

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

In the Matter of:)
The First National Bank of Wayne)
Wayne, Nebraska)

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”), through his National Bank Examiner, has supervisory authority over The First National Bank of Wayne, Wayne, Nebraska (“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 December 8, 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

COMPLIANCE COMMITTEE

(1) Within ten (10) days of the date of this Order, the Board shall appoint a Compliance Committee of at least three (3) directors. 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 monthly and shall keep formal, written minutes of all such meetings.

(3) Within twelve (12) days of the date of this Order and every thirty (30) days or 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.

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

ARTICLE II

CAPITAL AND STRATEGIC PLAN

(1) Within one hundred and twenty (120) days of the date of this Order, the Bank shall achieve and maintain the following minimum capital ratios:

- (a) Tier 1 capital at least equal to nine and one half percent (9.5%) of adjusted total assets; and

(b) total risk-based capital at least equal to thirteen percent (13%) 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 achieve 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) Within sixty (60) days of the date of this Order, the Board shall develop, implement, and thereafter ensure Bank adherence to a three year Capital and Strategic plan (the plan). The plan shall include, at a minimum:

- (a) specific plans for achievement and maintenance of the capital levels required by Paragraph (1) of this Article;
- (b) projections for growth and capital requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (c) projections of the sources and timing of additional capital to meet the Bank's current and future needs;
- (d) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank's needs;
- (e) contingency plans that identify alternative methods should the primary source(s) under (d) above not be available;
- (f) a detailed strategic plan that contains, at minimum:
 - (i) growth and earnings projections;

- (ii) prudent limits for concentrations and diversification of assets;
and
 - (iii) options for preserving the safety and viability of the institution.
- (g) a dividend policy that permits the declaration of a dividend only:
- (i) when the Bank is in compliance with the Capital and Strategic Plan required by this Article;
 - (ii) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
 - (iii) with the prior written determination of no supervisory objection by the Assistant Deputy Comptroller, which shall be granted or denied within thirty (30) days of the receipt of a dividend request from the Bank.

(5) 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.

(6) If the Bank fails to submit an acceptable Capital and Strategic Plan as required by Paragraph (4) of this Article, fails to implement or adhere to a Capital and Strategic Plan to which the Assistant Deputy Comptroller has taken no supervisory objection pursuant to Paragraph (5) 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

COMMERCIAL REAL ESTATE RISK MANAGEMENT

(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) Within sixty (60) days of the date of this Order, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, amendments to a written program designed to manage the risk in the Bank's commercial real estate ("CRE") loan portfolio in accordance with the guidelines in OCC Bulletin 2006-46, Concentration in Commercial Real Estate Lending, Sound Risk Management Practices (dated December 6, 2006), that, at a minimum, includes:

- (a) the establishment of an overall CRE strategy, to include reasonable CRE concentration limits stratified by type, locality and other meaningful measures;
- (b) monthly monitoring of concentration reports that stratify the CRE portfolio by product type, locality and other meaningful measures;
- (c) monthly monitoring of stratified loan policy exceptions;
- (d) strategies and procedures to manage CRE concentrations to conform with established limits set in Subparagraph (a) of this Article;

- (e) significant individual loan stress testing and/or sensitivity analysis to quantify the impact of changing economic conditions on asset quality, earnings, and capital; and
- (f) the establishment of Loan Policy CRE underwriting standards by CRE type that specifically include requirements relating to:
 - (i) maximum loan amount and maturity by type of property;
 - (ii) approval authorizations;
 - (iii) minimum file documentation and analysis;
 - (iv) minimum requirements for initial investment and maintenance of hard equity;
 - (v) minimum standards for borrower net worth, property cash flow/debt service, and collateral coverage;
 - (vi) the development of a sufficient process for obtaining and analyzing global financial information on guarantors in order to identify and appropriately risk-rate credits;
 - (vii) minimum standards for the acceptability, and limits of soft cost and/or interest reserve financing, including a policy that prohibits the re-packing of interest reserves at loan maturity or loan renewal;
 - (viii) prohibition of bank funded interest reserves for speculative raw land projects;
 - (ix) maximum amortization periods and minimum principal curtailment for CRE and construction projects that have substantially failed to meet original projections; and

(x) procedures for loan closing and disbursement processes, including the supervised disbursement of construction loan proceeds.

