

AGREEMENT BY AND BETWEEN
Rabobank, N.A.
El Centro, California
and
The Comptroller of the Currency

Rabobank, N.A., El Centro, California (“Bank”) and the Comptroller of the Currency of the United States of America (“Comptroller”) wish to protect the interests of the depositors and other customers 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 weaknesses and violations of regulation with respect to the Bank Secrecy Act/Anti-Money Laundering (“BSA/AML”) program at the Bank.

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

Article I

JURISDICTION

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

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

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

(4) All reports or plans that 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
Southern California – South Field Office
1925 Palomar Oaks Way, Suite 202
Carlsbad, California 92008

Article II

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of the effective date of this Agreement, the Board shall appoint a Compliance Committee of at least five (5) directors, of which no more than three (3) shall be employees of the Bank or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or family members of any such person. Upon appointment, the names of the members of the Compliance Committee, and in the event of a change of 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) The Board shall be accountable for all actions required by each Article of this Agreement and shall remain accountable unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived or terminated by the Comptroller.

Article III

BANK SECRECY ACT AUDIT

(1) Within sixty (60) days of the effective 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 that is sufficient to:

- (a) determine the Bank's level of compliance with the Bank Secrecy Act (31 U.S.C. §§ 5311 et seq.), the regulations promulgated thereunder at 31 C.F.R. Part 103 and 12 C.F.R. Part 21, Subparts B and C, and the rules and regulations of the Office of Foreign Assets Control (hereinafter collectively referred to as the “Bank Secrecy Act” or “BSA”);
- (b) evaluate the Bank's adherence to established BSA policies and procedures;
- (c) perform an appropriate level of testing to support the audit findings;
- (d) ensure adequate audit coverage in all areas;
- (e) establish an annual audit plan using a risk-based approach sufficient to achieve these objectives; and
- (f) ensure that the audit plan coincides with the Bank’s BSA Risk Assessment process.

(2) Within sixty (60) days of the effective date of this Agreement, the Board or a designated committee of the Board, shall expand the Bank’s existing BSA audit procedures to include:

- (a) development of a program to test periodically the adequacy of internal controls designed to ensure BSA compliance in all areas of the Bank;

- (b) prompt management response and follow up to all exceptions or other recommendations of any Bank auditor or of the Office of the Comptroller of the Currency for BSA matters; and
 - (c) a risk-based approach to BSA compliance that includes transactional testing and verification of data for higher-risk accounts or geographic areas of specific concern.
- (3) Upon adoption, the Board shall submit copies of the Bank’s audit program and expanded BSA audit procedures to the Assistant Deputy Comptroller.

Article IV

BANK SECRECY ACT TRAINING

(1) Within sixty (60) days of the effective date of this Agreement, the Board shall cause the development and implementation, and thereafter ensure Bank adherence to a comprehensive training program for all employees identified by management as having responsibility for compliance with BSA (“appropriate employees”) to ensure their awareness of the requirements of the BSA.

(2) 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. The training program shall also:

- (a) document the training tools used at in-person training sessions;
- (b) identify the individuals (including any successors) and/or positions (including any third-party vendors) responsible for the delivery of training;

- (c) include procedures to ensure that trainers receive accurate and ongoing training for BSA/AML to ensure their qualifications as trainers;
- (d) include a formal tracking system that identifies who must attend training and a means of identifying those individuals who do not attend the training as required; and
- (e) ensure that the BSA Department of the Bank maintains an active role in the development and monitoring of BSA training activities.

(3) Upon development, the Board shall submit a copy of the Bank's BSA training program to the Assistant Deputy Comptroller.

(4) Within one hundred twenty (120) days of development of a comprehensive BSA training program, job-specific training shall be delivered in-person to all appropriate employees, excepting those employees who received job-specific training during 2007. All such employees for whom job-specific training is not mandated within the first one hundred twenty (120) days shall receive such BSA training prior to year-end 2008.

Article V

BANK SECRECY ACT OFFICER & STAFF

(1) Within sixty (60) days of the effective date of this Agreement, the Board shall identify a full-time Bank Secrecy Act compliance officer, who shall be vested with sufficient authority to monitor and ensure the Bank's compliance with the Bank Secrecy Act. The BSA Officer's responsibilities shall include the following:

- (a) completing, and timely filing of, all reports required under the BSA;

- (b) performing periodic reviews of the Bank's entire BSA processes and reporting those findings to the Board;
- (c) developing and implementing BSA policy and procedures, including periodic updates, as necessary; and
- (d) providing sufficient oversight to ensure staff's adherence to policy and procedures.

(2) Within sixty (60) days of the effective date of this Agreement, and prior to the appointment or employment of any individual to serve as the BSA Officer, the Board shall submit the name and qualifications of the proposed officer to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. The BSA Officer shall commence employment within thirty (30) days of the Bank's receipt of no supervisory objection.

(3) The requirement to submit information and the provision for a prior written determination of no supervisory objection in this Article are based on the authority of 12 U.S.C. § 1818(b) and do not require the Comptroller or the Assistant Deputy Comptroller to complete his review and act on any such information or authority within ninety (90) days.

