

#2000-54

AGREEMENT BY AND BETWEEN
FIRST NATIONAL BANK OF FLORIDA
MILTON, FLORIDA
AND
THE OFFICE OF THE COMPTROLLER OF THE CURRENCY

First National Bank of Florida, Milton, Florida (Bank) and the Comptroller of the Currency of the United States of America (Comptroller) wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

The Comptroller, through his National Bank Examiner, has examined the Bank, and his findings are contained in the Report of Examination, dated October 12, 1999.

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors (Board), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

ARTICLE I

(1) This Agreement shall be construed to be a "written agreement entered into with the agency" within the meaning of 12 U.S.C. ' 1818(b)(1).

(2) This Agreement shall be construed to be a "written agreement between such depository institution and such agency" within the meaning of 12 U.S.C. ' 1818(e)(1) and 12

U.S.C. ' 1818(i)(2).

(3) This Agreement shall be construed to be a formal written agreement within the meaning of 12 C.F.R. ' 5.51(c)(6)(ii). See 12 U.S.C. ' 1831i.

(4) This Agreement shall be construed to be a final order within the meaning of 12 U.S.C. ' 1818(u).

(5) All reports or plans which the Bank or Board has agreed to submit to the Assistant Deputy Comptroller pursuant to this Agreement shall be forwarded to the Assistant Deputy Comptroller, Birmingham Field Office, 100 Concourse Parkway, Suite, 240, Birmingham, AL 35244.

ARTICLE II

(1) Within thirty (30) days, the Board shall appoint a Compliance Committee of at least three (3) directors, of which no more than one (1) shall be employees of the Bank or any of its affiliates (as the term "affiliate" is defined in 12 U.S.C. ' 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee shall be submitted in writing to the Assistant Deputy Comptroller. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Agreement.

(2) The Compliance Committee shall meet at least monthly.

(3) Within thirty (30) days of the appointment of the Committee and monthly thereafter, the Compliance Committee shall submit a written progress report to the Board setting

forth in detail:

- (a) actions taken to comply with each Article of this Agreement; and
 - (b) the results of those actions.
- (4) The Board shall forward a copy of the Compliance Committee's reports, with any additional comments by the Board, to the Assistant Deputy Comptroller on a quarterly basis.

ARTICLE III

(1) Within one hundred-twenty (120) days, the Compliance Committee shall complete a study of current management and Board supervision presently being provided to the Bank, the Bank's management structure, and its staffing requirements in light of the Bank's present condition. The findings and recommendations of the Compliance Committee shall be set forth in a written report to the Board. The Compliance Committee may employ an independent outside consultant to assist in performing the study required by this Article. At a minimum, the report shall contain:

- (a) the identification of present and future management and staffing requirements of each area of the Bank, with particular emphasis given to the lending area;
- (b) detailed written job descriptions for all executive officers;
- (c) an evaluation of each officer's qualifications and abilities and a determination of whether each of

these individuals possess the experience and other qualifications required to perform present and anticipated duties of his/her officer position;

- (d) recommendations as to whether management or staffing changes should be made, including the need for additions to or deletions from the current management team;
- (e) objectives by which management's effectiveness will be measured;
- (f) a training program to address identified weaknesses in the skills and abilities of the Bank's staff and management team;
- (g) an evaluation of current lines of authority, reporting responsibilities and delegation of duties for all officers, including identification of any overlapping duties or responsibilities;
- (h) a recommended organization chart that clearly reflects areas of responsibility and lines of authority for all officers, including the Bank's president and chief executive officer;
- (i) an assessment of the Board's strengths and

weaknesses along with a director education program designed to strengthen identified weaknesses;

- (j) an assessment of whether Board members are receiving adequate information on the operation of the Bank to enable them to fulfill their fiduciary responsibilities and other responsibilities under law;
- (k) recommendations to expand the scope, frequency and sufficiency of information provided to the Board by management;
- (l) an evaluation of the extent of responsibility of current management and/or the Board for present weaknesses in the Bank's condition; and
- (m) recommendations to correct or eliminate any other deficiencies in the supervision or organizational structure of the Bank.

(2) Within thirty (30) days of completion of this study, the Board shall develop, implement, and thereafter ensure Bank adherence to a written plan, with specific time frames, that will correct any deficiencies which are noted in the study.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

(4) Copies of the Board's written plan and the Compliance Committee's study shall be forwarded to the Assistant Deputy Comptroller. The Assistant Deputy Comptroller shall retain the right to determine the adequacy of the report and its compliance with the terms of this Agreement. In the event the written plan, or any portion thereof, is not implemented, the Board shall immediately advise the Assistant Deputy Comptroller, in writing, of specific reasons for deviating from the plan.

