

AGREEMENT BY AND BETWEEN
First National Bank
Chisholm, Minnesota
and
The Office of the Comptroller of the Currency

AA-CE-2023-18

First National Bank, Chisholm, Minnesota (“Bank”) and the Office of the Comptroller of the Currency (“OCC”) wish to assure the safety and soundness of the Bank and its compliance with laws and regulations.

The Comptroller of the Currency (“Comptroller”) has found unsafe or unsound practices including those relating to audit and internal controls, consumer compliance, credit risk management, and violations of law, rule, or regulation, including those relating to information security, and the Flood Disaster Protection Act.

Therefore, the OCC, through the duly authorized representative of the Comptroller, and the Bank, through its duly elected and acting Board of Directors (“Board”), hereby agree that the Bank shall operate at all times in compliance with the following:

ARTICLE I

JURISDICTION

(1) The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) The Bank is a national banking association within the meaning of 12 U.S.C. § 1813(q)(1)(A), and is chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*

(3) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q).

ARTICLE II

COMPLIANCE COMMITTEE

(1) By July 15, 2023, the Board shall appoint a Compliance Committee of at least three (3) members of which a majority shall be directors who are not employees or officers of the Bank or any of its subsidiaries or affiliates. The Board shall submit in writing to the Assistant Deputy Comptroller the names of the members of the Compliance Committee within ten (10) days of their appointment. In the event of a change of the membership, the Board shall submit in writing to the Assistant Deputy Comptroller within ten (10) days the name of any new or resigning committee member. The Compliance Committee shall monitor and oversee the Bank's compliance with the provisions of this Agreement. The Compliance Committee shall meet at least quarterly and maintain minutes of its meetings.

(2) By September 30, 2023, and thereafter within thirty (30) days after the end of each quarter until and unless otherwise directed by the Assistant Deputy Comptroller, the Compliance Committee shall submit to the Board a written progress report setting forth in detail:

- (a) a description of the corrective actions needed to achieve compliance with each Article of this Agreement;
- (b) the specific corrective actions undertaken to comply with each Article of this Agreement; and
- (c) the results and status of the corrective actions.

(3) Upon receiving each written progress report, the Board shall forward a copy of the report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of the first Board meeting following the Board's receipt of such report.

ARTICLE III
STRATEGIC PLAN

(1) Within ninety (90) days of the date of this Agreement, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection an acceptable revised written strategic plan for the Bank, covering at least a 5-year period (“Strategic Plan”). The revisions to the Strategic Plan shall establish objectives for the Bank’s earnings performance, balance sheet mix, interest rate risk, staffing needs and expertise, and technology, together with strategies to achieve those objectives, and shall, at a minimum, include:

- (a) the strategic goals and objectives to be accomplished, including key financial indicators and risk tolerances;
- (b) an evaluation of the Bank's internal operations, staffing requirements, board and management information systems, policies, and procedures for their adequacy and contribution to the accomplishment of the strategic goals and objectives developed under paragraph (1)(a) of this Article;
- (c) a 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;
- (d) an identification and assessment of the present and planned product lines (assets and liabilities) and the identification of appropriate risk management systems to identify, measure, monitor, and control risks within the product lines; and
- (e) a detailed assessment of the Bank’s technology needs to meet the Strategic

Plan's goals and objectives.

(2) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the revised Strategic Plan or to any subsequent amendment to the Strategic Plan, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Strategic Plan. The Board shall review the effectiveness of the Strategic Plan at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Strategic Plan as needed or directed by the OCC. Any amendment to the Strategic Plan must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(3) Until the Strategic Plan required under this Article has been submitted by the Bank for the Assistant Deputy Comptroller's review, has received a written determination of no supervisory objection from the Assistant Deputy Comptroller and has been adopted by the Board, the Bank shall not significantly deviate from the products, services, asset composition and size, funding sources, structure, operations, policies, procedures, and markets of the Bank that existed immediately before the effective date of this Formal Agreement without first obtaining the Assistant Deputy Comptroller's prior written determination of no supervisory objection to such significant deviation.

