

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 27th day of February, 1992, by and between Tecumseh Building and Loan Association, Tecumseh, Nebraska (OTS No. 5275) ("Institution"), and the Office of Thrift Supervision ("OTS"). This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Institution. It is understood and agreed that this Agreement is a "written agreement" entered into with the OTS within the meaning of Sections 902 and 907 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73 ("FIRREA"), §§ 902 and 907, 103 Stat. 183 (1989) (codified as amended at 12 U.S.C. §§ 1818(b)(1) and (i)(2)).

WHEREAS, the OTS is of the opinion that the Institution has not complied with certain of the regulations to which the Institution is subject in conducting the business of the Institution, specifically 12 C.F.R. Part 226 and §§ 563.99, 563.177, and 563e 24 C.F.R. Part 3500, and 31 C.F.R. Part 103, thereby providing grounds for the initiation of cease and desist proceedings against the Institution by the OTS; and

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings against the Institution for its failure to comply with 12 C.F.R. Part 226 and §§ 563.99, 563.177, and 563e, 24 C.F.R. Part 3500, and 31 C.F.R. Part 103, as of October 2, 1991, as set forth in the Institution's examination report dated October 2, 1991, so long as the Institution is in compliance with the provisions of this Agreement; and

WHEREAS, in the interest of regulatory compliance and cooperation, the Institution is willing to enter into this Agreement to avoid the initiation of such cease and desist proceedings:

NOW, THEREFORE, in consideration of the above-stated forbearance by the OTS from the initiation of cease and desist proceedings against the Institution, it is agreed between the parties hereto as follows:

CONSUMER COMPLIANCE PROGRAM

1. (a) Within 90 days after the effective date of this Agreement, the board of directors of the Institution ("Board of Directors") shall establish and adopt a written program to ensure compliance ("Compliance Program") with the applicable consumer and public-interest related laws and regulations including, but not limited to, the Truth in Lending Act, Home Mortgage Disclosure Act, Real Estate Settlement Procedures Act, Community Reinvestment Act, and Bank Secrecy Act, and implementing regulations, and 12 C.F.R. §§ 528.2a, 528.4, 528.6, 563.99, and 563.177, and 24 C.F.R. Part 3500 and 31 C.F.R. Part 103.
- (b) The Compliance Program shall provide for written policies and procedures that set forth the requirements of the applicable laws and regulations, including those set forth in subparagraph (a) hereof, as well as incorporating the OTS regulatory guidelines, and shall, at a minimum, include:

- (i) a designated individual(s) (compliance officer(s)) to coordinate and monitor the program;
 - (ii) internal control;
 - (iii) independent testing of compliance;
 - (iv) training; and
 - (v) any other specific requirements of the applicable laws and regulations.
- (c) Within 30 days after the effective date of this Agreement, the Board of Directors shall designate a qualified Consumer Compliance Officer to coordinate and monitor the program.
- (d) Subject to subparagraph (f) hereof, the Institution, acting through its Board of Directors, shall amend its Compliance Program, or any portion thereof, as directed by the Regional Deputy Director for Support, Midwest Region, OTS, or his successor or designee ("Regional Deputy Director") and shall, acting through its Board of Directors, officers, employees, and other agents, comply with the Compliance Program, as so amended.
- (e) The Institution shall comply with all statutory and regulatory requirements cited in this Paragraph 1.
- (f) Nothing in subparagraph (d) hereof shall require the directors of the Board of Directors to breach their fiduciary duty to the Institution. In any case in which, for this reason, the Board of Directors does not amend the Compliance Program as directed by the Regional Deputy Director or in which the Institution does not comply with the Compliance Program, as so amended, the Institution, through its Board of Directors, shall immediately, and in no case more than thirty days from such omission, notify the Regional Deputy Director in writing of the omission, describe the action omitted, and provide a detailed explanation as to why the omission was required as a result of fiduciary duty.

BANK SECRECY ACT

2. (a) Within 30 days of the effective date of this Agreement, the Board of Directors shall appoint an on-site Bank Secrecy Act Compliance Officer responsible for coordinating and monitoring compliance by the Institution with the Bank Secrecy Act, implementing regulations, and this paragraph.
- (b) Within 60 days of the effective date of this Agreement, the Board of Directors shall establish and provide to the Regional Deputy Director an updated Bank Secrecy Act Policy which shall provide, at a minimum, for the following:
- (i) the proper maintenance and formatting of logs as required by the Bank Secrecy Act and its implementing regulations;
 - (ii) the schedule and documentation of training of relevant staff of the Institution; and
 - (iii) procedures designed to obtain compliance with the Bank Secrecy Act and the implementing regulations, including but not limited to procedures designed to require correct completion of Currency Transaction Reports and the proper maintenance of an updated exemption list.

(c) The Board of Directors shall, on a quarterly basis, prudently review the updated Bank Secrecy Act Policy and other relevant documentation to ensure that the Institution is in compliance with the Bank Secrecy Act and the implementing regulations. A resolution setting forth the minutes of those reviews shall be submitted to the Regional Deputy Director by no later than the 20th day after the end of the quarter.

LOAN APPLICATION REGISTER

3. The Institution shall properly maintain its loan application register in compliance with 12 C.F.R. § 528.6(d).

EFFECT OF REGULATORY REQUIREMENTS

4. (a) It is understood that the execution of this Agreement shall not be construed as an approval of any application or notices that are contemplated by the Institution.

