

AGREEMENT BY AND BETWEEN

AA-SO-2025-32

Texas Heritage National Bank  
Daingerfield, Texas

and

The Office of the Comptroller of the Currency

Texas Heritage National Bank, Daingerfield, Texas (“Bank”) and the Office of the Comptroller of the Currency (“OCC”) wish to ensure the safety and soundness of the Bank and its compliance with laws and regulations.

The Comptroller of the Currency (“Comptroller”) has found unsafe or unsound practices, including those relating to strategic and capital planning, liquidity risk management, interest rate risk management, concentration risk management, and the Allowance for Credit Losses (“ACL”), and violations of law, rule, or regulation, including those relating to reports of condition and independent audit;

Therefore, the OCC, through the duly authorized representative of the Comptroller, and the Bank, through its duly elected and acting Board of Directors (Board), hereby agree that the Bank shall operate at all times in compliance with the following:

**ARTICLE I**

**JURISDICTION**

(1) The Bank is an “insured depository institution: as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) The Bank is a national banking association within the meaning of 12 U.S.C. § 1813(q)(1)(A), chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*

(3) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q).

## **ARTICLE II**

### **COMPLIANCE COMMITTEE**

(1) By May 31, 2025, the Board shall appoint a Compliance Committee of at least three (3) members of which a majority shall be directors who are not employees or officers of the Bank or any of its subsidiaries or affiliates. The Board shall submit in writing to the Assistant Deputy Comptroller (“ADC”), Longview Office, the names of the members of the Compliance Committee within ten (10) days of their appointment. In the event of a change of the membership, the Board shall submit in writing to the ADC within ten (10) days the name of any new or resigning committee member. The Compliance Committee shall monitor and oversee the Bank’s compliance with the provisions of this Agreement. The Compliance Committee shall meet at least quarterly and maintain minutes of its meetings.

(2) By July 31, 2025, and thereafter within thirty (30) days after the end of each quarter, the Compliance Committee shall submit to the Board a written progress report setting forth in detail:

- (a) a description of the corrective actions needed to achieve compliance with each Article of this Agreement;
- (b) the specific corrective actions undertaken to comply with each Article of this Agreement; and
- (c) the results and status of the corrective actions.

(3) Upon receiving each written progress report, the Board shall forward a copy of the report, with any additional comments by the Board, to the ADC within ten (10) days of the first Board meeting following the Board’s receipt of such report.

### **ARTICLE III**

#### **BOARD SUPERVISION AND MANAGEMENT**

(1) By June 30, 2025, the Board shall ensure that the Bank has effective and qualified management in place for all senior executive officer positions to carry out the Board's policies, take the necessary steps to implement corporate governance and decision-making processes to correct previously identified deficiencies and to timely address deficiencies described in future or any supervisory or regulatory communications, and take the necessary steps to ensure compliance with applicable laws, rules, and regulations and compliance with the Agreement. For the purposes of this Agreement, "deficiencies" includes unsafe or unsound policies, procedures, practices, and controls, as well as violations of laws, regulations, final agency orders, conditions imposed in writing, or written agreements.

(2) By September 30, 2025, the Board shall ensure the following:

- (a) the Bank has senior executive officers willing and able to perform present and anticipated duties, factoring in each senior executive officer's performance, experience, and qualifications as compared to their position description, duties and responsibilities, with particular emphasis on their actual and proposed responsibilities to execute the Strategic and Capital Plan required by Article IV of this Agreement, and correct previously identified deficiencies;
- (b) clear lines of responsibility and authority exist for each member of senior executive management;
- (c) the Bank's management employment and succession plan promotes adequate staffing and continuity of capable management;