(4) Within sixty (60) days after the receipt of no supervisory objection, the Board, in consultation with the BSA Officer, shall assess the staffing resources dedicated to BSA compliance. Such assessment shall include an evaluation of assigned job duties, qualifications for performing those duties, and any training needs of each member of the BSA staff. Any changes or realignment in staffing resources shall be commensurate with the Bank's size and complexity of activities as they relate to BSA compliance.

(5) The Board shall provide the Assistant Deputy Comptroller with bi-weekly, written updates on its progress in identifying a full-time BSA compliance officer, as required by paragraph (1) of this Article.

Article VI

BANK SECRECY ACT INTERNAL CONTROLS

(1) Within sixty (60) days of the date of this Agreement, the Board shall cause the development and implementation, and thereafter ensure Bank adherence to an enhanced written program of policies and procedures to provide for compliance with the Bank Secrecy Act and for the appropriate identification and monitoring of transactions that pose greater than normal risk for compliance with the BSA. This program shall include the following:

- (a) procedures to identify, monitor and investigate large cash transactions for evidence of suspicious activity, including a secondary review process and cross-training to ensure accuracy, consistency and continuity;
- (b) procedures to identify high-risk customers based on a comprehensive review of actual account activity in all areas (e.g., cash, funds transfers, negotiable item purchases, ACH transfers, etc.) in the context of the customer's occupation or business;
- (c) procedures to ensure that international funds transfers are consistently and appropriately monitored for suspicious activity, including:
 - (i) a process for identifying high-risk countries and applying additional due diligence for customers who engage in funds transfers with these countries; and

- (ii) a secondary review process and cross-training to ensure the accuracy, consistency and continuity of the monitoring;
- (d) procedures for identifying suspicious activity and filing accurate and complete Suspicious Activity Reports (“SARs”) in accordance with FinCEN guidance and the requirements of 12 C.F.R. § 21.11. These procedures shall include:
 - (i) additional training for those individuals responsible for the preparation and filing of SARs;
 - (ii) guidelines to ensure that SARs include all available information for all suspects, accurate completion of Parts II and III, and a complete and accurate description of the suspicious activity in the narrative section, including the source and use of any funds, and an explanation of why the reported activity is suspicious; and
 - (iii) a secondary review process to ensure that all SARs meet the guidelines in subparagraph (ii) above and cross-training to ensure the consistency and continuity of the SAR process;
- (e) procedures to enhance MSB monitoring process, including:
 - (i) the use of qualitative analysis with respect to the volume of various types of check cashing activity, changes in trends, and the percentage of revenues derived from MSB activities; and
 - (ii) a secondary review process and cross-training to ensure the accuracy, consistency and continuity of the monitoring; and

(f) procedures to enhance the Bank's Risk Assessment to ensure that it contains sufficient information and qualitative analysis to support the ratings assigned to products, services, customers and geographies served.

(2) Prior to making any changes to the Bank's global monitoring program (*e.g.*, conversion to PATRIOT Officer), either in whole or in part, the Bank shall ensure that such changes are fully documented in writing, approved in advance by an individual with appropriate authority, and monitored for effectiveness. Existing and interim monitoring procedures covering each affected product, service, customer or geography served shall not be discontinued until such changes have been fully implemented, tested and independently validated.

Article VII

PROGRESS REPORTING - QUARTERLY

- (1) The Board shall submit quarterly progress reports to the Assistant Deputy Comptroller. These reports shall set forth in detail:
- (a) actions taken since the prior progress report to comply with each Article of this Agreement;
 - (b) results of those actions; and
 - (c) a description of the actions needed to achieve full compliance with each Article of this Agreement.
- (2) The progress reports shall also include any actions initiated by the Board and the Bank pursuant to the criticisms and comments from any Bank auditor or the Office of the Comptroller of the Currency for BSA matters.

(3) The first progress report shall be submitted for the period ending December 31, 2007, and will be due within forty-five (45) days of that date. Thereafter, progress reports will be due within forty-five (45) days after the end of each calendar quarter.

Article VIII

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 his hand on behalf of the Comptroller.

/s/ Steven J. Vander Wal
Steven J. Vander Wal
Assistant Deputy Comptroller
Southern California—South Field Office

1/23/2008
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> Rick Arredondo | <u>1/23/08</u> Date |
| <u>/s/</u> Guillermo Bilbao | <u>1/23/08</u> Date |
| <u>/s/</u> Ronald Blok | <u>1/23/08</u> Date |
| <u>/s/</u> Edward Boutonnet | <u>1/23/08</u> Date |
| <u>/s/</u> Cor Broekhuysse | <u>1/23/08</u> Date |
| <u>/s/</u> Harry De Roo | <u>1/23/08</u> Date |
| <u>/s/</u> Gary Gertz | <u>1/23/08</u> Date |
| <u>/s/</u> Richard Henderson | <u>1/23/08</u> Date |
| <u>/s/</u> Dennis Kern | <u>1/23/08</u> Date |
| <u>/s/</u> James W. Lokey | <u>1/23/08</u> Date |
| <u>/s/</u> William Padula | <u>1/23/08</u> Date |

/s/

Pete Penner

/s/

Carrol Pruett

/s/

Nick Ventimiglia

1/23/08

Date

1/23/08

Date

1/23/08

Date