

AGREEMENT BY AND BETWEEN
American National Bank
Wichita Falls, Texas
and
The Comptroller of the Currency

American National Bank, Wichita Falls, Texas (“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 and unsound banking practices at the Bank, including credit risk management practices and strategic and capital planning processes, as well as violations of 12 C.F.R. Part 34.

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 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
Dallas Field Office
17300 Dallas Parkway, Suite 2020
Dallas, Texas 75248

ARTICLE II

COMPLIANCE COMMITTEE

(1) Within ten (10) days of the date of this Agreement, the Board shall appoint a Compliance Committee of at least five (5) 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 any such person. 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.

(3) Within thirty (30) days of the date of this Agreement and quarterly 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 report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of receiving such report.

ARTICLE III

CAPITAL PLAN AND HIGHER MINIMUMS

(1) The Bank shall achieve by March 31, 2011, and thereafter maintain the following capital levels (as defined in 12 C.F.R. Part 3):

- (a) Tier 1 leverage capital at least equal to eight percent (8%) of adjusted total assets;¹
- (b) Total risk based capital at least equal to twelve (12%) of risk-weighted assets.

(2) The requirement in this Agreement to meet and maintain a specific capital level means that the Bank may not 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).

(3) Within sixty (60) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a three year capital program. The program shall include:

- (a) specific plans for the maintenance of adequate capital that may in no event be less than the requirements of paragraph (1);

¹ Adjusted total assets is defined in 12 C.F.R. § 3.2(a) as the average total asset figure used for Call Report purposes minus end-of-quarter intangible assets.

- (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; and
- (f) 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 written determination of no supervisory objection by the Assistant Deputy Comptroller. Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the dividend policy.

(4) Upon completion, the Bank's capital program shall be submitted 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 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.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE IV

LOAN PORTFOLIO MANAGEMENT

(1) The Board shall, within sixty (60) days, develop, implement, and thereafter ensure Bank adherence to a written program to improve the Bank's loan portfolio management. The program shall include, but not be limited to:

- (a) procedures to ensure that extensions of credit above \$100 thousand are granted, by renewal or otherwise, to any borrower only after obtaining and analyzing current and satisfactory credit information on the borrower(s) and guarantor(s). Among other things, the procedures shall detail the loan officer's obligation to prepare an appropriately detailed written financial analysis of all parties, including the borrower(s) and guarantor(s), that will be directly, indirectly, or contingently responsible for repayment of the credit extension(s) (collectively, the obligors). The financial analysis to be performed be based on current and satisfactory credit information secured from the obligor, and shall include, among other things:
 - (i) an analysis of the direct, indirect, and contingent obligations of the obligors and of any business or other entities where the obligors may be directly, indirectly or contingently liable for debts incurred by those entities;

- (ii) an analysis of the financial condition of any business or other entity, such as a corporation or partnership, in which the obligors have financial interests; and
 - (iii) an analysis of the global cash flows of the obligors;
- (b) a description of the types of credit information required on borrowers and guarantors including, but not limited to, annual audited statements, interim financial statements, personal financial statements, supporting schedules and tax returns;
- (c) procedures to validate and analyze income and liquidity sources for extensions of credit to all borrowers;
- (d) procedures to ensure conformance with loan approval requirements;
- (e) procedures which prohibit, on any loan renewal or extension, the capitalization of accrued interest;
- (f) procedures establishing a system to track and analyze exceptions;
- (g) procedures to ensure that the Bank is timely identifying and accurately risk rating problem loans and leases based on lending officer submissions;
- (h) procedures to track and analyze concentrations of credit, significant economic factors, and general conditions and their impact on the credit quality of the Bank's loan and lease portfolios;
- (i) procedures to ensure that for all financial transactions secured in whole or in part by real property, the Bank's appraisal and evaluation process fully complies with the requirements detailed in 12 C.F.R. Part 34. Among other things, these procedures shall address:

