#2010-070

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

In the Matter of:	)	
Pikes Peak National Bank	)	AA-WE-10-24
Colorado Springs, Colorado	)	

CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller"), through his National Bank Examiner, has supervisory authority over the Pikes Peak National Bank, Colorado Springs, Colorado ("Bank").

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a "Stipulation and Consent to the Issuance of a Consent Order," dated April 21, 2010, that is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Order ("Order") by the Comptroller.

Pursuant to the authority vested in it by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

Article I

Board of Directors and Compliance Committee

(1) By no later than June 30, 2010, the Board shall take the necessary steps to add two directors (preferably with banking experience) by providing the Assistant Deputy Comptroller with written notice of the proposed directors. The proposed directors may not be insiders of the Bank, employees of the Bank, affiliates of the Bank, insiders of a subsidiary or affiliate of the Bank, controlling shareholders of the Bank or any of its affiliates, or family members of any controlling shareholder of the Bank, insider of the Bank, employee of the Bank,

employee of a subsidiary or affiliate of the Bank, or employee of an insider of the Bank. For purposes of this Order, "affiliate" shall have the meaning set forth in 12 C.F.R. § 223.2(a), as if the Bank were a member bank, provided that any subsidiary of the Bank shall be considered an affiliate of the Bank, and "insider" shall have the meaning set forth in 12 C.F.R. § 215.2(h).

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

(3) The requirement to submit information and the prior disapproval provisions of 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.

(4) Within five (5) days of this Order, the Board shall appoint a Compliance Committee of at least three (3) directors of which no more than two (2) shall be employees of the Bank or any of its affiliates. 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. Within ten (10) days of the appointment of an external director as required by Paragraph (1) of Article I, the Board shall appoint the external director to serve on the Compliance Committee.

(5) 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.

(6) By no later than April 30, 2010, and by the end of 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.

(7) The Board shall provide a summary report of the progress reached in attaining compliance with each Article of this Order to the Assistant Deputy Comptroller within fifteen (15) days of the end of each calendar quarter.

(8) 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

(9) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policies, procedures and programs required by this Order.

Article II

Capital and Strategic Plan

(1) The Bank shall achieve by no later than June 30, 2010, and thereafter maintain at all times, the following minimum capital ratios:

(a) Tier 1 capital at least equal to ten percent (10.0%) of adjusted total assets; and

(b) total risk-based capital at least equal to thirteen percent (13.0%) 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 Order 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 when:

(a) the Bank is in compliance with the Bank's Three-Year Plan as described below;

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

(c) the Bank has received a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

(5) Within ninety (90) days of this Order, the Board shall develop a written 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 strategic and other requirements of this Article. A copy 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) an assessment of the Bank's present and future operating environment;

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

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

(d) an evaluation of the Bank's internal operations, staffing requirements, Board and management information systems and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives developed pursuant to this Article that is consistent with the findings contained in the Management Plan;

(e) specific plans to establish responsibilities and accountability for the strategic planning process, new products, proposed changes in the Bank's operating environment, and reducing problem assets;

(f) actions to monitor, control and reduce, where appropriate, significant concentrations of credit;

(g) 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;

(h) recognition that the Bank cannot offer or introduce new products or enter new market segments until it adopts an appropriate credit culture, implements sound risk management principles, and returns the Bank's condition to satisfactory;

(i) 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;

(j) a dividend policy that only permits the declaration of a dividend in accordance with Paragraph (4) of this Article;

(k) specific plans for the maintenance of adequate liquidity;

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

(m) 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;

(n) contingency plans that identify alternative methods should the primary source(s) under subparagraph (m) not be available;

(o) 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; and

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

(7) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the Bank's Three-Year Plan.

(8) If the Bank fails to submit an acceptable Three-Year Plan as required by Paragraphs (5) and (6) of this Article, fails to implement or adhere to a Three-Year Plan to which the Assistant Deputy Comptroller has taken no supervisory objection pursuant to Paragraph (7)

of this Article, or fails to achieve and maintain the minimum capital ratios as required by Paragraph (1) of this Article, then, in the sole discretion of the Assistant Deputy Comptroller and within thirty (30) days of receiving written notice from the OCC of such fact, the Bank shall develop and submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection, a Disposition Plan to either: (i) sell or merge the Bank, or (ii) liquidate the Bank in conformance with 12 U.S.C. § 181.

Article III

Management and Corporate Governance

(1) Effective immediately, the Board shall ensure that the Bank has competent management and staff in place on a full-time basis to carry out the Board's policies, ensure compliance with this Order, applicable laws, rules and regulations, and manage the day-to-day operations of the Bank in a safe and sound manner.

