

94856

SUPERVISORY AGREEMENT

This **SUPERVISORY AGREEMENT** ("Agreement") is made and entered into as of this 1 day of August 1994, by and between Carl L. Carlson, 6950 Pleasant View Road, St. Marys, Kansas 66536; Leroy A. Seele, 2012 Pine Drive, Friendswood, Texas 77546; Scott M. Pugh, P.O. Box 8, Rossville, Kansas 66533; and the Office of Thrift Supervision, 8500 West 110th Street, Suite 400, Overland Park, Kansas, 66210.

RECITALS

WHEREAS, Provident Bancshares, Inc., St. Joseph, Missouri (H-1877), is, or recently was, a unitary, non-diversified holding company ("PBI"), and its wholly-owned subsidiary, Provident Savings Bank, a Federal Savings Bank, St. Joseph, Missouri, Docket No. 04498 ("Provident Savings"), is a federally-chartered stock savings bank; and

WHEREAS, the Office of Thrift Supervision ("OTS") is the primary federal regulator of PBI and Provident Savings; and

WHEREAS, Carl L. Carlson, Leroy A. Seele, and Scott M. Pugh (collectively the "Shareholders") are, or recently were, the record and beneficial owners of 7.79, 20.56, and 19.94 percent, respectively, of the outstanding shares of the voting stock of PBI (the "Stock"); and

WHEREAS, based on the findings of its formal examination concerning PBI and Provident Savings (Resolution No. DM-93-1, dated March 30, 1993), the OTS, by and through the Regional Director for the Midwest Region or his designee ("Regional Director") is of the opinion that the Stock of each Shareholder must be aggregated under the OTS's regulations governing the acquisition of control of savings and loan institutions found at 12 C.F.R. Part 574, (the "Control Regulations"); and is further of the opinion that the Shareholders control or recently controlled shares representing 48.29 percent of the Stock; and

WHEREAS, the OTS is of the opinion that the ownership of the Stock by the Shareholders in excess of one share more than 10 percent, in the aggregate, constitutes a violation of the Change in Bank Control Act (the "Control Act"), 12 U.S.C. § 1817(j), and the Control Regulations, 12 C.F.R. Part 574; and

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of administrative proceedings against the Shareholders as the result of the Shareholders' violations of the Control Act and the Control Regulations; and

WHEREAS, the Shareholders, without admitting or denying that they have violated the Control Act and Control Regulations or that grounds for such administrative proceeding exist, desire to cooperate with the OTS and to avoid the time and expense of such administrative litigation; and

WHEREAS, the OTS is willing to forbear from the initiation of administrative proceedings against the Shareholders relating to their ownership of the Stock that, in the opinion of OTS, constitutes violations of the Control Act and Control Regulations, as long as the Shareholders are in compliance with the provisions of this Agreement;

NOW THEREFORE, in consideration of the foregoing and in consideration of the promises and mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Compliance with Laws and Regulations.

The Shareholders each agree that, from the effective date of this Agreement and at all times in the future, they will abide by all statutes, rules and regulations concerning the purchase, control or acquisition of any savings and loan institution including, but not limited to, the Control Act, 12 U.S.C. § 1817(j), and the Control Regulations, 12 C.F.R. Part 574, and any amendments thereto.

2. Required Disclosure of Existence of Agreement.

The Shareholders each agree that the existence of this Agreement shall be disclosed to the "appropriate Federal banking agency," as that term is defined at Section 3(q) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1813(q), in connection with any future application, notice, rebuttal, or other filing relating to matters contained in Section 32 of the FDIA, 12 U.S.C. § 1831i., the Control Act, 12 U.S.C. § 1817(j), or the

Control Regulations, 12 C.F.R. Part 574, and any amendments thereto. Each of the Shareholders also agrees to disclose the existence of this Agreement whenever such disclosure is requested by the appropriate Federal banking agency.

3. Definitions.

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.

4. Successor Statutes, Regulations, Guidance, Amendments.

Reference in this Agreement to provisions of statutes, regulations, and OTS bulletins, memoranda, and publications shall be deemed to include all amendments to such provisions as have been made as of the effective date and references to successor provisions as they become effective.

5. Duration, Termination or Suspension of Agreement.

a. This Agreement shall: (i) become effective upon its execution by the OTS, through its authorized representative whose signature appears below; and (ii) remain in effect until terminated, modified, or suspended in writing by the OTS acting through its Director or the Regional Director (including any authorized designee thereof).

b. The Regional Director, in his sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

6. Effect of Headings.

The subject headings of the paragraphs of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

7. Separability Clause.

In case any provision in this Agreement is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his sole discretion determines otherwise.

8. No Violation of Law, Rule, Regulation or Policy Statement Authorized; OTS Not Restricted.

Nothing in this Agreement shall be construed as: (i) allowing the Shareholders to violate any law, rule, regulation or policy statement to which they individually or PBI or Provident Savings are subject; or (ii) restricting or estopping the OTS from taking any action(s) that it believes are appropriate in fulfilling the responsibilities placed upon it by law, except, as stated above, OTS will forbear from the initiation of administrative proceedings against the Shareholders relating to their ownership of the Stock that, in the opinion of OTS,

constitutes violations of the Control Act and Control Regulations, as long as the Shareholders are in compliance with the provisions of this Agreement.

9. Successors in Interest/Benefit.

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. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the parties hereto, the Resolution Trust Corporation, and the Federal Deposit Insurance Corporation and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

10. Signatures of Shareholders.

This Agreement has been duly authorized, executed and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of Carl L. Carlson, Leroy A. Seele, Scott M. Pugh, and the OTS.

11. Enforceability of Agreement.

It is understood and agreed that this Agreement is a "written agreement" entered into with the OTS within the meaning of Sections 8(b)(1) and (i)(2) of the FDIA, 12 U.S.C. §§ 1818(b)(1) and (i)(2).

12. Execution in Counterparts.

This Agreement may be executed in counterparts by the parties hereto, and any such counterpart shall be deemed an original hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in their capacity as Shareholders or by their duly authorized officers, as the case may be.

SHAREHOLDERS

15/
~~Carl L. Carlson~~

Leroy A. Seele

Scott M. Pugh

OFFICE OF THRIFT SUPERVISION

By 15/
Frederick R. Casteel
Midwest Regional Director