

AGREEMENT BY AND BETWEEN
Ruby Valley National Bank
Twin Bridges, Montana
and
The Comptroller of the Currency

Ruby Valley National Bank, Twin Bridges, Montana (“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 relating to management and Board supervision, credit underwriting, and credit administration.

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 not be construed to require the Bank “to meet and maintain a specific capital level” within the meaning of 12 C.F.R. § 6.4.

Article II

COMPLIANCE COMMITTEE

(1) The Board shall be responsible for monitoring and coordinating the Bank’s adherence to the provisions of this Agreement and shall meet at least monthly to review the Bank’s progress in reaching compliance with this Agreement.

(2) The Board shall submit quarterly written progress reports to the Assistant Deputy Comptroller by the due date for each Consolidated Report of Condition (“Call Report”) setting forth in detail:

- (a) a description of the action needed to achieve 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.

(3) 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
Salt Lake City Field Office
2795 East Cottonwood Parkway, Suite 390
Salt Lake City, Utah 84121

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

Article III

BOARD SUPERVISION AND CORPORATE GOVERNANCE

(1) Within ninety (90) days of this Agreement, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a

written program (including appropriate policies and procedures) designed to correct the Bank's deficiencies in Board and management oversight and corporate governance, including but not limited to:

- (a) the development of revised operating policies and procedures designed to ensure that:
 - (i) the Board becomes more engaged in the oversight of the affairs of the Bank;
 - (ii) the Board receives and reviews sufficient Bank information from management (including scope, frequency and content) on the operation of the Bank to ensure it provides appropriate oversight of management and the affairs of the Bank;
 - (iii) the Bank establishes and maintains proper lines of authority, reporting responsibilities, and delegation of duties for all officers;
 - (iv) the actions taken and results achieved in attaining compliance with the various credit administration requirements of this Agreement, to include at a minimum, risk rating accuracy, credit and collateral exception levels, loan policy compliance, and the development and execution of problem asset workout plans, are considered in the periodic performance reviews and compensation of lending officers and management; and
 - (v) the Board eliminates any managerial or other deficiencies in the supervision of the Bank;
- (b) procedures to ensure ongoing accurate regulatory and Board reporting;
- (c) the assignment of accountability for processes; and

- (d) requirements and oversight to ensure that management responds to any written regulatory criticisms with a written action plan that contains corrective actions to be taken, deadlines for taking the corrective action and the individual responsible for taking the corrective action.

(3) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the program required by this Article.

Article IV

CAPITAL PLAN

- (1) Effective immediately, the Bank shall only declare dividends:
 - (a) when the Bank complies with the following:
 - (i) the Bank's Tier 1 capital is above ten percent (10.0%) of its adjusted total assets as reported in its most recent Consolidated Report of Condition and Income;
 - (ii) the proposed payment is limited to an amount that:
 - (A) is needed to cover the quarterly maximum shareholder estimated Federal and state income taxes associated with the projected fiscal taxable year-end allocation of Bank taxable income; and
 - (B) will not cause the Bank's Tier 1 capital to drop below ten percent (10.0%) of its adjusted total assets, as defined in 12 C.F.R. Part 3; and
 - (iii) the Board provides documentation to the Assistant Deputy Comptroller fifteen (15) days in advance of the proposed payment

that is reviewed and approved by the Board and that demonstrates compliance with Subparagraph (a)(ii) above; or

- (b) when the Bank has received a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

(2) Within ninety (90) days of this Agreement, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a written capital plan for the Bank covering at least the next three years (hereafter the “Bank’s Three-Year Plan”), which shall be consistent with the guidance set forth in “Guidance for Evaluating Capital Planning and Adequacy” dated June 7, 2012 (OCC Bulletin 2012-16), and shall be completed with specific time frames that incorporate the requirements of this Article and, at a minimum, address or include:

- (a) specific plans for the maintenance of adequate capital pursuant to the requirements under 12 C.F.R. Part 3 and to remain well-capitalized pursuant to 12 C.F.R. Part 6;
- (b) a dividend policy that only permits the declaration of a dividend in accordance with Paragraph (1) of this Article;
- (c) the identification of the primary risks to capital and an assessment of the current capital levels relative to the Bank’s risk profile;
- (d) projections for growth and the source(s) and timing of additional capital to meet the Bank’s current and future needs based upon a detailed analysis of the Bank’s assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (e) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank’s needs;

- (f) contingency plans that identify alternative methods should the primary source(s) under subparagraph (e) not be available;
- (g) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the next three years that shall address or include consideration of the requirements of this Article;
- (h) systems to monitor the Bank's progress in meeting the plan's goals and objectives; and
- (i) requirements for an annual review by the Board, or more frequently if necessary, of the Bank's Three-Year Plan.