- (d) the Bank has an adequate process to evaluate, at least annually, the Bank's overall internal operations; staffing; Board and management oversight; information systems, policies, procedures; and other risk management systems, with strategies and associated timelines to address any deficiencies;
- (e) the Bank has a performance appraisal process, including annual performance appraisals, job descriptions, and consideration of performance relative to policy compliance, documentation standards, and other applicable measures for all officers and staff;
- (f) the Bank has a sufficient process to ensure that management appropriately responds to any audit, compliance, and/or regulatory criticisms with written action plans that contain corrective actions to be taken, appropriate deadlines for taking corrective action, and Board follow-up and documentation demonstrating each matter was resolved satisfactorily;
- (g) the Board receives and reviews sufficient information from management (including scope, frequency, timing and content) regarding the operation of the Bank and compliance with this Agreement to enable the Directors to provide oversight and fulfill their fiduciary duties and other responsibilities as required by law and in accordance with safe and sound practices (refer to the "Corporate and Risk Governance" booklet of the *Comptroller's Handbook* for guidance); and
- (h) minutes of meetings of the Board and its committees fully document the review and discussion of material action items, actions taken, and follow-

up items to be addressed at subsequent meetings, especially as those items and actions relate to identified deficiencies or compliance with applicable laws, rules, regulations or this Agreement.

(3) By December 31, 2025, and annually thereafter, the Board shall ensure that an annual written performance appraisal is performed and prepared for all Bank senior executive officers. The Board shall ensure that each written performance appraisal is completed by sufficiently qualified and independent Board members. If necessary and as appropriate, the Board shall engage a qualified independent third party to assist the Board in preparing the written appraisals; refer to Third-Party Relationships: Risk Management Guidance (OCC Bulletin 2023-17) for guidance. Each annual written performance appraisal shall evaluate the performance of each senior executive officer according to the position’s description and responsibilities. Each annual written performance appraisal also must evaluate the following:

- (a) compliance with objectives established by the Board;
- (b) compliance with Board-approved policies and procedures;
- (c) compliance with Board-approved Strategic and Capital Plan;
- (d) compliance with laws, rules, regulations, and this Agreement; and
- (e) appropriateness of compensation and benefits in accordance with Safety and Soundness standards in 12 C.F.R. Part 30, Appendix A, Section III.

#### **ARTICLE IV**

##### **STRATEGIC AND CAPITAL PLAN**

(1) By September 30, 2025, the Board shall submit to the ADC for review and prior written determination of no supervisory objection an acceptable strategic and capital plan, covering at least a three-year period (“Strategic and Capital Plan”) to assess and establish

objectives for the Bank’s overall risk profile, capital adequacy in relation to overall risks, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, and capital and liquidity adequacy, together with strategies to achieve those objectives and ensure maintenance of appropriate capital levels. The Strategic and Capital Plan shall be consistent with safe and sound practices and ensure the integrity, objectivity, and consistency of the process through adequate governance. Refer to the “Corporate and Risk Governance” and “Capital and Dividends” booklets of the *Comptroller’s Handbook*.

- (2) The Strategic and Capital Plan shall, at a minimum, include:
  - (a) a mission statement that forms the framework for the establishment of strategic goals and objectives;
  - (b) the strategic goals and objectives to be accomplished, including key financial indicators and risk tolerances;
  - (c) an assessment of the Bank’s strengths, weaknesses, opportunities and threats that impact its strategic goals and objectives;
  - (d) an evaluation of the Bank’s internal operations, staffing requirements, board and management information systems and policies for their adequacy and contribution to the accomplishment of the strategic goals and objectives developed under this Article and are consistent with the other Articles in this Agreement;
  - (e) an enterprise-wide risk assessment system to evaluate current and anticipated risk levels throughout the bank;

- (f) a strategy to maintain capital and strengthen capital if necessary and establish a contingency or back-up capital plan commensurate with the Bank's overall risk and complexity;
- (g) a realistic and comprehensive annual budget that corresponds to the Strategic Plan's goals and objectives;
- (h) an identification and prioritization of initiatives and opportunities, including timeframes that comply with the requirements of this Agreement;
- (i) a description of the Bank's target market(s) and competitive factors in its identified target market(s), and a description of controls systems to mitigate risks in the Bank's target market(s);
- (j) an identification and assessment of the present and planned product lines (assets and liabilities) and the identification of appropriate risk management systems to identify, measure, monitor, and control risks within the product lines;
- (k) assigned roles, responsibilities, and accountability for the strategic and capital planning;
- (l) a description of systems and metrics designed to monitor the Bank's progress in meeting the Strategic and Capital Plan's goals and objectives;
- (m) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios for each quarter over the period covered by the Strategic and Capital Plan; and

