

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

In the Matter of

GARDNER BANCSHARES, INC.
Lenexa, Kansas

and

SMALL BUSINESS BANK
Lenexa, Kansas

Docket Nos. 23-016-B-HC
23-016-B-SM

Cease and Desist Order Issued
Upon Consent Pursuant to the
Federal Deposit Insurance Act,
as amended

WHEREAS, Gardner Bancshares, Inc., Lenexa, Kansas (“Bancshares”), is a registered bank holding company, and its subsidiary bank, Small Business Bank, Lenexa, Kansas (the “Bank”), is a state chartered bank that is a member of the Federal Reserve System;

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”) is the appropriate federal supervisor of Bancshares and the Bank;

WHEREAS, the most recent examination of the Bank, dated October 31, 2022 (the “Report of Examination”) conducted by the Federal Reserve Bank of Kansas City (the “Reserve Bank”) and the Kansas Office of the State Bank Commissioner identified staffing, internal controls, credit risk management, lending and credit administration, capital, information technology and information security, books and records, regulatory reporting, liquidity and funds management, earnings, interest rate risk management, third party risk management, and other operations deficiencies;

WHEREAS, the Report of Examination also identified deficiencies in the Bank's risk management and compliance with federal laws, rules, and regulations relating to anti-money laundering ("AML") compliance, including the Bank Secrecy Act ("BSA") (31 U.S.C. § 5311 *et seq.*) and the rules and regulations issued thereunder by the U.S. Department of the Treasury (31 C.F.R. Chapter X) (collectively, the "BSA/AML Requirements") at the Bank;

WHEREAS, Bancshares, the Bank, and the Board of Governors of the Federal Reserve System (the "Board of Governors") have the common goal that the Bancshares and Bank operate in a safe and sound manner and in compliance with all applicable federal and state laws, rules, and regulations;

WHEREAS, Bancshares, the Bank, and the Board of Governors have mutually agreed to enter into this consent Cease and Desist Order (the "Order"); and

WHEREAS, the boards of directors of Bancshares and the Bank have authorized the undersigned to enter into this Order and consent to compliance with each and every provision of this Order by Bancshares and the Bank and to waive any and all rights that Bancshares and the Bank may have pursuant to section 8 of the Federal Deposit Insurance Act, as amended (the "FDI Act") (12 U.S.C. § 1818), including, but not limited to: (i) the issuance of a notice of charges on any matters set forth in this Order; (ii) a hearing for the purpose of taking evidence on any matters set forth in this Order; (iii) judicial review of this Order; and (iv) challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of the Order or any provision hereof.

NOW, THEREFORE, it is hereby ordered that, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issues of fact or law herein, and solely for the purpose of settling this matter without a formal proceeding being filed and without the

necessity for protracted or extended hearings or testimony, pursuant to section 8(b)(1) and (3) of the FDI Act (12 U.S.C. §§ 1818(b)(1) and 1818(b)(3)), the Bancshares and the Bank shall cease and desist and take affirmative action as follows:

Source of Strength

1. The board of directors of Bancshares shall take appropriate steps to fully utilize Bancshares' financial and managerial resources, pursuant to section 38A of the FDI Act (12 U.S.C. § 1831o-1) and section 225.4(a) of Regulation Y of 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 Order and any other supervisory action taken by the Bank's federal or state regulators.

Board Oversight

2. Within 60 days of this Order, the boards of directors of Bancshares and the Bank shall submit a written plan to the Reserve Bank to strengthen board oversight of the management and operations of the Bank. The plan shall include the following seven items:

(a) actions that the Bank's board of directors will take to improve the Bank's condition and maintain effective control over, and supervision of, the Bank's major operations and activities, including but not limited to, internal controls, asset quality, allowance for credit losses, information technology and security, Bank Secrecy Act program, credit risk management, capital, earnings, liquidity, interest rate risk, and third-party risk management;

(b) measures to ensure that the board of directors of Bancshares provides adequate resources to ensure the Bank's compliance with this Order, including, but not limited to, sufficient staffing levels and succession planning;

- (c) steps to ensure that the Bank's information technology, information security, and cyber risk management program is overseen by individuals possessing the appropriate experience, knowledge, and skills, and is supported by adequate resources;
- (d) steps to ensure that the Bank's officers and staff have requisite qualifications, skills, and training to competently perform present and anticipated duties;
- (e) measures to set forth the responsibility of the Bank's board of directors to establish appropriate risk tolerance guidelines and risk limits;
- (f) measures to ensure that the Bank's board of directors monitors management's adherence to approved policies and procedures, and applicable laws and regulations, including any exceptions to approved policies and procedures; and
- (g) steps to improve the quality, comprehensiveness, and granularity of the information and reports provided to the boards of directors in their oversight of the Bank and its operations and management.

