

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

In the Matter of:) AA-EC-13-3
The Baraboo National Bank)
Baraboo, Wisconsin)

CONSENT ORDER

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”), through his authorized representative, has supervisory authority over The Baraboo National Bank, Baraboo, Wisconsin (“Bank”);

WHEREAS, the Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated January 9, 2013 (“Stipulation”), that is accepted by the Comptroller.

WHEREAS, by the Stipulation, which is incorporated by reference, the Bank has consented to the issuance of this Consent Order (“Order”) by the Comptroller.

NOW, THEREFORE, pursuant to the authority vested in it by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

ARTICLE I

COMPLIANCE COMMITTEE

(1) Within thirty (30) days, the Board shall appoint a Compliance Committee of at least three (3) directors, of which no more than one (1) shall be an employee or controlling shareholder of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or a family member of 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 promptly submitted in writing to the Director for Special Supervision (the “Director”). The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order.

(2) The Compliance Committee shall meet at least monthly.

(3) Within fifteen (15) days of every calendar quarter end, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) a description of the actions needed to achieve full compliance with each Article of this Order;
- (b) actions taken to comply with each Article of this Order; 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 Director within thirty (30) days of the each calendar quarter end.

(5) All reports, policies, programs, or plans which the Bank or Board has agreed to submit to the Director pursuant to this Order shall be forwarded, by overnight mail or via email, to the following address:

Director for Special Supervision
Comptroller of the Currency
250 E. Street, S.W.
Mail Stop 8E-12
Washington, DC 20219

with a copy to:
Chicago – Schaumburg Field Office
Comptroller of the Currency
Two Century Centre – Suite 800
1700 East Golf Road
Schaumburg, IL 60173

ARTICLE II

CAPITAL PLAN AND HIGHER MINIMUMS

(1) The Bank shall achieve by March 31, 2013, and thereafter maintain the following capital ratios (as defined in 12 C.F.R. Part 3 and Part 6):

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

(2) The requirement in this Order 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 of the date of this Order, the Board shall develop and implement an effective internal capital planning process to assess the Bank’s capital adequacy in relation to its overall risks and to ensure maintenance of appropriate capital levels, which shall in no event be less than the requirements of paragraph one (1) of this Article. The capital planning process shall be consistent with OCC Bulletin 2012-16 (Guidance for Evaluating Capital Planning and Adequacy) (June 7, 2012), and shall ensure the integrity, objectivity, and consistency of the process through adequate governance. The Board shall document the initial capital planning process and review the capital planning process at least annually or more frequently if requested by the Director in writing.

(4) Within ninety (90) days of the date of this Order, the Board shall forward to the Director for his review, pursuant to paragraph six (6) of this Article, a written Capital Plan for the Bank covering at least a two-year period. The written Capital Plan shall, at a minimum:

- (a) include specific plans for the maintenance of adequate capital, which shall in no event be less than the requirements of paragraph one (1) of this Article;
- (b) identify and evaluate all material risks for the Bank;

- (c) determine the Bank's capital needs in relation to its material risks and strategic direction;
- (d) identify and establish a strategy to maintain the Bank's capital adequacy and strengthen the Bank's capital, if necessary, and establish a contingency or back-up capital plan commensurate with the Bank's overall risk and complexity;
- (e) include detailed quarterly financial projections for the Bank; and
- (f) include specific plans detailing how the Bank will comply with restrictions or requirements set forth in this Order that will have an impact on the Bank's capital.

(5) The Bank may declare or pay a dividend or make a capital distribution only:

- (a) when the Bank is in compliance with its approved Capital Plan and would remain in compliance with its approved Capital Plan immediately following the declaration or payment of any dividend or capital distribution;
- (b) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
- (c) following the prior written determination of no supervisory objection by the Director.

(6) Prior to adoption by the Board, a copy of the Bank's written Capital Plan shall be submitted to the Director for prior written determination of no supervisory objection.

Beginning in 2014, the Board shall review and update the Bank's written Capital Plan at least annually, no later than January 31, and more frequently if required by the Director in writing.

