

AGREEMENT BY AND BETWEEN
Dieterich Bank, National Association
Dieterich, Illinois
and
The Comptroller of the Currency

Dieterich Bank, National Association, Dieterich, Illinois (“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 certain unsafe and unsound banking practices relating to credit quality and credit administration 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)(7)(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) The Bank is designated in “troubled condition,” as set forth in 12 C.F.R. § 5.51(c)(7), unless otherwise informed in writing by the Comptroller. In addition, this Agreement shall cause the Bank not to be designated as an “eligible depository institution” for purposes of 12 C.F.R. § 5.3(h), 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
Champaign Field Office
Harris Center
3001 Research Rd., Suite E2
Champaign, IL 61822

ARTICLE II
RISK RATING AND NONACCRUAL RECOGNITION

- (1) Effective immediately, the Board shall ensure that the risk associated with the Bank’s loans and other assets is properly reflected and accounted for on the Bank’s books and records and the Bank properly recognizes income.
- (2) Within sixty (60) days, the Board shall adopt a revised written program, which, at a minimum, shall:
 - (a) use a risk grading system that is consistent with and reconcilable to the Uniform Agreement on the Classification of Assets and Appraisal of Securities Held By Banks and Thrifts (revised June 15, 2004) and the Interagency Uniform Retail Credit Classification and Account Management Policy (OCC Bulletin 2000-20), where applicable;

- (b) be consistent with the guidelines set forth in the “Rating Credit Risk” Booklet, A-RCR, of the Comptroller’s Handbook, and revised as necessary to ensure compliance with any applicable successor regulation or guidance related to credit risk rating as specified by the Comptroller;
 - (c) ensure the primary consideration is the strength of the borrower’s primary source of repayment (i.e., the probability of default rather than the risk of loss);
 - (d) incorporate a process to ensure risk ratings are assigned on a timely basis and are accurate based on receipt and analysis of current and satisfactory financial and collateral information;
 - (e) incorporate a process to ensure the Bank’s loans and other assets are placed on nonaccrual in a timely manner and in accordance with the Instructions for Consolidated Reports of Income and Condition;
 - (f) require that appropriate analysis and documentation is maintained in the credit files to support the current and previous risk rating and accrual determination for each credit relationship; procedures to ensure that amounts deemed uncollectible are recognized as loss and promptly charged against the ALLL; and
 - (g) ensure appropriate personnel, including but not limited to loan officers, credit analysts, senior management, and the Board, receive immediate and ongoing training with respect to the application of this Article.
- (3) Upon adoption, the Board shall submit a copy of the revised program required by this Article, or any subsequent amendments or changes to that program, to the Assistant

Deputy Comptroller for review and determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall implement and thereafter ensure adherence to the program.

ARTICLE III
ALLOWANCE FOR LOAN AND LEASE LOSSES

- (1) Within one hundred and twenty (120) days, the Board shall adopt revised written policies and procedures that ensure it maintains an adequate Allowance for Loan and Lease Losses (“ALLL”) in accordance with U.S. generally accepted accounting principles (“GAAP”). The ALLL 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) (“Interagency Statement”) and shall at a minimum include:
 - (a) procedures for determining whether a loan is impaired and measuring the amount of impairment, consistent with GAAP (including FASB ASC 310-10, Receivables - Overall - Subsequent Measurement – Impairment);
 - (b) procedures for measuring the amount of impairment for loans that have undergone troubled debt restructurings. If impairment is measured using an estimate of the expected future cash flows, the interest rate used to calculate the present value of the cash flows must be based on the original effective interest rate on the loan, and not the rate specified in the restructuring agreement;

