

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

In the Matter of:)	
Bank of The Rockies, National Association)	AA-WE-12-102
White Sulphur Springs, Montana)	

CONSENT ORDER

The Comptroller of the Currency of the United States of America (“Comptroller”) has supervisory authority over Bank of The Rockies, National Association, White Sulphur Springs, Montana (“Bank”).

The Bank, through its duly elected and acting Board of Directors (“Board”), has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated August 30, 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 (“Order”) by the Comptroller.

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

ARTICLE I

COMPLIANCE COMMITTEE

(1) The Board shall maintain a Compliance Committee of at least three (3) directors, a majority of which may not be 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 a family member of any such person. In the event of a change of the membership, 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) By the end of every calendar month, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) 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 provide a summary report of the progress reached in attaining compliance with each Article of this Order to the Assistant Deputy Comptroller within twenty (20) days of each calendar quarter end.

(5) 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 II

CAPITAL PLAN AND HIGHER MINIMUMS

(1) The Bank shall achieve by September 30, 2012 and thereafter maintain the following capital ratios as defined in 12 C.F.R. Parts 3 and 6:

- (a) Tier 1 capital at least equal to nine percent (9.00%) of adjusted total assets; and
- (b) Total risk-based capital at least equal to twelve percent (12.00%) of risk-weighted assets.

(2) The requirement in this Order to meet and maintain a specific capital level means that the Bank may not be deemed to be “well capitalized” for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6, pursuant to 12 C.F.R. § 6.4(b)(1)(iv).

(3) Effective as of the date of this Order, the Bank may declare or pay a dividend or make a capital distribution only when the Bank has received a prior written determination of no supervisory objection from the Assistant Deputy Comptroller.

(4) Within ninety (90) days of this Order, the Board shall forward to the Assistant Deputy Comptroller, pursuant to Paragraph (5) of this Article, a revised Capital Plan for the Bank covering at least a three-year period. The written Capital Plan shall, at a minimum:

- (a) include specific plans for the maintenance of adequate capital, which shall in no event be less than the requirements of Paragraph (1) of this Article;
- (b) include specific plans to establish responsibilities and accountability for the strategic planning process, new products, and proposed changes in the Bank’s operating environment;
- (c) include goals and quantifiable measures with specific implementation dates regarding the Bank’s operating performance;
- (d) identify the major areas and means by which the Board and management will seek to improve earnings performance, focusing in particular on items contributing to Bank interest income, cost of funds, and non-interest expenses;
- (e) evaluate 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 developed pursuant to this Article;

- (f) include 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; and
- (g) identify and establish a strategy to strengthen capital and establish a contingency or back-up capital plan commensurate with the Bank's overall risk and complexity.

(5) Prior to adoption by the Board, a copy of the Bank's written Capital Plan shall be submitted to the Assistant Deputy Comptroller for prior written determination of no supervisory objection. The Board shall review and update the Bank's written Capital Plan at least annually and more frequently if required by the Assistant Deputy Comptroller in writing. Revisions to the Bank's written Capital Plan shall be submitted to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. Within ten (10) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection, the Board shall adopt, implement, and thereafter ensure adherence to the written Capital Plan and any amendments or revisions thereto.

(6) At least monthly, the Board shall review financial reports and earnings analyses that evaluate the Bank's performance against the goals and objectives established in the written Capital Plan, as well as the Bank's written explanation of significant differences between the actual and projected balance sheet, income statement, and expense accounts, including descriptions of extraordinary and/or nonrecurring items. This review shall include a description of the actions the Board will require the Bank to take to address any deficiencies. At least quarterly, the Board shall submit a written evaluation of the Bank's performance against the written Capital Plan, which shall include a description of the actions the Board will require the

Bank to take to address any deficiencies. The Board's monthly reviews and preparation of the quarterly written evaluations shall be documented in the Board meeting minutes. The Board shall forward a copy of these monthly reviews and quarterly written evaluations and Board meeting minutes to the Assistant Deputy Comptroller within twenty (20) days of completion of its monthly reviews and quarterly written evaluations, respectively.

