

95267 ^{Rosemary Stewart}
O&C

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 23rd day of January, 1989, by and between American Charter Federal Savings and Loan Association, Lincoln, Nebraska, FHLBB No. 04099 ("Institution" or "Association"), and the Federal Home Loan Bank Board ("FHLBB").

WHEREAS, the board of directors of the Institution has reviewed the operations and financial condition of the Institution and finds that the present condition of the Institution justifies and requires extraordinary action by the directors of the Institution for the benefit of the Institution and its depositors, other creditors, and borrowers; and

WHEREAS, the Institution's board of directors acknowledges the interest of the Federal Savings and Loan Insurance Corporation ("FSLIC"), as the insurer of the savings accounts of the Institution, and the supervisory rights, powers, and authority of the FHLBB, as the operating head of the FSLIC, with respect to the Institution under the statutes and regulations that govern the operations of the Institution; and

WHEREAS, the FHLBB is of the opinion that as of September 30, 1987, the Institution has violated 12 C.F.R. Section 563.13 to which the Institution is subject, thereby providing grounds for the initiation of cease-and-desist proceedings against the Institution by the FHLBB; and

WHEREAS, in the interest of regulatory compliance and cooperation, the Institution is willing to enter into this

Agreement to avoid the initiation of such cease-and-desist proceedings; and

WHEREAS, the FHLBB is willing to forbear at this time from the initiation of cease-and-desist proceedings as the result of the Institution's failure to meet its regulatory capital requirement in accordance with Section 563.13 of the Rules and Regulations for the Federal Savings and Loan Insurance Corporation ("Insurance Regulations") (12 C.F.R. Section 563.13) as long as the Institution is in compliance with this Agreement;

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

1. For the purposes of this Agreement, except as otherwise indicated, the following definitions shall apply:

(a) a "set" is a group of loans, participations, investments, securities, or other assets related, by being sold or pledged to, purchased from, or exchanged with any persons, entities, or institutions acting together in a single transaction;

(b) "invest in" means to make, originate, purchase, acquire, guarantee, refinance, modify, extend, renew, or to commit to do any of these;

(c) "transfer" means to sell, assign, pledge, exchange, or to commit to do any of these;

(d) "real estate investment" means the net book value of real estate purchased, acquired by foreclosure or deed in lieu thereof, or owned in any manner, inclusive of any expenditures incurred in connection with holding or improving such real estate and following adjustment for any loss reserves or allowances.

2. Except for existing legally binding commitments and investments that qualify as liquid assets under Section 523.10 of the Regulations for the Federal Home Loan Bank System, 12 C.F.R. Section 523.10 (1988), without prior written approval of the Supervisory Agent for the Federal Home Loan Bank of Topeka (Supervisory Agent), the Institution shall not, and shall not allow any wholly-owned or majority-owned subsidiary or affiliate of the Institution to:

a. engage in forward commitments, futures transactions, or financial options transactions as defined in Sections 563.17-3, 563.17-4, and 563.17-5 of the Insurance Regulations, 12 C.F.R. Sections 563.17-3, 563.17-4 and 563.17-5 (1988);

b. invest in any loans or contracts secured by real estate or participations therein (including any acquisition, construction and development loans) or any set of such loans or participations, except loans made at current market interest rates and terms which are:

- (1) to finance the bona fide purchase of, or custom construction of pre-sold, 1-4 family residences secured by first liens on such properties that do not exceed Three Hundred Thousand Dollars (\$300,000); and except loans secured by first liens on 1-4 family residences where the loan to value ratio does not exceed 80% and such loan does not exceed Five Hundred Thousand

Dollars (\$500,000) which are originated pursuant to a firm commitment to sell to a non-affiliated third party; or

- (2) to refinance loans on existing 1-4 family residences secured by first liens on such properties that do not exceed Three Hundred Thousand Dollars (\$300,000), or
- (3) to be secured by second liens on existing 1-4 family residences where the loan to value ratio of the first and second liens combined does not exceed 80% and the combined debt does not exceed Three Hundred Thousand Dollars (\$300,000); or
- (4) to finance residential real estate other than 1-4 family residences where the loan to value ratio does not exceed 80% and such loan does not exceed Five Hundred Thousand Dollars (\$500,000); provided, however, loans which exceed the limitations contained in Section 563.9-3 of the Insurance Regulations shall require formal application for waiver of the limitation;
- (5) to refinance residential real estate other than 1-4 family residences if such loan does not exceed Five Hundred Thousand Dollars (\$500,000); provided, however, loans which exceed the limitations contained in Section

