

AGREEMENT BY AND BETWEEN
Beauregard Federal Savings Bank
DeRidder, Louisiana
and
The Office of the Comptroller of the Currency

AA-SO-2019-57

Beauregard Federal Savings Bank, DeRidder, Louisiana (“Bank”) and the Office of the Comptroller of the Currency (“OCC”) wish to assure the safety and soundness of the Bank and its compliance with laws and regulations.

The Comptroller of the Currency (“Comptroller”) has found unsafe or unsound practice(s), including those relating to credit risk management, insider activities, audit and internal controls, and exception reporting;

Therefore, the OCC, through the duly authorized representative of the Comptroller, and the Bank, through its duly elected and acting Board of Directors (“Board”), hereby agree that the Bank shall operate at all times in compliance with the following:

ARTICLE I

JURISDICTION

(1) The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) The Bank is a Federal savings association within the meaning of 12 U.S.C. § 1813(q)(1)(C), and is chartered and examined by the OCC. *See* 12 U.S.C. §§ 1461 *et seq.*, 5412(b)(2)(B).

(3) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q).

ARTICLE II

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of this Agreement, the Board shall appoint a Compliance Committee of at least three (3) members of which a majority shall be directors who are not employees or officers of the Bank or any of its subsidiaries or affiliates. The Board shall submit in writing to the Assistant Deputy Comptroller the names of the members of the Compliance Committee within ten (10) days of their appointment. In the event of a change of the membership, the Board shall submit in writing to the Assistant Deputy Comptroller within ten (10) days the name of any new or resigning committee member. The Compliance Committee shall monitor and oversee the Bank's compliance with the provisions of this Agreement. The Compliance Committee shall meet at least monthly and maintain minutes of its meetings.

(2) Within sixty (60) days of this Agreement, and thereafter within thirty (30) days after the end of each quarter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

(a) a description of the corrective actions needed to achieve compliance with each Article of this Agreement;

(b) the specific corrective actions undertaken to comply with each Article of this Agreement; and

(c) the results and status of the corrective actions.

(3) Upon receiving each written progress report, the Board shall forward a copy of the report, with any additional comments by the Board, to the Assistant Deputy Comptroller within ten (10) days of the first Board meeting following the Board's receipt of such report.

ARTICLE III
BOOKS AND RECORDS

(1) Immediately, the Board must take all necessary action to ensure that the Bank's books, records and internal management information systems (“MIS”) are complete and accurate.

(2) Within sixty (60) days of this Agreement, the Board must develop an action plan detailing how the Board and management will restore the Bank’s books, records, and MIS to a complete and accurate condition, and thereafter ensure that the books, records, and internal MIS will be maintained in a complete and accurate condition. The plan must address, at a minimum, the following:

- (a) procedures to identify and correct any existing inaccuracies and deficiencies in the Bank’s books, records, and MIS;
- (b) procedures to ensure internal reports, Consolidated Reports of Condition and Income (“call reports”), and other regulatory reports are accurate;
- (c) timing and frequency of auditing and transaction testing of reports presented to the Board by management;
- (d) procedures to ensure MIS is accurate; and
- (e) standards for which Bank personnel will be held accountable to ensure compliance with the requirements of this Article.

(3) A copy of all written policies, procedures, and programs developed as a result of this Agreement, and all reports from auditors, consultants, contractors, and loan review must be maintained in a readily accessible manner at the Bank for review by the OCC.

ARTICLE IV

BOARD TO ENSURE COMPETENT MANAGEMENT

(1) Within ninety (90) days of this Agreement, and on an ongoing basis thereafter, the Board shall ensure that the Bank has competent management in place on a permanent and full-time basis, including, but not limited to, its President or Chief Executive Officer, Chief Financial Officer, and other operational positions, vested with sufficient executive authority to fulfill the duties and responsibilities of the position, carry out the Board's policies, ensure the Bank's adherence to corporate governance and decision-making processes, ensure compliance with this Agreement, applicable laws, rules and regulations, and manage day-to-day operations of the Bank in a safe and sound manner within the scope of that position's responsibilities.