ARTICLE III

MANAGEMENT AND BOARD SUPERVISION

(1) Within ninety (90) days of this Order, the Board shall ensure that it provides the necessary involvement and oversight and the Bank attains the necessary management expertise to return the Bank to a safe and sound condition.

(2) Within ninety (90) days of this Order, the Board shall 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, including but not limited to:

- (a) the development of revised operating policies and procedures designed to ensure:
 - (i) the Board provides proper 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 enable it to provide proper oversight and the directors to fulfill their fiduciary duties and other responsibilities under law; and
 - (iii) the Bank establishes and maintains proper lines of authority, reporting responsibilities, and delegation of duties for all officers;

- (b) the development of a conflicts of interest policy that requires, at a minimum:
 - (i) the disclosure of actual or potential conflicts of interest;
 - (ii) the identification of all insider “related interests” as that term is defined in Regulation O, 12 C.F.R. Part 215;
 - (iii) the identification of material interests that insiders have in the business of any borrower, applicant, vendor or supplier;
 - (iv) a description of guidelines for acceptable and unacceptable insider lending and other transactions with insiders; and
 - (v) that all transactions with insiders be at arm’s length;
- (c) measures to ensure management is held responsible for attaining compliance with the terms of this Order;
- (d) procedures to ensure that the Bank files complete and accurate Consolidated Reports of Condition and Income (“Call Reports”);
- (e) requirements that management respond to 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 making the corrective action;
- (f) procedures for formal review and approval by the Board of management’s proposed response to regulatory criticisms;
- (g) the development and implementation of a tracking system that will ensure applicable criticisms are reported to the Board and corrected in timely manner;

- (h) procedures to ensure the retention in the Bank's books and records of all written responses to regulatory criticisms; and
 - (i) documentation of Board approval of the written responses.
- (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

PROBLEM ASSET MANAGEMENT

(1) Within sixty (60) days of this Order, the Board shall submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a written program designed to reduce the Bank's criticized assets (the "Problem Assets Program"). The Problem Assets Program shall include or address the following matters:

- (a) aggregate reporting of criticized asset levels by type to the Board every month;
 - (b) specific plans for the reduction of criticized assets by asset type with target reductions by month; and
 - (c) procedures for the monthly review and preparation of written determination by the Board regarding the effectiveness of the responsible officer's efforts to eliminate the weaknesses in each criticized credit relationship or ORE totaling two hundred thousand dollars (\$200,000) or more.
- (2) The Board's compliance with Paragraph (1) of this Article shall include the development of procedures for the monthly submission and review of Problem Asset Reports

(“PARs” or “PAR”) for all criticized credit relationships totaling two hundred thousand dollars (\$200,000) or above, that contain, at a minimum, analysis and documentation of the following:

- (a) an identification of the expected sources of repayment;
- (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 proposed action to eliminate the basis of criticism and the time frame for its accomplishment; and
- (e) trigger dates for positive borrower actions or for loan officers to reassess the strategy and enact collection plans.

(3) A copy of each PAR submitted to the Board, along with any Board comments regarding the effectiveness of the efforts to eliminate the weaknesses in each credit shall be maintained as part of the Board minutes.

(4) 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 in the Report of Examination for the examination that began March 19, 2012 (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 exceed two hundred thousand dollars (\$200,000) unless each of the following conditions is met:

- (a) the Board 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 approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank; and

- (b) the Board has determined in writing that any collection compromises are necessary and in the best interests of the Bank.

ARTICLE V

OTHER REAL ESTATE OWNED

(1) Within thirty (30) days of this Order, the Board shall cause the Bank to employ or engage an independent and qualified external consultant to perform individual reviews of all appraisals of Other Real Estate Owned (“OREO”) to ensure such appraisals comply with USPAP, 12 C.F.R. Part 34, the Interagency Appraisal and Evaluation Guidelines (December 10, 2010), Advisory Letter 2003-9, and OCC Bulletin 2005-6. The scope of the appraisal review shall provide for a written report to be filed with the Board upon completion that describes any necessary adjustments to the valuations previously used and the need for any new appraisals. Prior to the appointment of any individual or firm or entering into any contract, the Board shall submit the name and qualifications of the proposed consultant and the proposed scope and terms of the engagement to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(2) Upon receipt of the prior written determination of no supervisory objection, the Board shall engage the consultant and, within thirty (30) days thereafter, the consultant shall complete the review of the OREO appraisals. The Board shall provide a copy of the appraisal review report, along with a description of any corrective actions taken, within twenty (20) days of receiving the appraisal review report to the Assistant Deputy Comptroller.

