

(3) Prior to appointing any new director, the Bank must provide the Assistant Deputy Comptroller with written notice as required by 12 C.F.R. § 5.51 (notice forms and instructions in the “Changes in Directors and Senior Executive Officers” and “Background Investigations” booklets of the Comptroller’s Licensing Manual).

(4) The Assistant Deputy Comptroller shall have the power to disapprove the appointment of the proposed new director. However, the lack of disapproval of such individual shall not constitute an approval or endorsement of the proposed director.

(5) If the Board is unable to identify any qualified director candidates within thirty (30) days, the Board shall document its efforts to locate such candidates, and notify the Assistant Deputy Comptroller in writing. Thereafter, the Board shall provide monthly reports to the Assistant Deputy Comptroller summarizing its continuing efforts to locate such candidates.

(6) The Board shall retain counsel to review the actions of the Board during the period in which the Board operated in noncompliance with 12 U.S.C. § 71a with one vacancy. Counsel shall determine whether the Board’s actions are legally binding upon the Bank and if additional action is needed to validate the actions taken by the Board during that time.

Article II

COMPLIANCE COMMITTEE

(1) Within ten (10) days, the Board shall appoint a Compliance Committee of at least three (3) directors of which at least one (1) must not be a controlling shareholder of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or family members of any such person. Upon appointment, the names of the members of the Compliance Committee and, in the event of a change of the membership, the name of any new member shall be submitted in writing to the Assistant Deputy Comptroller.

(2) Within ten (10) days of the appointment of an external director as required by Paragraph (2) of Article I, the Board shall appoint the external director to serve on the Compliance Committee.

(3) The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order and shall meet at least monthly.

(4) Within thirty (30) days and every calendar month thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) a description of the action needed to achieve full compliance with each Article of this Order;
- (b) actions taken to comply with each Article of this Order; and
- (c) the results and status of those actions.

(5) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of receiving such report.

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

Assistant Deputy Comptroller
Denver Field Office
1225 17th Street, Suite 450
Denver, Colorado 80202

Article III

MANAGEMENT AND BOARD SUPERVISION

(1) Within sixty (60) days, the Board shall employ an independent outside management consultant ("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 a prior written determination of no supervisory objection.

(3) Within thirty (30) days of the receipt of the non-supervisory objection to the proposed consultant, the Consultant shall complete a study of current management and Board supervision presently 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 (the "Management Study") to the Board. At a minimum, the Management Study shall contain:

- (a) the identification of present and future management and staffing requirements of each area of the Bank, with particular emphasis given to Board oversight, lending, BSA, and compliance areas;
- (b) determinations as to the cause of high employee and officer turnover;
- (c) detailed written job descriptions for all executive officers;
- (d) an evaluation of each director and officer's knowledge, skills, 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 to include the President, Senior Loan Officer, Chief Financial Officer, Bank Secrecy Act Officer, Compliance Officer, Internal Auditor, and Loan Review Officer;

- (e) recommendations as to whether management or staffing changes should be made, including the need for additions to or deletions from the current Board and management team;
- (f) objectives by which management's and the Board's effectiveness will be measured;
- (g) a training program to address identified weaknesses in the skills and abilities of the Bank's staff and management team;
- (h) an evaluation of current lines of authority, reporting responsibilities and delegation of duties for all officers, including identification of any overlapping duties or responsibilities;
- (i) a recommended organization chart that clearly reflects areas of responsibility and lines of authority for all officers, including the Bank's president and chief executive officer;
- (j) an assessment of the Board's strengths and weaknesses along with a director education program designed to strengthen identified weaknesses;
- (k) 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;
- (l) recommendations to expand the scope, frequency and sufficiency of information provided to the Board by management;
- (m) an evaluation of the extent of responsibility of current management and/or the Board for present weaknesses in the Bank's condition; and

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

(4) Copies of the Management Study shall be forwarded to the Assistant Deputy Comptroller within five (5) days of completion. The Assistant Deputy Comptroller shall retain the right to determine whether the Management Study complies with the terms of this Order.

(5) Within thirty (30) days of the completion of the Management Study, the Board shall develop, implement, and thereafter ensure Bank adherence to a written plan with specific time frames that will correct any deficiencies which are noted in the study.

