

**NATIONWIDE
COOPERATIVE
AGREEMENT**

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ARTICLE 1. DEFINITIONS

For the purposes of this Agreement:

1. "An emergency" shall include, but not be limited to, the existence of conditions or circumstances which, if allowed to continue, will likely result in harm to the public.
2. "Enforcement action" means any action whether civil, criminal, administrative, or equivalent action, to enforce the banking or any other applicable laws.
3. "Federal bank regulatory agency" means the Federal Reserve System in the case of a bank which is a member of the Federal Reserve System or the Federal Deposit Insurance Corporation in the case of a bank which is not a member of the Federal Reserve System.
4. "Home state" means the state where a multi-state bank is chartered.
5. "Home state supervisor" means the bank supervisory agency of the home state of a multi-state bank.
6. "Host state" means a state other than the home state of a multi-state bank where the bank maintains or seeks to establish a branch.
7. "Host state supervisor" means the bank supervisory agency of the host state of a multi-state bank.
8. "Multi-state bank" means a state-chartered bank that maintains branches in one or more host states.
9. "Originating authority" means the bank supervisory agency that originally compiles or drafts an item of supervisory information.
10. "Supervisory information" means all information and reports compiled or drafted in the ordinary course of supervising and examining a multi-state bank, including reports of examination and information relating to applications, complaints, and enforcement actions, or copies thereof.

ARTICLE 2. STATEMENT OF PURPOSE

Section 2.1. Intent.

On April 20, 1995, the CSBS members unanimously adopted 'The Protocol', the supervision guidelines for state banking departments in an interstate banking and branching environment. These guidelines were designed to assist states in their efforts to maintain competitive, responsive, safe and sound banking services for the citizens of their states. To achieve these guidelines, The Protocol called for the states to enter into cooperative agreements tailored to the unique corporate structure and business strategy of the multi-state banks or institutions involved; hence, a model cooperative agreement, which provided the basis for this 'Agreement', was developed by the CSBS Interstate Task Force to assist state banking departments.

Section 2.2. Goals.

The goals of the parties of this Agreement are to promote a comprehensive nationwide system for safety and soundness of financial institutions, to supervise and examine multi-state banks in cooperation with other states, to foster effective coordination and communication among the parties to facilitate the process of supervision and examination with the least burden to multi-state banks, and to enhance responsiveness to local needs and interests in an interstate banking and branching environment.

Section 2.3. Responsibilities.

The parties recognize that the home state supervisor is the primary regulator and will act as the single point of contact. The home state supervisor is primarily responsible for supervising its state-chartered banks, including branches that may be established in various host states. In addition, the parties recognize that host state supervisors have a legitimate interest in monitoring the safety and soundness of out-of-state banks that operate branches in their states and in making sure those branches are operated in compliance with host state law.

Overall, the parties will cooperate to assure that each of their material interests, authorities and responsibilities is fulfilled.

ARTICLE 3. INFORMATION SHARING

Section 3.1. Request for Information.

A state supervisor may at any time request from another state supervisor supervisory information regarding a state bank operating branches in both states. The request shall be made in writing by the state supervisor or the supervisor's designee.

A request by a state supervisor should be reasonably specific as to the documents or information sought. The state supervisor may request items relating to a particular event, such as a specific examination report, or may make a standing request for all items of a particular nature or relating to a specific bank.

The state supervisor shall limit its use of information obtained under this Agreement to purposes directly related to its supervisory authority.

When a federal bank regulatory agency requests information from a host state, the host state should defer the request for information to the home state.

Section 3.2. Providing Information.

The state supervisors shall comply with a request for supervisory information within a reasonable time to the fullest extent permitted by state law. Supervisory information protected by federal law shall not be provided until the permission of the appropriate federal bank regulatory agency is obtained.

Section 3.3. Confidentiality.

