

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 25th day of June -----, 1992, by and between United Security Savings Bank, FSB, Cedar Rapids, Iowa (OTS No. 8541) ("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 has not complied with certain of the statutes and regulations to which the Institution is subject in conducting the business of the Institution, specifically 12 U.S.C. § 2609(c)(2)(A), 12 C.F.R. §§ 202.9(b)(1), 205.9(b), 229.16(c)(1)(i), 229.18(e), 528.4, 528.5(b), 528.6(d)(3), 545.12, 563.27(a)(5), 563.48(c), 563.99(b), 563.99(d)(2), 568.1(b), and 568.2, and 31 C.F.R. §§ 103.22(f), 103.27(d), and 103.28, thereby providing grounds for the initiation of cease and desist proceedings against the Institution by the OTS; and

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings against the Institution for its failure to comply with 12 U.S.C. § 2609(c)(2)(A), 12 C.F.R. §§ 202.9(b)(1), 205.9(b), 229.16(c)(1)(i), 229.18(e), 528.4, 528.5(b), 528.6(d)(3), 545.12, 563.27(a)(5), 563.48(c), 563.99(b), 563.99(d)(2), 568.1(b), and 568.2, and 31 C.F.R. §§ 103.22(f), 103.27(d), and 103.28, as of December 16, 1991, so long as the Institution is in compliance with the provisions of this Agreement; and

WHEREAS, without admitting or denying any violation of law or regulation, 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:

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:

Consumer Compliance Program

1. (a) Unless the Institution has already done so since the issuance of the Report of Examination for the most recent compliance examination prior to the effective date of this Agreement, within 90 days after the effective date of this Agreement, the board of directors of the Institution ("Board of Directors") shall establish and adopt a written program designed to ensure compliance ("Compliance Program") with the applicable consumer and public-interest related laws and regulations including, but not limited to, those referenced in subparagraph (e) hereof.

(b) The Compliance Program (regardless of whether adopted before or after the effective date of this Agreement) shall provide for written policies and procedures that set forth the requirements of the applicable laws and regulations, including those referenced in subparagraphs (a) and (e) hereof, as well as incorporate the OTS regulatory guidelines, and shall, at a minimum, include:

- (i) a designated individual(s) (compliance officer(s)) to coordinate and monitor the program;
- (ii) internal control;
- (iii) independent testing of compliance;
- (iv) training;
- (v) systematic quarterly reports to the Board of Directors on compliance issues so that each area of compliance specified below in Paragraph 1(e) is reviewed at least annually;
- (vi) quarterly reports on the Institution's compliance with this Agreement; and
- (vii) any other specific requirements of the applicable laws and regulations.

(c) Within 30 days after the effective date of this Agreement, the Board of Directors shall designate a qualified Consumer Compliance Officer to coordinate and monitor the program.

(d) The Institution, acting through its Board of Directors, shall amend its Compliance Program (regardless of whether adopted before or after the effective date of this Agreement), or any portion thereof, as directed (if directed) by the Regional Deputy Director for Support, Midwest Region, or his successor or designee ("Regional Deputy Director") and shall, acting through its Board of Directors, officers, employees, and other agents, comply with the Compliance Program, as so amended (if so amended).

(e) The Institution shall comply with the Bank Secrecy Act, the Expedited Funds Availability Act, the Equal Credit Opportunity Act, the Real Estate Settlement Procedures Act, the Flood Disaster Protection Act, the Electronic Funds Transfer Act, the Bank Protection Act, the implementing regulations of the foregoing, and 12 C.F.R. Part 528 and §§ 545.12, 563.27, and 563.99.

#### Bank Secrecy Act

2. (a) Within 30 days of the effective date of this Agreement, the Board of Directors shall appoint an on-site Bank Secrecy Act Compliance Officer responsible for coordinating and monitoring compliance by the Institution with the Bank Secrecy Act, implementing regulations, and this paragraph.