- (n) a succession plan that identifies critical management roles and steps the board would take to fill vacancies caused by death, illness, injury, resignation, or misconduct;
- (3) The Bank may declare or pay a dividend or make a capital distribution only:
- (a) when the Bank is in compliance with its Board-approved Strategic and Capital Plan and would remain in compliance with such Strategic and Capital Plan immediately following the declaration or payment of any dividend or capital distribution; and
  - (b) when the dividend or capital distribution would comply with 12 U.S.C. §§ 56, 60 and 1831o(d)(1) and 12 C.F.R. § 3.11(a)(4).
- (4) Within fifteen (15) days following receipt of the ADC's written determination of no supervisory objection to the Bank's Strategic and Capital Plan or to any subsequent amendment to the Strategic and Capital Plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Strategic and Capital Plan. The Board shall review the effectiveness of the Strategic and Capital Plan at least annually, no later than January 31 each year, and more frequently if necessary or if required by the OCC in writing, and amend the Strategic and Capital Plan as needed or directed by the OCC. Any proposed amendment to the Strategic and Capital Plan must be submitted to the ADC for review and prior written determination of no supervisory objection.
- (5) At least quarterly, the Board shall review financial reports, earnings analyses, and appropriate documentation that evaluate the Bank's performance against the goals and objectives established in the Strategic and Capital Plan, as well as the Bank's written explanation of

significant differences between the actual and projected balance sheet, income statement, and expense accounts, including a description of any extraordinary and nonrecurring items. This review shall include a description of the actions the Board and management will take to address any deficiencies. The Board's quarterly reviews shall be documented in the Board meeting minutes. The Board shall forward a copy of these quarterly reviews and Board meeting minutes to the ADC within ten (10) days of quarter-end, as well as a detailed description of the corrective actions the Board will require the Bank to take to address any identified shortcomings.

(6) Until the Strategic and Capital Plan required under this Article has been submitted by the Bank for the ADC's review, has received a written determination of no supervisory objection from the ADC, and has been adopted by the Board, the Bank shall not significantly deviate from the products, services, asset composition and size, funding sources, structure, operations, policies, procedures, and markets of the Bank that existed immediately before the effective date of this Order without first obtaining the ADC's prior written determination of no supervisory objection to such significant deviation.

(7) The Bank may not initiate any action that significantly deviates from the Strategic and Capital Plan (that has received written determination of no supervisory objection from the ADC and has been adopted by the Board) without a prior written determination of no supervisory objection from the ADC.

(8) Any request by the Bank for prior written determination of no supervisory objection to a significant deviation described in this Article shall be submitted in writing to the ADC at least sixty (60) days in advance of the proposed significant deviation. Such written request by the Bank shall include an assessment of the effects of such proposed change on the Bank's condition and risk profile, including a profitability analysis and an evaluation of the adequacy of the Bank's

organizational structure, staffing, management information systems, internal controls, and written policies and procedures to identify, measure, monitor, and control the risks associated with the proposed change.

(9) For the purposes of this Article, changes that may constitute a significant deviation include, but are not limited to, a change in the Bank’s marketing strategies, products and services, marketing partners, underwriting practices and standards, credit administration, account management, collection strategies or operations, fee structure or pricing, accounting processes and practices, or funding strategy, any of which, alone or in the aggregate, may have a material effect on the Bank’s operations or financial performance; or any other changes in personnel, operations, or external factors that may have a material effect on the Bank’s operations or financial performance.

## **ARTICLE V**

### **CONCENTRATIONS RISK MANAGEMENT**

(1) By July 31, 2025, the Bank shall adopt, implement and thereafter ensure Bank adherence to a written Concentration Risk Management Program (“Concentration Program”). Refer to the “Concentrations of Credit” booklet of the *Comptroller’s Handbook*.