Supervisory information shared under this Agreement shall be presumed to be confidential unless otherwise specified by the originating authority. To the fullest extent permitted by law, the parties will treat information obtained under this Agreement with the same degree of confidentiality that applies to the information in the hands of the originating authority.

Supervisory information shared under this Agreement remains the property of the originating authority and shall not be further disclosed by the recipient without the written permission of the originating authority, except as otherwise required by applicable law or order of a court of competent jurisdiction. Supervisory information obtained under this Agreement should be returned or destroyed.

Section 3.4. Subpoenas.

Before disclosing any supervisory information, a state supervisor shall notify the originating authority immediately on receipt of a subpoena or other legal process by any court, legislative body, governmental agency, or any request from another person or entity not a party to this Agreement seeking disclosure of supervisory information supplied by the originating authority so that the originating authority may have an opportunity to challenge the release of the information. Home state and host state supervisors shall cooperate in the preparation of any memoranda, request for protective order or pleadings deemed desirable by the originating authority to protect the confidentiality of supervisory information.

ARTICLE 4. RESPONSIBILITY FOR EXAMINATION

Section 4.1. Role of Home State Supervisors.

To promote a single point of contact, the home state supervisor shall be responsible for examining its multi-state banks for safety and soundness and compliance with applicable laws, including coordination with the host state supervisors, the appropriate federal bank regulatory agency and bank management. The home state supervisor may use host state examiners to examine for safety and soundness, trust and electronic data processing. Also, the home state supervisor shall consult with the host state and should use host state examiners to examine for compliance with host state laws regarding community reinvestment, consumer protection and fair lending, in those states that have enacted such laws.

The home state supervisor shall give reasonable notice to each host state supervisor of the time and scope of an upcoming multi-state bank examination. The home state supervisor may request the host state supervisors' participation in a multi-state bank examination for safety and soundness, trust and electronic data processing. In determining when to request the assistance of the host state supervisors for such examinations, the home state supervisor shall consider the efficiency of the examination and the interests of the state banking system.

The home state supervisor should use host state examiners to examine for compliance with host state laws regarding community reinvestment, consumer protection and fair lending, in those states that have enacted such laws.

The home state supervisor shall designate the examiner-in-charge of an examination of a multi-state bank. If the home state supervisor participates in an examination program with the federal bank regulatory agencies, the examiner-in-charge may be an examiner employed and selected by a federal bank regulatory agency. The examiner-in-charge shall designate the examination responsibilities of each examiner involved in the examination. Each examiner involved in an examination shall perform the responsibilities designated and promptly report the findings to the examiner-in-charge in the form requested, together with supporting work papers. The home state supervisor shall rely on the guidance of the host state supervisors in applying host state laws.

The home state supervisor shall compile the examination findings and advise the host state supervisors of the findings, any follow-up required and any enforcement actions proposed. The home state supervisor may request the participation of host state supervisors before, during and after an examination.

Section 4.2. Role of Host State Supervisors.

The host state supervisors shall provide the home state supervisor with guidance on the application of state laws and should participate in examinations for compliance with applicable state community reinvestment, consumer protection and fair lending laws.

When requested by the home state supervisor, the host state examiners may assist in the safety and soundness, trust and electronic data processing examinations of multi-state banks and participate in discussions with management and directors to the extent practicable.

The host state supervisors may keep copies of examination findings and supporting work papers they create while participating in the home state supervisor's examination. Before disclosing any supervisory information, the host state supervisors shall immediately notify the home state supervisor of any subpoena, legal process or other requests for supervisory information created while participating in the examinations. To provide the home state supervisor with the opportunity to challenge the release of such supervisory information, the parties shall proceed in accordance with Section 3.4 of this Agreement.

A host state supervisor shall advise the home state supervisor whenever the host state supervisor has reasonable cause to believe an examination of a branch of a multi-state bank is necessary due to an emergency. If the home state supervisor is unable to undertake the examination in a reasonable time, the host state supervisor may conduct the examination. A host state supervisor who conducts an

examination under this provision shall observe the provisions of this Agreement otherwise governing a home state supervisor conducting an examination.

