

95018

SUPERVISORY AGREEMENT

This Supervisory Agreement ("Agreement") is made and is effective this 23rd day of April, 1992, by and between Anchor Savings Bank, St. Petersburg, Florida, OTS Number 7867, for itself and its wholly owned service corporations and subsidiaries ("Anchor" or "Institution") and the Office of Thrift Supervision ("OTS"), acting through its Southeast Regional Director or his designee ("Regional Director").

This Agreement supersedes and replaces the Supervisory Agreements dated December 3, 1985, and August 18, 1987 between Anchor and the Federal Home Loan Bank Board, predecessor to the OTS.

WHEREAS, the 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 ("FDIA"), 12 U.S.C. § 1818(b) (1988 & Supp. I 1989); and

WHEREAS, the Institution, while neither admitting or denying that such grounds exist, and 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:

CAPITAL IMPROVEMENT

1. Within 60 days of the effective date of this Agreement, Anchor shall develop, adopt and implement a strategic plan for improving the Institution's capital position. This plan shall cover a period of three years and shall contain, at a minimum, formal written strategies and plans to accomplish the following objectives:
 - a. Improvement of Anchor's capital position, and continued compliance with all regulatory capital requirements.
 - b. Resolution of all assets classified or criticized in the OTS report of examination of October 15, 1991 ("1991 Exam Report"). This plan shall specifically address individual classified assets in excess of \$250,000, and shall state, at a minimum, explicit goals for the resolution of each problem asset, as well as, goals for an orderly reduction in the aggregate level of problem assets outstanding within specified time frames. This plan shall be maintained and updated quarterly.
 - c. Control of noninterest operating expenses.
 - d. Reduction of interest rate risk as measured by the Institution's gap position. This plan shall include, at a minimum, specific goals for the Institution's gap position and strategies for achieving these goals within specified time frames. This plan shall comply with the requirements of 12 C.F.R. §§ 563.176 and 571.3.
 - e. Disposition of the Institution's nonincludable service corporation assets.

APPRAISAL REPORTS

2. Within 60 days of the effective date of this Agreement, Anchor shall obtain, and shall forward to the OTS, the appraisal reports requested by the OTS in the 1991 Exam Report. Such appraisal reports shall comply with all of the requirements of 12 C.F.R. Part 564.

NET REALIZABLE AND FAIR VALUES

3. Within 60 days of the effective date of this Agreement, Anchor shall review its classified assets, and shall calculate appropriate fair values and net realizable values for all classified assets. Whenever losses are produced by the recording of these fair values and net realizable values, the Institution shall immediately

make appropriate allowances for these losses, pursuant to 12 C.F.R. § 563.160. Further, Anchor shall promptly and accurately calculate fair values and net realizable values for any future classified assets and shall immediately make appropriate allowances for any resulting losses.

The Institution shall thereafter maintain prudent general valuation allowances, considering the amount of criticized and classified assets, and the risk inherent in its loan and investment portfolio, pursuant to and in compliance with 12 C.F.R. § 563.160 and its own general valuation allowance policy. The Board shall review and assess the adequacy of the Institution's general valuation reserves on a quarterly basis and adjust them as necessary to address the risks inherent in the Institution's asset portfolio.

4. The Institution shall account for real estate owned ("REO"), insubstance foreclosures, troubled debt restructurings, and loans to facilitate the sale of REO in accordance with generally accepted accounting principles ("GAAP"), including but not limited to the timely performance of fair value and net realizable value calculations, and the timely booking of any resulting indicated losses.
5. All calculations for net realizable values and fair values must include written documentation that supports all calculations and assumptions used in the calculations.

ASSET CLASSIFICATION POLICY

6. Within 60 days of the effective date of this Agreement, Anchor shall revise, implement and adhere to its asset classification policies and procedures so as to provide for the use of the categories of special mention and doubtful, pursuant to 12 C.F.R. §§ 563.160 and 571.26. The Institution shall establish corresponding internal control systems, as necessary, to provide for an effective system of self-classification of all assets and the establishment of prudent valuation allowances pursuant to and in compliance with 12 C.F.R. §§ 563.160 and 571.26. These revised policies shall provide for quarterly self-classifications of assets and for recommendations for adjustments to the levels of valuation reserves if needed. Also, written reports shall be made to the Board of Directors of the results of the revision and implementation of these policies and procedures.

CAPITAL DISTRIBUTIONS

7. The Institution shall comply with all requirements of 12 C.F.R. § 563.134 and shall provide the OTS with 30 day advance written notice of all proposed capital distributions.

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. § 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.

Anchor Savings Bank
St. Petersburg, Florida
OTS Number 7867

By: LSJ
Director

By: LSJ
Director

By: LSJ
Director

By: _____
Director

OFFICE OF THRIFT SUPERVISION

By: LSJ
John E. Ryan
Regional Director

DIRECTORS' WAIVER OF NOTICE

We, the undersigned, hereby waive notice of the meeting of the Board of Directors of Anchor Savings Bank, St. Petersburg, Florida, OTS Number 7867, at ~~St. Petersburg~~ on the 16th day of APRIL, 1992, at which the Board of Directors considered and adopted the attached resolution concerning a Supervisory Agreement between Anchor Savings Bank and the Office of Thrift Supervision.

By: 151
Director

By: _____
Director

By: 151
Director

By: _____
Director

By: 151
Director

By: _____
Director

**CERTIFIED COPY OF
RESOLUTION OF BOARD OF DIRECTORS**

I, the undersigned, being the duly qualified Secretary of Anchor Savings Bank, St. Petersburg, Florida, OTS Number 7867, ("Anchor" 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 the 16th day of April, 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 Anchor 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. § 1818(b) (1988 & Supp. I 1989); 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 April, 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 Anchor this 16th day of April 1992, 1992.

15/

Secretary