvements thereto.

CONTRACT FILE: The credit application, all documents of insurance, and all other ----- documentation in possession of seller relating to a Contract.

CONTRACT RATE: The per annum rate of interest to be paid by an Obligor as

provided in a Contract.

CUT-OFF DATE: October 5, 2004, after which date Seller will no longer process

payments received from or on behalf of Obligors.

DAMAGES: Any costs or expenses (including reasonable attorneys' fees),

judgments, fines, amounts paid in settlement, losses, claims, damages or
liabilities.

ESCROW: Any funds held in trust by Seller for payment of insurance premiums or

taxes and any funds received by Seller from an Obligor or for payment of any
purpose on a Contract, that have not been applied to reduce the principal or
interest owed by the Obligor and not otherwise applied to the Contract.

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KNOWLEDGE: Those facts that are actually known or should reasonably have been

known by Seller's senior executive with responsibility for the administration of
the Contracts.

OBLIGOR: The person or persons other than Seller who executed a Contract.

SCHEDULE OF CONTRACTS: The schedule listing the Contracts to be purchased by

Buyer on the Closing Date, in the form attached hereto as Exhibit A.

SECURITY INSTRUMENT: A manufacturer's certificate or statement of origin,

certificate of title, Personal Property Security Act financing statement,
mortgage, deed of trust and/or security deed duly filed and/or recorded, as
required, in the state in which the manufactured home is located, evidencing
Seller's perfected first priority security interest in a manufactured home.

UNPAID PRINCIPAL BALANCE: With respect to a Contract, the Obligor's original

principal balance minus (i) the cumulative principal portion of each installment
received from the Obligor and applied to reduce such balance, the application of

such installment being determined by applying interest at the Contract Rate through and including the date of such payment and the remainder being applied to reduce the principal balance, and minus (ii) any principal prepayments received from the Obligor and applied to reduce such balance. The principal and interest portion of each installment is determined in the manner specified in each Contract.

ARTICLE 2

PRICE

The purchase price of each Contract will be calculated as of the Closing Date and will be an amount equal to the sum of (i) thirty-two (32%) of the Unpaid Principal Balance as of the Closing Date, and (ii) thirty-two (32%) of all accrued, but unpaid, interest due in connection with all purchased Contracts, up to and including the Closing Date, and not to exceed 29 days of accrued interest on any individual Contract. No adjustment in the Purchase Price or Unpaid Principal Balance shall be made for any of the following receivable balances associated with the Contracts: (i) unpaid late charges, (ii) unpaid insurance, (iii) partial payments, and (iv) unpaid taxes.

ARTICLE 3

DUTIES, OWNERSHIP AND SECURITY INTEREST

Seller will reasonably cooperate with Buyer to take the action Buyer deems reasonably necessary to transfer to Buyer all of Seller's right, title and interest in and to the Contracts, and Seller shall notify the Obligors of Buyer's purchase of the Contracts and associated first priority security interest in the manufactured homes, inclusive of the delivery of all originals of the Contracts and Contract files to Buyer, together with the execution of assignments, financing statements, and certificates of title. After Closing, Seller will forward to Buyer in an expedient manner and at the expense of Seller, all moneys and correspondence received from obligors or in regards to a purchased Contract or the manufactured home. Subsequent to the Closing Date, Seller will reasonably assist Buyer in reconciling Obligor payments made to Seller prior to the Closing Date.

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ARTICLE 4

REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER

For each Contract purchased by Buyer, Seller, as of the Closing Date, hereby represents, warrants and covenants as follows:

1. All information set forth in any Contract File, and all other information furnished to Buyer by Seller with respect to the Contracts is true and correct in all material respects.
2. Each Security Instrument constitutes, or in the case of an application

for a Security Instrument will constitute, upon proper assignment, filing or recording, a perfected first priority security interest in a manufactured home.

