

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 24th day of August, 1993 (the "Effective Date"), by and between Metropolitan Federal Bank (the "Association"), a federally chartered stock association, having its main office located at Fargo, North Dakota, Metropolitan Financial Corporation (the "Holding Company"), a savings and loan holding company that controls the Association and has its main office in Minneapolis, Minnesota, 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.

WHEREAS, the OTS is the primary federal regulator of the Association; and

WHEREAS, the Holding Company is an institution-affiliated party of the Association pursuant to Section 3(u) of the Federal Deposit Insurance Act, 12 U.S.C. § 1813(u); and

WHEREAS, based on the Electronic Data Processing Report of Examination of the Holding Company dated May 10, 1993 ("ROE"), the OTS, by and through the Regional Director for the Midwest Region or his successor or designee ("Regional Director") is of the opinion that the Association has engaged in acts and practices in operating the business of the Association, and the Holding Company has caused the Association to engage in acts and practices, that: (i) have resulted in violations of certain of the laws or regulations to which the Association is subject and/or (ii) are considered to be unsafe and unsound; and

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of administrative proceedings against the Association and the Holding Company; and

WHEREAS, the OTS is of the view that it is appropriate to take measures intended to ensure that the Association will: (1) comply with all applicable laws and regulations and (2) engage in safe and sound practices; and

WHEREAS, the Board of Directors of the Association ("Association Board"), and the Board of Directors of the Holding Company ("Holding Company Board"), without admitting or denying any violations of laws or regulations and/or unsafe and unsound practices, wish to cooperate with the OTS and to evidence their intent to: (1) comply with all applicable laws and regulations and (2) engage in safe and sound practices.

NOW, THEREFORE, in consideration of the above premises, the mutual undertakings set forth herein, the parties hereto agree as follows:

COMPLIANCE WITH LAWS AND REGULATIONS

1. The Association shall take all necessary and appropriate actions to achieve, and the Holding Company shall not cause the Association to fail to achieve, compliance with Section 563.170(a)(2) of the OTS Regulations, 12 C.F.R. § 563.170(a)(2) (regarding audits).

CORRECTIVE PROVISIONS

2. Internal Audit.

If the Holding Company shall provide electronic data processing ("EDP") audit services to the Association, then, within 90 days of the Effective Date, the Holding Company shall establish an internal audit department and fully staff it as necessary to carry out the EDP audit function for the Association and correct the deficiencies cited in the ROE.

3. Risk Analysis.

(a) Within 90 days of the Effective Date, the Holding Company shall provide (and the Association, if the Holding Company shall provide the Association with audit services, shall ensure that the Holding Company provides) to the Regional Director for review and approval a written risk analysis for the EDP function. The Holding Company shall, within 30 days of being directed to do so by the Regional Director, if so directed, correct all deficiencies in the written EDP risk analysis cited by the Regional Director.

(b) Within the written EDP risk analysis required by subparagraph (a) hereof, the Holding Company shall address EDP audit hours scheduled, as needed to satisfy work programs.

4. Pre-Conversion Audit Activities.

(a) Prior to any acquisition, merger, purchase and assumption, or similar conversion or related activity involving the Association and another financial institution, the Holding Company shall provide for (and the Association shall, if the Holding Company shall provide the Association with audit services, ensure that the Holding Company provides for) adequate EDP audit coverage of the transaction, including but not limited to pre-transaction audit coverage as adequate to ensure that necessary controls are in place and operating effectively in order to support the transaction and its aftermath.

(b) Within 30 days of the Effective Date, the Holding Company shall establish (and the Association shall, if the Holding Company shall provide the Association with audit services, ensure that the Holding Company establishes) an audit plan of action for risks identified in transactions of the nature described in subparagraph (a) hereof.

5. Independent Follow-Up Of Management Responses.

(a) Within 90 days of the Effective Date, the Holding Company shall establish, and thereafter maintain (and the Association, if the Holding Company shall provide the Association with audit services, shall ensure that the Holding Company establishes and thereafter maintains), a function, adequately staffed by one or more persons completely independent of the Holding Company's management, that would perform duties associated with follow-up of management responses to EDP audits and report directly to the Audit Committee of the Holding Company Board.

(b) Within 30 days of the Effective Date, the Holding Company shall establish, and thereafter maintain (and the Association, if the Holding Company shall provide the Association with audit services, shall ensure that the Holding Company establishes and thereafter maintains), a written procedure that requires management of the Holding Company to comply with commitments it makes to regulatory agencies and auditors with regard to its EDP operations, which written procedures shall be submitted to the Regional Director within 40 days of the Effective Date. Deficiencies, if any, in such written procedures as are cited by the Regional Director shall be corrected within 30 days of when such corrections are directed by the Regional Director.