(4) Any request by the Bank for prior written determination of no supervisory objection to a significant deviation described in paragraphs (2) or (3) of this Article shall be submitted in writing to the Assistant Deputy Comptroller at least thirty (30) days in advance of the proposed significant deviation. Such written request by the Bank shall include an assessment of the effects of such proposed change on the Bank's condition and risk profile, 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 proposed change.

(5) For the purposes of this Article, changes that may constitute a significant deviation include, but are not limited to, a change in the Bank's marketing strategies, products and services, marketing partners, underwriting practices and standards, asset composition, credit administration, account management, collection strategies or operations, fee structure or pricing, accounting processes and practices, or funding strategy, any of which, alone or in the aggregate, may have a material effect on the Bank's operations or financial performance; or any other changes in personnel, operations, or external factors that may have a material effect on the Bank's operations or financial performance.

(6) At least quarterly, a written evaluation of the Bank's performance against the Strategic Plan shall be prepared by Bank management and submitted to the Board. Within thirty (30) days after submission of the evaluation, the Board shall review the evaluation and determine the corrective actions the Board will require Bank management to take to address any identified shortcomings. The Board's review of the evaluation and discussion of any required corrective actions to address any identified shortcomings shall be documented in the Board's meeting minutes. Upon completion of the Board's review, the Board shall submit to the Assistant Deputy Comptroller a copy of the evaluation as well as a detailed description of the corrective actions the Board will require the Bank to take to address any identified shortcomings.

ARTICLE IV

INTERNAL AUDIT

(1) Within ninety (90) days of the effective date of this Agreement, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no

supervisory objection an acceptable, comprehensive, written internal audit program that adequately assesses controls and operations to allow the Board and management to understand the sufficiency of the Bank's internal controls system ("Internal Audit Program").

(2) Management shall ensure the Internal Audit Program's compliance with the standards for internal audit systems set forth in Section II.B of the Interagency Guidelines Establishing Standards for Safety and Soundness, Appendix A to 12 C.F.R. Part 30, and consistency with the safety and soundness principles articulated in the "Internal and External Audits" booklet of the *Comptroller's Handbook*. The Internal Audit Program shall incorporate standards of safety and soundness that are commensurate with the Bank's size, complexity, scope of activities, and risk profile and shall, at a minimum:

- (a) require the development of an internal audit plan that is risk-based and provides adequate audit scope, coverage, and frequency for all areas of the Bank, with annual documented Board approval of the internal audit plan and Board notification of any material variance from the plan;
- (b) address the use of third parties to complete any internal audit activities, including documented Board approval of selection and termination of third parties, consistent with the safety and soundness principles articulated in OCC Bulletin 2023-17, "Third-Party Relationships: Interagency Guidance on Risk Management;"
- (c) evaluate the reliability, adequacy, and effectiveness of the Bank's internal controls system, whether operated by the Bank or a third party;
- (d) evaluate whether the Bank's internal controls system results in prompt and accurate recording of transactions and proper safeguarding of assets;

- (e) determine whether the Bank complies with laws and regulations and adheres to its established policies, procedures, and processes;
- (f) determine whether management is taking appropriate and timely steps to address control deficiencies and audit report recommendations, that the progress of such steps is adequately validated, documented, and tracked, and that such progress is reported to the Board on at least a quarterly basis;
- (g) require all internal audit reports to be in writing and distributed directly, not through any intervening party, to the Board in a timely manner after audit completion; and
- (h) require audit work papers and documentation that provides a meaningful audit trail and validation for audit findings, conclusions, and recommendations.

(3) The Board shall provide effective oversight of the Internal Audit Program, including:

- (a) verifying that management has adequately staffed the internal audit function, using internal resources and/or third parties, with respect to both the number of auditors required and their knowledge, skills, and experience;
- (b) verifying the internal audit function is independent and objective. The person responsible for implementing the Internal Audit Program shall functionally report directly to the Board, which shall direct his or her activities, set compensation, and evaluate performance;

- (c) verifying management's actions to address material weaknesses in a timely manner and, where appropriate, directing management to take additional action; and
- (d) verifying management satisfies all statutory, regulatory, and supervisory requirements.

