

AGREEMENT BY AND BETWEEN
First National Bank of Grant Park
Grant Park, IL
and
The Comptroller of the Currency

First National Bank of Grant Park, Grant Park, IL (“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 relating to credit concentration monitoring, impairment in investments, credit administration in agricultural lending, and contingency funding planning 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
Chicago South Field Office
2001 Butterfield Rd, Suite 400
Downers Grove, IL 60515-7915

ARTICLE II

PROBLEM LOAN WORKOUTS

(1) The Bank shall take immediate and continuing action to protect its interest in those assets criticized¹ in the Report of Examination dated as of September 30, 2009 (“ROE”), in any subsequent Report of Examination, or in any list provided to management by the National Bank Examiners, or by internal or external loan review.

(2) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to individual workout plans designed to eliminate the basis of criticism of assets criticized in the ROE, in any subsequent Report of Examination, or in any list provided to management by the National Bank Examiners, or by internal or external loan review as "doubtful," "substandard," or "special mention." Each workout plan shall include, at a minimum:

- (a) an identification of the expected sources of repayment;
- (b) the current 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 actions to eliminate the basis of criticism and the dates by which the actions will be taken.

(3) A copy of the workout plan adopted pursuant to this Article shall be maintained in the file of the affected borrower.

(4) Upon adoption, a copy of the workout plans for all criticized assets equal to or exceeding two hundred fifty thousand dollars (\$250,000) shall be forwarded to the Assistant Deputy Comptroller.

(5) The Board, or a designated committee, shall conduct a review, on at least a quarterly basis, of each workout plan adopted pursuant to this Article for all criticized assets equal to or exceeding two hundred fifty thousand dollars (\$250,000) to determine:

- (a) the status of each criticized asset or criticized portion thereof;
- (b) management's adherence to the workout plan adopted pursuant to this Article;
- (c) the status and effectiveness of the workout plan; and
- (d) the need to revise the workout plan or take alternative action.

(6) A copy of each review conducted pursuant to Paragraph (5) of this Article shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis (in a format similar to Appendix A, 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

¹ The term "criticized" as used in this Article is meant to refer to assets rated the equivalent of "doubtful," "substandard," or "special mention" as defined in the "Rating Credit Risk" booklet of the Comptroller's Handbook.

- (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 its 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 workout plan adopted pursuant to this Article shows that the Board's formal plan to collect or strengthen the criticized asset will not be compromised by the credit extension.

(8) Copies of the approvals and comparisons of the Board or designated committee obtained pursuant to Paragraph (7) of this Article shall be maintained in the file of the affected borrower.

ARTICLE III

CONCENTRATIONS OF CREDIT

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written asset diversification program consistent with the “Loan Portfolio Management” booklet of the Comptroller's Handbook. The program shall include, but not necessarily be limited to, the following:

- (a) a written analysis of any concentration of credit identified in order to identify and assess the inherent risk; and
- (b) 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) The Board shall ensure that future concentrations of credit are subjected to the analysis required by subparagraph (a) of paragraph (1) and, if that analysis demonstrates that the concentration subjects the Bank to undue risk, it takes appropriate steps to mitigate such risk.

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

(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 IV

AGRICULTURAL LENDING POLICY

(1) Within sixty (60) days, the Board shall review, revise, and thereafter ensure Bank adherence to the Bank's written lending policy incorporating at a minimum policies to ensure that all loans secured by farmland, all loans to finance agricultural production, and all other loans to farmers (as defined in Instructions for Preparation of Consolidated Reports of Condition and Income) are structured and supervised according to prudent banking practices. The Bank's revised policy shall:

- (a) provide for periodic on-site inspections with written reports detailing the condition of farm assets and farm operations; and
- (b) require periodic review of the Bank's adherence to the revised lending policy.

(2) Upon completion, a copy of the revised policy shall be forwarded to the Assistant Deputy Comptroller for review and determination of no supervisory objection.

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

ARTICLE V

RECOGNITION OF OTHER-THAN-TEMPORARY IMPAIRMENT

(1) Within sixty (60) days, the Bank shall develop, implement, and thereafter ensure Bank adherence to policies and procedures to ensure the timely recognition of bank investments with other-than-temporary impairment.

(2) The Bank's policy shall require a quarterly written review of those securities with a fair value below amortized cost in order to evaluate whether a decline in the fair value is other-than-temporary. Such a review shall encompass, as applicable, the factors specified in Accounting Standards Codification ASC 320 – “Investments in Debt and Equity Securities.”

(3) For those securities with a fair value below amortized cost for which the Bank is not recognizing other-than-temporary impairment, the Bank must provide objective and verifiable evidence documenting why the securities are not other-than-temporarily impaired. The objective evidence must indicate the reasons why the decline in fair value below the amortized cost basis is “temporary” and detail how the decline in fair value can reasonably be expected to be reversed. Objective evidence supporting “temporary” impairment may include the issuer's

financial performance (including such factors as earnings trends, dividend payments, asset quality and specific events), the financial condition and near term prospects of the issuer, and the economic conditions and prospects for the issuer's region and industry.

(4) If the Bank determines that a particular investment is other-than-temporary impaired, the Bank shall:

- (a) recognize the amount of the total other-than-temporary impairment through earnings when
 - (i) the Bank intends to sell the security;
 - (ii) it is more likely than not that the Bank will be required to sell the security prior to the recovery of the cost basis;
 - (iii) an adverse change in the amount or timing of cash flows occurs (as covered in ASC 320 35-33E); or
 - (iv) recovery of the entire cost basis is not expected (considering the factors in SEC Staff Accounting Bulletin (SAB) 59).
- (b) recognize the amount of the total other-than-temporary impairment through a combination of earnings for the credit loss and other comprehensive income for the other market related loss when:
 - (i) the Bank has no intent to sell the securities, and
 - (ii) no sale is likely to occur prior to the cost recovery.

(5) Upon adoption, the Board shall submit a copy of the policies and procedures to the Assistant Deputy Comptroller for determination of no supervisory objection.

ARTICLE VI

CONTINGENCY FUNDING PLAN

(1) Within sixty (60) days the Board shall revise, implement, and ensure adherence to a comprehensive Contingency Funding Plan consistent with the guidelines set forth in Liquidity, L-L, of the Comptroller's Handbook. The plan shall, among other things, address ways to improve the Bank's liquidity position and maintain adequate sources of stable funding given the Bank's anticipated liquidity and funding needs.

(2) Upon adoption, a copy of the plan shall be promptly forwarded to the Assistant Deputy Comptroller for review and determination of no supervisory objection.

ARTICLE VII

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 cited in the ROE and in any subsequent ROE.

(2) Within ninety (90) days of the ROE and any subsequent ROE which cites violations of law, rule, or regulation, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(3) Upon adoption, a copy of these procedures shall be promptly forwarded to the Assistant Deputy Comptroller for review and determination of no supervisory objection..

ARTICLE VIII

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/her 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.