(2) Within ninety (90) days of this Agreement, and annually thereafter, or when requested in writing by the Assistant Deputy Comptroller, the Board shall review the capabilities of the Bank's management to perform present and anticipated duties and the Board shall determine whether management changes will be made, including the need for additions to or deletions from current management. The Board's review of the capabilities of the Bank management and discussion of any management changes shall be documented in detail in the Board's meeting minutes.

(3) For incumbent officers in the positions mentioned in the Paragraph (1) of this Article, the Board shall, within ninety (90) days of this Agreement, assess each of these officer's experience, qualifications and performance compared to the position's description, duties and responsibilities.

(4) If the Board determines that an officer will continue in his or her position, but that officer's depth of skills needs improvement, the Board shall within thirty (30) days of such determination, develop and implement a written program, with specific time frames, to improve

the officer's supervision and management of the Bank. At a minimum, the written program shall include:

- (a) an education program designed to ensure that the officer has the skills and abilities necessary to supervise effectively;
- (b) a program to improve the effectiveness of the officer;
- (c) objectives by which the officer's effectiveness will be measured; and
- (d) a performance appraisal program and projected timeline for evaluating performance according to the position's description and responsibilities and for measuring performance against the Bank's goals and objectives.

(5) Upon completion, a copy of the written improvement program shall be submitted to the Assistant Deputy Comptroller.

(6) Within ninety (90) days of this Agreement, the Board shall develop and submit to the Assistant Deputy Comptroller for prior written determination of no supervisory objection, an assessment of the Bank's management structure and staffing requirements in light of the Bank's present condition ("Staffing Assessment"). At a minimum, the Staffing Assessment will:

- (a) identify the skills and expertise needed to execute and sustain a safe and sound system of internal controls and risk management for each area of the Bank and identify any gaps in those skills and/or expertise within the Bank's current management and staff;
- (b) develop a plan for how the Bank can address any gaps or deficiencies identified pursuant to subparagraph (a) of Paragraph (6) of this Article;

(c) evaluate the current lines of authority, reporting responsibilities and delegation of duties for all officers, including identification of any overlapping duties or responsibilities;

(d) conclude on the appropriateness of each individual's compensation, including salary and fee income;

(e) include an organizational chart that clearly reflects areas of responsibility and lines of authority for all officers and other operational positions; and

(f) include a detailed written job description for all officers and objectives by which management's effectiveness will be measured.

(7) Upon receiving prior written determination of no supervisory objection by the Assistant Deputy Comptroller, the Board shall promptly adopt, and the Bank shall implement and adhere to, the Staffing Assessment. Any revisions to the Staffing Assessment shall be submitted to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

ARTICLE V

BOARD AND MANAGEMENT OVERSIGHT

(1) Within sixty (60) days of this Agreement, the Board shall ensure that it receives and reviews sufficient information from management (including scope, frequency, timing and content), regarding the operation of the Bank and the Bank's compliance with this Agreement, to enable the Board to provide oversight and fulfill their fiduciary duties, other responsibilities under law, and in accordance with safe and sound standards. Refer to (i) the OCC's "The Directors Book: The Role of Directors for National Banks and Federal Savings Associations;" and (ii) the "Corporate and Risk Governance" booklet, M-CRG, of the *Comptroller's Handbook* (July 2016). At least annually, the Board shall perform an assessment of the information that

management provides to the Board to ensure that the Board receives adequate information from management on the operations of the Bank to enable the Board to effectively supervise the Bank and fulfill their fiduciary duties.

(2) At the next Board meeting immediately following the date of this Agreement, the Board must review the OCC's Director's Toolkit: Detecting Red Flags in Board Reports (reprinted September 2013) and document the discussion in the board minutes.

