

Supervisory Condition Letter #2016-04
July 2016

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

**TERMINATION OF THE OPERATING AGREEMENT BETWEEN
COLORADO NATIONAL BANK, PALISADE, COLORADO
AND
THE COMPTROLLER OF THE CURRENCY**

WHEREAS, in an effort to protect depositors, other customers, and shareholders of Colorado National Bank, Palisade, Colorado ("Bank"), and to ensure the Bank's operation in accordance with safe and sound banking practices and certain laws, rules, and regulations, the Comptroller of the Currency of the United States of America ("Comptroller") entered into an Operating Agreement with the Bank dated January 13, 2011; and

WHEREAS, the Comptroller believes that the protection of the depositors, other customers, and shareholders of the Bank as well as its safe and sound operation now require that the Comptroller and the Bank enter into a Formal Agreement, the contents of which shall supersede the Operating Agreement dated January 13, 2011; and

WHEREAS, the Bank and the Comptroller entered into the aforementioned Formal Agreement on May 31, 2016;

NOW THEREFORE, the Comptroller directs that the Operating Agreement dated January 13, 2011, be, and hereby is, TERMINATED.

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

/s/

5/31/16

Gary D. TeKolste

Date