Revisions to the Bank's written Capital Plan shall be submitted to the Director for a prior written determination of no supervisory objection. At the next Board meeting following receipt of the Director's written determination of no supervisory objection, the Board shall thereafter adopt and the Bank, subject to Board review and ongoing monitoring, shall immediately implement

and thereafter ensure adherence to the written Capital Plan and any amendments or revisions thereto.

(7) At least quarterly, the Board shall prepare a written evaluation of the Bank's performance against the Capital Plan and shall include a description of the actions the Board will require the Bank to take to address any shortcomings, which shall be documented in the Board meeting minutes. The Board shall forward a copy of the quarterly evaluations to the Director within ten (10) days of completion of the evaluations.

(8) If the Bank fails to maintain the capital ratios required by paragraph one (1) of this Article, fails to submit a Capital Plan as required by paragraph four (4) of this article, or fails to implement or adhere to a Capital Plan to which the Director has provided a written determination of no supervisory objection, then the Bank may, in the Director's sole discretion, be deemed undercapitalized for purposes of this Order. The Bank shall take such corrective measures as the Comptroller may direct in writing from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. § 1831o(e) and 12 C.F.R. Part 6 for national banks. For purposes of this requirement, an action "necessary to carry out the purpose of this section" under 12 U.S.C. § 1831o(e)(5) shall include restoration of the Bank's capital to the minimum ratios required by this Order, and any other action deemed advisable by the OCC to address the Bank's capital deficiency or the safety and soundness of its operations.

ARTICLE III

BUSINESS PLAN

(1) Within ninety (90) days of the date of this Order, the Board shall forward to the Director for his review, pursuant to paragraph (2) of this Article, a written three-year business plan ("Business Plan") that shall include a projection of major balance sheet and income

statement components, and shall be consistent with the Capital Plan pursuant to Article II. The Business Plan shall also include a written profit plan and a detailed budget. Specifically, the Business Plan shall describe the Bank's objectives for improving Bank earnings, contemplated strategies and major capital expenditures required to achieve those objectives. Such strategies shall include specific market segments that the Bank intends to promote or develop. Procedures shall also be established to monitor the Bank's actual results against these projections and to provide for appropriate adjustments to the budget and profit plan. The plan shall set forth specific time frames for the accomplishment of these objectives.

(2) Prior to the adoption by the Board, a copy of the Business Plan shall be submitted to the Director for a prior written determination of no supervisory objection. The Board shall review and update the Bank's Business Plan at least annually and more frequently if needed or if required by the Director in writing. The Board shall submit any revisions to the Bank's Business Plan to the Director for a prior written determination of no supervisory objection. At the next Board meeting following receipt of the Director's written determination of no supervisory objection, the Board shall adopt the Business Plan. The Bank, subject to Board review and ongoing monitoring, shall implement and adhere to the Business Plan.

(3) Following the Board's adoption of the Business Plan, the Bank may not initiate any action that deviates significantly from the Business Plan without a written determination of no supervisory objection from the Director. The Board must give the Director at least thirty (30) days advance written notice of its intent to deviate significantly from the Business Plan, along with an assessment of the impact of such significant deviation on the Bank's condition, 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 significant deviation from the Business Plan. For the purposes of this Article, deviations that may constitute a significant deviation from the Business Plan 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 impact on the Bank's operations or financial performance; or any other changes in personnel, operations, or external factors that may have a material impact on the Bank's operations or financial performance.

(4) Until the Business Plan required under this Article has been submitted by the Bank for the Director's review, has received a written determination of no supervisory objection from the Director, and is being implemented by the Bank, 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 before this Order without first obtaining the Director's prior written determination of no supervisory objection to such significant deviation. Any request to the Director for prior written determination of no supervisory objection to a significant deviation must be submitted to the Director at least thirty (30) days in advance of the significant deviation, along with an assessment of the impact of such significant deviation on the Bank's condition, 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 significant deviation.