(g) enhancements to the Bank's current re-appraisal process, including but not limited to:

(i) a clear policy for when a re-appraisal is required; and

(ii) necessary actions in the event of material deviations in collateral value (such as re-margining, principal reduction, etc).

(3) 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.

ARTICLE IV

PARTICIPATIONS PURCHASED

(1) Within forty five (45) days of the date of this Order, the Board shall develop amendments to the Bank's 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 Order;
- (b) the written CRE policy, as amended and developed pursuant to Article III of this Order;
- (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.

ARTICLE V

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 forty five (45) days of the date of this Order, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written program designed to eliminate the basis of criticism of assets criticized 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) overall strategy and/or expectation to exit or retain the credit relationship;

- (b) processes to ensure appropriate time frames for specific actions are clearly identified. This should include, at a minimum, necessary actions taken by both borrower and the bank, the full documentation of any material deviations from those anticipated actions, and the proposed timeframe for eliminating the basis of criticism;
- (c) identification of the expected sources of repayment; and,
- (d) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable; and
- (e) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations.

(3) Upon adoption, a copy of the program for all criticized assets equal to or exceeding fifty thousand dollars (\$50,000) shall be forwarded to the Assistant Deputy Comptroller.

(4) The Board, or a designated committee, shall conduct a review, on at least a quarterly basis, to determine:

- (a) the status of each criticized asset or criticized portion thereof that equals or exceeds fifty thousand dollars (\$50,000);
- (b) management's adherence to the program adopted pursuant to this Article;
- (c) the status and effectiveness of the written program; and
- (d) the need to revise the program or take alternative action.

(5) A copy of each review shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis, and will be provided within thirty (30) days of each quarter-end.

(6) The Bank may extend credit, directly or indirectly, including renewals, extensions or capitalization of accrued interest, to a borrower whose loans or other extensions of credit are criticized in the ROE, in any subsequent 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 exceed fifty thousand dollars (\$50,000) only if each of the following conditions are 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.

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

ARTICLE VI

CREDIT RISK RATING AND NONACCRUAL RECOGNITION

(1) Within thirty (30) days of the date of this Order, 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 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*; and
- (b) loan officers are accountable for failing to appropriately and timely risk rate loans.

ARTICLE VII

EXTERNAL LOAN REVIEW

(1) Within sixty (60) days of the date of this Order, the Board shall engage a qualified, independent consultant to perform, on an ongoing basis: (1) a biennial external loan review of the participations purchased portfolio; and (2) an annual review of the entire loan portfolio of the Bank based on an acceptable sampling. This consultant shall have adequate knowledge of CRE lending fundamentals and the markets in which the bank lends (through participations purchased). 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 loan review scope and coverage parameters;
- (b) the overall quality of the loan and lease portfolios;
- (c) the identification, type, rating, and amount of problem loans and leases including grading differences;
- (d) the identification and amount of delinquent loans and leases;

- (e) credit and collateral documentation exceptions;
- (f) the identification and status of credit related violations of law, rule or regulation;
- (g) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (c) through (f) of the Article;
- (h) concentrations of credit;
- (i) loans and leases to affiliates and related parties;
- (j) loans and leases not in conformance with the Bank's Loan Policy, and exceptions to the Bank's Loan Policy; and
- (k) the adequacy and quality of loan administration by all loan officers, with any recommendations for improvements to loan administration practices.

(2) Prior to entering into any contract with a loan review 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.

(3) Within fifteen (15) days of receipt, the Board shall forward a copy of each written loan review report required by paragraph one (1) of this Article to the Assistant Deputy Comptroller for review.

