UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

STATE OF WYOMING
DEPARTMENT OF AUDIT
DIVISION OF BANKING
CHEYENNE, WYOMING

Written Agreement by and among COWBOY STATE BANK Ranchester, Wyoming FEDERAL RESERVE BANK OF KANSAS CITY Kansas City, Missouri and WYOMING DEPARTMENT OF AUDIT DIVISION OF BANKING Cheyenne, Wyoming	Docket No. 10-043-WA/RB-SM

WHEREAS, in recognition of their common goal to maintain the financial soundness of Cowboy State Bank, Ranchester, Wyoming (the "Bank"), a state chartered bank that is a member of the Federal Reserve System, the Bank, the Federal Reserve Bank of Kansas City (the "Reserve Bank"), and the Wyoming Department of Audit, Division of Banking (the "Division") have mutually agreed to enter into this Written Agreement (the "Agreement"); and

WHEREAS, on April 29, 2010, the Bank's board of directors, at a duly constituted meeting, adopted a resolution authorizing and directing Sam Summers to consent to this Agreement on behalf of the Bank and consenting to compliance with each and every provision of this Agreement by the Bank and its institution-affiliated parties, as defined in section 3(u) of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. §§ 1813(u)).

NOW, THEREFORE, the Bank, the Reserve Bank, and the Division agree as follows:

Board Oversight

1. Within 90 days of this Agreement, the board of directors shall submit to the Reserve Bank and the Division a written plan to strengthen board oversight of the management and operations of the Bank. The plan shall, at a minimum, address, consider, and include:

(a) The actions that the board of directors will take to improve the Bank's condition and maintain effective control over, and supervision of, the Bank's major operations and activities, including but not limited to, credit risk management, processes to mitigate risks associated with credit concentrations, earnings, liquidity, internal controls, and interest rate risk management;

(b) the responsibility of the board of directors to monitor management's adherence to the Bank's approved policies and procedures, and applicable laws and regulations;

(c) establishment of operating committees, including, but not limited to, a loan committee, asset/liability committee ("ALCO"), and audit committee, that meet on a regular basis, keep minutes, and monthly report to the full board of directors;

(d) management succession for key senior officers; and

(e) a description of the information and reports that will be regularly reviewed by the board of directors in its oversight of the operations and management of the Bank, including information on the Bank's adversely classified assets, allowance for loan and lease losses, capital, earnings, interest rate risk, and liquidity.

Credit Risk Management

2. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division an acceptable written plan to strengthen credit risk management practices. The plan shall, at a minimum, address, consider, and include:

(a) The responsibility of the board of directors to establish appropriate risk tolerance guidelines and risk limits;

(b) procedures to periodically review and revise risk exposure limits to address changes in market conditions;

(c) strategies to minimize credit losses and reduce the level of problem assets;

(d) enhancements to the internal loan grading system to ensure timely and accurate risk ratings; and

(e) procedures to identify, limit, and manage concentrations of credit, including, but not limited to, establishment of concentration of credit risk tolerances or limits by types of loan products, geographic locations, participations purchased, and other common risk characteristics, and for commercial real estate, consistency with the Interagency Guidance on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices, dated December 12, 2006 (SR 07-1).

Lending and Credit Administration

3. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division an acceptable enhanced written lending and credit administration program that shall, at a minimum, address, consider, and include:

(a) The board of directors' periodic review and approval of loan and credit administration policies;

(b) revised underwriting standards for loan participations purchased from other financial entities including, but not limited to, due diligence practices, monitoring and adhering to board established risk limits, and documenting the basis for approvals of all loan participations purchased;

(c) revisions to the insider lending policy that include compliance with applicable federal and state laws and regulations;

(d) revised credit administration standards for accounts receivable factoring;

(e) limits on off-balance sheet exposures; and

(f) standards for timely placing loans on non-accrual status.

Internal Controls

4. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division acceptable written procedures designed to strengthen the Bank's internal controls and to maintain the accuracy of the Bank's books and records that shall, at a minimum, address, consider, and include:

(a) Dual controls and segregation of duties;

(b) timely reconcilement of general ledger and subsidiary ledger accounts, and timely resolution of open items;

(c) measures to ensure the timely and accurate preparation, including supporting schedules, of the Bank's Consolidated Reports of Condition and Income ("Call Report"); and

(d) correction of the internal control deficiencies noted in the in the report of the examination of the Bank conducted by the Reserve Bank and the Division that commenced on September 14, 2009 (the "Report of Examination").

