

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made as of the Effective Date (defined below), by and between **First American Savings Bank, FSB** (Association) (OTS No. 08469), a federally chartered stock association, having its main office located in Omaha, Nebraska; **A&S Financial Services, Inc.** (A&S) (H-0865), Omaha, Nebraska, holding company of the Association; **John H. Vaughn** (Vaughn), Chairman of the Board of the Association and A&S, and controlling shareholder of A&S; 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 Midwest Regional Director or his designee (Regional Director).

WHEREAS, OTS is the Association's and A&S's primary federal regulator; and

WHEREAS, based on the Association's Report of Examination, dated August 7, 2000 and A&S's Report of Examination, dated September 13, 2000 (ROEs), OTS is of the opinion the Association, A&S and Vaughn engaged in acts and practices: (i) resulting in violations of certain laws or regulations, and/or (ii) considered to be unsafe and unsound; and

WHEREAS, OTS believes grounds exist for the initiation of administrative proceedings against the Association, A&S, and Vaughn; and

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

WHEREAS, the Association and A&S, acting through their Boards of Directors (Boards) and Vaughn, without admitting or denying any violations of laws or regulations and/or unsafe and unsound practices, wish to cooperate with OTS and evidence the intent to: (i) comply with all applicable laws and regulations, and (ii) engage in safe and sound practices.

NOW THEREFORE, the parties agree as follows:

COMPLIANCE WITH LAWS, REGULATIONS & SAFE AND SOUND PRACTICES

1. Compliance With Regulations

- A. Section 5(v) of the Home Owners' Loan Act (HOLA), 12 U.S.C. § 1464(v) (regarding reports of condition);
- B. Section 560.93 of the OTS Regulations, 12 C.F.R. § 560.93 (regarding lending limitations);
- C. Section 560.160 of the OTS Regulations, 12 C.F.R. § 560.160 (regarding asset classification);

- D. Section 560.170 of the OTS Regulations, 12 C.F.R. § 560.170 (regarding records for lending transactions);
- E. Section 562.2 of the OTS Regulations, 12 C.F.R. § 562.2 (regarding regulatory reporting standards);
- F. Section 563.161 of the OTS Regulations, 12 C.F.R. § 563.161 (regarding management and financial policies and compensation);
- G. Section 563.41 of the OTS Regulations, 12 C.F.R. § 563.41 (regarding loans and other transactions with affiliates and subsidiaries);
- H. Section 563.42 of the OTS Regulations, 12 C.F.R. § 563.42 (regarding additional standards applicable to transactions with affiliates and subsidiaries);
- I. Section 563.43 of the OTS Regulations, 12 C.F.R. § 563.43 (regarding loans to insiders);
- J. Section 563.170(c) of the OTS Regulations, 12 C.F.R. § 563.170(c) (regarding establishment and maintenance of records);
- K. Section 563.200 of the OTS Regulations, 12 C.F.R. § 563.200 (regarding conflicts of interest);
- L. Section 563.176 of the OTS Regulations, 12 C.F.R. § 563.176 (regarding interest rate risk management);

CORRECTIVE PROVISIONS

2. Asset Review and Classification

- (a) By May 31, 2001, the Board of the Association shall submit to the Regional Director, a summary of management's efforts to implement the asset review and classification system as provided for in 12 C.F.R. § 560.160.
- (b) Such summary shall document that management either charged off the losses identified in the August 7, 2000 ROE, or established specific valuation allowances.
- (c) The Association shall: (1) document the rationale for granting loans with exceptions to the underwriting guidelines, and (2) improve the asset quality and establish reserves for accrued interest and late charges when loan collection is uncertain.

3. Financial Recordkeeping and Reporting

- (a) By May 31, 2001, the Board of the Association shall submit to the Regional Director, a summary of management's efforts to develop and adopt written accounting procedures and internal audit functions to maintain adequate and accurate financial records in accordance with the requirements of 12 C.F.R. § 562.1.

- (b) The Association shall submit accurate and timely Thrift Financial Reports and CMRs as required by 12 C.F.R. § 562.2.