(2) Within thirty (30) days of this Order, the Board take the necessary steps to hire a dedicated Senior Lending Officer vested with sufficient executive authority to develop and implement appropriate credit risk management policies, procedures, and systems to ensure the Bank's loan portfolio is managed in a safe and sound manner and attain compliance with the credit-related articles of this Order. The person appointed to such position shall be vested with sufficient knowledge, skills, and abilities, including but not limited to, the technical expertise (including the workout and collection of problem loans) and the leadership skills, necessary to manage the Bank accordingly. In the event that the Senior Lending Officer position of the Bank becomes vacant, the Board shall take the necessary steps to identify a suitable candidate to fill the vacancy within sixty (60) days of receiving notice of such vacancy.

(3) Prior to the appointment or employment of any senior executive officer or director, or entering into any contract with any person for such position, the Board shall submit the name and qualifications of the individual and the proposed terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. The Assistant Deputy Comptroller shall have the power to disapprove the appointment of the proposed executive officer. However, the lack of disapproval of such individuals shall not constitute an approval or endorsement.

(4) Within sixty (60) days of this Order, the Board shall take the necessary steps to ensure that the Bank's lending areas are properly managed and staffed and that the Board's oversight of such areas is effective, to include at a minimum, the following actions:

- (a) recommendations to ensure that the Bank's lending areas are properly staffed and managed, including any necessary staffing and structural changes;
- (b) a training program to address identified weaknesses in the skills and abilities of the Bank's lending staff and management team; and
- (c) specific plans to improve corporate governance practices to ensure:
  - (i) sound operating policies and procedures;
  - (ii) accurate regulatory and Board reporting;
  - (iii) sound internal controls to monitor policy adherence; and
  - (iv) accountability for these processes.

Article IV

Credit Underwriting and Administration

(1) Effective as of the date of this Order, 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) Effective as of the date of this Order, the Board shall ensure that the Bank develop maintains safe and sound credit risk management and administration practices, to include at a minimum:

(a) procedures to ensure that the Bank does not grant, extend, renew, alter or restructure any loan or other extension of credit equal to or exceeding one-hundred thousand dollars ($100,000), without:

(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 and the useful life of the collateral;

(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, including global cash flow analysis where appropriate;

(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 the determinations made regarding the customer's ability to repay the credit on the proposed repayment terms;

(vii) providing an accurate risk assessment grade and proper accrual status for each credit;

(viii) obtaining an appraisal or evaluation as appropriate;

(ix) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable; and

(x) obtaining the written approval of the Bank's Loan Committee or Board;

(b) policies and procedures designed to aggregate, track and eliminate exceptions to the Loan Policy and underwriting guidelines for all loans to include, at a minimum:

(i) 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;

(ii) accountability by the lending staff for such exceptions that, at a minimum, considers such exceptions in the periodic performance reviews and compensation of such lending staff; and

(iii) standards for when installment loan policy exceptions are appropriate and what factors should exist to mitigate exceptions;

(c) procedures to ensure that commercial loans are properly monitored to include periodic receipt, analysis and documentation of sufficient financial and operating information to measure and monitor the borrower's financial condition and repayment ability;

(d) controls to ensure that installment loans are underwritten in accordance with the Bank's Loan Policy and safe and sound banking practices, to include at a minimum, policies and procedures to ensure that customers:

(i) meet employment and residency requirements;

(ii) provide complete financial information; and

(iii) provide sufficient collateral to meet or exceed required loan-to-value guidelines; and

(e) controls to ensure repossessed assets are properly safeguarded and accounted for in accordance with Generally Accepted Accounting Principles ("GAAP"), to include at a minimum:

(i) the centralization and assignment of accountability for the maintenance of proper documentation, files and accounting;

(ii) procedures to ensure repossessed assets are appropriately valued and recorded; and

(iii) the development of appropriate internal controls over repossessed assets.

(3) The Board shall take the necessary steps to ensure that current and satisfactory credit and proper collateral information is maintained on all loans. Within thirty (30) days of notification, the Board shall ensure that the Bank obtains any missing credit or collateral information described in the Report of Examination conducted as of September 30, 2009 and updated through December 31, 2009 as appropriate (the "ROE"), 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.

Article V

Appraisal and Evaluation Process

(1) Effective as of the date of this Order, 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 and/or conducts evaluations in compliance with USPAP, 12 C.F.R. Part 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) expectations for evaluations regarding evaluator independence, selection of comparable sales, when income or cost analysis should be used for income producing properties, and the use of other documentation from county records and realtors;

(e) the establishment and implementation of a policy requiring a meaningful review, independent of the lender, of all appraisals to include analysis commensurate with the type, size and complexity of the property being appraised; and

(f) the establishment of a tickler system for tracking appraisals ordered, received, returned, and reviewed.