Internal Audit

5. Within 90 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division an acceptable written internal audit program that is suitable to the Bank's risk profile. The program shall, at a minimum, address, consider, and include the requirements outlined in the Amended Interagency Guidance on the Internal Audit Function and its Outsourcing, issued March 17, 2003 (SR 03-05).

Asset Improvement

6. The Bank shall not, directly or indirectly, extend, renew, or restructure any credit to or for the benefit of any borrower, including any related interest of the borrower, whose loans or other extensions of credit are criticized in the Report of Examination or in any subsequent report of examination, without the prior approval of a majority of the full board of directors or a designated committee thereof. The board of directors or its committee shall document in writing the reasons for the extension of credit, renewal, or restructuring, specifically certifying that: (i) the Bank's risk management policies and practices for loan workout activity are acceptable; (ii) the extension of credit is necessary to improve and protect the Bank's interest in the ultimate collection of the credit already granted and maximize its potential for collection; (iii) the extension of credit reflects prudent underwriting based on reasonable repayment terms and is adequately secured; and all necessary loan documentation has been properly and accurately prepared and filed; (iv) the Bank has performed a comprehensive credit analysis indicating that the borrower has the willingness and ability to repay the debt as supported by an adequate workout plan, as necessary; and (v) the board of directors or its designated committee reasonably believes that the extension of credit will not impair the Bank's interest in obtaining repayment of the already outstanding credit and that the extension of credit or renewal will be repaid according

to its terms. The written certification shall be made a part of the minutes of the meetings of the board of directors or its committee, as appropriate, and a copy of the signed certification, together with the credit analysis and related information that was used in the determination, shall be retained by the Bank in the borrower's credit file for subsequent supervisory review. For purposes of this Agreement, the term "related interest" is defined as set forth in section 215.2(n) of Regulation O of the Board of Governors of the Federal Reserve System (the "Board of Governors") (12 C.F.R. § 215.2(n)).

7. (a) Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division an acceptable written plan designed to improve the Bank's position through repayment, amortization, liquidation, additional collateral, or other means on each loan or other asset in excess of $75,000, including other real estate owned ("OREO"), that: (i) is past due as to principal or interest more than 90 days as of the date of this Agreement; (ii) is on the Bank's problem loan list; or (iii) was adversely classified in the Report of Examination. In developing the plan for each loan, the Bank shall, at a minimum, review, analyze, and document the financial position of the borrower, including source of repayment, repayment ability, and alternative repayment sources, as well as the value and accessibility of any pledged or assigned collateral, and any possible actions to improve the Bank's collateral position.

(b) Within 30 days of the date that any additional loan or other asset in excess of $75,000, including OREO: (i) becomes past due as to principal or interest for more than 90 days; (ii) is on the Bank's problem loan list; or (iii) is adversely classified in any subsequent report of examination of the Bank, the Bank shall submit to the Reserve Bank and the Division an acceptable written plan to improve the Bank's position on such loan or asset.

(c) Within 30 days after the end of each calendar quarter thereafter, the Bank shall submit a written progress report to the Reserve Bank and the Division to update each asset improvement plan, which shall include, at a minimum, the carrying value of the loan or other asset and changes in the nature and value of supporting collateral, along with a copy of the Bank's current problem loan list, a list of all loan renewals and extensions without full collection of interest in the last quarter, and past due/non-accrual report. The board of directors shall review the progress reports before submission to the Reserve Bank and the Division and shall document the review in the minutes of the board of directors' meetings.

Allowance for Loan and Lease Losses

8. (a) Within 10 days of this Agreement, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "loss" in the Report of Examination that have not been previously collected in full or charged off. Thereafter, the Bank shall, within 30 days from the receipt of any federal or state report of examination, charge off all assets classified "loss" unless otherwise approved in writing by the Reserve Bank and the Division.

