

AGREEMENT BY AND BETWEEN  
First National Bank, Goodland, Kansas  
and  
The Comptroller of the Currency

First National Bank, Goodland, Kansas (“Bank”) and the 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 has determined that the Bank has engaged in unsafe and unsound banking practices relating to its credit administration and credit underwriting, management of interest rate risk and liquidity, and strategic and capital planning.

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 his 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  
Denver Field Office  
1225 17th Street, Suite 450  
Denver, Colorado 80202

## Article II

### COMPLIANCE COMMITTEE

(1) Within ten (10) days of the date of this Agreement, the Board shall appoint a Compliance Committee of at least three (3) members and, of which no more than two (2) shall be employees of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or a family member 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. The Compliance Committee shall be responsible for monitoring and coordinating the Bank’s adherence to the provisions of this Agreement.

(2) The Compliance Committee shall meet at least quarterly.

(3) Beginning December 31, 2007 and after every calendar quarter thereafter, the Compliance Committee shall, within ten (10) days of the end of each quarter end, 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 Agreement;
- (b) actions taken to comply with each Article of this Agreement; and

(c) the results and status of those actions.

(4) 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.

### Article III

#### CAPITAL AND STRATEGIC PLAN

(1) Beginning no later than December 31, 2007, the Bank shall at all times maintain the following minimum capital ratios:

- (a) tier 1 capital at least equal to eight (8%) of adjusted total assets; and
- (b) total risk-based capital at least equal to eleven percent (12%) of risk-weighted assets.

(2) For purposes of this Article, "tier 1 capital," "total risk-based capital," "adjusted total assets," and "risk-weighted assets" are as defined in 12 C.F.R. Part 3.

(3) The requirement in this Agreement to meet and maintain a specific capital level means that the Bank is not to 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).

(4) Effective immediately, the Bank shall only declare dividends:

- (a) when the Bank is in compliance with the Bank's Three-Year Plan described in Paragraph (5) of this Article;
- (b) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
- (c) 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.

(5) Within sixty (60) days of this Agreement, the Board shall develop, implement, and thereafter ensure Bank adherence to a written capital and strategic plan for the Bank covering at least the next three years (hereafter the “Bank’s Three-Year Plan”), complete with specific time frames that incorporate the capital, strategic and other requirements of this Article. Copies of the Bank’s Three-Year Plan shall be forwarded to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(6) The Bank’s Three-Year Plan shall establish objectives and projections for the Bank’s overall risk profile, earnings performance, growth expectations, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy, product line development and market segments that the Bank intends to promote or develop, together with specific strategies to achieve those objectives, that are specific, measurable, verifiable, and, at a minimum, address or include:

- (a) the elimination of deficiencies in management leadership and Board oversight;
- (b) growth limitations on significant concentrations of credit, as well as the overall loan portfolio;
- (c) recognition that the Bank cannot offer or introduce new products or enter new market areas or market segments until it implements sound risk management principles, returns the Bank’s condition to satisfactory, and fulfills the requirements of Article IV;
- (d) specific plans to improve corporate governance practices to ensure:
  - (i) sound operating policies and procedures;
  - (ii) sound internal controls to monitor policy adherence; and

- (iii) accountability for these processes;
- (e) control systems to identify and reduce risk to capital and earnings and risks associated with significant concentrations, or any proposed changes in the Bank's operating environment;
- (f) 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;
- (g) a management employment and succession program to promote the retention and continuity of capable management;
- (h) specific plans to establish responsibilities and accountability for the strategic planning process, new products, loan growth, proposed changes in the Bank's operating environment, and reducing problem assets;
- (i) systems to monitor the Bank's progress in meeting the plan's goals and objectives;
- (j) an assessment of the Bank's present and future operating environment;
- (k) a mission statement that forms the framework for the establishment of strategic goals and objectives;
- (l) the development of strategic goals and objectives to be accomplished over the short and long term;
- (m) 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;

- (n) specific plans for the maintenance of adequate liquidity, to include the development of an appropriate contingency funding plan;
- (o) projections for capital requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (p) the primary source(s), especially those that are not credit sensitive, from which the Bank will strengthen its capital structure to meet the Bank's needs;
- (q) contingency plans that identify alternative methods should the primary source(s) under subparagraph (p) not be available;
- (r) a dividend policy that only permits the declaration of a dividend in accordance with Paragraph (4) of this Article; and
- (s) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the next three years that shall address or include consideration of the requirements of this Article.