3. No Contract has been modified, extended or deferred, or any collateral released, within 120 days of the Cut-off Date. To the best of Seller's Knowledge, there is no material default, breach, violation or event of acceleration existing under any Contract and no event which, with notice and the expiration of any applicable grace or cure period, would constitute such a default, breach, violation or event of acceleration, Seller has not waived any such default, breach, violation or event of acceleration.
4. To the best of Seller's Knowledge, there are no mechanics' liens or claims for work, labor or material described in the Contract.
5. To the best of Seller's Knowledge, there is no delinquent tax, rent, assessment, lien or other charge outstanding against a manufactured home.
6. Seller has no notice of any valid offset, defense or counterclaim to any Contract or Security Instrument, including the obligation of the Obligor to pay the unpaid principal, interest, or other charges on such Contract.
7. To the best of Seller's Knowledge, the manufactured home, including any additional accessories and furnishings in the manufactured home described in the Contract, and any improvements thereto, has been delivered, set up and installed, as appropriate, to the satisfaction of the Obligor and in compliance with all applicable state, federal and local statutes, regulations, ordinances and requirements.
8. The Contract and Security Agreement represent a valid, binding and enforceable obligation on behalf of the Obligor under the related Contract, enforceable in accordance with their terms, subject only to applicable laws relating to insolvency, bankruptcy, and equitable remedies.
9. To the best of Seller's Knowledge, there is no claim against any third party available to the Obligor which would interfere with the Buyer's right to enforce the terms of the Contract or Security Instrument.
10. To the best of Seller's Knowledge, the manufactured home is required pursuant to the Contract to be, and as of the Closing Date is, insured under standard homeowner's hazard and casualty insurance policies naming Seller (including Buyer) as loss payee, for an amount equal to the Unpaid Principal Balance of the Contract or the full cash value of the manufactured home.
11. Seller is now and was at the time it originated the Contracts a legal entity, duly organized, validly existing, and in good standing and is able to perform its duties and obligations hereunder.
12. Seller has the corporate or other requisite legal power to sell, transfer and assign the Contract and corresponding Security Instrument, and such sale, transfer and assignment have been duly authorized by any necessary corporate or other legal

action of Seller and constitute the legal, valid and binding obligation of Seller, enforceable in accordance with the terms hereof. Seller has obtained any and all necessary consents of third parties required of it in order to accomplish such sale, transfer and assignment, and such sale, transfer, and assignment will not result in Seller's being in default under any of the provisions of its articles or by-laws.

13. There is only one original of each Contract document and such original is being delivered to Buyer on the Closing Date. Seller has good and marketable title to, and is the sole owner of, the Contracts.
14. No instrument of release or waiver has been executed by Seller in connection with any Contract or Security Agreement, and no lien has been released in whole or in part.
15. There are no actions, suits or proceedings existing, or to the best of Seller's Knowledge pending or threatened, against or affecting Seller before any court, arbitrator or governmental or administrative body or agency which materially affect the validity or enforceability of the Contract.
16. Each Contract at the time it was made complied in all material respects with applicable state and federal laws, including, without limitation, usury, consumer credit, truth in lending, and disclosure laws.
17. Each Contract was originated by Seller and no other person or entity retains or holds any rights or interests in the Contract, including any rights or options to service such Contract.
18. Seller has paid any taxes due as of the Closing Date due on account of Seller's sale or assignment of the Contracts.
19. Seller has transmitted, or will within the time prescribed by applicable law, rule or regulation transmit, to the appropriate federal or state taxing authority and to each Obligor any required form or other notice setting forth the amount of interest paid by the Obligor to Seller as of the Closing Date regardless of when collected during the calendar year 2004.
20. The amounts shown on the Schedule of Contracts (Exhibit A) delivered to Buyer at Closing are correct in all material respects.