ARTICLE VIII

REAL ESTATE APPRAISAL REVIEWS

(1) Within sixty (60) days of the date of this Order, the Board shall revise the Bank's loan policy to ensure that independent appraisal review requirements are adequately addressed for all real estate loans. The revised policy shall include, at a minimum:

- (a) a process that ensures that appraisal reviews are completed before the credit is advanced;
- (b) a policy that all appraisal reviews must comply with the minimum appraisal standards and interagency guidelines, including appropriate supporting detail of the final estimate of value; and
- (c) a policy that all appraisal reviews should comport with the guidance found in OCC 2005-6, Appraisal Regulations and Interagency Statement on Independent Appraisal and Evaluation Functions.

(2) Upon revision of the loan policy, the policy shall be submitted to the Assistant Deputy Comptroller for a prior determination of no supervisory objection.

(3) Upon receiving a determination of no supervisory objection, the Board shall ensure that this policy is implemented and thereafter adhered to by the Bank.

ARTICLE IX

LIQUIDITY

(1) Within sixty (60) days of the date of this Order, the Bank shall revise and enhance its contingency funding plan (CFP) to include, at a minimum:

- (a) forecasts for funding needs and funding sources under a stressed scenario and should:

- (i) represent management's best estimate of balance sheet changes that may result from a liquidity or credit event;
- (ii) provide for assumptions based on the possible cumulative reductions in the primary liquidity sources;
- (iii) Provide for assumptions discussing how funding sources would be impacted by negative bank ratings or changes to the bank's Prompt Corrective Actions capital categories;
- (iv) identify, quantify, establish, and rank all sources of funding by preference for the various scenarios including asset side funding; liability side funding and off-balance sheet funding; and
- (v) ensure that administrative policies and procedures are consistent with the Board's guidance and risk tolerances.

(b) The CFP must clearly document how management will attract funds should the bank's current sources of funds become limited for whatever reason.

(2) Upon revision, the CFP shall be forwarded to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. Upon receiving a response of no supervisory objection, the Board shall implement, and thereafter ensure compliance with, the revised CFP.

ARTICLE X

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within forty-five (45) days 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 (“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 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 ALLL methodology; and
- (d) a process for summarizing and documenting, for the Board’s review and approval, the amount to be reported in the Consolidated Reports of Condition and Income (“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 Reports, through additional provision expense.

ARTICLE XI

RETAIL UNDERWRITING

- (1) Within sixty (60) days of the date of this Order, the Board shall take steps to ensure that the retail underwriting worksheet is implemented properly and is an effective tool to

standardize the retail underwriting process and document compliance with sound retail underwriting standards. These steps shall include, but not limited to:

- (a) a requirement that all loan officers adhere to bank policy and established underwriting standards, as well as conducting financial analysis on a consistent basis;
- (b) the retail underwriting worksheet may serve as a template for documenting requirement analysis and must be fully completed or detailed with mitigating factors; and
- (c) the retail underwriting worksheet must be used to track bank policy exceptions to allow for reporting to the Board.

ARTICLE XII

STAFFING PLAN

(1) Within sixty (60) days of the completion of the Bank's Capital and Strategic Plan required by Article II of this Order, the Board, or a qualified independent consultant, should the Board determine this to be necessary, shall develop a staffing plan that is consistent with the goals and objectives established in the Bank's Capital and Strategic plan and that accomplishes the overall risk profile established for the Bank. At a minimum, the plan will consist of the following:

- (a) identification of the skills and expertise needed to develop, market, and administer the products identified in the strategic plan, as well as an evaluation of the internal audit and credit administration areas of the bank;
- (b) identification of the skills and expertise of the Bank's current staff; and

(c) comparison of the current staff's skills and expertise identified in (1) (b) of this Article to the skills and expertise identified in (1)(a) of this Article as necessary to develop, market, and administer the products that will be utilized in accomplishing the Bank's goals and objectives;

(2) Within thirty (30) days of the development of the staffing plan, the Board will implement the plan and direct any changes necessary to provide the Bank with a staff that possesses the skills and expertise identified in (1)(a) of this Article. Thereafter the Board will ensure that the Bank adheres to the staffing plan.