(4) The internal audit staff and third-party vendor providing internal audit services shall have access to any records necessary for the proper conduct of its activities. The OCC shall have access to all reports and work papers of the internal audit staff and any third parties providing internal audit services.

(5) Within (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Internal Audit Program or to any subsequent amendment to the Internal Audit Program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Internal Audit Program. The Board shall review the effectiveness of the Internal Audit Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Internal Audit Program as needed or directed by the OCC. Any amendment to the Internal Audit Program must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

ARTICLE V

INFORMATION TECHNOLOGY CONTROL AND SECURITY

(1) Within ninety (90) days of the date of this Agreement, the Bank shall adopt revisions to its information technology ("IT") program to assess and manage the Bank's IT

activities (“IT Control Program”) consistent with the safety and soundness principles articulated in the Federal Financial Institutions Examination Council, IT Handbook. Although the Bank may outsource some or all of its IT functions, outsourcing does not change the Board’s responsibility to ensure effective IT controls.

(2) The IT Control Program shall be commensurate with the level of risk and complexity of the Bank’s IT activities, and the revisions shall, at a minimum, address the following:

- (a) hiring and training practices governed by appropriate policies to maintain competent and trained staff to fulfill respective roles in the Bank’s IT program;
- (b) appropriate system security controls including implementing user access and authentication controls consistent with the safety and soundness principles articulated in the “Information Security” booklet of the FFIEC IT Examination Handbook and OCC Bulletin 2021-36 “*Authentication and Access to Financial Institution Services and Systems*” and;
- (c) a written, Board-approved, enterprise-wide business continuity management and resiliency process, consistent with the safety and soundness principles articulated in the “Business Continuity Planning” and “Information Security” booklets of the FFIEC IT Examination Handbook, that includes a business impact analysis that assesses and prioritizes potential threat and disruption scenarios, including cyber events, based upon their impact on operations and probability of occurrence; periodic enterprise-wide tests; independent assessment of

the tests; appropriate Board reporting and reviews,; and, updating the plan regularly as needed.

(3) Upon adoption of the revisions to the IT Control Program, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the revised IT Control Program and any amendments thereto. The Board shall review the effectiveness of the IT Control Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the IT Control Program as needed or as directed by the OCC.

(4) Within ninety (90) days of the date of this Agreement, the Bank shall adopt revisions to its Information Security Program to ensure the security and confidentiality of customer information; protect against any anticipated threats or hazards to the security or integrity of such information; protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer; ensure the proper disposal of customer information; and ensure the overall safety and soundness of the Bank.

(5) The Information Security Program shall comply with 12 C.F.R. Part 30, Appendix B, and the revisions shall, at a minimum, address the following:

- (a) staff training;
- (b) regular testing of key controls, systems, and procedures and independent testing or reviews of testing;
- (c) mobile device management;
- (d) a process to monitor, evaluate and adjust, as appropriate, the program in response to changes in technology, the sensitivity of customer

information, internal or external threats, changing business arrangements, changing outsourcing arrangements, and changing systems; and

- (e) the annual receipt by the Board, or an appropriate committee thereof, of a report that describes the overall status of the Information Security Program and the Bank's compliance with 12 C.F.R. Part 30, Appendix B.

(6) Upon adoption of the revisions to the Information Security Program, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the revised Information Security Program and any amendments thereto. The Board shall review the effectiveness of the Information Security Program at least annually, and more frequently if necessary or if required by the OCC in writing and amend the Information Security Program as needed or as directed by the OCC.