ARTICLE 5 BREACH OF WARRANTY

Upon discovery by Buyer of any material breach of any representations and warranties, Buyer shall give prompt written notice to Seller. Within 30 days of its receipt of notice of breach, Seller must cure such breach, and if such breach is not cured within such 30 days ("Cure Period"), repurchase from Buyer the Contract within fifteen days of expiration of the Cure Period, with respect to which such breach exists. In the event of such a repurchase, Buyer must deliver to Seller the related Contract Security Agreement, Contract File and assign to Seller all of Buyer's right, title

and interest in and to the related Contract free and clear of any and all claims, liens and encumbrances, except for those which existed at the time of Buyer's purchase of such Contract. Any such repurchase by Seller must be for a repurchase price equal to Thirty-Two percent (32%) of the Unpaid Principal Balance of such Contract, plus accrued interest as of its date of repurchase. Seller's obligation and duty to repurchase, and the associated representations and warranties contained herein, shall expire and be of no force or effect on the date twenty-four (24) months from and after the Closing

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Date and any and all claims by Buyer for any such claims must be made on or before that date.

ARTICLE 6
REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER

Buyer hereby represents, warrants and covenants to Seller as follows:

1. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee and has full corporate power and authority to own its properties and carry on its business as it is now being conducted, and is duly qualified to transact business as it is now being conducted as a foreign corporation in all jurisdictions where such qualification is required, unless such failure to qualify would not have a materially adverse effect on Buyer's ability to carry out its obligations hereunder.
2. Buyer has the corporate power to purchase the Contracts and corresponding Security Instruments and such purchase has been duly authorized by any necessary corporate action of Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable in accordance with its terms. Buyer has obtained any and all necessary consents of third parties required of it in order to accomplish such purchase, and such purchase will not result in Buyer's being in default under any of the provisions of its certificate of incorporation, by-laws or of any material credit or other agreements to which it is a party.
3. Buyer has received all necessary federal, state and local licenses, permits, and/or authorizations and approvals required to conduct its business as it is presently being conducted and to perform its functions under this Agreement, except with respect to such licenses, permits, authorizations and approvals which the failure to obtain would not have an adverse effect on Buyer's ability to perform its obligations hereunder.

ARTICLE 7

INDEMNIFICATION

Seller agrees to protect, indemnify, and hold Buyer harmless against any and in respect of, any and all Damages arising out of, connected with or resulting from (i) any willful material breach of the agreements, representations, covenants or warranties made by Seller herein not known or reasonably discoverable by Buyer during its due diligence of Seller's records; or (ii) actions of Seller prior to the Closing Date not known or reasonably discoverable by Buyer during its due diligence review and investigation .

Buyer agrees to protect, indemnify, and hold Seller harmless against and in respect of, any and all Damages arising out of, connected with or resulting from (i) any breach of the agreements, representations, covenants or warranties made by Buyer herein or (ii) any acts or failures to act by Buyer under the terms hereof or (iii) any action taken or failure to act by Buyer after the Closing Date with respect to the Contracts.

6

ARTICLE 8 PERFORMANCE AND POWER OF ATTORNEY

In order to transfer the Contracts sold pursuant to this Agreement, Seller hereby grants to Buyer a limited power of attorney under which Buyer may execute or endorse in connection with a purchased Contract, on Seller's behalf, any instruments, payments, checks, chattel paper, financing statements or amendments thereto, manufacturer's statements or certificates of origin, assignments, registrations, certificate of title reasonably necessary in order to properly reflect Buyer as lienholder or owner subsequent to the Closing Date. The limited power of attorney will not be terminable by Seller without the prior written consent of Buyer, and Seller hereby authorizes any individual or any person nominated by Buyer to exercise all rights and remedies that Seller would have with respect to the Contracts but for the sale and assignment to Buyer.

ARTICLE 9 BROKERAGE AND OTHER THIRD PARTY FEES

Buyer hereby assumes responsibility, and indemnifies Seller, for any and all brokerage or finder's fees due as a result of the transaction between Buyer and Seller that may or can be claimed as a result of this Agreement. Seller represents that it has not incurred any obligation for broker's commissions or finder's fees in connection with this transaction.

