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WRITTEN AGREEMENT WITH THE
OFFICE OF THRIFT SUPERVISION

This Written Agreement ("Agreement") is made and is effective this 21st day of October, 1991, by and between Presidential Bank, a State Savings Bank, OTS Docket Number 07822 ("Presidential" or "Institution") for itself and its wholly owned service corporations and the Office of Thrift Supervision ("OTS"), acting through its Southwest Regional Director or his designee ("Regional Director").

WHEREAS, Presidential and the Office of Thrift Supervision wish to protect the interests of the depositors, other customers of the Institution, and the Savings Association Insurance Fund and, toward that end, the parties agree that the Institution shall operate in a safe and sound manner and in accordance with applicable laws, rules, and regulations.

WHEREAS, in the interest of regulatory compliance and cooperation, the Institution is willing to enter into this Agreement, and

WHEREAS, the OTS has asked Presidential to enter into this Agreement based upon an examination dated September 4, 1990, and since such date new directors representing a majority of the Board of Directors of Presidential have been elected and new executive officers have been appointed; and

WHEREAS, the Board of Directors of Presidential has already taken steps to address the concerns raised in the report of examination; and

WHEREAS, the OTS is willing to forbear from the initiation of proceedings pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C., subsection 1818(b), to require the actions specifically covered by this Agreement for so long as the Institution is in compliance with the provisions of the Agreement that pertain to such actions, and

WHEREAS, it is understood by the parties that execution of this Agreement does not preclude the OTS from taking further supervisory or enforcement measures to require actions not specifically covered by this Agreement which the OTS considers appropriate under the circumstances.

NOW, THEREFORE, in consideration of the above-stated forbearance, it is agreed between the parties hereto as follows:

[Handwritten mark]

1. The Institution shall review and revise, if appropriate, existing loan underwriting policies and procedures established in response to the examination dated September 4, 1990, to assure that such policies and procedures are sufficient to meet the requirements of 12 C.F.R. Section 563.170, and at a minimum, require that the Institution perform and document a review of all financial information gathered in the loan application process. Following a determination of their sufficiency, the Institution shall adhere to such policies and procedures in its loan underwriting.

Such policies and procedures shall include, but not be limited to, the following items for all loans except those secured by owner occupied single family dwellings and consumer loans:

- a. Obtaining credit reports on all personal borrowers and personal guarantors, and analyzing all of the credit reports;
- b. For any prospective borrower that is self employed or is a corporation, an analysis of the borrower's two most recent income tax returns;
- c. An analysis of current financial statements, including balance sheets and operating statements. This analysis shall include the review of the borrower's current assets and current liabilities, the borrower's net working capital, the amount of debt in relation to net worth, and the availability of funds for equity in any proposed security property;
- d. Analysis of the borrower's ability to service short and long term debt, including any prospective loan.

Following the Institution's review, the Institution's independent auditor should review these revised underwriting policies and procedures and prepare a written report to the Board of Directors regarding the adequacy of the policies and procedures and any recommendations for improving the policies and procedures.

2. Within 30 days after the effective date of this Agreement, the Institution shall develop (or review and revise, if appropriate, any existing plan established in response to the examination dated September 4, 1990), and adopt and adhere to a plan to reduce the Institution's level of assets classified and assets designated Special Mention (criticized), as detailed in the September 4, 1990, Report of Examination.

The plan shall include, at a minimum, specific targets and time-frames for the reduction of the level of criticized assets. At

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least quarterly, the Board of Directors shall review the Institution's progress in meeting the targets of the plan.

3. The Institution shall maintain its policies and procedures for the review and classification of problem loans in accordance with the requirements of 12 C.F.R., subsection 563.160 and the guidelines set forth in 12 C.F.R. subsection 571.26. The Board shall continue to require that a review and classification of the Institution's loans be conducted, at least quarterly, by management not directly responsible for loan origination.

4. Within 45 days of the effective date of this Agreement, the Institution shall submit a business plan/budget ("Plan"), in accordance with the following conditions and continue filing consecutive one year plans for the three year period ending September 30, 1994. The Plan shall set forth the specific goals and objectives of the Institution and shall accurately describe the Institution's current operations, as well as its intended operations for the term of the Plan, including, but not limited to, the types and levels of lending activities contemplated, and those measures to be implemented by the Board of Directors and management to improve the Institution's net operating margin. The Plan shall also discuss the Board of Directors' strategies for maintaining compliance with all applicable capital requirements throughout the period covered by the Plan, shall demonstrate compliance with the provisions of this Agreement, and shall demonstrate compliance with all applicable statutory and regulatory requirements and restrictions. Such Plan shall also include quarterly pro forma financial statements for the first full year of the Plan and a statement of the significant assumptions on which the pro forma financial statements are based, including projected interest rates and loan delinquency rates. The Institution shall adhere to the Plan, unless notified by the Regional Director, of his objection to the Plan. Thereafter, the Institution shall submit to the Regional Director for review quarterly pro forma financial statements for each subsequent year under the Plan, no later than 45 days prior to the beginning of the subsequent year. Such submissions shall include any proposed changes in the strategic plan and/or the assumptions underlying the pro forma financial statements.

