

AGREEMENT BY AND BETWEEN  
The Shattuck National Bank  
Shattuck, Oklahoma  
and  
The Comptroller of the Currency

The Shattuck National Bank, Shattuck, Oklahoma (“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 found unsafe and unsound banking practices including practices relating to asset quality at the Bank.

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  
Oklahoma City Field Office  
The Harvey Parkway Building  
301 Northwest 63<sup>rd</sup> Street, Suite 490  
Oklahoma City, Oklahoma 73116-7906

## ARTICLE II

### LOAN PORTFOLIO MANAGEMENT

(1) Within ninety (90) days, the Board shall review, revise, and thereafter ensure Bank adherence to its written program to reduce the high level of credit risk in the Bank. The program shall include, but not be limited to:

- (a) procedures to ensure satisfactory and perfected collateral documentation;
- (b) procedures to ensure that extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining and analyzing current and satisfactory credit information;
- (c) procedures to ensure conformance with loan policy requirements;
- (d) a system to track and analyze credit, collateral, and loan policy exceptions;
- (e) procedures to ensure periodic post-funding analysis;
- (f) procedures to ensure the accuracy of internal management information systems;
- (g) a performance appraisal process, including performance appraisals, and incentive programs for loan officers, which adequately consider their

performance relative to policy compliance, documentation standards, accuracy in credit grading, and other loan administration matters; and

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

(2) Upon completion of the revisions to the Bank's written program, a copy of the program shall be maintained in the Bank and available for inspection by OCC examiners.

(3) Beginning on December 31, 2009, and on a quarterly basis thereafter, management shall provide the Board with written reports. The written reports shall include, at a minimum, the following information:

- (a) the identification, type, rating, and amount of problem loans and leases;
- (b) the identification and amount of delinquent loans and leases;
- (c) credit and collateral documentation exceptions;
- (d) the identification and status of credit related violations of law, rule or regulation;
- (e) an analysis of concentrations of credit, significant economic factors, and general conditions and their impact on the credit quality of the Bank's loan and lease portfolios; and
- (f) the identification of loans and leases not in conformance with the Bank's lending and leasing policies.

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

### ARTICLE III

#### CREDIT RISK RATINGS AND RECOGNITION OF NONACCRUALS

(1) Within ninety (90) days of the date of this Agreement, the Board shall revise its program to ensure that the risk associated with the Bank's loans is properly reflected and accounted for on the Bank's books and records, to include, at a minimum, provisions requiring that:

- (a) The Bank's loans and other assets are appropriately and timely risk rated and charged-off by the lending officers using a loan grading system that is based upon current facts, existing repayment terms and that is consistent with the guidelines set forth in Rating Credit Risk, A-RCR, of the Comptroller's Handbook;
- (b) The Bank's loans and other assets are placed on nonaccrual in a timely manner by the lending officers in accordance with the guidelines set forth in the Call Report Instructions; and
- (c) Loan officers are held accountable for failing to appropriately and timely risk rate loans and/or place loans on nonaccrual, during their periodic performance and compensation reviews.

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

## ARTICLE IV

### CRITICIZED ASSETS

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

(2) Within ninety (90) days, the Board shall review, revise, and thereafter ensure Bank adherence to its written program designed to eliminate the basis of criticism of criticized assets. The program shall address assets criticized in the ROE, in any subsequent ROE, by any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination. This program shall require the Bank to consider for each criticized asset, 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) Upon revision, a copy of the program shall be maintained in the Bank and available for inspection by OCC examiners.

(4) 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 one hundred thousand dollars (\$100,000);
- (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.

(5) A copy of each review, including status updates for each criticized asset or criticized portion thereof that equals or exceeds one hundred thousand dollars (\$100,000), shall be maintained in the Bank and available for inspection by OCC examiners. The status updates shall follow a format similar to Appendix A, attached hereto.

(6) 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 ROE, 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 one hundred thousand dollars (\$100,000) only if each of the following conditions is met:

- (a) the Board or 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 designated committee approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank; and
- (b) a comparison to the documentation produced in accordance with 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.