ARTICLE IV

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days, the Board shall adopt written policies and procedures for maintaining an adequate Allowance for Loan and Lease Losses (“ALLL”) in accordance with U.S. generally accepted accounting principles (“GAAP”). The Bank’s ALLL policies and procedures shall be consistent with the guidance set forth in the Federal Financial Institutions Examination Council’s (i) “Interagency Policy Statement on the Allowance for Loan and Lease Losses” dated December 13, 2006 (OCC Bulletin 2006-47) (“Interagency Statement”); and (ii) “Interagency Guidance on ALLL Estimation Practices for Junior Liens” dated January 31, 2012 (OCC Bulletin 2012-6); and shall at a minimum include:

- (a) procedures for determining whether a loan is impaired and measuring the amount of impairment, consistent with GAAP (including FASB ASC 310-10, “Receivables - Overall - Subsequent Measurement – Impairment”);
- (b) procedures for segmenting the loan portfolio and estimating loss on groups of loans that are consistent with GAAP (including FASB ASC 450-20, “Loss Contingencies”). These procedures shall require the Bank to document its estimation of credit losses and its analysis of the nine qualitative factors set forth in the Interagency Statement;
- (c) procedures for validating the ALLL methodology;
- (d) a process for summarizing and documenting, for the Board’s prior review and approval, the amount to be reported in the Consolidated Reports of Condition and Income (“Call Reports”) for the ALLL.

- (e) a process to ensure that all official and regulatory reports filed by the Bank accurately reflect an adequate ALLL balance as of the date that such reports are submitted. Any difference between the ALLL balance as determined by the analysis required by this Article and the Bank's actual ALLL balance shall be remedied through appropriate account adjustments in the quarter it is discovered, prior to filing the Call Report.

(2) Upon adoption, the Board shall submit a copy of the policies and procedures required by this Article, or any subsequent amendments or changes to those policies and procedures, to the Director.

ARTICLE V

APPRAISALS AND EVALUATIONS OF REAL PROPERTY

(1) Within thirty (30) days of the date of this Order, the Board shall obtain a current appraisal or evaluation, as applicable, of the real estate securing each of the loans lacking an appropriate appraisal or evaluation, including those on the list provided to management on July 12, 2012.

(2) Within thirty (30) days of the date of this Order, the Board shall revise written policies and procedures governing the Bank's valuation of real estate collateral to ensure the safety and soundness of the Bank's real estate lending activities. The Bank's policies and procedures shall be consistent with the "Interagency Appraisal and Evaluation Guidelines," dated December 10, 2010 (OCC Bulletin 2010-42), and at a minimum must include:

- (a) a requirement that the Bank will obtain an appraisal or perform an appropriate evaluation, as applicable, for all real-estate-related financial transactions, consistent with the standards and requirements in 12 C.F.R. Part 34, Subpart C

(which sets forth standards for when the Bank will reevaluate or reappraise real estate collateral to support timely problem loan identification, work-out strategies, identification of impairment, and impact to the ALLL, and includes requirements distinguishing when an appraisal, as opposed to an evaluation, will be required under certain circumstances);

- (b) an effective appraisal and evaluation review process, consistent with Section XV of the “Interagency Appraisal and Evaluation Guidelines”; and
- (c) criteria for obtaining appraisals or performing evaluations for transactions that are not otherwise covered by regulatory requirements.

ARTICLE VI

CRITICIZED ASSETS

(1) Within sixty (60) days of the date of this Order, the Board shall revise, implement, and thereafter ensure Bank adherence to a written program designed to protect its interest in those assets criticized in the May 7, 2012 ROE, in any subsequent Report of Examination, by internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination as "doubtful," "substandard," or "special mention." This program shall include developing and adhering to written work-out plans for all criticized credits or relationships that exceed \$250,000, which shall include at a minimum:

- (a) identification of the primary and secondary sources of repayment;
- (b) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable;
- (c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations; and

(d) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment.

(2) Upon adoption, the Board shall submit a copy of the program to the Director.

(3) The Board, or a designated committee, shall conduct a review, on at least a quarterly basis, to determine:

(a) the status of each criticized asset or criticized portion thereof that equals or exceeds \$250,000 dollars;

(b) management's adherence to the program adopted pursuant to this Article;

(c) the status and effectiveness of the written program; and

(d) the need to revise the program or take alternative action.

(4) A copy of each review shall be forwarded to the Director on a quarterly basis.

