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AGREEMENT

This Agreement ("Agreement") is made and is effective this 26th day of September, 1991, by and between Mutual Building and Loan Association, F.A., A Stock Corporation, Las Cruces, New Mexico (OTS No. 2981) ("Institution") for itself and any wholly-owned or partly-owned 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 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, as of August 13, 1990, did not comply with certain of the regulations to which the Institution is subject in conducting the business of the Institution, specifically 12 C.F.R. § 563.39, thereby providing grounds for the initiation of cease and desist proceedings against the Institution by the OTS; and

WHEREAS, the Institution does not admit that any violation of 12 C.F.R. § 563.39 has occurred;

WHEREAS, the Institution has represented to the OTS that it currently is not a party to any employment contract and that it thus is not currently in violation of 12 C.F.R. § 563.39, and the OTS currently has knowledge of no information to the contrary;

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings against the Institution for what the OTS believes to have been the Institution's failure to comply with 12 C.F.R. § 563.39 as of August 13, 1990, 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:

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:

Employment Contracts

1. The Institution shall not enter into any employment contract without the written approval of the Regional Deputy Director for the Dallas District of OTS or his successor or designee ("Regional Deputy Director") and shall at all times act in compliance with 12 C.F.R. § 563.39.

Lending Policy

2. The Institution shall comply with the revised Lending Policies approved by the Institution's Board of Directors ("Board of Directors") on December 17, 1990. The Institution shall not amend or deviate from these Lending Policies except (i) with the prior written authorization by the Board of Directors, or (ii) as directed by the Regional Deputy Director.

Retention of Classified Assets

3. Within twenty-five (25) days of the beginning of each calendar month, the Institution shall provide to the Regional Deputy Director a report, covering the immediately preceding calendar month, which describes what efforts were made to reduce the Institution's level of classified assets during the month and describes the change in level of classified assets for the month.

Investments

4. (a) The Institution shall comply with the Investment Policy adopted by the Institution's Board of Directors on February 13, 1991. The Institution shall not amend or deviate from the Investment Policy except (i) with the prior written authorization by the Board of Directors, or (ii) as directed by the Regional Deputy Director.

(b) The Institution shall act in a manner consistent with the guidelines contained in 12 C.F.R. § 571.19.

Valuation Allowances and Calculation of Net Realizable Values

5. The Institution shall make its net realizable value ("NRV") calculations and prepare and submit financial statements and other reports for the Institution, including but not limited to its Thrift Financial Reports ("TFRs"), in compliance with OTS's regulations, policies, and directives, and with generally accepted accounting principles ("GAAP") where there are no specific OTS guidelines to the contrary. The Institution shall comply with the requirements and guidelines of 12 C.F.R. § 563.233, Accounting Principles Board Opinion No. 21 ("APB 21") and Statement of Financial Accounting Standards No. 66 ("SFAS 66").
6. The Institution shall comply with the General Valuation Allowance Policy ("GVA Policy") adopted by the Board of Directors in accordance with a Board of Directors resolution of December 17, 1990. The Institution shall not amend or deviate from this GVA Policy except (i) with the prior written authorization by the Board of Directors, or (ii) as directed by the Regional Deputy Director.

Business Plan

7. The Institution shall update the Business Plan adopted by the Board of Directors on February 13, 1991, on a semiannual basis.

General Provisions

8. The Board of Directors shall, at each regular meeting, adopt a resolution, to be signed by each director, certifying that, to the best of the collective knowledge of the Board of Directors, and based on a prudent review, during the period since the previous regular meeting, the Institution and its subsidiaries complied with each condition of this Agreement. This resolution shall set forth the exceptions, if any, to conditions of this Agreement that were approved by the Regional Deputy Director or other authorized representative of the OTS.
9. (a) The Regional Director for the Midwest Region ("Regional Director") or his successor is the "senior supervisory official" within the meaning of Section 723(d) of the FIRREA, § 723(d), 103 Stat. 183 (1989).

(b) As used in this Agreement, the term "subsidiary" or "subsidiaries" shall be as defined in 12 C.F.R. § 567.1(dd).

(c) 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.
10. Upon written request by the Institution which demonstrates just cause, the time frames for submission of the reports referenced in Paragraph 3 hereof may, at the discretion of the Regional Deputy Director, be extended as authorized in writing by the Regional Deputy Director.

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.

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.

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

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

MUTUAL BUILDING AND LOAN ASSOCIATION, F.A.,
A Stock Corporation
Las Cruces, New Mexico

By:

PSI
Director

PSI
Director

PSI
Director

PSI
Director

PSI
Director

PSI
~~Director~~

PSI
Director

OFFICE OF THRIFT SUPERVISION

By:

Regional Director
Midwest Region

CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of Mutual Building and Loan Association, F.A., A Stock Corporation, Las Cruces, New Mexico (OTS No. 2981) ("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 September 26, 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 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, if they exist, provide grounds for the initiation of cease and desist proceedings against the Institution by the OTS; and

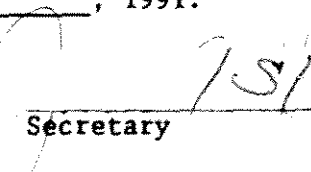
WHEREAS the said directors have been informed that the OTS will forbear from the initiation of such proceedings if the attached Agreement ("Agreement") is executed by the Institution and if its terms are thereafter carried out by the Institution; and

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 September 26, 1991; 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 Mutual Building and Loan Association, F.A., A Stock Corporation, Las Cruces, New Mexico this 26th day of September, 1991.



Secretary