

AGREEMENT BY AND BETWEEN
THE National Bank
Moline, Illinois
and
The Comptroller of the Currency

THE National Bank, Moline, Illinois (“Bank”) and the Comptroller of the Currency of the United States of America (“Comptroller”) wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

The Comptroller has found unsafe or unsound banking practices related to credit risk administration at the Bank.

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors (“Board”), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

ARTICLE I

JURISDICTION

(1) This Agreement shall be construed to be a “written agreement entered into with the agency” within the meaning of 12 U.S.C. § 1818(b)(1).

(2) This Agreement shall be construed to be a “written agreement between such depository institution and such agency” within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).

(3) This Agreement shall be construed to be a “formal written agreement” within the meaning of 12 C.F.R. § 5.51(c)(6)(ii). See 12 U.S.C. § 1831i.

(4) This Agreement shall be construed to be a “written agreement” within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(5) This Agreement shall cause the Bank to be subject to the provisions of 12 C.F.R. § 5.51(c)(6), unless otherwise informed in writing by the Comptroller. In addition, this Agreement shall cause the Bank not to be designated as an “eligible bank” for purposes of 12 C.F.R. § 5.3(g), unless otherwise informed in writing by the Comptroller.

(6) All reports or plans which the Bank or Board has agreed to submit to the Assistant Deputy Comptroller pursuant to this Agreement shall be forwarded to the:

Assistant Deputy Comptroller
Peoria Field Office
211 Fulton Street, Suite 604
Peoria, Illinois 61602

ARTICLE II

High Credit Risk

(1) Within ninety (90) days, the Bank shall develop a three-year capital program, and thereafter the Bank shall implement and adhere to the capital program. The capital program shall include:

- (a) projections for asset growth or shrinkage based upon a detailed credit risk reduction plan as required in paragraph (4) of this Article;
- (b) projections of the sources and timing of additional capital to meet the Bank’s current and future needs;
- (c) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank’s needs;
- (d) contingency plans that identify alternative methods should the primary source(s) under (c) above not be available; and

- (e) a dividend policy that permits the declaration of a dividend only:
 - (i) when the Bank is in compliance with its approved capital program;
 - (ii) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
 - (iii) with the prior approval of the Assistant Deputy Comptroller.

(2) Upon completion, the capital program shall be submitted to the Assistant Deputy Comptroller for prior determination of no supervisory objection.

(3) Upon receiving a determination of no supervisory objection, the Bank shall implement and adhere to the capital program without significant deviation from the capital program unless such deviation is approved in advance by the Assistant Deputy Comptroller.

(4) Within sixty (60) days, the Bank shall develop a detailed plan to reduce credit risk in the Bank. The plan to reduce credit risk (“Plan”) shall include:

- (a) specific actions management will take to reduce high credit risk;
- (b) resource allocations directed towards the actions identified above in (a);
- (c) projections of the levels of classified and criticized assets based upon the most recent Criticized Assets Reports;
- (d) performance measures identifying targeted levels of classified and criticized assets; and
- (e) quarterly reports to the board of directors showing actual and projected performance under the Plan.

(5) Upon completion, the Plan shall be submitted to the Assistant Deputy Comptroller for prior determination of no supervisory objection.

(6) Upon receiving a determination of no supervisory objection for the Plan, the Bank shall implement and adhere to the Plan without significant deviation from the Plan unless such deviation is approved in advance by the Assistant Deputy Comptroller.

(7) The board of directors of the Bank will review and assess performance under the Plan quarterly, and provide a written report to the Assistant Deputy Comptroller within ten (10) days of each quarterly review that consists of a comparison of the Plan projections to actual classified and nonperforming loan levels and a determination of whether changes to the Plan should be made.

ARTICLE III

CREDIT RISK RATING

(1) Within thirty (30) days, and on an ongoing basis thereafter, the Board shall ensure that the Bank's internal risk ratings of commercial credit relationships in excess of \$250,000 ("covered relationship"), as assigned by responsible loan officers and by internal loan review, are timely, accurate, and consistent with the regulatory credit classification criteria set forth in the Rating Credit Risk Booklet, A-RCR, of the Comptroller's Handbook and the *Policy Statement on Prudent Commercial Real Estate Loan Workouts* (October 2009). At a minimum, the Board shall ensure, on an ongoing basis, that with respect to the assessment of credit risk of any covered relationship:

- (a) the primary consideration is the strength of the borrower's primary source of repayment (i.e., the probability of default rather than the risk of loss);
- (b) if the primary source of repayment is cash flow from the borrower's operations, the strength of the borrower's cash flow is determined through analysis of the

borrower's historical and projected financial statements, past performance, and future prospects in light of conditions that have occurred;

(c) collateral, non-government guarantees, and other similar credit risk mitigants that affect potential loss in the event of default (rather than the probability of default) are taken into consideration only if the primary source of repayment has weakened and the probability of default has increased;

(d) collateral values should reflect a current assessment of value based on actual market conditions and project status;

(e) credit risk ratings are reviewed and updated whenever relevant new information is received, but no less frequently than annually; and

(f) the credit risk rating analysis is documented and available for review by the Board and the OCC upon request.

