

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 9 day of July, 1991, by and between Investors Federal Bank and Savings Association, Chillicothe, Missouri, Docket No. 2897 (hereinafter referred to as "Investors" or the "Institution") 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 and the OTS. It is understood and agreed that this Agreement is a "written agreement" entered into with the OTS within the meaning of 12 U.S.C. §§ 1818(b) and (i), as amended.

WHEREAS, the OTS is of the opinion that Institution has engaged in certain acts and practices in conducting the business of the institution, which would provide grounds for the initiation of cease and desist proceedings against the Institution by the OTS, and

WHEREAS, the officers and directors do not agree that the acts and practices are serious enough to warrant the proceedings, and

WHEREAS, while the execution of this Agreement does not constitute either an admission or denial of any regulatory violations or illegal conduct, in the interest of regulatory compliance and cooperation, Institution is willing to enter into this Agreement to avoid the initiation of cease and desist proceedings, and

WHEREAS, the OTS is willing to forbear from the initiation of cease and desist proceedings on the subjects covered by this Agreement

for so long as Institution is in compliance with the provisions of the Agreement that pertain to such subjects,

NOW, THEREFORE, in consideration of the OTS's above-stated forbearance from initiation of cease and desist proceedings against Institution, it is agreed between the parties hereto as follows:

- A. Loan Applications. The Institution's records with respect to all loans shall include an application signed by the borrower or its agent in such form and containing such information as will disclose the purpose of the loan and the identity of any security property.
- B. Asset Classification. Within sixty (60) days of the effective date of this Agreement, the Institution shall revise its asset classification policy and procedures to:
 - 1. specifically quantify the process or method for calculating the Institution's level of general valuation allowances; and
 - 2. ensure that established levels of general valuation allowances are properly and regularly monitored for adequacy.

This policy and any subsequent modification thereto shall be submitted to the Regional Deputy Director for review and comment. Within thirty (30) days from receipt of any comment, and after consideration of such comment, the board of directors shall approve such policy which approval shall be recorded in the minutes of the meeting of the board of directors. Thereafter, the Institution and its directors, officers, and employees shall implement and follow such policy and any modifications thereto.

- C. Conflict of Interest Policy. Within sixty (60) days of the effective date of this Agreement, the Institution shall develop a conflict of interest policy that shall safeguard against violations of OTS conflict of interest regulations and policies, including but not limited to 12 C.F.R. §§ 563.41, 563.43, 571.7, and pertinent parts of Federal Reserve Regulation O (12 C.F.R. Part 215). This policy and any subsequent modification thereto shall be submitted to the Regional Deputy Director for review and comment. Within thirty (30) days from receipt of any comment, and after consideration of such comment, the board of directors shall approve such policy which approval shall be recorded in the minutes of the meeting of the board of directors. Thereafter, the Institution and its directors, officers, and employees shall implement and follow such policy and any modifications thereto.
- D. Loans at Preferential Rates and Terms. The Institution shall not extend credit to executive officers and directors at preferential rates and terms.
- E. Compliance Program. Within sixty (60) days from the effective date of this Agreement, the Institution's board of directors shall adopt and implement a comprehensive and continuous internal compliance program. This compliance program shall include, but not be limited to:
1. the review and monitoring of conformance with the Institution's operating policies and procedures;
 2. an analysis of the Institution's records, systems, audit controls, and internal routine controls;

3. establishment of a committee comprised of non-salaried directors to oversee the compliance program.

F. Appraisal Policy. Within sixty (60) days of the effective date of this Agreement, the board of directors shall revise its appraisal policy and practices to comply with applicable OTS regulations. The revisions to the appraisal policy shall include, but not be limited to:

1. Use of appraisers independent of the lending, investment, and collection functions;
2. A requirement that all appraisals include a legal description of the real estate being appraised.

This revised policy and any subsequent modification thereto shall be submitted to the Regional Deputy Director for review and comment. Within thirty (30) days from receipt of any comment, and after consideration of such comment, the board of directors shall approve such policy which approval shall be recorded in the minutes of the meeting of the board of directors. Thereafter, the Institution and its directors, officers, and employees shall implement and follow such policy and any modifications thereto.

G. Interest Rate Risk Policy. Within sixty (60) days of the effective date of this Agreement, the board of directors will revise the Institution's interest rate risk policy to include the incorporation of sensitivity analysis as the primary measurement of its interest rate risk position. This revised policy and any subsequent modification thereto shall be submitted to the Regional Deputy Director for review and comment. Within thirty

(30) days from receipt of any comment, and after consideration of such comment, the board of directors shall approve such policy which approval shall be recorded in the minutes of the meeting of the board of directors. Thereafter, the Institution and its directors, officers, and employees shall implement and follow such policy and any modifications thereto.

H. Training. Within ninety (90) days of the effective date of this Agreement, the board of directors will:

1. prepare a written assessment of the qualifications of existing personnel to prudently analyze the Institution's interest rate risk position; and
2. if such assessment finds existing qualifications to be deficient, either develop a training plan to upgrade the skills of existing staff or retain a qualified individual to perform interest rate risk analytical duties.

I. Undefined Words or Terms. 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 12 C.F.R. Parts 500 to End (revised January 1, 1990) as updated by any amendments published in the Federal Register through the effective date of this Agreement, and any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations or Federal Register shall have meanings that accord with the best custom and usage in the savings and loan industry.

J. This Agreement shall remain in effect until terminated by the OTS, acting through its Regional Deputy Director at the OTS. The Regional Deputy Director will grant written requests for termination if, in his opinion, the Institution has satisfactorily complied with the terms of this Agreement for two years.

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.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officer or designated agent. A certified copy of the Resolution of the Board of Directors of Institution authorizing the execution of this Agreement is attached hereto and made part hereof.

INVESTORS FEDERAL BANK AND SAVINGS
ASSOCIATION, CHILLICOTHE, MISSOURI

By: JS/

President

OFFICE OF THRIFT SUPERVISION

By: JS/

Regional Deputy Director

CERTIFIED COPY OF
RESOLUTION OF
BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of Investors Federal Bank and Savings Association, Chillicothe, Missouri ("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 July 9, 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 officers and directors of Institution have been advised that OTS representatives believe Institution to have engaged in certain acts and practices in conducting the business of the institution, which would provide grounds for the initiation of cease and desist proceedings against Institution by the OTS, and

WHEREAS, the officers and directors do not agree that the acts and practices cited are serious enough to warrant such proceedings,
and

WHEREAS, said officers and directors have been informed that the OTS will forbear from the initiation of cease and desist proceedings on the subjects covered by the attached Supervisory Agreement if it is executed by the Institution and its terms are thereafter carried out by the Institution, and

WHEREAS, the directors of Institution have read and considered the proposed Supervisory Agreement ("Agreement") attached to the minutes of the meeting of the board of directors held on

July 9, 1991, and after due consideration, and in the interest of regulatory compliance and cooperation, have determined to enter into the proposed Agreement:

NOW, THEREFORE, BE IT RESOLVED, That the proposed Agreement, a copy of which is attached hereto, be and is hereby approved by the board of directors of Institution. The President of the Institution is authorized to sign and execute this Agreement on behalf of the Institution. The officers and employees of Institution 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 Institution this 18th day of July, 1991.

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Secretary