(7) A copy of the approval of the Board or of the designated committee shall be maintained in the file of the affected borrower.

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

## ARTICLE V

### CONCENTRATIONS OF CREDIT

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written asset diversification program consistent with OCC Banking Circular 255. The program shall include, but not necessarily be limited to, the following:

- (a) a review of the balance sheet to identify any concentrations of credit;
- (b) a written analysis of any concentration of credit identified above in order to identify and assess the inherent credit, liquidity, and interest rate risk;
- (c) policies and procedures to control and monitor concentrations of credit;  
and
- (d) an action plan approved by the Board to reduce the risk of any concentration deemed imprudent in the above analysis.

(2) For purposes of this Article, a concentration of credit is as defined in the “Loan Portfolio Management” booklet of the Comptroller's Handbook.

(3) In conducting the written analysis required by paragraph (1)(b), the Board shall specifically consider any criticisms of concentrations made in the current ROE or any subsequent ROE.

(4) The Board shall ensure that potential future concentrations of credit are subjected to the analysis required by subparagraph (b) and that the analysis demonstrates that the concentration will not subject the Bank to undue credit or interest rate risk.

(5) Upon completion, a copy of any analysis performed on existing or potential concentrations of credit shall be maintained in the Bank and available for inspection by OCC examiners.

(6) 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 VI

### ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within ninety (90) days, the Board shall ensure Bank adherence to its written program designed to ensure the maintenance of an adequate Allowance for Loan and Lease Losses (“Allowance”). The program shall be designed in light of the comments on maintaining a proper Allowance found in the “Allowance for Loan and Lease Losses” booklet of the Comptroller’s Handbook, and shall focus particular attention on the following factors:

- (a) analyses and support for the amount of FAS 114 impairment;
- (b) analyses and support for the FAS 5 allocation;
- (c) quarterly analysis and support of qualitative factors;
- (d) results of the Bank's internal and external loan reviews;

- (e) loan loss experience;
- (f) trends of delinquent and nonaccrual loans;
- (g) concentrations of credit in the Bank; and
- (h) present and prospective economic conditions.

(2) The program shall provide for a review of the Allowance by the Board by December 31, 2009 and at least once each calendar quarter thereafter. 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) Upon revision, a copy of the program shall be maintained in the Bank and available for inspection by OCC examiners.

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

## ARTICLE VII

### WHOLESALE FUNDING PLANNING

(1) Within ninety (90) days, the Board or a designated committee shall develop and submit to the Assistant Deputy Comptroller a Wholesale Funding Plan (“Plan”) to ensure that the Bank makes prudent use of wholesale funding sources, including brokered deposits (as defined in 12 C.F.R. § 337.6(a)(2)).

(2) The Plan shall set limits for the Bank's use of wholesale funding sources based upon its anticipated liquidity and funding needs. The Plan shall specify, but not be limited to, the following:

- (a) appropriate limits for Federal Home Loan Bank funding; and
- (b) appropriate limits for brokered deposits.

(3) In determining the appropriate limits of wholesale funding, the Plan shall consider, at a minimum, the following:

- (a) the dollar volumes, maturities, and costs of the funds;
- (b) potential uses of the funds, i.e., short-term liquidity or restructuring of liabilities to reduce cost;
- (c) alternative funding sources available to the Bank; and
- (d) whether the Bank deems the acquisition of the wholesale funding to be in accordance with safe and sound banking practices.

(4) Upon completion, a copy of the Plan shall be forwarded to the Assistant Deputy Comptroller for review and a prior written determination of no supervisory objection. The Assistant Deputy Comptroller shall have discretion to object to or condition the plan in his sole discretion.

(5) If the Assistant Deputy Comptroller provides a supervisory no objection to the Plan, the Bank may continue to acquire wholesale funding that is consistent with Bank safety and soundness and is in accordance with the Plan, unless and until, the Assistant Deputy Comptroller notifies the Bank that he objects to further acquisitions, renewals, and or rollovers of wholesale funding. Such objection shall be in the Assistant Deputy Comptroller's sole discretion and subject to whatever terms or conditions he may establish.

