

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 15th day of December, 1998 (the "Effective Date"), by and between Labe Federal Bank for Savings (the "Association"), a federally chartered stock association, having its main office located in Chicago, Illinois and the Office of Thrift Supervision ("OTS"), an office within the United States Department of the Treasury, having its principal executive offices located at 1700 G Street, N.W., Washington, D.C., acting through its Central Regional Director or his/her designee ("Regional Director").

WHEREAS, the OTS is the primary federal regulator of the Association; and

WHEREAS, based on the Report of Examination dated May 4, 1998 ("ROE"), the OTS is of the opinion that the Association has engaged in acts and practices that: (i) have resulted in violations of certain of the laws or regulations to which the Association is subject and/or (ii) are considered to be unsafe and unsound; and

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of administrative proceedings against the Association; and

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

WHEREAS, the Association, acting through its Board of Directors (the "Board") wishes to cooperate with the OTS and to evidence their intent to: (i) comply with all applicable laws and regulations and (ii) engage in safe and sound practices.

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

I. Compliance With Laws, Regulations, & Safe and Sound Practices

1. The Association shall take all necessary and appropriate actions to achieve compliance with the following laws, regulations, and safe and sound business practices: Section 560.93 of the OTS Regulations, 12 C.F.R. Section 560.93 (regarding lending limitations).

2. Labe shall submit a Board of Directors' approved plan to the OTS, by December 15, 1998, which lists actions to be taken to eliminate existing loans to one borrower ("LTOB") violations.
3. No later than March 31, 1999, Labe shall correct all existing violations, including but not limited to those cited in the Report of Examination dated May 4, 1998.
4. Effective immediately, Labe shall not initiate any action which would result in a violation of, or the aiding and abetting of a violation of the LTOB set forth at 12 C.F.R. Section 560.93.
5. No later than the 25th calendar day of the month following the end of each calendar quarter, Labe shall submit to the OTS Regional Office a Board of Directors' statement certifying that no loan was committed to during the quarter that would individually, or together with other loans, result in a LTOB violation. The first statement shall be due on January 25, 1999.
6. Labe shall establish written policies and procedures which, at a minimum, shall include procedures for ensuring that LTOB violations do not occur in the future and to ensure that LTOB certificates are prepared and retained for all applicable loans. The LTOB policies shall be submitted to the OTS Regional Office by December 15, 1998.

MISCELLANEOUS

II. Director Responsibility

Notwithstanding the requirements of this Agreement that the Board of Directors submit various matters to the Regional Director for the purpose of receiving approval, non-objection or notice of acceptability, such regulatory oversight does not derogate or supplant each individual member's continuing fiduciary duty. The Board shall have the ultimate responsibility for overseeing the safe and sound operation of the Association at all times, including compliance with the determinations of the Regional Director as required by this Agreement.

III. Compliance with Agreement.

The Board and officers of the Association shall take immediate action to cause the Association to comply with the terms of this Agreement and shall take all actions necessary or appropriate thereafter to cause the Association to continue to carry out the provisions of this Agreement.

IV. Definitions:

All technical words or terms used in this Agreement for which meanings are not specified or otherwise provided by the provisions of this Agreement shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, HOLA, FDIA, or OTS Memoranda. Any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations, HOLA, FDIA, or OTS Memoranda shall have the meanings that are in accordance with the best custom and usage in the savings and loan industry.

V. Successor Statutes, Regulations, Guidance, Amendments.

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

VI. Duration, Termination or Suspension of Agreement.

A. This Agreement shall become effective upon its execution by the OTS, through its authorized representative whose signature appears below. The Agreement shall remain in effect until terminated, modified or suspended, in writing, by the OTS, acting through its Director or the Regional Director (including any authorized designee thereof).

B. The Regional Director in his or her sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

VII. Time Limits.

Time limitations for compliance with the terms of this Agreement run from the Effective Date, unless otherwise noted.

VIII. Effect of Headings.

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

IX. Separability Clause.

In case any provision in this Agreement is ruled to be invalid, illegal or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his/her sole discretion determines otherwise.

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

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

XI. Successors in Interest/Benefit.

The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the parties hereto, and the Federal Deposit Insurance Corporation and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

XII. Integration Clause.

A. This Agreement represents the final written agreement of the parties with respect to the OTS enforcement matter against the Association, for continuing violation of 12 C.F.R. Section 560.93, and does not resolve, affect or preclude any other civil proceeding that may be brought by the OTS against Labe or any entity or individual.

XIII. Enforceability of Agreement.

The Association represents and warrants that this Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Association. The Association acknowledges that this Agreement is a "written agreement" entered into with the OTS within the meaning of Section 8 of the FDIA, 12 U.S.C. §1818.

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

OFFICE OF THRIFT SUPERVISION LABE FEDERAL BANK FOR SAVINGS

By: 151
Ronald N. Karr
Regional Director

By: 151
Frank J. Kross
President/Director

DIRECTORS OF THE ASSOCIATION

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William E. Cahill, Jr.

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John D. Foster

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Dilia Camacho-Saeedi

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Roland G. Ley

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James J. Carmody

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Lowell Stahl

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Frank C. Casillas

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James R. Schneider