#### Article IV

##### BUSINESS STRATEGY

(1) Prior to the Bank's involvement in any new product or service or significant expansion of any existing product or service, whether directly or through a vendor or other third party, the Board shall prepare a written analysis of said product or service. The analysis shall, at a minimum, include the following:

- (a) an assessment of the risks and benefits of the product or service to the Bank;
- (b) an explanation of how the product or service is consistent with the Bank's strategic plan;
- (c) an evaluation of the adequacy of the Bank's organizational structure, staffing, Management Information Systems ("MIS"), internal controls and written policies and procedures to identify, measure, monitor, and control the risks associated with the product or service, including risks associated with any vendor providing services in connection with the Bank's product or service; and
- (d) a profitability analysis, including growth projections and interest rate risk.

(2) The Bank must provide a copy of the analysis required by this Article to the Assistant Deputy Comptroller in advance of the Bank's launch or involvement in any new product or service, or the significant expansion of any existing product or service, for a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

(3) For purposes of this Article, "significant expansion" shall be defined as growth in an existing product or service greater than fifteen percent (15%) on an annualized basis where that product or service accounts for greater than either five percent (5%) of the Bank's total assets or ten percent (10%) of the Bank's annual income. The term "new product or service" shall not include any depository product offered directly by the Bank.

Article V

CREDIT UNDERWRITING AND ADMINISTRATION

(1) Effective as of the date of this Agreement, the Board shall ensure that all lending officers comply with all laws, rules, regulations, Bank policies and procedures, safe and sound banking practices, and fiduciary duties.

(2) Within sixty (60) days of the date of this Agreement, the Board shall review, revise, and thereafter ensure adherence to the Bank's Loan Policy to include, at a minimum, revisions relating to:

- (a) a description of acceptable types of loans and a prohibition against making any loan for which the Bank does not have the knowledge, skills or ability to properly underwrite and monitor;
- (b) the establishment of underwriting standards by loan type, especially commercial real estate and asset-based lending, that specifically include at a minimum, the requirements of this Paragraph: approval authorizations; documentation; analysis; cash flow (including debt service coverage); repayment periods; collateral coverage (loan to cost and loan to value); guarantor support; appraisals; and loan covenants;
- (c) expectations regarding required credit file information for each different lending product offered;
- (d) requirements that lending officers appropriately analyze and document appropriate credit and collateral information on all extensions of credit (including participations purchased), to include, at a minimum:



- (i) documenting the specific reason or purpose for the extension of credit;
- (ii) identifying the expected source of repayment in writing;
- (iii) structuring the repayment terms to coincide with the expected source of repayment;
- (iv) obtaining current and satisfactory credit information, including performing and documenting analysis of credit information and a detailed cash flow analysis of all expected repayment sources;
- (v) determining and documenting whether the loan complies with the Bank's Loan Policy and if it does not comply, providing identification of the exception and ample justification to support waiving the policy exception;
- (vi) making and documenting determinations regarding the customer's ability to repay the credit on the proposed repayment terms, including an evaluation of both primary and secondary sources of repayment, as well as a global cash flow analysis that considers all customer debt service requirements;
- (vii) verification of liquid assets that the Bank is relying on as a source of repayment;
- (viii) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable;
- (ix) providing an accurate risk assessment grade;

