

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 21st day of January, 1994 (the "Effective Date"), by and between Metro Savings Bank, F.S.B., Orlando, Florida, OTS No. 6859, a Federally chartered stock institution, for itself and its service corporations and subsidiaries, ("Metro" or "Institution"), and the Office of Thrift Supervision ("OTS"), an agency of the United States Department of the Treasury, acting through its Southeast Regional Director or his designee ("Regional Director").

WHEREAS, based upon the findings outlined in the OTS' March 22, 1993 Report of Examination ("1993 Examination"), the OTS and Metro entered into a Supervisory Agreement ("Prior Agreement") effective August 20, 1993; and

WHEREAS, Metro has requested that the OTS make certain modifications to the Prior Agreement in light of the Institution's record of compliance with the Prior Agreement and applicable laws and regulations to which the Institution is subject; and

WHEREAS, in consideration of the Institution's efforts to comply with the provisions of the Prior Agreement, the OTS is willing to enter into this modified Agreement.

NOW THEREFORE, in consideration of the premises stated above, the parties hereto agree as follows:

PRIOR AGREEMENTS

1. The Prior Agreement between the OTS and Metro is terminated as of the Effective Date of this Agreement.

VALUATION ALLOWANCES

2. (a) Metro shall hereafter adhere to written general and specific valuation allowance policies and procedures ("Valuation Policies") that are consistent with 12 C.F.R. § 563.160 and Section 261 of the Regulatory Handbook on Thrift Activities. The Institution shall review the adequacy of its valuation allowances on a quarterly basis and shall cure any deficiency by establishing and maintaining additional allowances consistent with its Valuation Policies or any level established by the OTS during an examination conducted on or after the Effective Date of this Agreement.

- (b) Metro shall hereafter maintain general valuation allowances of not less than \$70,000, and shall not reduce its general valuation allowances below this amount without the prior written approval of the Regional Director.

CLASSIFIED ASSETS

3. Metro shall hereafter adhere to its written plan for the reduction of its classified assets. At a minimum, the plan shall contain specific goals, objectives, strategies and time tables for the reduction of classified assets and require Metro's Board of Directors ("Board") to review the Institution's performance under the plan on a quarterly basis. The Board's review shall be made a part of the Board minutes and shall include any actions to be taken as a result of or in connection with the Board's review.

BUSINESS PLAN

4. (a) Not later than 30 days prior to the expiration of the Business Plan now in effect, which date is May 31, 1995, Metro shall submit to the Regional Director for review a new Business Plan for the next succeeding one-year period ending June 30, 1996. The Plan submitted pursuant to this paragraph shall:
- i. set forth the Institution's goals and objectives and accurately describe the Institution's current operations, as well as its intended operations, for the term of the Plan;
 - ii. at a minimum, address the types and levels of lending activities contemplated and any measures to be implemented by the Board to improve the Institution's operating results;
 - iii. discuss the Institution's strategies for maintaining compliance with all applicable requirements and restrictions throughout the period covered by the Plan;
 - iv. demonstrate the Institution's compliance with this Agreement and all other applicable statutory and regulatory requirements and restrictions; and
 - v. include quarterly pro-forma financial statements and a statement of the significant assumptions on which the pro forma financial statements are based, including projected interest rates and loan delinquency rates.

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COLLECTION POLICIES

5. Metro shall hereafter comply with all provisions of its written Collection Policy. This policy shall be followed when dealing with any delinquent loan, specifically including all loans to affiliated persons. Further, Metro shall not treat any delinquent loan to an affiliated person differently than it would treat any delinquent loan to a non-affiliated person under its Collection Policies. The Board shall review management's adherence to the Collection Policy on at least a quarterly basis. The Board's review shall be made a part of the Board minutes and shall include any actions to be taken as a result of or in connection with the Board's review.

DATA PROCESSING AND INTERNAL CONTROLS

6. Within 45 days after the Effective Date of this Agreement, Metro shall establish procedures to ensure accurate reporting of loan delinquencies and accruals of interest and late charges. For any loan on which payments are 90 or more days delinquent, interest and late charge accruals shall cease and all accrued interest and late charges shall be reserved.

DEPOSIT ACCOUNTS IN OTHER INSTITUTIONS

7. Metro shall comply with the provisions of 12 C.F.R. § 563.96 or any successor regulation by maintaining its deposits in commercial banks at levels that do not exceed the limitations set forth therein.

COMPLIANCE WITH THIS AGREEMENT

8. Metro's Compliance Committee shall review the Institution's compliance with this Agreement and shall report its findings to the full board, in writing, on at least a quarterly basis. The Compliance Committee's findings, as well as any and all actions taken by the Board to correct any noncompliance with this Agreement, shall be made a part of the Board minutes. A certified copy of these Board minutes shall be submitted to the Regional Director within 45 days of the end of each calendar quarter.

