#2005-59

AGREEMENT BY AND BETWEEN
The First National Bank of Cainesville
Cainsville, Missouri
and
The Office of the Comptroller of the Currency

The First National Bank of Cainesville, Cainsville, Missouri ("Bank") and the Acting Comptroller of the Currency of the United States of America ("Comptroller") wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules, and regulations.

The Comptroller, through her National Bank Examiner, has examined the Bank, and her findings are contained in the Report of Examination for the examination that commenced on December 17, 2004 ("ROE").

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors ("Board"), and the Comptroller, through her authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

ARTICLE I

JURISDICTION

(1) This Agreement shall be construed to be a "written agreement entered into with the agency" within the meaning of 12 U.S.C. § 1818(b)(1).

(2) This Agreement shall be construed to be a "written agreement between such depository institution and such agency" within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).

(3) This Agreement shall be construed to be a "formal written agreement" within the meaning of 12 C.F.R. § 5.51(c)(6)(ii). *See* 12 U.S.C. § 1831i.

(4) This Agreement shall be construed to be a "written agreement" within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(5) All reports or plans which the Bank or Board has agreed to submit to the Assistant Deputy Comptroller pursuant to this Agreement shall be forwarded to the:

Assistant Deputy Comptroller
Kansas City North Field Office
6700 Antioch, Suite 450
Merriam, Kansas 66204-1200

ARTICLE II

STRATEGIC PLAN

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written strategic plan for the Bank covering at least a three-year period. The strategic plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, liability structure, capital adequacy, monitoring for increases in the volume of nonperforming assets, and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives and, at a minimum, include:

(a) a mission statement that forms the framework for the establishment of strategic goals and objectives;

(b) the development of strategic goals and objectives to be accomplished over the short and long term;

(c) an identification of the Bank’s present and future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in (1)(b) of this Article;

(d) an evaluation of the Bank's internal operations, staffing requirements, board and management information systems, and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives developed under (1)(b) of this Article;

(e) a management employment and succession program to promote the retention and continuity of capable management;

(f) product line development and market segments that the Bank intends to promote or develop;

(g) a written profit plan to improve and sustain the earnings of the Bank, including an identification of the major areas in and means by which the Board will seek to improve the Bank's operating performance, a comprehensive budget with projected balance sheets, and a budget review process to monitor both the Bank's income and expenses compared to the budgetary projections;

(h) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the period covered by the strategic plan, including the assumptions upon which those projections are based;

(i) control systems to mitigate risks associated with planned growth or any proposed changes in the Bank’s operating environment;

(j) specific plans to establish responsibilities and accountability for the strategic planning process, growth goals, or proposed changes in the Bank's operating environment; including:

(i) the Board shall restrict total loan growth to no more than five (5) percent per annum, measured against the Bank's total loans[1] as of December 31, 2004, and by the Bank's total loans at the end of each calendar year thereafter;

(ii) the Board shall monitor loan growth on at least a quarterly basis and report the loan growth to the Assistant Deputy Comptroller; and

(iii) the restriction on asset growth shall remain in effect until:

(A) Articles II through XVII have been found by the Assistant Deputy Comptroller to be in compliance with the terms of this Agreement; or

(B) The Board makes a written request to the Assistant Deputy Comptroller for an exception to the restriction on asset growth and receives a prior written determination of no supervisory objection.

(k) systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(2) Prior to adoption, a copy of the plan shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. After the

[1] For purpose of this Article, the term "total loans" shall include all "qualifying commitments to lend" as that term is defined in 12 C.F.R. § 32.2(m).

Assistant Deputy Comptroller has advised the Bank that he does not take supervisory objection to the strategic plan, the Board shall immediately adopt, implement, and shall thereafter ensure adherence to, the terms of the strategic plan.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of, and adherence to, the strategic plan developed pursuant to this Article.

ARTICLE III

MANAGEMENT AND BOARD SUPERVISION STUDY

(1) Within ninety (90) days, the Board shall employ an independent, external management consultant.

