

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

Written Agreement by and among

JOHNSON HOLDINGS, INC.  
Ramsey, Minnesota

EAST CENTRAL HOLDING COMPANY,  
INC.  
Ramsey, Minnesota

and

FEDERAL RESERVE BANK OF  
MINNEAPOLIS  
Minneapolis, Minnesota

Docket No. 09-187-WA/RB-HC

WHEREAS, Johnson Holdings, Inc. (“Johnson Holdings”) and East Central Holding Company, Inc. (together, the “Companies”), both of Ramsey, Minnesota, and registered bank holding companies, own and control Landmark Community Bank, National Association, Isanti, Minnesota (the “Bank”), a national bank, and various nonbank subsidiaries;

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

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

WHEREAS, on December 7, 2009, the boards of directors of the Companies, at duly constituted meetings, adopted resolutions authorizing and directing Kevin L. Johnson

to enter into this Agreement on behalf of the Companies, and consenting to compliance with each and every provision of this Agreement by the Companies and their 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, the Companies and the Reserve Bank agree as follows:

### **Dividends**

1. (a) The Companies 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 (the “Director”) of the Board of Governors of the Federal Reserve System (the “Board of Governors”).

(b) The Companies 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) The Companies and their nonbank subsidiaries shall not make any distributions of interest, principal, or other sums on subordinated debentures or trust preferred securities without the prior written approval of the Reserve Bank and the Director.

(d) All requests for prior approval shall be received by the Reserve Bank at least 30 days prior to the proposed dividend declaration date, proposed distribution on subordinated debentures, and required notice of deferral on trust preferred securities. All requests shall contain, at minimum, current and projected information on the Companies’ 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, or distribution. For requests to declare or pay dividends, the Companies 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**

2. (a) The Companies and any nonbank subsidiary 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) The Companies shall not, directly or indirectly, purchase or redeem any shares of their stock without the prior written approval of the Reserve Bank.

### **Compliance with Laws and Regulations**

3. (a) 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, the Companies 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.*).

(b) Companies 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**

4. Within 30 days after the end of each calendar quarter following the date of this Agreement, the board of directors of Johnson Holdings 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.

## **Communications**

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

- (a) Ms. Diann Townsend  
Assistant Vice President  
Federal Reserve Bank of Minneapolis  
90 Hennepin Avenue  
Minneapolis, MN 55401-1804
  
- (b) Mr. Kevin Johnson  
Chairman of the Board  
Johnson Holdings, Inc.  
East Central Holdings, Inc.  
5909 167<sup>th</sup> Avenue NW  
Ramsey, MN 55303

## **Miscellaneous**

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

7. The provisions of this Agreement shall be binding upon the Companies and their institution-affiliated parties, in their capacities as such, and their successors and assigns.

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

9. 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 the Companies, the Bank, any nonbank subsidiary of the Companies, or any of their current or former institution-affiliated parties and their successors and assigns.

10. 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 17th day of December, 2009.

JOHNSON HOLDINGS, INC.

FEDERAL RESERVE BANK  
OF MINNEAPOLIS

By: /s/ Kevin L. Johnson  
Kevin L. Johnson  
Chairman of the Board

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

EAST CENTRAL HOLDING COMPANY,  
INC.

By: /s/ Kevin L. Johnson  
Kevin L. Johnson  
Chairman of the Board