Corporate Governance and Management Review

3. (a) Within 30 days of this Order, the Bank's board of directors shall retain an independent third party acceptable to the Reserve Bank to assess the effectiveness of the Bank's corporate governance, board and management structure, and staffing needs (the "Review"), and to prepare a written report of findings and recommendations (the "Report"). The Review shall include the following two items:

- (i) an assessment of the current structure, qualifications, and composition of the board of directors and its committees, and a determination of the structure and composition needed to adequately supervise the affairs of the Bank; and

(ii) the identification of the Bank's present and future management and staffing needs, including a management succession plan for senior executive officers.

(b) Within 10 days of the Reserve Bank's approval of the Bank's independent third party, the Bank shall submit an engagement letter to the Reserve Bank for approval. The engagement letter shall require the independent third party to submit the Report within 90 days of regulatory approval of the engagement letter and a commitment that the Report and any drafts thereof will be provided to the Reserve Bank at the same time that it is provided to the Bank's board of directors.

(c) Within 30 days of receipt of the Report, the Bank's board of directors shall submit a written board oversight and management plan to the Reserve Bank that fully addresses the findings and recommendations in the Report and describes the specific actions that the board of directors will take to strengthen the Bank's management and the corporate governance structure, and to hire, as necessary, additional or replacement directors, officers or staff to properly oversee, manage and operate the Bank.

Lending and Credit Administration

4. Within 120 days of this Order, the Bank shall submit improved lending and credit administration policies and procedures acceptable to the Reserve Bank that shall include the following seven items:

(a) measures for the board of directors to establish appropriate risk tolerance guidelines and risk limits;

(b) policies, procedures, and strategies to identify, limit, and manage concentrations of credit;

(c) improvements to the Bank's management information systems to ensure that the board of directors and senior management obtain timely and accurate credit-related information;

(d) standards to require updated financial information and credit analysis;

(e) procedures to ensure compliance with loan documentation and collateral requirements to minimize exceptions, including:

(i) establishment of an exception tracking system; and

(ii) required periodic monitoring by the board of directors and senior management;

(f) enhanced procedures and monitoring systems to ensure that deteriorating credits are promptly identified, properly risk rated, and accurately and timely placed on the watch list; and

(g) a mechanism for reporting to senior management and the board of directors, at least monthly, the following minimum information:

(i) summaries of the Bank's loan grades;

(ii) description of trends in asset quality; and

(iii) identification of the loans that are nonperforming, adversely graded, or identified as needing special attention with the status of those loans and a description of the actions taken, or to be taken, for strengthening the quality of those loans.

Loan Review

5. Within 120 days of this Order, the Bank shall submit a written program acceptable to the Reserve Bank for the ongoing review and grading of the Bank's loan portfolio

by a qualified independent third party or by qualified staff that is independent of the Bank's lending function. The program shall include the following four items:

- (a) the scope and frequency of the loan review;
- (b) standards and criteria for assessing the credit quality of loans;
- (c) application of loan grading standards and criteria to the loan portfolio; and
- (d) written reports to the board of directors, at least quarterly, that identify and

report the status of loans that are nonperforming or adversely graded and the prospects for full collection or strengthening of the quality of any such loans.

Asset Improvement

6. 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, or in any subsequent report of examination, without the prior approval of a majority of the full board of directors or a designated committee thereof. The board of directors or its committee 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. For purposes of this Order, the term "related interest" is defined as set forth in section 215.2(n) of Regulation O of the Board of Governors (12 C.F.R. § 215.2(n)).

7. (a) Within 120 days of this Order, the Bank shall submit a written plan acceptable to the Reserve Bank designed to improve the Bank's position through repayment, amortization, liquidation, additional collateral, or other means on each loan, relationship, or other asset in excess of \$100,000, including OREO, that is past due as to principal or interest more than 90 days as of the date of this Order, is on the Bank's problem loan list, or was adversely classified in the Report of Examination.

