

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

STATE OF TEXAS
COMMISSIONER OF BANKING
AUSTIN, TEXAS

Written Agreement by and among

TRANSPICOS FINANCIAL CORP.
San Antonio, Texas

TRANSPICOS BANKS
Pecos, Texas

FEDERAL RESERVE BANK OF DALLAS
Dallas, Texas

and

TEXAS COMMISSIONER OF BANKING
Austin, Texas

Docket Nos. 11-020-WA/RB-HC
11-020-WA/RB-SM

WHEREAS, in recognition of their common goal to maintain the financial soundness of TransPecos Financial Corp., San Antonio, Texas (“TPFC”), a registered bank holding company, and its subsidiary bank, TransPecos Banks, Pecos, Texas (the “Bank”), a state-chartered bank that is a member of the Federal Reserve System, TPFC, the Bank, the Federal Reserve Bank of Dallas (the “Reserve Bank”), and the State of Texas Commissioner of Banking (the “Commissioner”) have mutually agreed to enter into this Written Agreement (the “Agreement”); and

WHEREAS, on March 22, 2011, the boards of directors of TPFC and the Bank, at duly constituted meetings, adopted resolutions authorizing and directing Patrick Kennedy, Jr. to enter into this Agreement on behalf of TPFC and the Bank, and consenting to compliance with each and every applicable provision of this Agreement by TPFC, the Bank, and their 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, TPFC, the Bank, the Reserve Bank, and the Commissioner agree as follows:

Source of Strength

1. The board of directors of TPFC shall take appropriate steps to fully utilize TPFC’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 Bank, including, but not limited to, taking steps to ensure that the Bank complies with this Agreement and any other supervisory action taken by the Bank’s federal or state regulators.

Board Oversight

2. Within 60 days of this Agreement, the board of directors of the Bank shall submit to the Reserve Bank and the Commissioner a written plan to strengthen board oversight of the management and operations of the Bank and to ensure that the Bank is operated in a safe and sound manner. 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 senior management and major operations and activities, including but not limited to: lending and credit administration; loan grading and loan review; capital; earnings; compliance with laws, regulations, and Bank policies; and internal audit;

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

(c) a description of the information and reports that will be regularly reviewed by the Bank's board of directors in its oversight of the operations and management of the Bank, including information on the Bank's problem assets, allowance for loan and lease losses ("ALLL"), capital, earnings, compliance, and internal audit.

Management Review

3. (a) Within 30 days of this Agreement, the board of directors of the Bank shall retain an independent consultant acceptable to the Reserve Bank and the Commissioner to complete an assessment of: (i) the qualifications of management, including their ability to adhere to applicable laws and regulations and the Bank's established policies and procedures, restore and maintain the Bank in a safe and sound condition, and comply with the requirements of this Agreement; and (ii) the reasonableness of the amount of compensation paid to persons in management positions in comparison to their services performed. The independent consultant shall prepare a written report of findings and recommendations (the "Report"), concerning the

appropriateness of the management structure and whether key positions are filled with qualified personnel.

(b) Within 10 days of the Reserve Bank's and the Commissioner's approval of the Bank's independent consultant selection, the Bank shall submit an engagement letter to the Reserve Bank and the Commissioner for approval. The engagement letter shall require the independent consultant to submit the Report within 30 days of regulatory approval of the engagement letter and to provide a copy of the Report to the Reserve Bank and the Commissioner at the same time it is provided to the Bank's board of directors.

4. Within 30 days of receipt of the Report, the Bank's board of directors shall submit a written management plan to the Reserve Bank and the Commissioner that fully addresses the findings and recommendations in the independent consultant's Report and describes the specific actions that the board of directors proposes to take in order to strengthen the Bank's management and hire, as necessary, additional experienced or replacement officers to properly manage the Bank.