Article VI

Credit Risk Ratings and Nonaccrual Recognition

(1) Effective as of the date of this Order, the Board shall 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 timely placed on nonaccrual by the lending officers in accordance with the guidelines set forth in the Call Report;

(c) loan officers appropriately and timely risk rate and/or place loans on nonaccrual; and

(d) all loan officers are trained to appropriately and timely risk rate loans in accordance with the guidelines set forth in Rating Credit Risk, A-RCR, of the *Comptroller's Handbook* and to place loans on nonaccrual in accordance with the guidelines set forth in the Call Report.

Article VII

Problem Loan Management

(1) Effective as of the date of this Order, the Board 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 ninety (90) days of this Order, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a written program designed to reduce the Bank's criticized assets (the "Problem Assets Program"). The Problem Assets Program shall include or address the following matters:

- (a) aggregate reporting of criticized asset levels by type to the Board or a designated committee thereof every month; and
- (b) specific plans for the reduction of criticized assets by asset type with target reductions by month.

(3) The Board's compliance with Paragraph (2) of this Article shall include the development of procedures for the monthly review and preparation of written determinations by the Board or a designated committee thereof regarding the effectiveness of the responsible officer's efforts to eliminate the weaknesses in each criticized credit relationship totaling one hundred thousand dollars ($100,000) or more, and that require the preparation of Problem Asset Reports ("PARs" or "PAR") that contain, at a minimum, analysis and documentation of the following:

- (a) an identification of the expected sources of repayment and an analysis of their adequacy;

(b) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable as well as other necessary documentation to support the collateral valuation;

(c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations;

(d) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment;

(e) trigger dates for positive borrower actions or for loan officers to reassess the strategy, enact collection plans, and make appropriate downgrades or place on nonaccrual;

(f) a determination of whether the loan is impaired and the amount of the impairment, consistent with FASB Statement of Financial Accounting Standards No. 114, Accounting by Creditors for Impairment of a Loan.

(4) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the program required by this Article.

(5) A copy of each PAR prepared during the month of each quarter end (e.g., March, June, September, and December), along with any Board comments regarding the effectiveness of the effort to eliminate the weaknesses in each credit, shall be submitted to the Assistant Deputy Comptroller within fifteen (15) days of each calendar quarter end.

(6) Effective as of the date of this Order, the Bank may not 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 equal or exceed one hundred thousand dollars ($100,000), unless each of the following conditions is met:

(a) the Board or a designated committee thereof 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 Board or a designated committee thereof approves the credit extension and documents in writing, the reasons that such extension is necessary to promote the best interests of the Bank; and

(b) the Board's formal plan to collect or strengthen the criticized asset will not be compromised by the extension of credit.

Article VIII

Allowance for Loan and Lease Losses

(1) Effective as of the date of this Order, the Board shall adopt, implement, and thereafter ensure adherence to written policies and procedures for maintaining an adequate Allowance for Loan and Lease Losses ("Allowance") in accordance with GAAP. The Allowance policies and procedures shall be consistent with the guidance set forth in the Federal Financial Institutions Examination Council's "Interagency Policy Statement on the Allowance for Loan and Lease Losses" dated December 13, 2006 (OCC Bulletin 2006-47), and July 20, 2001 (OCC Bulletin 2001-37), and shall at a minimum include:

(a) procedures for determining whether a loan is impaired and measuring the amount of impairment, consistent with FASB Statement of Financial

Accounting Standards No. 114, Accounting by Creditors for Impairment of a Loan;

(b) procedures for segmenting the loan portfolio and estimating loss on groups of loans, consistent with FASB Statement of Financial Accounting Standards No. 5, Accounting for Contingencies;

(c) procedures for validating the Allowance methodology;

(d) procedures to ensure that the estimation of credit losses considers the relevant qualitative and environmental factors, with particular focus on the following:

(i) trends in the Bank's internal risk ratings, delinquent and nonaccrual loans;

(ii) results of the Bank's external loan review;

(iii) concentrations of credit in the Bank;

(iv) present and prospective economic conditions; and

(v) applicable experience of the Bank's lending staff.

