

AGREEMENT BY AND BETWEEN
Midwest Federal Savings & Loan Association of St. Joseph
St. Joseph, Missouri
and
The Comptroller of the Currency

Midwest Federal Savings & Loan Association of St. Joseph, St. Joseph, Missouri (“Bank”) and the Comptroller of the Currency of the United States of America (“Comptroller”)¹ wish to protect the interests of the depositors and other customers of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules, and regulations.

The Comptroller has found unsafe or unsound banking practices relating to Board and management oversight, credit administration, Information Technology (“IT”), risk management, capital and strategic planning.

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board, and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

Article I

Jurisdiction

(1) This Agreement shall be construed to be a “written agreement entered into with the agency” within the meaning of 12 U.S.C. § 1818(b)(1).

¹ Pursuant to Title III of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, 124 Stat. 1376 (2010), all functions of the Office of Thrift Supervision (“OTS”) related to Federal savings associations were transferred to the Office of the Comptroller of the Currency (“OCC”) on July 21, 2011. See Dodd-Frank Act, § 312(b), 12 U.S.C. § 5412. Pursuant to § 316(a)(2)(B), of the Dodd-Frank Act, 12 U.S.C. § 5414(a)(2)(B), Title III does not abate any action or proceeding commenced by or against the Director of the OTS or the OTS before July 21, 2011, except that ... for any action or proceeding arising out of a function of the OTS or the Director of the OTS transferred to the OCC or the Comptroller of the Currency by this title, the OCC or the Comptroller of the Currency shall be substituted for the OTS or the Director of the OTS, as the case may be, as a party to the action or proceeding on and after the transfer date of July 21, 2011.

(2) This Agreement shall be construed to be a “written agreement between such depository institution and such agency” within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. 1818(i)(2).

(3) This Agreement shall be construed to be a “formal written agreement” within the meaning of 12 C.F.R. § 163.555.² See 12 U.S.C. § 1831(i).

(4) This Agreement shall be construed to be a “written agreement” within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(5) This Agreement shall cause the Bank to not be eligible for “expedited treatment” within the meaning of 12 C.F.R. § 116.5, unless otherwise informed in writing by the Comptroller.

(6) This Agreement shall not be construed to require the Bank to meet and maintain a specific capital level as described in 12 C.F.R. § 165.4(b)(1)(iv).

Article II

Compliance Committee

(1) The Board shall be responsible for monitoring and coordinating the Bank’s adherence to the provisions of this Agreement and shall meet at least monthly to review the Bank’s progress in reaching compliance with this Agreement.

(2) The Board shall submit quarterly written progress reports to the Assistant Deputy Comptroller by the due date for each Consolidated Report of Condition (“Call Report”) setting forth in detail:

- (a) a description of the action needed to achieve full compliance with each Article of this Agreement;
- (b) actions taken to comply with each Article of this Agreement; and

² Effective July 21, 2011, to facilitate the OCC’s enforcement and administration of former OTS rules and to make appropriate changes to those rules to reflect OCC supervision of Federal savings associations as of the transfer date, the OCC republished and re-codified in 12 C.F.R. Chapter I all OTS regulations from 12 C.F.R. Chapter V that the OCC has the authority to promulgate and enforce, with appropriate nomenclature and other technical changes. 76 Fed. Reg. 48,950 (August 9, 2011).

(c) the results and status of those actions.

(3) All reports or plans which the Bank or Board has agreed to submit to the Assistant

Deputy Comptroller pursuant to this Agreement shall be forwarded to the:

Assistant Deputy Comptroller
Kansas City Field Office
7101 College Boulevard, Suite 1600
Overland Park, Kansas 66210

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policies, procedures, and programs required by this Agreement.

