

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

Written Agreement by and between

BANK OF CHOICE HOLDING COMPANY
Greeley, Colorado

and

FEDERAL RESERVE BANK OF
KANSAS CITY
Kansas City, Missouri

Docket No. 10-216-WA/RB-HC

WHEREAS, Bank of Choice Holding Company, Greeley, Colorado (“BOCHC”), a registered bank holding company, owns and controls Bank of Choice, Greeley, Colorado (the “Bank”), a state-chartered nonmember bank; another insured depository institution (collectively, the “Subsidiary Banks”); and various nonbank subsidiaries;

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

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

WHEREAS, on November 2, 2010, the board of directors of BOCHC, at a duly constituted meeting, adopted a resolution authorizing and directing Joseph C. Bonner to enter into this Agreement on behalf of BOCHC, and consenting to compliance with each and every provision of this Agreement by BOCHC 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, BOCHC and the Reserve Bank agree as follows:

Source of Strength

1. The board of directors of BOCHC shall take appropriate steps to fully utilize BOCHC’s financial and managerial resources, pursuant to section 225.4(a) of Regulation Y of the Board of Governors of the Federal Reserve System (the “Board of Governors”) (12 C.F.R. § 225.4(a)), to serve as a source of strength to the Subsidiary Banks, including, but not limited to, taking steps to ensure that the Bank complies with the Consent Order entered into with the Federal Deposit Insurance Corporation on May 6, 2010, any other supervisory action taken by the Bank’s federal or state regulator, and any supervisory action taken by the other subsidiary bank’s federal regulator during the term of this Agreement.

Dividends and Distributions

2. (a) BOCHC 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.

(b) BOCHC 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) BOCHC shall not, without the prior written approval of the Reserve Bank, directly or indirectly take dividends or any other form of payment representing a reduction in capital from its other subsidiary bank that, during the term of this Agreement, is subject to any restrictions by the subsidiary bank’s federal regulator that limits the payment of dividends.

(d) BOCHC 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.

(e) 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 BOCHC's capital, earnings, and cash flow; the Subsidiary Banks' capital, asset quality, earnings, and allowance for loan and lease losses; and identification of the sources of funds for the proposed payment or distribution. For requests to declare or pay dividends, BOCHC 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

3. (a) BOCHC and its nonbank subsidiaries 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) BOCHC shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank.

Capital Plan

4. Within 60 days of this Agreement, BOCHC shall submit to the Reserve Bank an acceptable written plan to maintain sufficient capital at BOCHC on a consolidated basis. 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 applicable capital adequacy guidelines for the Bank issued by the Bank's federal regulator;

(b) the adequacy of the Subsidiary Banks' capital, taking into account the volume of classified credits, risk profile, the adequacy of the allowance for loan and lease losses, current and projected asset growth, and projected earnings;

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

(d) supervisory requests for additional capital at the Subsidiary Banks or the requirements of any supervisory action imposed on the Subsidiary Banks by federal or state regulators; and

(e) the requirements of section 225.4(a) of Regulation Y of the Board of Governors that BOCHC serve as a source of strength to the Subsidiary Banks.

5. BOCHC shall notify the Reserve Bank, in writing, no more than 30 days after the end of any quarter in which any of BOCHC's capital ratios fall below the approved plan's minimum ratios. Together with the notification, BOCHC shall submit an acceptable written plan

that details the steps that BOCHC will take to increase BOCHC's capital ratios to or above the approved plan's minimums.

Allowance for Loan and Lease Losses

6. (a) Within 10 days of the acquisition or origination of any loan or other extension of credit, BOCHC shall establish and maintain a sound process for determining, documenting and recording an adequate allowance for loan and lease losses ("ALLL") in accordance with regulatory reporting instructions and 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).

(b) Within 30 days of establishing the ALLL pursuant to paragraph 6(a) of this Agreement, BOCHC shall submit to the Reserve Bank an acceptable written program for the maintenance of an adequate ALLL. The program shall include policies and procedures to ensure adherence to BOCHC's 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 any required regulatory reports, by additional provisions. The board of directors shall maintain written documentation of its review, including the factors considered and conclusions reached by BOCHC in determining the adequacy of the ALLL. During the term of this Agreement, BOCHC shall submit to the Reserve Bank, 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 the ALLL for that quarter.

Cash Flow Projections

7. Within 60 days of this Agreement, BOCHC shall submit to the Reserve Bank a written statement of its planned sources and uses of cash for debt service, operating expenses, and other purposes (“Cash Flow Projection”) for 2011. BOCHC shall submit to the Reserve Bank a Cash Flow Projection for each calendar year subsequent to 2011 at least one month prior to the beginning of that calendar year.

Compliance with Laws and Regulations

8. (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, BOCHC 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) BOCHC 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

9. 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, report of changes in stockholders’ equity.

Approval and Implementation of Plan

10. (a) BOCHC shall submit a written capital plan that is acceptable to the Reserve Bank within the applicable time period set forth in paragraph 4 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank, BOCHC shall adopt the approved capital plan. Upon adoption, BOCHC 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

11. 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) Joseph C. Bonner
CEO/President
Bank of Choice Holding Company
3780 West 10th Street
Greeley, Colorado 80634

Miscellaneous

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

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

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

15. 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 BOCHC, the Subsidiary Banks, a nonbank subsidiary of BOCHC, or any of their current or former institution-affiliated parties and their successors and assigns.

16. 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 2nd day of November, 2010.

BANK OF CHOICE HOLDING COMPANY

FEDERAL RESERVE BANK
OF KANSAS CITY

By: /s/ Joseph C. Bonner
Joseph C. Bonner
CEO/ President

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