(b) Within 30 days of the date that any additional loan, relationship, or other asset in excess of \$100,000, 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 an acceptable written plan to improve the Bank's position on such loan, relationship, 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 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. The board of directors shall review the progress reports before submission to the Reserve Bank and shall document the review in the minutes of the board of directors' meetings.

Allowance for Credit Losses

8. (a) Within 30 days from the receipt of any report of examination, the Bank shall charge off all assets classified as "loss" unless otherwise approved in writing by the Reserve Bank.

(b) Within 120 days of this Order, the Bank shall review and revise its allowance for credit losses ("ACL") methodology consistent with relevant supervisory guidance, including the Interagency Policy Statement on Allowances for Credit Losses, dated May 8, 2020 (SR 20-12) and the findings and recommendations regarding the ACL (identified as the Allowance for Loan and Lease Losses in the Report of Examination), and submit a description of the revised methodology to the Reserve Bank. The revised ACL methodology shall be designed to maintain an adequate ACL and shall, at a minimum, include 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 collectability.

(c) Within 120 days of this Order, the Bank shall submit to the Reserve Bank a written program for the maintenance of an adequate ACL. The program shall, at a minimum, include policies and procedures to ensure adherence to the ACL methodology and provide for periodic reviews and updates to the ACL methodology. The program also shall provide for a

review of the ACL by the board of directors on at least a quarterly calendar basis. Any deficiency found in the ACL shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Report of Condition and Income. 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 ACL. During the term of this Order, the Bank 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 ACL and a description of any changes to the methodology used in determining the amount of the ACL for that quarter.

Capital Plan

9. Within 60 days of this Order, the Bank shall submit a written plan acceptable to the Reserve Bank to maintain sufficient capital. The plan shall include the following three items:

(a) the Bank's current and future capital requirements, including compliance with the applicable requirements of Regulation Q of the Board of Governors, Capital Adequacy of Board-Regulated Entities (12 C.F.R. Part 217);

(b) the adequacy of the Bank's capital, taking into account the volume of classified assets, concentrations of credit, the adequacy of the ACL, current and projected asset growth, projected earnings, and anticipated and contingency funding needs; and

(c) the source and timing of additional funds to fulfill the Bank's future capital requirements.

10. (a) The Bank shall notify the Reserve Bank, in writing, no more than 30 days after the end of any calendar quarter in which any of the Bank's capital ratios (total risk-based, Tier 1 risk-based, common equity Tier 1, or leverage) fall below the approved capital plan's minimum ratios. Together with the notification, the Bank shall submit a written plan acceptable

to the Reserve Bank that details the steps it will take to increase its capital ratios to or above the approved capital plan's minimums.

(b) During the term of this Order, the Bank shall not enter into any agreement to sell or purchase any loan or other asset that, in the aggregate, would exceed 5 percent of the Bank's total assets at the end of the prior quarter without the prior written approval of the Reserve Bank.

(c) All requests for prior written approval shall be received at least 30 days prior to the proposed sale or purchase. All requests shall contain, at a minimum, a description of the terms of the proposed sale or purchase, the identity of the proposed purchaser or seller; current and projected information on the Bank's capital, asset quality, earnings, and ACL needs, and the identification of the sources of funds for any proposed purchase or sale.

Liquidity and Funds Management

11. Within 60 days of this Order, the Bank shall submit an enhanced liquidity risk management program acceptable to the Reserve Bank that, at a minimum, includes steps to diversify sources of funding, enhanced liquidity stress test scenarios, and periodic independent review and evaluation of all components of the Bank's liquidity risk management process.

12. Within 60 days of this Order, the Bank shall submit a revised written contingency funding plan acceptable to the Reserve Bank that, at a minimum, complies with the Interagency Policy Statement on Funding and Liquidity Risk Management, dated March 17, 2010 (SR 10-6), and includes adverse scenario planning.

Earnings Improvement Plan and Budget

13. (a) Within 120 days of this Order, the Bank shall submit to the Reserve Bank a written business plan and a budget for the remainder of 2023 to improve the Bank's earnings

and overall condition. The plan shall include the following four items:

(i) short- and long-term goals and strategies for improving the Bank's earnings, and a description of how the Bank's board of directors and senior management intend to achieve the stated goals;

(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 realistic and comprehensive budget for the remainder of 2023, including income statement and balance sheet projections; and

(iv) a budget review process that analyzes and reports budgeted versus actual income and expense performance.

