95259

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 17 day of December, 1990, by and between United Savings Bank, Federal Savings Bank, Anniston, Alabama, OTS No. 5663 (formerly known as Anniston Federal Savings and Loan Association), for itself and its wholly owned service corporations and subsidiaries (hereinafter called "United Savings" or "Institution") and the Office of Thrift Supervision ("OTS"), acting through its Southeast Regional Director or his designee ("Regional Director").

WHEREAS, the OTS is of the opinion that the grounds exist to initiate administrative proceedings against United Savings pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. 1818(b); and

WHEREAS, the Institution, 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 the Institution to require the actions specifically covered by this Agreement for so long as the Institution is in compliance with the provisions of the 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:

1. The Institution's Board of Directors shall develop a written plan to ensure continuing compliance with 12 C.F.R. Section 567. Also, the Institution's Board of Directors shall review on a monthly basis the Institution's adherence to its business plan adopted in April, 1990. This review shall be made a part of the minutes of the meeting in which this review was made.

2. The Institution's Board of Directors shall take whatever steps are deemed necessary to ensure that

all transactions with executive officers, directors, and affiliated persons are made in accordance with all applicable laws, rules, and regulations.

3. The Institution's Board of Directors shall develop procedures designed to ensure ongoing compliance with the institution's lending policies. These procedures shall be documented in the minutes of the board meetings in which they were considered.

4. The Institution shall provide to the Supervisory Examiner a written strategy for the reduction of classified and non-performing assets. This strategy shall be approved by the Board of Directors, and provided within 90 days of the date of this Agreement. The Institution shall also provide to the Supervisory Examiner, on a quarterly basis, a schedule indicating the classified and non-performing assets remaining on the books of the Institution, including the name of the obligor, the classification assigned, the amount of the loan or asset, and a synopsis indicating the efforts to date to bring the asset into a conforming status. Copies of the information provided to the Board of Directors may serve to fulfill this portion of this Condition at the discretion of the Supervisory Examiner.

5. The Institution's Board of Directors shall amend the risk limits contained in the Institution's interest rate risk policy to take into account the level of recent net losses and the Institution's capital position.

6. The Institution shall establish and maintain adequate General and Specific loss reserves taking into consideration, at a minimum, the following factors:

   (a) the results of the Institution's internal loan review and classifications;

   (b) the Institution's loan loss experience;

   (c) an estimate of the potential loss exposure on each significant credit;

(d) concentrations of credit in the Institution; and

(e) present and prospective economic conditions.

The Board shall review the sufficiency of the General and Specific valuation allowances established by the Institution at least once each calendar quarter. Any deficiency in the allowances shall be remedied in the quarter it is discovered, prior to the filing of the Thrift Financial Report. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the allowances.

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 which are provided pursuant to, issued or remain in effect under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA").

This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of United Savings. 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).

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

IN WITNESS WHEREOF, the OTS, acting through the Regional

Director or his designee, and the Institution, by its duly elected directors, have executed this Agreement.

United Savings Bank, FSB
Anniston, Alabama
OTS No. 5663

By: /S/
T. G. Coleman

By: /S/
M. B. Clark

By: /S/
W. R. Crow

By: /S/
R. F. Davie

By: /S/
C. E. Isom

By: /S/
M. S. Weatherlv

By: /S/
Joel B. Carter

OFFICE OF THRIFT SUPERVISION

By: /S/
John E. Ryan
Regional Director

CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of United Savings Bank, Federal Savings Bank, Anniston, Alabama, OTS No. 5663, ("United Savings" or "Institution"), hereby certify that the following is a true copy of a resolution duly adopted by its Board of Directors at a meeting duly called and held on December 17, 1990, 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 United Savings pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C 1818(b); 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 December 17, 1990, 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 United Savings this 18 day of December, 1990.

Board Secretary
W. Jerry Leake

/S/