(6) Copies of the Board's written plan, and the independent investigation, shall be forwarded to the Assistant Deputy Comptroller. The Assistant Deputy Comptroller shall retain the right to determine the adequacy of the report and whether it complies with the terms of this Order. 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

CAPITAL PLAN

(1) Beginning September 30, 2006, the Bank shall achieve and maintain the following minimum capital ratios, where the meaning of such terms are as defined in 12 C.F.R. Part 3:

- (a) Tier 1 capital at least equal to ten (10%) of risk-weighted assets; and
- (b) Tier 1 capital at least equal to ten (10%) of average assets.

(2) The requirement in this Order 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 ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a three-year capital program. The program shall include:

- (a) specific plans for the maintenance of adequate capital that may in no event be less than the requirements specified in Paragraph (1) of this Article;
- (b) projections for capital requirements based upon a detailed analysis of the Bank’s assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (c) projections of the sources and timing of additional capital to meet the Bank’s current and future needs;
- (d) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank’s needs;
- (e) contingency plans that identify alternative methods should the primary source(s) under (d) above not be available; and
- (f) a dividend policy that permits the declaration of a dividend only:
 - (ii) 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 approval from the Assistant Deputy Comptroller, which shall be granted or denied within thirty (30) days of the receipt of a dividend request from the Bank.

(4) Upon completion, the Bank's capital program shall be submitted to the Assistant Deputy Comptroller for prior 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.

Article V

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, define and limit growth expectations, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy, product line development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives. The Bank's objectives shall be specific, measurable, verifiable, and, at a minimum, include:

- (a) a mission statement that forms the framework for the establishment of strategic goals and objectives;
- (b) an assessment of the Bank's present and future operating environment;
- (c) the development of strategic goals and objectives to be accomplished over the short and long term;
- (d) an identification of the Bank's present and future product lines (assets and liabilities) and market segments that will be developed to accomplish the strategic goals and objectives established in pursuant to this Article;

- (e) 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 pursuant to this Article;
- (f) a management employment and succession program to promote the retention and continuity of capable management;
- (g) 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, to include the dividend restrictions, capital and other requirements of Article V;
- (h) control systems to mitigate risks associated with planned new products, significant concentrations, or any proposed changes in the Bank's operating environment;
- (i) specific plans to establish responsibilities and accountability for the strategic planning process, new products, proposed changes in the Bank's operating environment, and limiting further growth in commercial real estate lending; and
- (j) systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(2) Prior to adoption of the strategic plan by the Board, a copy of the plan shall be forwarded to the Assistant Deputy Comptroller for a 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 strategic plan.

(3) The Bank must give the Assistant Deputy Comptroller at least sixty (60) days advance, written notice of its intent to deviate significantly from the strategic plan.

(4) For purposes of this Article, changes that may constitute a significant deviation from the strategic plan include, but are not limited to, any significant deviations from marketing strategies, marketing partners, acquisition channels; underwriting practices and standards, account management strategies and test programs; collection strategies, partners or operations; fee structure, pricing, or fee application methods; accounting processes and practices; funding strategy; or any other changes in personnel, operations, or external factors that may have a material impact on the Bank's operations or financial performance.

(5) Prior to making any changes that significantly deviate from the Bank's strategic plan, the Board shall perform an evaluation of the adequacy of the Bank's organizational structure, staffing, management information systems, internal controls and written policies and procedures to identify, measure, monitor, and control the risks associated with the product or service. The evaluation shall include an assessment of the impact of such change on the Bank's condition, including a profitability analysis.

(6) If the OCC determines, in its sole judgment, that the Bank has failed to submit an acceptable strategic plan as required by Paragraph (1) of this Article or has failed to implement or adhere to the Bank's specific, measurable, and verifiable objectives included in the strategic plan, for which the OCC has taken no supervisory objection pursuant to Paragraph (2) of this Article, then within fifteen (15) days of receiving written notice from the OCC of such fact, the Board shall develop and shall submit a revised strategic plan to the OCC for its review and prior determination of no supervisory objection. The revised strategic plan shall detail the Bank's

proposal to correct deficiencies resulting in the Bank’s failure and to adhere to the Bank’s original strategic plan.

(7) After the OCC has advised the Bank that it does not take supervisory objection to the revised strategic plan, the Board shall immediately implement, and shall thereafter ensure adherence to, the terms of the revised strategic plan.

Article VI

BANK PREMISES

(1) Within one hundred and eighty (180) days, the Board shall cause the Bank to divest itself of the Woodland Park premises.

(2) The Board shall document its effort to divest the Bank of the Woodland Park premises on a monthly basis and shall forward a copy of the documented efforts to the Assistant Deputy Comptroller within ten (10) days of each Board meeting.