(3) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the Bank's Three-Year Plan.

Article V

LOAN PORTFOLIO RISK MANAGEMENT

(1) Within ninety (90) days of this Agreement, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, revisions to the Bank's loan policy, as well as any necessary procedures, to address weaknesses in the Bank's loan portfolio risk management, that, at a minimum, include:

- (a) requirements for the periodic performance of loan stress testing and/or sensitivity analysis for agricultural or commercial loan relationships totaling five hundred thousand dollars (\$500,000) or more, to quantify the impact of common stresses such as varying input costs, commodity prices, potential changes in sectors of the local and national economy, and interest rates;

- (b) the establishment of underwriting standards by loan type that include specific requirements relating to:
 - (i) maximum loan amount and maturity by type of property;
 - (ii) approval authorizations consistent with present staffing and committee designations with provisions for periodic review and adjustment;
 - (iii) minimum file documentation and analysis;
 - (iv) minimum standards for borrower net worth, property cash flow/debt service, collateral coverage, and guarantor support;
 - (v) the use of credit reports prior to loan origination and on an ongoing basis;
 - (vi) down payment requirements or appropriate loan-to-value ratios for all types of loans; and
 - (vii) procedures for loan closing and disbursement processes;
- (c) standards for when loan policy exceptions are appropriate, what factors should exist to mitigate exceptions, and how the level and trend of exceptions should be tracked and reported to the Board;
- (d) standards and procedures for when extensions or loan modifications are appropriate; and
- (e) requirements for compliance with 12 C.F.R. Part 34 and the “Interagency Appraisal and Evaluation Guidelines,” dated December 10, 2010, to include at a minimum:
 - (i) the establishment of criteria for obtaining and reviewing updated appraisals, new appraisals, and evaluations;

- (ii) the development of procedures to ensure that appraisals, updates and evaluations are ordered in a timely manner;
- (iii) the development of procedures to ensure that appraisals, updates and evaluations are reviewed in a timely manner; and
- (iv) the establishment of a tickler system for tracking when appraisals, updates and evaluations are received, reviewed and adjustments are made, as appropriate, to reflect Accounting Standards Codification 310-10 impairment and changes in risk ratings.

(2) Within ninety (90) days of this Agreement, the Board shall prepare and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, revisions to the Bank's loan policy designed to ensure that all agricultural loans, including those secured by farmland, to finance production, and all other loans to farmers (as defined in Instructions for Preparation of Consolidated Reports of Condition and Income), are underwritten and monitored in accordance with safe and sound banking practices. The Bank's revised loan policy shall:

- (a) provide for segregation and classification of all agricultural loans according to use of proceeds in the following categories:
 - (i) current year operating expenses;
 - (ii) carry over debt from previous year's or years' operating loans;
 - (iii) loans secured by livestock or commodities;
 - (iv) intermediate term loans for purchase of equipment and machinery;
and
 - (v) loans for acquisition of land and loans for capital improvements;

- (b) require identification of repayment source(s) and establishment of specific repayment terms for each loan cited in (a)(i) through (a)(v), commensurate with the type and purpose of the loan, and the borrower's expected cash flow;
- (c) ensure that interest is not capitalized when operating lines are extended or renewed;
- (d) ensure that the Bank's revised loan policy includes standards for underwriting agricultural working capital loans;
- (e) ensure that material capital expenditures made, or to be made, by a borrower are not included in short-term operating loans;
- (f) require an annual documented analysis of the cash flow and profitability of each borrower, whose aggregate borrowings exceed two-hundred fifty thousand dollars (\$250,000), including:
 - (i) documentation of assumptions used in cash flow analysis, including product prices, anticipated expenses, and production levels;
 - (ii) documented analysis of the borrower's ability to retire current operating loans and to meet established repayment terms on other loans; and
 - (iii) determination of the period of time necessary to retire carry over debt, and the extent of reliance on liquidation of capital assets;
- (g) require that the lending officers and senior management are held accountable for ensuring that the Bank's agricultural loans are appropriately structured and supervised in accordance with the Bank's revised loan policy; and
- (h) require at least an annual review of the Bank's adherence to the revised loan policy with respect to this Paragraph (2).