563.9-3 of the Insurance Regulations shall require formal application for waiver of the limitation;

(6) to finance nonresidential real estate where the loan to value ratio does not exceed 80% and such loan does not exceed Five Hundred Thousand Dollars (\$500,000); provided, however, loans which exceed the limitations contained in Section 563.9-3 of the Insurance Regulations shall require formal application for waiver of the limitation;

(7) to refinance nonresidential real estate if such loan does not exceed Five Hundred Thousand Dollars (\$500,000); provided, however, loans which exceed limitations contained in Section 563.9-3 of the Insurance Regulations shall require formal application for waiver of the limitation;

c. invest in any real estate investment or set of such investments unless such investment or set of investments is made in compliance with 12 C.F.R. Section 563.9-8 (1988);

d. transfer any real estate investment (i.e. real estate owned) or set of such investments with a net book value in excess of Seven Hundred Fifty Thousand Dollars (\$750,000), or, irrespective of the foregoing sum, the loss to be recognized upon transfer exceeds the greater of 15 percent of the net book value or Twenty Thousand Dollars (\$20,000);

e. invest in or transfer any security or set of securities in excess of Fifty Thousand Dollars (\$50,000); except mortgage-backed securities issued by the Federal Home Loan Mortgage Corporation ("FHLMC"), Government National Mortgage Association ("GNMA"), or the Federal National Mortgage Association ("FNMA");

f. transfer any loan secured by real estate or participation therein or any set of such loans or participations if the net book value of any such loan or participation exceeds Five Hundred Thousand Dollars (\$500,000), except loans made at current market interest rates and terms to finance bona fide purchases of, or refinance existing owner-occupied 1-4 family residences secured by a first lien on such residences; and except loans secured by 1-4 family residences conforming to FNMA, GNMA and FHLMC guidelines purchased through the secondary market;

g. invest in or transfer commercial loans or letters of credit, whether secured or unsecured, with a book value in excess of One Hundred Thousand Dollars (\$100,000); provided, however, investments which exceed the limitations contained in Section 563.9-3 of the Insurance Regulations shall require formal application for waiver of the limitation;

h. invest in any consumer, education, or home improvement loans in excess of Thirty Thousand Dollars (\$30,000);

i. borrow any money other than from a Federal Home Loan Bank; except as otherwise authorized by this Agreement;

j. except for individual merit increases in accordance with its standard personnel policy in effect at the time this Agreement

is presented by the Supervisory Agent for execution, and normal periodic employee salary and wage increases scheduled prior to the effective date of this Agreement and that comply with Section 563.17 of the Insurance Regulations, 12 C.F.R. Section 563.17 (1988), and FHLBB Memorandum R-42, make any increase in excess of 5%, on an annualized basis, in the rate of compensation to any of its directors, officers, employees, agents, or other representatives, or agree to do so. Notwithstanding any other provision of this subparagraph, the Institution may increase the compensation of non-officer employees if the compensation of such employee before any increase does not exceed Thirty Thousand Dollars (\$30,000) and the aggregate increase or increases for any employee do not exceed ten percent (10%) during any calendar year;

k. employ or appoint any person to serve as an officer, director, or senior manager which is not so employed or appointed as of the date of this Agreement; employ any person at a rate of compensation which, on an annualized basis, exceeds Thirty Thousand Dollars (\$30,000) per year; employ any person pursuant to an agreement that is not terminable at the will of the employer and that otherwise does not comply with Section 563.39 of the Insurance Regulations, 12 C.F.R. Section 563.39 (1988); or enter into or amend or renew any collective bargaining agreements, pension or profit sharing, bonus, severance pay, retirement, fringe benefit, or other employee benefit plans, or other employment contracts with any employee, director, or officer;

l. enter into, renew or revise any contractual arrangement with any officer, director, controlling person, affiliate,

subsidiary, affiliated person, attorney, consultant, or agent for or of the institution or any of its subsidiaries;

m. invest in any service corporation or any subsidiary thereof or finance subsidiary. For the purposes of this subparagraph, "invest in" shall include, but is not limited to, the making of investments in securities issued by such entities, and the extensions of credit to, or the guaranteeing of the debt of, such entities;

n. enter into any purchase or repurchase agreement obligation arising from a transfer of government securities except as may otherwise be permitted by this Agreement;

o. after ninety days from the effective date of this Agreement and, for good cause shown, after one hundred eighty days enter into any form of a binding letter of intent with a proposed acquirer of the Institution.