Section 4.3. Planning and Scheduling.

Annually, each home state supervisor, in consultation with host state supervisors and the appropriate federal bank regulatory agency, shall schedule its regular examinations of home state multi-state banks. Each home state supervisor shall promptly furnish its schedule for examinations to each relevant host state supervisor together with the home state supervisor's anticipated request for host state supervisors' assistance in conducting the examinations.

Section 4.4. Efficient Use of State Resources.

If the home state supervisor determines to involve the host state supervisor(s) in an examination, to facilitate efficiencies in the examination, the supervisors may enter into separate bilateral agreements governing the sharing of resources and compensation for services rendered to the extent permitted by the laws of their respective jurisdictions.

ARTICLE 5. ENFORCEMENT ACTIONS

Section 5.1. Home State Notification and Action.

The home state supervisor shall be primarily responsible for initiating enforcement actions against a multi-state bank. The home state supervisor shall notify all host state supervisors immediately of any enforcement action, formal or informal, taken against a multi-state bank. If possible, notification by the home state supervisor will be given in advance of the enforcement action. Enforcement actions to address violations of host state laws where possible shall be taken jointly by home state and host state supervisors.

Section 5.2. Emergency Actions by Host State.

Notwithstanding Section 5.1., the host state supervisor may in an emergency, upon reasonable notice to the home state supervisor, take any enforcement action against a branch of a multi-state bank, permitted under host state law.

ARTICLE 6. APPLICABLE LAWS

The parties recognize that neither home nor host state supervisors may be empowered to waive provisions of home or host state law directly applicable to multi-state banks or their branches in host states. To the extent it may assist counsel and judicial authorities in resolving issues of applicable law, however, the parties agree that those issues may be resolved using the following general principles.

Section 6.1. Host State Law.

Host state law that applies to the operations of a branch established in the host state by an out-of-state national bank, shall apply to the operations of a host state branch of a multi-state bank, including: (i) antitrust law and deposit concentration limits; (ii) community reinvestment and similar laws; (iii) consumer protection laws, including lending and usury laws to the extent that laws or court decisions regarding the exportation of interest rates are inapplicable; and (iv) fair lending or equal credit laws.

For purposes of this Section, the term “out-of-state national bank” means a national banking association that has been organized and is operating pursuant to the National Bank Act, 12 U.S.C. 21 et seq., and whose main office is located in a state other than the relevant host state.

Section 6.2. Home State Law.

To the extent that, based on the principles referred to in Section 6.1, host state law is determined to be inapplicable to particular operations of a host state branch of a multi-state bank, such operations shall be governed by home state law. In addition, home state law shall apply generally to the corporate structure and procedures and internal policies of a multi-state bank including: (i) charter and bylaws; (ii) incorporation and dissolution; (iii) board of directors and management; (iv) capital; (v) loans and investments; (vi) common trust funds;

(vii) dividends; (viii) indemnification of directors and officers; (ix) stock and debt; and (x) structure of bank subsidiaries.

Section 6.3. List of State Laws.

Each of the parties may, for purposes of general guidance, supply to the other a list of state (banking) laws that may be applied to multi-state banks operating within their borders, indicating which of the parties is responsible for implementing each of the laws.

ARTICLE 7. APPLICATIONS

Section 7.1. Approval Authority.

Unless otherwise expressly provided under host state law, the home state supervisor shall have approval authority over all applications from a multi-state bank.

Section 7.2. Notification to Host State.

The home state supervisor shall provide to each host state supervisor notice of all applications/notifications relating to facilities of a multi-state bank within their borders and shall take their views into account in the approval process. Also, when the home state supervisor reaches a decision in the approval process, the home state supervisor shall communicate this decision to the host state supervisor. Copies of the applications/notifications will be provided to host state supervisors upon request.