Article VII

BANK SECRECY ACT PROGRAM

(1) To provide for compliance with the Bank Secrecy Act, as amended (31 U.S.C. §§ 5311 et seq.), the regulations promulgated thereunder at 31 C.F.R. Part 103, as amended, and 12 C.F.R. Part 21, Subparts B and C, and the rules and regulations of the Office of Foreign Assets Control (“OFAC”) (collectively referred to as the “Bank Secrecy Act” or “BSA”), the Board shall perform, within thirty (30) days, a comprehensive BSA risk assessment, to include at a minimum:

- (a) identification of the risks associated with the Bank’s products, services, customers, and geographies served; and

- (b) an evaluation of its existing internal controls to determine the need for enhanced controls to mitigate the identified risks.

(2) Within sixty (60) days, the Bank shall revise, adopt, implement and thereafter ensure Bank adherence to a written program of policies and procedures to provide for compliance with the BSA to include consideration of:

- (a) the findings of the BSA risk assessment;
- (b) the deficiencies identified in the Report of Examination performed as of March 31, 2006 (the “ROE”), any subsequent OCC reviews, and any internal or outsourced audits;
- (c) the requirements of 12 C.F.R. § 21.21; and
- (d) the requirements of this Order relating to Compliance Staff, Training, Internal Controls, and Audit.

Article VIII

BSA COMPLIANCE STAFF

(1) Within thirty (30) days, the Board shall appoint a capable person to serve as Bank Secrecy Act officer who shall be vested with sufficient authority to monitor and ensure the Bank’s compliance with the Bank Secrecy Act, as amended (31 U.S.C. §§ 5311 et seq.), the regulations promulgated thereunder at 31 C.F.R. Part 103, as amended, and 12 C.F.R. Part 21, Subparts B and C, and the rules and regulations of the Office of Foreign Assets Control (“OFAC”) (collectively referred to as the “Bank Secrecy Act” or “BSA”).

(2) Prior to the appointment of any individual to the Bank Secrecy Act officer position, the Board shall submit the name and qualifications of the proposed officer to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(3) Upon receipt of a prior written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall thereafter ensure that the Bank Secrecy Act Officer has sufficient training, authority, and skill to perform the assigned responsibilities.

Article IX

BSA TRAINING

(1) Within sixty (60) days, the BSA Program shall include a comprehensive training program for all appropriate operational and supervisory personnel to ensure their awareness of their specific assigned responsibilities for compliance with the requirements of the BSA. The program must include advanced training for supervisory personnel including the BSA Officer, Internal Auditor, and senior management.

(2) This training program shall include, at a minimum, strategies for: mandatory attendance, frequency of training, procedures and timing for updating training programs and materials, and methods for delivering training.

Article X

BSA INTERNAL CONTROLS

(1) Within sixty (60) days, the BSA Program shall include policies and procedures for the appropriate identification and monitoring of transactions that pose greater than normal risk for compliance with the BSA, to include at a minimum:

- (a) the creation of an accurate list of customers or accounts exhibiting high risk characteristics for money laundering, terrorist financing, or other illicit activity;

- (b) enhanced policies and procedures for recording, maintaining, and recalling information about transactions that pose greater than normal risk for compliance with the BSA;
- (c) well-defined policies and procedures for investigating and resolving transactions that have been identified as posing greater than normal risk for compliance with the BSA;
- (d) adequate controls and procedures to ensure that all suspicious and large currency transactions are identified and reported;
- (e) procedures to maintain records on monetary instrument transactions and funds transfers, as required by the BSA; and
- (f) a method for introducing new products and services that ensures that the policies and procedures governing new products and services are consistent with the Bank's program for compliance with the BSA.

(2) The BSA Program shall include policies and procedures to provide for the Bank's monitoring of suspicious cash, monetary instruments, wire transfers, and other activities for all types of transactions, accounts, customers, products, services, and geographic areas, to include at a minimum:

- (a) reviews of cash purchases of monetary instruments;
- (b) periodic analysis of aggregate cash, monetary instrument, and wire activity;
- (c) periodic analysis of Currency Transaction Report filings;
- (d) automatic reviews of accounts or customers for which the Bank has received criminal subpoenas that may involve the BSA;

- (e) reviews of high risk transactions, accounts, customers, products, services, and geographic areas; and
- (f) timely submission of complete and accurate SARs based on these reviews and analyses.