ARTICLE VI

THIRD-PARTY RISK MANAGEMENT

(1) Within ninety (90) days of the date of this Agreement, the Bank shall adopt revisions to its program for the risk management of third-party relationships (“Third-Party Risk Management Program”) consistent with the safety and soundness principles articulated in OCC Bulletin 2023-17, “Third-Party Relationships: Interagency Guidance on Risk Management .” The Third-Party Risk Management Program shall be commensurate with the level of risk and complexity of the Bank’s third-party relationships and the revisions shall, at a minimum, address the following:

- (a) the process for how the Bank selects, assesses, and oversees third parties;
- (b) the process for the identification and classification of all vendors based on risk criteria and risk assessment;
- (c) written contracts that outline the rights and responsibilities of all parties;
- (d) vendor review cycles that are based on the degree of risk posed by each vendor;
- (e) roles and responsibilities of management relating to due diligence and ongoing monitoring of third parties; and
- (f) documentation and reporting that facilitates Board and management oversight, accountability, monitoring, and risk management associated with third-party relationships; and

(2) Upon adoption of the revisions to the Third-Party Risk Management Program or any subsequent amendment to the Third-Party Risk Management Program, Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Third-Party Risk Management Program. The Board shall review the effectiveness of the Third-Party Risk Management Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the Third-Party Risk Management Program as needed or directed by the OCC.

ARTICLE VII

COMPLIANCE RISK MANAGEMENT PROGRAM

(1) Within ninety (90) days of effective date of this Agreement, the Bank shall prepare and submit a written compliance risk management program (“CRMP”) to the Assistant

Deputy Comptroller for review and written determination of no supervisory objection. The CRMP shall, at a minimum, include:

- (a) an effective compliance risk assessment process that identifies compliance risk and assigns responsibility to implement the CRMP to ensure compliance with consumer protection-related laws and regulations;
- (b) procedures and guidance for staff on maintaining compliance with applicable consumer laws and regulations;
- (c) a third-party oversight system that provides appropriate due diligence and monitoring of third parties' compliance with consumer protection-related laws and regulations; and
- (d) a comprehensive training program for management and staff whose duties involve consumer compliance that addresses relevant state and federal laws and regulations and impending publicly-announced changes to relevant state and federal laws and regulations. This training program shall, at a minimum, include:
 - i. requirements tailored to employees' job functions and the Bank's products, services and levels of risk;
 - ii. policies and procedures addressing the frequency, method, and documentation of training; and
 - iii. the requirement that the training program be updated in advance of the Bank offering new products or services and before the effective date of new consumer protection-related laws and regulations.

(e) a requirement for comprehensive quarterly board reports on the status of the program, including risk assessments, status of compliance, and training program updates.

(2) Upon receipt of a written determination of no supervisory objection to the CRMP, the Bank shall adopt the CRMP and Bank management, subject to Board review and monitoring, shall immediately implement and thereafter ensure adherence to the CRMP. In the event the Bank believes material changes to the CRMP are appropriate, the Bank shall submit a revised CRMP to the Assistant Deputy Comptroller for review and written determination of no supervisory objection.

ARTICLE VIII

LOAN PORTFOLIO MANAGEMENT

(1) Within ninety (90) days of the date of this Agreement, the Bank shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection, an acceptable written loan portfolio management program (“Loan Portfolio Management Program”) designed to ensure the risks that are inherent in the credit process are managed and controlled and are consistent with safe and sound banking practices articulated in the “Loan Portfolio Management” booklet of the *Comptroller’s Handbook*; OCC Bulletin 2020-81, “Risk Management of Loan Purchase Activities;” and OCC Bulletin 2006-46, “Interagency Guidance on CRE Concentration Risk Management.”

- (2) The Loan Portfolio Management Program shall include, at a minimum:
- (a) procedures and systems to identify, track, and analyze credit, collateral, and loan policy exceptions, including those associated with in-house originations, participations purchased and loan pools purchased;

- (b) procedures and systems to track the performance of loan pools purchased, including expanded reporting for delinquent or past due loans;
- (c) the establishment of safe and sound, formal limits and sub-limits for all concentrations of credit based on a percentage of tier 1 capital plus the allowance for loan and lease losses, stratified by loan type and locality of the borrower and/or collateral;
- (d) procedures and systems to track and analyze concentrations of credit, significant economic factors, and general market conditions, and their impact on the credit quality of the loan portfolio(s);
- (e) procedures and systems to track performance of problem loans, including early problem loan identification to ensure the timely identification and rating of loans and leases and placement on nonaccrual; and
- (f) requirements for an independent loan review process that reports directly to the Board or a designated committee thereof;