(5) The Bank may extend credit, directly or indirectly, including renewals, extensions or capitalization of accrued interest, to a borrower whose loans or other extensions of credit are criticized in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination only if the Board, or a designated committee thereof, finds and documents in writing that each of the following conditions is met:

(a) the extension of additional credit is necessary to promote the best interests of the Bank;

(b) a written credit and collateral analysis is performed; and

(c) the Board's formal plan to collect or strengthen the criticized asset will not be compromised by the extension of additional credit.

(6) A copy of the approval of the Board or of the designated committee shall be maintained at the Bank.

ARTICLE VII

INDEPENDENT LOAN REVIEW

(1) Within ninety (90) days of the date of this Order, the Board shall establish, implement, and thereafter ensure Bank adherence to an effective, independent and on-going loan review program to review, at least semi-annually, the Bank's loan and lease portfolios to assure the timely and accurate risk rating of credits and the identification of credit information, collateral documentation, and policy exceptions. The Bank's program shall provide for a written report to be filed with the Board after each review. Such reports shall include, at a minimum, conclusions regarding:

- (a) the identification, type, rating, and amount of problem loans and leases;
- (b) the accrual status and amount of impairment reserves, if necessary;
- (c) credit information and collateral documentation exceptions;
- (d) the identification and status of credit related violations of law, rule or regulation;
- (e) loans and leases to executive officers, directors, principal shareholders (and their related interests) of the Bank; and
- (f) loans and leases not in conformance with the Bank's lending and leasing policies, and exceptions to the Bank's lending and leasing policies.

(2) Within thirty (30) days of receipt, the Board shall evaluate the internal loan and lease review reports and shall ensure that prompt, adequate, and continuing remedial action, if appropriate, is taken upon all findings noted in the report.

(3) A copy of the reports submitted to the Board, as well as documentation of the action taken by the Bank to address concerns pursuant to paragraph three (3) of this Article, shall be maintained at the Bank.

ARTICLE VIII

RISK RATING AND NONACCRUAL RECOGNITION

(1) Effective upon the date of this Order, the Board shall ensure that the risk associated with the Bank's loans and other assets is properly reflected and accounted for on the Bank's books and records and the Bank properly recognizes income.

(2) Within ninety (90) days, the Board shall implement and adhere to a written program, which at a minimum shall:

- (a) use a risk grading system that is consistent with and reconcilable to the Uniform Agreement on the Classification of Assets and Appraisal of Securities Held By Banks and Thrifts dated June 15, 2004 (OCC Bulletin 2004-20) and the Interagency Uniform Retail Credit Classification and Account Management Policy September 8, 2000 (OCC Bulletin 2000-20), where applicable;
- (b) be consistent with the guidelines set forth in the "Rating Credit Risk" Booklet of the Comptroller's Handbook;
- (c) incorporate a process to ensure risk ratings are assigned by lending officers on a timely basis and are accurate based on receipt and analysis of current and satisfactory financial and collateral information;
- (d) incorporate a process to ensure the Bank's loans and other assets are timely placed on nonaccrual where appropriate in accordance with the Instructions for Consolidated Reports of Income and Condition ("Call Report Instructions");

- (e) require that appropriate analysis and documentation is maintained in the credit files to support the current and previous risk rating and accrual determination for each credit relationship; and
- (f) incorporate management information systems that periodically provide feedback to the Board about the effectiveness of the program from senior management and the individual lending officers.

(3) Upon adoption, the Board shall forward a copy of the written program adopted pursuant to this Article to the Director.

ARTICLE IX

INTEREST RATE RISK POLICY

(1) Within one hundred twenty (120) days of the date of this Order, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written interest rate risk (“IRR”) policy consistent with the guidelines outlined in the “Interest Rate Risk” booklet of the Comptroller’s Handbook; “Interagency Guidance on Interest Risk Rate Management” dated January 8, 2010 (OCC Bulletin 2010-1); “Interest Rate Risk Management” dated January 12, 2012 (OCC Bulletin 2012-5); and “Sound Practices for Model Risk Management” dated April 4, 2011 (OCC Bulletin 2011-12).