(3) The BSA Program shall include policies and procedures for expanded account-opening procedures for all accounts that pose greater than normal risk for compliance with the Bank Secrecy Act by requiring:

- (a) identification of all account owners and beneficial owners in compliance with 31 C.F.R. § 103.121;
- (b) identification of the officers, directors, major shareholders or partners, as applicable;
- (c) documentation of the following information for all deposit account customers:
 - (i) any relevant financial information concerning the customer;
 - (ii) the type of business conducted by the customer;
 - (iii) the customer's source of income or wealth; and
 - (iv) any other due diligence required by this Order, the BSA Officer or the Bank.

(4) The Bank shall establish a policy to address instances for not opening an account, allowing the use of an account while verifying a customer's identity or other risks, closing an account, and filing SARs if the Bank does not receive the information required by Paragraph (3) of this Article by the date the information is due, or if the Bank is not able to form a reasonable belief that it knows the true identity of a customer.

(5) The Bank shall establish a policy to address instances of refusing to open an account of a new customer and closing any account of an existing customer if the information available to the Bank indicates that the customer's relationship with the Bank would be detrimental to the reputation of the Bank.

(6) The BSA Program shall include policies and procedures for the maintenance of an integrated, accurate system for all Bank areas to produce periodic reports designed to identify unusual or suspicious activity, including patterns of activity, to monitor and evaluate unusual or suspicious activity, and to maintain accurate information needed to produce these reports, to include at a minimum:

- (a) the ability to link related accounts, countries of origin, location of the customers' businesses and residences to evaluate patterns of activity;
- (b) maintenance of, either manually or through the Bank's electronic information systems, a list of all accounts associated with a relationship, a country, or politically exposed persons ("PEPs");
- (c) periodic reports covering one day, a number of days, and monthly reports that segregate transactions posing a greater than normal risk for compliance with the BSA;
- (d) periodic reports of all high-risk accounts that are newly-established, renewed or modified, including the following information:
 - (i) the name of the customer;
 - (ii) the officers, directors and major shareholder(s) of any corporate customer and the partners of any partnership customer;

- (iii) any other accounts maintained by the customer and, as applicable, its officers, directors, major shareholders or partners;
 - (iv) a detailed analysis of the due diligence performed on the customer and, as applicable, its officers, directors, major shareholders or partners;
 - (v) any related accounts of the customer at the Bank;
 - (vi) any action the Bank has taken on the account;
 - (vii) the purpose and balance of the account; and
any unusual activity for each account;
- (e) periodic reports of any type of subpoena received by the Bank and any law enforcement inquiry directed to the Bank and any action taken by the Bank on the affected account; and
- (f) other periodic reports deemed necessary or appropriate by the BSA Officer or the Bank.

(7) The BSA Officer or designee shall periodically review, not less than each calendar year, all account documentation for all high-risk customers and accounts and the related accounts of those customers at the Bank to determine whether the account activity is consistent with the customer's business or occupation and the stated purpose of the account.

Article XI

BSA AUDIT

(1) Within sixty (60) days, the Board shall engage, subject to the prior written determination of no supervisory objection, an external firm to perform an independent, external audit designed to ensure compliance with the BSA in all areas of the Bank.

(2) The name of the proposed firm engaged pursuant to Paragraph (1) of this Article, along with a copy of the proposed engagement letter, shall be submitted to the Assistant Deputy Comptroller. Upon receipt of no supervisory objection to the proposed firm and proposed engagement letter, the Board shall, within thirty (30) days, engage the firm to perform the external BSA audit.

(3) Within sixty (60) days, the Board shall revise, adopt, implement, and thereafter ensure Bank adherence to an independent, internal audit program designed to ensure compliance with the BSA in all areas of the Bank, including scope, testing, and documentation sufficient to:

- (a) detect irregularities in the Bank's operations;
- (b) determine the Bank's level of compliance with all applicable laws, rules and regulations;
- (c) evaluate the Bank's adherence to established policies and procedures;
- (d) perform an appropriate level of testing to support the audit findings;
- (e) ensure adequate audit coverage in all areas; and
- (f) establish an annual audit plan using a risk-based approach sufficient to achieve these objectives.

(4) The Board shall ensure appropriate oversight of the BSA audit function, with particular emphasis on an adequately staffed department or outside firm with respect to both the experience level and the number of individuals employed.