(3) Within ninety (90) days of this Order, the Board shall submit to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection, a written program including policies and procedures to ensure that OREO is managed in accordance with 12 U.S.C. § 29 and 12 C.F.R. Part 34. The program shall, at a minimum, address:

- (a) responsibility and authority for OREO properties;
- (b) proper accounting procedures for OREO properties from transfer to the Bank and until and upon sale to a third party;
- (c) procedures to require timely receipt and review of appraisals pursuant to 12 C.F.R. § 34.85 and 12 C.F.R. Part 34, Subpart C;
- (d) diligent sales efforts;
- (e) reporting systems; and
- (f) the preparation of monthly action plans that provide the Board with the status of each OREO property and that:
 - (i) identify the Bank officer(s) responsible for managing and authorizing transactions relating to the OREO properties;
 - (ii) contain an analysis of each OREO property which compares the cost to carry against the financial benefits of near term sale;
 - (iii) detail the marketing strategies for each parcel;
 - (iv) identify the Bank's original listing price, any subsequent changes in the listing price, and contain copies of any offers received;
 - (v) identify targeted time frames for disposing each parcel of OREO;
 - (vi) establish appropriate pricing and marketing adjustments at periodic intervals if marketing strategies are unsuccessful; and

(vii) establish procedures to require periodic market valuations of each property, and the methodology to be used.

(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.

(5) A copy of each monthly action plan, prepared during the month of each calendar quarter end (e.g., March, June, September and December), along with any Board comments regarding the effectiveness of the efforts to dispose of the OREO, shall be submitted to the Assistant Deputy Comptroller within twenty (20) days after each calendar quarter end.

ARTICLE VI

EXTERNAL LOAN REVIEW

(1) Within ninety (90) days of this Order, the Board shall cause the Bank to employ or engage an independent, qualified consultant to perform semi-annual asset quality reviews of the Bank's loan portfolio. 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 loan review scope and coverage parameters;
- (b) the overall quality of the loan and lease portfolios;
- (c) the identification, type, rating, and amount of problem loans and leases including grading differences;
- (d) the identification and amount of delinquent loans and leases;
- (e) credit and collateral documentation exceptions;

- (f) the identification and status of credit related violations of law, rule or regulation;
- (g) the identity of the loan officer who originated each loan reported in accordance with Subparagraphs (b) through (f) of this Article;
- (h) concentrations of credit;
- (i) loans and leases to affiliates and related parties;
- (j) loans and leases not in conformance with the Bank's Loan Policy, and exceptions to the Bank's Loan Policy; and
- (k) any recommendations for improvements.

(2) Prior to the appointment of any individual or firm or entering into any contract, the Board shall submit the name and qualifications of the proposed consultant and the proposed scope and terms of the engagement 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. 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.

(4) The Board shall take the necessary steps to ensure that the external loan review required by this Article shall be conducted every six months. In the event that the Board decides to discontinue the services of any external loan review consultant or firm, the new loan review

firm or consultant and the scope of the review shall be submitted to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(5) The Bank shall not dismiss any loan review consultant or firm without the Board's prior approval and documented determination containing the reason(s) that such dismissal is in the best interests of the Bank. Such documentation shall be provided to the Assistant Deputy Comptroller immediately upon making such determination.

ARTICLE VII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within sixty (60) days of this Order, the Board shall adopt and thereafter ensure adherence to its 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 measuring the amount of impairment, 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) and Accounting Standards Codification 450-20 (formerly known as FASB Statement of Financial Accounting Standards No. 5, Accounting for Contingencies);
- (b) procedures for validating the Allowance methodology; and

- (c) 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) the applicable experience of the Bank's lending staff;
- (d) procedures to document the reasonableness of the assigned quantity of increase or decrease in estimated credit losses based upon the qualitative and environmental factors addressed in Paragraph (1)(c) of this Article, or any other qualitative or environmental factor used to estimate credit losses; and
- (e) procedures to ensure loans which have been designated impaired undergo impairment testing during each calendar quarter.

