

AGREEMENT BY AND BETWEEN
Colorado Federal Savings Bank
Greenwood Village, Colorado
and
The Comptroller of the Currency

Colorado Federal Savings Bank (“Bank”) and the Comptroller of the Currency of the United States of America (“Comptroller” or “OCC”) wish to protect the interests of the depositors and other customers 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, through his authorized representative, has examined the Bank and his findings are contained in the Report of Examination for the examination that commenced on January 6, 2014 (the “ROE”). The Comptroller has found unsafe or unsound banking practices relating to strategic and capital planning, Bank Secrecy Act compliance, conflicts of interest, transactions with affiliates, internal audit, vendor management, and interest rate risk management.

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) Unless otherwise informed in writing by the Comptroller, all reports or plans that 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
San Francisco Field Office
One Front Street, Suite 1000
San Francisco, CA 94111

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

ARTICLE II

COMPLIANCE COMMITTEE

(1) The Board shall maintain 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. § 371c(b)(1)), or a family member of such person. In the event of a change in the membership of the Compliance Committee, 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.

(3) By no later than December 31, 2014, and every calendar quarter 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 quarterly progress 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 Agreement.

ARTICLE III

STRATEGIC AND CAPITAL PLAN

(1) Within ninety (90) days of this Agreement, the Board shall develop a revised three-year strategic and capital plan ("Rolling Three-Year Plan") and submit a copy to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. The Rolling Three-Year Plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, 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 strategies to achieve those objectives that are specific, measurable, verifiable, and, at a minimum, include:

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

- (b) an assessment of the Bank's present and future operating environment;
- (c) the development of strategic goals and quantifiable measures with implementation dates, individual responsibilities, and accountability to ensure the Bank attains sustained earnings to support ongoing operations and maintain capital adequacy;
- (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 the Rolling Three-Year Plan;
- (e) delineation of responsibilities and accountability for the strategic planning process, implementation of planned activities, and the monitoring and reporting of actual operations against projections;
- (f) recognition that the Bank cannot introduce new products, enter new market segments, or significantly expand any existing products unless it first develops appropriate systems, controls, expertise, and monitoring processes to manage and control the associated risks;
- (g) a financial forecast that includes projections for major balance sheet and income statement accounts, new products, and desired financial ratios over the period covered by the Rolling Three-Year Plan;
- (h) a formal succession plan for key management positions and the Board;
- (i) specific plans for the maintenance of adequate capital, including the sources and timing of additional capital to meet current and future needs,

consistent with OCC Bulletin 2012-16, “Capital Planning: Guidance for Evaluating Capital Planning and Adequacy”;

- (j) projections for capital and liquidity requirements based on a detailed analysis of the Bank’s assets, liabilities, earnings, fixed assets, and off-balance sheet activities; and
- (k) scenario-based stress testing, consistent with OCC Bulletin 2012-33, “Community Bank Stress Testing: Supervisory Guidance.”

(2) The Board shall review and update the Rolling Three-Year Plan at least annually, and submit the revised Rolling Three-Year Plan to the Assistant Deputy Comptroller for prior written determination of no supervisory objection. Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure Bank adherence to the plan.

(3) The Board shall ensure that the Bank has sufficient policies, procedures, and control systems, consistent with OCC supervisory guidance, to effectively implement the Rolling Three-Year Plan in a safe and sound manner.

(4) The Board shall ensure that the Bank has sufficient management and staff in place on a full-time basis with the knowledge, skills, and abilities to carry out the Rolling Three-Year Plan, ensure compliance with this Agreement and with applicable laws, rules and regulations, and manage the day-to-day operations of the Bank in a safe and sound manner.

ARTICLE IV

BANK SECRECY ACT COMPLIANCE

(1) Within thirty (30) days of this Agreement, the Board shall submit to the Assistant Deputy Comptroller for prior written determination of no supervisory objection the name,

qualifications, and terms of engagement for an independent consultant to assist the Bank in overseeing administration of its BSA compliance program until the OCC determines that the Bank's BSA Officer has sufficient knowledge, experience, and authority to effectively oversee the program. The Bank shall conduct due diligence and otherwise ensure the engagement complies with OCC Bulletin 2013-29, "Third Party Relationships: Risk Management Guidance."

