

OFFICE OF THRIFT SUPERVISION

Approval of Organization and Acquisition
of a Federal Savings Bank

Order No.: 96-100

Date: October 4, 1996

Metro Bancorp, Inc., Minneapolis, Minnesota (the "Holding Company") has applied to the Office of Thrift Supervision ("OTS"), to organize and acquire Metro Community Bank, fsb (the "Savings Bank"), a federal stock savings bank, pursuant to 12 U.S.C. §§ 1464(e), 1467a(e)(1)(B) and 1467a(e)(4), and 12 C.F.R. §§ 552.2-1 and 574.3. The Savings Bank will be a member of the Savings Association Insurance Fund.

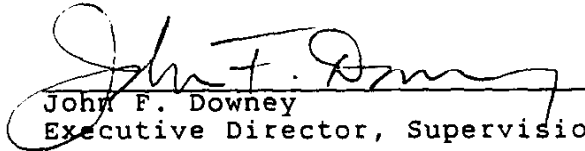
The OTS has considered the holding company and permission to organize applications under the standards set forth in 12 U.S.C. §§ 1464(e), 1467a(e), 1467a(h) and 12 C.F.R. §§ 552.2-1(b) and 574.7, and under the Community Reinvestment Act, 12 U.S.C. §§ 2901 et seq., and the OTS regulations thereunder, 12 C.F.R. Part 563e. In addition, the OTS has also considered the digest by the OTS Midwest Regional Office ("Regional Office"), a legal opinion by the Business Transactions Division, and an analysis by Corporate Activities. Based on its review, the OTS has determined that the holding company and permission to organize applications satisfy all applicable statutory and regulatory criteria, provided that the conditions set forth below are satisfied. Accordingly, the holding company and permission to organize applications are hereby approved, subject to the following conditions:

- (1) The Holding Company and the Savings Bank must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals provided to the Regional Office;
- (2) On the business day prior to the date of consummation of the proposed transaction, the Chief Financial Officers of the Holding Company and the Savings Bank shall certify in writing to the Midwest Regional Director that no material or adverse changes have occurred with respect to the financial condition or operation of the Holding Company and the Savings Bank, respectively, as disclosed in the applications, including but not limited to directors, shareholders, or the business plan; and provided further, that no additional information having an adverse bearing on any feature of the applications has been brought to the attention of the Holding Company, the Savings Bank or the OTS since the date of the financial statements submitted with the applications;

- (3) The proposed transaction must be consummated within one hundred and twenty (120) calendar days from the date of this Order or within such additional period as the Midwest Regional Director, or his designee, may grant;
- (4) The Holding Company and the Savings Bank must advise the Regional Office in writing within 10 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction and of the Savings Bank's insurance of accounts and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the applications and this Order;
- (5) The Savings Bank shall submit independent audit reports to the Regional Office for its first three fiscal years. These reports shall be in compliance with the audit rules set forth at 12 C.F.R. Section 562.4;
- (6) Within thirty (30) days of the effective date of the proposed transaction, the Holding Company and the Savings Bank shall each submit to the Regional Office a final list of its stockholders, including each stockholder's name, address, amount of stock purchased or acquired, total purchase price, and any affiliation between the stockholders;
- (7) Within thirty (30) days of the effective date of the proposed transaction, the officers, organizers and directors must meet with the Midwest Regional Director, or his designee;
- (8) The Savings Bank shall provide for employment of senior executive officers who shall be charged with full administrative and material responsibilities of the institution under policies established by its board of directors. The performance of such individuals will be periodically reviewed and their continued employment will be subject to the approval of the Midwest Regional Director, or his designee, for a period of three years;
- (9) The Holding Company is required to name either Mark Jones or Ronald Hanson as the sole Chief Operating Officer, and shall provide the Regional Office with notice of which individual will serve in this capacity;
- (10) The Savings Bank shall be required to submit a revised business plan for approval of the Midwest Regional Director, or his designee, should there be any material negative deviations from the original projections contained in the "mortgage production down" financial projection scenario, or should compensation expense vary significantly from original projections; and

- (11) Any future acquisitions of stock by Norman Jones, Ronald Hanson, Beverly Austin, Mark Jones, Merling Dewing and Robert Dunbar (the controlling shareholders of the Holding Company), in excess of the percentages set forth in the applications, other than a change in ownership related solely to the exercise of options under the Stock Option Plan, require the filing of a notice with the Regional Office detailing any increases in ownership. The notice is subject to the issuance of a non-disapproval letter by the Midwest Regional Director, or his designee.

By order of the Director of the Office of Thrift Supervision,
or his designee, effective October 4, 1996.


John F. Downey
Executive Director, Supervision