(2) Prior to the appointment or employment of any consultant or entering into any contract with a consultant, the Board shall submit the name and qualifications of the proposed consultant and the proposed terms of employment to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(3) The requirement to submit information and the provision for a prior determination of no supervisory objection in this Article are based on the authority of 12 U.S.C. § 1818(b) and do not require the Comptroller or the Assistant Deputy Comptroller to complete the review and act on any such information or authority within ninety (90) days.

(4) Within sixty (60) days of engagement, the Consultant shall complete a study of current management and Board supervision being provided to the Bank, the Bank's management structure, and its staffing requirements in light of the Bank's present condition. The findings and recommendations of the Consultant shall be set forth in a written report to the Board. Within

five (5) days of its completion, a copy of the report shall be provided to the Assistant Deputy Comptroller. At a minimum, the report shall contain:

(a) an identification of present and future management and staffing requirements of each area of the Bank, with particular emphasis given to the lending area;

(b) detailed, written job descriptions for all executive officers;

(c) an evaluation of each officer's qualifications and abilities and a determination of whether each of these individuals possesses the experience and other qualifications required to perform present and anticipated duties of his/her officer position;

(d) recommendations as to whether management or staffing changes should be made, including the need for additions to, or deletions from, the current management team;

(e) objectives by which management's effectiveness will be measured;

(f) a training program to address identified weaknesses in the skills and abilities of the Bank's staff and management team;

(g) an evaluation of current lines of authority, reporting responsibilities, and delegation of duties for all officers, including identification of any overlapping duties or responsibilities;

(h) an assessment of the Board's strengths and weaknesses along with a director education program designed to strengthen identified weaknesses;

(i) an assessment of whether Board members are receiving adequate information on the operation of the Bank to enable them to fulfill their fiduciary responsibilities and other responsibilities under law;

(j) recommendations to expand the scope, frequency, and sufficiency of information provided to the Board by management;

(k) an evaluation of the extent of responsibility of current management and/or the Board for present weaknesses in the Bank's condition; and

(l) recommendations to correct or eliminate any other deficiencies in the supervision or organizational structure of the Bank.

(5) Within thirty (30) days of completion of this study, the Board shall develop, implement, and thereafter ensure Bank adherence to a written plan, with specific time frames that will correct any deficiencies that are noted in the study. Within five (5) days of its completion, the Board shall submit a copy of the written plan for the Assistant Deputy Comptroller.

(6) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

(7) The Assistant Deputy Comptroller shall retain the right to determine the adequacy of the report and the written plan and their compliance with the terms of this Agreement. In the event the written plan, or any portion thereof, is not implemented, the Board shall immediately advise the Assistant Deputy Comptroller, in writing, of specific reasons for deviating from the plan.

ARTICLE IV

RISK MANAGEMENT

(1) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written risk management program to include, at a minimum, the following:

(a) identification of existing credit, interest rate, liquidity, transaction, compliance, strategic, and reputation, and a written analysis of those risks;

(b) action plans and time frames to reduce risks where exposure is high, particularly with regard to credit risk, which impacts directly on liquidity, compliance, strategic, and reputation risks, as more fully discussed in the December 17, 2004 Report of Examination;

(c) policies, procedures, or standards that limit the degree of risk the Board is willing to incur, consistent with the strategic plan and the Bank's financial condition. The procedures shall ensure that strategic direction and risk tolerances are effectively communicated and followed throughout the Bank and should describe the actions to be taken where noncompliance with risk policies is identified;

(d) systems to measure and control risks within the Bank -- measurement systems should provide timely and accurate risk reports by customer, by department or division, and bank-wide as appropriate; and

(e) procedures to ensure that Bank employees have the necessary skills to supervise effectively the current and the new business risks within the

Bank, and procedures to describe the actions to be taken to address deficiencies in staff levels and skills.

(2) The risk management program shall be consistent with the Bank Supervision Process booklet, EP-Sup, of the Comptroller's Handbook.