4. Lending Policy and Standards

- (a) Within 30 days of the Effective Date, the Board of the Association shall submit to the Regional Director, a summary of management's efforts to implement a lending policy incorporating the standards for real estate lending in 12 C.F.R. § 560.101, and practices for maintenance of records in all lending transactions as provided in 12 C.F.R. § 560.170.
- (b) At a minimum, the lending policy and procedures shall provide that the loan documentation include the purpose of the loan, who approved the loan, an analysis of the borrower(s) and grantor(s) ability to repay the loan in a timely manner, and ensure that the Association has the necessary and legally enforceable security interests in any collateral.

5. Loans to One Borrower

- (a) Within 30 days of the effective date of this Agreement, the Board of the Association shall submit to the Regional Director, a summary of management's efforts to implement lending policy to address the limitations for loans to one borrower, and to bring all loans into compliance with 12 C.F.R. § 560.93.
- (b) The Association shall not make any loans that do not comply with the lending limits set forth in 12 C.F.R. § 560.93, and shall maintain the documentation required under 12 C.F.R. § 560.93(f).

6. Transactions With Affiliates/Loans to Officers, Directors and Controlling Shareholders/Conflicts of Interest

- (a) The Association or its subsidiaries shall not, either directly or indirectly, engage in any transaction with an affiliate, except as specifically provided in 12 C.F.R. § 563.41 and 12 C.F.R. § 563.42.
- (b) The Association shall not make any loans to its executive officers, directors, or principal shareholders, except in compliance with the regulatory requirements of Regulation O, 12 C.F.R. Part 215, as incorporated by reference in 12 C.F.R. § 563.43.

7. Sale, Merger, and Recapitalization

- (a) The Boards of Directors of the Association and A&S and Vaughn shall take all steps to ensure that the Association remains at least adequately capitalized under 12 C.F.R. § 565.4(b)(2) at all times. Such steps shall include capital infusions or the acquisition by, or merger with another depository institution, a depository institution holding company, or a qualified entity; the sale of all, substantially all, or less than substantially all (e.g., a branch and/or bulk loan sale) of the Association's assets and liabilities to another depository institution, a depository institution holding company, or a qualified entity.

(b) The Boards and Vaughn shall take appropriate steps to accomplish such capital infusion, merger, acquisition, or sale by no later than August 1, 2001.

(c) Without prior non-objection of the Regional Director,

- (i) neither Vaughn nor the Boards shall enter into any letter of intent, understanding or agreement for the sale, merger, or recapitalization of the Association;
- (ii) neither Vaughn nor the Boards shall act as a hindrance to any discussion, proposal or offer for the purchase of the Association or A&S; and
- (iii) neither Vaughn nor A&S and its Board of Directors shall take any action to remove any director of the Association pursuant to 12 C.F.R. § 552.6-1(f).

(d) Vaughn shall notify the Regional Director immediately upon the occurrence of any material event that may effect a change of control (as defined in 12 C.F.R. Part 574), reorganization, or liquidation of the Association or A&S.

(e) Vaughn shall not vote against any sale, merger, or recapitalization that receives the vote of the majority of the Boards.

(f) The Association shall not pay any expenses incurred by A&S or Vaughn, including but not limited to any expenses in conjunction with A&S's activities or A&S's obligations to its note holders. With Board approval, the Association shall only pay its own expenses and shall not pay any expenses incurred by A&S or Vaughn related to the sale, reorganization, or liquidation of A&S or the Association.

(g) The Boards and Vaughn shall submit a report to the Regional Director and the Regional Director for the Kansas City Office of the Federal Deposit Insurance Corporation, on a weekly basis, beginning May 11, 2001, which: (i) summarizes all efforts of the Association and Vaughn to maintain capital of the Association in compliance with Paragraph 7(a) and to sell, merge, or recapitalize the Association in compliance with Paragraph 7(b); and (ii) provides current capital PCA ratios.

8. Interest Rate Risk

The Board of the Association shall comply with its plan to manage interest rate risk in conformance with the requirements of 12 C.F.R. § 563.176.

9. Brokered Deposits

The Association shall not accept, renew, or roll over any brokered deposits unless it applies for and is granted a waiver of this prohibition by the FDIC in accordance with the provisions of 12 C.F.R. § 337.6.