(2) Within forty-five (45) days of this Agreement, the Board shall submit to the Assistant Deputy Comptroller for prior written determination of no supervisory objection an action plan containing a complete description of the actions necessary to achieve compliance with this Article ("BSA Action Plan"). Following a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall not take any action that would constitute a significant deviation from, or material change to, the requirements of the BSA Action Plan, unless the Bank has received a prior written determination of no supervisory objection from the Assistant Deputy Comptroller. In the event the Assistant Deputy Comptroller asks the Bank to revise the BSA Action Plan, the Bank shall promptly make the requested revisions and resubmit the BSA Action Plan to the Assistant Deputy Comptroller for prior written determination of no supervisory objection. The BSA Action Plan shall specify timelines for the completion of each requirement. In order to ensure adherence to the BSA Action Plan, the Board shall require:

- (a) timely reporting by Bank management of the status of each action required under this Article or otherwise directed by the Board;
- (b) corrective action by Bank management to address any noncompliance with such actions; and
- (c) follow-up to ensure that any noncompliance is addressed in a timely manner.

(3) Within ninety (90) days of this Agreement, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program of policies and procedures to provide for compliance with the BSA (31 U.S.C. §§ 5311, et seq.), the regulations promulgated thereunder at 31 C.F.R. Chapter X and 12 C.F.R. §§ 21.21 and 163.180, and the rules and regulations of the Office of Foreign Assets Control (“OFAC”), as amended (collectively referred to as the “BSA”). The program shall include, at a minimum:

(a) a system of internal controls to ensure ongoing compliance with the BSA.

The internal controls shall include, at a minimum:

- (i) a BSA/OFAC risk assessment that identifies all of the Bank’s risk categories (*i.e.*, products, services, customers, entities, transactions, and geographic locations) and quantifies risk based upon a detailed analysis of all data pertinent to the Bank’s risk categories (*e.g.*, purpose of the account, actual or anticipated activity, nature of the customer’s business/occupation, customer’s location, and types of products and services used by the customer), to be updated at least annually in response to changes in the Bank’s BSA risk profile;
- (ii) a written BSA policy that reflects all regulatory requirements and adequately addresses the authority and responsibility of the BSA Officer, the BSA/OFAC risk assessment, Board and management reporting, suspicious activity monitoring and reporting, record-keeping requirements, information sharing under section 314(b) of the USA PATRIOT Act, OFAC compliance, training, and customer due diligence;

- (iii) customer due diligence and enhanced due diligence policies and procedures that are risk-based and ensure the Bank maintains sufficient information to implement an effective suspicious activity monitoring system;
 - (iv) timely reporting to the Board regarding BSA compliance initiatives, identified compliance deficiencies and corrective actions taken, audit findings, suspicious activity reports (“SARs”) filed, and any new products, services, or regulatory changes and their impact on the Bank’s BSA compliance program;
 - (v) procedures for identifying, monitoring, and reporting suspicious activity in accordance with 12 C.F.R. § 163.180, as amended, including sufficient documentation of the specific reason for filing or not filing a SAR; and
 - (vi) procedures and controls to ensure that the Bank’s use of remote deposit capture complies with OCC Bulletin 2009-4, “Remote Deposit Capture: Interagency Guidance”;
- (b) independent testing for BSA compliance, performed by qualified internal or external auditors every 12 to 18 months, commensurate with the Bank’s BSA risk profile, that is risk-based and provides sufficient coverage, transaction testing, and documentation to evaluate the overall adequacy and effectiveness of the Bank’s BSA compliance program;
- (c) a qualified BSA Officer vested with sufficient authority and resources to coordinate and monitor day-to-day BSA compliance; and

- (d) comprehensive training for appropriate personnel sufficient to enable them to effectively perform their assigned BSA compliance responsibilities.

