

AGREEMENT BY AND BETWEEN
Citizens Bank, National Association
Fort Scott, Kansas
and
The Comptroller of the Currency

Citizens Bank, National Association, Fort Scott, 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.

As a result of an examination conducted as of September 30, 2009, the Comptroller has determined that the Bank has engaged in unsafe or unsound banking practices relating to its Board and management oversight, credit administration, asset quality, and administration of the Allowance for Loan and Lease Losses.

In consideration of the above premises, it is agreed, between the Bank, by and through its 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. § 1831(i).

(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 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) This Agreement shall not be construed to be a “written agreement, order, or capital directive” within the meaning of 12 C.F.R. § 6.4.

Article II

COMPLIANCE COMMITTEE

(1) Within ten (10) days, the Board shall appoint a Compliance Committee of at least three (3) directors, of which no more than one (1) shall be an employee or controlling shareholder of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371(c)(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 on June 1, 2010, and every three months 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 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.
- (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:
- Karen W. Swingler
Assistant Deputy Comptroller
Kansas City South Field Office
1710 East 32nd Street, Suite H
Joplin, Missouri 64804
- (6) 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 Agreement.

Article III

DIVIDENDS

- (1) Effective immediately, the Bank shall only declare dividends when:
- (a) the Bank is in compliance with its capital plan;
 - (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.

Article IV

CREDIT UNDERWRITING AND ADMINISTRATION

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

(2) Within ninety (90) days, the Board shall develop and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a program (including revisions to policies and procedures) designed to improve the Bank's credit underwriting and administration practices. The program shall include, at a minimum, policies and procedures to ensure that:

- (a) clear responsibilities, authority and lines of reporting are established in the lending area, and that appropriate and qualified personnel oversee the lending function, including, at a minimum, that:
 - (i) the Chief Loan Officer shall have the responsibility and authority to:
 - a. enforce Bank lending policy and to hold loan officers accountable for compliance with the Bank's lending policy;
 - b. address credit administration weakness discussed in this Agreement and in the Report of Examination for the examination conducted as of September 30, 2009 (the "ROE"); and
 - c. take necessary action to maintain satisfactory credit risk management systems;

- (b) to ensure that loan officers periodically (at least annually or more frequently, as necessary, given the circumstances of the particular credit relationship) perform reviews of all credit relationships totaling two hundred fifty thousand dollars (\$250,000) or more, that includes analysis and documentation of the review rendered, including but not limited to:
- (i) identifying the expected sources of repayment in writing;
 - (ii) obtaining current and satisfactory credit information for all borrowers and guarantors, including performing and documenting analysis of credit information and a detailed cash flow analysis of all expected repayment sources, to include all direct and indirect obligations, contingent liabilities and personal expenses;
 - (iii) assessing the liquidity of all borrowers and guarantors, which the loan officer had verified as necessary to document capacity;
 - (iv) providing an accurate risk assessment grade and proper accrual status for each credit, consistent with Article V of this Agreement;
 - (v) obtaining an appraisal or evaluation as appropriate, consistent with Article VI of this Agreement;
 - (vi) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien where applicable;
 - (vii) conducting a thorough global cash flow analysis; and

(viii) ensuring that loan officers are held accountable for the requirements of this subparagraph.

(3) Loan officers shall draft credit memoranda to document the completion of the requirements of the program adopted pursuant to this Article.

(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, policies and procedures required by this Article.

(5) 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 takes all necessary actions, and maintains appropriate documentation of the actions taken, to obtain any missing credit or collateral information described in 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

CREDIT RISK RATINGS AND NONACCRUAL RECOGNITION

(1) Within sixty (60) days, the Board shall develop a 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, as appropriate, 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) the Chief Executive Officer, Chief Loan Officer, members of the approving loan committees, and loan officers receive immediate training with respect to the application of Subparagraphs (a) and (b) of this Article;
- (d) loan officers, members of the approving loan committees, and senior management are held accountable for failing to appropriately and timely risk rate and/or place loans on nonaccrual;
- (e) loan officer failure to properly risk rate and/or place loans on nonaccrual is considered in periodic performance reviews and compensation; and
- (f) the risk rating process is independently validated.

(2) After the Board has developed the program required by this Article, the Board shall immediately implement and thereafter ensure adherence to its terms.

Article VI

APPRAISAL AND EVALUATION PROCESS

(1) Within sixty (60) days, the Board shall revise, adopt, implement and thereafter ensure Bank adherence to a written program of policies and procedures designed to ensure the Bank obtains appraisals in compliance with USPAP, 12 C.F.R. Part 34, Advisory Letter No.

2003-9, Commercial Real Estate and Construction Lending, A-CRE, of the Comptroller's Handbook, and OCC Bulletin 2005-6, to include at a minimum:

- (a) requirements that the Bank obtain an updated appraisal or evaluation in compliance with 12 C.F.R. § 34.43;
- (b) the required use of a standard appraisal form for ordering all appraisals;
- (c) the ordering of appraisals, independent of the lending function;
- (d) the use of Board approved appraisers only;
- (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;
- (f) reviews of real estate appraisals to include narrative support for the Bank's determination that an appraisal is acceptable;
- (g) the establishment of a tickler system for tracking appraisals ordered, received, returned, and reviewed; and
- (h) the establishment of a system to hold loan officers accountable for the requirements of this Article.

(2) The Board shall ensure that all Bank personnel whose responsibilities are affected by the program adopted pursuant to Paragraph (1) of this Article receive the training necessary to perform their required duties.