ARTICLE IV

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written strategic plan for the Bank covering at least a three-year period. The strategic plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy, reduction in the volume of nonperforming assets, product line development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives and, at a minimum, include:

- (a) a mission statement that forms the framework for the establishment of strategic goals and objectives;

- (b) an assessment of the Bank's present and future operating environment;
- (c) the development of strategic goals and objectives to be accomplished over the short and long term;
- (d) an identification of the Bank's present and future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in (1)(c) of this Article;
- (e) an evaluation of the Bank's internal operations, staffing requirements, board and management information systems and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives developed under (1)(c) of this Article;
- (f) a management employment and succession program to promote the retention and continuity of capable management;
- (g) product line development and market segments that the Bank intends to promote or develop;
- (h) an action plan to improve bank earnings and accomplish identified strategic goals and

objectives, including individual responsibilities, accountability and specific time frames;

- (i) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the period covered by the strategic plan;
- (j) control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's operating environment;
- (k) specific plans to establish responsibilities and accountability for the strategic planning process, new products, growth goals, or proposed changes in the Bank's operating environment; and
- (l) systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(2) Upon adoption, a copy of the plan shall be forwarded to the Assistant Deputy Comptroller for review and approval.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

ARTICLE V

(1) The Bank shall achieve by December 31, 2000, and thereafter maintain, the following capital levels (as defined in 12 C.F.R. Part 3):

- (a) Tier 1 capital at least equal to ten and one-quarter percent (10.25%) of risk-weighted assets;
- (b) Tier 1 capital at least equal to seven and one-half percent (7.5%) of adjusted total assets¹.

(2) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to a three-year capital program. The program shall include:

- (a) specific plans for the maintenance of adequate capital that may in no event be less than the requirements of paragraph (1);
- (b) projections for growth and capital requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (c) projections of the sources and timing of additional capital to meet the Bank's current and future

needs;

- (d) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank's needs;
- (e) contingency plans that identify alternative methods should the primary source(s) under (d) above not be available; and
- (f) a dividend policy that permits the declaration of a dividend only:
 - (i) when the Bank is in compliance with its approved capital program; and
 - (ii) when the Bank is in compliance with 12 U.S.C. ' ' 56 and 60.

(3) Upon completion, the Bank's capital program shall be submitted to the Assistant Deputy Comptroller for approval. Upon approval by the Assistant Deputy Comptroller, the Bank shall implement and adhere to the capital program. The Board shall review and update the Bank's capital program on an annual basis, or more frequently if necessary. Copies of the reviews and updates shall be submitted to the Assistant Deputy Comptroller.

¹Adjusted total assets is defined in 12 C.F.R. ' 3.2(a) as the average total asset figure used for Call Report purposes minus end-of-quarter intangible assets.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VI

(1) The Board shall review the adequacy of the Bank's Allowance for Loan and Lease Losses (Allowance) and shall establish a program for the maintenance of an adequate Allowance. This review and program shall be designed in light of the comments on maintaining a proper Allowance found in the *Allowance for Loan and Lease Losses* booklet, A-ALLL, of the **Comptroller's Handbook**, and shall focus particular attention on the following factors:

- (a) results of the Bank's internal loan review;
- (b) results of the Bank's external loan review;
- (c) an estimate of inherent loss exposure on each credit in excess of two hundred fifty thousand dollars (\$250,000);
- (d) loan loss experience;
- (e) trends of delinquent and nonaccrual loans;
- (f) concentrations of credit in the Bank; and
- (g) present and prospective economic conditions.

(2) The program shall provide for a review of the Allowance by the Board at least once each calendar quarter. Any deficiency in the Allowance shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Reports of Condition and Income, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the Allowance.

(3) A copy of the Board's program shall be submitted to the Assistant Deputy Comptroller for review and approval.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE VII

(1) Within sixty (60) days, the Board shall obtain current and satisfactory credit information on all loans lacking such information, including those listed in the Report of Examination, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination.

(2) Within sixty (60) days, the Board shall ensure proper collateral documentation is maintained on all loans and correct each collateral exception listed in the Report of

Examination, in any subsequent Report of Examination, in any internal or external loan review, or in any listings of loans lacking such information provided to management by the National Bank Examiners at the conclusion of an examination.

