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AGREEMENT

This Agreement is made and is effective this 4th day of November, 1991, by and between Colorado Savings Bank, F.S.B. of Grand County, Granby, Colorado ("Colorado Savings"), and the Office of Thrift Supervision ("OTS"), through its Deputy Regional Director for the Cincinnati District Office.

This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of Colorado Savings, its directors, officers, employees, agents and service corporations. It is understood and agreed that this Agreement is a "written agreement" entered into with the Office of Thrift Supervision within the meaning of Section 8(b) and (i) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(b) and (i) (Supp. I 1989).

Without admitting or denying any alleged violations of law or regulation, Colorado Savings, nevertheless, in the interest of regulatory cooperation, is willing to enter into this Agreement.

NOW THEREFORE, IT IS AGREED:

1. That Colorado Savings and its directors, officers, employees, agents, and service corporations shall comply with the terms of the Agreement for Operating Policies entered into July 20, 1990 with the OTS, and the Business Plan requirement pursuant to that Agreement, including the provisions stating that the Board of Directors is responsible for continuous monitoring of Colorado Savings' adherence

to that Business Plan requirement, and that Colorado Savings shall make no material change in or deviate from such Business Plan without prior regulatory approval. For purposes of this Agreement a "material significant change or deviation" in the Business Plan is defined as:

a. Any activity that exceeds the level contemplated in the Business Plan by more than 15% and \$2 million, or represents a strategic or organizational change inconsistent with or not contemplated by the approved Business Plan.

b. Any asset growth which exceeds the level contemplated in the Business Plan by more than 10%. Colorado Savings agrees to keep tangible capital at 8% of total assets at all times.

Such percentages shall be measured on a quarterly basis, using figures provided on the most recent Quarterly Thrift Financial report. The Deputy Regional Director, or designee, shall respond within 30 days to a request for approval for a change in or deviation from the Business Plan.

2. Within 30 days from the date of this Agreement, the Board of Directors of Colorado Savings shall revise the policies relating to secondary market transactions to insure:

- a. all secondary market operations shall be accounted for in accordance with generally accepted accounting principles;
- b. all whole loan purchases are ratified by the Board of Directors;
- c. a maximum dollar amount is established for whole loan purchases authorized between Board of Directors meetings.

Also, the individuals authorized to make such purchases shall be identified; and

- d. any whole loan purchase in excess of the maximum amount established in (c) above must be approved by the Board of Directors before closing occurs on any such purchases.

3. Colorado Savings' policy regarding its intent to hold for investment or to sell purchased loans shall be clearly delineated.

4. Within 20 days of acquisition, all purchased loans shall be classified as held for investment or sale. Such classification shall be fully disclosed to the Board of Directors at the next meeting of the Board following the classification. Such disclosure shall include a breakdown of each loan purchased, indicating the discount or premium attributable to each loan, and the reasoning relating to the purchase price and purchased yield. Such disclosure and discussion shall be reflected in the minutes of the relevant Board of Directors meeting.

5. Within 60 days from the date of this Order, Colorado Savings shall restate discounts and adjust capital at June 30, 1991 in such a manner so as to address, to the satisfaction of the Assistant Director-Operations, Cincinnati District, OTS, the issues and concerns raised in Comment 4(d) of the October 22, 1990 OTS Report of Examination.

6. Within 60 days from the date of this Order, the Board of Directors and management officials shall perform an analysis to determine an appropriate "delineated community" for purposes of complying with the Community Reinvestment Act. The Board of Directors shall adopt policies and management shall implement procedures to insure compliance with the Community Reinvestment Act and to assess and assist

in meeting the credit needs of Colorado Savings' delineated community.

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, Home Owners' Loan Act, Federal Deposit Insurance Act or OTS Memoranda, as amended, and all such technical words or terms used in this Agreement, and undefined by the statutes, rules and regulations, shall have meanings that accord with the best custom and usage in the savings and loan industry.

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 its Deputy Regional Director.

IN WITNESS WHEREOF, the parties have executed this Agreement by their Board of Directors or designated agent. A certified copy of the resolution of the Board of Directors of Colorado Savings authorizing the execution of this Agreement is attached hereto and made a part hereof.

OFFICE OF THRIFT SUPERVISION

COLORADO SAVINGS BANK, F.S.B.  
OF GRAND COUNTY  
Granby, Colorado  
by a majority of its directors

By: JS/  
Jerry M. Benham  
Deputy Regional Director  
Cincinnati District Office

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