(3) The Board shall maintain a Lead Independent Director that has sufficient authority and expertise to ensure that the Bank is not subject to undue influence from any executive officer or director. The term "independent" means a person who is not an officer or employee of the Bank; who is not a director, officer, or employee of the Bank's affiliates; who is not a director, officer, or employee of the related interests, as defined in 12 C.F.R. § 215.2(n), of any current director or senior executive officer; and who is not a family member of any such person.

(4) The Board shall ensure that minutes of board meetings, board committee meetings, and executive sessions completely and accurately document the Board's review and discussion of material actions items, any action taken, follow-up items to be addressed at subsequent meetings, and any other issues that arise. Minutes shall be timely and presented for approval at the next meeting of the Board.

ARTICLE VI

CREDIT RISK MANAGEMENT

(1) Within ninety (90) days of this Agreement, the Board shall submit to the Assistant Deputy Comptroller for prior written determination of no supervisory objection a written program to improve the Bank's loan administration and risk management practices. The

program shall include, at a minimum:

(a) a requirement that lending officers analyze and document appropriate credit and collateral information on all extensions of credit, to include, at a minimum:

(i) documenting the specific reason or purpose for the extension of credit;

(ii) identifying the expected source of repayment in writing;

(iii) structuring the repayment terms to coincide with the expected source of repayment;

(iv) determining and documenting whether the loan complies with the Bank's Loan Policy and if it does not comply, providing identification of the exception and ample justification to support waiving the policy exception;

(v) making and documenting determinations regarding the customer's ability to repay the credit on the proposed repayment terms, including an evaluation of both primary and secondary sources of repayment, as well as a global cash flow analysis that considers all customer debt service requirements;

(vi) verification of liquid assets that the Bank is relying on as a source of repayment;

(vii) documenting, with adequate supporting material, the value of collateral and properly perfecting the Bank's lien on it where applicable;

(viii) providing an accurate risk assessment grade;

(ix) ongoing requirements for obtaining and analyzing financial statements; and

(x) ongoing requirements for obtaining periodic collateral inspections

as appropriate.

(2) Within ninety (90) days of this Agreement, the Board shall develop an appropriate written exception tracking and monitoring system that establishes that financial, collateral, underwriting, documentation, credit administration, and policy exceptions are tracked and reported to the Board in a timely manner. The exception tracking and monitoring system, at a minimum, shall include:

(a) Board-established limits for financial, collateral, and policy exceptions.

All exceptions must be vetted and mitigating factors sufficiently supported;

(b) a requirement that the Bank maintains, on an ongoing basis, a detailed listing of all loans not in conformance with the Bank's lending policies, with a notation as to whether the exceptions were properly granted in accordance with the Bank's policy;

(c) identification of the loan officer who originated each loan or other extension of credit reported in accordance with subparagraphs (a) and (b) of Paragraph (2) of this Article;

(d) a requirement for quarterly reports to the Board that, at a minimum, include:

(i) the current listings described in subparagraph (b) of Paragraph (2) of this Article;

(ii) the aggregate dollar amount of all loans with outstanding exceptions compared as a percentage to the dollar amount of total loans;

(iii) the aggregate dollar volume of loans that exceed the supervisory loan-to-value limit as a percentage of total capital;

(iv) the aggregate total number of loans with outstanding exceptions compared as a percentage to the total number of loans outstanding;

(v) the aggregate dollar amount of all loans with outstanding exceptions compared as a percentage of capital;

(vi) aggregate risk layering (loans with multiple exceptions);

(vii) track exception level trends over time; and

(viii) identify actionable items if/when exception levels exceed board-approved limits.

(e) a reporting structure for measuring exceptions against the Board-approved limits, quarterly Board monitoring of exception reports, and accountability by lending staff for such exceptions.

(3) Upon completion, a copy of the exception tracking and monitoring system shall be immediately submitted to the Assistant Deputy Comptroller.