(3) Effective immediately, the Bank may grant, extend, renew, alter or restructure any loan or other extension of credit only after:

- (a) documenting the specific reason or purpose for the extension of credit;
- (b) identifying the expected source of repayment in writing;
- (c) structuring the repayment terms to coincide with the expected source of repayment;
- (d) obtaining and analyzing current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations;
 - (i) Failure to obtain the information in (d) shall require a majority of the Board's delegated committee to certify in writing the specific reasons why obtaining and analyzing the information in (d) would be detrimental to the best interests of the Bank.

- (ii) A copy of the Board certification shall be maintained in the credit file of the affected borrower(s). The certification will be reviewed by this Office in subsequent examinations of the Bank; and
- (e) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable.

ARTICLE VIII

(1) The Bank shall take immediate and continuing action to protect its interest in those assets criticized in the Report of Examination, in any subsequent Report of Examination, by internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination.

(2) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written program designed to eliminate the basis of criticism of assets criticized in the Report of Examination, in any subsequent Report of Examination, or by any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination as "doubtful," "substandard," or "special mention." This program shall include, at a minimum:

- (a) an identification of the expected sources of repayment;
- (b) the appraised value of supporting collateral and the position of the Bank's

lien on such collateral where applicable;

- (c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations; and
- (d) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment.

(3) Upon adoption, a copy of the program for all criticized assets equal to or exceeding two hundred fifty thousand dollars (\$250,000) shall be forwarded to the Assistant Deputy Comptroller.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

(5) The Board's designated committee, shall conduct a review, on at least a monthly basis, to determine:

- (a) the status of each criticized asset or criticized portion thereof that equals or exceeds two hundred fifty thousand dollars (\$250,000);
- (b) management's adherence to the program adopted pursuant to this Article;
- (c) the status and effectiveness of the written program; and
- (d) the need to revise the program or take alternative action.

(6) A copy of each review shall be forwarded to the Assistant Deputy Comptroller on a quarterly basis in a format similar to Appendix A, attached hereto.

(7) The Bank may extend credit, directly or indirectly, including renewals, extensions or capitalization of accrued interest, to a borrower whose loans or other extensions of credit are criticized in the Report of Examination, in any subsequent Report of Examination, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination and whose aggregate loans or other extensions exceed two hundred fifty thousand dollars (\$250,000) only if each of the following conditions is met:

- (a) the Board's designated committee finds that the extension of additional credit is necessary to promote the best interests of the Bank and that prior to renewing, extending or capitalizing any additional credit, a majority of the Board's designated committee approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank; and
- (b) a comparison to the written program adopted pursuant to this Article shows that the Board's formal plan to collect or strengthen the criticized

asset will not be compromised.

(8) A copy of the approval of the designated committee shall be maintained in the file of the affected borrower.

ARTICLE IX

(1) Within one hundred twenty (120) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written asset diversification program consistent with the *Loan Portfolio Management* booklet of the **Comptroller's Handbook**. The program shall include, but not necessarily be limited to, the following:

- (a) a review of the balance sheet to identify any concentrations of credit;
- (b) procedures to track and analyze concentrations of credit;
- (c) a written analysis of any concentration of credit identified above in order to identify and assess the inherent credit, liquidity, and interest rate risk;
- (d) policies and procedures to control and monitor concentrations of credit; and
- (e) an action plan approved by the Board to reduce the risk of any concentration deemed imprudent in the above analysis.

(2) For purposes of this Article, a concentration of credit is as defined in Section 216 of the Comptroller's Handbook for National Bank Examiners.

(3) The Board shall ensure that future concentrations of credit are subjected to the analysis required by subparagraph (1)(c) and that the analysis demonstrate that the concentration will not subject the Bank to undue credit or interest rate risk.

(4) Upon completion, a copy of the program shall be forwarded to the Assistant Deputy Comptroller.

(5) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program developed pursuant to this Article.

ARTICLE X

(1) Within ninety (90) days, the Board shall develop, implement, and thereafter ensure Bank adherence to systems which provide for:

- (a) early problem loan identification to assure the timely identification and rating of loans and leases based on lending officer submissions, and
- (b) monitoring the adequacy of credit and collateral documentation.

(2) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the program and systems developed pursuant to this Article.

ARTICLE XI

(1) The Board shall within ninety (90) days employ or designate a sufficiently experienced and qualified person(s) or firm to ensure the timely and independent identification of problem loans and leases.