The Institution shall not substantially deviate from the strategic plan or the assumptions underlying the pro forma financial statements without prior approval of the Institution's Board of Directors by resolution duly adopted by such Board. Immediately following adoption, the Institution shall provide such resolution together with available supporting information to the Regional Director. In addition, within 45 days following the end of each calendar quarter, the Institution shall submit a variance report which compares actual and budgeted operations, and explains any substantial variation.



5. The Institution shall establish, at a minimum, the \$1.2 million valuation allowances agreed upon with OTS pursuant to OTS's September 1991 review of the Institution's general valuation allowance policy revised as of September 12, 1991.

6. The Institution shall establish and maintain adequate general and specific valuation allowances taking into consideration, at a minimum, the following factors:

- a. assets subject to criticism in the most recent examination reports;
- b. the results of the Institution's internal loan review and asset classification;
- c. the Institution's loan loss experience;
- d. an estimate of the potential loss exposure on each significant asset;
- e. concentrations of loans and investments;
- f. present and prospective economic conditions; and
- g. recommendations for allowances based on the internal auditor's independent review of the Institution's assets.

At least quarterly, the Institution's Board shall review the sufficiency of general and specific valuation allowances and provide for appropriate adjustments. Written documentation supporting the adequacy of the allowances shall be maintained.

7. Within 30 days after the effective date of this Agreement, the Board of Directors shall appoint a Compliance Committee of at least three (3) directors, the majority of whom shall not be executive officers of the Institution. The Compliance Committee shall be responsible for monitoring and coordinating the Institution's adherence to the provisions of this Agreement. Within 30 days after the appointment of the Compliance Committee and quarterly thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail: (a) actions taken to comply with each provision of this Agreement; and (b) the results of those actions. The Board shall forward to the Regional Director a copy of the Compliance Committee's report, with any additional comments by the Board.

All technical words or terms used in this Agreement for which meanings are not specified or otherwise provided by the provisions

of this Agreement, shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations. Any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations shall have meanings that accord with the best custom and usage in the savings and loan industry. For purposes of this Agreement, references to regulations, bulletins, memoranda and publications shall include any successor provisions mandated by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

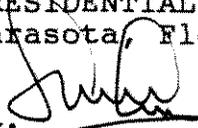
This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Institution. It is understood and agreed that this Agreement is a "written agreement entered into with the agency" as that phrase is used in Section 8(b)(1) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1818(b)(1), as amended by FIRREA.

The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

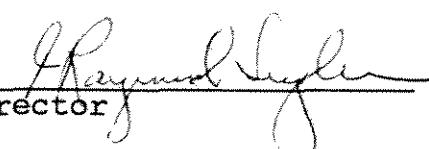
This Agreement shall remain in effect until terminated, modified or suspended by the OTS, acting through the Regional Director or his designee. Notwithstanding the restrictions contained in this Agreement, the Regional Director may, in his or her sole discretion, suspend or modify any provisions of this Agreement, and understands that the Institution intends to request a review of the provisions of this Agreement following the completion of the Institution's next examination.

IN WITNESS WHEREOF, the OTS, acting through the Regional Director or his designee, and the Institution, by its duly elected directors, have executed this Agreement on the date first above written.

PRESIDENTIAL BANK, a State Savings Bank
Sarasota, Florida

By: 
Director

By: 
Director

By: 
Director

By: 
Director

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By: IS/
Director

By: IS/
Director

By: IS/
Director

OFFICE OF THRIFT SUPERVISION

By: IS/
John E. Ryan
Regional Director
Southeast Region

CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of Presidential Bank, a State Savings Bank, Sarasota, Florida, ("Institution"), hereby certify that the following is a true copy of a resolution duly adopted by its Board of Directors at a meeting duly called and held on October 10, 1991, and at said meeting a quorum was present and voting throughout, and that said resolution has not been rescinded or modified and is now in full force and effect:

RESOLUTION

WHEREAS, the officers and directors of the Institution have been advised that the Office of Thrift Supervision ("OTS") is of the opinion that the grounds exist to initiate proceedings pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C. 1818(b), as amended; and

WHEREAS, said officers and directors have been informed that the OTS will forbear from the initiation of such administrative proceedings in connection with the matters referred to in the attached Written Agreement Entered Into With the Office of Thrift Supervision ("Agreement") if the Agreement is executed by the Institution and if its terms are thereafter complied with by the Institution; and

WHEREAS, the directors of the Institution have read and considered the proposed Agreement attached to the minutes of the meeting of the Board of Directors held on October 10, 1991, and after due consideration, and in the interest of regulatory compliance and cooperation, have determined to enter into the proposed Agreement:

NOW, THEREFORE, BE IT RESOLVED, that the proposed Agreement, a copy of which is attached hereto and the provisions of which are incorporated herein by reference, be and is hereby approved by the Board of Directors of the Institution. The officers and employees of the Institution are directed and authorized to take all necessary steps to implement immediately the terms of the Agreement.

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of Presidential Bank, a State Savings Bank, this 10th day of October, 1991.

/s/
Secretary