- (c) procedures for segmenting the loan portfolio and estimating loss on groups of loans that are consistent with GAAP (including FASB ASC 450-20, Loss Contingencies). These procedures shall require the Bank to document its estimation of credit losses and its analysis of at least the nine qualitative factors set forth in the Interagency Statement;
 - (d) incorporate a process to ensure loss is recognized in a timely manner in accordance with interagency guidance;
 - (e) procedures for validating the ALLL methodology and reporting the findings to the Board;
 - (f) procedures for summarizing and documenting, for the Board's prior review and approval, the amount to be reported in the Consolidated Reports of Condition and Income ("Call Reports") for the ALLL; and
 - (g) a requirement that the Board review and approve the ALLL policies and procedures at least annually.
- (2) Within one hundred and twenty (120) days, the Board shall adopt revised written policies and procedures that ensure all official and regulatory reports filed by the Bank accurately reflect an adequate ALLL balance as of the date that such reports are submitted. Any difference between the ALLL balance as determined by the analysis required by this Article and the Bank's actual ALLL balance shall be remedied through appropriate account adjustments in the quarter it is discovered, prior to the filing of the Call Reports.
- (3) Upon adoption, the Board shall submit a copy of the revised policies and procedures required by this Article, or any subsequent amendments or changes to those policies and procedures, to the Assistant Deputy Comptroller for review and determination of no

supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall implement and thereafter ensure adherence to the policies and procedures.

ARTICLE IV
LOAN ADMINISTRATION

- (1) Within ninety (90) days, the Board shall adopt, implement, and ensure adherence to a revised written program(s) to improve the Bank's credit underwriting and administration process. The revised program(s) shall, at a minimum:
 - (a) revise guidelines for the minimum credit information that must be obtained and analyzed prior to loan origination or the extension of funds based on the size, complexity, and types of loans;
 - (b) establish enhanced monitoring of problem credits;
 - (c) comply with OCC Bulletin 2012-33: Community Bank Stress Testing for commercial loans and include at a minimum:
 - (i) guidelines for evaluating when to perform transaction stress testing; and
 - (ii) guidelines for determining what type of stress testing to perform.
 - (d) establish safe and sound borrowing base percentages by type of asset used as collateral; and
 - (e) ensure and monitor compliance with 12 C.F.R. Part 32: Lending Limit.
- (2) Upon adoption, a copy of the revised program(s) shall be forwarded to the Assistant Deputy Comptroller.

- (3) Effective immediately, the Bank may grant, extend, renew, alter or restructure any loan, lease, or other extension of credit above \$250,000 only after:
- (a) obtaining and analyzing current and satisfactory credit information to appropriately assess the borrower's cash flow and financial position, and where repayment is dependent in whole or in part on one or more guarantors, performing an appropriate analysis of the guarantors' current financial position; and
 - (b) documenting the current value of collateral with adequate supporting material, in compliance with 12 C.F.R. Part 34, Subpart C where applicable, and documenting that the Bank's security interest has been properly attached and recorded.
- (4) Failure to analyze the information in Paragraph (3)(a) of this Article shall not constitute a violation of this Article if, prior to granting the extension of credit, a majority of the full Board (or a delegated committee thereof) reasonably determines that not obtaining and analyzing the information required in Paragraph (3)(a), would not be detrimental to the best interests of the Bank. Any such determination must be documented in a written certification that includes specific and adequate reasons for the Board's determination. A copy of the Board certification shall be maintained in the Bank's credit file for the respective borrower(s) for subsequent review by OCC examiners.

ARTICLE V
CREDIT AND COLLATERAL MONITORING - COMMERCIAL LOANS

- (1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a revised written program designed to ensure the Bank obtains and analyzes

updated credit and collateral information on commercial loans as necessary to monitor individual loans, as well as overall credit risk. At a minimum, the revised program shall require the Bank to:

- (a) obtain and analyze current and satisfactory credit information;
 - (b) maintain proper collateral documentation;
 - (c) substantiate, where necessary, the current value of collateral; and
 - (d) establish a time period in which the credit information is reviewed and who will conduct that review.
- (2) If, despite prudent efforts, the Board and management are unable to obtain the credit information or collateral documentation required by paragraph (1) of this Article, it shall not constitute a violation of this Article so long as the Bank's ongoing efforts to obtain the information are documented and recorded in the respective credit file.
- (3) Upon adoption, a copy of the revised program shall be forwarded to the Assistant Deputy Comptroller.