(2) Within one hundred twenty (120) days, the Board shall establish an effective, independent and on-going loan review system to review, at least quarterly, the Bank's loan and lease portfolios to assure the timely identification and categorization of problem credits. The system shall provide for a written report to be filed with the Board after each review and shall use a loan and lease grading system consistent with the guidelines set forth in Section 215 of the Comptroller's Handbook for National Bank Examiners. Such reports shall, at a minimum, include conclusions regarding:

- (a) system for monitoring compliance with the Bank's lending policies and laws, rules, and regulations pertaining to the Bank's lending function; and
- (b) system for monitoring the adequacy of credit and collateral documentation.

(3) A written description of the program called for in this Article shall be forwarded to the Assistant Deputy Comptroller upon implementation.

(4) The Board shall ensure that the Bank has processes, personnel, and control

systems to ensure implementation of and adherence to the program developed pursuant to this Article.

(5) The Board shall evaluate the internal loan and lease review report(s) and shall ensure that immediate, adequate, and continuing remedial action, if appropriate, is taken upon all findings noted in the report(s).

(6) A copy of the reports submitted to the Board, as well as documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits, shall be preserved in the Bank.

ARTICLE XII

(1) Within ninety (90) days, the Board shall employ a qualified consultant to perform an ongoing asset quality review of the Bank. The consultant shall be utilized until such time as an ongoing internal asset quality review system is developed by the Board, implemented and demonstrated to be effective. Before terminating the consultant's asset quality review services, the Board shall both certify the effectiveness of the internal asset quality review system, and receive prior approval from the Assistant Deputy Comptroller.

(2) Prior to hiring a consultant or entering into any contract with a consultant, the Bank shall submit the proposed terms of employment and the qualifications of the consultant to the Assistant Deputy Comptroller who shall have the power of veto. However, the failure to exercise such veto power shall not constitute an approval or endorsement of the proposed

consultant.

ARTICLE XIII

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a policy to ensure that Other Real Estate Owned (OREO) is managed in accordance with 12 U.S.C. ' 29 and 12 C.F.R. Part 34. The policy shall address:

(a) proper accounting procedures for OREO properties from initial transfer to the Bank until sale to a third party;

(b) procedures to require timely appraisals pursuant to
12 C.F.R. ' 34.85 and 12 C.F.R. Part 34, Subpart C;

(2) Upon adoption, the Bank shall forward copies of the policy to the Assistant Deputy Comptroller for review.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE XIV

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to action plans for each parcel of Other Real Estate Owned (OREO) to ensure that these assets are managed in accordance with 12 U.S.C. ' 29 and 12 C.F.R. Part 34, Subpart E. At a minimum, the plans shall:

- (a) contain an analysis of each OREO property which compares the cost to carry against the financial benefits of near term sale;
- (b) detail the marketing strategies for each parcel;
- (c) identify targeted time frames for disposing each parcel of OREO;
- (d) establish targeted write-downs at periodic intervals if marketing strategies are unsuccessful;
- (e) establish procedures to require periodic market valuations of each property, and the methodology to be used; and
- (f) provide for reports to the Board on the status of OREO properties on at least a quarterly basis.

(2) Upon adoption, the Bank shall forward a copy of the plans to the Assistant Deputy Comptroller.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plans developed pursuant to this Article.

ARTICLE XV

(1) Within sixty (60) days, the Board shall adopt, implement, and thereafter ensure adherence to a written real estate appraisal review program consistent with the *Commercial Real*

Estate and Construction Lending booklet of the **Comptroller's Handbook**. The program shall include, but not necessarily be limited to, the following:

- (a) procedures to provide an independent, written review by a qualified and competent, certified appraiser of each real estate appraisal obtained for real estate related transactions of one million dollars (\$1,000,000) or more;
- (b) procedures to provide an independent, written review by a qualified and competent, certified appraiser of each real estate appraisal obtained for Other Real Estate Owned which has a book value of two hundred fifty thousand dollars (\$250,000) or greater;
- (c) a requirement that each independent appraisal review be written, well documented and comply with Standard III, Statement No. 1 (revised 9/16/98) and Advisory Opinion AO-6 (revised 9/16/98) of the Uniform Standards of Professional Appraisal Practice (USPAP);
- (d) a requirement that each independent appraisal review include a complete written rationale in support of the conclusions provided and specifically

analyze and address, in narrative form, the following;

- (i) compliance with 12 C.F.R. Part 34; and
 - (ii) the reasonableness of the appraisal assumptions, including current and projected vacancy and absorption rates, lease renewal trends and anticipated rents, volume and trends in past due leases, effective rental rates or sale prices (taking into account all concessions), net operating income of the property as compared with budget projections, and discount rates and direct capitalization rates;
 - (e) procedures to ensure the appraiser(s) selected to perform the appraisal reviews are competent based upon the factors contained 12 C.F.R. ' 34.46; and
 - (f) a requirement that each independent appraisal review be conducted prior to the final credit decision and that unreliable appraisals be replaced prior to the final credit decision.
- (2) The terms in this Article shall have the meaning as set out in 12 C.F.R. Part 34.
- (3) Upon completion, a copy of the program shall be forwarded to the

Assistant Deputy Comptroller.