Article III

Operational and Management Assessment

(1) Within sixty (60) days of this Agreement, the Board shall employ a qualified consultant to perform an Assessment of the Bank's operations, structure, and management ("Assessment"). The scope of the Assessment shall provide for a written report to be filed with the Board. Such report shall, at a minimum, include findings and recommendations regarding:

- (a) an evaluation of the Board and management's strengths and weaknesses relative to the Bank's risk profile and current condition;
- (b) an evaluation and determination of whether each Board member, senior officer, and essential staff member possesses the knowledge, skills, abilities, and experience required to perform present and anticipated duties;
- (c) the appropriateness of the current organizational structure and staffing levels as they relate to the Bank's size, complexity, and present condition, to include, at a minimum:
 - (i) the internal asset review function;

- (ii) prudent credit administration practices;
 - (iii) employee job skills and abilities; and
 - (iv) employee salaries; and
- (d) recommended actions regarding all areas encompassed within the scope of the Assessment, to include, at a minimum:
- (i) any appropriate changes to the Board, management, or staff;
 - (ii) training to address any identified deficiencies in Board and management expertise, or staffing levels and job skills; and,
 - (iii) guidance for the development of an effective Board and management succession plan.

(2) Prior to the appointment or employment of any individual as consultant or entering into any contract with any consultant, the Board shall submit the name and qualifications of the proposed consultant and the proposed scope and terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. After the OCC has advised the Bank that it does not take supervisory objection to the consultant or the scope of the review, the Board shall immediately engage the consultant pursuant to the proposed terms of the engagement.

(3) The Board shall strongly consider incorporating the findings and recommendations contained in the Assessment into the Bank's Three-Year Plan adopted pursuant to Article IV of this Agreement.

(4) A copy of any reports submitted to the Board pursuant to this Article shall be maintained in the books and records of the Bank.

Article IV

Capital and Strategic Plan

(1) Effective immediately, the Bank shall only declare dividends or make any other capital distributions when the Bank has received a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

(2) Within ninety (90) days of receiving the Assessment report required by Article III of this Agreement, the Board shall develop a written strategic plan for the Bank covering at least the next three years (“Bank’s Three-Year Plan”), complete with specific time frames that incorporate the strategic and other requirements of this Article and that conforms to the requirements of OCC Bulletin 2012-16: Capital Planning - Guidance for Evaluating Capital Planning and Adequacy. A copy of the Bank’s Three-Year Plan, and any subsequent modifications thereto, shall be forwarded to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(3) The Bank’s Three-Year Plan shall incorporate the appropriate findings and recommendations from the Assessment conducted pursuant to Article III of this Agreement (or the Board shall document its reasons for not incorporating any specific findings and recommendations), and shall establish objectives and projections for the Bank’s overall risk profile, earnings performance, growth expectations, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy, together with specific strategies to achieve those objectives, that are specific, measurable, verifiable, and, at a minimum, address or include:

- (a) policies designed to comply with the Bank’s Three-Year Plan and actions to monitor, control and reduce, where appropriate, significant concentrations of credit;

- (b) recognition that the Bank cannot offer or introduce new products or enter new market segments until it performs appropriate due diligence, adopts an appropriate credit culture, implements sound risk management principles, and returns the Bank's condition to satisfactory;
- (c) identification of the major areas and means by which the Board and management will seek to improve earnings performance that focuses in particular on items contributing to Bank interest income, cost of funds, and non-interest expenses;
- (d) projections for capital and liquidity requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (e) the primary source(s), especially those that are not credit sensitive, from which the Bank will strengthen its capital structure to meet the Bank's needs;
- (f) contingency plans that identify alternative capital sources should the primary source(s) under subparagraph (d) not be available;
- (g) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the next three years that shall address or include consideration of the requirements of this Article;
- (h) systems to monitor the progress in meeting the Bank's Three-Year Plan's goals and objectives, including clear identification of Board and management roles and responsibilities; and,
- (i) integration of the strategic plan to consider future capital needs.

(4) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the Bank's Three Year-Plan.

Article V

Credit Administration

(1) Within sixty (60) days of this Agreement, the Board shall prepare and thereafter implement a credit administration program (including appropriate policies and procedures) designed to address the Bank's deficiencies in credit administration, to include, at a minimum:

- (a) procedures to ensure timely receipt and analysis of financial information sufficient to establish a borrower's ability to repay his loan(s);
- (b) procedures to ensure updated collateral valuations are obtained when necessary to support the Bank's collateral position;
- (c) implementation of a complete and independent appraisal review function;
- (d) development of a standard appraisal engagement letter that dictates expectations for appraisal content;
- (e) procedures to track, analyze, and establish risk tolerances for concentrations of credit for all categories in the loan portfolio; and,
- (f) training to ensure lending officers understand and can appropriately identify credit weaknesses and are able to risk rate credits accurately.