ARTICLE VI TRACKING OF LENDING EXCEPTIONS

- (1) Within one hundred and twenty (120) days, the Board must adopt, implement, and thereafter ensure adherence to a revised tracking and monitoring system that ensures financial, collateral, and policy exceptions are tracked and reported to the Board, or a committee thereof, in a timely manner. This revised tracking and monitoring system, at a minimum, must include:
- (a) maintenance of a detailed listing of all financial, collateral, and policy exceptions;

- (b) maintenance of a detailed list of loans, leases, or extensions of credit not in conformance with the Bank's lending and leasing policies, with a notation as to whether the exceptions were properly granted in accordance with the Bank's policy; and
 - (c) identification of the loan officer who originated each loan, lease, or extension of credit tracked pursuant to paragraphs (1)(a) and (1)(b) of this Article.
- (2) The Board shall receive a monthly report addressing the information required pursuant to paragraph (1) of this Article. The report shall identify the number of exceptions compared to total loans originated by month, aggregate exceptions compared to the Board-established limits for exceptions, the volume of exceptions for each originating loan officer, and a trend analysis for each of the foregoing.

ARTICLE VII
APPRAISAL REVIEWS - COMMERCIAL LOANS

- (1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure adherence to a revised appraisal review program that complies with the "Commercial Real Estate Lending" booklet of the Comptroller's Handbook and OCC Bulletin 2010-42: Sound Practices for Appraisals. At a minimum, the program must:
- (a) require a determination of whether the appraisal complies with the appraisal regulation, applicable supervisory guidance, and the Bank's policies and procedures;
 - (b) require a determination of whether the appraisal contains sufficient information and analysis upon which to base a sound credit decision;

- (c) address the independence, educational, and training qualifications, and role of the reviewer;
 - (d) reflect a risk-focused approach for determining the depth of the review;
 - (e) establish a process for resolving any deficiencies in appraisals or evaluations; and
 - (f) set forth documentation standards for the review and the resolution of noted deficiencies.
- (2) Documentation of each review, as well as the resolution of any noted deficiencies, shall be maintained at the Bank and available for review by OCC examiners upon request.

ARTICLE VIII
ACQUISITION, DEVELOPMENT AND CONSTRUCTION LOAN ADMINISTRATION

- (1) Effective immediately, the Bank may not grant, extend, renew with the extension of new funds, restructure, or otherwise modify any acquisition, development, and construction (“ADC”) loan, as defined in the “Commercial Real Estate Lending” booklet of the Comptroller’s Handbook, to a borrower whose aggregate loans or extensions of credit would equal or exceed \$1,000,000 thereafter, unless and until the Board adopts and implements an adequate ADC lending administration program and receives no supervisory objection from the Assistant Deputy Comptroller pursuant to paragraph (3) of this Article. This paragraph shall not prohibit the funding of those ADC loans in which the Bank has made a legally binding commitment to the borrower as of the effective date of this Agreement.
- (2) Within sixty (60) days, the Board shall revise and adopt a written program to improve its ADC loan administration. The program shall conform to practices outlined in the

“Commercial Real Estate Lending” booklet of the Comptroller’s Handbook, and, at a minimum, include procedures for ensuring that:

- (a) market feasibility analyses are performed;
 - (b) cash flow analyses are performed on ADC loan borrowers, and updated on a periodic basis;
 - (c) current rental and sales information is maintained on all ADC projects;
 - (d) project plans and specifications are thoroughly documented;
 - (e) the Bank has control of all funds necessary to complete construction, or in the case of participation loans, the procedures must provide for monitoring, verifying, and documenting the lead bank’s actions to control the funds necessary to complete construction;
 - (f) disbursement checks are disbursed commensurate with project status and only upon completion of an appropriate inspection and title update; and
 - (g) all ADC loans are either in conformity with the Bank’s ADC loan policies and procedures, or are reported to the Board as policy exceptions.
- (3) Upon adoption, the Board shall submit a copy of the revised program required by this Article, or any subsequent amendments or changes to the program, to the Assistant Deputy Comptroller for review and determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Board shall implement and thereafter ensure adherence to the program.

