

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

STATE OF IDAHO
DEPARTMENT OF FINANCE
BOISE, IDAHO

Written Agreement by and among

SYRINGA BANCORP
Boise, Idaho

FEDERAL RESERVE BANK OF
SAN FRANCISCO
San Francisco, California

and

STATE OF IDAHO
DEPARTMENT OF FINANCE
Boise, Idaho

Docket No. 11-001-WA/RB-HC

IDOF Docket No. 2011-3-01

WHEREAS, Syringa Bancorp, Boise, Idaho (“Bancorp”), a registered bank holding company, owns and controls Syringa Bank, Boise, Idaho (the “Bank”), a state-chartered nonmember bank, and one nonbank subsidiary;

WHEREAS, it is the common goal of Bancorp, the Federal Reserve Bank of San Francisco (the “Reserve Bank”), and the Idaho Department of Finance (the “Department”) to maintain the financial soundness of Bancorp so that Bancorp may serve as a source of strength to the Bank;

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

WHEREAS, on March 1, 2011, the board of directors of Bancorp, at a duly constituted meeting, adopted a resolution authorizing and directing Hilario Arguinchona to enter into this Agreement on behalf of Bancorp, and consenting to compliance with each and every provision of this Agreement by Bancorp 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)). Further, the board of directors of Bancorp authorized and directed Hilario Arguinchona to enter into this Agreement on behalf of Bancorp in lieu of the Department’s initiation of an action against Bancorp pursuant to Idaho Code § 26-509. The board of directors of Bancorp hereby waives its rights to receive a notice of charges with respect to the matters set forth in this Agreement and to have a hearing on those matters.

NOW, THEREFORE, Bancorp, the Reserve Bank, and the Department agree as follows:

Source of Strength

1. The board of directors of Bancorp shall take appropriate steps to fully utilize Bancorp’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, dated August 19, 2010, that was issued jointly by the Federal Deposit Insurance Corporation (“FDIC”) and the Department, and any other supervisory action taken by the Bank’s federal or state regulator.

Dividends and Distributions

2. (a) Bancorp 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 (the “Director”) of the Board of Governors, and the Department.

(b) Bancorp 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 Department.

(c) Bancorp 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 Department.

(d) All requests for prior approval shall be received by the Reserve Bank and the Department 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 Bancorp'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, Bancorp 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), and the safety and soundness of Bancorp and the Bank.

Debt and Stock Redemption

3. (a) Bancorp 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 Department. 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, the planned source(s) for debt repayment, and an analysis of the cash flow resources available to meet such debt repayment.

(b) Bancorp shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank and the Department.

Cash Flow Projections

4. Within 30 days of this Agreement, Bancorp shall submit to the Reserve Bank and the Department a written statement of Bancorp's planned sources and uses of cash for debt service, operating expenses, and other purposes ("Cash Flow Projection") for 2011. Bancorp shall submit to the Reserve Bank and the Department a Cash Flow Projection for each calendar year subsequent to 2011 at least one month prior to the beginning of that calendar year.

Compliance with Laws and Regulations

5. (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, Bancorp 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.*). Further, Bancorp shall provide prior written notice of such action to the Department.

(b) Bancorp shall comply with the restrictions on indemnification and severance payments of section 18(k) of the FDI Act (12 U.S.C. § 1828(k)), Part 359 of the FDIC's regulations (12 C.F.R. Part 359), and Idaho Code §§ 26-213(5), 30-1-202, 30-1-833, and 30-1-851 through 30-1-859.

Progress Reports

6. 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 Department 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.

Communications

7. All communications regarding this Agreement shall be sent to:
 - (a) Mr. Kenneth Szyndel
Examining Manager
Banking Supervision & Regulation
Federal Reserve Bank of San Francisco
101 Market Street, Mail Stop 945
San Francisco, California 94105
 - (b) Mr. Gavin M. Gee
Director
Department of Finance
State of Idaho
800 Park Boulevard, Suite 200
Boise, Idaho 83720-0031
 - (c) Mr. Scott Gibson
President and Chief Executive Officer
Syringa Bancorp
999 Main Street, Suite 100
Boise, Idaho 83702

Miscellaneous

8. Notwithstanding any provision of this Agreement, the Reserve Bank and the Department may, in their sole discretion, grant written extensions of time to Bancorp to comply with any provision of this Agreement.
9. The provisions of this Agreement shall be binding upon Bancorp and its institution-affiliated parties, in their capacities as such, and their successors and assigns.
10. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank and the Department.

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

12. 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), and by the Department pursuant to Idaho Code §§ 26-509 and 26-1101.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 18th day of April, 2011.

SYRINGA BANCORP

FEDERAL RESERVE BANK
OF SAN FRANCISCO

By: /s/ Hilario J. Arguinchona
Hilario J. Arguinchona
Chairman of the Board

By: /s/ Kevin Zerbe
Kevin Zerbe
Vice President

IDAHO DEPARTMENT OF
FINANCE

By: /s/ Gavin M. Gee
Gavin M. Gee
Director