(6) If the Assistant Deputy Comptroller objects to the Plan in its entirety, the Bank shall cease acquiring, renewing, or rolling-over wholesale funding until such time as the Assistant Deputy Comptroller has provided a written no objection to a Wholesale Funding Plan or the Assistant Deputy Comptroller otherwise provides a written no objection to the Bank's acquisition of certain wholesale funds.

(7) The Board shall ensure the Bank has processes, personnel, and control systems to ensure implementation of and adherence to this Article.

## ARTICLE VIII

### CAPITAL PLANNING

(1) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a formal three year capital program. The program shall include:

- (a) specific plans for the maintenance of adequate capital at levels that are commensurate with its risk profile;
- (b) projections for growth and capital requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (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:

- (i) when the Bank is in compliance with its approved capital program;
- (ii) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
- (iii) with the prior written determination of no supervisory objection by the Assistant Deputy Comptroller.

(2) Upon completion, the Bank's capital program shall be maintained in the Bank and available for inspection by OCC examiners.

(3) The Board shall review and update the Bank's capital program on an annual basis, or more frequently if necessary. Copies of the written reviews and updates shall be maintained in the Bank and available for inspection by OCC examiners.

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

## ARTICLE IX

### STRATEGIC PLAN

(1) Within one hundred and twenty (120) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written strategic plan for the Bank covering at least a three-year period. The strategic plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, liability structure, reduction in the volume of nonperforming assets, product line development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives and, at a minimum, include:

- (a) an assessment of the Bank's present and future operating environment;

- (b) the development of strategic goals and objectives to be accomplished over the short and long term;
- (c) an identification of the Bank's present and future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in (1)(b) of this Article;
- (d) an evaluation of the Bank's staffing requirements (especially the structure, expertise, and level of staffing in the Bank's loan department);
- (e) a management succession program to promote the retention and continuity of capable management;
- (f) product line development and market segments that the Bank intends to promote or develop;
- (g) a written profit plan to improve and sustain the earnings of the Bank, which shall include, at minimum, the following elements:
  - (i) identification of the major areas in and means by which the Board will seek to improve the Bank's operating performance;
  - (ii) realistic and comprehensive budgets, including projected balance sheets and year-end income statements;
  - (iii) a budget review process to monitor both the Bank's income and expenses, and compare actual figures with budgetary projections;  
and
  - (iv) a description of the operating assumptions that form the basis for major projected income and expense components.

- (h) control systems to mitigate risks associated with planned new products, growth, 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, growth goals, or proposed changes in the Bank's operating environment; and
- (j) systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(2) Upon completion, a copy of the plan shall be maintained in the Bank and available for inspection by the OCC examiners.

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

## ARTICLE X

### PROGRESS REPORTING—QUARTERLY

(1) The Board shall develop quarterly progress reports and maintain the reports in the Bank for inspection by the OCC examiners. These reports shall set forth in detail:

- (a) actions taken since the prior progress report to comply with each Article of the Agreement;
- (b) results of those actions; and
- (c) a description of the actions needed to achieve full compliance with each Article of this Agreement.

(2) The progress reports shall also include any actions initiated by the Board and the Bank pursuant to the criticisms and comments in the ROE or in any future ROE.

(3) The first progress report shall be developed for the period ending December 31, 2009 and must be maintained in the Bank within twenty (20) days thereafter. Subsequent progress reports are required to be developed and maintained in the Bank within twenty (20) days after the quarter end.

## ARTICLE XI

### CONCLUSION

(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 his hand on behalf of the Comptroller.

/S/  
\_\_\_\_\_  
Kyle M. Jones  
Assistant Deputy Comptroller  
Oklahoma City Field Office

11/18/09  
\_\_\_\_\_  
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/  
\_\_\_\_\_  
Kenton Burgess

11/19/09  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Ron Mosier

11/18/09  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
L. Clay Stuart

11/18/09  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Russell Stuart

11/18/09  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
J. L. Stuart

11/18/09  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Delene Stuart

11/18/09  
\_\_\_\_\_  
Date