- (i) establishment of minimum standards expected to be met by all appraisals and evaluations secured by the Bank, as well as higher standards that will need to be met depending upon the transaction's size, risk, complexity, or other pertinent factors or criteria;
- (ii) the criteria to be used by Bank personnel for determining when new or updated appraisals or evaluations must be secured in connection with existing credit extensions;
- (iii) development and implementation of an independent appraisal review and analysis process to ensure that appraisals conform to appraisal standards and regulations. The appraisal review and analysis process shall ensure that appraisals and evaluations: (a) are performed in accordance with 12 C.F.R. Part 34; (b) are consistent with *OCC Bulletin 2005-6*, "Appraisal Regulations and the Interagency Statement on Independent Appraisal and Evaluation Functions: Frequently Asked Questions", dated March 22, 2005; and (c) are consistent with *Advisory Letter 2003-9*, "Independent Appraisal and Evaluation Function", dated October 28, 2003;
- (iv) the maintenance of written documentation supporting each appraisal or evaluation review and analysis shall be retained in the loan file along with the appraisal or evaluation; and
- (v) appropriate training for all Bank personnel charged with reviewing and evaluating appraisals and evaluations;

- (j) procedures to ensure that all individual credit extensions, or all credit extensions that are dependent upon common borrower(s) and/or guarantor(s) for repayment, that individually or collectively are in excess of a dollar amount as established by the Board, are subject to a detailed written analysis, on not less than an annual basis but more frequently if appropriate, which analysis shall be based on current and satisfactory credit information on the borrower(s) and guarantor(s). Upon completion, the written analyses generated pursuant to this subparagraph (g) shall be delivered to the Board at its next monthly meeting.
- (k) Procedures to ensure compliance with *Banking Circular 181*, “Purchases of Loans In Whole or In Part-Participations.”

(2) Upon completion, a copy of the program shall be forwarded to the Assistant Deputy Comptroller.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program and systems developed pursuant to this Article.

ARTICLE V

PROBLEM LOAN IDENTIFICATION AND MANAGEMENT

(1) The Board shall within sixty (60) days employ or designate a sufficiently experienced and qualified person(s) or firm to ensure the timely and independent identification of problem loans and leases.

(2) The Board shall within sixty (60) days ensure that the Bank is accurately analyzing and categorizing its problems loans and leases. Among other matters, criticized asset

reports created in connection with the Bank's problem loans and leases shall be prepared for all criticized loans over \$250 thousand, shall be reviewed by the Board on a quarterly basis, and shall address in sufficient detail, among other issues, the following:

- (a) All related debts of the borrower(s);
- (b) All assets of the borrower(s) that are subject to criticism, including assets, such as OREO properties, that have been surrendered to the Bank;
- (c) Justification for the risk ratings assigned to the problem loan or lease;
- (d) Triggering events or factors that will require upgrades or downgrades to the assigned risk ratings;
- (e) Collateral coverage and deficiencies, including whether updated valuations or new appraisals need to be acquired;
- (f) Justification for the accrual status assigned to the problem loan;
- (g) Evaluation of the liquidity and global cash flow obligations of any guarantor where the Bank will be looking to the guarantor to ensure that the credit extension remains current and/or is fully repaid; and,
- (h) Appropriate work out plans that contain specific details regarding the actions that will be taken to improve the Bank's position and eliminate the basis of criticism for the assets in question.

(3) Within sixty (60) days, the Board shall establish an effective, independent and on-going loan review system to review, at least semi-annually, the Bank's loan and lease portfolios to assure the timely identification and categorization of problem credits. The 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" and

“Allowance for Loan and Lease Losses” booklets of the Comptroller’s Handbook. Such reports shall include, at a minimum, conclusions regarding:

- (a) the overall quality of the loan and lease portfolios;
- (b) the identification, type, rating, and amount of problem loans and leases;
- (c) the identification and amount of delinquent loans and leases;
- (d) credit and collateral documentation exceptions;
- (e) the identification and status of credit related violations of law, rule or regulation;
- (f) the identity of the loan officer who originated each loan reported in accordance with subparagraphs (b) through (e) of the Article;
- (g) loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank; and,
- (h) loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank’s lending and leasing policies.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

(5) The Board shall evaluate the loan review report(s) and shall ensure that immediate, adequate, and continuing remedial action, if appropriate, is taken upon all findings noted in the report(s).

(6) A copy of the reports submitted to the Board, as well as documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits, shall be preserved in the Bank.