(5) The Board shall ensure that the audit program is independent. The persons responsible for implementing the BSA audit program described above shall report directly to the Board or a designated committee of the Board (comprised of at least two outside directors),

which shall have the sole power to direct their activities. All reports prepared by the audit staff shall be filed directly with the Board and not through any intervening party.

(6) All audit reports shall be in writing and supported by adequate workpapers, which must be provided to the Bank. The Board shall ensure that immediate actions are undertaken to remedy deficiencies cited in audit reports, and that the Board maintain a written record describing those actions.

Article XII

CONSUMER COMPLIANCE PROGRAM

(1) Within sixty (60) days, the Board shall engage, subject to the prior written determination of no supervisory objection, an external firm to perform an independent, external audit designed to ensure compliance with consumer compliance laws and regulations in all areas of the Bank including the mortgage department.

(2) The name of the proposed firm engaged pursuant to Paragraph (1) of this Article, along with a copy of the proposed engagement letter, shall be submitted to the Assistant Deputy Comptroller. Upon the receipt of no supervisory objection to the proposed firm and proposed engagement letter, the Board shall, within thirty (30) days, engage the firm to perform the external consumer compliance audit.

(3) Within sixty (60) days, the Board shall employ a capable person to serve as a full-time Compliance officer who shall be responsible for ensuring the Bank complies with all applicable consumer laws and regulations.

(4) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure adherence to a written consumer compliance program designed to ensure that the Bank is

operating in compliance with all applicable consumer protection laws, rules, and regulations.

This program shall include at a minimum:

- (a) a written description of the duties and responsibilities of the Compliance officer;
- (b) adequate internal controls to ensure compliance with consumer protection laws, rules, and regulations;
- (c) the preparation of a policies and procedures manual covering all consumer protection laws, rules, and regulations for use by appropriate Bank personnel in the performance of their duties and responsibilities and specifically tailored to your deposit and lending practices;
- (d) timely updates of the written policies and procedures manual to ensure it remains current;
- (e) a formalized risk assessment process and annual audit plan to use in determining the frequency and scope of ongoing compliance monitoring and audit;
- (f) a comprehensive independent audit program to adequately test for compliance with consumer protection laws, rules and regulations;
- (g) procedures to ensure that exceptions noted in the audit reports are corrected and responded to by the appropriate Bank personnel;
- (h) the education and training of all appropriate Bank personnel in the requirements of all applicable federal and state consumer protection laws, rules and regulations;

- (i) procedures for the dissemination of changes in laws, rules, regulations and OCC policy changes to affected Bank personnel; and
 - (j) periodic reporting of the results of the consumer 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.

Article XIII

INTEREST RATE RISK POLICY

- (1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written interest rate risk program that must:
- (a) ensure senior management understands, documents, periodically reviews and adjusts as needed assumptions used in the bank's interest rate risk model;
 - (b) result in knowledgeable staffing in this area, which may include additional training;
 - (c) tailor applicable Board policies to be consistent with the interest rate risk model and reports generated;
 - (d) establish reasonable limits on interest rate risk; and
 - (e) ensure an independent validation of the interest rate risk model on an at least an annual basis.
- (2) The Board shall submit a copy of the revised program required by this Article to the Assistant Deputy Comptroller.

Article XIV

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, unsafe or unsound practice, or breach of fiduciary duty, cited in the ROE and in any subsequent Report of Examination or OCC correspondence. The monthly progress reports required by Article II of this Order 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, practices, and breaches as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules, regulations and duties applicable to their areas of responsibility.

(3) Within sixty (60) days of receipt of any subsequent Report of Examination or other OCC correspondence which cites violations of law, rule, or regulation, unsafe or unsound practice, or breach of fiduciary duty, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future citations in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules, regulations, and duties applicable to their areas of responsibility.

Article XV

CREDIT AND COLLATERAL EXCEPTIONS

(1) Within sixty (60) days, the Board shall obtain current and satisfactory credit information on all loans lacking such information, including those listed in the ROE, in any

subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination.

(2) Within sixty (60) days, the Board shall ensure proper collateral documentation is maintained on all loans and correct each collateral exception listed in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination.

(3) The Bank may grant, extend, renew, alter or restructure any loan or other extension of credit only after:

- (a) documenting the specific reason or purpose for the extension of credit;
- (b) identifying the expected source of repayment in writing;
- (c) structuring the repayment terms to coincide with the expected source of repayment;
- (d) obtaining and analyzing current, financial, and credit information, sufficient to make an informed decision regarding the repayment ability of the borrower to include detailed global cash flow analysis and multi-variable stress testing on commercial real estate loans;
- (e) documenting, with adequate supporting material, the value of collateral;
- (f) properly perfecting the Bank's lien, if applicable; and
- (g) ensuring the loan complies with the Bank's Loan Policy.