- (2) The Concentration Program shall include, at a minimum:
- (a) identification of the Bank’s known and potential concentrations of credit;
  - (b) a written analysis of all concentrations of credit that identifies and assesses inherent credit, liquidity, and interest rate risks and considers the impact of concentration levels on overall growth plans, financial targets, portfolio stress tests, and capital plan objectives;
  - (c) the establishment of safe and sound, formal limits and sub-limits for all

concentrations of credit based on a percentage of tier 1 capital plus the allowance for credit losses, stratified by loan type, locality of the borrower and collateral, and other meaningful measures;

- (d) management information systems that ensure timely and accurate reporting of concentrations to the Board including concentration reports that stratify the loan portfolio by type, locality, and other meaningful measures, including, but not limited to, quarterly monitoring of concentration reports based upon total committed amounts relative to Board-approved limits;
- (e) portfolio-level stress tests to quantify the impact of changes to portfolio-specific characteristics and market conditions on earnings and capital, consistent with the size, complexity, and risk profile of the Bank's loan portfolio;
- (f) annual re-evaluation and approval of concentration limits by the Board, and a Board policy that requires detailed analysis and written support of any proposed changes demonstrating the credit or interest rate risk that will result from the change;
- (g) a detailed contingency plan to reduce concentration risk in the event of adverse market conditions, including reasonable action plans; and
- (h) a market analysis framework that provides the Board and relevant committees with sufficient information to assess whether commercial real estate and construction and development lending strategies and policies remain appropriate considering changes in market conditions. Market analysis must be ongoing and include an assessment of significant factors

impacting the commercial real estate and construction and development markets within the bank's lending footprint, such as projected lease terms, vacancy rates, inventory supply, rental rates, and any other applicable metrics.

(3) The Board shall review the effectiveness of the Concentration Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Concentration Program as needed or directed by the OCC.

## **ARTICLE VI**

### **CREDIT ADMINISTRATION**

(1) By July 31, 2025, the Bank shall adopt, implement and thereafter ensure Bank adherence to a written program for credit underwriting and administration ("Credit Administration Program") designed to ensure the Bank obtains and analyzes credit and collateral information sufficient to identify, monitor, and report the Bank's credit risk, properly account for loans, and assign accurate risk ratings in a timely manner. The Credit Administration Program shall be consistent with safe and sound banking practices.

(2) The Credit Administration Program shall, at a minimum, include:

- (a) policies that address acceptable loan types, terms, covenants, concentration limits, credit and collateral requirements and exceptions, and ongoing monitoring;
- (b) a description of the types of credit and collateral information required from borrowers and guarantors prior to making a loan determination and on an ongoing basis, including, annual audited statements, interim financial statements, personal financial statements, tax returns with supporting

schedules, and loan advance controls;

- (c) policies that require any extensions of credit are granted, by renewal or otherwise, only after obtaining the required credit information and adequately analyzing and documenting the borrower's and guarantor's cash flow, debt service requirements, contingent liabilities, global liquidity condition, and sensitivity analysis in support of the credit decision;
- (d) policies to identify, measure, monitor, and control all exceptions and efforts to mitigate or cure exceptions, including but not limited to financial exceptions, collateral exceptions, policy exceptions, and underwriting exceptions. The number of loans with exceptions, and their aggregate dollar value, shall be reported to the Board monthly. The Board shall establish aggregate exception level limits. The Bank shall consider each loan officer's exceptions in conducting periodic performance reviews and compensation decisions;
- (e) established criteria to limit the number and frequency to identify, track, and approve covenant waivers in accordance with the applicable loan agreements. The number of loans with covenant waivers, and their aggregate dollar value, shall be reported to the Board monthly;
- (f) specific assignment of responsibility and accountability over the credit administration process to ensure the Credit Administration Program developed pursuant to this Article is effectively implemented;
- (g) a plan to ensure the experience level of lending and credit administration staff is reviewed by the Chief Credit Officer or Board on at least an annual

basis to ensure employees have the requisite knowledge to perform their duties, and a plan to hire additional staff and provide periodic training where staffing or knowledge gaps exist;

- (h) a plan for ongoing credit reviews by lending staff, including annual reviews for all loans greater than \$1,000,000. The board must have a plan to ensure ongoing monitoring is performed in compliance with the loan policy;
- (i) a plan to ensure loans exceeding the Supervisory Loan to Value limits as identified, aggregated, and reported to the board at least quarterly as required in 12 C.F.R. 34, Subpart D, Appendix A;
- (j) a plan to ensure appraisal reviews are performed for loans purchased and that are secured by real estate; and
- (k) a requirement that the Board establish policy guidance regarding the charge-off of overdrafts to ensure overdrafts are charged-off within a reasonable time.

