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SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 6th day of November, 1991, by and between Colorado Springs Savings and Loan Association, Colorado Springs, Colorado, Docket No. 08307 ("Institution" or "Association"), for itself and for any wholly-owned or partly-owned subsidiary and the Office of Thrift Supervision ("OTS"). 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 OTS within the meaning of 12 U.S.C.S. Sections 1818(b)(1) and (i)(2) (Law. Co-op. Supp. 1991),

WHEREAS, the Board of Directors of the Institution has reviewed the operations and financial condition of the Institution and finds that the present condition of the Institution justifies and requires reasonable and necessary action by the Directors of the Institution for the benefit of the Institution and its depositors, other creditors, and borrowers; and

WHEREAS, the Institution's Board of Directors acknowledges the supervisory rights, powers, and authority of the OTS, with respect to the Institution, under the statutes and regulations that govern the operations of the Institution; and

WHEREAS, the OTS is of the opinion that the Institution has violated 12 C.F.R. Sections 563.45, 563.172, 563.180, 564.4, 567.2, 567.10, and 571.18; the Home Owners' Loan Act ("HOLA") Section 5(t)(6)(B)(i) 12 U.S.C. Section 1464 (t)(6)(B)(i) (Law. Co-op. Supp. 1991); and certain policy memoranda to which the Institution is subject, as such violations are detailed in the July 8, 1991 examination by OTS of the Institution, thereby providing grounds for the initiation of cease-and-desist proceedings against the Institution by the OTS, pursuant to 12 U.S.C.S. Section 1818(b) (Law. Co-op. Supp. 1991); and

WHEREAS, in the interest of regulatory compliance and cooperation, the Institution is willing to enter into this Agreement in order to avoid the initiation of such cease-and-desist proceedings; and

WHEREAS, the OTS is willing to forbear from the initiation of cease-and-desist proceedings as the result of the Institution's failure to comply with 12 C.F.R. Sections 563.45, 563.172, 563.180, 564.4, 567.2, 567.10, and 571.18; HOLA Section 5(t)(6)(B)(i), and other policy memoranda to which the Institution is subject, as such failures are detailed in the July 8, 1991 examination by OTS of the Institution, as long as the Institution is in compliance with this Agreement;

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

1. On or before October 31, 1991, the Board of Directors shall cause to be formulated a business plan ("Business Plan") designed to maintain the adequacy of the Institution's capital at

all times from the effective date of this Agreement through December 31, 1994, as measured against applicable regulatory capital requirements.

- a. The Business Plan shall describe the Institution's capital augmentation efforts, shall contain specific capital ratio targets, and detail projected business strategies, budget assumptions and operations for the Institution and its subsidiaries. The Business Plan should include pro forma financial statements (with adequate disclosure of material assumptions) for the period covered by the Business Plan, should be consistent with providing sound and economical home financing and shall incorporate, as appropriate, the provisions of this Agreement
- b. The Business Plan shall be submitted for review and written approval by the OTS, and shall be immediately implemented after the OTS issues its written approval of the Business Plan. The OTS's failure to issue written approval to any Business Plan so submitted, or the first or second amendment to said Business Plan, shall not be deemed a breach of this Agreement. Any amendment to the Business Plan submission shall be made within thirty (30) days of an objection by the OTS.
- c. Any material deviations from the Business Plan, once approved, shall require the prior written approval of the OTS. The Board of Directors of the

Institution shall review and approve the Business Plan and shall monitor the Business Plan on a continuing basis. The minutes of the Board of Directors' meetings shall disclose the extent of the Board's involvement in this monitoring process.

- d. No later than thirty (30) days subsequent to the last day of each full calendar quarter, commencing with the first full calendar quarter after the Business Plan is approved, the Board of Directors agrees to file with the OTS a written report documenting its review of the Association's year-to-date operating results for the period through the end of the preceding calendar quarter. Such report shall include a comparison of actual results against the projected results in the Business Plan. If such actual operating results fail to meet the projected results in the Business Plan in any material aspect, the report shall include an explanation of such variance and a specific description of the measures that have been implemented or proposed to correct and/or abate any adverse variances. For the purpose of determining material variance under this provision, any variance of fifteen (15) percent or more would be material. For income and expense items, the fifteen (15) percent variance would be on a cumulative year to date basis, beginning with the first period in the

projections. Within thirty (30) days prior to the end of the fiscal year, the Board of Directors shall review and update the Business Plan and submit it to the OTS for approval.

2. Within sixty (60) days after the effective date of this Agreement, the board of directors shall approve a board resolution certifying that all internal policy deficiencies, identified in the July 8, 1991 Report of Examination (ROE), have, to the best knowledge of the board of directors, been corrected through policy amendments approved by the directorate. Such board resolution shall be transmitted to OTS within seven (7) days after this action by the directorate.

3. Within thirty (30) days after the effective date of this Agreement, management shall submit, to the OTS, documentation evidencing those corrective actions taken to eliminate the violations of law and/or regulation identified in the ROE.

4. Beginning January 31, 1992 and continuing on the last day of the month following each six-month period, the Institution will submit to the OTS, a report disclosing in detail all transactions with affiliates. The report shall contain, but shall not be limited to, the information described in 56 Fed. Reg. 34005 (1991) to be codified in 12 C.F.R. Section 563.41(e)(1)(i) through (vi).

5. Beginning on the effective date of this Agreement, the institution shall provide to the OTS notice thirty (30) days prior to entering into any transactions with affiliates, as specified in 56 Fed. Reg. 34005 (1991), to be codified in 12 C.F.R. Section 563.41(e)(2). Notice shall be given in a form acceptable to OTS.

This paragraph shall constitute notice that OTS is invoking this subsection for the reason that the institution is entering into a supervisory agreement.

- a. Notwithstanding anything in this paragraph to the contrary, no advance notice to OTS shall be required with respect to a transaction with an affiliate if such transaction is not of a material nature and does not arise as a result of affirmative action by the Institution.
- b. For purposes of this paragraph 5, transactions shall be deemed not to be of a material nature, if the transaction does not involve an expenditure of more than \$2,500 ("de minimis transactions"), provided, however, that all de minimis transactions shall comply with applicable statutes, regulations, and OTS policy, and provided, further, that if the Institution engages in transactions aggregating more than \$25,000 with an affiliate in any one calendar year, after the occurrence of the transaction that causes the Institution to exceed this \$25,000 threshold, the Institution shall provide notice of any additional transactions with that affiliate during the calendar year.
- c. A transaction shall be deemed not to have occurred by reason of the affirmative action of the institution if such transaction arises by reason of Centennial Title Insurance Company providing title

insurance with respect to a transaction between the Institution and a customer of or borrower from the Institution, or, if the Institution is obligated, directly or indirectly, to pay to an affiliate of the Institution, market rate utility charges and other charges relating to the furnishing of utilities.

6. No later than the last day of the month following each calendar quarter, the Board of Directors shall file with the OTS a resolution, similar to the attached resolution, signed by each Director, certifying that the Institution has complied with all conditions of this Agreement for the immediately preceding quarter.

7. All technical words or terms used in this Agreement shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, HOLA, or the Federal Deposit Insurance Act ("FDIA"), and any such technical words or terms used in this Agreement and undefined in said Code of Federal Regulations, HOLA, or FDIA shall have meanings that accord with the best custom and usage in the savings and loan industry.

8. All statutory and regulatory citations herein shall be in the form as codified or promulgated as of the date of this Agreement, or as amended or renumbered thereafter.

9. 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.

10. This Agreement shall remain in effect until terminated, modified or suspended by the OTS, acting through its Regional