(2) The policy shall provide for a coordinated interest rate risk strategy and, at a minimum, address:

- (a) the establishment of adequate management reports on which to base sound IRR management decisions;
- (b) the establishment and guidance of the Bank’s strategic direction and tolerance for IRR;

- (c) the implementation of effective tools to measure and monitor the Bank's performance and overall IRR profile;
- (d) prudent limits on the nature and amount of IRR that can be taken; and
- (e) periodic review of the Bank's adherence to the policy.

ARTICLE X

OTHER REAL ESTATE OWNED

(1) Within thirty (30) days of the date of this Order, the Board shall adopt, implement, and thereafter ensure Bank adherence to a policy to ensure that Other Real Estate Owned ("OREO") is managed in accordance with 12 U.S.C. § 29 and 12 C.F.R. Part 34. The policy shall address:

- (a) responsibility and authority for the Bank's OREO properties;
- (b) proper accounting procedures for the Bank's OREO properties to be employed from the time of transfer to the Bank until and upon sale to a third party;
- (c) procedures to require timely appraisals of the Bank's OREO properties pursuant to 12 C.F.R. § 34.85 and 12 C.F.R. Part 34, Subpart C;
- (d) diligent efforts to sell OREO property; and
- (e) reporting systems.

(2) Within ninety (90) days of the date of this Order, the Board shall adopt, implement, and thereafter ensure Bank adherence to action plans for each parcel of OREO to ensure that these assets are managed in accordance with 12 U.S.C. § 29 and 12 C.F.R. Part 34, Subpart E.

At a minimum, the plans shall:

- (a) identify the Bank officer(s) responsible for managing and authorizing transactions relating to the OREO properties;

- (b) contain an analysis of each OREO property which compares the cost to carry against the financial benefits of near term sale;
- (c) detail the marketing strategies for each parcel;
- (d) identify targeted time frames for disposing each parcel of OREO;
- (e) establish targeted write-downs at periodic intervals if marketing strategies are unsuccessful;
- (f) establish procedures to require periodic market valuations of each property, and the methodology to be used; and
- (g) provide for reports to the Board on the status of OREO properties on at least a quarterly basis.

ARTICLE XI

BOARD TO ENSURE COMPETENT MANAGEMENT

(1) The Board shall ensure that the Bank has competent management in place on a full-time basis in its credit risk management officer position to carry out the Board's policies, ensure compliance with this Order, applicable laws, rules and regulations, and manage the day-to-day operations of the Bank in a safe and sound manner.

(2) Within sixty (60) days of the date of this Order, the Board shall review the capabilities of the Bank's senior executive officers to perform their present and anticipated duties, and shall determine whether to add or remove individuals from management.

(3) If the Board determines that an officer will continue in his/her position but that the officer does not possess sufficient knowledge or skills to adequately carry out the responsibilities of the officer's position, the Board will within sixty (60) days of such determination develop and implement a written program, with specific time frames, to improve

the officer's knowledge or skills to a level sufficient to adequately carry out the responsibilities of the officer's position. At a minimum, the written program shall include:

- (a) an education program designed to ensure that the officer has the skills, abilities, and knowledge necessary to carry out the responsibilities of the officer's position effectively;
- (b) objectives by which the officer's effectiveness in carrying out the responsibilities of that officer's position will be measured; and
- (c) a performance appraisal program for evaluating the officer's performance of the duties and responsibilities set forth in the description of that officer's position within the Bank, and for measuring the officer's performance against the Bank's goals and objectives.

ARTICLE XII

VIOLATIONS OF LAW

(1) The Board shall require and the Bank shall promptly take all necessary steps to correct each violation of law, rule, or regulation cited in the most recent ROE or any subsequent ROE, or brought to the Board's or Bank's attention in writing by management, regulators, auditors, loan review, or other compliance efforts. Within thirty (30) days after a violation is cited or brought to the Board's or Bank's attention, the Bank shall provide to the Board a list of any violations that have not been corrected. This list shall include an explanation of the actions taken to correct the violation, the reasons why the violation has not yet been corrected, and a plan to correct the violation by a specified date.