ARTICLE 10 THE CLOSING

At least two Business Days before the Closing Date, Seller must provide the Schedule of Contracts to Buyer. The Schedule of Contracts must list each Contract to be purchased on the Closing Date and must set forth as to each such Contract:

- (1) the account number of the Contract,
- (2) the name of the Obligor,
- (3) the then Unpaid Principal Balance,
- (4) the next scheduled payment due date,
- (5) the payment amount,
- (6) the last payment date,
- (7) the interest rate,

At the Closing, in connection with each purchased Contract, Seller must deliver to Buyer the following:

1. The Contract File;
2. the original Contract, with an assignment in the form attached hereto as Exhibit E of all of Seller's right, title and interest therein;
3. the original Security Instrument or a copy of an application thereof, and an assignment in form acceptable to Buyer of all of Seller's right, title, and interest therein; In the event Seller does not have an original Security Instrument, Seller shall provide the original Security Instrument to Buyer no later than 60 days from and after the closing date. In the event Seller does not provide the original Security Instrument within 60 days after the closing date, Buyer may require

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Seller to repurchase the affected Contract as per the terms of Article 5.

4. Any and all Escrow funds held by Seller.
5. Evidence of physical damage insurance coverage of each manufactured home;
6. Obligor payment and collection records, including collection ledger comments;
7. A bill of sale in the form attached hereto as Exhibit B. 8. A certificate in the form attached hereto as Exhibit C, 9. A certificate of resolution of the Board of Directors of Seller, authorizing Seller to enter into this Agreement and any and all transactions contemplated hereunder and stating that said resolution is in full force and effect as of the Closing Date, substantially in the form attached hereto as Exhibit D.

Subject to Seller complying with all of the terms and provisions of this

Agreement by 10:00 a.m. Eastern Standard Time on the Closing Date, Buyer will pay to Seller, by wire transfer in immediately available funds, to a bank account specified by Seller to Buyer in writing at least two Business Days prior to the Closing Date the Purchase Price.

ARTICLE 11
NOTICES

Any notice, demand or communication which either party desires or is required to give to the other party in connection with this Agreement must be in writing and must be either served personally or sent by fax and Federal Express, addressed to the parties, as follows, or to such other fax number and/or address as either party hereafter specifies in accordance with this Article:

IF TO BUYER: Morgan Keegan Mortgage Company, Inc.
 1100 Ridgeway Loop Road, Ste. 400
 Memphis, Tennessee 38120
 Telephone: (901) 374-7873
 Facsimile: (901) 374-7694
 ATTN: R. A. Spell, Managing Director

IF TO SELLER: LAWRENCE FEDERAL SAVINGS BANK
 311 South Fifth Street
 Ironton, Ohio 45638
 Telephone: (740) 532-0263
 Facsimile: (740) 532-1885
 ATTN: Chief Executive Officer

ARTICLE 12
NONCIRCUMVENTION

Seller hereby understands and acknowledges that Buyer is selling the contracts to a third party ("Buyer's Customer"). Seller hereby agrees that Buyer's Customer will be considered a valuable, confidential and exclusive customer of Buyer and Seller will not make contact with Buyer's Customer relating to any other transactions, sales, relationships, including but not limited to the buying and selling of any Contracts or servicing rights or to have Buyer's Customer service Contracts for Seller, without the express prior written consent of Buyer. Seller's agreement contained herein shall remain effective regardless of

the result of the negotiations related to the transactions contemplated hereby. This provision shall be considered a non-circumvention provision by the parties

and shall remain in effect for a period of thirty-six (36) months from the Closing Date.

ARTICLE 13
GENERAL

This Agreement together with all Exhibits and Schedules hereto constitutes the entire agreement between the parties hereto and supersedes any and all representations, promises, and statements, oral or written, made in connection with the subject matter of this Agreement and the negotiation hereof, and no such representation, promise or statement not written herein will be binding on the parties. This Agreement may not be varied or altered or its provisions waived except by an agreement in writing executed by duly authorized agents of both parties hereto. This Agreement will be binding upon and inure to the benefit of the parties hereto and each of their respective successors and assigns.

