

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

Valley National Bank, Tulsa, 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 examined the Bank through his National Bank Examiner and the Examiner’s findings are detailed within the Report of Examination (“ROE”) dated as of March 31, 2009. The Comptroller has found unsafe or unsound banking practices relating to risk management and levels of concentration in the bank's commercial real estate portfolio.

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) This Agreement 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.

(6) 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  
Eastern Oklahoma Field Office  
7134 South Yale, Suite 910  
Tulsa, Oklahoma 74136

## ARTICLE II

### COMMERCIAL REAL ESTATE CONCENTRATIONS

(1) Within ninety (90) days, the Board shall adopt, implement and thereafter ensure Bank adherence to a written commercial real estate (“CRE”) concentration risk management program consistent with OCC Bulletin 2006-46. The program shall include, but not necessarily be limited to, the following:

- (a) Ongoing risk assessments to identify potential CRE concentrations in the portfolio, including exposures to similar or interrelated groups or borrowers;
- (b) Board and management oversight of CRE concentrations, to include:

- (i) Policy guidelines and an overall CRE lending strategy, including actions required when the Bank approaches the limits of its CRE guidelines;
  - (ii) Procedures and controls to effectively adhere to and monitor compliance with the Bank's lending policies and strategies;
  - (iii) Regular review of information and reports that identify, analyze, and quantify the nature and level of risk presented by CRE concentrations; and
  - (iv) Periodic review and approval of CRE risk exposure limits;
- (c) Portfolio management, to include internal lending guidelines and concentration limits that control the Bank's overall exposure to CRE, and a contingency plan to reduce or mitigate concentrations in the event of adverse market conditions;
- (d) Management information systems, to provide sufficient timely information to management for identification, measurement, monitoring, and management of CRE concentrations risk;
- (e) Periodic market analysis, to provide management and the Board with information to assess whether its CRE lending strategy and policies continue to be appropriate in light of changes in CRE market conditions;
- (f) Credit underwriting standards for CRE, to include:
- (i) Maximum loan amount by type of property;
  - (ii) Loan terms;
  - (iii) Pricing structures;

- (iv) Collateral valuation;
- (v) Loan-to-value limits by property type;
- (vi) Requirements for feasibility studies and sensitivity analysis or stress testing;
- (vii) Minimum requirements for initial investment and maintenance of hard equity by the borrower; and
- (viii) Minimum standards for borrower net worth, property cash flow, and debt service coverage for the property;
- (g) Portfolio stress testing and sensitivity analysis of CRE concentrations; and
- (h) Credit risk review of CRE, to include an effective, accurate, and timely risk rating system.

(2) The Board shall forward a copy of any analysis performed on existing or potential CRE concentrations to the Assistant Deputy Comptroller immediately following the review.

(3) A copy of the CRE concentration risk management program shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the program.

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

## ARTICLE III

### PARTICIPATIONS PURCHASED

(1) Within sixty (60) days, the Board shall develop a written policy that provides guidelines for credit participation activities, to include, at a minimum:

- (a) volume limitations that include specific limits for the total dollar amount of participations purchased;
- (b) monitoring requirements;
- (c) documentation requirements;
- (d) geographic limits;
- (e) industry limits; and
- (f) limits based on originator.

(2) The Bank may not grant, purchase, assume or acquire in any manner, directly or indirectly, or as a fiduciary or nominee, any loan, loan participation, loan obligation or other asset, unless the Bank has documented in writing that such grant, purchase, assumption, or acquisition is consistent with:

- (a) the policy developed pursuant to paragraph (1) of this Article;
- (b) the written CRE program and policy guidelines developed pursuant to Article II of this Agreement;
- (c) the guidelines set forth in Banking Circular 181 (Revised), dated August 2, 1984; and
- (d) the requirements of 12 C.F.R. Part 34.

(3) A copy of the policy shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a

determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the policy.

#### ARTICLE IV

#### LIQUIDITY

(1) The Board shall ensure the liquidity of the Bank is maintained at a level that is sufficient to sustain the Bank's current operations and to withstand any anticipated or extraordinary demand against its funding base. Such actions may include, but are not necessarily limited to:

- (a) selling assets;
- (b) obtaining lines of credit from the Federal Reserve Bank;
- (c) obtaining lines of credit from correspondent banks;
- (d) recovering charged-off assets; and
- (e) injecting additional equity capital.

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

- (a) a maturity schedule of certificates of deposit, including large uninsured deposits;
- (b) the volatility of demand deposits including escrow deposits;
- (c) the amount and type of loan commitments and standby letters of credit;
- (d) an analysis of the continuing availability and volatility of present funding sources;
- (e) an analysis of the impact of decreased cash flow from the Bank's loan portfolio resulting from delinquent and non-performing loans;

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

(g) geographic disbursement of and risk from brokered deposits.

(3) Within ninety (90) days, the Board shall develop and implement a formal Liquidity Contingency Funding Plan. At a minimum, the Contingency Funding Plan should include:

(a) identification of loans that could be sold;

(b) potential buyers and volumes they are willing to acquire;

(c) use of the CDARS program;

(d) expansion of the ALCO policy to set limits on total deposits from the CDARS program, including maximum limits for the aggregate reciprocal deposits and individual depositors in the reciprocal placement program;

(e) the role of wholesale funding;

(f) actions the Bank will take if a single or multiple wholesale lines become unavailable;

(g) trigger points for implementing the plan or escalating liquidity oversight by management, ALCO, or the Board in anything less than a crisis situation; and

(h) specifically identified benchmarks where oversight of liquidity is increased to ensure that timely actions are taken before the Bank is in a crisis situation.