(2) The program shall provide a process for summarizing and documenting, for the Board's review and approval, the amount to be reported in the Call Reports for the Allowance. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Call Report, 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

External Loan Review

(1) Within sixty (60) days of this Order, the Board shall employ a qualified consultant to perform semi-annual asset quality reviews of the Bank's loan portfolio. The scope of the external loan review shall provide for a written report to be filed with the Board after each review (with the first review to be completed by June 30, 2010 and the second by December 31, 2010), 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 identification, type, rating, and amount of problem loans and leases;

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

(c) the identification/status of credit related violations of law or regulation;

(d) loans not in conformance with the Bank's lending policies;

(e) credit underwriting and documentation exceptions;

(f) credit analysis and documentation of such;

(g) accuracy of internal risk ratings;

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

(i) overall credit administration practices; and

(j) completeness and effectiveness of problem loan workout plans.

(2) Prior to the appointment or employment of any individual as loan review consultant or entering into any contract with any consultant, the Board shall submit the name and qualifications of the proposed consultant and the proposed scope and terms of employment to the

Assistant Deputy Comptroller for a prior written determination of no supervisory objection. After the OCC has advised the Bank that it does not take supervisory objection to the loan review consultant or the scope of the review, the Board shall immediately engage the loan review consultant pursuant to the proposed terms of the engagement.

(3) The Board or a designated committee shall review the independent loan review reports and ensure that, if appropriate, immediate, adequate, and continuing remedial action, is taken upon the findings noted in the reports.

(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 maintained in the books and records of the Bank.

(5) The Bank shall not terminate the consultant's asset quality review services without a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

Article X

Accrued Interest

(1) Within ninety (90) days of this Order, the Board shall take the necessary steps to ensure that the Bank adopts, implements and thereafter adheres to policies and procedures to appropriately recognize and collect accrued interest, to include at a minimum:

(a) the development of a Board-approved policy delineating requirements for the collection of accrued default-rate interest on past due loans, as well as the necessary procedures for waiving collection of any such accrued interest;

(b) the designation of an individual responsible for monitoring the Bank's accrual and collection of accrued interest for past due borrowers to ensure that uncollected accrued interest on past due borrowers is charged-off in accordance with the guidelines set forth in the instructions to the Call Report Bank and GAAP;

(c) the designated individual shall ensure that the Bank's loan computer system appropriately records loans as past due when accrued interest is unpaid in accordance with the terms of the loan;

(d) the expansion of the Directors' Examination to include a review of management's processes for placing loans on nonaccrual, reporting past due loans, and charging-off outstanding accrued interest.

Article XI

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) Effective as of the date of this Order, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations, practices, and breaches 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 XII

Administrative Appeals and Extensions of Time

(1) This Order becomes effective upon execution by the Assistant Deputy Comptroller. Unless otherwise specified, any time limitations set by this Order shall begin to run on the effective date of the Order.

(2) If the Bank contends that compliance with any provision of this Order would cause undue hardship to the Bank, or requires an extension of any timeframe within this Order, the Board shall submit a written request to the Assistant Deputy Comptroller asking for relief. Any written requests submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with a provision, that require the Assistant Deputy Comptroller to exempt the Bank from a provision, or that require an extension of a timeframe within this Order.

(3) All such requests shall be accompanied by any supporting documentation, and, to the extent requested by the Assistant Deputy Comptroller, a sworn declaration or declarations setting forth any other facts upon which the Bank relies.

(4) The Assistant Deputy Comptroller's decision concerning a request made pursuant to this Article is subject to Article XIII, Paragraph (3) of this Order, and is final and not subject to further review.

Article XIII

Closing

(1) Although the Bank is required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Assistant Deputy

Comptroller, the Board has the ultimate responsibility for proper and sound management of the Bank and the completeness and accuracy of the Bank's books and records.

(2) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States 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) The provisions of this Order 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.

(4) In each instance in this Order in which the Bank or the Board is required to ensure implementation of or adherence to, or to undertake to perform, an obligation of the Bank, the Board shall:

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

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

(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 for any non-compliance with such actions.

(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 the Comptroller 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 prior arrangements between the parties, whether oral or written.

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

/s/ 4/21/10

Karen M. Boehler
Assistant Deputy Comptroller
Denver Field Office

Date

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

In the Matter of: Pikes Peak National Bank Colorado Springs, Colorado	)))	AA-WE-10-24

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 Pikes Peak National Bank, Colorado Springs, Colorado ("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 Bank's Board and management oversight, capital and strategic planning and credit administration.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated April 21, 2010 (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).

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 this Order;

(c) all rights to a hearing and a final agency decision with regard to the issuance of this Order 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 with regard to the issuance of this 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 him by the several laws of the United States of America.

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

/s/	4/21/2010
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/	4/21/2010
Earl Georgeson	Date
/s/	4/21/2010
Drusylla Georgeson	Date
/s/	4/21/2010
E.J. “John” Georgeson	Date
/s/	4/21/2010
Robin Roberts	Date
/s/	4/21/2010
Anne Smelker	Date