ARTICLE VI

COMMERCIAL REAL ESTATE CONCENTRATION RISK MANAGEMENT

(1) Within sixty (60) days, the Board shall review, revise, and thereafter ensure Bank adherence to a written commercial real estate (CRE) concentration risk management program consistent with OCC Bulletin 2006-46. The program shall be effective in reducing and managing concentrations of CRE credit and include, but not necessarily be limited to, the following:

- (a) Ongoing risk assessments to identify potential CRE concentrations in the portfolio, including exposures to similar interrelated groups of borrowers;
- (b) Board and management oversight of CRE concentrations, to include:
 - (i) Policy guidelines and an overall CRE lending strategy, including actions required when the Bank approaches the limits of its CRE guidelines;
 - (ii) On-going review of the Bank's CRE concentrations to ensure that they remain consistent with and fully support the Bank's Strategic Plan, including the Bank's growth objectives, financial targets, and capital planning;
 - (iii) Procedures and controls to effectively adhere to and monitor compliance with the Bank's lending policies and strategies;
 - (iv) Regular review of information and reports that identify, analyze and quantify the nature and level of risk presented by CRE concentrations; and

- (v) Periodic review and approval of CRE risk exposure limits, policies and procedures to control and monitor concentrations of credit; and
- (c) Portfolio management, to include development of appropriate strategies, internal lending guidelines, and concentration limits that control the Bank's overall risk exposure to CRE, and a contingency plan to reduce or mitigate concentrations in the event of adverse market conditions;
- (d) Periodic market analysis, including of the various property types and geographic markets found in the Bank's portfolio, so as to provide management and the Board with information to assess whether its CRE lending strategy and policies continue to be appropriate in light of changes in CRE market conditions;
- (e) Portfolio stress testing and sensitivity analysis of CRE concentrations so as to, among other things, quantify the impact of changing economic conditions on asset quality, earnings, and capital; and
- (f) Credit risk review of CRE, to include an effective, accurate and timely risk-rating system. Assigned risk ratings should be reviewed on an on-going basis to ensure that they remain accurate.

(2) The Board shall forward a copy of any analysis performed on existing or potential CRE concentrations to the Assistant Deputy Comptroller immediately following the review.

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

ARTICLE VII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) The Board shall review the adequacy of the Bank's Allowance for Loan and Lease Losses (“Allowance”) and shall establish a program for the maintenance of an adequate Allowance. This review and program shall be designed in light of the comments on maintaining a proper Allowance found in the “Allowance for Loan and Lease Losses” booklet of the Comptroller’s Handbook, OCC Bulletin 2001-37, and OCC Bulletin 2006-47, and shall further ensure that the methodology for calculating the Allowance is consistent with Generally Accepted Accounting Principles (GAAP), and shall focus particular attention on the following factors:

- (a) trends of criticized assets, and other asset quality indicators including delinquent and nonaccrual loans;
- (b) trends and volume of CRE concentrations of credit;
- (c) present and prospective economic conditions;
- (d) results of loan reviews; and
- (e) loan loss experience.

(2) The program shall provide for a review of the Allowance by the Board at least once each calendar quarter. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Reports of Condition and Income, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the Allowance.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VIII

STRATEGIC PLAN

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written strategic plan for the Bank covering at least a three-year period. The strategic plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy, reduction in the volume of nonperforming assets, product line development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives 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 objectives to be accomplished over the short and long term;
- (d) an identification of the Bank's present and future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in (1)(c) of this Article;
- (e) 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 under (1)(c) of this Article;

- (f) a management employment and succession program to promote the retention and continuity of capable management;
- (g) product line development and market segments that the Bank intends to promote or develop;
- (h) an action plan to improve bank earnings and accomplish identified strategic goals and objectives, including individual responsibilities, accountability and specific time frames;
- (i) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the period covered by the strategic plan;
- (j) control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's operating environment;
- (k) specific plans to establish responsibilities and accountability for the strategic planning process, new products, growth goals, or proposed changes in the Bank's operating environment; and
- (l) systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(2) Upon adoption, a copy of the plan shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the strategic plan.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