10. Changes in Directors or Executive Officers; Terms of Employment and Golden Parachute Payments.

(a) As required by Section 32 of the FDIA, 12 U.S.C. § 1831i, and 12 C.F.R. § 563.550, the

Association shall provide at least 30 days' prior written notice of any changes to its directorate or executive officer staff to OTS before the employment becomes effective.

- (b) Pursuant to OTS Regulatory Bulletin No. 27a, the Association shall not enter into, renew, extend or revise any contractual arrangement related to compensation or benefits with any director, senior executive officer of the Association, or any subsidiary thereof, unless it first (i) provides a minimum of 30 days' advance notice of the proposed transaction, and (ii) receives a written notice of nonobjection from the Regional Director.
- (c) The Association shall not make any "golden parachute payment", as that term is defined in Section 18(k) of the FDIA 12 U.S.C. § 1828(k), and as defined in 12 C.F.R. Part 359, unless it first (i) provides a minimum of 30 days' advance notice of the proposed payment, and (ii) receives a written notice of nonobjection from the Regional Director with regard thereto.

11. Director Responsibility

Notwithstanding this Agreement's requirements that the Boards submit various matters to the Regional Director for his approval, review, or notice of nonobjection, such regulatory oversight does not derogate or supplant each member's continuing fiduciary duty. The Boards have the ultimate responsibility for overseeing the Association's and A&S's safe and sound operation, including compliance with the Regional Director's determinations.

12. Compliance with Agreement

- (a) The Boards and officers and Vaughn shall take immediate action to ensure the Association's and A&S's compliance with this Agreement. The Association's Board and officers shall also take all necessary or appropriate actions thereafter to ensure the Association's and A&S's compliance with this Agreement.
- (b) The respective Boards shall undertake a diligent inquiry to confirm the Association's and A&S's compliance with each provision of this Agreement.
- (c) Each quarter, the respective Boards shall adopt a resolution (Compliance Resolution) attesting to the Association's and A&S's compliance with this Agreement. If the Boards determine the Association and A&S were not in full compliance, the Compliance Resolution shall include the reasons for noncompliance.
- (d) The Boards' minutes shall set forth the following information regarding each Compliance Resolution: (i) the identity of each Director voting in favor of its adoption, and (ii) the identity of each Director voting in opposition to its adoption or abstaining from voting thereon, setting forth each such Director's reasoning for opposing or abstaining.
- (e) The Association and A&S shall provide to the Regional Director a certified true copy of the Compliance Resolution[s] no later than the 25th Calendar Day of the month following the end of each calendar quarter. The Boards, by virtue of the Association's and A&S's submission of a certified true copy of each such Compliance Resolution to

the Regional Director, shall be deemed to have certified the accuracy of the statements set forth in each Compliance Resolution, except as provided below. If one or more Directors do not agree with the representations in a Compliance Resolution, the Board minutes shall reflect such disagreement.

13. Definitions

- (a) All technical words or terms used in this Agreement for which meanings are not specified or otherwise provided by this Agreement shall 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 Directive and undefined in Code of Federal Regulations, HOLA, FDIA, or OTS Memoranda shall have meanings in accordance with the best custom and usage in the savings and loan industry.
- (b) The term "Effective Date" is the date of the execution of the Regional Director or his designee, as noted by the date under the designated signature line.
- (c) The term "qualified entity" is defined to include an individual, a group of individuals, a partnership, a corporation, or any other form of business organization that may, under applicable statutes and regulations, merge with or acquire the Association or A&S or purchase all or substantially all assets and liabilities of the Association or A&S.
- (d) The terms "depository institution" and "depository institution holding company" are defined in 12 U.S.C. § 1813(c)(1) and (w)(1), respectively.

