

AGREEMENT

This Agreement ("Agreement") is made and is effective this 30<sup>th</sup> day of July, 1991 ("Effective Date"), by and between Republic Capital Bank, F.S.B., Milwaukee, Wisconsin (OTS No. 8460) ("Institution"), for itself and any controlled subsidiary, 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 Section 8(b)(1) and (i)(2) of the Federal Deposit Insurance Act, as amended by Title IX of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA"), 12 U.S.C. Sections 1818 (b)(1) and (i)(2).

WHEREAS, the OTS is of the opinion, based on the Institution's Report of Examination ("Report"), dated December 5, 1990, that grounds exist for the initiation of administrative proceedings against the Institution by the OTS pursuant to 12 U.S.C. 1818 (b); and

WHEREAS, the OTS is willing to forbear at this time from the initiation of such proceedings on the matters covered by this Agreement for 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, by its Board of Directors ("Board"), without admitting that grounds for proceedings pursuant to 12 U.S.C. 1818 (b) exist, is willing to enter into this Agreement to avoid the initiation of such proceeding;

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

Statutes and Regulations

1. The Institution and its controlled subsidiaries shall correct any alleged violations cited in the Report, and shall not initiate any action which would result in a violation of:

12 U.S.C. 371c; or  
12 U.S.C. 371c-1.

### Affiliate Transactions

2. The Institution shall comply with the February 21, 1991 Policy Statement adopted by the Board concerning transactions between the Institution and its affiliates. Within 60 days, the Board shall calculate and collect from the Institution's affiliates the net amount due for transactions entered into from June 30, 1989 to February 21, 1991 which are subject to regulation pursuant to sections 23A or 23B of the Federal Reserve Act. In calculating the net amount due, the Board shall assess interest in the amount of the prime rate in effect on the date of each transaction, as published in the Wall Street Journal, plus 0.5 percent.

### Asset Classification

3. The Institution shall take every action necessary to reduce the ratio of classified assets to tangible capital plus general valuation allowances in accordance with the schedule below:

|          |     |
|----------|-----|
| 9/30/91  | 80% |
| 12/31/91 | 70% |
| 3/31/92  | 60% |

### Fiscal 1992 Budget

4. Within forty-five (45) days from the date of this Agreement, the Institution shall submit to the OTS for review a budget for fiscal year ended June 30, 1992. Within 45 days of the beginning of each subsequent fiscal year, the Institution shall submit an annual budget to the OTS Manager for review.

### Capital Distributions

5. The Institution shall obtain the written approval of the OTS Manager before making any capital distribution. In no event shall the Institution's quarterly capital distributions exceed 50 percent of its net income for the previous quarter.

### Quarterly Reports

6. Within 21 days of the end of each quarter, the Institution shall submit a report to the OTS Manager describing the Institution's progress in reducing classified assets and budget variances to the targeted levels and setting forth the amount of capital distributions to be made by the Institution in the subsequent quarter. The report shall also confirm the amount of capital distributions made by the Institution in the previous quarter.

#### Additional Recitals

7. Although the Board is by this Agreement required to submit certain proposed actions and programs for the review or approval of the OTS Manager or Regional Director, the Board has the ultimate responsibility for proper and sound management of the Institution.

8. It is expressly and clearly understood that if, at any time, the OTS deems it appropriate in fulfilling the lawful responsibilities placed upon it by the several laws of the United States of America to undertake any lawful action affecting the Institution, nothing in this Agreement shall in any way inhibit, stop, bar, or otherwise prevent the OTS from doing so.

9. 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 OTS for good cause upon written application by the Board.

10. All technical words or terms used in this Agreement, for which meanings are not specific or otherwise provided by the provisions of this Agreement, shall, insofar as applicable, have meanings as defined in the rules and regulations adopted by the OTS (including, without limitation, Chapter V of Title 12 Code of Federal Regulations). Any such technical words or terms used in this Agreement and undefined in said rules and regulations shall have meanings that accord with the best custom and usage in the thrift industry.

11. 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.

12. This Agreement shall remain in effect until terminated, modified, or suspended by the OTS, acting through the Regional Director or his designee.

13. 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.

14. Any report or other document required by this Agreement to be submitted to the OTS shall be filed with the Office of Thrift Supervision, 111 E. Wacker Dr., Suite 800, Chicago, Illinois 60601, Attn: Assistant Director. All reports and other documents shall be deemed filed when received by the OTS.

15. In the event any provision of 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.

16. 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.

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

THE OFFICE OF THRIFT SUPERVISION  
Chicago, Illinois

By: 151  
Stuart M. Brafman  
Regional Director  
Central Regional Office

Republic Capital Bank, F.S.B.  
Milwaukee, Wisconsin

By: 151  
Frank J. Banholzer

By: 151  
Robert L. Desmond

By: 151  
Joseph H. Looper

By: 151  
Paul F. Bronson

By: Former Director  
Glenn R. Coates

By: Former Director  
Robert A. Coltman

By: 15/  
Richard J. Glaisner

By: \_\_\_\_\_  
Marion F. Gregory

By: \_\_\_\_\_ Former Director  
Elaine E. Jensen

By: 15/  
~~Julius~~ Marks

By: \_\_\_\_\_ Former Director  
Melvin G. Nelson

By: \_\_\_\_\_ Former Director  
Clayton F. Nielsen

By: 15/  
Dr. Ronald A. Ward

By: 15/  
Richard M. Brophy