ARTICLE V

CONFLICTS OF INTEREST POLICY

(1) Within sixty (60) days of this Agreement, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written, comprehensive conflict of interest policy applicable to the Bank's directors, principal shareholders, executive officers, affiliates, and employees (collectively "Insiders") and related interests of such Insiders. The conflict of interest policy shall comport with: (i) 12 C.F.R. § 163.43 (Loans by savings associations to their executive officers to their executive officers, directors, and principal shareholders); (ii) 12 C.F.R. Part 215 (Regulation O); and (iii) 12 C.F.R. § 163.200 (Conflicts of Interests). The policy, in addition to defining a conflict of interest, shall address:

- (a) avoidance of conflicts of interest and breaches of fiduciary duty, and the appearance of conflicts of interest;
- (b) involvement in the loan approval process of Insiders who may benefit directly or indirectly from the decision to grant credit;
- (c) disclosure of actual and potential conflicts of interest to the Board, and annual disclosure of "related interests," as defined by 12 C.F.R. Part 215;
- (d) requirements for arms-length dealing in any transactions by Insiders, or their related organizations, involving the Bank's sale, purchase, or rental of property and services;
- (e) disclosure of any Insider's material interest in the business of a borrower, an applicant, or other customer of the Bank; and

(f) restrictions on and disclosure of receipt of anything of value by Insiders, directly or indirectly, from borrowers, loan applicants, other customers, or suppliers of the Bank.

(2) Upon completion, a copy of this conflict of interest policy shall be forwarded to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure Bank adherence to the conflict of interest policy.

(3) Within one-hundred twenty (120) days of this Agreement, the Board shall conduct a review of the Bank's existing relationships with its directors, executive officers, affiliates, principal shareholders, employees and their related interests for the purpose of identifying relationships not in conformity with the policy. The Board shall ensure that any nonconforming relationships are brought into conformity within ninety (90) days from the date of discovery.

(4) Thereafter, the Board shall review all proposed transactions, or modifications of existing relationships, between the Bank and any of its directors, executive officers, affiliates, principal shareholders, employees and their related interests. Documentation supporting these reviews shall be in writing and preserved in the Bank.

ARTICLE VI

AFFILIATE TRANSACTIONS

(1) The Bank may not directly or indirectly pay money or provide other compensation to or for the benefit of its affiliates, extend credit in any form, including overdrafts, to or for the benefit of its affiliates, transfer assets between the Bank and its affiliates,

or enter into or engage in any transaction that obligates the Bank to do any of the foregoing unless:

- (a) the Board has reviewed the proposed transaction and has documented the review in writing;
 - (b) the Board has determined in writing that it is in the best interests of the Bank to engage in such transaction and that the transaction complies with all applicable laws, rules, regulations, and OCC issuances, including but not limited to 12 C.F.R. Part 223; and
 - (c) the Board approves the transaction in writing.
- (2) For purposes of this Agreement, “affiliate” shall have the meaning set forth in 12 U.S.C. § 371c and 12 C.F.R. Part 223.

ARTICLE VII

INTERNAL AUDIT

- (1) Within ninety (90) days of this Agreement, the Board shall adopt, implement, and thereafter ensure Bank adherence to an independent 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, with particular emphasis on affiliate and insider transactions;
 - (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 on the Bank’s adherence to its loan policies

concerning underwriting standards and problem loan identification and classification;

- (e) adequately cover Bank activities to maintain or improve the efficiency and effectiveness of the Bank's risk management, internal controls, and corporate governance functions;
- (f) ensure timely follow-up on identified deficiencies to ensure their correction;
- (g) comply with the standards contained in OCC Bulletin 2003-12, "Interagency Policy Statement on the Internal Audit Function and its Outsourcing"; and
- (h) ensure adherence to an annual audit plan using a risk-based approach sufficient to achieve these objectives.

(2) The Board shall ensure that the internal audit program is independent. The person responsible for implementing the internal audit program described above shall report directly to the Board, who shall have the sole power to direct his/her activities. All reports prepared by the audit staff or audit firm shall be filed directly with the Board and/or Board Audit Committee (comprised of at least two external directors) and not through any intervening party.

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

(4) 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.