(3) For purposes of Subparagraph (2)(e), “material” shall defined as annual aggregate expenditures of the lesser of ten-thousand dollars (\$10,000) or fifteen percent (15%) of the operating line.

(4) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the program, policies and procedures required by this Article.

Article VI

CREDIT ADMINISTRATION

(1) Effective as of the date of this Agreement, the Bank may not grant, extend, renew, alter or restructure any loan or other extension of credit equal to or exceeding two hundred fifty thousand dollars (\$250,000), without:

- (a) documenting the specific reason or purpose for the extension of credit;
- (b) identifying the expected source of repayment in writing;
- (c) structuring the repayment terms to coincide with the expected source of repayment;
- (d) obtaining and analyzing current, financial, and credit information, sufficient to make an informed decision regarding the repayment ability of the borrower, including, but not limited to, financial projections, rent rolls, lease agreements, detailed global cash flow analysis and multi-variable stress testing on commercial real estate loans;
- (e) making and documenting the determinations regarding the borrower’s ability to repay the credit on the proposed repayment terms;

- (f) documenting, with adequate supporting material, the value of collateral, including, without limitation, a written assessment of the collateral's liquidity and marketability;
- (g) properly perfecting the Bank's lien, if applicable; and
- (h) ensuring the loan complies with the Bank's loan policy.

(2) The Bank shall not renew any loan in violation of Paragraph (1) of this Article without obtaining prior written Board certification that the renewal is in the best interests of the Bank.

(3) Within sixty (60) days of this Agreement, the Board shall take the necessary steps to eliminate any credit, collateral, and Bank Loan Policy exceptions, to include, at a minimum, the development of a program that provides for quarterly reporting and review of exceptions listed by individual loan officer and loan type.

(4) Within sixty (60) days of this Agreement, the Board shall develop and adopt written policies and procedures designed to ensure that the Bank complies with the lending limit requirements of 12 U.S.C. § 84 and 12 C.F.R. Part 32, to include, at a minimum:

- (a) the periodic review of all lending relationships totaling \$1 million or more to determine whether any other loans or extensions of credit should be attributable to the such credit relationship(s) and be combined under the combination rules of 12 C.F.R. § 32.5;
- (b) requirements that the Bank obtain sufficient information from all potentially related borrowers to make an informed decision about combinability under Subparagraph (a) of this Article;
- (c) immediate and ongoing training on lending limit combinability for all lending officers and management.

(5) Within thirty (30) days of this Agreement, the Board shall take the necessary steps to bring any nonconforming loans into compliance with the Bank's legal lending limit in accordance with the requirements of 12 C.F.R. § 32.6(b). If the Board is unable to bring any nonconforming loan into conformity with 12 C.F.R. Part 32 within ninety (90) days of this Agreement, the Board shall provide documentation of its efforts to bring the loan into conformity to the Assistant Deputy Comptroller. Thereafter, the Board shall provide quarterly reports to the Assistant Deputy Comptroller summarizing its continuing efforts to bring any such loans into conformity.

Article VII

PROBLEM LOAN MANAGEMENT

(1) Effective as of the date of this Agreement, the Board shall take immediate and continuing action to protect its interest in those assets criticized in the 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.