Both parties agree that, without respect to the place of making or place of performance of this Agreement, governing law and venue for any claim or action ("Action") shall as follows: (i) in the event that Buyer initiates any Action against Seller, the same shall be exclusively held in either the state courts of Ironton, Ohio or the Federal District located closest to Seller's principal place of business and the Agreement shall be governed by and construed under the laws of the State of Tennessee without regards to its conflicts of law principles; and (ii) in the event that Seller initiates any Action against Buyer, the same shall be exclusively held in the state courts located in Memphis, Tennessee, or the Federal District located closest to Buyer's principal place of business in Tennessee, and the Agreement shall be governed by and construed under the laws of Tennessee, without regard to its conflicts of law principles.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provisions in any other jurisdiction.

Captions are for convenience of reference only and are not to be considered as defining or limiting in any way the scope or intent of the provisions in any other jurisdiction.

The waiver of any breach, term, provision or condition of this Agreement may not be construed to be a subsequent waiver of any other breach, term, provision or condition. All remedies afforded by this Agreement for a breach hereof will be cumulative, that is, in addition to all other remedies provided for herein or at law or in equity.

All agreements, representations, warranties and covenants made herein will survive the execution and delivery of this Agreement, the Closing, and the purchase of the Contracts hereunder.

Headings of the Articles and Sections of this Agreement are intended for reference only and may not be deemed to affect or be utilized in the interpretation of any of the provisions hereof. All Schedules and Exhibits hereto are incorporated herein by the references thereto in this Agreement.

This Agreement may be executed in one or more counterparts or duplicate originals, each of which must be deemed an original, but all of which together will constitute but one and the same instrument.

The designations of the parties to this Agreement and any pronouns referring to any party, wherever used, must be so construed as to include the plural as well as the singular number, and, whenever the context permits, any gender includes all other genders and the singular number includes the plural. As used in this Agreement, the words "includes" and "including" are not limiting, and the words "hereof" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

Seller:
Lawrence Federal Savings Bank
By: /s/ RobRoy Walters

RobRoy Walters, Executive Vice
President and Chief Financial Officer

Buyer:
Morgan Keegan Mortgage Company, Inc.
By: /s/ R.A. Spell

R. A. Spell, Managing Director

EXHIBIT 99.1

N E W S R E L E A S E

FOR IMMEDIATE RELEASE

OCTOBER 12, 2004

CONTACT:

R. E. Coffman, Jr. or David G. Ratz
President & CEO Executive VP & COO
Oak Hill Financial, Inc.
14621 SR 93
Jackson, OH 45640
(740) 286-3283

Jack F. Blair
President & CEO
Lawrence Financial Holdings, Inc.
311 S. Fifth St.
Ironton, OH 45638
(740) 532-0263

OAK HILL FINANCIAL, INC. AND LAWRENCE FINANCIAL HOLDINGS, INC.
SIGN DEFINITIVE MERGER AGREEMENT

JACKSON AND IRONTON, OHIO - Oak Hill Financial, Inc. (Nasdaq NMS: OAKF) and Lawrence Financial Holdings, Inc. (OTC: LWFH) jointly announced today the signing of a definitive agreement to merge Lawrence Financial with and into Oak Hill.

Under the terms of the agreement, stockholders of Lawrence Financial will be entitled to elect to receive, in exchange for each share of Lawrence Financial common stock held, either \$23.75 in cash or an equivalent amount in shares of Oak Hill common stock (based upon the average of the last sales price of Oak Hill common stock for the 20 most recent full trading days ending at the close of trading four business days prior to the merger), or a combination thereof. This is subject to certain allocation and pro rata mechanisms as part of the election process. In total, between 50.0% and 52.0% of Lawrence Financial common shares will be exchanged for Oak Hill common shares and, accordingly, between 48.0% and 50.0% of Lawrence Financial common shares will be exchanged for cash. To the extent that Oak Hill common shares are received, the exchange is expected to qualify as a tax-free acquisition to Lawrence Financial stockholders. The estimated total value of the proposed transaction is \$15.4 million.

The merger is expected to be completed in the first quarter of 2005 pending Lawrence Financial stockholder approval, regulatory approval, and other customary conditions of closing.