ARTICLE VII

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) Within ninety days (90) of this Agreement, the Board shall review, revise, and submit to the Assistant Deputy Comptroller for prior written determination of no supervisory objection policies and procedures for maintaining and documenting an appropriate allowance for loan and lease losses (“ALLL”) in accordance with Generally Accepted Accounting Principles (“GAAP”). Refer to the Federal Financial Institutions Examination Council’s “Interagency Policy Statement on the Allowance for Loan and Lease Losses” dated December 13, 2006 (OCC Bulletin-47), for guidance. The ALLL policies and procedures shall include, at a minimum:

(a) criteria and procedures for determining when a loan is impaired and measuring the amount of impairment, consistent with Accounting Standards Codification (“ASC”) 310-10-35;

(b) procedures requiring use of the correct accounting method for measuring the amount of impairment;

(c) procedures to document the reasons for impairment;

(d) procedures to maintain documentation for each impaired loan;

(e) a review of each impaired loan no less than quarterly;

(f) procedures to ensure that if a loan is collateral dependent the fair value of the collateral is supported by a current appraisal or other appropriate evaluation;

(g) criteria and procedures for segmenting the loan portfolio and estimating loss on groups of loans, consistent with ASC 450-20;

(h) an outline of qualitative factors, including the rate of exceptions within the loan portfolio, that will be used in ALLL calculations;

(i) written narratives to support qualitative factor adjustments;

(j) presentation to the Board no less than quarterly of a written narrative to support the ALLL balance;

(2) Following receipt of the Assistant Deputy Comptroller’s written no supervisory objection, the Board shall promptly adopt, and the Bank shall implement and adhere to, the ALLL policies and procedures required by Paragraph (1) of this Article. Any revisions to the ALLL policies and procedures shall be submitted to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection.

(3) The Board shall ensure that the Bank remedies any deficiencies in the ALLL in the quarter it is discovered by additional provisions from earnings. The Board shall maintain written documentation indicating the factors it considered and conclusions it reached in determining the adequacy of the ALLL.

ARTICLE VIII

EXTERNAL LOAN REVIEW

(1) Within sixty (60) days of this Agreement, and on an annual basis thereafter, the Board shall engage a qualified independent consultant to perform asset quality reviews of the Bank's loan portfolio. The Board must ensure that the external loan review process is independent, including, but not limited to, abstaining from selecting the customers who are reviewed by the external loan review provider. The consultant shall provide a written report to the Board after each review and shall use a loan and lease grading system that accurately identifies and stratifies risk. Refer to the "Rating Credit Risk" booklet of the *Comptroller's Handbook* for guidance. Such reports shall, at a minimum, include comments and conclusions regarding:

- (a) the overall quality of the loan portfolio;
- (b) the identification, type, rating, and amount of problem loans and leases;
- (c) the accrual status and amount of impairment reserves, if necessary;
- (d) the identification/status of credit related violations of law or regulation;
- (e) credit information and collateral documentation exceptions;
- (f) loans to executive officers, directors, and principal shareholders (and their related interests) of the Bank;
- (g) loans not in conformance with the Bank's lending policies, and exceptions

to the Bank's lending policies; and

(h) the accuracy of internal risk ratings.

(2) Prior to the appointment or employment of any individual as loan review consultant or entering into any contract with any consultant, the Board shall submit the name and qualifications of the proposed consultant and the proposed scope and terms of employment to the Assistant Deputy Comptroller for prior written determination of no supervisory objection. After receipt of no supervisory objection to the loan review consultant or the scope of the review, the Board shall immediately engage the loan review consultant pursuant to the proposed terms of the engagement.

(3) Within thirty (30) days of receipt, the Board or a designated committee shall review the independent loan review reports and ensure that, if appropriate, immediate, adequate, and continuing remedial action, is taken upon the findings noted in the reports. A copy of the reports submitted to the Board, as well as documentation of the action taken by the Bank to collect or strengthen assets identified as problem credits, shall be maintained in the books and records of the Bank.