ARTICLE IX
REVIEW OF CONCLUSIONS BY LOAN REVIEW

- (1) Within thirty (30) days, the Board must engage an independent, qualified, and external firm or individual to conduct a review of all existing risk ratings for all commercial relationships over \$ 1 million. The Board must review any recommendation from this firm or individual within 30 days of receipt of the recommendation(s) and must ensure that immediate, adequate, and continuing remedial action, if appropriate, is taken upon all recommendations. If the Board disagrees with, or otherwise rejects, a recommendation, the Board must document why the recommendation will not be followed.
- (2) Within one hundred and twenty (120) days, the Board shall adopt, implement, and thereafter ensure adherence to a written program to evaluate any recommendations, conclusions, or reports (*collectively*, “Recommendations”) generated from any review of commercial loans by an external or internal party. The program shall establish standards for adopting or rejecting any Recommendations, provide for a written report to be filed with the Board addressing whether to adopt or reject the Recommendation within thirty (30) days following the receipt of the Recommendations, and require Board approval for any rejected Recommendations.
- (3) Within thirty (30) days of receipt of the report prepared pursuant to paragraph (2) of this Article, the Board shall evaluate the Recommendations, along with the report, and shall ensure that immediate, adequate, and continuing remedial action, if appropriate, is taken upon all Recommendations. To the extent the Board disagrees or otherwise rejects a Recommendation, the Board must document why the Recommendation will not be followed.

- (4) A copy of the Recommendations and reports submitted to the Board pursuant to this Article, as well as documentation of actions taken to address the Recommendations and any Board decision to reject a Recommendation, shall be maintained at the Bank and available for review by OCC examiners upon request.

ARTICLE X
OTHER PROVISIONS

- (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) Each citation or referenced guidance included in this Agreement includes any subsequent guidance that replaces, supersedes, amends, or revises the cited law, regulation, or guidance.
- (4) The provisions of this Agreement are effective upon issuance of this Agreement by the Comptroller, through his authorized representative whose hand 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, through his authorized representative.

- (5) Except as otherwise expressly provided herein, any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement.
- (6) If the Bank requires a waiver or suspension of any provision or an extension of any timeframe within this Agreement, the Board shall submit a written request to the Assistant Deputy Comptroller asking for relief. Any written requests submitted pursuant to this Article shall include a statement setting forth in detail, with relevant supporting documentation, the special facts and circumstances that support the waiver or suspension of any provision or an extension of a timeframe within this Agreement.
- (7) The Assistant Deputy Comptroller's decision concerning a request submitted pursuant to paragraph (6) of this Article is final and not subject to further review.
- (8) 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, direct, 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.

- (9) 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/

 Lisa Vojtecky
 Assistant Deputy Comptroller
 Champaign Field Office

12/16/2015

 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> James Calhoon	<u>12/15/2015</u> Date
<u>/s/</u> Charles Deters	<u>12/15/2015</u> Date
<u>/s/</u> Thomas Niebrugge	<u>12/15/2015</u> Date
<u>/s/</u> Ronald Probst	<u>12/15/2015</u> Date
<u>/s/</u> Gerald Schultz	<u>12/15/2015</u> Date
<u>/s/</u> James Schultz	<u>12/15/2015</u> Date
<u>/s/</u> Henry Stephens	<u>12/15/2015</u> Date
<u>/s/</u> Thomas Wegman	<u>12/15/2015</u> Date
<u>/s/</u> Steven Will	<u>12/15/2015</u> Date
<u>/s/</u> Robert Willenborg	<u>12/15/2015</u> Date
<u>/s/</u> G. Thomas Wright	<u>12/15/2015</u> Date
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