(2) Within sixty (60) days of this Agreement, the Board shall revise the Bank's Loan Policy to include, at a minimum:

- (a) the establishment of diversified loan categories, including but not limited to Commercial Real Estate (“CRE”) loans; commercial and industrial loans; owner and non-owner occupied real estate, and multifamily properties;
- (b) restrictions on growth beyond current levels in the Bank’s CRE and commercial nonmortgage loan portfolios;
- (c) the establishment of loan-to-value limits, amortization schedules, and maximum loan terms for each category; and,
- (d) guidance on retail credit classifications and modifications of retail loans, consistent with OCC Bulletin 2000-20: Uniform Retail Credit Classification and Account Management Policy.

(3) Upon completion, a copy of the Credit Administration Program and Loan Policy shall be forwarded to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

Article VI

External Loan Review

(1) Within sixty (60) days of this Agreement, the Board shall employ a qualified consultant to perform, on at least an annual basis, asset quality reviews of the Bank’s CRE and commercial nonmortgage loan portfolios. The scope of the external loan review shall provide for a written report to be filed with the Board after each review and shall use a loan and lease grading system consistent with the guidelines set forth in Rating Credit Risk, A-RCR, of the Comptroller’s Handbook. Such reports shall, at a minimum, include comments and conclusions regarding:

- (a) the identification, type, rating, and amount of problem loans and leases;
- (b) the identification and amount of delinquent and nonaccrual loans;

- (c) the identification/status of credit related violations of law or regulation;
- (d) loans not in conformance with the Bank's lending policies;
- (e) credit underwriting and documentation exceptions;
- (f) credit analysis and documentation of such;
- (g) accuracy of internal risk ratings;
- (h) overall credit administration practices; and,
- (i) completeness and effectiveness of problem loan workout plans.

(2) Prior to the appointment or employment of any individual or firm as loan review consultant or entering into any contract with any consultant, the Board shall submit the name and qualifications of the proposed consultant and the proposed scope and terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. After the OCC has advised the Bank that it does not take supervisory objection to the loan review consultant or the scope of the review, the Board shall immediately engage the loan review consultant pursuant to the proposed terms of the engagement.

(3) The Board or a designated committee shall review the independent loan review reports and ensure that, if appropriate, immediate, adequate, and continuing remedial action, is taken upon the findings noted in the reports.

(4) A copy of the reports submitted to the Board, as well as documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits, shall be maintained in the books and records of the Bank.

(5) The Bank shall not terminate the consultant's asset quality review services without a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

Article VII

Allowance for Loan and Lease Losses

(1) Within sixty (60) days of this Agreement, the Board shall ensure the Bank has appropriate written policies and procedures for maintaining an adequate Allowance for Loan and Lease Losses (“Allowance”) in accordance with GAAP. The Allowance policies and procedures shall be consistent with 12 C.F.R. § 160.160 and applicable regulatory guidance, including, but not limited to, OCC Bulletin 2006-47: Guidance and Frequently Asked Questions (FAQ’s) on the Allowance for Loan and Lease Losses, December 13, 2006; and OCC Bulletin 2001-37: Policy Statement on Allowance for Loan and Lease Losses Methodologies and Documentation for Banks and Savings Institutions, July 20, 2001, and shall at a minimum include:

- (a) procedures for validating the Allowance methodology;
- (b) procedures to ensure that the estimation of credit losses considers relevant qualitative and environmental factors, with particular focus on the following:
 - (i) trends in the Bank’s internal risk ratings, delinquent, and nonaccrual loans;
 - (ii) results of the Bank’s external loan review;
 - (iii) the quality of credit risk management, including trends of credit and collateral exceptions;
 - (iv) concentrations of credit in the Bank;
 - (v) present and prospective economic conditions; and,
 - (vi) experience of the Bank’s lending staff;
- (c) procedures to ensure the overall balance of the Allowance remains directionally consistent with the direction of credit risk in the overall loan portfolio; and

- (d) procedures to ensure that all calculations and decisions affecting the Bank's Allowance determination are supported by documentation.