(3) Prior to adoption, a copy of the risk management program shall be forwarded to the Assistant Deputy Comptroller for review and prior determination of no supervisory objection. After the Assistant Deputy Comptroller has advised the Bank that he does not take supervisory objection to the program, the Board shall immediately adopt, implement, and shall thereafter ensure adherence to, the terms of the risk management program.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE V

LENDING POLICY

(1) Within sixty (60) days, the Board shall review and revise the Bank's written loan policy for the consumer and commercial portfolios. In revising this policy, the Board shall refer to the Loan Portfolio Management booklet, A-LPM, of the Comptroller's Handbook. This policy shall incorporate, but not necessarily be limited to, the following:

(a) a description of acceptable types of loans;

(b) a provision that current and satisfactory credit information will be obtained on each borrower;

(c) maturity scheduling related to the anticipated source of repayment, the purpose of the loan, and the useful life of the collateral;

(d) maximum ratio of loan value to appraised value or acquisition costs of collateral securing the loan;

(e) collection procedures, to include follow-up efforts, that are systematically and progressively stronger;

(f) a pricing policy that takes into consideration costs, general overhead, and probable loan losses, while providing for a reasonable margin of profit;

(g) a definition of the Bank's trade area;

(h) guidelines and limitations for loans originating outside of the Bank's trade area;

(i) a limitation on aggregate outstanding loans in relation to other balance sheet accounts;

(j) distribution of loans by category;

(k) a prohibition regarding the use of brokered deposits to fund loan growth or support criticized loans;

(l) guidelines for loans to insiders, including a statement that such loans will not be granted on terms more favorable than those offered to similar outside borrowers;

(m) guidelines and limitations on concentrations of credit;

(n) a limitation on the type and size of loans that may be made by loan officers without prior approval by the Board or a committee established by the Board for this purpose;

(o) measures to correct the deficiencies in the Bank's lending procedures noted in any Report of Examination;

(p) guidelines designed to improve Board oversight of the loan approval process, specifically with regard to credits exhibiting significant risk. At a minimum, the policy shall:

(i) establish dollar limits on extensions of credit to any one borrower, above which the prior approval of the Board, or a committee thereof, would be required;

(ii) establish dollar limits on aggregate extensions of credit to any one borrower, above which any new extensions of credit to that borrower, regardless of amount, would require the prior approval of the Board, or a committee thereof; and

(iii) require that all credits which deviate from the Bank's normal course of business, including all credits which deviate from the Bank's written strategic plan, receive the prior approval of the Board, or a committee thereof.

(q) guidelines consistent with Banking Circular 255, setting forth the criteria under which renewals of extensions of credit may be approved. At a minimum the policy shall:

(i) ensure that renewals are not made for the sole purpose of reducing the volume of loan delinquencies; and

(ii) provide guidelines and limitations on the capitalization of interest;

(r) charge-off guidelines, by type of loan or other asset, including Other Real Estate Owned, addressing the circumstances under which a charge-off would be appropriate and ensuring the recognition of losses within the quarter of discovery;

(s) guidelines for compliance with OCC Bulletin 2000-20; and

(t) guidelines for periodic review of the Bank's adherence to the revised lending policy.

(2) Prior to adoption, a copy of the policy shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. After the Assistant Deputy Comptroller has advised the Bank that he does not take supervisory objection to the policy, the Board shall immediately adopt, implement, and shall thereafter ensure adherence to, the terms of the lending policy.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE VI

LOAN PORTFOLIO MANAGEMENT

(1) The Board shall, within sixty (60) days, develop, implement, and thereafter ensure Bank adherence to a written program to improve the Bank's management of the consumer and commercial portfolios. The program shall include, but not be limited to:

(a) procedures to ensure satisfactory and perfected collateral documentation;

(b) procedures to ensure that extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining and analyzing current and satisfactory credit information;

(c) procedures to ensure conformance with loan approval requirements;