(b) A business plan and budget for each calendar year subsequent to 2023 shall be submitted to the Reserve Bank at least 30 days prior to the beginning of that calendar year.

Interest Rate Risk Management

14. Within 120 days of this Order, the Bank shall submit a written plan acceptable to the Reserve Bank to enhance interest rate risk management practices that are appropriate for the size and complexity of the Bank. The plan shall include the following three items:

(a) appropriate guidelines and systems, including effective modeling, to measure, monitor, and control the Bank's interest rate risk;

(b) an adequate system to model and control the vulnerability of net interest income to changes in interest rates; and

(c) measures to ensure that interest rate risk management practices are consistent with the Interagency Advisory on Interest Rate Risk dated January 11, 2010 (SR 10-1).

Internal Controls

15. Within 60 days of this Order, the Bank shall submit written policies and procedures acceptable to the Reserve Bank to strengthen the Bank's internal controls. The policies and procedures shall include the following five items:

(a) exception tracking reports to ensure the timely resolution of audit and examination findings;

(b) steps for general ledger reconciliation and maintenance of supporting records, and measures to ensure segregation of duties related to the preparation and review of ledgers and reconciliation;

(c) measures to ensure the accuracy of the Bank's general and subsidiary ledger accounts, and timely resolution of open reconciliation items;

(d) measures to ensure the filing of accurate and complete regulatory reports and notices with the Reserve Bank, including procedures for amending any such filings; and

(e) reporting of internal controls reviews to the board of directors.

Third-Party Risk Management

16. Within 120 days of this Order, the Bank shall submit a written plan acceptable to the Reserve Bank to enhance the Bank's third-party risk management program. The plan shall provide for a sustainable third-party risk management framework, in alignment with applicable supervisory expectations, that include the following three items:

(a) enhanced policies and procedures to ensure third-party service providers, their agents, and subcontractors are adequately and effectively complying with state and federal laws and regulations applicable to the Bank;

(b) measures to develop an appropriate third-party risk management and oversight program, which shall include processes for:

(i) making initial risk assessments and onboarding new third-party service providers;

(ii) routine and periodic monitoring, testing, and risk assessments of third-party service providers;

(iii) tracking and reporting of the status and timely resolution of audit and examination findings related to third-party service providers to the board of directors; and

(iv) terminating third-party service providers; and

(c) steps to ensure effective oversight of third-party service providers by sufficient staff with the necessary knowledge, skills, resources, and training.

Information Technology and Information Security

17. Within 60 days of this Order, the Bank shall submit a written plan acceptable to the Reserve Bank, including timetables, to correct the information technology and information security deficiencies identified in the Report of Examination.

BSA/AML Compliance Program

18. Within 60 days of this Order, the Bank shall submit a written plan acceptable to the Reserve Bank to improve the Bank's BSA/AML compliance program in accordance with the BSA/AML Requirements. The plan shall include the following two enhancements to the BSA/AML compliance program:

(a) management of the program by a qualified BSA/AML compliance officer, provided with adequate resources and training, who is responsible for implementing and maintaining a program that is commensurate with the Bank's size and risk profile; and

(b) improvements to the Bank's system of internal controls to ensure compliance with the BSA/AML Requirements, including, but not limited to, customer due diligence, beneficial ownership, and suspicious activity monitoring and reporting.

Internal Audit

19. Within 120 days of this Order, the Bank shall submit to the Reserve Bank an acceptable enhanced written internal audit program for the Bank. The program shall include the following five items:

(a) completion, at least annually, of a written, board-approved, risk-based audit plan for the Bank;

(b) controls to ensure audits are completed on a timely basis in accordance with the approved audit plan;

(c) requirements for detailed, comprehensive audit reports and adequate work papers to support and evidence the audit work performed;

(d) timely resolution of audit findings and follow-up reviews to ensure completion of corrective measures; and

(e) timely distribution of audit reports and comprehensive tracking and reporting of the status and resolution of audit and examination findings to the audit committee.