(2) The Board's compliance with Paragraph (1) of this Article shall require the quarterly submission and review of reports of all criticized credit relationships or Other Real Estate ("ORE") totaling two hundred fifty thousand dollars (\$250,000) or more, and require the preparation of Problem Asset Reports ("PARs" or "PAR") that contain, at a minimum, analysis and documentation of the following:

- (a) an identification of the expected sources of repayment and an analysis of their adequacy;
- (b) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable as well as other necessary documentation to support the collateral valuation;

- (c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations;
- (d) the current loan grade and proposed action to eliminate the basis of criticism and the time frame for such elimination;
- (e) trigger dates for positive borrower actions or for loan officers to reassess the strategy, enact collection plans, and make appropriate downgrades or place on nonaccrual; and
- (f) a determination of whether a loan is impaired and measuring the amount of impairment, 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), and July 20, 2001 (OCC Bulletin 2001-37), and Accounting Standards Codification 310-10 (formerly known as FASB Statement of Financial Accounting Standards No. 114, Accounting by Creditors for Impairment of a Loan).

(3) A copy of each PAR prepared during the month of each quarter end (e.g., March, June, September, and December), along with any Board comments regarding the effectiveness of the effort to eliminate the weaknesses in each credit or to dispose of the ORE, shall be submitted to the Assistant Deputy Comptroller within thirty (30) days of each calendar quarter end.

(4) Effective as of the date of this Agreement, the Bank may not 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 and whose aggregate loans or other extensions of

credit equal or exceed two hundred fifty thousand dollars (\$250,000), unless each of the following conditions is met:

- (a) the Board or a designated committee thereof finds that the extension of additional credit is necessary to promote the best interests of the Bank and that prior to renewing, extending or capitalizing any additional credit, a majority of the Board or a designated committee thereof approves the credit extension and documents in writing, the reasons that such extension is necessary to promote the best interests of the Bank; and
- (b) the Board's formal plan to collect or strengthen the criticized asset will not be compromised by the extension of credit.

(5) Within ninety (90) days of this Agreement, the Board shall ensure that the President, Senior Loan Officer, and all lending officers receive appropriate training on the development of prudent workout plans and strategies for problem borrowers.

Article VIII

CREDIT RISK RATINGS AND NONACCRUAL RECOGNITION

(1) Within sixty (60) days of this Agreement, the Board shall develop, and submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a program to ensure that: 1) 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 that 2) the Bank does not improperly recognize income, including, at a minimum, provisions requiring that:

- (a) the Board adopts a loan grading system that is consistent with the guidelines set forth in Rating Credit Risk, A-RCR, of the *Comptroller's Handbook* and is based upon definitive objective and subjective criterion;

- (b) the Bank's loans and other assets are graded based upon current facts and existing/ reasonable (considering the loan purpose) repayment terms with a focus upon whether the primary repayment source is threatened by a well-defined weakness and whether the credit relies heavily upon secondary repayment sources, especially illiquid collateral or an unsubstantiated guarantor;
- (c) the Bank's loans and other assets are timely placed on nonaccrual by the lending officers in accordance with the Instructions for Preparation of Consolidated Reports of Condition;
- (d) lending officers conduct periodic, formal reviews for determining the appropriate risk rating and accrual determination;
- (e) appropriate analysis and documentation are maintained in the credit files to support the current and previous risk rating or accrual determination for all credit relationships totaling two hundred fifty thousand dollars (\$250,000) or more;
- (f) the President, Senior Loan Officer, and all lending officers receive immediate training with respect to the application of Subparagraphs (a) through (e) of this Paragraph (1);
- (g) the lending officers and senior management are assigned responsibility and held accountable for ensuring that the Bank's loans and other assets are appropriately and timely risk rated, charged off and/or placed on nonaccrual;
- (h) independent validation of the risk rating process; and

- (i) management information systems that periodically provide feedback about the effectiveness of the program by senior management and the individual lending officers.

(2) Upon receiving a written determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall immediately implement and thereafter ensure adherence to the program required by this Article.

Article IX

EXTERNAL LOAN REVIEW

(1) The Board shall employ a qualified consultant to perform annual asset quality reviews of the Bank's loan portfolio that are to be completed by no later than November 30th of each year. The first such report shall include all loan relationships whose aggregate loans or other extensions of credit equal or exceed two hundred fifty thousand dollars (\$250,000). The scope of the external loan review 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, A-RCR, of the *Comptroller's Handbook*. Such reports shall, at a minimum, include comments and conclusions regarding:

- (a) the identification, type, rating, and amount of problem loans and leases;
- (b) the identification and amount of delinquent and nonaccrual loans;
- (c) the identification/status of credit related violations of law or regulation;
- (d) loans not in conformance with the Bank's lending policies;
- (e) credit underwriting and documentation exceptions;
- (f) credit analysis and the quality of credit analysis documentation;
- (g) accuracy of internal risk ratings;
- (h) overall credit administration practices; and

(i) completeness and effectiveness of problem loan workout plans.

