

## SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 28<sup>th</sup> day of December, 1992, by and between Lionel Y. Tokioka ("Shareholder") and the Office of Thrift Supervision ("OTS"), an office of the United States Department of the Treasury.

WHEREAS, the OTS is of the opinion that Shareholder my have violated certain provisions of the Change in Bank Control Regulations ("Control Regulations") contained in 12 C.F.R. Part 574 (1991), by reason of the failure to timely file, and obtain approval of, a rebuttal of concerted action for the purchase by Island Insurance Company of 25,000 shares of stock of International Holding Capital Corporation, (the "IHCC"), the holding company of International Savings and Loan Association, Ltd., Honolulu, Hawaii, during March 1989, thereby providing grounds for the initiation of cease and desist proceedings against the Shareholder; and

WHEREAS, the OTS is willing to forbear from the initiation of cease and desist proceedings against the Shareholder for his failure to comply with the Control Regulations that occurred prior to the execution of this Agreement, so long as the Shareholder is in compliance with the provisions of this Agreement; and

WHEREAS, the Shareholder, without admitting or denying that any violations of laws, rules or regulations have taken place, is

willing to enter this Agreement to avoid the initiation of such cease and desist proceedings.

NOW, THEREFORE, it is agreed that:

1. The Shareholder will not directly or indirectly purchase, or aid and abet with the purchase of, any shares of the stock of any savings association or savings association holding company that would cause him and persons with whom he would be presumed to act in concert (which under certain circumstances currently includes, but is not limited to, National Mortgage and Finance Co., Ltd. and Island Insurance Company, Ltd.), to own in the aggregate, in excess of 10.0 percent of the total outstanding shares of any savings association or savings association holding company's stock, without first obtaining regulatory approval or clearance to acquire such additional shares, if required by the Control Regulations. Shareholder shall not be considered in violation of this provision or any other provision of this Agreement or any provision of the Control Regulations by virtue of the receipt by anyone of options to purchase shares under the IHCC's current stock option plan. For the purposes of the Control Regulations and this Agreement, a participant in IHCC's Employee Stock Ownership Plan and Trust (the "ESOP") shall not be deemed to hold direct or indirect power to vote (or otherwise to own) shares that have been allocated to such participant's ESOP account if there are then in effect written instructions from such participant to the ESOP Trustee and/or the ESOP Administrative Committee stating that the shares allocated to

such participant's ESOP account are to be treated as undirected shares.

2. Shareholders shall not be considered in violation of the Control Regulations for the failure to submit and obtain timely approval of any applications or filings required to be made by Shareholder prior to the date of this Supervisory Agreement, provided that Island Insurance Company has consummated its proposed Stock Disposition Plan with respect to its shares of IHCC.

3. It is understood that the execution of this Agreement shall not be construed as an approval of any applications or notices that may be made by the Shareholder.

4. It is understood that the execution of this Agreement resolves the instant matters of control based upon the facts as they have been disclosed to the OTS; however, this Agreement shall not be construed as relinquishment of any rights of the OTS to take any supervisory or other actions with respect to the instant matters of control should previously undisclosed facts arise to warrant such actions, nor shall this Agreement limit the rights of the OTS to take any supervisory or other actions with respect to any other matters that may arise involving the parties to this Agreement or involving International Savings and Loan, Ltd. or involving the Supervisory Agreement executed as of March 21, 1992 by International Savings and Loan, Ltd.

5. References in this Agreement to provisions of laws or regulations shall be deemed to include: 1) references to all amendments to such provisions as have been made as of the

effective date of this Agreement pursuant to Section 401(h) of FIRREA, Pub. L. No. 101-73, Section 401(h) (1989), and 2) references to successor provisions as they become applicable.

6. All technical words or terms used in this Agreement, for which meanings are not defined or otherwise provided by the provisions of this Agreement, shall, insofar as applicable, have the meanings set forth 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 industry.

7. This Agreement has been duly authorized, executed and delivered, and constitutes in accordance with its terms, a valid and binding agreement of the Shareholder and the OTS. It is understood and agreed that this Agreement is a "written agreement" between Shareholder and the OTS, as that term is used in Section 8 of the Federal Deposit Insurance Act (12 U.S.C. Section 1818).

8. This Agreement constitutes the entire agreement between the OTS and the Shareholder. No amendment or modification of this Agreement shall be valid and binding unless executed in writing by both the OTS and the Shareholder.

9. The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their successors in interest, and respective assigns.

10. This Agreement shall remain in effect until terminated by the OTS, acting through the Assistant Regional Director

("ARD"). All requests for termination of this Agreement, in whole or in part, shall be submitted to the ARD in writing. The ARD may grant a written request for termination, in whole or part, if, in the opinion of the ARD, the Shareholder has satisfactorily complied with the terms of this Agreement. The grant by the ARD of such written request for termination shall be evidenced only by the issuance of a written notification to Shareholder executed by a duly authorized representative of the OTS.

IN WITNESS WHEREOF, the OTS, acting through the Assistant Regional Director and the Shareholder have executed this Agreement as of the date first above written.

OFFICE OF THRIFT SUPERVISION

By:           / S /            
Duane Thorkildsen  
Assistant Regional Director  
West Region

          / S /            
Lionel A. Tokioka

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