ARTICLE IX

AUDIT AND INTERNAL CONTROLS

(1) Within ninety days (90) days of this Agreement, the Board shall develop, implement, and thereafter maintain a safe and sound internal control program consistent with the Interagency Guidelines Establishing Standards for Safety and Soundness, Appendix A to 12 C.F.R. Part 30. Refer to the "Internal Control" booklet of the *Comptroller's Handbook* for further guidance. The internal control program shall ensure that the Bank addresses all deficient practices identified in the Report of Examination dated April 8, 2019, any supervisory or

regulatory communications, or any audit reports relating to internal controls, and shall include, at a minimum:

(a) establish formal policies and procedures documenting the loan approval process;

(b) an organizational structure that establishes clear lines of authority and responsibility for monitoring adherence to prescribed policies;

(c) establish quality assurance process to ensure accurate loan approval summaries;

(d) establish quality assurance process to ensure accurate reconciliation of the loans in process account;

(e) effective risk management;

(f) timely and accurate financial, operational, and regulatory reports;

(g) adequate procedures to safeguard and manage assets;

(h) custody of and control over Bank documents; and

(i) compliance with applicable laws and regulations.

(2) Within ninety days (90) of this Agreement, the Board shall adopt, implement, and thereafter ensure the Bank's adherence to an independent, internal audit program that is consistent with the Interagency Guidelines Establishing Standards for Safety and Soundness, Appendix A to 12 C.F.R. Part 30. Refer to the "Internal and External Audits" booklet of the *Comptroller's Handbook* for further guidance. At a minimum, the program shall:

(a) Establish and require an annual risk assessment to address the identification, measurement, and proper allocation of audit resources to categories of risk within the Bank;

- (b) implement formalized control deficiency tracking systems to resolve issues identified by internal and external audit in a timely and appropriate manner;
- (c) determine the Bank's level of compliance with all applicable laws, rules, and regulations;
- (d) assess and report the effectiveness of policies, procedures, controls, and management oversight relating to accounting and financial reporting;
- (e) evaluate the Bank's adherence to established policies and procedures, with particular emphasis directed to the Bank's adherence to its loan policies concerning underwriting standards and problem loan identification and classification;
- (f) adequately cover all areas;
- (g) an audit plan that incorporates a timely audit schedule;
- (h) a process to track and validate the resolution of deficiencies and report delays and resolution to audit committee;
- (i) require that the audit engagement scope include, at a minimum:
 - (i) reconciliation procedures for all balance sheet accounts and notation of significant variances and reasons for variances, if applicable; and
 - (ii) testing of other real estate owned and bank owned life insurance accounting practices. Refer to Bank Accounting Advisory Series (August 2019) and call report instructions for guidance;
- (j) require appropriate oversight of the audit program by the Audit Committee; and
- (k) revised and updated audit policies and procedures to reflect all changes made to the Bank's audit program.

(3) The Board shall ensure that an independent Certified Public Accountant renders an opinion on the Bank's December 31, 2019, Statement of Condition, the Bank's Income Statement, and a full review of internal controls for year 2019. The Board shall evaluate the audit reports of any party providing services to the Bank, and shall assess the impact on the Bank of any audit deficiencies cited in such reports and the Bank's Report of Examination dated April 8, 2019.

(4) Prior to the appointment or employment of any independent Certified Public Accountant or entering into any contract with an independent Certified Public Accountant to perform the auditing and accounting services other than the December 31, 2019 audit, the Board shall submit the name and qualifications of the proposed Certified Public Accountant and the proposed terms of employment including the proposed engagement letter and any amendments thereto to the Assistant Deputy Comptroller for a prior written determination of no supervisory objection. After receipt of no supervisory objection to the Certified Public Accountant or the scope of the engagement, the Board shall immediately engage the Certified Public Accountant pursuant to the proposed terms of the engagement.