Article VII

EXTERNAL LOAN REVIEW

(1) The Board shall employ a qualified consultant to perform quarterly asset quality reviews of the Bank's loan portfolio. The external loan review system shall provide for a written report to be filed with the Board after each review and shall use a loan and lease grading system consistent with the guidelines set forth in Rating Credit Risk, A-RCR, of the Comptroller's Handbook. Such reports shall, at a minimum, include comments and conclusions regarding:

- (a) the 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; and
- (h) overall credit administration practices.

(2) Prior to appointing or employing 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 Office of the Comptroller of the Currency 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 based upon the findings noted in the reports.

(4) 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 VIII

PROBLEM LOAN MANAGEMENT

(1) Effective as of the date of this Agreement, 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, in any subsequent internal or external loan review or in any list provided to management by the National Bank Examiners during any subsequent examination.

(2) The Board's compliance with Paragraph (1) of this Article shall include the development of procedures for the quarterly submission and review of Problem Asset Reports ("PARs" or "PAR") of all criticized credit relationships or Other Real Estate ("ORE") totaling two hundred fifty thousand dollars (\$250,000) or more. PARs shall 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, as directed by Article VI of this Agreement;

- (c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations;
- (d) an assessment of the borrower's global cash flow;
- (e) an assessment of any guarantor's global cash flow;
- (f) the current grade and proposed action to eliminate the basis of criticism and the time frame for its accomplishment;
- (g) trigger dates for positive borrower actions or for loan officers to reassess the strategy, enact collection plans, and make appropriate downgrades or place the loan on nonaccrual;
- (h) 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;
- (i) for criticized relationships of two hundred fifty thousand dollars (\$250,000) or above that were made for the purpose of constructing or developing commercial real estate, the PARs shall also include:
 - (i) the initial scheduled maturity date of the loan, number of extensions and/or renewals, and current maturity date;
 - (ii) project development status;
 - (iii) a comparison of development costs to the budgeted amount;
 - (iv) a comparison of sales activity to the original sales projections;

(v) amount of initial interest reserve and the amount of any subsequent additions to the reserve; and

(vi) any other significant information relating to the project; and

(j) an evaluation of the progress made in the last quarter.

(3) Within thirty (30) days of the end of each calendar quarter, the Bank shall assess the overall progress made pursuant to this Article and determine appropriateness of the actions taken pursuant to this Article.

(4) A copy of each PAR prepared along with any Board comments regarding the effectiveness of the effort to eliminate the weaknesses in each credit or to dispose of the ORE, and the assessment made pursuant to Paragraph (3) of this Article, shall be available upon request for the inspection of the National Bank Examiners.

(5) Effective as of the date of this Agreement, 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 subsequent internal or external loan review or in any subsequent list provided to management by the National Bank Examiners during any examination and whose aggregate loans or other extensions of credit equal or exceed two hundred fifty thousand dollars (\$250,000), unless each of the following conditions is met:

(a) the Board or a designated committee thereof finds that the extension of 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 IX

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days, the Board shall revise, implement, and thereafter ensure adherence to written policies and procedures for maintaining an adequate Allowance for Loan and Lease Losses ("ALLL") in accordance with Generally Accepted Accounting Principles. The ALLL 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 shall include, but not be limited to:

- (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 ALLL 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 conducted pursuant to Article VII of this Agreement;
 - (iii) concentrations of credit in the Bank;
 - (iv) the quality of the Bank's credit administration practices, including the progress made in addressing the requirements of Article IV of this Agreement;
 - (v) present and prospective economic conditions; and
 - (vi) applicable experience of the Bank's lending staff.

(2) The ALLL program shall provide for a process for summarizing and documenting, for the Board's review and approval, the amount to be reported in the Call Reports for the ALLL. Any deficiency in the ALLL 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 ALLL.

Article X

CONTINGENCY FUNDING PLAN

(1) Within sixty (60) days, the Board shall revise, implement, and ensure adherence to a comprehensive Contingency Funding Plan (“CFP” or “plan”) consistent with the guidelines set forth in the Liquidity booklet of the Comptroller’s Handbook. The plan shall, among other things, address ways to improve the Bank’s liquidity position by maintaining adequate sources of stable funding throughout the Bank’s normal course of business, as well as various crisis situations. At a minimum, the revised CFP should:

- (a) expand the scenarios to include factors such as: temporary disruptions in funding, long-term distressed environments, significant losses, bank-wide scenarios across all funding sources, multiple global liquidity scenarios of varying severity, scenarios addressing the liquidity impact across all sources of funding simultaneously, and regulatory issues. These scenarios should show the impact on each funding source (reduced availability, no availability, increased collateral requirements, etc.) and the Bank’s overall liquidity;
- (b) expand the plan to clearly identify, quantify, and rank all sources of funding by preference. The scenarios should include both asset and liability sources of funding as well as off-balance sheet sources;
- (c) prioritize strategies that address each stage of a funding crisis;
- (d) include liquidity crisis triggers relating to regulatory matters (*e.g.*, formal enforcement action, drop in capital category, reduction in composite rating) and asset quality deterioration;

- (e) establish frequency of management meetings and reporting to oversee implementation of contingency plans while the Bank is in a liquidity crisis;
- (f) address management contact with correspondent banks on an ongoing basis to inform them of adverse conditions and determine the likelihood of continued line availability;
- (g) develop and implement a testing schedule to validate the CFP; and
- (h) address the responsibilities of senior management during a funding crisis. It should include the names, addresses, and telephone numbers of crisis team members. It also should assign responsibility for initiating external contacts with regulators, analysts, investors, external auditors, the press, significant customers and others.

(2) The CFP adopted pursuant to this Article shall be reviewed and approved by the Board in advance of implementation and shall be reviewed and updated by the Board annually, or more frequently if circumstances warrant.

Article XI

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 noncompliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner of any noncompliance 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/

4/28/10

Karen W. Swingler
Assistant Deputy Comptroller
Kansas City South Field Office

Date