- (x) ongoing requirements for obtaining and analyzing financial statements; and
- (xi) ongoing requirements for obtaining periodic collateral inspections as appropriate.
- (e) requirements relating to guarantor support;
- (f) minimum loan covenants;
- (g) maturity scheduling related to the anticipated source of repayment, the purpose of the loan, and the useful life of the collateral;
- (h) maximum ratio of loan value to appraised value or acquisition costs of collateral securing the loan;
- (i) collection procedures, to include follow-up efforts, that are systematically and progressively stronger;
- (j) a pricing policy that takes into consideration costs, general overhead, and probable loan losses, while providing for a reasonable margin of profit;
- (k) a definition of the Bank's trade area;
- (l) guidelines and limitations for loans originating outside of the Bank's trade area;
- (m) a limitation on aggregate outstanding loans in relation to other balance sheet accounts;
- (n) a prohibition regarding the use of brokered deposits to fund loan growth or support criticized loans;

- (o) 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;
- (p) guidelines and limitations on concentrations of credit;
- (q) 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;
- (r) measures to correct the deficiencies in the Bank's lending procedures noted in any ROE;
- (s) 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.

- (t) 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;
  - (u) 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;
  - (v) guidelines for participations as set forth in Banking Circular 181 (Revised), dated August 2, 1984, and the requirements of 12 C.F.R. Part 34, and a prohibition against purchasing any participation for which the Bank does not have the knowledge, skills or ability to properly underwrite on its own;
  - (w) guidelines for periodic review of the Bank's adherence to the revised lending policy; and
  - (x) guidelines for periodic review and revision of the lending policy.
- (3) Within sixty (60) days of the date of this Agreement, the Board shall appoint a capable and qualified person or persons to serve as a real estate lending official who shall:
- (a) assist in the development of the commercial real estate risk management policies and procedures and the Mortgage Lending Program required by Article VII of this Agreement; and

(b) be vested with sufficient authority to monitor and ensure the Bank's compliance with the commercial real estate risk management policies and procedures and the Mortgage Lending Program required by Article VII of this Agreement.

(4) Within sixty (60) days of the date of this Agreement, the Board shall take the necessary steps to obtain current and satisfactory credit information on all loans lacking such information, including those listed in the Report of Examination conducted as of June 30, 2007 (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.

(5) Within sixty (60) days of the date of this Agreement, 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.

(6) Within sixty (60) days of the date of this Agreement, 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 the Bank Loan 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 with material underwriting exceptions by type of loan and loan officer.

## Article VI

### 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 VII

### MORTGAGE LENDING PROGRAM

(1) Within ninety (90) days of the date of this Agreement, the Board shall develop, implement, and thereafter adhere to a written program to improve the Bank's administration of its mortgage banking operation. The program shall include, but not be limited to:

- (a) credit quality criteria and limitations upon the amount of real estate loans that will be transferred to the Bank's permanent portfolio;
- (b) credit quality criteria and procedures to ensure that loans are granted and maintained in accordance with the Bank's written lending policy as it pertains to the mortgage banking operation and sound lending standards;
- (c) a requirement that any loans containing exceptions to the Bank's written lending policy, as it pertains to the mortgage banking operation, be approved by the Loan Committee prior to being granted, extended, renewed, altered or restructured;
- (d) a system to track and evaluate any loans approved by the Board that contain policy exceptions;
- (e) procedures to monitor and ensure that limitations are placed upon high risk, nonconforming mortgage loans, i.e., loans with quality grading of "B," "C," or lesser quality.
- (f) restrictions on the origination of loans which do not require income verification of the borrowers; and
- (g) procedures to monitor compliance with policy guidelines.



(2) Upon completion, the Board shall submit a copy of the program to the Assistant Deputy Comptroller for a 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 program developed pursuant to this Article.

### Article VIII

#### ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days of the date of this Agreement, 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, OCC Bulletin 2001-37, OCC Bulletin 2006-47, 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 risk ratings;
- (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;

- (i) lending policies and procedures, including underwriting and collection, charge off and recovery practices;
- (j) changes in the nature and volume of the portfolio;
- (k) changes in lending management and staff;
- (l) changes in the loan review system; and
- (m) 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.