The home state supervisor shall provide to each host state supervisor notice of all applications/notifications by a multi-state bank to enter into a corporate transaction such as a merger, acquisition, or change of control and shall take their views into account in the consideration process. Copies of the applications/notifications will be provided to host state supervisors upon request.

ARTICLE 8. COMPLAINTS

Section 8.1. Responsibilities.

The home state supervisor and the host state supervisor will agree as to which agency shall have the primary responsibility for the processing and resolution of consumer complaints filed against branches of multi-state banks by residents of their respective states. Information summarizing the volume, nature and resolution of consumer complaints will be provided by the designated supervisor on at least a quarterly basis. Instances of serious consumer abuse, violations of law and/or patterns of practice which cause serious supervisory concerns will be promptly reported and jointly resolved.

Section 8.2. Enforcement Actions.

Any enforcement action resulting from a complaint against a host state branch shall be taken as provided in Article 5 of this Agreement.

ARTICLE 9. PARTIES

Section 9.1. Representations and Warranties.

Each signatory state supervisor represents and warrants that he or she has all requisite power and authority to enter into and perform this Agreement and to the extent consistent with state law, any party acting within the scope of this Agreement shall be deemed to be acting within the scope of the signatory state supervisor's statutory authority.

Section 9.2 Change in Power or Authority.

In case there is any material change in the power or authority of any signatory state supervisor to perform this Agreement, such state supervisor shall promptly give notice of the change to the other state supervisors.

ARTICLE 10. EXECUTION, ENFORCEABILITY, OTHER AGREEMENTS

AND TERMINATION

Section 10.1 Execution.

The terms of this Agreement shall become effective when a state supervisor has executed the original or a counterpart signature page. Also, this Agreement is not intended to be limited to the original signatories, and other parties may sign after the initial execution of this document.

Section 10.2. Binding and Enforceable.

This Agreement shall be binding and enforceable on the parties to the extent allowed by state law.

Section 10.3. Other Agreements.

This Agreement is not intended to prevent the parties from entering other agreements with individual parties, other bank supervisors, or individual banks regarding the subject matter of this Agreement.

Section 10.4. Amendment and Termination.

Any party to this Agreement may propose an amendment at any time, but this Agreement may be amended only by a written instrument signed by each of the signatory state supervisors.

Notwithstanding the preceding paragraph, technical changes to this Agreement that are necessary or appropriate in light of changes in federal law shall take effect 30 days after the CSBS Board of Directors has approved such changes and provided written notice thereof to all signatory state supervisors, in the absence of objections from any signatory state supervisor.

Any party to this Agreement may withdraw from the Agreement at any time by giving written notice of withdrawal or termination to all other parties. The withdrawal of any party shall terminate the participation of the respective signatory state supervisor 90 days after the date of withdrawal unless the remaining parties waive the 90 day notice period.

ARTICLE 11. MISCELLANEOUS

Section 11.1. Captions.

The captions in this Agreement are for convenience of reference only, do not constitute a part of this Agreement, and shall not affect the meaning or construction of any provision of this Agreement.

Section 11.2. Waiver.

The waiver by any state supervisor of the performance of any provision of this Agreement shall not invalidate this Agreement, nor shall it be considered a waiver of any other provision. The waiver by any state supervisor of the time for performing any act required by this Agreement shall not be considered a waiver of the time for performing any other act or an identical act required to be performed at a later time.

Section 11.3. Survival.

In the absence of state law to the contrary, this Agreement shall survive any change in the identity of the executive in charge of any home or host state bank supervisor.

Section 11.4. Severability.

If any provision of this Agreement or the application thereof to any person or circumstances is held invalid or illegal, such invalidity or illegality shall not affect other provisions or applications of this Agreement which can be given effect without the invalid or illegal provision or application, and to this end, the provisions of this Agreement are declared to be severable.