(2) The program shall provide for a process for summarizing and documenting, for the Board's review and approval, the amount of the Allowance to be reported in the Call Reports. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Call Report, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the Allowance.

Article VIII

Internal Audit Program

(1) Within sixty (60) days of this Agreement, the Board shall adopt, implement, and thereafter ensure Bank adherence to an independent and comprehensive Internal Audit Program that comports with the standards for Internal Audit Systems set forth in Section II.B of the Interagency Guidelines Establishing Standards for Safety and Soundness, Appendix A to 12 C.F.R. Part 170 and is sufficient to:

- (a) identify an officer responsible for coordinating the Bank's external and internal audit programs;
- (b) detect irregularities and weak practices in the Bank's operations;
- (c) determine the Bank's level of compliance with all applicable laws, rules, and regulations;
- (d) evaluate the Bank's adherence to established policies and procedures;
- (e) establish a line of communication for audit reporting issues between the internal auditor, audit committee and the Board;

- (f) ensure audit work papers and documentation of conclusions provide a meaningful audit trail and validation for findings and recommendations;
- (g) ensure timely management responses and corrective actions on identified weaknesses;
- (h) require an annual enterprise-wide risk assessment; and,
- (i) establish an annual audit plan using a risk-based approach sufficient to achieve these objectives.

(2) As part of the Internal Audit Program, the Board shall evaluate the audit reports of any party providing services to the Bank, and shall assess the impact on the Bank of any audit deficiencies cited in such reports within thirty (30) days of receipt.

(3) The Board shall ensure that the Internal Audit Program is independent. The persons responsible for implementing the internal audit program described above shall report directly to the Board, which shall have the sole power to direct their activities. All reports prepared by the audit staff shall be filed directly with the Board and/or Board Audit Committee (comprised of at least two external directors) and not through any intervening party.

(4) Upon adoption, a copy of the internal audit program shall be promptly submitted to the Assistant Deputy Comptroller.

Article IX

Information Technology

(1) Within ninety (90) days of this Agreement, the Board shall take appropriate actions to ensure the Bank's Information Security Program complies with the Gramm-Leach-Bliley Act 501(b) ("GLBA") and the Interagency Guidelines Establishing Information Security Standards, 12 C.F.R. Part 170, Appendix B ("Guidelines").

- (2) As part of the Information Security Program, the Board shall, at a minimum:
- (a) require the preparation and submission to the Board of an Annual Information Security Status Report which shall include a description of the Bank's compliance with the Guidelines to include the identification of "material matters" as described in 12 C.F.R. Part 170, Appendix B, III. F;
 - (b) require that the Bank obtain an annual penetration test or vulnerability assessment to determine whether the network is adequately protected from unauthorized external efforts to access the Bank's IT system;
 - (c) review and evaluate each Annual Information Security Status Report and any external information security audit report and shall ensure that all criticisms or identified weaknesses contained in such reports are immediately and adequately addressed, tracked and corrected;
 - (d) revise the IT risk assessment to include and evaluate each potential security risk relative to the probability of occurrence and the potential operational impact; and
 - (e) revise the information security policy, to include, at a minimum:
 - (i) annual monitoring of vendors;
 - (ii) the identification of clear lines of responsibility for completing such monitoring;
 - (iii) annual reporting to the Board on the status of vendors;
 - (iv) a discussion of controls in place to safeguard confidential customer information; and,
 - (v) annual employee training pertaining to the protection of confidential customer information.