(4) The Board shall take appropriate action to maintain adequate sources of liquidity in relation to the Bank's needs. Monthly reports shall set forth liquidity requirements and

sources. Copies of these reports shall be forwarded to the Assistant Deputy Comptroller in the Bank's report to the Assistant Deputy Comptroller.

## ARTICLE V

### BUSINESS PLAN

(1) Within ninety (90) days, the Board shall prepare, implement, and thereafter ensure Bank adherence to a written three-year business plan that shall include a projection of major balance sheet and income statement components, and shall provide for injections of equity capital, as necessary. The business plan shall also include a written profit plan and a detailed budget. Specifically, the plan shall describe the Bank's objectives for improving Bank earnings, contemplated strategies and major capital expenditures required to achieve those objectives. Such strategies shall include specific market segments that the Bank intends to promote or develop. Procedures shall also be established to monitor the Bank's actual results against these projections and to provide for appropriate adjustments to the budget and profit plan. The plan shall set forth specific time frames for the accomplishment of these objectives.

(2) A copy of the plan shall be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the program.

(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 VI

### CAPITAL PLAN AND HIGHER MINIMUMS

- (1) The Bank shall achieve by June 30, 2010 and thereafter maintain the following capital levels (as defined in 12 C.F.R. Part 3):
  - (a) Total Risk - Based Capital at least equal to twelve percent (12%) of risk-weighted assets;
  - (b) Tier 1 capital at least equal to eight percent (8%) of adjusted total assets.
- (2) The requirement in this Agreement to meet and maintain a specific capital level means that the Bank may not be deemed to be “well capitalized” for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 pursuant to 12 C.F.R. § 6.4(b)(1)(iv).
- (3) Within thirty (30) 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 of paragraph (1);
  - (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) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank's needs;
  - (d) contingency plans that identify alternative methods should the primary source(s) under (d) above not be available; and
  - (e) 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 prior written request to the Assistant Deputy Comptroller.

Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the dividend policy.

(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.

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

## ARTICLE VII

### CRITICIZED ASSETS

(1) The Bank shall take immediate and continuing action to protect its interest in those assets criticized 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) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written program designed to eliminate the basis of criticism of assets criticized, including participations purchased, in the ROE, in any subsequent Report of

Examination, or by any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination as "doubtful," "substandard," or "special mention." 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) Upon adoption, a copy of the program for all criticized assets equal to or exceeding two hundred fifty thousand dollars (\$250,000) shall be forwarded to the Assistant Deputy Comptroller.

(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.

(5) 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 two hundred fifty thousand dollars (\$250,000);
- (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.

(6) A copy of each review shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis in a format similar to the Appendix attached hereto.

(7) 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, 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 of credit exceed two hundred fifty thousand dollars (\$250,000), 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 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.

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

## ARTICLE VIII

### CREDIT RISK

(1) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program to reduce the high level of credit risk in the Bank. The program shall include, but not be limited to:

- (a) procedures for timely problem loan identification to assure proper classification of loans;
- (b) procedures to strengthen credit underwriting, particularly in the real estate construction and development portfolio;
- (c) procedures to strengthen management of lending operations and to maintain an adequate, qualified staff in all lending functional areas;
- (d) procedures for strengthening collections; and
- (e) an action plan to control loan growth in real estate concentrations and speculative lending.

(2) The Board shall submit a copy of the program to the Assistant Deputy Comptroller.

(3) At least quarterly, the Board shall prepare a written assessment of the bank's credit risk, which shall evaluate the Bank's progress under the aforementioned program.

(4) The Board shall submit a copy of this assessment to the Assistant Deputy Comptroller.

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

## ARTICLE IX

### PROGRESS REPORTING - QUARTERLY

(1) The Board shall submit quarterly progress reports, following the initial submission of information described within each of the above Articles, to the Assistant Deputy Comptroller, Eastern Oklahoma Field Office, 7134 South Yale, Suite 910, Tulsa, Oklahoma 74136. These reports shall set forth in detail:

- (a) actions taken since the prior progress report, and cumulatively, 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 Report of Examination or in any future Report of Examination.

(3) The first progress report shall be submitted for the period ending April 30, 2010 and will be due within fifteen (15) days of that date. Thereafter, progress reports will be due within fifteen days (15) days after the quarter end.

## ARTICLE X

### 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) 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/  
\_\_\_\_\_  
Leigh R. Hoge  
Assistant Deputy Comptroller  
Eastern Oklahoma Field Office

2/24/2010  
\_\_\_\_\_  
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/  
\_\_\_\_\_  
Robert F. Biolchini

2/24/10  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Thomas Biolchini

2/24/10  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Tobin Biolchini

3/9/10  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Roger Collins

2/24/10  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Daniel Keating

2/24/10  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Lelia McCoy

2/24/10  
\_\_\_\_\_  
Date

/S/  
\_\_\_\_\_  
Doug Terry

2/24/10  
\_\_\_\_\_  
Date