(2) Within thirty (30) days, and on an ongoing basis thereafter, the Board must ensure that any covered relationship with a high probability of payment default or other well-defined weakness is rated no better than Substandard, unless the debt is secured by marketable securities or cash.

ARTICLE IV

CREDIT AND COLLATERAL INFORMATION

(1) Within ninety (90) days the Board shall obtain current and satisfactory credit information on all loans lacking such information, including those listed in the Report of Examination dated "as of" December 31, 2009 ("ROE"), in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners during any examination.

(2) Within ninety (90) days the Board shall ensure proper collateral documentation is maintained on all loans and correct each collateral exception listed in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners during any examination.

(3) If the Board is unable to obtain the credit information or collateral documentation required by paragraphs (1) and (2) of this Article within ninety (90) days, the Board shall document its efforts to obtain such information or documentation, and maintain the documentation of its efforts in the loan file.

(4) Effective immediately, the Bank may grant, extend, renew, alter or restructure any loan or other extension of credit only after:

- (a) obtaining and analyzing current and satisfactory credit information, including cash flow analysis, where loans are to be repaid from operations; and
- (b) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable.

ARTICLE V

ALLOWANCE FOR LOAN AND LEASE LOSSES AND LOAN ACCOUNTING

(1) Within forty-five (45) days, 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”) and accounting for troubled debt restructures (“TDR”) in accordance with generally accepted accounting principles. The revised ALLL and TDR 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) ("Interagency Statement"), and shall at a minimum include:

(a) procedures for determining whether a loan is impaired and measuring the amount of impairment, consistent with Accounting Standards Codification (ASC) No. 310-10 (formerly FAS 114) requirements, *Accounting by Creditors for Impairment of a Loan*;

(b) procedures for segmenting the loan portfolio and estimating loss on groups of loans that are consistent with ASC No. 450-20 (formerly FAS 5), *Accounting for Contingencies*;

(c) a process for re-evaluating the nine qualitative factors set forth in the Interagency Statement to consider current portfolio risks and present and prospective economic conditions;

(d) procedures for validating the ALLL methodology; and

(e) 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 between the ALLL balance as determined by the analysis required by this Article and the Bank's actual ALLL balance, regardless of the amount of such deficiency, will be remedied through additional provision expense in the quarter it is discovered, prior to the filing of the Call Reports.

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

(3) The Board, or a designated committee, shall conduct a review, on at least a quarterly basis, to determine the adequacy of the ALLL. The Board shall maintain written documentation indicating the factors considered and conclusions reached in its determination of the adequacy of the ALLL.

ARTICLE VI

CONTINGENCY FUNDING PLAN

(1) Within ninety (90) days the Board shall adopt, implement, and thereafter ensure adherence to a comprehensive Bank-specific Contingency Funding Plan commensurate with the size and complexity of the Bank and consistent with the guidelines set forth in the “Liquidity” booklet, L-L, of the Comptroller’s Handbook and the *Interagency Policy Statement on Funding and Liquidity Risk Management*. The plan shall, among other things, include:

- (a) a statement of the Board’s strategy for maintaining adequate sources of stable funding given the Bank’s anticipated liquidity and funding needs;
- (b) a definition of a liquidity crisis (or crises) for the Bank;
- (c) an identification of early warning liquidity triggers;
- (d) an explicit quantification of the sources and uses of liquidity in stressed scenarios that correspond to the early warning liquidity triggers;
- (e) detailed action plans to identify and obtain sources of liquidity to meet projected shortfalls;
- (f) an identification of responsible bank personnel to declare, manage, and resolve a liquidity crisis;
- (g) an internal and external communication process, including a process for reporting to the Board, for disseminating relevant information; and

(h) a process of regular testing to ensure that the plan is operationally robust.

(2) Upon adoption, the Board shall forward the Contingency Funding Plan to the Assistant Deputy Comptroller for determination of no supervisory objection.

ARTICLE VII

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 that certain actions are taken, and to ensure adherence to certain programs, policies, and procedures, 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 Bank management to report on a timely basis on the results of such actions directed by the Board to be taken under the terms of this Agreement;

(c) analyze the underlying reasons for any non-compliance with such actions in a timely and appropriate manner; and

(d) initiate corrective action deemed appropriate for any non-compliance with such actions in a timely manner.

(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\ _____	1/26/11 _____
Gary Baranowski Assistant Deputy Comptroller Peoria Field Office	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.

Name	Signatures	Date
Gary Andersen	\S\ _____	1/26/11 _____
Edmund F. Conroy	\S\ _____	1/26/11 _____
John D. DeDoncker	\S\ _____	1/26/11 _____
Elizabeth Eagle-Teros	\S\ _____	1/26/11 _____
Perry B. Hansen	\S\ _____	1/26/11 _____
Douglas M. Kratz	\S\ _____	1/26/11 _____
Francis P. McCarthy	\S\ _____	1/26/11 _____
Dan Westrope	\S\ _____	1/26/11 _____