(2) The Allowance program shall provide for a process for summarizing and documenting, for the Board's review and approval, the amount determined by management 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 reviewing the adequacy of the Allowance and by management in making its Allowance determination. A copy of the Board minutes reflecting the Board's review and approval of the amount to be reported for the Allowance in the

Call Reports shall be submitted to the Assistant Deputy Comptroller within twenty (20) days after the filing of each Call Report.

(3) The Board shall engage an independent consultant or accountant to perform periodic reviews of the appropriateness of the Bank's Allowance methodology with reviews to be performed before the filing of the September 30, 2012 and December 31, 2012 Call Reports, and thereafter, for every December 31st Call Report. In the event the Bank is cited for a violation of 12 U.S.C. § 161 relating to an inadequate Allowance, then the Board must engage the consultant to perform the reviews before every Call Report beginning immediately after the violation is cited. A copy of each periodic review performed by the consultant or accountant, along with any Board comments about the appropriateness of the Bank's Allowance methodology, shall be submitted to the Assistant Deputy Comptroller within twenty (20) days after each calendar quarter end.

ARTICLE VIII

LOAN PORTFOLIO RISK MANAGEMENT

(1) The Board shall maintain a person in the position of Senior Lending Officer vested with sufficient executive authority to develop and implement appropriate credit risk management policies, procedures, and systems necessary to correct the Bank's deficiencies in loan portfolio risk management and credit administration and reach and maintain compliance with the credit related articles of this Order. If the Senior Lending Officer position described in this Article becomes vacant in the future, the Board shall, within ninety (90) days of such vacancy, employ, appoint, or designate a capable person to the vacant position who shall be vested with the authority and responsibilities outlined in this Paragraph.

(2) Within ninety (90) days of this Order, the Board shall 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 and credit administration, that, at a minimum, include:

- (a) procedures that require any extension of credit (new, maturity extension, or renewal) is made only after obtaining and documenting the current valuation of any supporting collateral, perfecting and verifying the Bank's lien position, and that reasonable limits are established on credit advances against collateral, based on a consideration of (but not limited to) a realistic assessment of the value of collateral, the ratio of loan to value, and overall debt service requirements;
- (b) procedures that require an annual loan memo on all commercial, commercial real estate, and agricultural credits equal to or exceeding two hundred thousand dollars (\$200,000) to include detailed analyses of primary and secondary sources of repayment, collateral values, and trends in liquidity, net worth and cash flow;
- (c) procedures for periodic on-site inspections with written reports detailing the condition and value of crop and livestock collateral for aggregate borrowings exceeding two hundred thousand dollars (\$200,000), complete with threshold requirements addressing independence of inspections and credit file documentation;
- (d) immediate training on the requirements of the loan policy, risk rating, and global cash flow analysis for loan officers and staff;
- (e) the name or names of Bank personnel or the consultant who will provide the training required by this Article;

- (f) procedures to eliminate and reduce credit, collateral and policy exceptions;
and
- (g) measures to hold management accountable for compliance with the
Bank's lending policies and the credit-related provisions of this Order.

(3) Effective as of the date of this Order, the Bank may not grant, renew, modify, restructure, or extend by more than thirty (30) days, any loan or other extension of credit (including participations purchased) equal to or exceeding two hundred thousand dollars (\$200,000), without:

- (a) documenting the specific reason or purpose for the extension of credit, documenting the expected source of repayment, and appropriately structuring the repayment terms to coincide with the expected source of repayment;
- (b) documenting all of the borrower's loans or extensions of credit from the Bank, including related borrowings;
- (c) documenting all of the borrower's debt service requirements;
- (d) evaluating and documenting any guarantor's capacity to support the project, which should include an evaluation of projects financed elsewhere, partnership, corporate and individual financial statements and tax returns, and bank and brokerage statements that support guarantor liquidity;
- (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 justification to support waiving the policy provision;

- (f) providing an accurate risk assessment grade and proper accrual status for each credit; and
- (g) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable.

