

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

\_\_\_\_\_  
In the Matter of: )  
Bank 360 ) AA-WE-12-23  
Beresford, South Dakota )

**CONSENT ORDER**

The Comptroller of the Currency of the United States of America (“Comptroller”), through his Federal Thrift Examiner, has supervisory authority over Bank 360, Beresford, South Dakota (“Bank”).

On or about March 17, 2010, the Office of Thrift Supervision (“OTS”), acting by and through its Regional Director for the Central Region, and the Bank, by and through its duly elected and acting Board of Directors (“Board”), entered into an Order to Cease and Desist designed to address certain unsafe or unsound practices relating to, among other things, consumer compliance, IT oversight, and BSA (the “2010 Order”).

On or about July 21, 2011, pursuant to Title III of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, 124 Stat. 1376 (2010), all functions of the OTS related to Federal savings associations were transferred to the Office of the Comptroller of the Currency (“OCC”). Effective July 21, 2011, to facilitate the OCC’s enforcement and administration of former OTS rules and to make appropriate changes to those rules to reflect OCC supervision of Federal savings associations as of the transfer date, the OCC republished and re-codified in 12 C.F.R. Chapter I, all OTS regulations from 12 C.F.R. Chapter V that the OCC has the authority to promulgate and enforce, with appropriate nomenclature and other technical changes. 76 Fed. Reg. 48950 (August 9, 2011).

Now, the Bank, by and through its Board, executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated February 13, 2012, that is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Order by the Comptroller.

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**

### **Replacement of the 2010 Order**

(1) The Articles of the 2010 Order are replaced and superseded in their entirety by this Consent Order (hereafter referred to as the “Order”), and upon execution of the “Stipulation and Consent to the Issuance of a Consent Order,” dated February 13, 2012, the 2010 Order is hereby terminated. Further, to the extent there are any provisions in this Order that are inconsistent with prior communications from the OCC, the prior communications shall be superseded by this Order.

## **Article II**

### **Compliance Committee**

(1) The Board shall ensure that the Bank maintains a Compliance Committee consisting of at least three (3) directors of which a majority shall not consist of employees or controlling shareholders 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. In the event of a change in the membership of the Committee, the name of any new member shall be submitted in writing to the Assistant Deputy Comptroller.

(2) The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Order and shall meet at least monthly.

(3) Within one month of every calendar quarter end (i.e., April 30th, July 31st, October 31st, and January 31st); the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) description of the action 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 Assistant Deputy Comptroller by no later than forty-five (45) days following the end of each calendar quarter (i.e., by May 15th, August 15th, November 15th, and February 15th).

(5) All reports or plans required to be submitted to the Assistant Deputy Comptroller pursuant to this Order shall be forwarded to the:

Assistant Deputy Comptroller  
Sioux Falls Field Office  
4900 South Minnesota Avenue, Suite 300  
Sioux Falls, SD 57108

(6) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policies, procedures, and programs required by this Order.

## **Article III**

### **Capital and Strategic Plan**

(1) The Bank shall achieve and thereafter maintain at all times, by no later than March 31, 2012, the following minimum capital ratios:

- (a) Tier 1 capital to adjusted total assets equal to or greater than nine percent (9%); and
- (b) Total Risk-Based Capital equal to or greater than twelve percent (12%) of risk-weighted assets.

(2) For purposes of this Article, “Tier 1 capital,” “Risk-Based Capital,” and “risk-weighted assets” are as defined in 12 C.F.R. Part 167, and any successor regulations.

(3) The requirement in this Order to meet and maintain a specific capital level means that the Bank is not to be deemed to be “well capitalized” for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 165, pursuant to 12 C.F.R. § 165.4(b)(1)(iv).

(4) By no later than April 16, 2012, the Board shall develop a written strategic plan for the Bank covering at least the next three years (hereafter the “Bank’s Three-Year Plan”), complete with specific time frames that incorporate the strategic and other requirements of this Article. A copy of the Bank’s Three-Year Plan shall be forwarded to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(5) The Bank’s Three-Year Plan shall establish objectives and projections for the Bank’s overall risk profile, earnings performance, growth expectations, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy,

product line development and market segments that the Bank intends to promote or develop, together with specific strategies to achieve those objectives, that are specific, measurable, verifiable, and, at a minimum, address or include:

- (a) an assessment of the Bank's current and projected risks and competitive factors in the Bank's identified target market(s);
- (b) strategic goals and objectives to be accomplished;
- (c) an evaluation of the Bank's internal operations, staffing and management requirements, Board and management information systems and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives developed pursuant to this Article;
- (d) assigned responsibilities and accountability for the strategic planning process, new products, proposed changes in the Bank's operating environment, and reducing problem assets;
- (e) loan growth limitations and actions to monitor, control, and reduce significant concentrations of credit, including but not limited to, the non-residential, multifamily and construction and development loan portfolios in accordance with Paragraph (5) of this Article;
- (f) recognition that the Bank cannot enter new market segments until it adopts an appropriate credit culture, implements sound risk management principles, and returns the Bank's condition to satisfactory;

