95102

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 16th day of December, 1992 ("Effective Date"), by and between First Federal Savings and Loan Association, Sylacauga, Alabama, OTS No. 5329, for itself and its wholly owned service corporations and subsidiaries ("First Federal" or "the Institution"), and the Office of Thrift Supervision ("OTS"), acting through its Southeast Regional Director ("Regional Director") or his designee.

WHEREAS, the OTS is of the opinion that grounds exist to initiate administrative proceedings against First Federal pursuant to Section 8(b) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C.A. § 1818(b) (West 1989 and Supp. 1992); and,

WHEREAS, First Federal, 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 Federal to require the actions specifically covered by this Agreement for so long as the Institution is in compliance with the provisions of this 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. a. Within 60 days of the Effective Date of this Agreement, the Board of Directors of First Federal ("the Board") shall adopt and implement a written compliance program which will ensure that the Institution complies with all applicable Federal consumer protection laws and regulations ("consumer laws and regulations") and also corrects the deficiencies in its efforts to comply with consumer laws and regulations described in the July 20, 1992 OTS Compliance Examination Report of the Institution ("1992 Exam"). At a minimum, the program shall establish:

i. internal control systems sufficient to review and monitor, on a regular basis, the various operations of the Institution relative to compliance with consumer laws and regulations,

ii. training procedures to ensure that employees of First Federal receive adequate training pertaining to consumer laws and regulations, as well as the Institution's compliance policies and procedures, and

iii. reporting procedures that require the Management of First Federal ("Management") to prepare and present, on at least a quarterly basis, reports to the Board that set forth in detail the Institution's current record of compliance with consumer laws and regulations, and that require the Board to document, on at least a quarterly basis, its review of these reports.

b. Within 60 days of the Effective Date of this Agreement, the Board shall submit to the Regional Director a written summary of actions taken to comply with this Paragraph.

2. a. First Federal shall comply with the provisions of 12 C.F.R. § 563.99 (the OTS Mortgage Regulation).

b. The Board shall require Management to review, within 30 days of the Effective Date of this Agreement, all Adjustable Rate Mortgage loans held by the Institution to determine whether adjustments to these loans have been made in accordance with the provisions of 12 C.F.R. § 563.99.

c. Within 60 days of the Effective Date of this Agreement, the Board shall submit to the Regional Director a summary of the results of the review required and a description of any action taken to correct adjustments found not to comply with Section 563.99.

3. a. First Federal shall comply with the provisions of 12 C.F.R. § 202.9 (Regulation B Notification Requirements).

b. The Board shall require Management to review, within 30 days of the Effective Date of this Agreement, each loan application received during the six month period prior to the 1992 Exam to determine whether the Institution furnished each applicant notification, in accordance with the provisions of 12 C.F.R. § 202.9.

c. The Board shall require Management to provide, within 60 days of the Effective Date of this Agreement, notification that complies with the provisions of 12 C.F.R. § 202.9 to each loan applicant identified during the review required by this Paragraph as not having received notification in accordance with the provisions of 12 C.F.R. § 202.9.

d. Within 60 days of the Effective Date of this Agreement, the Board shall submit to the Regional Director a summary of the results of the review required by this Paragraph and a description of any action taken to correct deficiencies in notifications identified by said review.

4. First Federal shall maintain its Loan/Application Registers in accordance with the requirements of 12 C.F.R. §§ 203.4(a) and 528.6(d).

5. First Federal shall comply with the provisions of 12 C.F.R. §§ 226.17 and 226.18 (Regulation Z Disclosure Requirements).

6. First Federal shall comply with 31 C.F.R. §§ 103.27 and 103.29 (applicable regulatory requirements of the Bank Secrecy Act).

7. a. First Federal shall comply with 12 C.F.R. Part 563e (OTS regulatory requirements pertaining to the Community Reinvestment Act).

b. Within 60 days of the Effective Date of this Agreement, the Board shall adopt and implement a Community Reinvestment Act ("CRA") program that addresses the deficiencies noted in the 1992 Exam concerning First Federal's performance in the categories of Ascertainment of Community Credit Needs, Geographic Distribution, and Community Development, and that corrects the violations of 12 C.F.R. §§ 563e.3(a) and 563e.6(a) cited in that Exam.

c. Within 60 days of the Effective Date of this Agreement, the Board shall submit to the Regional Director a written summary of actions taken to comply with this Paragraph.

d. The Board shall review, at least quarterly, the Institution's compliance with the provisions of 12 C.F.R. Part 563e, as well as progress made in meeting the goals and requirements of the CRA program required by this Paragraph.

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. 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 statutes, regulations, bulletins, memoranda and publications shall include any successor statutes, regulations, bulletins, memoranda, and publications.

Any time limitations imposed herein shall begin to run from the Effective Date hereof. Such time limitations may be extended by the Regional Director or his designee for good cause upon written application.

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.

In the event that any provision of this Agreement shall be declared invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

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 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 Federal Savings Savings and Loan Association
Sylacauga, Alabama
OTS No. 5329

By: /s/ Date: 12/16/92

By: /s/ Date:

By /s/ Date: 12-16-92

By: /s/ Date: 12-16-92

By: /s/ Date: 12-16/92

By: /s/ Date: 12.16.92

By: /s/ Date: 12.16.92

By: Date:

OFFICE OF THRIFT SUPERVISION

By: /s/
John E. Ryan
Regional Director

DIRECTORS' WAIVER OF NOTICE

I hereby waive notice of the meeting of the Board of Directors of First Federal Savings and Loan Association, Sylacauga, Alabama, OTS No. 5329, held on the 16th day of December, 1992, at which the Board of Directors considered and adopted the attached resolution concerning a Supervisory Agreement between First Federal Savings and Loan Association, and the Office of Thrift Supervision.

By: /S/ Director	By: /S/ Director
By: /S/ Director	By: /S/ Director
By: /S/ Director	By: /S/ Director
By: /S/ Director	By: ______ Director

CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS

I, the undersigned, being the duly qualified Secretary of First Federal Savings and Loan Association, Sylacauga, Alabama, OTS No. 5329 ("Institution"), hereby certify that the following is a true copy of a resolution duly adopted by the Institution's Board of Directors at a meeting duly called and held on this 16th day of December, 1992, 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 the Institution pursuant to Section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C.A. § 1818(b) (West 1989 & Supp. 1992); 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 the 16th day of December, 1992, 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 First Federal Savings and Loan Association this 16th day of December, 1992.

/S/
Secretary