

OFFICE OF THRIFT SUPERVISION

Approval of Organization of a Federal
De Novo Stock Savings Bank

Order No.: 96-115

Date: November 18, 1966

Alpha-Omega Holding Company, Victor, Montana (the "Holding Company"), has applied to the Office of Thrift Supervision ("OTS") to organize a Federal de novo stock savings bank to be known as Farmers Savings Bank, Stevensville, Montana ("Institution"), pursuant to Section 5(e) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1464(e), and 12 C.F.R. § 552.2-1 thereunder. The Institution will be a member of the Savings Association Insurance Fund.

The OTS has considered the Application under the standards set forth at 12 U.S.C. § 1464(e) and at 12 C.F.R. §§ 552.2-1 and 571.6. In addition, the OTS has considered the digests prepared by the West Regional Office and Corporate Activities, and a legal opinion from the Business Transactions Division. Also, the OTS has considered the proposed transaction under the Community Reinvestment Act, 12 U.S.C. §§ 2901 et seq., and OTS regulations thereunder 12 C.F.R. Part 563e, to the extent applicable.

Based on the foregoing statutes, regulations, policy statement and other materials, the OTS has concluded that the organization of the Institution would be in compliance with all applicable statutes and regulations. Accordingly, the application is hereby approved, provided that the following conditions are complied with in a manner satisfactory to the West Regional Director, or his designee:

1. The Holding Company and the Institution must receive all required regulatory approvals prior to establishment of the Institution with copies of all such approvals supplied to the West Regional Office;
2. On the business day prior to opening for business, the Institution must advise the OTS that there have been no material adverse changes with respect to the information currently before the OTS, including but not limited to directors, proposed shareholders or the business plan; and that no additional information having a material adverse bearing on any feature of the application, exists;
3. Prior to opening for business, the officers, organizers and directors must: (1) meet with the West Regional Director; and (2) file with the West Regional Director a certification by legal counsel stating the effective date of the completion of the

organization of the Institution, and that the completion of the organization of the Institution has been consummated in accordance with the provisions of all applicable laws and regulations (including state and federal securities law requirements), the Application, and this Order;

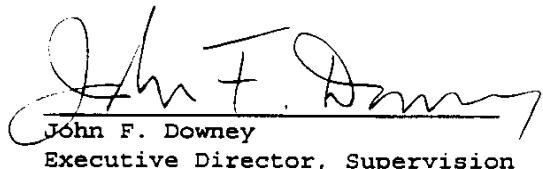
4. The Institution shall submit independent audit reports to the West Regional Office for its first three fiscal years. These reports shall be in compliance with the audit rules set forth in 12 C.F.R. Section 562.4;
5. Prior to opening for business, the Institution must submit, to the satisfaction of the West Regional Office, written agreements for operating relationships between the Institution and its affiliates, including the management services agreement, the auditing/legal/controller services agreement, the lease agreement, the inter-affiliate agent agreement, the revised tax sharing agreement and the data processing agreement; and
6. Prior to opening for business, the Institution must receive approval from the West Regional Office for all unidentified members of the Institution's senior management team.

Additionally, a waiver of 12 C.F.R. § 563.33(a)(1)(ii) is hereby granted to allow William A. Groff, Phyllis Groff and Kay G. Clevidence to serve on the Institution's board of directors, subject to the following conditions:

1. Within the first year of operation, the Institution shall appoint two additional directors, not affiliated with the Applicant or any of its affiliates, to its board of directors; and
2. The Institution's board of directors shall form an audit committee, consisting of outside directors independent of the Institution's management, the duties of which shall include reviewing with management and the independent public accountant the basis for reports filed under 12 C.F.R. Part 363 with the Federal Deposit Insurance Corporation and other appropriate banking regulatory agencies.

Any time period specified herein may be extended by the West Regional Director, for good cause, for up to 120 calendar days.

By order of the Director of the Office of Thrift Supervision, or his designee, effective November 18, 1996.



John F. Downey
Executive Director, Supervision