- (g) specific plans for the maintenance of adequate capital that may in no event be less than the requirements specified in Paragraph (1) of this Article, to include, at minimum an assessment of:
  - (i) whether asset sales are necessary and prudent in order to achieve compliance with the capital requirements of this article; and
  - (ii) whether the sale of a branch may be appropriate to achieve compliance with the capital requirements of this article.
- (h) the primary source(s), especially those that are not credit sensitive, from which the Bank will strengthen its capital structure to meet the Bank's needs in probable and stressed-case scenarios;
- (i) contingency plans that identify alternative methods and specific time-frames should the primary source(s) under subparagraph (1) not be available that include, but are not limited to, a merger or sale of the Bank and voluntary liquidation;
- (j) a financial forecast to include projections for major balance sheet and income statement accounts and expected financial ratios over the next three (3) years that shall address or include consideration of the requirements of this Article and address probable and stressed-case scenarios; and
- (k) systems to monitor the Bank's progress in meeting the plan's goals and objectives.

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

(7) Prior to adoption by the Board of any revision or amendment to the Bank's Three-Year Plan, any such subsequent amendment or revision, including but not limited to, the offering or introduction of new products, 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 Board shall adopt and the Bank shall immediately implement and adhere to the Bank's Three-Year Plan, as revised or amended.

(8) The Bank may not initiate any action that deviates significantly from the Board-approved Three-Year Plan without a written determination of no supervisory objection from the Assistant Deputy Comptroller. The Board must give the Assistant Deputy Comptroller thirty (30) day advance, written notice of its intent to deviate significantly from the Bank's Three-Year Plan, along with an assessment of the impact of such change 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 change in the Bank's Three-Year Plan.

(9) For the purposes of this Article, changes that may constitute a significant deviation from the Bank's Three-Year Plan include, but are not limited to, a change in the Bank's marketing strategies, marketing partners, underwriting practices and standards,

credit administration, account management, collection strategies or operations, accounting processes and practices, or funding strategy, any of which, alone or in aggregate, may have a material impact on the Bank's operations or financial performance; or any other changes in operations, or external factors that may have a material impact on the Bank's operations or financial performance.

(10) If the Bank fails to meet the capital requirements prescribed in Paragraph 1 of this Article, then, in the sole discretion of the Assistant Deputy Comptroller and within fifteen (15) days of receiving written notice from the OCC of such fact, the Bank shall develop and submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection, a written Contingency Plan.

(11) The Contingency Plan shall detail the actions to be taken, with specific time frames, to achieve one of the following results by the later of the date of receipt of all required regulatory approvals or sixty (60) days after the implementation of the Contingency Plan: (a) merger with, or acquisition by, another federally insured depository institution in conformity with applicable laws, regulations and/or regulatory guidance; or (b) an acceptable plan of conversion of the Bank to the stock form of ownership by filing the appropriate application with the OCC in conformity with applicable laws, regulations and/or regulatory guidance; or (c) voluntary dissolution by filing an appropriate application with the OCC in conformity with applicable laws, regulations and/or regulatory guidance.

(12) Upon receipt of written notification from the Assistant Deputy Comptroller, the Bank shall immediately implement and adhere to the Contingency Plan. The Bank shall provide the Assistant Deputy Comptroller with written status reports

detailing the Bank's progress in implementing the Contingency Plan by no later than the first (1<sup>st</sup>) and fifteenth (15<sup>th</sup>) day of each month following implementation of the Contingency Plan.

## **Article IV**

### **Credit Underwriting and Administration**

- (1) Within sixty (60) days of this Order, the Board shall revise, adopt, implement, and thereafter ensure Bank adherence to a loan policy that reflects appropriate loan administration practices and must, at minimum, contain:
  - (a) appropriate underwriting criteria for specific types of loans;
  - (b) the required level of financial, collateral, and repayment analysis, credit memo documentation standards at origination and on an ongoing basis; and
  - (c) appropriate MIS and reporting processes for exceptions to policy guidance.
  
- (2) Effective as of the date of this Order, the Board shall ensure that all lending officers comply with all applicable laws, rules, regulations, Bank policies and procedures, safe and sound banking practices, and fiduciary duties relating to their lending activities.
  