(4) Failure to obtain the information required pursuant to Paragraph (3) of this Article shall require a majority of the full Board (or a delegated committee consisting of at least two

external directors) to certify in writing that it was in the best interests of the Bank to nevertheless provide the extension of credit. The Board or its delegated committee shall also provide the specific reason(s) that the non-complying extension of credit is in the best interests of the Bank.

Article XVI

CRITICIZED ASSETS

(1) The Bank shall take immediate and continuing action to protect its interest in those assets criticized (those listed as “special mention,” “substandard,” or “doubtful”) in the ROE, in any subsequent Report of Examination, by internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination.

(2) The Board shall immediately take all necessary steps to ensure Bank adherence to a written program designed to eliminate the basis of criticism of assets in the ROE, in any subsequent Report of Examination or OCC correspondence, or by any internal or external loan review. This program shall include, at a minimum:

- (a) an identification of the expected sources of repayment;
- (b) the appraised value of supporting collateral and the position of the Bank’s lien on such collateral where applicable;
- (c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations; and
- (d) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment.

(3) The Board, or a designated committee, shall conduct a review, on at least a quarterly basis, to determine:

- (a) the status of each criticized asset or criticized portion thereof that equals or exceeds five hundred thousand dollars (\$500,000);
- (b) management's adherence to the program adopted pursuant to this Article;
- (c) the status and effectiveness of the written program; and
- (d) the need to revise the program or take alternative action.

(4) The Bank may extend credit, directly or indirectly, including renewals, extensions or capitalization of accrued interest, to a borrower whose loans or other extensions of credit are criticized in the ROE, in any subsequent Report of Examination or OCC correspondence, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination and whose aggregate loans or other extensions exceed five hundred thousand (\$500,000), only if each of the following conditions are met:

- (a) the Board or its designated committee finds that the extension of additional credit is necessary to promote the best interests of the Bank and that prior to renewing, extending, or capitalizing any additional credit, a majority of the full Board (or its designated committee that must include at least two external directors) approves the credit extension and records, in writing, and documents the reasons such extension is necessary to promote the best interests of the Bank; and
- (b) a comparison to the written program adopted pursuant to this Article shows that the Board's formal plan to collect or strengthen the criticized asset will not be compromised.

(5) A copy of the approval of the Board or its designated committee shall be maintained in the credit file of the borrower.

Article XVII

CREDIT RISK MANAGEMENT

(1) Within thirty (30) days, the Board shall review and revise the Bank's written loan policy relating to non-amortizing lines of credit secured by real estate (discretionary loans) to ensure that the policy:

- (a) contains appropriate underwriting guidelines for non-amortizing real estate loans (discretionary loans), including but not limited to the establishment of defined repayment programs that are consistent with prudent lending practices;
- (b) accurately identifies the number and volume of all non-amortizing real estate loans (discretionary loans) currently outstanding;
- (c) ensures that the Bank follows the established policy; and
- (d) establishes procedures to bring existing non-amortizing real estate loans (discretionary loans) credits into adherence to the revised policy.

(2) The Board shall ensure on a periodic basis or at least annually that a review is completed on a sample of all outstanding loans and lines of credit to ensure that accurate codes (i.e., note purpose, collateral code, loan type, and FFIEC codes) are entered on the loan system for such loans to provide an accurate method to identify concentrations of credit.

(3) Within ninety (90) days, the Board shall ensure a written analysis is completed for any concentration of credit to identify and assess the inherent credit risk by identifying levels of outstanding credit by product type and geography.

(4) The Board shall revise, adopt, implement and thereafter ensure Bank adherence to a written program of policies and procedures designed to manage the risk in the Bank's commercial real estate ("CRE") loan portfolio, to include at a minimum:

- (a) the establishment of CRE concentration limits;
- (b) monthly monitoring of concentration reports that stratify the CRE portfolio by product type, geography, locality, and other meaningful measures; and
- (c) strategies and procedures to reduce CRE concentrations to conform with established limits.