6. Review of Service Bureaus' Audit Reports.

(a) Within 90 days of the Effective Date, the Holding Company shall (and the Association, if the Holding Company shall provide audit services for the Association, shall ensure that the Holding Company does) obtain and review evidence as to whether EDP audits of the Association's service bureaus have been conducted in accordance with the guidelines of OTS Bulletin PA-7-1a and submit to the Regional Director a report of its findings and certification that audit reports of all the Association's service bureaus have been so reviewed.

(b) Within 90 days of the Effective Date, the Holding Company shall (and the Association, if the Holding Company shall provide audit services for the Association, shall ensure that the Holding Company does) adopt and submit to the Regional Director written procedures for an annual review as to whether EDP audits of all of the Association's service bureaus have been conducted in accordance with the guidelines of OTS Bulletin PA-7-1a. The Holding Company shall (and the Association, if the Holding Company shall provide audit services for the Association, shall ensure that the Holding Company does) amend such written procedures if and as directed by the Regional Director and shall comply with such procedures, beginning in 1994, as so amended (if so amended).

7. EDP Planning.

Within 60 days of the Effective Date and thereafter, the Holding Company shall provide for (and the Association, if the Holding Company shall provide audit services for the Association, shall ensure that the Holding Company provides for) EDP planning in accordance with the guidelines of FFIEC Issuance SP-7.

MISCELLANEOUS

8. Definitions.

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 1 of the

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 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.

9. Successor Statutes, Regulations, Guidance, Amendments.

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 and references to successor provisions as they become applicable.

10. Duration, Termination or Suspension of Agreement.

(a) This Agreement shall: (i) become effective upon its execution by the OTS, through its authorized representative whose signature appears below and (ii) remain in effect until terminated, modified or suspended in writing by the OTS, acting through its Director or the Regional Director.

(b) The Regional Director, in his or her sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

11. Time Limits.

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

12. Effect of Headings.

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

13. Separability Clause.

In case any provision in this Agreement is ruled to be invalid, illegal or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his/her sole discretion determines otherwise.

14. No Violations of Law, Rule, Regulation or Policy Statement Authorized: OTS Not Restricted.

Nothing in this Agreement shall be construed as: (i) allowing the Association or the Holding Company to violate any law, rule, regulation, or policy statement to which it is subject or (ii) restricting or estopping the OTS from taking any action(s) that it believes are appropriate in fulfilling the responsibilities placed upon it by law.

15. Successors in Interest/Benefit.

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. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the parties hereto, the Resolution Trust Corporation, and the Federal Deposit Insurance Corporation and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

16. Signature of Directors.

Each Director signing the Agreement attests, by such act, that she or he, as the case may be, voted in favor of the resolution, in the form attached to this Agreement, authorizing the execution of this Agreement by the Association or the Holding Company, as applicable.

17. Integration Clause; Modification.

This Agreement represents the final written agreement of the parties with respect to the subject matter hereof and constitutes the sole agreement of the parties, as of the Effective Date, with respect to such subject matter. However, except as they otherwise may conflict with this Agreement, all existing orders, agreements, or directives issued by the OTS against the Association or the Holding Company, if any, remain in full force and effect.

18. Enforceability of Agreement.

The Association and Holding Company each represents and warrants that this Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Association and the Holding Company. The Association and Holding Company each acknowledges that this Agreement is a "written agreement" entered into with the OTS within the meaning of Section 8 of the FDIA, 12 U.S.C. § 1818.

THE HOLDING COMPANY

By:

151

Name:
Chief Executive Officer

DIRECTORS OF THE HOLDING COMPANY

151
Director

CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly appointed and qualified Secretary of Metropolitan Financial Corporation, Minneapolis, Minnesota (the "Holding Company") hereby certify as follows:

1. A duly called meeting of the Board of Directors of the Holding Company was held on Aug 24, 1993;
2. At said meeting a quorum was present and voting throughout;
3. The following is a true copy of resolutions duly adopted by the Holding Company's Board of Directors, which resolutions have not been rescinded or modified and are now in full force and effect:

WHEREAS, the Board of Directors of the Holding Company wishes to cooperate with the OTS and to demonstrate that said Board of Directors and the Holding Company have the intent and ability to: (1) comply with all applicable laws and regulations and (2) engage in safe and sound practices; and

WHEREAS the Directors of the Holding Company 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 Directors of the Holding Company have determined to cause the Holding Company to enter into the proposed Agreement which is in the best interest of the Holding Company;

NOW THEREFORE, BE IT RESOLVED, that the Holding Company 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 provisions of the Agreement be, and they hereby are, authorized and approved,

FURTHER RESOLVED, that the Directors and Officers of the Holding Company be, and they hereby are, authorized and directed to execute and deliver the Agreement and to take all steps necessary or appropriate to implement the terms of the Agreement and to cause the Holding Company to comply in all respects with the terms of the Agreement.

4. All members of the Board of Directors were present and voted at the meeting (except William C Marcil) and all members of the Board of Directors (except _____) voted in favor of the resolution;