(3) The Board shall review the effectiveness of the Credit Administration Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Credit Administration Program as needed or directed by the OCC.

## **ARTICLE VII**

### **ALLOWANCE FOR CREDIT LOSSES**

(1) By June 30, 2025, the Board shall submit to the ADC for review, a written program for maintaining and reporting an appropriate Allowance for Credit Losses (“ACL Program”) in accordance with generally accepted accounting principles (“GAAP”) and the instructions for reporting the ACL on the Consolidated Reports of Condition and Income (“call reports”). Refer to

the “Allowance for Credit Losses” booklet of the *Comptroller’s Handbook* and the Interagency Policy Statement on Allowances for Credit Losses, dated April 21, 2023 (OCC Bulletin 2023-11). The ACL Program shall, at a minimum, include criteria and procedures for:

- (a) segmenting and documenting the financial assets that share similar risk characteristics and measuring the expected credit losses from each identified group consistent with GAAP, including Accounting Standards Codification (“ASC”) Subtopic 326-20, at least quarterly;
- (b) identifying and documenting individual financial assets that do not share similar risk characteristics with other financial assets and measuring the amount of expected credit loss from each of these assets consistent with GAAP, including ASC Subtopic 326-20, at least quarterly;
- (c) supporting the estimation of expected credit losses and adjustments with documentation and analysis of historical credit losses, average remaining lives, and all significant qualitative and environmental factors and reasonable and supportable forecasts that affect the collectability of the Bank’s financial assets;
- (d) independently validating the Bank’s ACL methodology on an annual basis and reporting the conclusions to the Board, which shall address identified deficiencies through revision of the ACL Program in a manner consistent with this Article; and
- (e) documenting the Board’s determination, at least quarterly, of the appropriateness of the Bank’s ACL amount to be reported in the Bank’s call

report, including the factors considered and rationale supporting the Board's conclusion.

(2) The Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the ACL Program. The Board shall review the effectiveness of the ACL Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the ACL Program as needed or directed by the OCC.

(3) If at any time the Bank's actual ACL balance is determined to be inadequate in comparison to the ACL balance calculated pursuant to this Article, the Board shall remedy the inadequacy through additional provisions from earnings in the quarter the inadequacy is discovered, prior to the filing of the Bank's call report.

## **ARTICLE VIII**

### **LIQUIDITY RISK MANAGEMENT**

(1) By June 30, 2025, the Board shall update and adopt, and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to, a comprehensive written Liquidity Risk Management Program ("Liquidity Program") for the Bank. This Liquidity Program shall provide for the identification, measurement, monitoring, and control of the Bank's liquidity risk exposure, and shall emphasize the importance of cash flow projections, diversified funding sources, a cushion of highly liquid assets, robust liquidity stress testing scenario analyses, and a formal, well-developed contingency funding plan as primary tools for measuring and managing liquidity risk. Refer to the "Liquidity" booklet of the *Comptroller's Handbook*, the "Interagency Policy Statement of Funding and Liquidity Risk Management," (March 2010) (OCC Bulletin 2010-13); and the "Addendum to the Interagency

Policy Statement on Funding and Liquidity Risk Management: Importance of Contingency Funding Plans,” (July 2023) for guidance.