(d) a system to track and analyze exceptions;

(e) procedures to ensure conformance with Call Report instructions;

(f) procedures to ensure the accuracy of internal management information systems;

(g) an adequate training program for all loan officers to ensure that the Bank maintains adequate, qualified staff in all loan administration areas;

(h) a performance appraisal process, including performance appraisals, job descriptions, and incentive programs for loan officers, which adequately consider their performance relative to policy compliance, documentation standards, accuracy in credit grading, and other loan administration matters; and

(i) procedures to track and analyze concentrations of credit, significant economic factors, and general conditions and their impact on the credit quality of the Bank's loan and lease portfolios.

(2) Upon completion, a copy of the program shall be forwarded to the Assistant Deputy Comptroller and prior written determination of no supervisory objection.

(3) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to systems that provide for effective monitoring of:

(a) early problem loan identification to assure the timely identification and rating of loans and leases based on lending officer submissions;

(b) statistical records that will serve as a basis for identifying sources of problem loans and leases by industry, size, collateral, and individual lending officer;

(c) previously charged-off assets and their recovery potential;

(d) compliance with the Bank's lending policies and laws, rules, and regulations pertaining to the Bank's lending function;

(e) adequacy of credit and collateral documentation;

(f) concentrations of credit; and

(g) loan growth.

(4) Beginning sixty (60) days after the effective date of this Agreement, and on a monthly basis thereafter, management will provide the Board with written reports including, at a minimum, the following information:

(a) the identification, type, rating, and amount of problem loans and leases;

(b) the identification and amount of delinquent loans and leases;

(c) credit and collateral documentation exceptions;

(d) the identification and status of credit related violations of law, rule or regulation;

(e) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (a) through (d) of this Article and Paragraph;

(f) an analysis of concentrations of credit, significant economic factors, and general conditions and their impact on the credit quality of the Bank’s loan and lease portfolios;

(g) the identification and amount of loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank; and

(h) the identification of loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank's lending and leasing policies.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program and systems developed pursuant to this Article.

ARTICLE VII

MANAGEMENT INFORMATION SYSTEMS

(1) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program establishing an effective management information system ("MIS") that facilitates risk identification, establishes controls, and delivers accurate information for timely review. In so doing, the Board shall identify the Bank's specific information requirements, particularly regarding the lending portfolio, and establish effective reporting mechanisms to guide decisions. The program shall include procedures for:

(a) establishing controls to ensure the accuracy and confidentiality of information;

(b) ensuring that data are processed and compiled uniformly to facilitate meaningful trend analysis, and provide for future systems changes;

(c) producing complete and relevant information in a summarized form, for Board and management reports, to permit effective decision making;

(d) identifying, recording, and tracking missing, incomplete, or imperfect loan and collateral documentation, including lacking or outdated appraisals and operating statements on real estate projects;

(e) generating periodic reports, on at least a monthly basis which identify emerging problem loans, identified problem loans, Other Real Estate Owned ("OREO"), and foreclosed assets;

(f) maintaining a system by which the Board, or a delegated committee of the Board, can identify at the time of extension of credit, the aggregate customer liability relationship of that customer with the Bank;

(g) maintaining systems and reports that identify and analyze loan portfolio concentrations, including commitments, by type, collateral, and location; and

(h) maintaining a system to calculate each concentration as a percentage of total capital.

(2) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

(3) As a part of the Board's ongoing responsibility to ensure that the Bank has an effective MIS, the Board shall designate a senior officer to coordinate the execution of this program.

(4) The Board shall submit a copy of the program to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

ARTICLE VIII

LOAN REVIEW CONSULTANT

(1) Within sixty (60) days, the Board shall employ an independent, external consultant to perform an ongoing asset quality review of the Bank's consumer and commercial loan portfolios. The consultant shall be utilized until such time as an ongoing internal asset quality review system is developed by the Board, implemented, and demonstrated to be effective.