(3) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the Loan Portfolio Management Program, or to any subsequent amendment to the Loan Portfolio Management Program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the Loan Portfolio Management Program. The Board shall review the effectiveness of the Loan Portfolio Management Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the

Loan Portfolio Management Program as needed or directed by the OCC. Any amendment to the Loan Portfolio Management Program must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

ARTICLE IX

ALLOWANCE FOR CREDIT LOSSES

(1) Within thirty (30) days of the date of this Agreement, the Board shall submit to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection a revised, written program for maintaining and reporting an adequate Allowance for Credit Losses (“ACL Program”) in accordance with generally accepted accounting principles (“GAAP”) and the instructions for reporting the ACL on the Consolidated Reports of Condition and Income (“Call Reports”). The ACL Program shall be consistent with the safety and soundness principles articulated in the “Interagency Policy Statement on Allowances for Credit Losses” dated May 8, 2020 (OCC Bulletin 2020-49). The ACL Program shall, at a minimum, include criteria and procedures for:

- (a) segmenting and documenting the financial assets that share similar risk characteristics and measuring the expected credit losses from each identified group consistent with GAAP, including Accounting Standards Codification (“ASC”) Subtopic 326-20, at least quarterly;
- (b) identifying and documenting individual financial assets that do not share similar risk characteristics with other financial assets and measuring the amount of expected credit loss from each of these assets consistent with GAAP, including ASC Subtopic 326-20, at least quarterly;
- (c) supporting the estimation of expected credit losses and adjustments with

- documentation and analysis of historical credit losses and all significant qualitative and environmental factors and reasonable and supportable forecasts that affect the collectability of the Bank's financial assets;
- (d) independently validating the Bank's ACL methodology on an annual basis and reporting the conclusions to the Board, which shall address identified deficiencies through revision of the ACL Program in a manner consistent with this Article; and
 - (e) documenting the Board's determination, at least quarterly, of the adequacy of the Bank's ACL amount to be reported in the Bank's Call Report, including the factors considered and rationale supporting the Board's conclusion.

(2) Within thirty (30) days following receipt of the Assistant Deputy Comptroller's written determination of no supervisory objection to the ACL Program, or to any subsequent amendment to the ACL Program, the Board shall adopt and Bank management, subject to Board review and ongoing monitoring, shall immediately implement and thereafter ensure adherence to the ACL Program. The Board shall review the effectiveness of the ACL Program at least annually, and more frequently if necessary or if required by the OCC in writing, and amend the ACL Program as needed or directed by the OCC. Any amendment to the ACL Program must be submitted to the Assistant Deputy Comptroller for review and prior written determination of no supervisory objection.

(3) If at any time the Bank's actual ACL balance is determined to be inadequate in comparison to the ACL balance calculated pursuant to this Article, the Board shall remedy the inadequacy through additional provisions from earnings in the quarter the inadequacy is

discovered, prior to the filing of the Bank's Call Report.

ARTICLE X

GENERAL BOARD RESPONSIBILITIES

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Agreement, and shall verify that the Bank adheres to the corrective actions and they are effective in addressing the Bank's deficiencies that resulted in this Agreement.

(2) In each instance in which this Agreement imposes responsibilities upon the Board, it is intended to mean that the Board shall:

- (a) authorize, direct, and adopt corrective actions on behalf of the Bank as may be necessary to perform the obligations and undertakings imposed on the Board by this Agreement;
- (b) ensure that the Bank has sufficient processes, management, personnel, control systems, and corporate and risk governance to implement and adhere to all provisions of this Agreement;
- (c) require that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities pertaining to or resulting from this Agreement;
- (d) hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Agreement;

- (e) require appropriate, adequate, and timely reporting to the Board by Bank management of corrective actions directed by the Board to be taken under the terms of this Agreement; and
- (f) address any noncompliance with corrective actions in a timely and appropriate manner.