(2) In addition to the general requirements set forth above, the Bank’s Liquidity Program shall, at a minimum:

- (a) provide specific assigned accountability for development, execution, and oversight of liquidity risk management, including oversight by both the Board and senior management;
- (b) identify appropriate strategies, policies, and limits to manage liquidity risk, commensurate with the Bank’s complexity and business activities;
- (c) assess, on an ongoing basis, the Bank’s current and projected funding needs, including the development of cash flow projections under both expected and adverse conditions;
- (d) ensure that sufficient funds or access to funds exist to meet those needs under both expected and adverse conditions;
- (e) determine risk limits that appropriately communicate the board’s risk tolerance related to, at a minimum;
  - (i) contingent liability usage in aggregate and by individual source within the normal course of business;
  - (ii) funding concentrations;
  - (iii) limits and triggers on funding mismatches;
  - (iv) minimum and maximum average maturity of the bank’s assets and liabilities (by category); and
  - (v) minimum levels of highly liquid assets;

- (f) assess the risks related to brokered deposit restrictions, interest rate restrictions, deposit runoff, or rollovers;
- (g) detail action plans to identify and obtain sources of liquidity to meet projected shortfalls from existing sources under both expected and adverse conditions; and
- (h) include a Contingency Funding Plan that incorporates, at a minimum, a quantitative projection and evaluation of expected funding needs and funding capacity based on realistic assessments of the behaviors of funding providers during stress events; a definition of a liquidity crisis for the Bank; an identification of early warning liquidity triggers; and provision for management processes, reporting, and internal as well as external communication throughout the stress event.

(3) The Board shall review the effectiveness of the Liquidity Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Liquidity Program as needed or directed by the OCC.

## **ARTICLE IX**

### **INTEREST RATE RISK MANAGEMENT**

(1) By June 30, 2025, the Board shall adopt a revised written Interest Rate Risk Program (“IRR Program”). Refer to the “Interest Rate Risk,” booklet of the *Comptroller’s Handbook*; OCC Bulletin 2010-1, “Interagency Advisory on Interest Rate Risk Management,” (January 2010); OCC Bulletin 2012-5, “Interest Rate Risk Management: FAQs on 2010 Interagency Advisory on Interest Rate Risk Management,” (January 2012); and “Model Risk Management,” booklet of the *Comptroller’s Handbook*.

(2) The IRR Program shall include risk management systems to identify, measure, monitor, and control interest rate risk (“IRR”), to include at a minimum;

- (a) The establishment of formal policies, procedures, and governance commensurate with the Bank’s complexity and business activities, to include procedures to monitor, escalate, and address any breaches of established IRR limits;
- (b) Accurate and timely risk identification which identify and quantify the major sources and types of IRR;
- (c) The establishment of risk monitoring processes to provide sufficient information on which to base sound IRR management decisions from both an earnings and economic perspective with recognition and consideration of all risks (repricing, basis, yield-curve, and options), to include IRR reporting standards and procedures that specify the frequency and types of reports management, and the Board will use to monitor the Bank’s IRR that addresses:
  - (i) Whether management’s strategies are within the Bank’s established risk appetite and policy;
  - (ii) The sensitivity testing to determine key assumptions;
  - (iii) Whether the Bank holds sufficient capital for its level of IRR; and
  - (iv) Whether management’s major interest rate strategies balance risk with reward, including at a minimum, an evaluation of potential adverse rate movement against the potential rewards of a favorable rate movement;

- (d) Adequate and documented support for the reasonableness of assumptions used in the Bank's IRR model;
- (e) Periodic review and adjustment, when there are material changes to the Bank's balance sheet and otherwise, as needed, of the assumptions and inputs used in the Bank's IRR model, that includes sensitivity analysis and model stress testing, with appropriate documentation and governance that requires approval for changes;
- (f) Procedures to test the Bank's IRR model to compare, reconcile, and report actual performance to simulated results;
- (g) Procedures that require the Board to review and discuss, on at least a quarterly basis, the model test results required by this Article;
- (h) An annual review of the Bank's adherence to the IRR program; and
- (i) An independent process for validating the input, processing, and reporting of IRR models to ensure they are performing as expected and producing reliable outputs.

(3) Upon adoption of the IRR Program, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the IRR Program and any amendments thereto. The Board shall review the effectiveness of the IRR Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the IRR Program as needed or directed by the OCC. The Board shall forward a copy of the adopted IRR Program, and any subsequent amendments thereto, to the ADC within 30 days of adoption.