Lawrence Financial President and CEO Jack L. Blair stated that the merger will provide significant benefits to Lawrence Financial's stockholders, customers, and employees. "Joining forces with a larger, growing organization will enhance liquidity for our stockholders, enable us to offer a much broader line of banking services, and create more career opportunities for our employees," Blair stated. "Oak Hill is one of the premier community banking companies in Ohio. They have an outstanding record of performance and an excellent history of growth and service to their customers and local communities."

R. E. Coffman, Jr., President and CEO of Oak Hill Financial, stated, "This will be a great partnership. We are very impressed with the way the people at

Lawrence Financial have operated their bank. They have an

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excellent track record in their market. This merger is an exciting growth opportunity for both of our organizations."

Coffman added that a key benefit of the merger is the geographic fit between the Southern Ohio market areas served by the two banks. "Lawrence Financial's primary market is Lawrence County and they also have one office in Scioto County," said Coffman. "We have one branch that we recently opened in Lawrence County and we were looking to expand there, and we have three established branches in Scioto County, so there are strong synergies. With the merger, we will be number two in market share in Lawrence County and significantly improve our position in Scioto County."

Coffman added, "We expect the merger with Lawrence Financial to be as much about 3% accretive to earnings per share in 2005 and over 5% accretive in 2006 and beyond."

At June 30, 2004, Oak Hill Financial had total assets of \$980.8 million, net loans of \$845.9 million, deposits of \$366.1 million, and stockholders' equity of \$37.5 million. At the same date, Lawrence Financial had total assets of \$125.0 million, net loans of \$83.4 million, deposits of \$110.7 million, and stockholders' equity of \$13.7 million. Pursuant to the merger negotiations, Lawrence Financial has entered into separate agreements to sell various loans that do not fit Oak Hill Financial's lending profile. The estimated current amount of the loans to be sold is \$11.9 million.

On October 9, 2004, Oak Hill Financial completed its previously announced merger with Ripley National Bank of Ripley, Ohio. The Ripley merger brings \$52.2 million in assets, \$39.5 million in net loans, and \$47.2 million in deposits to Oak Hill's balance sheet. The price to book value of the Ripley transaction was 134%.

Keefe, Bruyette, and Woods is serving as Lawrence Financial's financial advisor and RP Financial, Inc. assisted Oak Hill Financial in connection with this transaction. Porter, Wright, Morris & Arthur LLP represented Oak Hill Financial, while Muldoon Murphy Faucette & Aguggia LLP represented Lawrence Financial.

ABOUT OAK HILL FINANCIAL

Oak Hill Financial is a financial holding company headquartered in Jackson, Ohio. Its banking affiliate, Oak Hill Banks, operates 29 full-service branches and four loan production offices in 15 counties in southern and central Ohio. Oak Hill also owns Action Finance, a consumer finance company with six offices in the same region; Oak Hill Financial Insurance Agency, Inc, which specializes in employee benefits; and 49% of Oak Hill Title Agency LLC.

ABOUT LAWRENCE FINANCIAL

Lawrence Financial is a savings and loan holding company headquartered in Ironton, Ohio. Its subsidiary, Lawrence Federal Savings Bank, operates five banking offices in Lawrence County, which is in the Ohio portion of the Huntington-Ashland MSA, and Scioto County. A second subsidiary, Lawrence Financial Services Corp., only holds liquid assets in the form of cash.

OAK HILL FINANCIAL/LAWRENCE FINANCIAL CORP. MERGER
SUMMARY FACT SHEET

AGREEMENT DATE October 12, 2004

DEAL STRUCTURE & TERMS Definitive agreement signed

Due diligence completed

Agreement terminates if the merger is not completed
by September 1, 2005

\$500,000 break-up fee

48.0% to 50.0% of the common shares of Lawrence
Financial will be purchased in cash for \$23.75. The
remaining shares will be exchanged for common shares
of Oak Hill Financial, with the exchange ratio to be
equal to \$23.75 divided by the average of the last
sales price of Oak Hill common for the 20 most recent
full trading days in which the shares are traded on
the Nasdaq NMS ending at the close of trading four
business days prior to the effective date of merger.

TIMING Subject to normal regulatory approval and
----- stockholder approval by Lawrence Financial. Closing
expected by March 31, 2005.