(2) Prior to the appointment or employment of any individual or firm as loan review consultant or entering into any contract with any consultant, the Board shall submit the name and qualifications of the proposed consultant and the proposed scope and terms of employment to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. After the OCC has advised the Bank that it does not take supervisory objection to the loan review consultant or the scope of the review, the Board shall immediately engage the loan review consultant pursuant to the proposed terms of the engagement.

(3) The Board shall review the independent loan review reports and ensure that, if appropriate, immediate, adequate, and continuing remedial action, is taken upon the findings noted in the reports.

(4) 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 maintained in the books and records of the Bank.

(5) The Board shall take the necessary steps to ensure that external loan review fulfilled the scope of the engagement, provided the required conclusions in the report, and that the consultant's conclusions are adequately supported by documented work. Documentation of such findings shall be maintained in the books and records of the Bank.

Article X

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within thirty (30) days of this Agreement, the Board shall revise, implement, and thereafter continue to ensure adherence to written policies and procedures for maintaining an

appropriate Allowance for Loan and Lease Losses (“Allowance”) in accordance with GAAP. The Allowance 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), and July 20, 2001 (OCC Bulletin 2001-37), and shall at a minimum include:

- (a) procedures for determining whether a loan is impaired and procedures for measuring the amount of impairment that are consistent with Accounting Standards Codification 310-10 (formerly known as FASB Statement of Financial Accounting Standards No. 114, Accounting by Creditors for Impairment of a Loan);
- (b) procedures for identifying a dollar amount for loans the Bank deems “material” for purposes of performing an impairment analysis pursuant to this Subparagraph (a);
- (c) procedures for determining the amount of impairment pursuant to ASC 310-10-35-10 by using the present value of the expected future cash flows when the loans are not collateral dependent and for which there is no observable market price for the loan;
- (d) procedures for segmenting the loan portfolio and estimating loss on groups of loans, consistent with Accounting Standards Codification 450-20 (formerly known as FASB Statement of Financial Accounting Standards No. 5, Accounting for Contingencies);
- (e) procedures for validating the Allowance methodology;
- (f) procedures to ensure that the estimation of credit losses considers the relevant qualitative and environmental factors, with particular focus on the following:

- (i) trends in the Bank's internal risk ratings, delinquent, and nonaccrual loans;
 - (ii) results of the Bank's external loan review;
 - (iii) concentrations of credit in the Bank;
 - (iv) present and prospective economic conditions; and
 - (v) applicable experience of the Bank's lending staff; and
- (g) procedures to ensure that the weight or percentages assigned to the relevant qualitative and environmental factors are validated for reasonableness.

(2) The program shall continue to provide for a process for summarizing and documenting, for the Board's review and approval, the amount to be reported in the Call Reports for the Allowance. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Call Report, 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.

Article XI

VIOLATIONS OF LAW

(1) The Board shall immediately take the necessary steps to ensure that the Bank corrects each violation of law, rule, or regulation, unsafe or unsound practice, or breach of fiduciary duty, cited in the ROE and in any subsequent Report of Examination or OCC correspondence.

(2) Within sixty (60) days of this Agreement, the Board shall adopt, implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations, practices, and breaches 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, regulations and duties 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 develop, 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 policies and procedures required by this Article shall be forwarded to the Assistant Deputy Comptroller.

Article XII

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 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 her hand on behalf of the Comptroller.

/s/

Dixie R. Claybrook
Assistant Deputy Comptroller
Salt Lake City Field Office

June 12, 2013

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> Linda Maddox (formally Metully)	<u>June 6, 2013</u> Date
<u>/s/</u> Karen Town (Walsh)	<u>June 10, 2013</u> Date
<u>/s/</u> Ken Walsh	<u>June 10, 2013</u> Date
<u>/s/</u> Robert Walsh	<u>June 10, 2013</u> Date
<u>/s/</u> Coralene Walsh	<u>June 6, 2013</u> Date