Conflicts of Interest Policy

5. Within 30 days of this Order, TPFC and the Bank shall submit to the Reserve Bank and the Commissioner an acceptable code of ethics and conflicts of interest policy which applies to all directors, officers, and employees of TPFC and the Bank. The code of ethics and conflicts of interest policy shall address, at a minimum:

(a) The fiduciary duties of all directors, officers, and employees of TPFC and the Bank and the avoidance of conflicts of interest, in particular contractual arrangements with, and the administration of extensions of credit to insiders,

shareholders, and their immediate families and any transaction from which any such individual may derive personal benefit;

(b) policies and procedures to require the written disclosure to the board of directors of TPFC or the Bank, as appropriate, of any actual or potential conflict of interest of any TPFC or Bank officer, director, employee, or principal shareholder;

(c) policies and procedures for complying with Regulation O of the Board of Governors, which restricts credit that a member bank may extend to its executive officers, directors, and principal shareholders and their related interests (12 C.F.R. Part 215);

(d) internal controls that monitor compliance with the code of ethics and conflicts of interest policy and report any noncompliance or exceptions to the approved policy to the board of directors of TPFC and the Bank, as appropriate; and

(e) training for all directors, officers, and employees of TPFC and the Bank on a regular basis regarding the code of ethics and conflicts of interest policy of TPFC and the Bank and the requirements of Regulation O of the Board of Governors regarding loans to insiders.

6. For the purposes of this Agreement: (i) “Insider” shall include any of TPFC’s or the Bank’s current or former executive officers, directors, principal shareholders, members of their immediate families, related interests thereof, or persons acting on their behalf; (ii) “immediate family” shall be defined as set forth in section 225.41(b)(3) of Regulation Y of the Board of Governors (12 C.F.R 225.41(b)(3)); (iii) “related interest” shall be defined as set forth in section 215.2(n) of Regulation O of the Board of Governors (12 C.F.R. 215.2(n)); (iv) “transaction” shall include, but not be

limited to, the transfer or payment of cash; extensions of credit; management consulting or services contracts; advances; sale, purchase, or transfer of any other asset; and the direct or indirect payment of any expense or obligation, the direct or indirect assumption of any liability; and (v) “extension of credit” shall be defined as set forth in section 215.3 of Regulation O of the Board of Governors (12 C.F.R. 215.3). Notwithstanding the foregoing definition of “transaction,” for the purposes of paragraph 21(a), “transaction” shall not include: (i) the payment of fees and salaries to directors and officers; (ii) the reimbursement of expenses incurred in the normal course of business; (iii) the provision of any unpaid services to TPFC or the Bank by any officer, director, or employee of TPFC or the Bank; and (iv) banking transactions between directors and officers and members of their immediate families and the Bank which are in the normal course of business and are consistent with banking transactions offered by the Bank to members of the general public.

Lending and Credit Administration

7. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner acceptable revised written lending and credit administration policies and procedures that shall, at a minimum, address, consider, and include:

(a) Standards for a written cash flow analysis of the borrower and any guarantor at loan origination, including participations purchased, and the conditions under which updated financial information and periodic credit analysis are required;

(b) standards for the appropriate use of interest reserves and single pay loans and capitalization of interest, and enhanced monitoring of such loans;

- (c) procedures for determining the accrual status of loans that are consistent with applicable regulatory and accounting guidance;
- (d) enhanced procedures for conducting appraisals and evaluations including, but not limited to, when loans are extended or renewed, when new funds are advanced, or when changes in market conditions or the condition of the collateral occur; and for other real estate owned (“OREO”); and
- (e) procedures to identify, report, and correct, loan documentation exceptions.

Loan Grading and Loan Review

8. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner an acceptable written program for the effective grading of the Bank’s loan portfolio. The program shall provide for policies, procedures, and processes for the timely and ongoing grading of loans. The program shall, at a minimum, address, consider, and include:

- (a) Standards and criteria for assessing the credit quality of loans, including a discussion of the factors used to assign appropriate risk grades to loans;
- (b) procedures for the early identification of problem loans;
- (c) procedures to re-evaluate the grading of loans in the event of material changes in the borrower’s performance or the value of the collateral;
- (d) procedures to evaluate the grading of all loans assigned less than a pass grade at least quarterly;
- (e) designation of the person(s) responsible for the grading of loans;

(f) controls to ensure staff's consistent application and adherence to the loan grading system; and

(g) a mechanism for reporting to senior management and the board of directors, at least monthly, that at a minimum: summarizes the Bank's loan grades; describes trends in asset quality; identifies the loans that are nonperforming, adversely graded, or identified as needing special attention; describes collateral, collateral value, and date of valuation; and describes the actions taken, or to be taken, by management for strengthening of the quality of any such loans.

9. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner an acceptable written program for the effective, ongoing review of the Bank's loan portfolio by a qualified independent party or by qualified staff that is independent of the Bank's lending function. The program shall provide for policies and procedures for the timely identification and categorization of problem loans, and processes to detect weaknesses in the Bank's loan approval, monitoring, and grading process. The program shall, at a minimum, address, consider, and include:

(a) The scope, depth, and frequency of the independent loan review;

(b) clearly defined responsibilities for the loan review function; and

(c) an objective and timely assessment of the overall quality of the loan portfolio and the accuracy of assigned loan grades.

10. The board of directors, or a committee thereof, shall evaluate the loan review report(s) and take appropriate steps to ensure that management takes prompt action to address findings noted in the report(s).

Asset Improvement

11. 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 conducted by the Reserve Bank and the Commissioner that commenced on September 13, 2010 (the “Report of Examination”), or in any subsequent report of examination, without the prior approval of a majority of the full board of directors. The board of directors 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.

12. (a) Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner 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 \$500,000, including 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.

(b) Within 30 days of the date that any additional loan or other asset in excess of \$500,000, including OREO, becomes past due as to principal or interest for more than 90 days, is on the Bank's problem loan list, or is adversely classified in any subsequent report of examination of the Bank, the Bank shall submit to the Reserve Bank and the Commissioner 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 Commissioner 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.

Allowance for Loan and Lease Losses

13. (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 Commissioner.

(b) Within 60 days of this Agreement, the Bank shall review and revise its 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 Commissioner. 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 Commissioner 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 Consolidated Reports of Condition and Income, 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 Commissioner, 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

14. Within 60 days of this Agreement, TPFC and the Bank shall jointly submit to the Reserve Bank and the Commissioner an acceptable written plan to maintain sufficient capital at the Bank. The plan shall, at a minimum, address, consider, and include the Bank's current and future capital requirements, including:

- (a) 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;
- (c) the source and timing of additional funds to fulfill the Bank's future capital requirements and loan loss reserve needs; and

(d) the requirements of section 225.4(a) of Regulation Y of the Board of Governors (12 C.F.R. § 225.4(a)) that TPFC serve as a source of strength to the Bank.

15. TPFC and the Bank shall notify the Reserve Bank and the Commissioner, 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, TPFC and the Bank shall submit an acceptable written plan that details the steps TPFC and the Bank will take to increase the Bank's capital ratios to or above the approved capital plan's minimums.

Earnings Plan and Budget

16. (a) Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner a written business plan for 2011 to improve the Bank's earnings and overall condition. The plan, at a minimum, shall provide for or describe:

- (i) a realistic and comprehensive revised budget for calendar year 2011, including income statement and balance sheet projections;
- (ii) a description of the operating assumptions that form the basis for, and adequately support, major projected income, expense, and balance sheet components;
- (iii) a fully funded ALLL; and
- (iv) a budget review process that analyzes and reports budgeted versus actual income and expense performance.

(b) Upon adoption, the Bank shall implement the business plan. Bank

management shall report monthly to the Bank's board of directors on progress made implementing the business plan. The written monthly report shall compare actual financial results to those projected in the business plan. In the event that revisions to the plan are necessary, such revisions shall be forwarded to the Reserve Bank and the Commissioner within 15 days of adoption.

(c) A business plan and budget for each calendar year subsequent to 2011 shall be submitted to the Reserve Bank and the Commissioner at least 30 days prior to the beginning of that calendar year.

Funds Management

17. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner an acceptable revised written contingency funding plan that, at a minimum, identifies available sources of liquidity and includes adverse scenario planning.

Internal Audit

18. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner 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:

(a) The requirements outlined in the Amended Interagency Guidance on the Internal Audit Function and its Outsourcing, issued March 17, 2003 (SR 03-05);

(b) an annual assessment of risks, including assigning risk rankings, and adjustments to the scope and frequency of the independent audit based on the risk rankings;

(c) regularly scheduled audit committee meetings and procedures for the maintenance of adequate audit meeting minutes;

(d) procedures to ensure that all internal control audit findings and management's responses are reported to the audit committee on a timely basis; and

(e) procedures for timely resolution of audit findings and comprehensive documentation of follow-up reviews to ensure completion of the corrective measures.

Dividends and Distributions

19. (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 (the "Director"), and the Commissioner.