3. On or before ^{January 17, 1989} ~~December 31, 1988~~, the Institution shall submit an annual operating plan ("Operating Plan") which details projected business strategies, budget assumptions, and operations for the Institution and its subsidiaries through June 30, 1989, in a form acceptable to the Supervisory Agent. The Operating Plan shall be updated and revised as of June 1, 1989 and prepared annually thereafter and should include pro forma financial statements (with relevant assumptions) for the fiscal year, or part thereof, covered by the plan and should be consistent with providing sound and economical home financing and shall incorporate, as appropriate, the provisions of this Agreement. In addition, the Operating Plan shall incorporate the following plans,

policies, and procedures or guidelines: the interest-rate-risk-management policy required by Section 563.17-6 of the Insurance Regulations.

The Operating Plan, before implementation, shall be subject to the review and approval of the Supervisory Agent, and any material deviations from the Operating Plan once approved shall require the prior written approval of the Supervisory Agent. The board of directors of the Institution shall review and approve said Operating Plan and shall monitor this Operating Plan on a continuing basis. Upon approval of the Operating Plan, the association will prepare, on a quarterly basis, written reports containing a comparison of the Institution's year-to-date operating results against the projected results in the Operating Plan as of the end of each calendar quarter. If the actual operating results fail to meet the projected results of the Operating Plan in any material respect, the report shall include an explanation of such deviation and a specific description of the measures that have been implemented or proposed to correct and/or abate any adverse deviations. The board of directors of the Institution shall review this report each quarter and the minutes of its meetings shall disclose the extent of the board of directors' involvement in the monitoring process. A copy of the minutes and a copy of the written report shall be filed with the Supervisory Agent within thirty (30) days following the end of each quarter.

4. The Institution shall use its best efforts to discourage the acceptance or renewal of any uninsured deposit.

5. Within forty-five (45) days after the execution of this Agreement, the Institution shall submit to the Agent for approval, specific loan and investment policies and procedures that shall govern all loans, other extensions of credit, and loan investments made or purchased by the Institution or its subsidiaries ("Underwriting Standards"). These Underwriting Standards, at a minimum, shall require that prior to making or purchasing (or committing to make or purchase) any loan, other extension of credit or loan investment, the Institution or its subsidiaries must have obtained, as appropriate, each of the items listed in subsections (a) through (p) of paragraph 6 and subsections (a) through (c) of paragraph 7 of this Agreement, and in Section 563.17-1(c) of the Insurance Regulations.

6. Until it has received approval of the Underwriting Standards from the Agent, the Institution or any of its subsidiaries shall not make or purchase any loan (other than 1-4 family dwelling loans from FHLMC, FNMA, or GNMA supervised lenders), other extension of credit or investment without having first obtained, as appropriate, each of the following:

(a) a written application signed by the borrowers and guarantors stating the purpose of the loan, extension of credit or investment, and the identity of the security property;

(b) signed financial statements of the borrowers and guarantors;

(c) a signed statement disclosing the purchase price paid by the borrowers;

(d) current credit reports for each borrower and guarantor together with a written report signed by an employee of the Institution responsible for analyzing the loan, extension of credit or investment ("Underwriter") explaining all outstanding derogatory items in the report and reflecting compliance with the Equal Credit Opportunity Act;

(e) a written report, signed by the Underwriter, evidencing that material items in the borrowers' and guarantors' financial statements have been verified and analyzed to ensure that the borrowers and guarantors have sufficient assets and cash flow to retire the loan under the terms of the note and/or guaranty;

(f) in the case of a loan or extension of credit upon real property or real property interests, an appraisal report which complies with Sections 563.17-1 (c)(1)(iv) and 563.17-1a of the Insurance Regulations and conforms to generally-acceptable appraisal policy and practice guidelines;

(g) in the case of a loan secured by property other than real estate, an appropriate statement of value of the security property prepared by a qualified person, a verification of the lien status of the security property current through the date of the loan or commitment decision and, where appropriate, documents verifying the existence of the proposed security property and that it is owned by and/or title is held by the proposed borrower;

(h) written evidence, duly verified, that the borrower has invested cash or another form of equity, as appropriate, in the security property;

(i) in the case of construction loans or multiple disbursement loans for improvements, written cost estimates and breakdowns prepared by a qualified engineer, architect, or other person qualified to prepare such an estimate;

(j) written market feasibility studies prepared by a qualified professional for all acquisition, development, and construction loans;