(2) Prior to the appointment or employment of any individual as loan review consultant or entering into any contract with a consultant, the Board shall submit the name and qualifications of the proposed consultant and the proposed terms of employment to the Assistant Deputy Comptroller for a prior determination of no supervisory objection.

(3) Before terminating the consultant's asset quality review services, the Board shall both certify the effectiveness of the internal asset quality review system and receive prior determination of no supervisory objection from the Assistant Deputy Comptroller.

(4) The requirement to submit information and the provisions for prior determination of no supervisory objection in this Article are based on the authority of 12 U.S.C. § 1818(b) and do not require the Comptroller or the Assistant Deputy Comptroller to complete his review and act on any such information or authority within ninety (90) days.

ARTICLE IX

INTERNAL LOAN REVIEW

(1) The Board shall within sixty (60) days employ or designate a sufficiently experienced and qualified person(s) or firm to ensure the timely and independent identification of problem loans and leases.

(2) Within sixty (60) days, the Board shall establish an effective, independent and on-going loan review system to review, at least quarterly, the Bank's loan and lease portfolios, including both the consumer and commercial portfolios, to assure the timely identification and categorization of problem credits. The system shall provide for a written report to be filed with the Board after each review and shall use a loan and lease grading system consistent with the guidelines set forth in Rating Credit Risk, A-RCR, of the Comptroller’s Handbook. Such reports shall, at a minimum, include conclusions regarding:

(a) the overall quality of the loan and lease portfolios;

(b) the identification, type, rating, and amount of problem loans and leases;

(c) the identification and amount of delinquent loans and leases;

(d) credit and collateral documentation exceptions;

(e) the identification and status of credit related violations of law, rule or regulation;

(f) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (b) through (e) of the Article;

(g) concentrations of credit;

(h) loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank; and

(i) loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank’s lending and leasing policies.

(3) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program providing for independent review of problem loans and leases in the Bank's loan and lease portfolios for the purpose of monitoring portfolio trends, on at

least a quarterly basis. The program shall require a quarterly report to the Board. At a minimum the program shall provide for an independent reviewer's assessment of the Bank's:

(a) monitoring systems for early problem loan identification to assure the timely identification and rating of loans and leases based on lending officer submissions;

(b) statistical records that serve as a basis for identifying sources of problem loans and leases by industry, size, collateral, division, group, indirect dealer, and individual lending officer;

(c) system for monitoring previously charged-off assets and their recovery potential;

(d) system for monitoring compliance with the Bank's lending policies and laws, rules, and regulations pertaining to the Bank's lending function; and

(e) system for monitoring the adequacy of credit and collateral documentation.

(4) A written description of the program called for in this Article shall be forwarded to the Assistant Deputy Comptroller upon implementation.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

(6) The Board shall evaluate the internal loan and lease review report(s) and shall ensure that immediate, adequate, and continuing remedial action, if appropriate, is taken upon all findings noted in the report(s).

(7) A copy of the reports submitted to the Board, as well as documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits, shall be preserved in the Bank.

ARTICLE X

COMPLIANCE PROGRAM

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure adherence to a written compliance program designed to ensure that the Bank is operating in compliance with:

(a) all applicable consumer protection laws, rules, and regulations; and

(b) all requirements of the Bank Secrecy Act, as amended (31 U.S.C. §§ 5311 - 5330), the regulations promulgated thereunder at 31 C.F.R. Part 103, as amended, and 12 C.F.R. Part 21, Subparts B and C (including, but not limited to, Currency Transaction Reports ("CTRs") and Suspicious Activity Reports ("SARs") (collectively referred to as "BSA"); Customer Identification Procedures ("CIP"); and the rules and regulations of the Office of Foreign Assets Control ("OFAC").