ARTICLE XI

OTHER PROVISIONS

- (1) As a result of this Agreement, the Bank is not:
 - (a) precluded from being treated as an “eligible bank” for the purposes of 12 C.F.R. Part 5, unless the Bank fails to meet any of the requirements contained in subparagraphs (1) – (4) of 12 C.F.R. § 5.3, Definitions, *Eligible bank or eligible savings association*, or is otherwise informed in writing by the OCC;
 - (b) subject to the restrictions in 12 C.F.R. § 5.51 requiring prior notice to the OCC of changes in directors and senior executive officers or the limitations on golden parachute payments set forth in 12 C.F.R. Part 359, unless the Bank is otherwise subject to such requirements pursuant to 12 C.F.R. § 5.51(c)(7)(i) and (iii); and
 - (c) precluded from being treated as an “eligible bank” for the purposes of 12 C.F.R. Part 24, unless the Bank fails to meet any of the requirements contained in 12 C.F.R. § 24.2(e)(1)-(3) or is otherwise informed in writing by the OCC.

ARTICLE XII

CLOSING

(1) This Agreement is intended to be, and shall be construed to be, a “written agreement” within the meaning of 12 U.S.C. § 1818, and expressly does not form, and may not be construed to form, a contract binding on the United States, the OCC, or any officer, employee, or agent of the OCC. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under its 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 OCC has any intention to enter into a contract. The Bank also expressly acknowledges that no officer, employee, or agent of the OCC has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer, employee, or agent of any of those entities to a contract affecting the OCC’s exercise of its supervisory responsibilities.

(2) This Agreement is effective upon its issuance by the OCC, through the Comptroller’s duly authorized representative. Except as otherwise expressly provided herein, all references to “days” in this Agreement shall mean calendar days and the computation of any period of time imposed by this Agreement shall not include the date of the act or event that commences the period of time.

(3) The provisions of this Agreement shall remain effective and enforceable except to the extent that, and until such time as, such provisions are amended, suspended, waived, or terminated in writing by the OCC, through the Comptroller’s duly authorized representative. If the Bank seeks an extension, amendment, suspension, waiver, or termination of any provision of this Agreement, the Board or a Board-designee shall submit a written request to the Assistant

Deputy Comptroller asking for the desired relief. Any request submitted pursuant to this paragraph shall include a statement setting forth in detail the special circumstances that warrant the desired relief or prevent the Bank from complying with the relevant provision(s) of the Agreement, and shall be accompanied by relevant supporting documentation. The OCC's decision concerning a request submitted pursuant to this paragraph, which will be communicated to the Board in writing, is final and not subject to further review.

(4) The Bank will not be deemed to be in compliance with this Agreement until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Agreement; the corrective actions are effective in addressing the Bank's deficiencies; and the OCC has verified and validated the corrective actions. An assessment of the effectiveness of the corrective actions requires sufficient passage of time to demonstrate the sustained effectiveness of the corrective actions.

(5) Each citation, issuance, or guidance referenced in this Agreement includes any subsequent citation, issuance, or guidance that replaces, supersedes, amends, or revises the referenced cited citation, issuance, or guidance.

(6) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to enter into this Agreement.

(7) All reports, plans, or programs submitted to the OCC pursuant to this Agreement shall be forwarded, by overnight mail or via email, to the following:

Assistant Deputy Comptroller Douglas L. Boser

with a copy to:

Portfolio Manager Joshua Lingen
Assistant Deputy Comptroller Analyst Brent Kieper

(8) 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 as his duly authorized representative, has hereunto set his signature on behalf of the Comptroller.

/s/ 6/27/2023

Douglas L. Boser
Assistant Deputy Comptroller
Minneapolis Office

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of First National Bank (Chisholm, Minnesota) have hereunto set their signatures on behalf of the Bank.

/s/ _____
David Carlstrom

June 27, 2023

Date

/s/ _____
Louis J. Cianni

June 27, 2023

Date

/s/ _____
Jerome D. Culliton

June 27, 2023

Date

/s/ _____
Charles Wangenstein

6/27/2023

Date

/s/ _____
James Zahorsky

7/8/2023

Date