(5) The requirement to submit information and the prior written determination of no supervisory objection provisions of Paragraph (4) of this Article are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Assistant Deputy Comptroller to complete his or her review and act on any such information within ninety (90) days.

ARTICLE X

INSIDER ACTIVITIES AND CONFLICTS OF INTEREST POLICY

(1) Within sixty days (60) days of this Agreement, the Board shall develop and submit to the Assistant Deputy Comptroller for prior written determination of no supervisory

objection an insider activities and conflict of interest policy applicable to the Bank’s directors, principal shareholders, executive officers, affiliates, and employees (“Insiders”) and related interests of such Insiders. The insider activities and conflict of interest policy shall comport with: 12 C.F.R. Part 215 (Regulation O) and 12 C.F.R. §163.200 (Conflicts of Interests). The insider activities and conflict of interest policy, in addition to defining a conflict of interest, shall address:

- (a) establish formal policies and procedures documenting the loan approval process;
- (b) avoidance of conflicts of interest and breaches of fiduciary duty, and the appearance of conflicts of interest;
- (c) restrictions on involvement in the overdraft and loan approval process of Insiders who may benefit directly or indirectly from the decision to grant credit;
- (d) disclosure of actual and potential conflicts of interest to the Board, and periodic disclosure of “related interests,” as defined in 12 C.F.R. § 215.2(n);
- (e) disclosure of any Insider’s material interest in the business of a borrower, an applicant, or other customer of the Bank;
- (f) restrictions on the payment of overdrafts of an executive officer or director of the Bank unless the payment of funds is in accordance with the requirements of 12 C.F.R. § 215.4(e); and
- (g) recusal by any board member from participating in the Board’s discussion of, or voting on, a matter in which the board member has a personal or business interest.

(2) Upon adoption, a copy of the insider activities and conflict of interest policy shall be forwarded to the Assistant Deputy Comptroller for review.

(3) Within thirty (30) days of adoption of the insider activities and conflicts of interest policy, the Compliance Committee shall conduct a review of all of the Bank's existing relationships with its directors, executive officers, affiliates, principal shareholders, employees and their related interests for the purpose of identifying any transactions and relationships not in conformity with the insider activities and conflict of interest policy. The Board shall ensure that any nonconforming transactions and relationships are brought into conformity within ten (10) days from the date of discovery.

(4) Thereafter, the Board shall review all proposed transactions, or modifications of existing relationships between the Bank and any of its Insiders and their related interests. Documentation supporting these reviews shall be noted in writing and preserved in the Bank's books and records. Review of the documentation by the Board shall be noted in the board minutes.

(5) The Board shall maintain records of all transactions involving Insiders in a form and manner that will enable independent review. These records shall identify all Insiders and shall also:

- (a) specify the names of the parties to the transaction other than the Bank;
- (b) state the relationship of the parties to the Bank;
- (c) provide a brief description of the transaction and its terms; and
- (d) provide a notation of approval of the transaction by the Board including the vote of each director and the basis for any dissenting or abstaining votes.

ARTICLE XI

GENERAL BOARD RESPONSIBILITIES

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Agreement, and shall verify that the Bank adheres to the corrective actions and they are effective in addressing the Bank's deficiencies that resulted in this Agreement.

(2) In each instance in which this Agreement imposes responsibilities upon the Board, it is intended to mean that the Board shall:

(a) authorize, direct, and adopt corrective actions on behalf of the Bank as may be necessary to perform the obligations and undertakings imposed on the Board by this Agreement;

(b) ensure that the Bank has sufficient processes, management, personnel, control systems, and corporate and risk governance to implement and adhere to all provisions of this Agreement;

(c) require that Bank management and personnel have sufficient training and authority to execute their duties and responsibilities pertaining to or resulting from this Agreement;

(d) hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Agreement;

(e) require appropriate, adequate, and timely reporting to the Board by Bank management of corrective actions directed by the Board to be taken under the terms of this Agreement; and

(f) address any noncompliance with corrective actions in a timely and appropriate manner.

