

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 19th day of October, 1992 ("effective date"), by and between First Georgia Savings Bank, F.S.B., Brunswick, Georgia, OTS No. 7978, for itself and its wholly owned service corporations and subsidiaries ("First Georgia" 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 grounds exist to initiate administrative proceedings against First Georgia 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 Georgia, 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 Georgia to require the actions specifically covered by this Agreement for so long as the Institution is in compliance with the provisions of this Agreement; 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. Within 30 days after the effective date of this Agreement, the Board of Directors of First Georgia (the "Board") shall adopt, implement, and submit to the Regional Director for review a written plan to improve the Institution's record of compliance with applicable Federal consumer protection laws and regulations ("consumer laws and regulations"). In said plan, the Board shall, at a minimum:
 - a. appoint a qualified Compliance Officer for First Georgia who is responsible for developing, implementing, and administering a program to ensure the Institution's compliance with applicable consumer laws and regulations, and who has sufficient authority, responsibility, and autonomy to monitor the operations of the Institution and effect, as needed, corrections to ensure such compliance;

- b. require the Compliance Officer to develop, within 60 days after the effective date of this Agreement, and periodically review and update, written policies and procedures, for adoption by the Board, to ensure compliance with applicable consumer laws and regulations;
 - c. require the Compliance Officer to develop and implement, within 60 days after the effective date of this Agreement, a quality control program with sufficient internal controls to review and monitor, on a regular basis, the various operations of the Institution for compliance with applicable consumer laws and regulations;
 - d. require the Compliance Officer to develop, within 60 days after the effective date of this Agreement, and maintain, a training program addressing the Institution's compliance policies and procedures, as well as applicable consumer laws and regulations;
 - e. require the Compliance Officer to prepare and present, on at least a quarterly basis, reports to the Board that set forth, in detail, the Compliance Officer's findings, conclusions, recommendations, and corrections concerning the Institution's current record of compliance with applicable consumer laws and regulations, including a specific assessment of:
 - i. the Institution's performance relative to the Truth in Lending Act, as amended;
 - ii. the Institution's performance relative to the provisions of 12 C.F.R. § 563.48 (Flood disaster protection);
 - iii. the Institution's performance relative to the Community Reinvestment Act, as amended; and
 - iv. the Institution's progress in correcting the compliance deficiencies described in the Institution's May 18, 1992 OTS Report of Compliance Examination ("1992 Compliance Examination Report").
2. a. First Georgia shall comply with the provisions of 12 C.F.R. § 563.48 (Flood disaster protection).
- b. Within 60 days after the effective date of this Agreement, the Board shall, with respect to the 97 loans identified by the Institution as a result of the November 6, 1990 OTS Report of Compliance Examination

("1990 Compliance Examination Report") and otherwise addressed in Section 3.1 of the Institution's 1992 Compliance Examination Report, correct the violations of 12 C.F.R. §§ 563.48(b)(1) (Flood insurance requirements) and 563.48(e) (Notice of special flood hazard area and availability of Federal disaster relief assistance) by obtaining flood insurance on those loans identified by the Institution as having no flood insurance coverage and by providing borrowers with the appropriate notices required by Section 563.48(e) for those loans where notice was either not provided or failed to comply with the requirements set forth in Section 563.48(e).

- c. Within 60 days after the effective date of this Agreement, the Board shall submit documentation satisfactory to the Regional Director indicating that the Institution has, where applicable, obtained flood insurance in accordance with the requirements of 12 C.F.R. § 563.48(b)(1) and provided borrowers with proper notification in accordance with the requirements of 12 C.F.R. § 563.48(e).
3.
 - a. First Georgia shall comply with the provisions of 12 C.F.R. Part 226 (Truth in Lending).
 - b. Within 60 days after the effective date of this Agreement, the Board shall adopt and implement a Truth in Lending Act program for First Georgia that includes procedures to ensure that the Institution complies with 12 C.F.R. §§ 226.18(d) (Content of Disclosures) and 226.22(a)(2) (Determination of Annual Percentage Rate).
4.
 - a. First Georgia 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 review First Georgia's community delineation, which is contained in the Institution's current Community Reinvestment Act ("CRA") Statement, and correct the violation of 12 C.F.R. § 563e.3(a) identified in both the 1990 and 1992 Compliance Examination Reports by preparing a new delineation of the Institution's local community that complies the requirements of Section 563e.3 and is reasonable with respect to the location of the Institution's branch offices, the Institution's effective depository and lending market area, and the resources available to the Institution for it to ascertain and help meet the credit needs, in all segments of the Institution's local community.
 - c. Within 60 days after the effective date of this

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Brunswick, Georgia OTS No. 7978
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Agreement, the Board shall review the Institution's CRA public file and correct the violations of 12 C.F.R. §§ 563e.5(a)(2), 563e.5(a)(4), and 563e.5(b) identified in the 1992 Compliance Examination Report by: (1) including in the public file a copy of the most recent CRA Performance Evaluation prepared by the OTS, (2) including in the public file copies of CRA statements in effect during the past two years, and (3) excluding from the public file comments that reflect adversely upon persons other than the Institution.

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 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 Georgia Savings Bank, F.S.B.
Brunswick, Georgia
OTS No. 7978

By: _____
Director

Date: _____

By: 151
Director

Date: 10-19-92

By: 151
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OFFICE OF THRIFT SUPERVISION

By: 151
John E. Ryan
Regional Director