(5) The Board shall ensure that all deficiencies identified by audit and/or regulatory agencies are appropriately monitored and reported through a formal tracking report.

(6) The Board shall ensure that immediate actions are undertaken to correct any deficiencies cited in audit reports and shall maintain a written record describing the deficiency, the projected corrective action, and the status of the corrective action.

ARTICLE VIII

VENDOR MANAGEMENT

(1) Within sixty (60) days of this Agreement, the Board shall revise, adopt, implement, and thereafter ensure Bank adherence to a formal vendor management program to provide effective oversight and controls in accordance with OCC Bulletin 2013-29, “Third Party Relationships: Risk Management Guidance.” The vendor management program shall, at a minimum, address:

- (a) the assignment of clear roles, responsibilities, and accountability for managing third-party vendors;
- (b) the development of a comprehensive review and risk assessment of each third-party vendor prior to entering into any binding agreement;
- (c) ongoing monitoring of the activities of the third-party vendor commensurate with the risk assessment, with appropriate documentation;
and
- (d) updates to the Board or a committee thereof on the status of the vendor management program on a quarterly basis, at a minimum.

ARTICLE IX

INTEREST RATE RISK PROGRAM

(1) Within ninety (90) days of this Agreement, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written interest rate risk program that is consistent with the “Interest Rate Risk” booklet of the *Comptroller’s Handbook*, OCC Bulletin 2010-1, “Interagency Advisory on Interest Rate Risk Management,” and OCC Bulletin 2012-5, “Interest Rate Risk Management: FAQs on 2010 Interagency Advisory on Interest Rate Risk Management.” The program shall provide for a coordinated interest rate risk strategy and, at a minimum, must address:

- (a) the Bank’s strategic direction and tolerance for interest rate risk;
- (b) implementation of effective tools to measure and monitor the Bank’s performance and overall interest rate risk profile;
- (c) employment of competent personnel to manage and monitor interest rate risk;
- (d) establishment of prudent short- and long-term limits on the nature and amount of interest rate risk the Board is willing to accept in relation to earnings and capital;
- (e) establishment of adequate management reports on which to base sound interest rate risk management decisions for both short- and long-term risks;
- (f) adequate support for the reasonableness of assumptions used in the interest rate risk model;

- (g) periodic review and adjustment, as needed, of the assumptions and inputs used in the Bank's interest rate risk models, with appropriate documentation; and
- (h) independent validation of interest rate risk model and process on at least an annual basis and an annual review of the Bank's adherence to the interest rate risk program, consistent with OCC Bulletin 2011-12, "Sound Practices for Model Risk Management: Supervisory Guidance on Model Risk Management."

ARTICLE X

VIOLATIONS OF LAW

(1) The Board shall require and the Bank shall immediately take all necessary steps to correct each violation of law, rule, or regulation cited in the most recent ROE or any subsequent ROE, or brought to the Board's or Bank's attention in writing by management, regulators, auditors, loan review, or other compliance efforts. Within sixty (60) days after the violation is cited or brought to the Board's or Bank's attention, the Bank shall provide to the Board a list of any violations that have not been corrected. This list shall include an explanation of the actions taken to correct the violation, the reasons why the violation has not yet been corrected, and a plan to correct the violation by a specified date.

(2) The quarterly progress reports required by Article II of this Agreement shall include the date and manner in which each correction has been effected during that reporting period.

(3) Within sixty (60) days of this Agreement, the Board shall adopt, implement, and ensure Bank adherence to:

- (a) specific procedures to prevent violations cited in the most recent ROE;
and
- (b) general procedures addressing compliance management that incorporate internal control systems and education of employees regarding laws, rules, and regulations applicable to their areas of responsibility.

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 his hand on behalf of the Comptroller.

/s/

Thomas J. Jorn
Assistant Deputy Comptroller
San Francisco Field Office

10/3/2014

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/

Scott Kavanaugh

10-3-14

Date

/s/

Randy Ilich

10-3-14

Date

/s/

Roger Orders

10/3/14

Date

/s/

Craig Pica

10/3/14

Date

/s/

Michael Staskus

10/3/14

Date