(k) a written approval form showing when and by whom the loan, other extension of credit or investment was approved and the terms and conditions of such approval;

(l) title insurance commitment or acceptable attorney's opinion establishing the quality and validity of the Institution's lien on any real estate securing the extension of credit, and subsequent to closing of the loan, a title insurance policy or acceptable attorney's opinion reflecting the required quality and validity of the Institution's lien, and as supported by a current, signed survey reflecting all physical improvements above and below ground, encroachments, flood plain status, easements, and boundary line descriptions;

(m) written documentation showing that the Institution, upon the closing of the loan, or other extension of credit, furnished the borrowers or guarantors a statement setting forth in detail all charges and fees paid and obligated to be paid, including, but not limited to, the loan settlement statement;

(n) a written record showing the status of taxes, assessments, insurance premiums, and other charges on the security of the loan, other extension of credit or investment;

(o) written documentation evidencing hazard insurance, in full force and effect, to protect the Institution from loss, as outlined in the FHLBB's policy statement at Section 571.4 of the Insurance Regulations; and

(p) the file for each loan or loan commitment granted or purchased by the Institution shall include a written certification by an officer or other employee of the Institution that upon actual review, knowledge, and belief the loan complies with all acceptable provisions of the Insurance Regulations and this Agreement.

7. The Institution shall not disburse funds on existing participations, loans in process, investments or other extensions of credit (other than 1-4 family residential loans, consumer loans including those acquired through secondary markets, and investments eligible as assets qualifying for liquidity as defined in Section 523.10) without first having obtained, as appropriate, each of the items listed in subsections (a) through (p) of paragraph 6 of this Agreement. Furthermore, the Institution shall not disburse funds for any loan, participation, or other extension of credit unless it has obtained the following:

(a) written documentation showing the date, amount, purpose, and recipient of every disbursement;

(b) written documentation evidencing all modifications to the original contract, including appropriate approval of each modification; and

(c) written documentation supporting all releases of any portion of the collateral supporting the loan or other extension of credit.

Every disbursement of funds, except as excluded above, of \$500,000 or more shall be approved in advance by a committee established by the Institution's board of directors, which committee shall consist of at least one outside director. The minutes of each meeting of such committee shall reflect such approval and shall adequately describe the nature and purpose of the disbursement.

8. The Institution shall comply in all respects with the limitations on loans-to-one borrower, and the maintenance of adequate records for multiple borrowers, as set forth in Insurance Regulation 563.9-3, 12 C.F.R. Section 563.9-3, and the board of directors of the Institution shall develop and implement such procedures as are necessary to ensure compliance therewith.

9. The Institution shall not increase its liabilities during any calendar quarter in excess of the amount of interest credited on savings accounts during the quarter (or, in the case of share accounts, earnings credited) and the amount necessary to fund during the quarter any loans in process obligations or legally binding commitments existing as of the effective date of this Agreement.

10. The Institution shall comply fully with the requirements of Section 563.17-2 of the Insurance Regulations, 12 C.F.R. Section 563.17-2 (1988), as it pertains to the Institution's obligation to obtain an appraisal on each parcel of real estate owned at the time of the Institution's acquisition of such property and at such times thereafter as dictated by prudent management policy.

11. Within thirty (30) days after the execution of this Agreement, the Institution shall provide to the Supervisory Agent a list of all loans-in-process obligations and legally binding commitments that exist as of the date of this Agreement and provide a schedule of the monthly estimated disbursements for outstanding commitments and loans-in-process obligations.

The list of commitments shall include:

- a. the type of commitment;
- b. the date of commitment;
- c. the total amount;
- d. the identity of the borrower;
- e. the identity of the seller, if applicable;
- f. the effective date;
- g. the date of anticipated funding.

The Institution shall submit with this list a written opinion from independent legal counsel that he/she has reviewed the terms of each unfunded commitment (other than commitments to sell to a non-affiliated third party any loan secured by a 1-4 family residence if such loan does not exceed Five Hundred Thousand Dollars (\$500,000)) in excess of ^{Three} ~~Two Hundred Fifty~~ Thousand Dollars ^{300,000} ~~(\$250,000)~~ and address whether or not such commitment constitutes a legally binding obligation of the Institution that could be enforced in a court of law by the party to whom the commitment is made.

12. Upon the request of the Supervisory Agent, the books and records of the Institution and of any wholly-owned or majority-owned subsidiary of the Institution shall be made

available to the representatives of any qualified institution, person, or entity upon execution of a confidentiality agreement acceptable to the Supervisory Agent.