- (3) Effective as of the date of this Order, the Bank may not grant, extend, renew, alter, or restructure any loan or other extension of credit equal to or exceeding one hundred thousand dollars (\$100,000), 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 current and satisfactory credit information, including performing and documenting analysis of credit information and a detailed cash flow analysis of all expected repayment sources;
- (e) determining and documenting whether the loan complies with the Bank's Loan Policy and if it does not comply, providing identification of the exception and ample justification to support waiving the policy exception;
- (f) making and documenting the determinations made regarding the customer's ability to repay the credit on the proposed repayment terms;
- (g) providing an accurate risk assessment grade and proper accrual status for each credit;
- (h) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable; and
- (i) obtaining the written approval of the Bank's Loan Committee or Board.

(4) Within forty-five (45) days of this Order, the Board shall take the necessary steps to obtain current and satisfactory credit information on all loans lacking such information, including those listed in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination. If, after exercising best efforts, the Board and management are unable to obtain such credit information, it shall not constitute a violation of this Article so long as the Bank's on-going efforts to obtain the information are documented and recorded in the respective credit file.

(5) Within forty-five (45) days of this Order, the Board shall ensure proper collateral documentation is maintained on all loans and correct each collateral exception listed in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the OCC Examiners at the conclusion of an examination. If, after exercising best efforts, the Board and management are unable to obtain such credit information, it shall not constitute a violation of this Article so long as the Bank's on-going efforts to obtain the information are documented and recorded in the respective credit file.

(6) Within sixty (60) days of this Order, the Board shall revise, adopt, implement, and thereafter ensure Bank adherence to a written program of policies and procedures designed to aggregate and track exceptions to the Bank Loan Policy and underwriting guidelines for all loans and exceptions to the appraisal laws and regulations. This includes at a minimum, monthly Board monitoring of policy exception reports that

track aggregate number and dollar amount of loans with material underwriting exceptions by type of loan and loan officer.

(7) Within sixty (60) days of this Order, the Board shall take the necessary steps to eliminate credit, collateral, and Bank Loan Policy exceptions, to include, at a minimum, the development of a program that makes loan officers accountable for such exceptions and considers such exceptions in the periodic performance reviews and compensation of such loan officers.

(8) Within sixty (60) days of this Order, the Board shall take the necessary steps to ensure standards are in place to obtain re-appraisals, re-evaluations, or adjustment of existing appraisal on loans with significant credit and/or market deterioration.

## **Article V**

### **Problem Asset Management**

(1) Effective as of the date of this Order, the Board shall undertake immediate and continuing action to protect the Bank's interest in those assets criticized (special mention, substandard, doubtful, loss) in the ROE, in any subsequent Report of Examination, by internal or external loan review, or in any list provided to management during any examination.

(2) Within forty-five (45) days of this Order, the Board shall take steps to ensure that the Bank enhances its problem loan action plans to ensure they include, at minimum, the following enhancements:

- (a) the bank's overall strategy;
- (b) specific actions to be taken by the Bank and/or borrower;

- (c) targeted dates for established actions;
- (d) a recap of repayment and collateral;
- (e) justification of accrual status; and
- (f) the events necessary for the credit to be upgraded.

(3) Effective as of the date of this Order, 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 internally, in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any list provided to management during any examination and whose aggregate loans or other extensions of credit equal or exceed fifty thousand dollars (\$50,000), 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.

## **Article VI**

### **Contingency Funding Plan**

(1) Within sixty (60) days of this Order, the Board shall adopt a revised contingency funding plan that ensures the Bank can remain liquidity solvent through stressed environments and that includes, at a minimum:

- (a) management's best estimate of balance sheet changes that may result from a liquidity or credit event;
- (b) specific terms or events that trigger enactment of the plan;
- (c) necessary management information systems and reporting criteria for use in crisis situations;
- (d) management responsibilities for enacting the plan and for taking specific actions once enacted; and
- (e) prioritization of all sources of funding for the various scenarios including asset side funding, liability side funding, and off-balance sheet funding.

## **Article VII**

### **REO**

(1) Effective as of the date of this Order, the Board shall take the necessary steps to ensure the Bank holds, manages and accounts for its Real Estate Owned ("REO") in accordance with GAAP, the OTS Examination Handbook, Section 251, "Real Estate Owned and Repossessed Assets," December 2010, and 12 C.F.R. § 160.172, and any successor regulation or guidance, to include, at a minimum:

- (a) proper accounting procedures for REO properties from transfer to the Bank and until and upon sale to a third party;
- (b) procedures to require timely appraisals or evaluations;
- (c) the exercise of diligent sales efforts;
- (d) accurate and timely reporting systems; and
- (e) the preparation of quarterly action plans that provide the Board with the status of each REO property and that:
  - (i) identify the Bank officer(s) responsible for managing and authorizing transactions relating to the REO properties;
  - (ii) detail the marketing strategies for each parcel;
  - (iii) identify targeted time frames for disposing each parcel of REO; and
  - (iv) establish procedures to require periodic market valuations of each property, and the methodology to be used.