## **ARTICLE X**

### **GENERAL BOARD RESPONSIBILITIES**

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Agreement and shall verify that the Bank adheres to the corrective actions, and they are effective in addressing the Bank's deficiencies that resulted in this Agreement.

(2) In each instance in which this Agreement imposes responsibilities upon the Board, it is intended to mean that the Board shall:

- (a) authorize, direct, and adopt corrective actions on behalf of the Bank as may be necessary to perform the obligations and undertakings imposed on the Board by this Agreement;
- (b) ensure that the Bank has sufficient processes, management, personnel, control systems, and corporate and risk governance to implement and adhere to all provisions of this Agreement;
- (c) require that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities pertaining to or resulting from this Agreement;
- (d) hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Agreement;
- (e) require appropriate, adequate, and timely reporting to the Board by Bank management of corrective actions directed by the Board to be taken under the terms of this Agreement; and

- (f) address any noncompliance with corrective actions in a timely and appropriate manner.

## **ARTICLE XI**

### **OTHER PROVISIONS**

(1) As a result of this Agreement, pursuant to 12 C.F.R. § 5.51(c)(7)(ii), the Bank is in “troubled condition,” and is not an “eligible bank/savings association” for purposes of 12 C.F.R. § 5.3 or 12 C.F.R. § 24.2(e), unless otherwise informed in writing by the OCC.

(2) This Agreement supersedes all prior OCC communications issued pursuant to 12 C.F.R. §§ 5.3, 5.51(c)(7)(ii), and 24.2(e)(4).

## **ARTICLE XII**

### **CLOSING**

(1) This Agreement is intended to be, and shall be construed to be, a “written agreement” within the meaning of 12 U.S.C. § 1818, and expressly does not form, and may not be construed to form, a contract binding on the United States, the OCC, or any officer, employee, or agent of the OCC. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under its 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 OCC has any intention to enter into a contract. The Bank also expressly acknowledges that no officer, employee, or agent of the OCC has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer, employee, or agent of any of those entities to a contract affecting the OCC’s exercise of its supervisory responsibilities.

(2) This Agreement is effective upon its issuance by the OCC, through the Comptroller's duly authorized representative. Except as otherwise expressly provided herein, all references to "days" in this Agreement shall mean calendar days and the computation of any period of time imposed by this Agreement shall not include the date of the act or event that commences the period of time.

(3) The provisions of this Agreement shall remain effective and enforceable except to the extent that, and until such time as, such provisions are amended, suspended, waived, or terminated in writing by the OCC, through the Comptroller's duly authorized representative. If the Bank seeks an extension, amendment, suspension, waiver, or termination of any provision of this Agreement, the Board or a Board-designee shall submit a written request to the ADC asking for the desired relief. Any request submitted pursuant to this paragraph shall include a statement setting forth in detail the special circumstances that warrant the desired relief or prevent the Bank from complying with the relevant provision(s) of the Agreement and shall be accompanied by relevant supporting documentation. The OCC's decision concerning a request submitted pursuant to this paragraph, which will be communicated to the Board in writing, is final and not subject to further review.

(4) The Bank will not be deemed to be in compliance with this Agreement until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Agreement; the corrective actions are effective in addressing the Bank's deficiencies; and the OCC has verified and validated the corrective actions. An assessment of the effectiveness of the corrective actions requires sufficient passage of time to demonstrate the sustained effectiveness of the corrective actions.

(5) Each citation, issuance, or guidance referenced in this Agreement includes any subsequent citation, issuance, or guidance that replaces, supersedes, amends, or revises the referenced cited citation, issuance, or guidance.

(6) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to enter into this Agreement.

(7) All reports, plans, programs, or requests for extensions of time submitted to the OCC pursuant to this Agreement shall be forwarded, by overnight mail or via email, to the following:

ADC  
1800 West Loop 281, Suite 306  
Longview, TX 75604

(8) 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 as his duly authorized representative, has hereunto set her signature on behalf of the Comptroller.

//s// Digitally Signed, Dated 2025.05.08

---

Colleen A. Welch  
Assistant Deputy Comptroller  
Longview, TX