(b) Within 60 days of the effective date of this Agreement, the Board of Directors shall establish and provide to the Regional Deputy Director an updated Bank Secrecy Act Policy which shall provide, at a minimum, for the following:

- (i) the correct completion of Currency Transaction Reports;
- (ii) the proper completion and maintenance of an exemption list;
- (iii) the proper maintenance and formatting of logs;
- (iv) the schedule and documentation of training of relevant staff of the Institution; and
- (v) procedures designed to obtain compliance with the Bank Secrecy Act and the implementing regulations.

(c) The Institution shall amend its Bank Secrecy Act Policy as directed by the Regional Deputy Director (if so directed) and shall comply with its Bank Secrecy Act Policy (as so amended if so amended).

(d) The Board of Directors shall, on a quarterly basis, review the Bank Secrecy Act Policy to ensure that the Institution is in compliance with the Bank Secrecy Act and the implementing regulations. A resolution setting forth the minutes of those reviews shall be submitted to the Regional Deputy Director by no later than the 30th day after the end of the quarter.

#### Loan Application Register

3. The Institution shall properly complete and maintain a loan application register in compliance with 12 C.F.R. § 528.6(d).

#### Notices of Adverse Action

4. The Institution shall ensure that it complies with 12 C.F.R. § 202.9(b)(1) by using a proper form for its notifications of adverse action.

#### General Provisions

5. The Board of Directors shall, at its first regular meeting following each calendar quarter, formally resolve that, to the best of its knowledge and belief, and based on a review of management reports, during the previous calendar quarter the Institution and its subsidiaries complied with each condition of this Agreement except as otherwise stated. The resolution shall specify how, if at all, full compliance was found not to exist and shall set forth any exceptions to any conditions of this Agreement approved by the Regional Deputy Director. Within thirty days of such resolution, the Institution shall submit to the Regional Deputy Director a copy of the above-referenced resolution, a copy of each management report which addresses this Agreement or its subject matter, and a copy of portions of minutes of all Board of Directors' meetings since the first regular meeting of the prior calendar quarter pertaining to this Agreement or its subject matter.
6. (a) As used in this Agreement, the Regional Deputy 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.

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 Deputy Director. Upon the completion of a full-scope compliance examination by the OTS of the Institution at which no violations of this Agreement have been found, the Institution may submit a written request to the Regional Deputy Director that this Agreement be terminated. If such a written request is received by the Regional Deputy Director at such time, he/she shall give due consideration to such request.

By entering into this Agreement, the Institution neither admits nor denies any facts, either now or in the past, upon which proceedings under 12 U.S.C. § 1818(b) or (i) could be based.

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

UNITED SECURITY SAVINGS BANK, FSB  
Cedar Rapids, Iowa

By:

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Director - C. C. Birr

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Director - Charles Cebuhar

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Director - Robert Fletcher

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Director - Robert E. Ford

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Director - D. E. McKee

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Director - James I. Mohni

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Director - Billie Ray

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Director - Carl Schuettzel

OFFICE OF THRIFT SUPERVISION

By:

151  
Regional Deputy Director

**CERTIFIED COPY OF  
RESOLUTION OF BOARD OF DIRECTORS**

I, the undersigned, being the duly qualified Secretary of United Security Savings Bank, FSB, Cedar Rapids, Iowa (OTS No. 8541) ("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 June 25 -----, 1992; 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 a statute and regulations to which the Institution is subject and that such violations 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 as a result of the Institution's failure to comply with 12 U.S.C. § 2609(c)(2)(A), 12 C.F.R. §§ 202.9(b)(1), 205.9(b), 229.16(c)(1)(i), 229.18(e), 528.4, 528.5(b), 528.6(d)(3), 545.12, 563.27(a)(5), 563.48(c), 563.99(b), 563.99(d)(2), 568.1(b), and 568.2, and 31 C.F.R. §§ 103.22(f), 103.27(d), and 103.28, as of December 16, 1991, to which the Institution is subject, if the attached Supervisory 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 ----- June 25, 1992; and

WHEREAS without admitting or denying any violation of law or regulation, 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 United Security Savings Bank, FSB, Cedar Rapids, Iowa this 25th day of June -----, 1992.

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Secretary - James I. Mohni  
UNITED SECURITY SAVINGS BANK, F.S.B.