ARTICLE XII

OTHER PROVISIONS

(1) As a result of this Agreement, the Bank is in “troubled condition,” as set forth in 12 C.F.R. § 5.51(c)(7)(ii), unless otherwise informed in writing by the OCC. In addition, as a result of this Agreement, the Bank is not an “eligible savings association” for purposes of 12 C.F.R. § 5.3(g) unless otherwise informed in writing by the OCC.

(2) This Agreement supersedes all prior OCC communications issued pursuant to 12 C.F.R. §§ 5.3(g)(5) and 5.51(c)(7)(ii).

ARTICLE XIII

CLOSING

(1) This Agreement is intended to be, and shall be construed to be, a “written agreement” within the meaning of 12 U.S.C. § 1818, and expressly does not form, and may not be construed to form, a contract binding on the United States, the OCC, or any officer, employee, or agent of the OCC. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the OCC has any intention to enter into a contract. The Bank also expressly acknowledges that no officer, employee, or agent of the OCC has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or

entity, or any officer, employee, or agent of any of those entities to a contract affecting the OCC's exercise of its supervisory responsibilities.

(2) This Agreement is effective upon its issuance by the OCC, through the Comptroller's duly authorized representative. Except as otherwise expressly provided herein, all references to "days" in this Agreement shall mean calendar days and the computation of any period of time imposed by this Agreement shall not include the date of the act or event that commences the period of time. The provisions of this Agreement shall remain effective and enforceable except to the extent that, and until such time as, such provisions are amended, suspended, waived, or terminated in writing by the OCC, through the Comptroller's duly authorized representative. If the Bank seeks an extension, amendment, suspension, waiver, or termination of any provision of this Agreement, or within any plan or program submitted pursuant to this Agreement, the Board or a Board-designee shall submit a written request to the Assistant Deputy Comptroller asking for relief. Any request submitted pursuant to this paragraph shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with the relevant provision(s) of the Agreement or plan or program submitted pursuant to this Agreement, and shall be accompanied by relevant supporting documentation. The OCC's decision concerning a request submitted pursuant to this paragraph, which will be communicated to the Board in writing, is final and not subject to further review.

(3) The Bank will not be deemed to be in compliance with this Agreement until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Agreement; the corrective actions are effective in addressing the Bank's deficiencies; and the OCC has verified and validated the corrective actions. An assessment of the effectiveness of

the corrective actions requires sufficient passage of time to demonstrate the sustained effectiveness of the corrective actions.

(4) Each citation, guidance, or issuance referenced in this Agreement includes any subsequent citation, guidance, or issuance that replaces, supersedes, amends, or revises the referenced cited citation, guidance, or issuance.

(5) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to enter into this Agreement.

(6) All reports, plans, or programs submitted to the OCC pursuant to this Agreement shall be forwarded, by overnight mail or via email, to the following:

Assistant Deputy Comptroller
Office of the Comptroller of the Currency
New Orleans Field Office
3838 N. Causeway Blvd., Suite 2890
Metairie, Louisiana 70002

(7) The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his duly authorized representative, has hereunto set his signature on behalf of the Comptroller.

/s/

9-30-19

David A. Clay
Assistant Deputy Comptroller
New Orleans Field Office

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of Beauregard Federal Savings Bank have hereunto set their signatures on behalf of the Bank.

/s/

Micky Bailey

9-30-2019

Date

/s/

Gary D. Blackmon

9-30-19

Date

/s/

James David Cain

9-30 19

Date

/s/

Carroll Green

9-30-19

Date

/s/

Brant Green

9-30-19

Date

/s/

Judith S. Kay

9-30-19

Date

/s/

Charles Lestage

9-30-19

Date

/s/

Webb Stark

9-30-19

Date