(b) Nothing in this Agreement shall be construed as allowing the Institution to violate any law, rule, regulation, or policy statement to which it is subject.

DEFINITIONS

5. (a) For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires: (a) the terms used in this Agreement have the meanings assigned to them in this Paragraph 8 and include the plural as well as the singular; (b) all accounting terms not otherwise defined have the meanings assigned to them in accordance with generally accepted accounting principles in the United States, except that if such terms are defined in the Rules and Regulations of the OTS, such regulatory definitions shall be controlling; (c) all terms not otherwise defined herein that are defined in the HOLA, the FDIA, and FIRREA, the Rules and Regulations of the OTS (including, without limitation, 12 C.F.R. §§ 500.1 et seq., 541.1, et seq., and 561.1, et seq. (1991)) or its publicly available Bulletins and Advisory Memoranda shall have the meanings assigned to them in such statutes, rules and Regulations, Bulletins, and Advisory Memoranda; and (d) all technical words or terms not subject to a definition in this Agreement shall have the meanings that accord with the best custom and usage in the thrift and banking industries.

(b) "Board Resolution" means a resolution duly adopted by the Board at a duly called and held meeting of the Board (or a committee thereof) at which a quorum was present.

(c) "FIRREA" means the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183.

(d) "OTS" refers to the Office of Thrift Supervision, United States Department of the Treasury, or its successor.

(e) "Regional Deputy Director" or his successor and/or designee is the "senior supervisory official" within the meaning of Section 723(d) of the FIRREA, § 723(d), 103 Stat. 183 (1989).

GENERAL PROVISIONS

6. (a) The Board of Directors shall submit to the Regional Deputy Director a resolution signed by each director, certifying that, to the best of his or her knowledge and belief, and based on a prudent review, during the previous calendar month, the Institution complied with each condition of this Agreement. This resolution shall set forth any exceptions to any conditions of this Agreement that were approved by the Regional Deputy Director. Within 15 days after each Board of Directors' meeting, the Institution shall submit to the Regional Deputy Director a copy of the minutes of each Board of Directors' meeting and the minutes of Board of Directors' committee(s) meetings, the aforementioned resolution, and any management report of the Institution.
- (b) In case any provision in this Agreement shall be declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- (c) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement, unless otherwise provided for. Such time limitations may be extended by the Regional Deputy Director for good cause upon written application by the Board.
- (d) The section headings used in this Agreement are for convenience of reference only and are not to affect the construction of or be taken into consideration in the interpretation of this Agreement.
- (e) 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 of this Agreement pursuant to Section 401(h) of the FIRREA, § 401(h), 103 Stat. 183 (1989), and references to successor provisions as they become applicable.
7. 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, and Federal Deposit Insurance Act, as amended ("FDIA"). 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 meanings that are in accordance with the best custom and usage in the savings and loan industry.
8. 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.

TERMINATION

9. The provisions of this Agreement are effective upon issuance of this Agreement by the OTS, through its authorized representative whose hand appears below. This Agreement shall remain in effect until terminated, modified, or suspended by the OTS, acting through the Regional Director or his designee.

IN WITNESS WHEREOF, the OTS, acting through the Regional Deputy Director, and the Institution, by its duly elected directors, have executed this Agreement on the date first above written.

TECUMSEH BUILDING AND LOAN ASSOCIATION
TECUMSEH, NEBRASKA

By: _____

Director

OFFICE OF THRIFT SUPERVISION

By: _____
Regional Deputy Director

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CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of Tecumseh Building and Loan Association, Tecumseh, Nebraska (OTS No. 5275) ("Institution") hereby certify that the following is a true copy of a resolution duly adopted by its board of directors at a meeting duly called and held on February 27, 1992; that at said meeting a quorum was present and voting throughout; and that said resolution has not been rescinded or modified and is now in full force and effect;

RESOLUTION

WHEREAS the directors of the Institution have been advised that the Office of Thrift Supervision ("OTS") is of the opinion that the Institution violated regulations to which the Institution is subject and that such violations provide grounds for the initiation of cease and desist proceedings against the Institution by the OTS; and

WHEREAS the said directors have been informed that the OTS will forbear from the initiation of such proceedings as a result of the Institution's failure to comply with 12 C.F.R. Part 226 and §§ 563.99, 563.177, and 563e, 24 C.F.R. Part 3500, and 31 C.F.R. Part 103, as of October 2, 1991, to which the Institution is subject, as set forth in an examination report dated October 2, 1991, if the attached Supervisory Agreement ("Agreement") is executed by the Institution and if its terms are thereafter carried out by the Institution; and

WHEREAS the directors of the Institution have read and considered the proposed Agreement attached to the minutes of the meeting of the board of directors held on February 27, 1992; and

WHEREAS after due consideration, the directors of the Institution have determined to enter into the proposed Agreement in the interest of regulatory compliance and cooperation: Now, therefore, be it

RESOLVED, that the proposed Agreement, a copy of which is attached hereto and the provisions of which are incorporated herein by reference, be and is hereby approved by the board of directors of the Institution. The officers and employees of the Institution are directed and authorized to take all necessary steps to implement immediately the terms of the Agreement and to comply with such Agreement.

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of Tecumseh Building and Loan Association, Tecumseh, Nebraska, this 27th day of February, 1992.

Secretary John D. Murphy