14. Successor Statutes, Regulations, Guidance, Amendments

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

15. Notices

Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by the Directive to be made upon, given or furnished to, delivered to, or filed with OTS or the Association shall be in writing and mailed, first class or overnight courier, or by means of electronic transmission, or physically delivered, and addressed as follows:

OTS: Midwest Regional Office
225 E. John Carpenter Fwy.
Suite 500
Irving, TX 75039
(972) 277-9500 - Main Number
(972) 277-9501 - Main Facsimile

Association: First American Savings Bank, FSB
3540 South 84th Street
Omaha, NE 68124-4013
(402) 399-8400 - Main Number

Vaughn: John Vaughn
10309 South 176th Street
Omaha, Nebraska 68136

A&S:

A&S Financial Services, Inc.
3540 South 84th Street
Omaha, Nebraska 68124-4013

16. Duration, Termination or Suspension of Agreement

- (a) This Agreement shall: (i) become effective upon its execution by OTS, through its authorized representative whose signature appears below, and (ii) remain in effect until terminated, modified or suspended in writing by OTS, acting through its Director or the Regional Director (including any authorized designee thereof).
- (b) The Regional Director in his sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

17. Time Limits

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

18. Effect of Headings

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

19. Separability Clause

If any court of competent jurisdiction rules any provision in this Agreement to be invalid, illegal or unenforceable, that decision shall not affect or impair the validity, legality and enforceability of the remaining provisions, unless the Regional Director in his sole discretion determines otherwise.

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

Nothing in this Agreement: (a) allows the Association and A&S to violate any law, rule, regulation, or policy statement to which it is subject, or (b) restricts OTS from taking such action(s) that are appropriate in fulfilling its responsibilities, including, without limitation, any type of supervisory, enforcement or resolution action that OTS determines to be appropriate.

21. Successors in Interest/Benefit

This Agreement's terms and provisions bind 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, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

22. Signature of Directors

Each Director signing the Agreement attests, by such act, that she or he voted in favor of the resolution, in the form attached to this Agreement, authorizing the Association's execution of this Agreement.

23. Integration Clause, Impact On Other Enforcement Documents

- (a) This Agreement represents the parties' final and sole written agreement with respect to the subject matter hereof, as of the Effective Date.
- (b) The September 24, 1999 Supervisory Agreement is hereby revised and superseded by this Agreement and the terms of this Agreement shall be controlling.

24. Enforceability of Agreement

The Association, A&S, and Vaughn represent and warrant that this Agreement has been duly authorized, executed, and delivered, and constitute, a valid and binding obligation of the Association, A&S, and Vaughn. The Association, A&S, and Vaughn acknowledge that this Agreement is a "written agreement" entered into with OTS within the meaning of Section 8 of the FDIA, 12 U.S.C. §1818.

IN WITNESS WHEREOF, OTS, acting by and through the Regional Director, the Association and A&S, in accordance with each Boards' duly adopted resolution (copy attached hereto), and Vaughn, execute this Agreement as of the Effective Date.

OFFICE OF THRIFT SUPERVISION

By:

/s/

Frederick R. Casteel
Midwest Regional Director

**FIRST AMERICAN SAVINGS BANK, FSB
OMAHA, NEBRASKA**

By:

/s/

Name:
Chief Executive Officer

JOHN H. VAUGHN

/s/

Effective Date:

5-8-01

John H. Vaughn

**A&S FINANCIAL SERVICES, INC.
OMAHA, NEBRASKA**

By:

/s/

Chairman of the Board

DIRECTORS OF THE ASSOCIATION

/s/

John H. Vaughn, Director

/s/

Frank M. Labedz, Director

/s/

Douglas D. Johnson, Director

/s/

Donald E. Kopecky, Sr., Director

/s/

Mark A. McClure, Director

/s/

Jay Muller, Director

DIRECTORS OF A&S FINANCIAL SERVICES, INC.

/s/

John H. Vaughn, Director

/s/

Frank M. Labedz, Director

/s/

Douglas D. Johnson, Director

/s/

Donald E. Kopecky, Sr., Director

/s/

Mark A. McClure, Director

/s/

Jay Muller, Director

John T. Bunker

IN WITNESS WHEREOF, OTS, acting by and through the Regional Director, the Association and A&S, in accordance with each Boards' duly adopted resolution (copy attached hereto), and Vaughn, execute this Agreement as of the Effective Date.

OFFICE OF THRIFT SUPERVISION

By:

Frederick R. Casteel
Midwest Regional Director

Effective Date: _____

**FIRST AMERICAN SAVINGS BANK, FSB
OMAHA, NEBRASKA**

By:

Name:
Chief Executive Officer

JOHN H. VAUGHN

John H. Vaughn

**A&S FINANCIAL SERVICES, INC.
OMAHA, NEBRASKA**

By:

Chairman of the Board

DIRECTORS OF THE ASSOCIATION

/s/

John H. Vaughn, Director

Frank M. Labedz, Director

Douglas D. Johnson, Director

/s/

Donald E. Kopecky, Sr., Director

/s/

Mark A. McClure, Director

/s/

Jay Muller, Director

DIRECTORS OF A&S FINANCIAL SERVICES, INC.