13. The board of directors immediately shall take under consideration any plan of combination or reorganization that is forwarded and recommended to the board of directors by the Supervisory Agent; shall promptly approve any such plan of combination or reorganization under which the board of directors in good faith determines that the interests of the depositors, other creditors and borrowers of the Institution are protected; and shall not disapprove any such plan of combination or reorganization, except for reasonable cause, consistent with the fiduciary duties of the board of directors, stated in writing.

14. The board of directors shall recommend to the members of the Institution any plan of combination or reorganization approved by the board of directors pursuant to paragraph 14 of this Agreement, if approval of the members or a portion thereof, is necessary to effect such plan.

15. Within thirty (30) days after the effective date of this Agreement, and on a monthly basis thereafter, the Institution shall submit to the Supervisory Agent an ongoing report regarding the recapitalization efforts of the Institution ("Recapitalization Report"). Such report shall address any and all material communications, discussions and/or negotiations engaged in by, or on behalf of, the Institution, or offers received from third parties, to effect a merger, a consolidation, a transfer of assets and liabilities, a reorganization, an acquisition, or a capital

infusion and shall contain the names and addresses of all applicable persons or entities and shall further contain a summary of the substantive terms and conditions of each proposed transaction.

16. The Institution shall not initiate any litigation against any FSLIC-insured institution for which the FSLIC has been appointed receiver or conservator, or that is operating under the Management Consignment Program. In the event of a dispute between the Institution and an institution for which the FSLIC has been appointed receiver, the Institution shall present its claim to the receiver through the administrative claims procedure. If dissatisfied with the decision of the receiver, the Institution may appeal the matter to the Bank Board, whose decision the Institution shall accept. In no event shall the Institution's board of directors be required to abdicate its fiduciary duty by utilizing this procedure if, after receipt of opinion of counsel to the board of directors, it is determined that the utilization of such procedure would cause a violation of such fiduciary duty. In that event, the board of directors shall be free to use such remedies as are available to the institution as are normally utilized in a matter of this nature.

In the event of a dispute between the Institution and any other institution(s) in the above-described categories, the business decision makers of each institution are to first pursue good faith efforts toward a negotiated settlement of the dispute. If the institutions are unable to reach a negotiated settlement, the Institution hereby agrees to submit the dispute for binding

arbitration pursuant to the Rules of the FSLIC Arbitration Program and to sign an agreement to arbitrate in the form attached as Exhibit A. The Institution further agrees that it will accept the arbitration award as a final resolution of the dispute, that it will not challenge or contest the award, and that it will consent to the jurisdiction of any court in which judgment on the arbitration award is entered.

The Institution further agrees to notify the Agent within ten (10) days of the date it becomes involved in any of the above-described disputes.

17. The Institution shall file all financial reports required by the FSLIC including monthly and quarterly reports by the required due date and such other reports requested by the Supervisory Agent by the requested due date.

18. No later than the 25th day of each calendar month, the board of directors shall file with the Supervisory Agent a resolution, similar to the attached resolution, signed by each attending director, certifying that during the preceding calendar month, American Charter Federal Savings and Loan Association has complied with all conditions of this Supervisory Agreement.

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, any such technical words or terms used in this

Agreement and undefined in said Code of Federal Regulations shall have meanings that accord with the best custom and usage in the savings and loan industry.

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 [Federal Home Loan] Bank Board" as that phrase is used in Section 5(d)(2) of the HOLA, 12 U.S.C. Section 1464(d)(2)(1982).

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 by the FHLBB, acting through its Supervisory Agent at the Federal Home Loan Bank of Topeka. The Supervisory Agent may suspend in his/her sole discretion any or all provisions of this Agreement during the term of this Agreement. The Supervisory Agent will entertain, in good faith, written requests for termination of the Agreement, if, in his/her opinion, the Institution has at all times complied with the terms of this Agreement and has maintained compliance with regulatory capital requirements for three (3) consecutive quarters.

IN WITNESS WHEREOF, the parties have executed this Agreement individually or by their duly designated agent. A certified copy of the resolution of the Board of Directors of American Charter

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CERTIFICATE OF BOARD MEETING

I, the undersigned, being the duly qualified Secretary of American Charter Federal Savings and Loan Association, Lincoln, Nebraska, hereby certify that the Board of Directors meeting held on January 17, 1989 during which the Supervisory Agreement was approved was a regularly scheduled Board meeting set by the Board of Directors at its annual reorganization meeting July 19, 1988.