(b) TPFC shall not declare or pay any dividends without the prior written approval of the Reserve Bank, the Director, and the Commissioner.

(c) TPFC shall not take any other form of payment representing a reduction in capital from the Bank without the prior written approval of the Reserve Bank and the Commissioner.

(d) TPFC and its nonbank subsidiary 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 Commissioner.

(e) All requests for prior approval shall be received 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, as appropriate, on the TPFC's capital, earnings, and cash flow; the Bank's capital, asset quality, earnings and ALLL needs; and identification of the sources of funds for the proposed payment or distribution. For requests to declare or pay dividends, TPFC and the Bank, as appropriate, 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

20. (a) TPFC and its nonbank subsidiary, shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank and the Commissioner. 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) TPFC shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank and the Commissioner.

Restricted Transactions

21. (a) TPFC and the Bank shall not, directly or indirectly, enter into, participate, or in any other manner engage in any transaction with an Insider without the prior written approval of the Reserve Bank and the Commissioner.

(b) Within 10 days of this Agreement, TPFC and the Bank shall submit to the Reserve Bank and the Commissioner, a report listing and describing the details of all contractual arrangements between TPFC, the Bank, and an Insider, including appropriate documentation of review and approval by the board of directors.

Compliance with Laws and Regulations

22. The Bank shall immediately take all necessary steps to correct all violations of law and regulation cited in the Report of Examination including, but not limited to, the Texas Administrative Code 7 TAC 12.91(d)(3). In addition, the board of directors of the Bank shall take the necessary steps to ensure the Bank's future compliance with all applicable laws and regulations.

23. 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, TPFC and 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.*).

24. TPFC and 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

25. (a) Within 10 days of this Agreement, TPFC's and the Bank's boards of directors shall appoint a joint compliance committee (the "Compliance Committee") to monitor and coordinate TPFC's and the Bank's compliance with the provisions of this Agreement. The Compliance Committee shall include outside directors who are not

executive officers or principal shareholders of TPFC and the Bank, as defined in sections 215.2(e)(1) and 215.2(m)(1) of Regulation O of the Board of Governors (12 C.F.R. §§ 215.2(e)(1) and 215.2(m)(1)). At a minimum, the Compliance Committee shall meet at least monthly, keep detailed minutes of each meeting, and report its findings to the boards of directors of TPFC and the Bank.

(b) Within 30 days after the end of each calendar quarter following the date of this Agreement, TPFC and the Bank shall submit to the Reserve Bank and the Commissioner 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, Policies, Procedures, and Programs

26. (a) The Bank shall submit written plans, policies, procedures, and programs that are acceptable to the Reserve Bank and the Commissioner within the applicable time periods set forth in paragraphs 5, 7, 8, 9, 12(a), 12(b), 13(c), 14, 15, 17, and 18 of this Agreement. The Bank shall retain an independent consultant within the time period set forth in paragraph 3(a) and submit an engagement letter within the time period set forth in paragraph 3(b).

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

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

Communications

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

- (a) Mr. Earl Anderson
Vice President
Federal Reserve Bank of Dallas
2200 N. Pearl Street
Dallas, Texas 75201
- (b) Mr. Charles G. Cooper
Commissioner
Texas Department of Banking
2601 North Lamar Boulevard
Austin, Texas 78705
- (c) Mr. Patrick Kennedy, Jr.
Chairman of the Board
TransPecos Banks
112 East Pecan Street
Suite 800
San Antonio, Texas 78205
- (d) Mr. Patrick Kennedy, Jr.
President
TransPecos Financial Corp.
112 East Pecan Street
Suite 800
San Antonio, Texas 78205

Miscellaneous

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

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

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

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

32. 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 13th day of April, 2011.

TRANSPECOS FINANCIAL CORP.

FEDERAL RESERVE BANK
OF DALLAS

By: /s/ Patrick Kennedy, Jr.
Patrick Kennedy, Jr.
President

By: /s/ Earl Anderson
Earl Anderson
Vice President

TRANSPECOS BANKS

TEXAS DEPARTMENT
OF BANKING

By: /s/ Patrick Kennedy, Jr.
Patrick Kennedy, Jr.
Chairman of the Board

By: /s/ Robert Bacon
Robert Bacon
Deputy Commissioner