

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

Written Agreement by and between

AMERICAN EAGLE FINANCIAL
CORPORATION
Otsego, Minnesota

and

FEDERAL RESERVE BANK OF
MINNEAPOLIS
Minneapolis, Minnesota

Docket No. 09-127-WA/RB-HC

WHEREAS, American Eagle Financial Corporation, Otsego, Minnesota (“American Eagle”), a registered bank holding company, owns and controls Riverview Community Bank, Otsego, Minnesota, (the “Bank”), a state chartered nonmember bank;

WHEREAS, it is the common goal of American Eagle and the Federal Reserve Bank of Minneapolis (the “Reserve Bank”) to maintain the financial soundness of American Eagle so that American Eagle may serve as a source of strength to the Bank;

WHEREAS, American Eagle and the Reserve Bank have mutually agreed to enter into this Written Agreement (the “Agreement”); and

WHEREAS, on September 30, 2009, the board of directors of American Eagle, at a duly constituted meeting, adopted a resolution authorizing and directing Mary Kiffmeyer, President and Director, to enter into this Agreement on behalf of American Eagle, and consenting to compliance with each and every provision of this Agreement by American Eagle

and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”) (12 U.S.C. §§ 1813(u) and 1818(b)(3)).

NOW, THEREFORE, American Eagle and the Reserve Bank agree as follows:

Source of Strength

1. The board of directors of American Eagle shall take appropriate steps to ensure that the Bank complies with the Order to Cease and Desist entered into with the Federal Deposit Insurance Corporation (the “FDIC”), dated April 7, 2009, and any other supervisory action taken by the Bank’s federal or state regulators.

Dividends and Distributions

2. (a) American Eagle shall not declare or pay any dividends without the prior written approval of the Reserve Bank and the Director of the Division of Banking Supervision and Regulation of the Board of Governors of the Federal Reserve System (the “Board of Governors”).

(b) American Eagle shall not directly or indirectly take dividends or any other form of payment representing a reduction in capital from the Bank without the prior written approval of the Reserve Bank.

(c) All requests for prior approval shall be received by the Reserve Bank at least 30 days prior to the proposed dividend declaration date. All requests shall contain, at a minimum, current and projected information on American Eagle’s capital, earnings, and cash flow; the Bank’s capital, asset quality, earnings, and allowance for loan and lease losses (“ALLL”); and identification of the sources of funds for the proposed payment. For requests to declare or pay dividends, American Eagle must also demonstrate that the requested declaration or payment of dividends is consistent with the Board of Governors’ Policy Statement on the

Payment of Cash Dividends by State Member Banks and Bank Holding Companies, dated November 14, 1985 (Federal Reserve Regulatory Service, 4-877 at page 4-323).

Debt and Stock Redemption

3. (a) American Eagle shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank. All requests for prior written approval shall contain, but not be limited to, a statement regarding the purpose of the debt, the terms of the debt, and the planned source(s) for debt repayment, and an analysis of the cash flow resources available to meet such debt repayment.

(b) American Eagle shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank.

Affiliate Transactions

4. Within 15 days of this Agreement, American Eagle shall submit to the Reserve Bank an acceptable written plan to reimburse the Bank for all payments made by the Bank in violation of sections 23A and 23B of the Federal Reserve Act (12 U.S.C. §§ 371c and 371c-1). The plan shall specify the amount(s) to be reimbursed or paid to the Bank, the method used to calculate the amounts including interest, the relationship between the amount calculated by American Eagle and the amount set forth in the FDIC's Report of Examination of the Bank commencing December 1, 2008, and a schedule for repayment.

5. (a) American Eagle shall take all necessary actions to ensure that the Bank complies and with sections 23A and 23B of the Federal Reserve Act (12 U.S.C. §§ 371c and 371c-1) and Regulation W of the Board of Governors (12 C.F.R. Part 223) in all transactions between the Bank and American Eagle.

(b) American Eagle shall not cause the Bank to violate any provision of sections 23A and 23B of the Federal Reserve Act or Regulation W of the Board of Governors.

Compliance with Laws and Regulations

6. (a) American Eagle shall immediately take all necessary steps to correct the violations of law cited in the May 26, 2009 letter from the Reserve Bank to American Eagle. In addition, the Bank shall take necessary steps to ensure future compliance with all applicable laws and regulations.

(b) In appointing any new director or senior executive officer, or changing the responsibilities of any senior executive officer so that the officer would assume a different senior executive officer position, American Eagle shall comply with the notice provisions of section 32 of the FDI Act (12 U.S.C. § 1831i) and Subpart H of Regulation Y of the Board of Governors (12 C.F.R. §§ 225.71 *et seq.*).

(c) American Eagle shall comply with the restrictions on indemnification and severance payments of section 18(k) of the FDI Act (12 U.S.C. § 1828(k)) and Part 359 of the Federal Deposit Insurance Corporation's regulations (12 C.F.R. Part 359).

Progress Reports

7. Within 30 days after the end of each calendar quarter following the date of this Agreement, the board of directors shall submit to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with the provisions of this Agreement and the results thereof, and a parent company only balance sheet, income statement, and, as applicable, a report of changes in stockholders' equity.

Approval and Implementation of Plan

8. (a) American Eagle shall submit a written plan that is acceptable to the Reserve Bank within the applicable time period set forth in paragraph 4 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank, American Eagle shall adopt the approved plan. Upon adoption, American Eagle shall promptly implement the approved plan and thereafter fully comply with it.

(c) During the term of this Agreement, the approved plan shall not be amended or rescinded without the prior written approval of the Reserve Bank.

Communications

9. All communications regarding this Agreement shall be sent to:

(a) Ms. Diann Townsend
Enforcement Manager
Federal Reserve Bank of Minneapolis
90 Hennepin Avenue
Minneapolis, Minnesota 55401-1804

(b) Ms. Mary Kiffmeyer
President and Director
American Eagle Corporation
9040 Quaday Avenue
Otsego, Minnesota 55330

Miscellaneous

10. Notwithstanding any provision of this Agreement, the Reserve Bank may, in its sole discretion, grant written extensions of time to American Eagle to comply with any provision of this Agreement.

11. The provisions of this Agreement shall be binding upon American Eagle and its institution-affiliated parties, in their capacities as such, and their successors and assigns.

12. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank.

13. The provisions of this Agreement shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, or any other federal or state agency from taking any other action affecting American Eagle, the Bank, or any of their current or former institution-affiliated parties and their successors and assigns.

14. Pursuant to section 50 of the FDI Act (12 U.S.C. § 1831aa), this Agreement is enforceable by the Board of Governors under section 8 of the FDI Act (12 U.S.C. § 1818).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 9th day of October, 2009.

AMERICAN EAGLE FINANCIAL
CORPORATION

FEDERAL RESERVE BANK OF
MINNEAPOLIS

By: /s/ Mary Kiffmeyer
Mary Kiffmeyer
President and Director

By: /s/ James M. Barnes
James M. Barnes
Vice President