(4) The Board shall take the necessary steps to cause the Bank to obtain current and satisfactory credit and collateral information on all loans. Within sixty (60) days of notification, the Board shall take the necessary steps to cause the Bank to obtain any missing credit or collateral information described in the ROE, 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.

ARTICLE IX

APPRAISALS OF REAL PROPERTY

(1) Within sixty (60) days of this Order, the Board shall revise and thereafter ensure adherence to a written appraisal policy designed to ensure that the Bank obtains real estate appraisals and evaluations in compliance with USPAP, 12 C.F.R. Part 34, the Interagency Appraisal and Evaluation Guidelines (December 10, 2010), Advisory Letter 2003-9, and OCC Bulletin 2005-6. The written appraisal policy shall include at a minimum:

- (a) safeguards to ensure that appraisals and evaluations are timely ordered, prepared, and reviewed by personnel not involved in the loan origination and approval process;
- (b) the establishment of criteria for obtaining updated appraisals, new appraisals, and evaluations;
- (c) the development of procedures to ensure that appraisals, updates and evaluations are the appropriate type and ordered in a timely manner;

- (d) 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 (formerly known as FASB Statement of Financial Accounting Standards No. 114) impairment and changes in risk ratings;
- (e) the establishment and implementation of a policy requiring a meaningful review, independent of the lender, of all appraisals to include analysis commensurate with the type, size, and complexity of the property being appraised; and
- (f) the establishment and implementation of a policy requiring a meaningful review by an independent and qualified external consultant of all appraisals obtained on non-agricultural real estate when the transaction value is two hundred and fifty thousand dollars (\$250,000) or more, to include a written report of the review that describes the need for any new appraisals and any recommendations to remove the appraiser from the Board's approved appraiser list.

(2) Effective as of the date of this Order, the Board shall ensure that any violations of the real estate appraisal regulation (12 C.F.R. Part 34) identified in any report of examination, internal or external loan review, or internal or external audit have been corrected.

(3) Effective as of the date of this Order, the Board shall ensure adherence to an appraisal process that requires an appraisal or evaluation in conformance with the real estate appraisal regulation whenever a loan is renewed, extended, or moved to problem loan status.

(4) A written description of the revisions to the appraisal policy and processes adopted pursuant to this Article shall be forwarded to the Assistant Deputy Comptroller for review upon implementation.

ARTICLE X

CONTINGENCY FUNDING PLAN

(1) Effective as of the date of this Order, the Board shall ensure adherence to the Bank's comprehensive Contingency Funding Plan ("CFP" or "plan") consistent with the guidelines set forth in the Liquidity booklet of the *Comptroller's Handbook*.

ARTICLE XI

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

(4) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose signature appears below, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions

of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Order in which the Board or a Board committee is required to ensure adherence to and undertake to perform certain obligations of the Bank, including the obligation to prepare, update, develop, or implement plans, policies or other actions, it means that the Board or Board committee 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.

(6) 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.

(7) 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 her hand on behalf of
the Comptroller.

/s/

August 30, 2012

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

Date

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

In the Matter of:)	
Bank of The Rockies, National Association)	AA-WE-12-102
White Sulphur Springs, Montana)	

**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 cease and desist proceedings against Bank of The Rockies, National Association, White Sulphur Springs, Montana (“Bank”), pursuant to 12 U.S.C. § 1818(b), for unsafe or unsound banking practices relating to Board and management oversight, capital 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 August 30, 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 national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

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

(3) The Bank is an “insured depository institution” as defined in 12 U.S.C. § 1813(c)(2) and within the meaning of 12 U.S.C. § 1818(b)(1).

ARTICLE II

ACKNOWLEDGEMENTS

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

(2) The Bank acknowledges 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 acknowledges 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);
- (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) or 12 C.F.R. Part 19;
- (d) all rights to seek any type of administrative or judicial review of the Order; and
- (e) any and all rights to challenge or contest the validity of the Order.

ARTICLE IV

OTHER PROVISIONS

(1) 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 him 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 her hand on behalf of the Comptroller.

/s/

August 30, 2012

Dixie R. Claybrook
Assistant Deputy Comptroller

Date