(b) Within 60 days of this Agreement, the Bank shall review and revise its allowance for loan and lease losses ("ALLL") methodology consistent with relevant supervisory guidance, including the Interagency Policy Statements on the Allowance for Loan and Lease Losses, dated July 2, 2001 (SR 01-17 (Sup)) and December 13, 2006 (SR 06-17), and the findings and recommendations regarding the ALLL set forth in the Report of Examination, and submit a description of the revised methodology to the Reserve Bank and the Division. The revised ALLL methodology shall be designed to maintain an adequate ALLL and shall address, consider, and include, at a minimum, the reliability of the Bank's loan grading system, the volume of criticized loans, concentrations of credit, the current level of past due and nonperforming loans, past loan loss experience, evaluation of probable losses in the Bank's loan portfolio, including adversely classified loans, and the impact of market conditions on loan and collateral valuations and collectibility.

(c) Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division an acceptable written program for the maintenance of an adequate ALLL. The program shall include policies and procedures to ensure adherence to the revised ALLL methodology and provide for periodic reviews and updates to the ALLL methodology, as appropriate. The program shall also provide for a review of the ALLL by the board of directors on at least a quarterly calendar basis. Any deficiency found in the ALLL shall be remedied in the quarter it is discovered, prior to the filing of the Call Report, by additional provisions. The board of directors shall maintain written documentation of its review, including the factors considered and conclusions reached by the Bank in determining the adequacy of the ALLL. During the term of this Agreement, the Bank shall submit to the Reserve Bank and the Division within 30 days after the end of each calendar quarter, a written report regarding the board of directors' quarterly review of the ALLL and a description of any changes to the methodology used in determining the amount of ALLL for that quarter.

Capital Plan

9. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division an acceptable written plan to maintain sufficient capital. The plan shall, at a minimum, address, consider, and include:

(a) The Bank's current and future capital needs, including compliance with the Capital Adequacy Guidelines for State Member Banks: Risk-Based Measure and Tier 1

Leverage Measure, Appendices A and B of Regulation H of the Board of Governors (12 C.F.R. Part 208, App. A and B);

(b) the adequacy of the Bank's capital, taking into account the volume of classified credits, concentrations of credit, ALLL, current and projected asset growth, and projected retained earnings; and

(c) the source and timing of additional funds to fulfill the Bank's future capital requirements.

10. The Bank shall notify the Reserve Bank and the Division, in writing, no more than 30 days after the end of any quarter in which any of the Bank's capital ratios (total risk-based, Tier 1 risk-based, or leverage) fall below the approved capital plan's minimum ratios. Together with the notification, the Bank shall submit an acceptable written plan that details the steps the Bank will take to increase the Bank's capital ratios to or above the approved capital plan's minimums.

Earnings Plan and Budget

11. (a) Within 90 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division a written business plan for the remainder of 2010 to improve the Bank's earnings and overall condition. The plan, at a minimum, shall provide for or describe:

(i) goals and strategies for improving the Bank's earnings;

(ii) a realistic and comprehensive budget for the remainder of 2010, including income statement and balance sheet projections; and

(iii) a description of the operating assumptions that form the basis for, and adequately support, major projected income, expense, and balance sheet components.

(b) A business plan and budget for each calendar year subsequent to 2010 shall be submitted to the Reserve Bank and the Division at least 30 days prior to the beginning of that calendar year.

Liquidity/Funds Management

12. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division an acceptable written plan designed to improve management of the Bank's liquidity position and funds management practices, including, but not limited to:

(a) The responsibilities of the ALCO to ensure that the Bank's measurement systems adequately identify and quantify the Bank's liquidity-risk exposure and communicate accurate and relevant information about the level and sources of that exposure;

(b) measures to enhance the monitoring and measurement of the Bank's liquidity, and reporting of the Bank's liquidity to the ALCO and board of directors; and

(c) identification of contingent liquidity sources.

13. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division an acceptable written contingency funding plan that, at a minimum, includes appropriate adverse scenario planning.

Interest Rate Risk Management

14. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division an acceptable written plan to improve interest rate risk management practices that are appropriate for the size and complexity of the Bank. The plan shall, at a minimum, address the following:

(a) An adequate system for measuring and monitoring the Bank's interest rate risk;

(b) appropriate parameters governing the economic risk to the Bank's capital due to changes in interest rates; and

(c) reporting to the ALCO and board of directors.

Investment Policy

15. Within 90 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division an acceptable revised written investment policy that shall, at a minimum, address, consider, and include:

(a) Periodic analysis of the investment portfolio, including, but not limited to the assessment of market risk, credit risk, and liquidity risk of the underlying investments;

(b) the appointment of an investment officer and designation of an investment committee;

(c) establishment of acceptable maturities for each type of investment; and

(d) periodic independent review of the investment portfolio.