(2) The compliance program shall include, but not be limited to:

(a) a written description of the duties and responsibilities of the compliance officer;

(b) adequate internal controls to ensure compliance with all laws, rules, and regulations;

(c) the preparation of a compliance policies and procedures manual for use by appropriate Bank personnel in the performance of their duties and responsibilities, including policies and procedures for identifying, monitoring, and reporting compliance with BSA, CIP, and OFAC;

(d) semiannual updates of the written policies and procedures manual to ensure it remains current;

(e) an audit program to test for compliance with all laws, rules, and regulations;

(f) procedures to ensure that exceptions noted in the audit reports are corrected and responded to by the appropriate Bank personnel;

(g) the education and training of all appropriate Bank personnel in the requirements of all federal and state consumer protection and BSA, CIP, and OFAC laws, rules, and regulations; and

(h) periodic reporting of the results of the compliance audit to the Board or a committee thereof.

(3) Upon adoption, a copy of the program shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE XI

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) The Board shall review the adequacy of the Bank's Allowance for Loan and Lease Losses ("Allowance") and shall establish a program for the maintenance of an adequate Allowance. This review and program shall be designed in light of the comments on maintaining a proper Allowance found in the Allowance for Loan and Lease Losses booklet, A-ALLL, of the Comptroller's Handbook, and shall focus particular attention on the following factors:

(a) results of any external or internal loan review;

(b) an estimate of inherent loss exposure on each credit over fifty thousand dollars ($50,000);

(c) an estimate of inherent loss exposure on each credit on the problem loan and watch list regardless of amount;

(d) loan loss experience;

(e) trends of delinquent and nonaccrual loans;

(f) concentrations of credit in the Bank;

(g) present and prospective economic conditions; and

(h) trends in loan growth.

(2) The program shall provide for a review of the Allowance by the Board prior to the end of each calendar quarter. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Reports of Condition and Income, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the Allowance.

(3) Within five (5) days of its completion, a copy of the Board's program shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE XII

CAPITAL PLAN

(1) The Bank shall achieve and maintain the following capital levels (as defined in 12 C.F.R. Part 3):

(a) Total risk-based capital at least equal to ten percent (10%) of risk-weighted assets; and

(b) Tier 1 capital at least equal to eight percent (8%) of adjusted total assets.[2]

(2) The requirement in this Agreement to meet and maintain a specific capital level means that the Bank may not be deemed to be "well capitalized" for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 pursuant to 12 C.F.R. § 6.4(b)(1)(iv).

(3) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a three-year capital program. The program shall include:

(a) projections for growth and capital requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;

[2] Adjusted total assets is defined in 12 C.F.R. § 3.2(a) as the average total asset figure used for Call Report purposes minus end-of-quarter intangible assets.

(b) projections of the sources and timing of additional capital to meet the Bank's current and future needs;

(c) contingency plans that identify alternative methods should the primary source(s) under (b) above not be available; and

(d) a dividend policy that permits the declaration of a dividend only:

(i) when the Bank is in compliance with its approved capital program;

(ii) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and

(iii) with the prior written determination of no supervisory objection by the Assistant Deputy Comptroller.

(4) Within five (5) days of its completion, the Bank's capital program shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the capital program. The Board shall review and update the Bank's capital program on an annual basis, or more frequently if necessary. Copies of the reviews and updates shall be submitted to the Assistant Deputy Comptroller.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE XIII

LIQUIDITY POLICY

(1) Within ninety (90) days, the Board shall develop and submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection, a

written liquidity, asset, and liability management policy. The Board shall ensure that the Bank's policy is consistent with the Comptroller's Handbook for National Bank Examiners, Section 405, and the Interest Rate Risk booklet, L-IRR, of the Comptroller's Handbook. The policy shall provide for a coordinated liquidity, asset, and liability management strategy.

(2) The Board shall take appropriate action to sustain the Bank's current operations and to withstand any anticipated or extraordinary demands against its funding base. Such actions may include, but are not necessarily limited to:

(a) selling assets;

(b) obtaining lines of credit from the Federal Reserve Bank;

(c) obtaining lines of credit from correspondent banks;

(d) recovering charged-off assets; and

(e) injecting additional equity capital.