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of American Charter Federal Savings and Loan Association this 19th day of January, 1989.

18/
Cheryl A. Netz, Secretary

CERTIFIED COPY OF RESOLUTION
OF BOARD OF DIRECTORS

RE: SUPERVISORY AGREEMENT

I, the undersigned, being the duly qualified Secretary of American Charter Federal Savings and Loan Association, Lincoln, Nebraska, 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 January 17, 1989, 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 American Charter have been advised that the Federal Savings and Loan Insurance Corporation ("FSLIC") representatives believe American Charter to have violated Section 563.13 of the Rules and Regulations for FSLIC-Insured Institutions ("Insurance Regulations") (12 C.F.R. 563.13) to which American Charter is subject thereby providing grounds for the initiation of cease-and-desist proceedings against American Charter by the FSLIC, and

WHEREAS, said officers and directors have been informed that the FSLIC will forbear from the initiation of cease-and desist proceedings as a result of American Charter's failure to meet its

regulatory capital requirement in accordance with Section 563.13 of the Insurance Regulations (12 C.F.R. 563.13) if a supervisory Agreement ("Agreement") is executed by American Charter and if its terms are thereafter carried out by American Charter and

WHEREAS, the directors of American Charter have read and considered the Agreement attached to the minutes of the meeting of the Board of Directors held on January 17, 1989 and after due consideration, and in the interest of regulatory compliance and cooperation, have determined to enter into an Agreement:

NOW THEREFORE, BE IT RESOLVED, that the proposed Agreement, as amended and supplemented by the December 27, 1988 and January 17, 1989 letter from Supervisory Agent Roberta Renz, copies of which are attached hereto, be and is hereby approved by the Board of Directors of American Charter subject to the following: That the first line of the first paragraph of Section 3, page 8, of the Agreement be amended to state "On or before January 17, 1989, the Institution shall..."; that the fifth and sixth lines of the last paragraph of Section 11, page 15, be amended to state "Dollars (\$500,000)) in excess of Three Hundred Thousand Dollars (\$300,000)... " and that the misunderstanding as to the limitations to be placed on jumbo loans originated by American Charter Mortgage, American Charter's mortgage banking service corporation in California and held in portfolio, be resolved to management's satisfaction.

The President of American Charter is authorized to sign and execute the Agreement subject to the above detailed conditions. The officers and employees of American Charter are directed and authorized to take all necessary steps to implement immediately the terms of the Agreement."

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of American Charter Federal Savings and Loan Association this 23rd day of January, 1989.

/s/
Cheryl A. Netz, Secretary

CERTIFIED COPY OF RESOLUTION
OF BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of American Charter Federal Savings and Loan Association, Lincoln, Nebraska, 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 January 18, 1989, 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:

"BE IT RESOLVED: That the resolution passed by the Board of Directors at its January 17, 1989 meeting approving the Supervisory Agreement, subject to certain stipulations, be amended to give the Board's approval to an amendment to the Agreement and the Federal Home Loan Bank of Topeka's January 17, 1989 letter to provide American Charter and its service corporations with the authority to originate mortgage loans in the state of California secured by one-to-four family residences in amounts up to \$400,000 where the loan-to-value ratio does not exceed 75 percent under paragraphs 2.b(1), (2) and (3) of the Supervisory Agreement, provided that in the aggregate, no more than \$45,000,000 of California loans in excess of \$300,000 are held for its own portfolio or portfolios. A copy of the letter from the Federal Home Loan Bank indicating its agreement

to this amendment when received shall be filed in the Minute Book Supplement and by reference made a part of these Minutes."

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of American Charter Federal Savings and Loan Association this 23rd day of January, 1989.

ls/
Cheryl A. Netz, Secretary

EXHIBIT A

AGREEMENT TO ARBITRATE

We, the undersigned parties, hereby agree to submit to arbitration under the Rules of the Federal Savings and Loan Insurance Corporation Arbitration Program the following controversy: (cite briefly). We further agree that the above controversy be submitted to Arbitrator(s) selected from the National Panel of Arbitrators for use in savings and loan disputes. We further agree that we will faithfully observe this agreement and the Rules; that we will, without delay, comply with any and all Orders and decisions of the Arbitrator(s); that we will abide by and perform any award rendered by the Arbitrator(s); that we will accept the award as a final resolution of the controversy; that we will not challenge or contest the award; and, that a judgment of a Court having jurisdiction may be immediately entered upon the award and executed.