

OFFICE OF THRIFT SUPERVISION
ORDER APPROVING ORGANIZATION
OF A FEDERAL SAVINGS BANK

Order No.: 98-47

Date: April 24, 1998

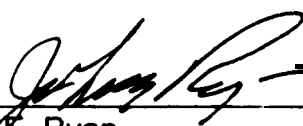
James F. Montgomery, Diane D. Montgomery, Curtis J. Crivelli, Raymond Gustini and Clifford A. Miller (the "Organizers"), have applied to the Office of Thrift Supervision ("OTS"), to organize Frontier Bank, FSB, Park City, Utah (the "Savings Bank"), a federal stock savings bank, pursuant to 12 U.S.C. §§ 1464(e), and 12 C.F.R. § 543.3. The Savings Bank will be a member of the Savings Association Insurance Fund.

The OTS has considered the permission to organize application under the standards set forth in 12 U.S.C. §§ 1464(e), and 12 C.F.R. §§ 543.3 and 552.2-1(b), and under the Community Reinvestment Act, 12 U.S.C. §§ 2901 et seq., and the OTS regulations thereunder, 12 C.F.R. Part 563e. In addition, the OTS has also considered the digest by the OTS West Regional Office ("Regional **Office**"), a legal opinion by the Business Transactions Division, and an analysis by Corporate Activities ("collectively the "Staff Memoranda"). For the reasons set forth in the Staff Memoranda, the OTS has determined that the holding company and permission to organize applications satisfy all applicable statutory and regulatory criteria, provided that the conditions set forth below are satisfied. Accordingly, the permission to organize application is hereby approved, subject to the following conditions:

1. The Savings Bank must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals provided to the Regional Office;
2. One business day prior to opening for business, the Organizers must provide the Regional **Office** with a list containing the names and addresses of all individuals owning stock, the amount of stock owned by each individual shareholder, the principals of companies owning stock in the Savings Bank, the total purchase price paid by each shareholder and any affiliation between the shareholders;
3. On the business day prior to the date of consummation of the proposed transaction, the Organizers must advise in writing to the West Regional Director that no material adverse changes have occurred with respect to the information disclosed in the application, including but not limited to directors, officers, shareholders or the business plan; and that no additional information having an adverse bearing on any feature of the application has been brought to the attention of the Organizers since the date of the financial statements submitted with the applications;

4. The proposed transaction must be consummated within one hundred and twenty (120) calendar days from the date of this Order or within such additional period as the West Regional Director, or his designee, may grant;
5. The Organizers and the Savings Bank must advise the Regional **Office** in writing within 10 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction and of the Savings Bank's insurance of accounts and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the applications and this Order;
6. Any incentive bonus or stock option plan to be offered to employees, officers or directors must be submitted to the Assistant Regional Director for non-objection prior to their adoption and implementation. Further, any such plans to be implemented during the first year of operation must conform with the provisions of 12 C.F.R. § 563.b.3(g)(4);
7. The final lease agreement between the Savings Bank and James Montgomery must be submitted to the Assistant Regional Director;
8. The operating policies and procedures of the Savings Bank, including but not limited to, all lending and underwriting policies, must be finalized and made available for review by the Office of Thrift Supervision prior to the institution opening for business; and
9. The Savings Bank's Year 2000 Project Management Program must adhere to the terms, deadlines, requirements and conditions contained in the Year 2000 guidance issued by the OTS and/or the Federal Financial Institutions Examination Council ("FFIEC") including the May 5, 1997 *FFIEC Year 2000 Project Management Awareness* statement, the December 17, 1997 *FFIEC Safety and Soundness Guidelines Concerning the Year 2000 Business Risk*, the March 17, 1998 *FFIEC Guidance Concerning Institution Due Diligence in Connection with Service Provider and Software Vendor Year 2000 Readiness*, the March 17, 1998 *FFIEC Guidance Concerning the year 2000 Impact on Customers*, the April 10, 1998 *Guidance Concerning Testing for Year 2000 Readiness* and any subsequent OTS or FFIEC Year 2000 guidance, regulations or other requirements.

By order of the ~~Director of the Office~~ of Thrift Supervision, or her designee,
effective 4/24/98



John E. Ryan
Acting Executive Director, Supervision