

AGREEMENT

This Agreement ("Agreement") is made and is effective this 5 day of December 1990 ("Effective Date"), by and among Metro Savings Bank, FSB (OTS No. ~~4714~~) ("Institution") for itself and any controlled 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 Section 8(b)(1) and (i)(2) of the Federal Deposit Insurance Act, as amended by Title IX of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA") (to be codified at 12 U.S.C. Sections 1818(b)(1) and (i)(2)).

WHEREAS, the OTS is of the opinion based on the results of the Report of Examination dated July 9, 1990 ("Report") grounds exist for the initiation of cease and desist proceedings against the Institution by the OTS; and

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings against the Institution on the matters covered by this Agreement for so long as the Institution is in compliance with the provisions of this Agreement; and

WHEREAS, in the interest of regulatory compliance and cooperation, the Institution, by its Board of Directors ("Board"), is willing to enter into this Agreement to avoid the initiation of such cease and desist proceedings;

NOW, THEREFORE, in consideration of the above-stated forbearance by the OTS from the initiation of cease and desist proceedings against the Institution, it is agreed between the parties hereto as follows:

1. The Institution shall not increase total assets in excess of the amount of net interest credited to the institution's deposit liabilities over any six-month period beginning September 30, 1990, based on month end data, unless the increase is accompanied by an increase in tangible capital in an amount not less than six percent of the increase in total assets.
2. Without providing prior written notice of the transaction to the District Director or his designee, and receiving a written notice of no objection, the Institution shall not, and shall use its best efforts not to allow any wholly-owned or partly-owned subsidiary or affiliate of the Institution to:

(a) sell, refinance, extend or otherwise modify or commit to sell, refinance, extend, or otherwise modify any existing commercial loan secured by real estate or any participation therein, including any acquisition, development and construction loan, or any set of such loans, participations, or investments in excess of 100 miles from the Institution's home office, and in excess of \$150,000 if within 100 miles of the Institution's home office;

(b) sell, invest in, refinance, extend or otherwise modify or commit to invest in, refinance, extend, or otherwise modify any commercial loan, letter of credit, or participation that was (i) criticized by the examiners in the Report or criticized by the Institution's internal classification policy, or (ii) delinquent over 60 days;

(c) make or invest in any commercial loan, letter of credit, or participation to any new customers in excess of 100 miles from the Institution's home office, and in excess of \$150,000 if within 100 miles of the Institution's home office;

(d) sell, pledge, or exchange any real estate owned or other asset over \$150,000, or any set of such assets;

(e) release any borrower or guarantor from personal liability on any loan or extension of credit granted by the Institution, except when all accrued interest, the outstanding balance of the loan and other outstanding loans to the borrower or guarantor have been paid in full;

(f) enter into, renew or revise any contractual arrangement with any officer, director, controlling person, affiliate, affiliated person, or subsidiary of the Institution or any subsidiary or affiliate thereof; and

(g) pay or declare cash dividends.

3. Within 60 days from the Effective Date of this Agreement, the Board shall ensure adoption and implementation of a written program designed to eliminate the basis of criticism of assets criticized in the Report as "Substandard", "Doubtful", or "Special Mention." This program shall include, at a minimum:

(a) an identification of the expected sources of repayment;

(b) the current value of supporting collateral and the position of the Institution'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 paid from operations; and

- (d) the proposed action to eliminate the basis of criticism and the time frame for its accomplishment.
4. A similar program shall be adopted for all additional assets which are criticized by the Institution's internal asset classification policy. Once adopted, a copy of the program for all criticized assets shall be forwarded to the OTS Case Manager.
 5. At each monthly board of directors meeting, the directors shall review the progress of each criticize loan that is part of the program required in paragraph 4. A copy of each review shall be forwarded to the OTS Case Manager on a monthly basis no later than the end of the month that the review by the Board occurs.
 6. The Institution shall submit a budget for fiscal year 1991 within 60 days of the Effective Date of this Agreement. This budget shall detail income, expenses, assets, liabilities, and capital. Within 30 days of the end of each calendar quarter, beginning December 31, 1990, the Institution shall submit a report to the OTS indicating variances from its budget.
 7. The Board shall appoint a committee or person to assure compliance with this Agreement. Said committee or person shall submit a written report to the Board at the Board's regular monthly meeting. This report shall detail the Institution's compliance with this Agreement. A copy of each report shall be forwarded to the OTS Case Manager on a monthly basis no later than the end of the month that the review by the Board occurs

Closings

8. (a) Although the Board is by this Agreement required to submit certain proposed actions and programs for the review or approval of the OTS Manager or District Director, the Board has the ultimate responsibility for proper and sound management of the Institution.
- (b) It is expressly and clearly understood that if, at any time, the OTS deems it appropriate in fulfilling the lawful responsibilities placed upon it by the several laws of the United States of America to undertake any lawful action affecting the Institution, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the OTS from doing so.
- (c) Any time limitations imposed by this Agreement shall begin to run from the Effective Date of this Agreement. Such time limitations may be extended by the OTS Manager for good cause upon written application by the Board.