Dividends

16. (a) The Bank shall not declare or pay any dividends without the prior written approval of the Reserve Bank, the Director of the Division of Banking Supervision and Regulation of the Board of Governors, and the Division.

(b) All requests for prior written approval shall be received at least 30 days prior to the proposed dividend declaration date. All requests shall contain, at a minimum, current and projected information on the Bank's capital, asset quality, earnings, and ALLL needs; and identification of the sources of funds for the proposed payment. The Bank must also demonstrate that the requested declaration or payment of dividends is consistent with the Board of Governors' Policy Statement on the Payment of Cash Dividends by State Member Banks and Bank Holding

Companies, dated November 14, 1985 (Federal Reserve Regulatory Service, 4-877 at page 4-323).

Information Technology and Security

17. Within 90 days of this Agreement, the Bank shall submit to the Reserve Bank and the Division an acceptable plan, including timetables, to correct the information technology and disaster recovery/ business continuity planning deficiencies noted in the Report of Examination.

Compliance with Laws and Regulations

18. (a) The Bank shall take all necessary steps to correct all violations of law or regulation cited in the Report of Examination. In addition, the Bank shall take necessary steps to ensure future compliance with all applicable laws and regulations.

(b) In appointing any new director or senior executive officer, or changing the responsibilities of any senior executive officer so that the officer would assume a different senior executive officer position, the Bank shall comply with the notice provisions of section 32 of the FDI Act (12 U.S.C. § 1831i) and Subpart H of Regulation Y of the Board of Governors (12 C.F.R. §§ 225.71 *et seq.*).

(c) The Bank shall comply with the restrictions on indemnification and severance payments of section 18(k) of the FDI Act (12 U.S.C. § 1828(k)) and Part 359 of the Federal Deposit Insurance Corporation's regulations (12 C.F.R. Part 359).

Compliance with the Agreement

19. Within 30 days after the end of each calendar quarter following the date of this Agreement, the board of directors shall submit to the Reserve Bank and the Division written progress reports detailing the form and manner of all actions taken to secure compliance with this Agreement and the results thereof.

Approval and Implementation of Plans, Programs, Policy, and Procedures

20. (a) The Bank shall submit written plans, programs, policy, and procedures that are acceptable to the Reserve Bank and the Division within the applicable time periods set forth in paragraphs 2, 3, 4, 5, 7, 8(c), 9, 10, 12, 13, 14, 15, and 17 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank and the Division, the Bank shall adopt the approved plans, programs, policy, and procedures. Upon adoption, the Bank shall promptly implement the approved plans, programs, policy, and procedures, and thereafter fully comply with them.

(c) During the term of this Agreement, the approved plans, programs, policy, and procedures shall not be amended or rescinded without the prior written approval of the Reserve Bank and the Division.

Communications

21. All communications regarding this Agreement shall be sent to:

(a) Ms. Susan E. Zubradt
Vice President
Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

(b) Mr. Jeffrey C. Vogel
State Banking Commissioner
Wyoming Division of Banking
122 W. 25th Street
Cheyenne, Wyoming 82002

(c) Mr. Sam Summers
President
Cowboy State Bank
P.O. Box 789
Ranchester, Wyoming 82839

Miscellaneous

22. Notwithstanding any provision of this Agreement, the Reserve Bank and the Division may, in their sole discretion, grant written extensions of time to the Bank to comply with any provision of this Agreement.

23. The provisions of this Agreement shall be binding upon the Bank and its institution-affiliated parties, in their capacities as such, and their successors and assigns.

24. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank and the Division.

25. The provisions of this Agreement shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, the Division, or any other federal or state agency from taking any other action affecting the Bank or any of its current or former institution-affiliated parties and their successors and assigns.

26. Pursuant to Section 50 of the FDI Act (12 U.S.C. § 1831aa), this Agreement is enforceable by the Board of Governors under section 8 of the FDI Act (12 U.S.C. § 1818).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 6th day of May, 2010.

COWBOY STATE BANK

By: /s/ Sam Summers
Sam Summers
President

FEDERAL RESERVE BANK OF KANSAS CITY

By: /s/ Susan E. Zubradt
Susan E. Zubradt
Vice President

WYOMING DEPARTMENT OF AUDIT DIVISION OF BANKING

By: /s/ Jeffrey C. Vogel
Jeffrey C. Vogel
Commissioner