

**SUPERVISORY AGREEMENT**

This Supervisory Agreement ("Agreement") is made and is effective this 14th day of August, 1992 ("effective date"), by and between First Federal Savings Bank of Perry, Perry, Florida, OTS No. 6514, for itself and its wholly owned service corporations and subsidiaries ("First Federal" or "Institution") and the Office of Thrift Supervision ("OTS"), acting through its Southeast Regional Director or his designee ("Regional Director").

**WHEREAS**, as a result of the January 6, 1992 OTS Compliance Examination of the Institution ("1992 Compliance Exam"), the OTS is of the opinion that grounds exist to initiate administrative proceedings against First Federal pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. § 1818(b) (West 1989 & Supp. 1992); and

**WHEREAS**, First Federal, without admitting or denying that such grounds exist, and in the interest of regulatory compliance and cooperation, is willing to enter into this Agreement to avoid the initiation of such administrative proceedings on the matters covered by this Agreement; and

**WHEREAS**, the OTS is willing to forebear from the initiation of such administrative proceedings against First Federal to require the actions specifically covered by this Agreement for so long as the Institution is in compliance with the provisions of this 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 on matters not specifically covered by this Agreement that 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:

**COMPLIANCE PROGRAM**

1. Within 30 days after the effective date of this Agreement, the Board of Directors of First Federal ("the Board") shall adopt, implement and submit to the Regional Director for review a written plan for compliance with applicable Federal consumer protection laws and regulations ("consumer laws and regulations"). In said plan, the Board shall, at a minimum:

- i. employ a qualified Compliance Officer for First Federal who is responsible for developing, implementing and overseeing a program to ensure the Institution's compliance with consumer laws and regulations, and who has adequate authority and autonomy to monitor the operations of the Institution and effect corrections as needed to ensure such compliance;
- ii. require the Compliance Officer to develop, within 60 days after the effective date of this Agreement, written policies and procedures, for adoption by the Board, to ensure compliance with all consumer laws and regulations;
- iii. require the Compliance Officer to develop and implement, within 60 days after the effective date of this Agreement, a quality control program to review and monitor on a regular basis the various operations of the Institution for compliance with all consumer laws and regulations;
- iv. require the Compliance Officer to develop, within 60 days after the effective date of this Agreement, a training program covering the Institution's compliance policies and procedures, as well as all consumer laws and regulations; and
- v. require the Compliance Officer to prepare and present reports to the Board on at least a monthly basis concerning the Institution's current record of compliance with all consumer laws and regulations, including a specific assessment of:
  - (a) the Institution's performance, relative to the Community Reinvestment Act ("CRA"), and
  - (b) the Institution's progress in correcting the compliance deficiencies described in its 1992 Compliance Exam.

#### COMMUNITY REINVESTMENT ACT

2. a.) First Federal shall comply with the provisions of 12 C.F.R. Part 563e (Community Reinvestment).
- b.) Within 60 days after the effective date of this Agreement, the Board shall adopt, implement, and submit to the Regional Director for review a written action plan to ensure that First Federal is complying with 12 C.F.R. Part 563e. The action plan shall address the deficiencies in the Institution's CRA program cited in the 1992 Compliance Exam, and shall

set forth specific goals, responsibilities (including those of Board members), and procedures for review to determine the effectiveness of the action plan.

#### TRUTH IN LENDING

3. First Federal shall comply with the provisions of 12 C.F.R. § 226.18 (Content of disclosures).

#### BANK SECRECY ACT

4. Within 60 days after the effective date of this Agreement, the Board shall revise the Bank Secrecy Act program of First Federal to include:
  - i. procedures for the daily review of the large cash items report,
  - ii. procedures for handling discoveries of money laundering activities, and
  - iii. procedures to ensure that the Institution complies with 31 C.F.R. §§ 103.22(f), 103.27(d), 103.28, and 103.29(a).

#### EQUAL CREDIT OPPORTUNITY

5. First Federal shall comply with the provisions of 12 C.F.R. § 202.9 (Notifications).

#### NONDISCRIMINATION REQUIREMENTS

6. First Federal shall maintain Loan/Application Registers in accordance with the requirements of 12 C.F.R. § 528.6(d).

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, and 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 regulations, bulletins, memoranda, and publications.

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

First Federal Savings Bank of Perry  
Perry, Florida      OTS No. 6514  
Supervisory Agreement (August 1992)  
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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.A. 1818(b)(1).

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

IN WITNESS WHEREOF, the OTS, acting through the Regional Director, and the Institution, by its duly elected directors, have executed this Agreement.

First Federal Savings Bank of Perry  
Perry, Florida  
OTS No. 6514

By: <u>          151          </u> Director	By: <u>          151          </u> Director
By: <u>          151          </u> Director	By: <u>          151          </u> Director
By: <u>          151          </u> Director	By: <u>          151          </u> Director
By: <u>          151          </u> Director	

OFFICE OF THRIFT SUPERVISION

By:           151            
John E. Ryan  
Regional Director

DIRECTORS' WAIVER OF NOTICE

I hereby waive notice of the meeting of the Board of Directors of First Federal Savings Bank of Perry, Perry, Florida, OTS No. 6514, held on the 14th day of August, 1992, at which the Board of Directors considered and adopted the attached resolution concerning a Supervisory Agreement between First Federal Savings Bank of Perry and the Office of Thrift Supervision.

By: 15/  
Director

By: \_\_\_\_\_  
Director

**CERTIFIED COPY OF  
RESOLUTION OF BOARD OF DIRECTORS**

I, the undersigned, being the duly qualified Secretary of First Federal Savings Bank of Perry, Perry, Florida, OTS No. 6514 ("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 14th day of August, 1992, 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 administrative proceedings against the Institution pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C.A. § 1818(b) (West 1989 & Supp. 1992); 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 Supervisory Agreement ("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 the 14th day of August, 1992, 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 First Federal Savings Bank of Perry this 14th day of August, 1992.

15/  
Secretary