

AGREEMENT

This Agreement is made and is effective this ~~XXXX~~^{1st} day of ~~XXXX~~^{July}, 1991, by and between Mid-Iowa Savings Bank, FSB, Newton, Iowa, Docket No. 0745 (hereinafter referred to as the "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 and the OTS. It is understood and agreed that this Agreement is a "written agreement" entered into with the OTS within the meaning of 12 U.S.C. §§ 1818(b) and (i), as amended.

WHEREAS, the OTS is of the opinion that the Institution's operating results may provide grounds for the initiation of proceedings under 12 U.S.C. Section 1818(b) against the Institution by the OTS, and

WHEREAS, in the interest of regulatory compliance and cooperation and without admitting or denying that the grounds specified above exist, the Institution is willing to enter into this Agreement to avoid the initiation of such proceedings, and

WHEREAS, the OTS is willing to forbear from the initiation of such proceedings on the subjects covered by this Agreement for so long as Institution is in compliance with the provisions of the Agreement that pertain to such subjects,

NOW, THEREFORE, in consideration of the OTS's above-stated forbearance, it is agreed between the parties hereto as follows:

A. Reports to OTS

1. Beginning with the first full month after the effective date of this Agreement, the Institution shall prepare monthly financial reports containing detailed comparisons of actual income and expenses to budgeted figures. Explanations shall be provided for material variances. Such reports shall be reviewed by the board of directors and said review shall be documented in the minutes of the meeting of the board of directors. Copies of such reports must be submitted to the Regional Deputy Director within thirty (30) days of each calendar month end.
2. Beginning with the end of the first full calendar quarter after the effective date of this Agreement, the Institution shall prepare a quarterly report detailing the current status of the Quail Ridge Development. This report will include, at a minimum, the costs associated with the individual lots and houses in Phase I and Phase II. Also required is a summary of the sales showing gains and losses per unit sold. These reports will be reviewed and approved by the board of directors and recorded in the minutes of the meetings of the board of directors. Copies of such reports shall be submitted to the Regional Deputy Director within thirty (30) days of each calendar quarter end.
3. Beginning with the end of the first full calendar quarter after the effective date of this Agreement, the Institution

shall prepare a quarterly report of any new or revised formal strategies for improving operating results formulated during the preceding calendar quarter. Any such report shall be reviewed and approved by the board of directors and recorded in the minutes of the meeting of the board of directors. Copies of such reports shall be submitted to the Regional Deputy Director within thirty (30) days of each calendar quarter end.

4. Beginning with the end of the first full calendar quarter after the effective date of this Agreement, the Institution shall prepare a quarterly report which lists all mutual funds owned by the Institution and details, at a minimum, the following information for each fund: original cost, current market value and yield, aggregate gain or loss to date, and anticipated sales for the next quarter. Any such report shall be reviewed and approved by the board of directors and recorded in the minutes of the meetings of the board of directors. Copies of such reports shall be submitted to the Regional Deputy Director within thirty (30) days of each calendar quarter end.
5. The board of directors shall notify the Regional Deputy Director of the steps taken to achieve future compliance with Section 545.48 of the OTS Regulations concerning letters of credit. Such notification shall be submitted no later than June 30, 1991.

B. Undefined Words or Terms. 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 12 C.F.R. Parts 500 to End (revised January 1, 1990) as updated by any amendments published in the Federal Register through the effective date of this Agreement, and any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations or Federal Register shall have meanings that accord with the best custom and usage in the savings and loan industry.

C. This Agreement shall remain in effect until terminated by the OTS, acting through its Regional Deputy Director at the OTS. The Regional Deputy Director will grant written requests for termination if, in his opinion, the Institution has satisfactorily complied with the terms of this Agreement for two years.

D. If not otherwise terminated, this Agreement will be automatically terminated upon the Institution's completion of four (4) consecutive quarters of at least a 45 basis point annualized return on assets.

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.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officer or designated agent. A certified copy of the Resolution of the Board of Directors of Institution authorizing the execution of this Agreement is attached hereto and made part hereof.

MID-IOWA SAVINGS BANK, FSB
NEWTON, IOWA

By: _____

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OFFICE OF THRIFT SUPERVISION

By _____

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Regional Deputy Director I

CERTIFIED COPY OF
RESOLUTION OF
BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of Mid-Iowa Savings Bank, FSB, Newton, Iowa, Docket No. 0745 ("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 ~~June 17,~~ July 1, 1991, 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 officers and directors of Institution have been advised that OTS representatives believe the Institution's operating results may provide grounds for the initiation of proceedings under 12 U.S.C. Section 1818(b) against Institution by the OTS, and

WHEREAS, said officers and directors have been informed that the OTS will forbear from the initiation of such proceedings on the subjects covered by the attached Agreement if it is executed by the Institution and its terms are thereafter carried out by the Institution, and

WHEREAS, the directors of Institution have read and considered the proposed Agreement attached to the minutes of the meeting of the board of directors held on ~~June 17,~~ July 1, 1991, and after due consideration, and in the interest of regulatory compliance and cooperation and without admitting or denying that the grounds specified above exist, have determined to enter into the proposed Agreement:

NOW, THEREFORE, BE IT RESOLVED, That the proposed Agreement, a copy of which is attached hereto, be and is hereby approved by the