(5) Within sixty (60) days, the Board shall revise, adopt, implement, and thereafter ensure Bank adherence to a written program of policies and procedures designed to aggregate and track exceptions to policy and underwriting guidelines for all loans. This includes at a minimum, monthly Board monitoring of policy exception reports that track aggregate number and dollar amount of loans of material underwriting exceptions by type of loan and loan officer, to include exceptions to the appraisal requirements described in Paragraph (6) of this Article.

(6) Within sixty (60) days, the Board shall revise, adopt, implement and thereafter ensure Bank adherence to a written program of policies and procedures designed to ensure the Bank obtains appraisals in compliance with USPAP, 12 CFR 34, Advisory Letter 2003-9, and OCC Bulletin 2005-6, to include at a minimum,

- (a) the required use of a standard appraisal form for ordering all appraisals;
- (b) the ordering of appraisals, independent of the lending function;
- (c) the use of Board approved appraisers only;

- (d) the establishment of a policy requiring a meaningful, independent review of all appraisals to include analysis commensurate with the type, size and complexity of the property being appraised; and
- (e) the establishment of a tickler system for tracking appraisals ordered, received, returned, and reviewed.

(7) The Board shall submit a copy of the revised policies and procedures required by this Article to the Assistant Deputy Comptroller.

(8) At least quarterly, the Board shall prepare a written assessment of the Bank's progress in reaching compliance with the policies and procedures required by this Article and shall submit a copy of this assessment to the Assistant Deputy Comptroller.

Article XVIII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days, 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 to meet Generally Accepted Accounting Principles and regulatory guidance set forth in FAS 5, FAS 114, and OCC Bulletin 2001-37, and the "Allowance for Loan and Lease Losses" booklet of the Comptroller's Handbook, and shall focus particular attention on the following factors:

- (a) suitable policies and procedures that communicate the ALLL process internally to all applicable personnel;
- (b) clear explanations and documentation for the ALLL analysis;
- (c) results of the Bank's internal loan review;
- (d) results of the Bank's external loan review;

- (e) an estimate of loss exposure on each impaired credit;
- (f) loan loss experience;
- (g) trends of delinquent and nonaccrual loans;
- (h) concentrations of credit in the Bank; and
- (i) present and prospective economic conditions.

(2) The program shall provide for a review of the Allowance by the Board at least once 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) 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 XIX

INTERNAL LOAN REVIEW

(1) Within sixty (60) days, the Board shall immediately take all necessary steps to ensure an effective, independent and ongoing loan review system to review, at least quarterly, the Bank's loan and lease 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 comments and conclusions regarding:

- (a) the loan review scope and coverage parameters;
- (b) the overall quality of the loan and lease portfolios;
- (c) the identification, type, rating, and amount of problem loans and leases including grading differences;
- (d) the identification and amount of delinquent loans and leases;
- (e) credit and collateral documentation exceptions;
- (f) the identification and status of credit related violations of law, rule or regulation;
- (g) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (b) through (e) of the Article;
- (h) concentrations of credit;
- (i) loans and leases to affiliates and Related Parties;
- (j) loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank's lending and leasing policies; and
- (k) any recommendations for improvements.

(2) Within ninety (90) 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, 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.

(3) 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).

(4) 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 books and records of the Bank.

Article XX

EXTERNAL LOAN REVIEW

(1) Within sixty (60) days, the Board shall employ a qualified consultant to perform an ongoing asset quality review of the Bank. 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 to this 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 written 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 written determination of no supervisory objection from the Assistant Deputy Comptroller.

Article XXI

INTERNAL AUDIT

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to an independent and comprehensive internal audit program that:

- (a) includes procedures to assist in completing internal operations audits;
- (b) detects irregularities and weak practices in the Bank's operations;
- (c) determines the Bank's level of compliance with all applicable laws, rules and regulations;
- (d) assesses and reports the effectiveness of policies, procedures, controls, and management oversight relating to accounting and financial reporting;
- (e) evaluates the Bank's adherence to established policies and procedures;
- (f) establishes a line of communication for audit reporting issues between the internal auditor, audit committee, and board of directors;
- (g) ensures audit work papers and documentation of conclusions provide a meaningful audit trail and validation for findings and recommendations;
- (h) ensures timely management responses and corrective actions on identified weaknesses; and

(i) establishes an annual audit plan using a risk-based approach sufficient to achieve these objectives.

(2) As part of this audit program, the Board shall evaluate the audit reports of any party providing services to the Bank, and shall assess the impact on the Bank of any audit deficiencies cited in such reports.

(3) The Board shall ensure that the audit function is supported by an adequately staffed department or outside firm, with respect to both the experience level and number of the individuals employed.