### **Article VIII**

#### **Home Equity Lines Of Credit**

(1) Within sixty (60) days of the date of this Order, the Bank shall revise and enhance the loan policy for Home Equity Lines of Credit (HELOC) to provide for appropriate risk tolerance, to address, at a minimum:

- (a) acceptable underwriting criteria;
- (b) collateral valuation processes;
- (c) draw and amortization requirements;
- (d) other qualification standards; and

(e) measures to ensure ongoing account management practices comply with the regulatory guidance found in OCC Bulletin 2005-22, and any successor regulation or guidance.

(2) Upon revision, the Board shall take the necessary steps to ensure the Bank immediately implements and thereafter adheres to the revised HELOC loan policy required by this Article.

## **Article IX**

### **External Accounting of Pension Plan**

(1) By no later than the end of calendar year 2012, the Board shall ensure that the Bank's external accounting firm addresses the pension plan in the annual financial statement in accordance with GAAP. This shall include an analysis of whether the Bank has properly accounted for balance sheet, off-balance sheet, and income statement transactions in accordance with GAAP.

## **Article X**

### **Closing**

(1) Although the Bank is required to submit certain proposed actions and programs for the review or prior written determination of no supervisory objection of the Assistant Deputy Comptroller, the Board has the ultimate responsibility for proper and sound management of the Bank and the completeness and accuracy of the Bank's books and records.

(2) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States 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 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.

(4) In each instance in this Order in which the Bank or the Board is required to ensure implementation of or adherence to, or to undertake to perform, an obligation of the Bank, the Board shall:

- (a) authorize and adopt such actions on behalf of the Bank as may be necessary or appropriate for the Bank to perform its obligations under this Order;
- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Order;
- (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 for any non-compliance with such actions.

(5) 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 the Comptroller or the United States.

(6) 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.

**IN TESTIMONY WHEREOF**, the undersigned has hereunto set his hand.

/s/  
Thomas J. Sutcliffe  
Assistant Deputy Comptroller  
Sioux Falls Field Office

2/13/2012  
Date

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

<b>In the Matter of:</b>	)	
Bank 360	)	AA-WE-12-23
Beresford, South Dakota	)	

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

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate proceedings against Bank 360, Beresford, South Dakota (“Bank”) pursuant to 12 U.S.C. § 1818(b) through the issuance of a Notice of Charges for an Order to Cease and Desist for unsafe and unsound banking practices relating to the Bank’s Board and management oversight, capital and strategic planning, and credit risk management and administration.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order, dated February 13, 2012 (“Order”);

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 Federal savings association which was chartered and examined by the Office of Thrift Supervision (“OTS”) pursuant to the Home Owners’ Loan Act, as amended, 12 U.S.C. § 1461 *et seq.*

(2) Pursuant to Title III of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, 124 Stat. 1376 (2010), all functions of the OTS related to Federal savings associations were transferred to the Comptroller.<sup>1</sup>

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

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

(5) Upon the issuance of this Order:

- (a) the Bank will not be eligible for “expedited treatment” pursuant to 12 C.F.R. § 116.5 for the purposes of 12 C.F.R. Part 159 regarding subordinate organizations, unless otherwise informed in writing by the OCC;
- (b) the Bank will be subject to the limitation of 12 C.F.R. § 163.555 for the purposes of 12 C.F.R. § 163.560 requiring OCC approval of a change in directors and senior executive officers, unless otherwise informed in writing by the OCC; and
- (c) the Bank will be subject to the limitation on golden parachute and indemnification payments provided by 12 C.F.R. § 359.1(f)(1)(ii)(C) and 12 C.F.R. § 163.555, unless otherwise informed in writing by the OCC.

## Article II

### **Agreement**

(1) The Bank, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Order by the Comptroller.

---

<sup>1</sup> See Dodd-Frank Act § 312(b), 12 U.S.C. § 5412.

(2) The Bank further 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.

(3) 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) and 12 C.F.R. Part 109;
  - (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) and 12 C.F.R. Part 109;

- (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 Actions**

(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/

\_\_\_\_\_  
Thomas J. Sutcliffe  
Assistant Deputy Comptroller  
Sioux Falls Field Office

02/13/2012

\_\_\_\_\_  
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/  
\_\_\_\_\_  
Charity Herrity

2/13/2012  
\_\_\_\_\_  
Date

/s/  
\_\_\_\_\_  
Mark A. Jensen

2/13/2012  
\_\_\_\_\_  
Date

/s/  
\_\_\_\_\_  
Dean R. Lindstrom

2/13/2012  
\_\_\_\_\_  
Date

/s/  
\_\_\_\_\_  
Mark Southwick

2/13/2012  
\_\_\_\_\_  
Date

/s/  
\_\_\_\_\_  
Freeman Swanstrom

2/13/2012  
\_\_\_\_\_