(3) The Board shall review the Bank's liquidity on a monthly basis. Such reviews shall consider:

(a) a maturity schedule of certificates of deposit, including large uninsured deposits;

(b) the volatility of demand deposits including escrow deposits;

(c) the amount and type of loan commitments and standby letters of credit;

(d) an analysis of the continuing availability and volatility of present funding sources;

(e) an analysis of the impact of decreased cash flow from the Bank's loan portfolio resulting from delinquent and non-performing loans; and

(f) an analysis of the impact of decreased cash flow from the sale of loans or loan participations.

(4) Monthly reports shall set forth liquidity requirements and sources and establish a contingency plan. Copies of these reports shall be forwarded to the Assistant Deputy Comptroller in the Bank's monthly report to the Assistant Deputy Comptroller.

ARTICLE XIV

INTEREST RATE RISK POLICY

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written interest rate risk policy. In formulating this policy, the Board shall refer to the Interest Rate Risk booklet, L-IRR, of the Comptroller's Handbook. The policy shall provide for a coordinated interest rate risk strategy and, at a minimum, address:

(a) the establishment of adequate management reports on which to base sound interest rate risk management decisions;

(b) establishment and guidance of the Bank's strategic direction and tolerance for interest rate risk;

(c) implementation of effective tools to measure and monitor the Bank's performance and overall interest rate risk profile;

(d) employment of competent personnel or an outside consultant to assist with management of interest rate risk;

(e) prudent limits on the nature and amount of interest rate risk that can be taken; and

(f) periodic review of the Bank's adherence to the policy.

(2) Upon adoption, a copy of the written policy shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE XV

INFORMATION TECHNOLOGY

(1) Within ninety (90) days, the Board shall take all steps necessary to improve the management of the Bank's Information Technology ("IT") activities, including but not limited to complying with each Paragraph of this Article, and to correct each deficiency cited in the December 17, 2004 Report of Examination or any supervisory communication.

(2) The Board shall ensure that the information technology manager has the necessary skills and experience to supervise effectively the IT area.

(3) The Board shall develop, implement, and thereafter adhere to a written, well-documented, risk-based, internal information technology audit program. At a minimum, the IT audit program shall be performed by an independent and qualified party, and shall include fundamental elements of a sound audit program as described in the "Audit" booklet of the FFIEC Information Technology Examination Handbook.

(4) The Board shall develop, implement, and thereafter ensure adherence to a comprehensive, written information security program to ensure the safety and soundness of its operations and to support the Bank's efforts to comply with 12 C.F.R. Part 30, Appendix B, Safeguarding Customer Information. The information security program shall include administrative, technical, and physical safeguards to protect the security, confidentiality, and

integrity of customer information. The information security program shall be consistent with the security process described in the "Information Security" booklet of the FFIEC Information Technology Examination Handbook. At a minimum, the information security program shall include:

(a) an assessment of the risks to its customer information or customer information systems and a written report evidencing such assessment. The assessment shall include:

(i) the identification of reasonably foreseeable internal and external threats that could result in unauthorized disclosure, misuse, alteration, or destruction of customer information or customer information systems;

(ii) an assessment of the likelihood and potential damage of these threats, taking into consideration the sensitivity of customer information; and

(iii) an assessment of the sufficiency of policies, procedures, customer information systems, and other arrangements in place to control risks.

(b) a process to monitor and control the identified risks, commensurate with the sensitivity of the information as well as the complexity and scope of bank activities;

(c) a test plan that provides for regular testing of key controls, systems and procedures of its information security program. The frequency and nature of such tests shall be determined by the risk assessment. Such tests shall be conducted or reviewed by independent third parties or staff independent of those who develop or maintain the information security program.

(5) The Board shall develop, implement, and thereafter adhere to, a written program to oversee and manage risks associated with outsourcing technology services to third party servicers, including technology service providers and vendors. This third party management program shall be consistent with OCC Bulletin 2001-47, "Third Party Relationships," dated November 1, 2001, and OCC Advisory Letter 2000-12, "Risk Management of Outsourcing Technology Services" dated November 28, 2000.

