

AGREEMENT BY AND BETWEEN
Fidelity National Bank
Medford, Wisconsin
and
The Comptroller of the Currency

Fidelity National Bank, Medford, Wisconsin (“Bank”) and the Comptroller of the Currency of the United States of America (“Comptroller”) wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

The Comptroller has found unsafe and unsound banking practices relating to loan portfolio risk management and other risk management practices, and violations of law 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 “formal written agreement” within the meaning of 12 C.F.R. § 5.51(c)(6)(ii). See 12 U.S.C. § 1831i.

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

(5) This Agreement shall cause the Bank to be designated as in “troubled condition,” as set forth in 12 C.F.R. § 5.51(c)(6), unless otherwise informed in writing by the Comptroller. In addition, this Agreement shall cause the Bank not to be designated as an “eligible bank” for purposes of 12 C.F.R. § 5.3(g), unless otherwise informed in writing by the Comptroller.

(6) All reports or plans which the Bank or Board has agreed to submit to the Assistant Deputy Comptroller pursuant to this Agreement shall be forwarded to the:

Assistant Deputy Comptroller
Milwaukee Field Office
1200 N. Mayfair Road, Suite 200
Wauwatosa, WI 53226

ARTICLE II

STRATEGIC PLAN

(1) Within one hundred and twenty (120) days, the Board shall develop a strategic plan for the Bank to include the information addressed in this Article for a period covering at least a three-year timeframe. The strategic plan shall establish objectives and projections for the Bank’s overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy, reduction in the volume of nonperforming assets, product line development and market segments that the Bank intends to promote or develop, together with specific strategies to achieve those objectives and, at a minimum, include:

- (a) A mission statement that forms the framework for the establishment of strategic goals and objectives;
- (b) Assessment of the Bank's present and future operating environment;
- (c) Development of strategic goals and objectives, including appropriate capital planning, to be accomplished over the short and longer term;
- (d) Identification of the Bank's present and future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives;
- (e) Evaluation of the Bank's internal operations, staffing requirements, board and management information systems, and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives;
- (f) Management employment and succession program to promote the retention and continuity of capable management;
- (g) Action plan to improve Bank earnings, reduce credit risk, and accomplish identified strategic goals and objectives, including individual responsibilities, accountability, and time frames;
- (h) Financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the period covered by the strategic plan;
- (i) Control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's operating environment;

- (j) Specific plans to establish responsibilities and accountability for the strategic planning process, new products, growth goals, or proposed changes in the Bank's operating environment; and
- (k) Systems to monitor the Bank's progress in meeting the plan's goals and objectives.

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

(3) The Board shall review and update the Bank's plan on an annual basis, or more frequently if warranted under the circumstances. Any revisions to the plan shall be forwarded to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall promptly implement and thereafter adhere to the revised strategic plan.

ARTICLE III

RISK MANAGEMENT

(1) Within one hundred and twenty (120) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a written Bank-wide risk management program to include, at a minimum, the following:

- (a) Identification and written analysis of risk areas. The program shall include an assessment of all areas of Bank operations to identify inherent

risk in credit, interest rate, liquidity, price, operational, compliance, strategic, and reputation risk areas;

- (b) Systems to measure and monitor risk. This includes appropriate policies, procedures, and standards which limits the degree of risk the Board is willing to incur, consistent with the strategic plan and the Bank's financial condition. This also includes analyzing and limiting the risks associated with any new lines of business which the Board undertakes. The policies, procedures, and controls shall ensure that strategic direction and risk tolerances are effectively communicated, reported, and followed throughout the Bank and shall describe the actions to be taken to reduce risk where noncompliance with risk policies is identified; and
- (c) Systems to control risks within the Bank, including but not limited to the Bank's internal control program as well as internal and external audit programs designed to test the Bank's policies, processes, and controls. The program must also include implementation of a system to track, monitor, correct, and then follow-up on audit and regulatory exceptions.

The risk management program shall be consistent with the "Bank Supervision Process" booklet of the Comptroller's Handbook.

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

(3) Within ninety (90) days, the Board shall identify and appoint an individual with demonstrated experience and skills in providing overall risk management to implement the

Bank's risk management program. This individual shall report to the Board of Directors of the Bank.

(4) Prior to the appointment or employment of any individual to this risk management position, the Board shall submit the name and qualifications of the proposed individual to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

ARTICLE IV

LOAN PORTFOLIO MANAGEMENT

(1) The Board shall, within ninety (90) days, develop, implement, and thereafter ensure Bank adherence to a written program to improve the Bank's loan portfolio management.

The program shall include, but not be limited to:

- (a) Policies, procedures, and controls to ensure satisfactory and perfected collateral documentation;
- (b) Policies, procedures, and controls to ensure independent, written farm inspections are conducted and that farm inspection due dates are tracked;
- (c) Policies, procedures, and controls to ensure annual credit reviews are conducted timely;
- (d) Policies, procedures, and controls to ensure that extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining and analyzing current and satisfactory credit information;
- (e) Policies, procedures, and controls to ensure effective concentration management practices;

- (f) Procedures and controls to ensure timely and effective follow-up on loan review exceptions;
 - (g) Procedures and controls to ensure conformance with loan policy requirements; and
 - (h) Systems and controls to track and analyze credit and collateral exceptions.
- (2) Upon completion, a copy of the program shall be forwarded to the Assistant Deputy Comptroller for a written determination of no supervisory objection.
- (3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program and systems developed pursuant to this Article.

ARTICLE V

CALL REPORTS

- (1) Within sixty (60) days, the Board shall adopt and cause the Bank to implement policies and procedures, in accordance with the Instructions for Preparation of Consolidated Reports of Condition and Income, to ensure that all official and regulatory reports filed by the Bank accurately reflect the Bank's condition as of the date that such reports are submitted. Thereafter the Board shall ensure Bank adherence to the policies and procedures adopted pursuant to this Article.
- (2) Upon completion, the Board shall submit a copy of the policies and procedures to the Assistant Deputy Comptroller for a written determination of no supervisory objection.
- (3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policies and procedures developed pursuant to this Article.

ARTICLE VI

CLOSING

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him/her by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Agreement in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

- (a) Authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Agreement;

- (b) Require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement;
- (c) Follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (d) Require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) This Agreement is intended to be, and shall be construed to be, a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract. The Bank also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller’s exercise of his supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

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

/s/

Brian L. James
Assistant Deputy Comptroller
Milwaukee Field Office

5/25/12

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/ _____
Richard J. Enders

5/25/12
_____ Date

/s/ _____
Thomas L. Hegeholz

5/25/12
_____ Date

/s/ _____
Dennis Huotari

5/25/12
_____ Date

/s/ _____
William L. Kowieski

5/25/12
_____ Date

/s/ _____
John P. Resech

5/25/12
_____ Date

/s/ _____
Mark A. Smugala

5/25/12
_____ Date