SUCCESSOR STATUTES, REGULATIONS, GUIDANCE, AMENDMENTS

9. Reference in this Agreement to provisions of statutes, regulations, and OTS Memoranda, bulletins and publications shall include references to all amendments to such provisions as have been made as of the Effective Date of

this Agreement and references to successor provisions as they become applicable.

NOTICES

- 10. (a) Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by the Agreement to be made upon, given or furnished to, delivered to, or filed with:
 - i. the OTS by the Institution, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Regional Director for the Southeast Region, Office of Thrift Supervision, Department of the Treasury, 1475 Peachtree Street, N.E., Atlanta, Georgia 30309 or telecopied to (404) 888-5634 and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.
 - ii. the Institution by the OTS, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid, or sent via overnight delivery service or physically delivered, in each case addressed to the Institution at 715 Goldwyn Avenue, Orlando, Florida 32805 or telecopied to (407) 299-8064 and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.
- (b) Notices hereunder shall be effective upon receipt, if by mail, overnight delivery service or telecopy, and upon delivery if by physical delivery. If there is a dispute about the date on which a written notice has been received by a party to this Agreement, there shall be a presumption that the notice was received two Business Days after the date of the postmark on the envelope in which the notice was enclosed.

DURATION, TERMINATION OR SUSPENSION OF ORDER

- 11. The provisions of this Agreement shall remain in effect until terminated, modified or suspended in writing by the OTS, acting through the Regional Director. The Regional Director in his sole discretion may, by written notice, terminate and/or suspend any or all provisions of this Agreement.

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EFFECT OF HEADINGS

12. The section headings used in this Agreement are for convenience of reference only and are not to affect the construction of or be taken into consideration in the interpretation of this Agreement.

SEPARABILITY CLAUSE

13. In the event that any provision of 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.

NO VIOLATIONS OF LAW, RULE, REGULATION OR
POLICY STATEMENT AUTHORIZED; OTS NOT RESTRICTED

14. Nothing in this Agreement shall be construed as:
- (a) allowing the Institution to violate any law, rule, regulation, or policy statement to which it is subject, or
 - (b) restricting, in any way, the OTS from taking any action that it believes is appropriate in fulfilling the responsibilities placed upon it by law.

SUCCESSORS IN INTEREST/BENEFIT

15. 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.

DIRECTOR RESPONSIBILITY

16. Although the Board is by this Agreement required to submit certain proposed actions and programs for the review or approval of the Regional Director, the Board has the ultimate responsibility for proper and sound management of the Institution.

TIME LIMITS

17. Any time limitations imposed by this Agreement shall begin to run from the Effective Date of the Agreement, unless otherwise provided for in the Agreement. Such time limitations may be extended by the Regional Director in his sole discretion upon written application by the Institution.

DEFINITIONS

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

WRITTEN AGREEMENT WITH THE AGENCY

19. 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 FDIA, 12 U.S.C. § 1818(b)(1).

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IN WITNESS WHEREOF, the OTS, acting by and through the Regional Director and the Institution, in accordance with a duly adopted resolution of its Board (copy attached hereto), hereby execute this Agreement as of the Effective Date.

OFFICE OF THRIFT SUPERVISION

METRO SAVINGS BANK, F.S.B.
Orlando, Florida

BY:

BY:

151
Name: ~~Richard M. Riccabono~~
Title: ~~Acting Regional Director~~

151
Name: ~~William L. Young~~
Chief Executive Officer

DIRECTORS OF THE INSTITUTION

151
~~Director James A. Mobley~~

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~~Director Irving J. Matthews~~

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~~Director Royce B. Walden~~

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~~Director William L. Young~~

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~~Director Benjamin C. Allen~~

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Director

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~~Director Felix E. Cosby~~

Director

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~~Director Rosey Sessler~~

Director

CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of Metro Savings Bank, F.S.B., Orlando, Florida, OTS No. 6859 ("Institution"), hereby certify that the following is a true copy of a resolution duly adopted by the Institution's Board of Directors at a meeting duly called and held on this 21st day of December, 1994, 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, based upon the findings outlined in the Office of Thrift Supervision's ("OTS") March 22, 1993 Report of Examination ("1993 Examination"), the Institution and the OTS entered into a Supervisory Agreement ("Prior Agreement") effective August 20, 1993; and

WHEREAS, the Institution has requested that the OTS make certain modifications to the Prior Agreement in light of the Institution's compliance with the Prior agreement and applicable laws and regulations to which the Institution is subject; and

WHEREAS, in consideration of the Institution's efforts to comply with the provisions of the Prior Agreement, the OTS is willing to enter into a modified Agreement; and

WHEREAS, the directors of the Institution have read and considered the proposed modified Agreement attached to the minutes of the meeting of the Board of Directors held on the 21st day of December, 1994, 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 Metro Savings Bank, F.S.B., this 21st day of December, 1994.

151
Secretary Felix E. Cosby