John H. Vaughn, Director

Frank M. Labedz, Director

Douglas D. Johnson, Director

/s/

Donald E. Kopecky, Sr., Director

Mark A. McClure, Director

Jay Muller, Director

**CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS**

I, the undersigned, being the duly appointed and qualified Secretary of **First American Savings Bank, FSB**, Omaha, Nebraska (Association), hereby certify as follows:

1. A duly called meeting of the Association's Board of Directors was held on MAY 4, _____, 2001;
2. A quorum was present and voting throughout at the meeting;
3. The following is a true copy of resolutions duly adopted by the Association's Board of Directors, which resolutions have not been rescinded or modified and are now in full force and effect:

WHEREAS, the Association's Board of Directors wishes to cooperate with OTS and demonstrate that the Association's Board has the intent to: (1) comply with all applicable laws and regulations, and (2) engage in safe and sound practices; and

WHEREAS the Association's Directors have read and considered the proposed Supervisory Agreement (Agreement) which shall be attached to the minutes of this meeting; and

WHEREAS after due consideration, the Association's Directors have determined to cause the Association to enter into the proposed Agreement which is in the best interest of the Association;

NOW THEREFORE, BE IT RESOLVED, that the Association be and it hereby is authorized to enter into the Agreement in the form attached to the minutes of the meeting,

FURTHER RESOLVED, that the execution and delivery of, and performance of all of the Agreement's provisions be authorized and approved,

FURTHER RESOLVED, that the Association's Directors and Officers are authorized and directed to execute and deliver the Agreement and to take all steps necessary or appropriate to implement the Agreement's terms and to cause the Association to comply in all respects with the Agreement's terms.

4. All members of the Board of Directors were present and voted at the meeting (except DIRECTORS, JOHNSON AND KOPECKY) and all members of the Board of Directors (except _____) voted in favor of the resolution;

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the Association's seal on this 4th day of MAY, 2001.

/s/

Name: Frank Lebedev

Title: Secretary

(SEAL)

**CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS**

I, the undersigned, being the duly appointed and qualified Secretary of **A&S Financial Services, Inc.**, Omaha, Nebraska (A&S), hereby certify as follows:

1. A duly called meeting of the A&S's Board of Directors was held on MAY 4, _____, 2001;
2. A quorum was present and voting throughout at the meeting;
3. The following is a true copy of resolutions duly adopted by A&S's Board of Directors, which resolutions have not been rescinded or modified and are now in full force and effect:

WHEREAS, the A&S's Board of Directors wishes to cooperate with OTS and demonstrate that the A&S's Board has the intent to: (1) comply with all applicable laws and regulations, and (2) engage in safe and sound practices; and

WHEREAS the A&S's Directors have read and considered the proposed Supervisory Agreement (Agreement) which shall be attached to the minutes of this meeting; and

WHEREAS after due consideration, the A&S's Directors have determined to cause the A&S to enter into the proposed Agreement which is in the best interest of the A&S;

NOW THEREFORE, BE IT RESOLVED, that A&S be and it hereby is authorized to enter into the Agreement in the form attached to the minutes of the meeting,

FURTHER RESOLVED, that the execution and delivery of, and performance of all of the Agreement's provisions be authorized and approved,

FURTHER RESOLVED, that the A&S's Directors and Officers are authorized and directed to execute and deliver the Agreement and to take all steps necessary or appropriate to implement the Agreement's terms and to cause the A&S to comply in all respects with the Agreement's terms.

4. All members of the Board of Directors were present and voted at the meeting (except DIRECTORS, JOHNSON AND KOPECKY) and all members of the Board of Directors (except FRANK LABEDZ) voted in favor of the resolution;

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the A&S's seal on this 4th day of May, 2001.

/s/

Name:

Title:

(SEAL)

NO SEAL FOR A&S FINANCIAL SERVICES, INC.