Article X

Consumer Compliance Program

(1) Within sixty (60) days of this Agreement, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a written, risk-based consumer compliance program designed to ensure that the Bank is operating in compliance with all applicable consumer protection laws, rules, and regulations. This program shall include at a minimum:

- (a) a written description of the duties and responsibilities of the Compliance Officer;
- (b) the designation of a competent and knowledgeable Compliance Officer to carry out the described duties and responsibilities;
- (c) the establishment of employee and management accountability for noncompliance with relevant consumer laws, rules, and regulations;
- (d) revised policies and procedures to ensure they provide appropriate guidance regarding all relevant consumer protection laws, rules, and regulations;
- (e) timely updates of written policies and procedures to ensure they remain current;
- (f) adequate internal controls to ensure compliance with consumer protection laws, rules, and regulations;
- (g) a formalized and independent risk assessment process and annual audit plan to use in determining the frequency and scope of ongoing compliance monitoring and audit;
- (h) a comprehensive, independent, and risk-based audit program to adequately test for compliance with consumer protection laws, rules, and regulations;

- (i) procedures to ensure that exceptions noted in the audit reports are corrected and responded to by the appropriate Bank personnel;
- (j) the education and training of all appropriate Bank personnel in the requirements of all applicable federal and state consumer protection laws, rules, and regulations;
- (k) procedures for the dissemination of changes in laws, rules, regulations, and OCC policy changes to affected Bank personnel; and,
- (l) periodic reporting of the results of the consumer compliance audit to the Board or a committee thereof.

(2) After the OCC has advised the Bank that it does not take supervisory objection to the program required by this Article, the Board shall immediately implement, and shall thereafter ensure adherence to its terms.

Article XI

Bank Secrecy Act Program

(1) Within ninety (90) days of this Agreement, the Board shall review and revise the Bank Secrecy Act (“BSA”) Program to ensure that it includes policies and procedures for the appropriate identification and monitoring of transactions that pose greater than normal risk for compliance with the BSA.

(2) As part of the revision to the BSA Program, the Bank shall conduct due diligence for all existing and new high risk customers, which shall include documentation of at least the following items:

- (a) the source of opening deposit;
- (b) the expected account usage;
- (c) the nature of the business;

- (d) the location of the customer;
- (e) whether the customer needs to utilize international wire services of the Bank, and if so, the purpose of such transactions; and,
- (f) any other information deemed necessary to understand high risk customers.

(3) The BSA Officer or designee shall periodically review, not less than each calendar year, all account documentation for all high-risk customers and the related accounts of those customers at the Bank to determine whether the account activity is consistent with the customer's business or occupation and the stated purpose of the account.

(4) The BSA Program shall further include a comprehensive training program for all appropriate operational and supervisory personnel to ensure their awareness of their specific assigned responsibilities for compliance with the requirements of the BSA. This training program shall include, at a minimum, strategies for: mandatory attendance, frequency of training, procedures and timing for updating training programs and materials, and methods for delivering training.

Article XII

Violations of Law

(1) The Board shall immediately take the necessary steps to ensure that Bank management corrects each violation of law, rule, or regulation, unsafe or unsound practice, or breach of fiduciary duty, cited in the Report of Examination ("ROE") and in any subsequent ROE or OCC correspondence. The quarterly progress reports required by Article II of this Agreement shall include the date and manner in which each correction has been effected during that reporting period.

(2) Within sixty (60) days of the date of this Agreement, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations, practices, and breaches as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general

procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules, regulations, and duties applicable to their areas of responsibility.

(3) Within sixty (60) days of receipt of any subsequent ROE or other OCC correspondence which cites violations of laws, rules, or regulations, unsafe or unsound practice, or breach of fiduciary duty, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future citations in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules, regulations, and duties applicable to their areas of responsibility.

Article XIII

Closing

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or accepted, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Agreement in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

- (a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Agreement;
- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement;
- (c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and,
- (d) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) This Agreement is intended to be, and shall be construed to be, a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract. The Bank also expressly acknowledges that no officer or employee of the Office of the

Comptroller of the Currency has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities. The terms of this Agreement, including this Paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

/s/

Doug Pittman
Assistant Deputy Comptroller
Kansas City Field Office

April 22, 2013

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/

Kirby O. Brooner

April 22, 2013

Date

/s/

Billy D. Cole

April 22, 2013

Date

/s/

George T. Hopkins, III

April 22, 2013

Date

/s/

Ralph Schank

April 22, 2013

Date

/s/

John R. Wray

April 22, 2013

Date