ARTICLE XVI

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written liquidity, asset and liability management policy. In formulating this policy, the Board shall refer to the Comptroller's Handbook for National Bank Examiners, Section 405. The policy shall provide for a coordinated asset/liability management strategy and, at a minimum, address:

- (a) development of a liquidity contingency plan;
- (b) guidelines concerning the nature, extent, and purpose of the Bank's use of brokered deposits consistent with the Bank's overall funds management strategies;
- (c) the nature, extent and purpose of Bank borrowings;
- (d) limits on concentrations of funding sources; and (e) periodic review of the Bank's adherence to the policy.

(2) Upon adoption, a copy of the written policy shall be forwarded to the Assistant Deputy Comptroller for review.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE XVII

- (1) The Bank may accept Brokered Deposits (as defined by 12 C.F.R. 337.6(a)(2)) for deposit at the Bank only after obtaining the prior written approval of the Assistant Deputy Comptroller.
- (2) The limitation of paragraph (1) shall include the acquisition of Brokered Deposits through any transfer, purchase, or sale of assets, including Federal funds transactions.
- (3) If the Bank seeks to acquire Brokered Deposits, the Bank shall apply to the Assistant Deputy Comptroller for written permission. Such application shall contain, at a minimum, the following:
 - (a) the dollar volume, maturities, and cost of the Brokered Deposits to be acquired;
 - (b) the proposed use of the Brokered Deposits, i.e., short-term liquidity or restructuring of liabilities to reduce cost;
 - (c) alternative funding sources available to the Bank; and
 - (d) the reasons why the Bank believes that the acceptance of the Brokered Deposits does not constitute an unsafe and unsound practice in its particular circumstances.
- (4) The Assistant Deputy Comptroller may require the submission of such additional

information as necessary to make an informed decision. Upon consideration of the Bank's application, the Assistant Deputy Comptroller will determine whether the proposed acquisition of Brokered Deposits may be accomplished in a safe and sound manner and may condition the Bank's acquisition as the Assistant Deputy Comptroller shall deem appropriate.

(5) Nothing in this Article shall relieve the Bank of its obligation under 12 U.S.C. ' 1831f to seek necessary approvals from the Federal Deposit Insurance Corporation before accepting Brokered Deposits and to comply with all the requirements of 12 U.S.C. ' 1831f.

ARTICLE XVIII

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or approval, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are

amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

Signed

Tommy R. Tucker
Assistant Deputy Comptroller

June 29, 2000
Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

Signed
Wilbur Adams

6/29/00
Date

Signed
Mahlon W. McCall

6/29/00
Date

Signed
Thurman G. Melson

7/10/00
Date

Signed
Bobby R. Murhpy

6/29/00
Date

Signed
I. H. Northrup

6/29/00
Date

Signed
Ben C. Otis

6/29/00
Date

APPENDIX A

FIRST NATIONAL BANK OF FLORIDA
MILTON, FLORIDA

BORROWER(S):

ASSET BALANCE(S) AND OCC RATING CRITICISM (OAEM, SUBSTANDARD,
DOUBTFUL OR LOSS):

\$ _____ CRITICISM _____

- AMOUNT CHARGED OFF TO DATE _____ FUTURE POTENTIAL CHARGE-OFF _____

PRESENT STATUS* (include past due status, nonperforming, significant progress of
deterioration, etc.):

FINANCIAL AND/OR COLLATERAL SUPPORT (include brief summary of most current
financial information, appraised value of collateral and/or estimated value and date thereof,
bank's lien position and amount of available equity, if any, guarantor(s) info, etc.):

PROPOSED PLAN OF ACTION TO ELIMINATE ASSET CRITICISM(S) AND
TIMEFRAME FOR ITS ACCOMPLISHMENT:

IDENTIFIED SOURCE OF REPAYMENT AND DEFINED REPAYMENT PROGRAM
(repayment program should coincide with source of repayment):

Use this form for reporting each criticized asset which exceeds one hundred thousand dollars
(\$100,000) and retain the original in the credit file for review by the examiners. Submit your
reports quarterly until notified otherwise, in writing, by the Assistant Deputy Comptroller.

*Any increase in the asset(s) should be fully explained in the PRESENT STATUS section.