(3) Upon completion of the actions required by Articles (1) and (2) of this Order, the Board will provide a copy of its staffing plan to the Assistant Deputy Comptroller for review.

ARTICLE XIII

INTERNAL AUDIT

(1) Within ninety (90) days of the date of this Order, the Board shall engage a qualified, independent, outside consultant to review to the Bank's internal audit function in order to ensure that the Bank's internal audit program sufficient to:

- (a) detect irregularities and weak practices in the Bank's operations;
- (b) determine the Bank's level of compliance with all applicable laws, rules and regulations;
- (c) assess and report the effectiveness of policies, procedures, controls, and management oversight relating to accounting and financial reporting;
- (d) evaluate the Bank's adherence to established policies and procedures, with particular emphasis directed to the Bank's adherence to its loan policies

concerning underwriting standards and problem loan identification and classification;

- (e) review and provide an opinion regarding whether regulatory reports beginning with the quarter ending December 31, 2010, contain “material misstatements” within thirty (30) days of filing; for purposes of this Article, “material misstatements” has the same meaning as the term is used in the SEC’s Staff Accounting Bulletin No. 99 on Materiality (“SAB 99”).
- (f) adequately cover all areas; and
- (g) establish an annual audit plan using a risk based approach sufficient to achieve these objectives.

(2) As part of this audit program, the Board shall evaluate the audit reports of any party providing services to the Bank, and shall assess the impact on the Bank of any audit deficiencies cited in such reports.

(3) The Board shall ensure that the audit function is supported by an adequately staffed department or outside firm, with respect to both the experience level and number of the individuals employed.

(4) The Board shall ensure that the audit program is independent. The persons responsible for implementing the internal audit program described above shall report directly to the Board, which shall have the sole power to direct their activities. All reports prepared by the audit staff shall be filed directly with the Board and not through any intervening party.

(5) All audit reports shall be in writing. The Board shall ensure that immediate actions are undertaken to remedy deficiencies cited in audit reports, and that auditors maintain a written record describing those actions.

(6) The audit staff shall have access to any records necessary for the proper conduct of its activities. National bank examiners shall have access to all reports and work papers of the audit staff and any other parties working on its behalf.

(7) The Board and management must engage a qualified, independent, and comprehensive outsourced general controls IT audit.

(8) Upon adoption, a copy of the internal audit program shall be promptly submitted to the Assistant Deputy Comptroller.

ARTICLE XIV

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 XV, Paragraph (3) of this Order, and is final and not subject to further review.

ARTICLE XV

CLOSING

(1) Although the Board is by this Order 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.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon it by the several laws of the United States of America 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) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and 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.

(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 on 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.

IT IS SO ORDERED, this 8th day of December, 2010.

/s/

Tom Sutcliffe
Assistant Deputy Comptroller
Sioux Falls Field Office

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

In the Matter of:)
The First National Bank of Wayne)
Wayne, Nebraska)

**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 The First National Bank of Wayne, Wayne, Nebraska (“Bank”) pursuant to 12 U.S.C. § 1818(b) through the issuance of a Notice of Charges for a Order to Cease and Desist for unsafe and unsound banking practices relating to a high level of classified assets, critically deficient earnings and risk management weaknesses at the Bank. The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated December 8, 2010 (“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 the Order;
 - (c) all rights to a hearing and a final agency decision 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 of the Order; and
 - (f) 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 it by the several laws of the United States of America.

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

/s/

Tom Sutcliffe
Assistant Deputy Comptroller
Sioux Falls Field Office

12/08/2010

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 Carhart

12/08/2010

Date

/s/

Bill Dickey

12/08/2010

Date

/s/

Richard Keidel

12/08/2010

Date

/s/

Doug Mohl

12/08/2010

Date

/s/

John Nigh

12/08/2010

Date

