

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

_____)	
Written Agreement by and between)	
)	
WILLIAM J. COLLIER)	
)	
An institution affiliated party of)	Docket No. 04-019-WA/RB-I2
Kenco Bancshares, Inc.)	
Jayton, Texas)	
)	
and)	
)	
FEDERAL RESERVE BANK)	
OF DALLAS)	
Dallas, Texas)	
_____)	

WHEREAS, in December 2001, the Federal Reserve Bank of Dallas (“Reserve Bank”), acting under authority delegated by the Board of Governors of the Federal Reserve System (the “Board of Governors”), notified Thomas C. Darden (“Darden”), William J. Collier, and Jesse L. Reese (collectively, the “Control Group”), Robert G. Hall, chairman of the board directors of Kenco Bancshares, Inc., Jayton, Texas (“Kenco”), a registered bank holding company that owns and controls the Kent County State Bank, Jayton, Texas (the “Bank”), and Bob E. Hamilton, a member of the board of directors of Kenco, that the Reserve Bank did not intend to disapprove the Control Group’s proposed acquisition of Kenco pursuant to the Change in Bank Control Act (12 U.S.C. 1817(j)) subject to several commitments made by Darden, including a commitment that Darden not be appointed as a director, officer, employee or have any other duties or responsibilities with respect to Kenco without the prior approval of the Reserve Bank (the “Commitment”);

WHEREAS, in 2002, in violation of the Commitment, Darden was an employee, agent, or had other duties and responsibilities with respect to the sale of Kenco bonds;

WHEREAS, in January 2004, in violation of the Commitment, Darden ~~was~~ elected as a director of Kenco;

WHEREAS, William J. Collier, as a director of Kenco, engaged in unsafe and unsound practices by failing to ensure that Darden comply with the Commitment and by failing to inform the Reserve Bank that Darden had violated the Commitment;

WHEREAS, William J. Collier is an institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813(u) and 1818(b)(3)) (the "FDI Act"), of Kenco, and;

WHEREAS, on OCT 11, 2004, William J. Collier agreed to enter into this Agreement, and consenting to compliance with each and every provision of this Agreement;

NOW, THEREFORE, William J. Collier and the Reserve Bank agree as follows:

Compliance with the Commitment

1. Collier shall take any action as necessary to (a) ensure that Darden complies with the Commitment, and (b) immediately notify the Reserve Bank in writing any time any action is taken by Darden regarding the Commitment.

Communications

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

- (a) Mr. W. ~~Arthur~~ Tribble
Vice President
Federal Reserve Bank of Dallas
P.O. Box 655906
Dallas, Texas 75265

(b) Mr. William J. Collier
P.O. Box 7
Post. Texas 79356

Miscellaneous

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

4. 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 or department from taking any other action affecting Kenco, Kent County **State** Bank, or any of their current or **former** institution-affiliated parties.

5. This Agreement is a "written agreement" for the purposes of, and is enforceable by the Board of Governors **as** an order issued 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 20th day of October, 2004.

William J. Collier

Federal Reserve Bank of Dallas

By: WJ Collier

By: W. Arthur Jenkins