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

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES,
DIVISION OF FINANCE AND CORPORATE SECURITIES
SALEM, OREGON

Written Agreement by and among LIBERTY FINANCIAL GROUP, INC. Eugene, Oregon FEDERAL RESERVE BANK OF SAN FRANCISCO San Francisco, California and OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, DIVISION OF FINANCE AND CORPORATE SECURITIES Salem, Oregon	Docket No. 10- 045-WA/RB-HC

WHEREAS, Liberty Financial Group, Inc., Eugene, Oregon ("Liberty"), a registered bank holding company, owns and controls Liberty Bank, Eugene, Oregon (the "Bank"), a state chartered nonmember bank, and a nonbank subsidiary;

WHEREAS, it is the common goal of Liberty and the Federal Reserve Bank of San Francisco (the "Reserve Bank") and the Director of the State of Oregon's Department of Consumer and Business Services acting through the Administrator of the Division of Finance and

Corporate Securities (the "DFCS") to maintain the financial soundness of Liberty so that Liberty may serve as a source of strength to the Bank;

WHEREAS, Liberty and the Reserve Bank and the DFCS have mutually agreed to enter into this Written Agreement (the "Agreement"); and

WHEREAS, on April 1, 2010, the board of directors of Liberty, at a duly constituted meeting, adopted a resolution authorizing and directing Robert L. Fenstermacher to enter into this Agreement on behalf of Liberty, and consenting to compliance with each and every provision of this Agreement by Liberty 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, Liberty, the Reserve Bank, and the DFCS agree as follows:

Source of Strength

1. The board of directors of Liberty shall take appropriate steps to fully utilize Liberty'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 the Consent Order entered into with the Federal Deposit Insurance Corporation (the "FDIC") and the DFCS on December 23, 2009 and any other supervisory action taken by the Bank's federal or state regulator.

Dividends and Distributions

2. (a) Liberty 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 (the "Board of Governors"), and the DFCS.

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

(c) Liberty 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, the Director, and the DFCS.

(d) All requests for prior approval shall be received by the Reserve Bank and the DFCS 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 on Liberty's capital, earnings, and cash flow; the Bank's capital, asset quality, earnings, and allowance for loan and lease losses (the "ALLL"); and identification of the sources of funds for the proposed payment or distribution. For requests to declare or pay dividends, Liberty 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) Liberty and any nonbank subsidiary shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank and DFCS. 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) Liberty shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank and the DFCS.

Capital Plan

4. Within 60 days of this Agreement, Liberty shall submit to the Reserve Bank and the DFCS an acceptable written plan to maintain sufficient capital at Liberty on a consolidated basis. The plan shall, at a minimum, address, consider, and include:

(a) The consolidated organization's and the Bank's 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 Bank issued by the FDIC;

(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 necessary to fulfill the consolidated organization's and the Bank's future capital requirements;

(d) supervisory requests for additional capital at the Bank or the requirements of any supervisory action imposed on the Bank by the FDIC; and

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

5. Liberty shall notify the Reserve Bank and the DFCS, in writing, no more than 30 days after the end of any quarter in which any of the consolidated organization's capital ratios fall below the approved plan's minimum ratios. Together with the notification, Liberty shall submit an acceptable capital plan that details the steps Liberty will take to increase the consolidated organization's capital ratios to or above the approved plan's minimums.

Compliance with Laws and Regulations

6. (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, Liberty 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) Liberty 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

7. 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 and the DFCS 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 Plan

8. (a) Liberty shall submit a written capital plan that is acceptable to the Reserve Bank within the applicable time period set forth in paragraph 4 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank and the DFCS, Liberty shall adopt the approved capital plan. Upon adoption, Liberty shall promptly implement the approved plan, and thereafter fully comply with it.

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

Communications

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

(a) Mr. John Kandaris
Examiner Manager
Banking Supervision & Regulation
Federal Reserve Bank of San Francisco
101 Market Street,
San Francisco, California 94105

(b) Mr. Richard Renken
Banks and Trusts Program Manager
State of Oregon, Department of Consumer and business Services
Division of Finance and Corporate Securities
350 Winter Street NW, Room 410
Salem, Oregon 97309-0405

(c) Mr. Robert L. Fenstermacher
President
Liberty Financial Group, Inc.
355 Goodpature Island Road, Suite 200
Eugene, Oregon 97401-2219

Miscellaneous

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

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

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

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

14. 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 19th day of April, 2010.

LIBERTY FINANCIAL GROUP, INC.

By: /s/ Robert L. Fenstermacher
Robert L. Fenstermacher
President

FEDERAL RESERVE BANK OF SAN FRANCISCO

By: /s/ Kevin Zerbe
Kevin Zerbe
Vice President

OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, DIVISION OF FINANCE AND CORPORATE SECURITIES

By: /s/ David C. Tatman
David C. Tatman, Administrator