ARTICLE IX

BANK SECRECY ACT PROGRAM

(1) Within sixty (60) days of the date 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 Bank Secrecy Act (“BSA”), as amended (31 U.S.C. §§ 5311 et seq.), the regulations promulgated thereunder at 31 C.F.R. Part 103, as amended, and 12 C.F.R. Part 21, Subparts B and C, and the rules and regulations of the Office of Foreign Assets Control (“OFAC”) (collectively referred to as the “Bank Secrecy Act” or “BSA”) and for the appropriate identification and monitoring of transactions that pose greater than normal risk for compliance with the BSA. This program shall include, among other things, the following:

- (a) enhanced policies and procedures for identifying and monitoring transactions that pose greater than normal risk for compliance with the Bank Secrecy Act. Among other requirements, the Board or designated committee thereof shall ensure that appropriate risk profiles are developed and utilized for moderate- and high-risk customers, and further, that appropriate transactional testing of accounts that pose greater than normal risk for compliance with BSA is performed with sufficient frequency and depth;

- (b) enhanced policies and procedures for recording, maintaining, and recalling information about transactions that pose greater than normal risk for compliance with the Bank Secrecy Act;
- (c) well-defined policies and procedures for investigating and resolving the Bank's response to transactions that have been identified as posing greater than normal risk for compliance with the Bank Secrecy Act;
- (d) reasonable procedures for the opening of new accounts that provides for collecting customers' identifying information, verifying customers' identification, maintaining identification records, determining whether customers appear of any list of suspected terrorists or terrorist organizations, obtaining appropriate information so as to be able to accurately predict account activity, and accurately risk-rating accounts at their opening;
- (e) adequate controls and procedures to ensure that all suspicious and large currency transactions are identified and reported;
- (f) procedures to maintain records on monetary instrument transactions and funds transfers, as required by the BSA;
- (g) procedures to identify and report to appropriate management personnel:
 - (i) frequent or large volume cash deposits or wire transfers (both incoming and out-going, and disbursement) or book entry transfers that are suspicious or inconsistent with the customers' business, or that lack an apparent *bona fide* business reason;

- (ii) receipt and disbursement of currency or monetary instruments that are suspicious or inconsistent with the customers' business; and
- (iii) accounts opened in the name of or for the benefit of a financial institution or foreign bank, as defined in 31 C.F.R. § 103.11; and
- (h) a method for introducing new products and services that ensures that the policies and procedures governing new products and services are consistent with the Bank's program for compliance with the Bank Secrecy Act.

(2) Within sixty (60) days of the date of this Agreement, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program of policies and procedures to provide for the Bank's monitoring of suspicious cash, monetary instruments, wire transfers, and other activities for all types of transactions, accounts, customers, products, services, and geographic areas. At a minimum, this written program shall establish:

- (a) reviews of cash purchases of monetary instruments;
- (b) periodic analysis of aggregate cash, monetary instrument, and wire activity;
- (c) periodic analysis of Currency Transaction Report filings;
- (d) automatic reviews of accounts or customers for which the Bank has received criminal subpoenas that may involve the Bank Secrecy Act;
- (e) reviews of high risk transactions, accounts, customers, products, services, and geographic areas; and
- (f) submission of SARs based on these reviews and analyses.

(3) Within sixty (60) days of the date of this Agreement, the Board shall develop, implement, and thereafter ensure Bank adherence to a written program of policies and procedures to provide for the application of appropriate thresholds for monitoring all types of transactions, accounts, customers, products, services, and geographic areas that pose greater than normal risk for compliance with the Bank Secrecy Act. At a minimum, this written program shall establish:

- (a) meaningful thresholds for filtering accounts and customers for further monitoring, review, and analyses;
- (b) an analysis of the filtering thresholds established by the Bank; and
- (c) periodic testing and monitoring of thresholds for their appropriateness to the Bank's customer base, products, services, and geographic area.

(4) Within sixty (60) days of the date of this Agreement, the Board shall develop, implement, and thereafter ensure Bank maintenance of an integrated, accurate system for all Bank areas to produce appropriately detailed periodic reports designed to identify unusual or suspicious activity, including patterns of activity, to monitor and evaluate unusual or suspicious activity, to link all related accounts, and to maintain accurate information needed to produce these reports.

(5) The BSA Officer or his/her designee shall periodically review, not less than each calendar year, all account documentation for all high risk accounts and the related accounts of those customers at the Bank to determine whether the account activity is consistent with the customer's business and the stated purpose of the account.

