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Comptroller of the Currency  
Administrator of National Banks

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250 E Street, SW  
Washington, D.C. 20129  
202-649-6260

Licensing Activities

January 17, 2013

**Conditional Approval #1059**  
**February 2013**

Dan Nelson, AVP Corporate Services  
RiverWood Bank  
14091 Baxter Drive, Suite 117  
P.O. Box 2947  
Baxter, Minnesota 56425

Re: Application to Merge RiverWood Bank, Baxter, Minnesota (#706326)  
with and into RiverWood Bank, Bemidji, Minnesota (#700566)  
OCC Control No. R3-2012-0013

Dear Mr. Nelson:

The Office of the Comptroller of the Currency (OCC) hereby conditionally approves your proposal to merge RiverWood Bank, Baxter, Minnesota (RW Baxter) with and into RiverWood Bank, Bemidji, Minnesota (RW Bemidji or the Bank) under the title and charter of the latter (the Application). This approval is granted after a thorough evaluation of the Application, other materials you have supplied, and other information available to the OCC, including representations made in the Application and by the Bank's representatives during the application process.

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act, 12 USC 1828(c), and applicable OCC regulations and policies. Among other matters, we found that the proposed transaction would not have significant anticompetitive effects. The OCC considered the financial and managerial resources of each institution involved, future prospects of each institution involved, each institution's effectiveness in combating money laundering, the convenience and needs of the communities to be served and the risk to the stability of the United States banking or financial system. The OCC considered these factors and found them consistent with approval.

This approval is subject to the following condition:

The Bank (i) shall provide the Minneapolis Field Office with sixty (60) days prior notice of the Bank's intent to significantly deviate or change from its business plan or operations and (ii) shall obtain OCC's written determination of no objection before the Bank engages in any

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Assistant Vice President  
RiverWood Bank – Bemidji  
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significant deviation or change from its business plan or operations.<sup>1</sup> The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a Bank's notice.

This condition is a condition "imposed in writing by a Federal banking agency in connection with any action on any application, notice or other requests" within the meaning of 12 USC 1818. As such, the condition is enforceable under 12 USC 1818.

As a reminder the following items must be completed and the OCC Central District Licensing Office must be advised in writing of the following:

1. The proposed transaction must be consummated in accordance with the Application, all applicable laws and regulations and this letter no later than 120 calendar days of the date of this letter unless the OCC grants an extension of the 120 calendar day period for good cause;
2. Prior to consummation, RW Baxter and RW Bemidji shall have received all required regulatory approvals and shall submit evidence of such approvals to the OCC;
3. On the business day prior to the date of consummation of the proposed transaction, the Chief Financial Officer of RW Baxter and RW Bemidji must certify in writing to the OCC that no material adverse events or material adverse changes have occurred with respect to the financial condition or operation of the institutions since the date of the financial statements submitted with the Application;
4. RW Bemidji must advise the OCC in writing within five (5) calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the application and this approval letter; and
5. No later than 30 days after the effective date, RW Bemidji shall advise each accountholder whose withdrawable accounts would increase above \$250,000 as a result of the transaction of the effect on their insurance coverage.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and

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<sup>1</sup> If such deviation is the subject of an application filed with the OCC, the OCC does not require any further notice to the supervisory office.

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examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

All correspondence regarding this application should be directed to this office and reference the application control number. If you have any questions, please contact Licensing Analyst Paula Dejmeck Woods at (312) 660-8710 or by email at [Paula.DejmeckWoods@occ.treas.gov](mailto:Paula.DejmeckWoods@occ.treas.gov).

Sincerely,

*Karen Marcotte*

Karen Marcotte  
Acting Director for Licensing Activities