(4) The Board shall ensure that the audit program is independent. The persons responsible for implementing the internal audit program described above shall report directly to the Board, which shall have the sole power to direct their activities. All reports prepared by the audit staff shall be filed directly with the Board and/or Board Audit Committee (comprised of at least two external directors) and not through any intervening party.

(5) Upon adoption, a copy of the internal audit program shall be promptly submitted to the Assistant Deputy Comptroller.

Article XXII

EXTERNAL AUDIT

(1) Within thirty (30) days, the Board shall retain the services of a qualified and independent Certified Public Accountant (“CPA”) to render an opinion on the Bank’s September 30, 2006, Statement of Condition (also known as a Balance Sheet) and each subsequent year-end Statement of Condition and Income Statement.

(2) Prior to the appointment or employment of any independent Certified Public Accountant or entering into any contract with an independent CPA to perform the audit required

by this Article, the Board shall submit the name and qualifications of the proposed CPA and the proposed terms of employment (including the proposed engagement letter and any amendments thereto) to the Assistant Deputy Comptroller for a prior determination of no supervisory objection. The proposed engagement letter shall address, at a minimum, the September 30, 2006 audit specified in Paragraph (1) of this Article, as well as the subsequent audit of the Bank's year end financial statements.

(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 to complete his review and act on any such information or authority within ninety (90) days.

Article XXIII

INFORMATION TECHNOLOGY

- (1) Within sixty (60) days, the Board shall take all steps to ensure the bank has satisfactory Information Technology ("IT") program. The Board must:
- (a) address all resulting Secured Technology recommendations as a result of the vulnerability assessment and Safeguarding Customer Information Program audit;
 - (b) conduct a bank-wide test of the contingency plan annually, document testing activities, and apprise the board of test results;
 - (c) complete the remaining applicable IT audit procedures not already performed by Secured Technology; and

(d) ensure a satisfactory IT training program that includes procedures addressing make-up training for employees who were unable to attend the regularly scheduled classes.

(2) The results of the corrective actions will be monitored through the monthly compliance committee progress report.

Article XXIV

CLOSING

(1) Although the Board is by this Order required to submit certain proposed actions and programs for the review and/or supervisory non-objection of the Assistant Deputy Comptroller, 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 him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the ADC for good cause upon written application by the Board.

(4) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(5) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding on the OCC or the United States.

(6) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or arrangements, or negotiations between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned has hereunto set her hand.

/s/

10-5-06

Karen M. Bohler
Assistant Deputy Comptroller
Denver Field Office

Date

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:)	
First United Bank, N.A.)	AA-WE-06-82
Englewood, Colorado)	

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist proceedings against First United Bank, N.A., Englewood, Colorado (the “Bank”) pursuant to 12 U.S.C. § 1818(b) through the issuance of a Notice of Charges for an Order to Cease and Desist for: unsafe and unsound banking practices relating to the supervision of the affairs of the Bank and for violations of consumer laws and regulations, violations of the appraisal regulation at 12 C.F.R. Part 34, and violations of the Bank Secrecy Act.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated October 5, 2006 (the “Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

ARTICLE I

Jurisdiction

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

(2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

(3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(b)(1).

(4) This Order shall cause the Bank to be designated as in “troubled condition,” as set forth in 12 C.F.R. § 5.51(c)(6), unless otherwise informed in writing by the Comptroller. In addition, this Agreement shall cause the Bank not to be designated as an “eligible bank” for purposes of 12 C.F.R. § 5.3(g), unless otherwise informed in writing by the Comptroller.

ARTICLE II

Agreement

(1) The Bank, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Order by the Comptroller.

(2) The Bank further agrees that said Order shall be deemed an “order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i). Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(3) The Bank also expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any

officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

ARTICLE III

Waivers

- (1) The Bank, by signing this Stipulation and Consent, hereby waives:
 - (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
 - (b) any and all procedural rights available in connection with the issuance of the Order;
 - (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19
 - (d) all rights to seek any type of administrative or judicial review of the Order; and
 - (e) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

Other Action

(1) The Bank agrees that the provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

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

/s/

10-5-06

Karen M. Boehler
Assistant Deputy Comptroller
Denver Field Office

Date

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.

/s/

10/5/06

Stephen Baltz

Date

/s/

10-5-06

Kimberly Baltz

Date

/s/

10-5-06

Martha Baltz

Date

/s/

10/5/06

John Kopecky

Date