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

(3) Within ninety (90) days of the date of this Order, the Board shall adopt and the Bank, subject to Board review and ongoing monitoring, shall implement and thereafter ensure adherence to:

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

ARTICLE XIII

THIRD PARTY CONTRACTS INVOLVING SALE, MERGER, OR RECAPITALIZATION

(1) The Bank shall not enter into any third party contract to assist in the sale, merger, or recapitalization of the Bank that requires the payment of anything other than expenses prior to such sale, merger or recapitalization, or that requires the Bank to pay, directly or indirectly, the cost of performing due diligence, or other services related to the transaction, without obtaining the Director's prior written determination of no supervisory objection.

(2) Any request for the Director's written determination of no supervisory objection shall include:

- (a) a description of the due diligence credit review, fairness opinion or any other services to be performed by the third party, including a copy of the proposed contract or engagement;
- (b) a description of the Bank's due diligence process for agreeing to the services to be performed by a potential purchaser or merger partner; and
- (c) a determination by the Board that:

- (i) the activities to be performed by the third party as part of the sale or merger requirements are fair and reasonable to the Bank;
- (ii) the parties are able to perform under the contract or commitment;
- (iii) the fees the Bank is required to pay to the third party are reasonable for the services provided; and
- (iv) the contract is in the best interests of the Bank.

(3) Following any written determination of no supervisory objection by the Director, the Board shall regularly monitor the contractor or service provider's performance to ensure that the contractor or service provider is complying with the written contract or engagement. The Board shall immediately take appropriate action if the contractor or service provider is not complying with the written contract or engagement and shall maintain documentation of any such actions.

ARTICLE XIV

CLOSING

(1) Although the Board is by this Order required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Director, 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 it by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) The provisions of this Order are effective upon issuance by the Comptroller, through his authorized representative whose signature appears below, and shall remain effective and

enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller through his authorized representative

(4) Except as otherwise expressly provided herein, any time limitation imposed by this Order shall begin to run from the effective date of this Order.

(5) In each instance in this Order 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) ensure that the Bank has sufficient processes, management, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Order, and that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities under this Order;
- (b) 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 Order;
- (c) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Order;
- (d) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (e) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) Each citation or referenced guidance included in this Order includes any subsequent guidance that replaces, supersedes, amends, or revises the cited law, regulation or guidance.

(7) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(8) The terms of this Order, 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.

IT IS SO ORDERED, this 9th day of January, 2013.

/s

Michael R. Brickman
Director for Special Supervision

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

In the Matter of:)
The Baraboo National Bank)
Baraboo, Wisconsin)

AA-EC-13-3

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist proceedings against The Baraboo National Bank, Baraboo, Wisconsin (“Bank”) pursuant to 12 U.S.C. § 1818(b), through the issuance of a Notice of Charges, for unsafe or unsound banking practices relating to asset quality, earnings, and management, for violation of law, and for failure to comply with the December 15, 2008 Safety and Soundness Plan.

WHEREAS, the Bank, in the interest of compliance and cooperation, and without admitting or denying any wrongdoing, consents to the issuance of a Consent Order, dated January 9, 2013 (“Order”);

NOW THEREFORE, in consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

ARTICLE I

JURISDICTION

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

(2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

(3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(b)(1).

ARTICLE II

AGREEMENT

(1) The Bank agrees that said Order shall be deemed an “order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i). 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(i), 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.

(2) The Bank also expressly acknowledges that no officer or employee of the Comptroller 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.

ARTICLE III

WAIVERS

(1) The Bank, by signing this Stipulation and Consent, hereby waives:

- (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
- (b) any and all procedural rights available in connection with the issuance of the Order;
- (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19;
- (d) all rights to seek any type of administrative or judicial review of the Order; and
- (e) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

OTHER ACTION

(1) The Bank agrees that the provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

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

/s

1-19-2013

Michael R. Brickman
Director for Special Supervision

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s

1-9-2013

Sandra L. Anderson

Date

/s

1-9-2013

Mel Bindl

Date

/s

1-9-2013

Lee Hoppe

Date

/s

1-9-2013

Greg Lindner

Date

/s

1-9-2013

E. Milton Risgaard

Date

/s

1-9-2013

David Taylor

Date

/s

1-9-2013

J. Scott Turner

Date

/s

1-9-2013

Merlin Zitzner

Date

/s

1-9-2013

Tara J. Zitzner

Date
