

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

Written Agreement by and between

NEW FRONTIER BANCORP
Greeley, Colorado

and

FEDERAL RESERVE BANK OF
KANSAS CITY
Kansas City, Missouri

Docket No. 09-001-WA/RB-HC

WHEREAS, New Frontier Bancorp, Greeley, Colorado (“New Frontier”), a registered bank holding company, owns and controls New Frontier Bank, Greeley, Colorado (the “Bank”), a state nonmember bank, and various nonbank subsidiaries;

WHEREAS, it is the common goal of New Frontier and the Federal Reserve Bank of Kansas City (the “Reserve Bank”) to maintain the financial soundness of New Frontier so that New Frontier may serve as a source of strength to the Bank;

WHEREAS, New Frontier and the Reserve Bank have mutually agreed to enter into this Written Agreement (the “Agreement”); and

WHEREAS, on January 12, 2009, the board of directors of New Frontier, at a duly constituted meeting, adopted a resolution authorizing and directing Larry Seastrom to enter into this Agreement on behalf of New Frontier, and consenting to compliance with each and every provision of this Agreement by New Frontier and its institution-affiliated parties, as

defined in sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”) (12 U.S.C. §§ 1813(u) and 1818(b)(3)).

NOW, THEREFORE, New Frontier and the Reserve Bank agree as follows:

Dividends

1. (a) New Frontier shall not declare or pay any dividends without the prior written approval of the Reserve Bank and the Director of the Division of Banking Supervision and Regulation (the “Director”) of the Board of Governors of the Federal Reserve System (the “Board of Governors”).

(b) New Frontier shall not directly or indirectly take dividends or any other form of payment representing a reduction in capital from the Bank without the prior written approval of the Reserve Bank.

(c) New Frontier and its nonbank subsidiaries shall not make any distributions of interest, principal, or other sums on subordinated debentures or trust preferred securities without the prior written approval of the Reserve Bank and the Director.

(d) All requests for prior approval shall be received by the Reserve Bank at least 30 days prior to the proposed dividend declaration date, proposed distribution on subordinated debentures, and required notice of deferral on trust preferred securities. All requests shall contain, at a minimum, current and projected information on New Frontier’s capital, earnings, and cash flow; the Bank’s capital, asset quality, earnings, and allowance for loan and lease losses (“ALLL”); and identification of the sources of funds for the proposed payment or distribution. For requests to declare or pay dividends, New Frontier 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).

Debt and Stock Redemption

2. (a) New Frontier and any nonbank subsidiary shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank.

All requests for prior written approval shall contain, but not be limited to, a statement regarding the purpose of the debt, the terms of the debt, and the planned source(s) for debt repayment, and an analysis of the cash flow resources available to meet such debt repayment.

(b) New Frontier shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank.

Capital Plan

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

(a) The consolidated organization's and the Bank's current and future capital requirements, including compliance with the Capital Adequacy Guidelines for Bank Holding Companies: Risk-Based Measure and Tier 1 Leverage Measure, Appendices A and D of Regulation Y of the Board of Governors (12 C.F.R. Part 225, App. A and D) and the capital adequacy guidelines for the Bank issued by the Bank's federal regulator;

(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;

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

(d) federal or state supervisory requests for additional capital at the Bank or the requirements of any supervisory action imposed on the Bank by any federal or state regulator;

(e) the requirements of section 225.4(a) of Regulation Y of the Board of Governors (12 C.F.R. § 225.4(a)) that New Frontier serve as a source of strength to the Bank; and

(f) procedures for New Frontier to: (i) notify the Reserve Bank, in writing, no more than 30 days after the end of any quarter in which New Frontier's consolidated capital ratios or the Bank's capital ratios (total risk-based, Tier 1 risk-based, or leverage) fall below the plan's minimum ratios; and (ii) submit simultaneously to the Reserve Bank an acceptable written plan that details the steps New Frontier will take to increase its and the Bank's capital ratios above the plan's minimums within 30 days of such calendar quarter-end date.

Cash Flow Projections

4. Within 60 days of this Agreement, New Frontier shall submit to the Reserve Bank a written statement of New Frontier's planned sources and uses of cash for debt service, operating expenses, and other purposes ("Cash Flow Projection") for 2009. New Frontier shall submit to the Reserve Bank a Cash Flow Projection for each calendar year subsequent to 2009 at least one month prior to the beginning of that calendar year.

Affiliate Transactions

5. (a) New Frontier shall take all necessary actions to ensure that the Bank complies with sections 23A and 23B of the Federal Reserve Act (12 U.S.C. §§ 371c and 371c-1)

and Regulation W of the Board of Governors (12 C.F.R. Part 223) in all transactions between the Bank and its affiliates, including but not limited to New Frontier and its nonbank subsidiaries.

(b) New Frontier and its nonbank subsidiaries shall not cause the Bank to violate any provision of sections 23A and 23B of the Federal Reserve Act or Regulation W of the Board of Governors.

Compliance with Laws and Regulations

6. (a) 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, New Frontier 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.*).

(b) New Frontier 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).

Progress Reports

7. 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 written progress reports detailing the form and manner of all actions taken to secure compliance with the provisions of this Agreement and the results thereof, and a parent company only balance sheet, income statement, and, as applicable, a report of changes in stockholders' equity.

Approval and Implementation of Plan

8. (a) New Frontier shall submit a written capital plan that is acceptable to the Reserve Bank within the applicable time period set forth in paragraph 3 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank, New Frontier shall adopt the approved capital plan. Upon adoption, New Frontier shall promptly implement the approved plan, and thereafter fully comply with it.

(c) During the term of this Agreement, the approved capital plan shall not be amended or rescinded without the prior written approval of the Reserve Bank.

Communications

9. 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. Larry Seastrom
President
New Frontier Bancorp
2425 35th Avenue
Greeley, Colorado 80634

Miscellaneous

10. Notwithstanding any provision of this Agreement, the Reserve Bank may, in its sole discretion, grant written extensions of time to New Frontier to comply with any provision of this Agreement.

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

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

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

14. 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 12th day of January, 2009.

NEW FRONTIER BANCORP

FEDERAL RESERVE BANK
OF KANSAS CITY

By: /s/ Larry Seastrom
Larry Seastrom
President

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