(6) Within sixty (60) days of the date of this Agreement, the Board shall develop, implement, and thereafter ensure Bank adherence to a comprehensive training program for all

appropriate operational and supervisory personnel to ensure their awareness of their responsibility for compliance with the requirements of the OFAC and the Bank Secrecy Act, including the reporting requirements associated with SARs pursuant to 12 C.F.R. Part 21, Subpart B, regardless of the size of the relationship or type of customer involved. This comprehensive training program shall include strategies for mandatory attendance, the frequency of training, procedures and timing for updating training programs and materials, and the method for delivering training.

(7) Within sixty (60) days of the date of this Agreement, the Board, or a designated committee of the Board, shall adopt, implement, and thereafter ensure Bank adherence to an independent audit program, including its scope, testing, and documentation, sufficient to:

- (a) detect irregularities in the Bank's operations;
- (b) determine the Bank's level of compliance with all applicable laws, rules and regulations;
- (c) evaluate the Bank's adherence to established policies and procedures;
- (d) perform an appropriate level of testing to support the audit findings;
- (e) ensure adequate audit coverage in all areas;
- (f) establish an annual audit plan using a risk based approach sufficient to achieve these objectives;
- (g) prompt management response and follow-up to all exceptions or other recommendations of (i) any Bank auditor for BSA matters or (ii) the Office of the Comptroller of the Currency

(8) The Board, or a designated committee of 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.

(9) The Board, or a designated committee of the Board, shall ensure appropriate oversight of the BSA function, with particular emphasis on an adequately staffed department, including the BSA Officer, with respect to both the experience level and number of the individuals employed. The Board shall determine whether any changes are needed regarding (i) the Bank's BSA Officer, including the responsibilities, authority, structure, independence or skills of the BSA Officer, and (ii) the Bank's BSA Officer's supporting staff, including the responsibilities, authority, structure, independence, competencies, or capabilities of the BSA Officer's supporting staff.

(10) The Board, or a designated committee of the Board, shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of, and adherence to, the program developed pursuant to this Article.

(11) Upon adoption, a copy of the BSA Program shall be promptly submitted to the Assistant Deputy Comptroller.

ARTICLE X

VIOLATIONS OF LAW

(1) The Board shall immediately take all necessary steps to ensure that Bank management corrects each violation of law, rule or regulation cited in the Report of Examination with an as of date of March 31, 2010 (ROE) and in any subsequent Report of Examination. 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.

(2) Within thirty (30) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(3) Within thirty (30) days of receipt of any subsequent Report of Examination which cites violations of law, rule, or regulation, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and shall adopt, implement, and ensure Bank adherence to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(4) Upon adoption, a copy of these procedures shall be promptly forwarded to the Assistant Deputy Comptroller.

(5) The Board shall ensure that the Bank has policies, processes, personnel, and control systems to ensure implementation of and adherence to the procedures developed pursuant to this Article.

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/her 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 non-compliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner of any non-compliance 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/

Michael K. Hughes
Assistant Deputy Comptroller
Dallas Field Office

Feb. 22, 2011

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.

<u>/S/</u> Dwight Berry	<u>2-15-2011</u> Date
<u>/S/</u> J. Kenneth Bryant	<u>2-15-2011</u> Date
<u>/S/</u> Frank Gibson	<u>2-16-2011</u> Date
<u>/S/</u> Juliana Hanes	<u>2-15-2011</u> Date
<u>/S/</u> Harold Haynes	<u>2-15-2011</u> Date
<u>/S/</u> Tommy Isbell	<u>2-15-2011</u> Date
<u>/S/</u> Milburn Nutt	<u>2-15-2011</u> Date
<u>/S/</u> George Ritchie	<u>2-15-2011</u> Date
<u>/S/</u> Bill Rowland	<u>2-15-2011</u> Date
<u>/S/</u> Robert Scott	<u>2-15-2011</u> Date
<u>/S/</u> John "Bo" Stahler	<u>2-15-2011</u> Date
<u> </u>	<u> </u>

/S/

Thomas T. Thacker

/S/

Ben Woody

2-15-2011

Date

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