(6) The Bank shall develop and test a formal Bank Information Systems Resumption and Corporate Contingency Plan which, at a minimum, complies with the requirements set forth in Banking Bulletin 97-23 dated May 16, 1997, adopting the Federal Financial Institutions Examination Council's revised policy statement ("SP-5") *Corporate Business Resumption and Contingency Planning*.

(7) Within ninety (90) days, and at least annually thereafter, the Board shall review its Bank Information Systems resumption and contingency planning and perform a test of all necessary programs and system applications using its backup location, or recovery operation center, to ensure the continuation of operations in the event of a disaster. The Board shall document the results of this review and test in its meeting minutes.

(8) A copy of the programs, plans, and test results required by this Article shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

ARTICLE XVI

PROGRESS REPORTING - MONTHLY

(1) The Board shall submit monthly progress reports to the Assistant Deputy Comptroller, Kansas City North Field Office, 6700 Antioch, Suite 450, Merriam, Kansas 66204-1200. These reports shall set forth in detail:

(a) actions taken since the prior progress report to comply with each Article of the Agreement;

(b) results of those actions; and

(c) a description of the actions needed to achieve full compliance with each Article of this Agreement.

(2) The progress reports should also include any actions initiated by the Board and the Bank pursuant to the criticisms and comments in the December 17, 2004 Report of Examination or in any future Report of Examination.

(3) The first progress report shall be submitted for the period ending June 30, 2005, and will be due within thirty (30) days of that date. Thereafter, progress reports will be due within thirty (30) days thereafter.

ARTICLE XVII

VIOLATIONS OF LAW

(1) The Board shall immediately take all necessary steps to ensure that Bank management corrects each violation of law, rule, or regulation cited in the December 17, 2004 Report of Examination and in any subsequent Report of Examination. The monthly progress

reports required by Article XVI of this Agreement shall include the date and manner in which each correction has been effected during that reporting period.

(2) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the December 17, 2004 Report of Examination and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management that incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(3) Within thirty (30) days of receipt of any subsequent Report of Examination that cites violations of law, rule, or regulation, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management that incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(4) Upon adoption, a copy of these procedures shall be promptly forwarded to the Assistant Deputy Comptroller.

(5) The Board shall ensure that the Bank has policies, processes, personnel, and control systems to ensure implementation of and adherence to the procedures developed pursuant to this Article.

ARTICLE XVIII

ADMINISTRATIVE APPEALS AND EXTENSIONS OF TIME

(1) If the Bank determines that an exception to any provision of this Agreement is in the best interests of the Bank, or requires an extension of any timeframe within this Agreement, the Board shall submit a written request to the Assistant Deputy Comptroller asking for relief.

(2) Any written requests submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with any provision, that require the Assistant Deputy Comptroller to exempt the Bank from any provision, or that require an extension of any timeframe within this Agreement. All such requests shall be accompanied by relevant supporting documentation.

(3) The Assistant Deputy Comptroller's decision is final and not subject to further review.

ARTICLE XIX

CLOSING

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon her by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Agreement in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

(a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Agreement;

(b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement;

(c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and

(d) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) This Agreement is intended to be, and shall be construed to be, a supervisory "written agreement entered into with the agency" as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the OCC or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations

herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the OCC has any intention to enter into a contract. The Bank also expressly acknowledges that no OCC officer or employee has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the OCC's exercise of its supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

/s/ *Michael G. Koll, Sr.* — *5/23/05*

Michael G. Koll, Sr. — Date
Assistant Deputy Comptroller
Kansas City North Field Office

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

Signed	5/23/05
Ronald J. Johnson	Date
Signed	5/23/2005
Mark W. Morehouse	Date
Signed	5/23/05
Brad D. O'Neal	Date
Signed	5/23/05
Donald O. Thompson	Date
Signed	5/23/05
George D. Thompson	Date