<TABLE>
<CAPTION>

| | | |
|---------|--------------------------------------------------|----------------|
| <S> | <C> | <C> |
| PRICING | Purchase price per share | \$23.75 |
| ----- | Estimated price to book value(1) | 142% |
| | Estimated Oak Hill shares to be issued (000) (2) | 213 - 222 |
| | Estimated transaction value | \$16.0 million |

</TABLE>

(1) Based on Lawrence Federal's current book value
adjusted for the anticipated loan sale.

(2) Based on OAKF's closing price of \$36.17 on
10/12/04

TRANSACTION RATIONALE

* Logical contiguous expansion into complementary market area.

- * Lawrence Financial has a strong 21.0% deposit market share in Lawrence County.
- * Oak Hill will have the opportunity to enhance Lawrence Financial's net interest margin and noninterest income.
- * Growth potential within Lawrence Financial's existing customer base, which represents a built-in market for Oak Hill's broader product line.

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- * Potential for generating commercial and commercial real estate loans within the Huntington-Ashland MSA.

OTHER

Prior to the signing of the definitive merger agreement, there was no material relationship between Oak Hill Financial and Lawrence Financial Holdings or any of their affiliates.

FORWARD-LOOKING STATEMENTS

This release contains certain forward-looking statements about the proposed merger of Oak Hill Financial and Lawrence Financial, which are subject to numerous assumptions, risks and uncertainties. These statements include statements regarding the anticipated closing date of the transaction and anticipated future results. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and often include words like "believe," "expect," "anticipate," "estimate," and "intend" or future or conditional verbs such as "will," "would," "should," "could" or "may." Actual results could differ materially from those contained or implied by such statements for a variety of factors including: delays in completing the merger, the required governmental approvals of the merger may not be obtained on the proposed terms and schedule; Lawrence Financial's stockholders may not approve the merger; difficulties in achieving cost savings from the merger or in achieving such cost savings within the expected time frame, difficulties in integrating Oak Hill Financial and Lawrence Financial, increased competitive pressures, changes in the interest rate environment, changes in general economic conditions, legislative and regulatory changes that adversely affect the business in which Oak Hill Financial and Lawrence Financial are engaged, and changes in the securities markets. All forward-looking statements included in this release are based on information available at the time of the release. Neither Oak Hill Financial nor Lawrence Financial assume any obligation to update any forward looking statement

ADDITIONAL INFORMATION ABOUT THE MERGER AND WHERE TO FIND IT

Oak Hill Financial and Lawrence Financial will be filing relevant documents concerning the transaction with the Securities and Exchange Commission, including a registration statement on Form S-4, which will include a proxy statement/prospectus. Stockholders will be able to obtain a free copy of the proxy statement/prospectus, as well as other filings containing information about Oak Hill Financial and Lawrence Financial at the SEC's website, www.sec.gov. In addition, documents filed with the SEC by Oak Hill Financial will be available free of charge from the Corporate Secretary of Oak Hill Financial at 14621 SR 93, Jackson, Ohio 45640, telephone 740-286-3283, or from

the Chief Financial Officer of Lawrence Financial Holdings at 311 S. Fifth St., Ironton, Ohio, telephone 740-532-0263.

STOCKHOLDERS AND INVESTORS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS, AND OTHER RELEVANT DOCUMENTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION REGARDING THE TRANSACTION, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT OAK HILL FINANCIAL, LAWRENCE FINANCIAL, THE MERGER, THE PERSONS SOLICITING PROXIES IN THE MERGER AND THEIR INTERESTS IN THE MERGER AND RELATED MATTERS.

Lawrence Financial and its directors and executive officers may be deemed to be participants in the solicitation of proxies from Lawrence Financial's stockholders to approve the merger. Information about the directors and executive officers of Lawrence Financial and their ownership of Lawrence Financial common stock is set forth in Lawrence Financial's proxy statement as filed with the SEC on April 8, 2004. Additional information about the interests of those persons in the merger may be obtained from the definitive proxy statement/prospectus regarding the proposed merger when it becomes available.