

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

Written Agreement by and between

FIRST OLATHE BANCSHARES, INC.  
Overland Park, Kansas

and

FEDERAL RESERVE BANK OF  
KANSAS CITY  
Kansas City, Missouri

Docket No. 10-119-WA/RB-HC

WHEREAS, First Olathe Bancshares, Inc., Overland Park, Kansas (“FOBI”) is a registered bank holding company that owns and controls The First National Bank of Olathe, Olathe, Kansas (“FNB-Olathe”) and First National Bank of Scottsdale, Scottsdale, Arizona (“FNB-Scottsdale”), national banks, and, through Bannister Bancshares, Inc., Kansas City, Missouri, an intermediate holding company, Union Bank, Kansas City, Missouri, a state-chartered nonmember bank, and various nonbank subsidiaries;

WHEREAS, it is the common goal of FOBI and the Federal Reserve Bank of Kansas City (the “Reserve Bank”) to maintain the financial soundness of FOBI so that FOBI may serve as a source of strength to FNB-Olathe, FNB-Scottsdale, and Union Bank (collectively, the “Banks”);

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

WHEREAS, on July 7, 2010, the board of directors of FOBI, at a duly constituted meeting, adopted a resolution authorizing and directing George D. Thompson to enter into this Agreement on behalf of FOBI, and consenting to compliance with each and every provision of this Agreement by FOBI 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, FOBI and the Reserve Bank agree as follows:

### **Source of Strength**

1. The board of directors of FOBI shall take appropriate steps to fully utilize FOBI’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 Banks including, but not limited to, taking steps to ensure that: FNB-Olathe complies with the Consent Order to which FNB-Olathe stipulated with the Office of the Comptroller of the Currency (the “OCC”) on January 21, 2010; FNB-Scottsdale complies with the Written Agreement, which FNB-Scottsdale entered into with the OCC on January 21, 2010; Union Bank complies with the Consent Order to which Union Bank stipulated with the Federal Deposit Insurance Corporation (the “FDIC”) on October 5, 2009; and each of the Banks complies with any other supervisory action taken by the Banks’ respective federal or state regulators.

### **Dividends, Distributions, and Other Payments**

2. (a) FOBI 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.

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

(c) FOBI 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, required notice of deferral on trust preferred securities, or other proposed distribution or payment. All requests shall contain, at a minimum, current and projected information, as applicable, on FOBI's capital, earnings, and cash flow; the respective 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, FOBI 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) FOBI 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) FOBI 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, FOBI shall submit to the Reserve Bank an acceptable written plan to maintain sufficient capital at FOBI on a consolidated basis. The plan shall, at a minimum, address, consider, and include:

(a) The consolidated organization's and the Banks' 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 Banks issued by the Banks' federal regulators;

(b) the adequacy of the capital of each of the Banks, taking into account the volume of classified credits, concentrations of credit, allowance for loan and lease losses, current and projected asset growth, and projected retained earnings;

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

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

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

5. FOBI shall notify the Reserve Bank, in writing, no more than 30 days after the end of any quarter in which FOBI's capital ratios fall below the approved plan's minimum ratios.

Together with the notification, FOBI shall submit an acceptable written plan that details the steps that FOBI will take to increase its capital ratios to or above the approved plan's minimums.

### **Internal Audit**

6. Within 90 days of this Agreement, FOBI shall submit to the Reserve Bank an acceptable enhanced written internal audit program for the consolidated organization and any of the Banks for which FOBI performs internal audits. The program shall, at a minimum, address, consider, and include:

- (a) Setting an appropriate audit schedule based on risk assessments;
- (b) assigning separate conclusion ratings to each of the Banks;
- (c) the frequency of audits, which shall be scheduled to allow FOBI and the Banks to meet any applicable reporting requirements;
- (d) timely resolution of audit findings and follow-up reviews to ensure completion of corrective measures; and
- (e) comprehensive tracking and reporting of the status and resolution of audit and examination findings.

### **Cash Flow Projections**

7. Within 60 days of this Agreement, FOBI 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 2010. FOBI shall submit to the Reserve Bank a Cash Flow Projection for each calendar year subsequent to 2010 at least one month prior to the beginning of that calendar year.

### **Affiliate Transactions**

8. (a) FOBI shall take all necessary actions to ensure that each of the Banks 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 each of the Banks and their affiliates, including but not limited to FOBI and the various nonbank subsidiaries.

(b) FOBI and its nonbank subsidiaries shall not cause the Banks 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**

9. (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, FOBI 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) FOBI 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 FDIC's regulations (12 C.F.R. Part 359).

### **Progress Reports**

10. 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 Plans and Program**

11. (a) FOBI shall submit written plans and a program that are acceptable to the Reserve Bank within the applicable time periods set forth in paragraphs 4, 5, and 6 of this Agreement.

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

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

### **Communications**

12. 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. George D. Thompson  
President  
First Olathe Bancshares, Inc.  
7800 College Boulevard  
Overland Park, Kansas 66210

### **Miscellaneous**

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

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

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

16. 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 FOBI, the Banks, any nonbank subsidiary of FOBI, or any of their current or former institution-affiliated parties and their successors and assigns.

17. 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 7<sup>th</sup> day of July, 2010.

FIRST OLATHE BANCSHARES, INC.

FEDERAL RESERVE BANK  
OF KANSAS CITY

By: /s/ George D. Thompson  
George D. Thompson  
President

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