Capital Conservation

20. (a) Effective immediately, Bancshares and the Bank shall not, directly or indirectly, declare or pay dividends, engage in share repurchases, or make any other capital

distribution in respect of common shares, preferred shares, or other capital instruments, including, without limitation, any interest payments due on subordinated debentures, without the prior written approval of the Reserve Bank and the Director of Supervision and Regulation of the Board of Governors. All requests for prior approval shall be received in writing at least 30 days prior to the earlier of the proposed declaration, payment, or distribution date, or required notice of deferral, and shall contain, at a minimum, current and projected information, as appropriate, on Bancshares and the Bank's respective capital, earnings, and cash flow; the Bank's asset quality, earnings, and allowance for loan and lease losses; and identification of the source(s) of funding for the proposed payment or distribution.

(b) Effectively immediately, Bancshares and the Bank shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank. All requests for prior approval shall be received at least 30 days prior to the proposed transaction date and 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.

Compliance with Laws and Regulations

21. (a) The Bank shall take all necessary steps to correct all violations of law or regulation cited in the Report of Examination. In addition, the Bank shall take necessary steps to ensure future compliance with all applicable laws and regulations.

(b) 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, Bancshares 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.*).

(c) Bancshares 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. § 359).

Progress Reports

22. Within 30 days after the end of each calendar quarter following the effective date of this Order, the boards of directors of Bancshares and the Bank shall submit to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with this Order and the results thereof.

Approval and Implementation of Plans, Policies, Procedures, and Programs

23. (a) Bancshares or the Bank, as applicable, shall submit written plans, policies, procedures, and programs, that are acceptable to the Reserve Bank within the applicable time periods set forth in paragraphs 4, 5, 7(a), 9, 11, 12, 14, 15, 16, 17, 18, and 19 of this Order. Each plan, policy, procedure, and program shall contain a timeline for full implementation of the plan, policy, procedure, or program with specific deadlines for the completion of each component of the plan, policy, procedure, or program. An independent third party acceptable to the Reserve Bank shall be retained in accordance with the Reserve Bank's requirements by the Bank within the time period set forth in paragraph 3(a) of this Order. The engagement letter shall be submitted to the Reserve Bank within the time period set forth in paragraph 3(b) of this Order.

(b) Within 10 days of approval by the Reserve Bank, Bancshares, or the Bank, as applicable, shall adopt the approved plans, policies, procedures, and programs. Upon adoption, Bancshares or the Bank, as applicable, shall promptly implement the approved plans,

policies, procedures, and programs, and thereafter fully comply with them.

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

Communications

24. All communications regarding this Order shall be sent to:

- (a) Mr. Jason A. Gonzalez
Assistant General Counsel
Federal Reserve Board
20th & C St. NW
Washington, DC 20551
- (b) Mr. Ryan L. Harwell
Vice President
Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198
- (c) Mr. Bill Vandivort
Legal Counsel
Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198
- (d) Dr. Phillip B. Eastep
Chairman of the Board
Gardner Bancshares, Inc.
Small Business Bank
13423 West 92nd Street
Lenexa, Kansas 66215

Miscellaneous

25. Notwithstanding any provision of this Order, the Reserve Bank may in its sole discretion, grant written extensions of time to Bancshares or the Bank to comply with any provision of this Order. Bancshares and the Bank must submit a written request to the Reserve Bank for any extension of time.

26. The provisions of this Order shall be binding upon Bancshares, the Bank, and their institution-affiliated parties, as defined in section 3(u) and 8(b)(3) of the FDI Act (12 U.S.C. §§ 1813(u) and 1818(b)(3)), in their capacities as such, and their successors and assigns.

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

28. The provisions of this Order 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 Bancshares, the Bank, or any of its current or former institution-affiliated parties and their successors and assigns.

By order of the Board of Governors of the Federal Reserve System effective this 1st day of September, 2023.

GARDNER BANCSHARES, INC.

BOARD OF GOVERNORS OF
FEDERAL RESERVE SYSTEM

By: /s/ Phillip B. Eastep
Dr. Phillip B. Eastep
Chairman of the Board

By: /s/ Ann E. Misback
Ann E. Misback
Secretary of the Board

SMALL BUSINESS BANK

By: /s/ Phillip B. Eastep
Dr. Phillip B. Eastep
Chairman of the Board