## Article IX

### OTHER REAL ESTATE OWNED

(1) Within sixty (60) days of the date of this Agreement, the Board shall adopt, implement, and thereafter ensure Bank adherence to a policy to ensure that Other Real Estate Owned (“OREO”) is managed in accordance with 12 U.S.C. § 29 and 12 C.F.R. Part 34. The policy shall address:

- (a) responsibility and authority for OREO properties;
- (b) proper accounting procedures for OREO properties from transfer to the Bank and until and upon sale to a third party;
- (c) procedures to require timely appraisals pursuant to 12 C.F.R. § 34.85 and 12 C.F.R. Part 34, Subpart C;

- (d) diligent sales efforts; and
- (e) reporting systems.

(2) Upon adoption, the Board shall submit a copy of the policy to the Assistant Deputy Comptroller for a 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 X

### LIQUIDITY

(1) Within sixty (60) days of the date of this Agreement, the Board shall take the necessary steps to ensure liquidity risk is controlled, to include at a minimum:

- (a) an Asset Liability Committee (“ALCO”) that formally meets at least quarterly;
- (b) enhancements to the asset/liability management policy that incorporate forward-looking risk measurements and liability concentration limits such as limits on the amount of funds that may be sourced from any individual customer or groups of customers, or liability concentration limits by instrument;
- (c) a sources and uses of funds report to assist with monitoring the funds flow in the Bank; and
- (d) a contingency funding plan that forecasts funding needs and funding sources under a stressed scenario and should:

- (i) represent management's best estimate of balance sheet changes that may result from a liquidity or credit event;
- (ii) identify, quantify, establish, and rank all sources of funding by preference for the various scenarios including asset side funding; liability side funding and off-balance sheet funding; and
- (iii) ensure that administrative policies and procedures are consistent with the Board's guidance and risk tolerances.

(2) The Board shall take appropriate action to ensure adequate sources of liquidity in relation to the Bank's needs. Monthly reports shall set forth liquidity requirements and sources and establish a contingency plan.

(3) The Board shall submit a copy of the revised program required by this Article to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

## Article XI

### INTEREST RATE RISK POLICY

(1) Within ninety (90) days of the date of this Agreement, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written interest rate risk program that shall include:

- (a) the implementation of an accurate, realistic interest rate risk model that is flexible to grow with the Bank's potential strategic changes;
- (b) training to ensure that senior management understands, documents, periodically reviews and adjusts as needed, assumptions used in the Bank's interest rate risk model;
- (c) training or the addition of knowledgeable staff in this area;

- (d) the establishment of reasonable limits on interest rate risk; and
- (e) 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 for a prior written determination of no supervisory objection.

## Article XII

### CONSUMER COMPLIANCE PROGRAM

(1) Within sixty (60) days of the date of this Agreement, the Board shall review and add, as necessary, sufficient staffing to ensure the Bank complies with all applicable consumer laws and regulations.

(2) Within sixty (60) days of the date of this Agreement, 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 for a prior written determination of no supervisory objection.

### Article XIII

#### 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 Agreement shall include the date and manner in which each correction has been effected during that reporting period.

(2) Within sixty (60) days of the date of this Agreement, 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 XIV

#### 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 him 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. Such time requirements may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(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 Comptroller or the United States. 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(b)(1), 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. The Bank also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency 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. 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 her hand on behalf of the Comptroller.

/S/

12-13-07

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Jame E. Sloan  
Assistant Deputy Comptroller  
Denver Field Office

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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/ _____ Larry J. Evans	12/13/07 _____ Date
/s/ _____ Peggy Hanke	12/13/07 _____ Date
/s/ _____ Larry L. Ihrig	12/13/07 _____ Date
/s/ _____ Ralph Jensen	12-13-07 _____ Date
/s/ _____ Perry Keller	12/13/07 _____ Date
/s/ _____ Tim Livengood	12-13-07 _____ Date
/s/ _____ Lawrence L. McCants	12/13/07 _____ Date
/s/ _____ Victor Nemechek	12-13-07 _____ Date
/s/ _____ Lyle W. Saddler	12-13-07 _____ Date