

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION
TALLAHASSEE, FLORIDA

| | | |
|--------------------------------|---|-------------------|
| _____ |) | |
| In the Matter of |) | |
| |) | |
| COMMUNITY BANK OF MANATEE |) | CONSENT ORDER |
| LAKEWOOD RANCH, FLORIDA |) | |
| |) | |
| |) | FDIC-09-569b |
| |) | OFR 0692-FI-10/09 |
| (INSURED STATE NONMEMBER BANK) |) | |
| |) | |
| _____ |) | |

The Federal Deposit Insurance Corporation (“FDIC”) is the appropriate Federal banking agency for COMMUNITY BANK OF MANATEE, LAKEWOOD RANCH, FLORIDA (“Bank”), under 12 U.S.C. § 1813(q).

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a “STIPULATION TO THE ISSUANCE OF A CONSENT ORDER (“STIPULATION”), dated November 25, 2009 that is accepted by the FDIC and the Florida Office of Financial Regulation (“OFR”). With the STIPULATION, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law or regulation relating to weaknesses in the Bank’s capital adequacy, asset quality, management effectiveness, earnings, liquidity and sensitivity to market risk, to the issuance of this Consent Order (“ORDER”) by the FDIC and the OFR.

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and Chapter 120 and Section 655.033, Florida Statutes, have been satisfied, the FDIC and the OFR hereby order that:

1. BOARD OF DIRECTORS

(a) Beginning on the effective date of this ORDER, the Board of Directors (“Board”) shall increase its participation in the affairs of the Bank, assuming full responsibility for the approval of sound policies and objectives and for the supervision of all of the Bank's activities, consistent with the role and expertise commonly expected for directors of banks of comparable size. The Board shall prepare in advance and follow a detailed written agenda for each meeting, including consideration of the actions of any committees. Nothing in this paragraph shall preclude the Board from considering matters other than those contained in the agenda. This participation shall include meetings to be held no less frequently than monthly at which, at a minimum, the following areas shall be reviewed and approved: reports of income and expenses; new, overdue, renewal, charged-off, and recovered loans; investment activity; operating policies; and individual committee actions. Board minutes shall document these reviews and approvals, including the names of any dissenting directors.

(b) Within 30 days from the effective date of this ORDER, the Board shall establish a Board committee (“Directors’ Committee”), consisting of at least four members, to oversee the Bank’s compliance with the ORDER. Three members of the Directors’ Committee shall not be officers of the Bank. The Directors’ Committee shall receive from Bank management monthly reports detailing the

Bank's actions with respect to compliance with the ORDER. The Directors' Committee shall present a report detailing the Bank's adherence to the ORDER to the Board at each regularly scheduled Board meeting. Such report shall be recorded in the appropriate minutes of the Board's meeting and shall be retained in the Bank's records. Establishment of this committee does not in any way diminish the responsibility of the entire Board to ensure compliance with the provisions of this ORDER.

2. MANAGEMENT

(a) Within 60 days from the effective date of this ORDER, the Bank shall have and retain qualified management with the qualifications and experience commensurate with assigned duties and responsibilities at the Bank. Each member of management shall be provided appropriate written authority from the Bank's Board to implement the provisions of this ORDER. At a minimum, management shall include the following:

- (i) a chief executive officer with proven ability in managing a bank of comparable size and in effectively implementing lending, investment and operating policies in accordance with sound banking practices;
- (ii) a senior lending officer with a significant amount of appropriate lending, collection, and loan supervision experience, and experience in upgrading a low quality loan portfolio;
- (iii) a chief operating officer with a significant amount of appropriate experience in managing the operations of a bank of similar size and complexity in accordance with sound banking practices; and

- (iv) a chief credit officer with significant experience to independently analyze loans and advise the Board regarding credit quality and compliance with proper underwriting standards and processes.
- (b) The qualifications of management shall be assessed on its ability to:
 - (i) comply with the requirements of this ORDER;
 - (ii) operate the Bank in a safe and sound manner;
 - (iii) comply with applicable laws and regulations; and
 - (iv) restore all aspects of the Bank to a safe and sound condition, including, but not limited to, asset quality, capital adequacy, earnings, management effectiveness, risk management, liquidity and sensitivity to market risk.
- (c) During the life of this ORDER, the Bank shall notify the Regional Director of the FDIC's Atlanta Regional Office (“Regional Director”) and the OFR (collectively, “Supervisory Authorities”), in writing, of the resignation or termination of any of the Bank’s directors or senior executive officers within fifteen (15) days of any such resignation or termination. The Bank shall also provide notification to the Supervisory Authorities prior to the addition of any individual to the Bank’s Board or employment of any individual as a senior executive officer as that term is defined in Part 303 of the FDIC Rules and Regulations, 12 C.F.R. § 303.101, or executive officer as that term is defined and applied in Section 655.005(1)(f), Florida Statutes, and Rule 69U-100.03852, Florida Administrative Code. The notification to the Supervisory Authorities shall comply with the requirements set forth in 12 C.F.R. Part 303, Subpart F, and

Rule 69U-100.03852, Florida Administrative Code. The notification should include a description of the background and experience of the individual or individuals to be added or employed and must be received at least 60 days before such addition or employment is intended to become effective. If the Regional Director or OFR issues a notice of disapproval pursuant to section 32 of the Federal Deposit Insurance Act, 12 U.S.C. § 1831i, or Section 655.0385(2) or (3), Florida Statutes, with respect to any proposed individual, then such individual may not be added or employed by the Bank.

(d) Within 60 days from the effective date of this ORDER, the Bank shall develop and approve a written analysis and assessment of the Bank's management and staffing needs ("Management Plan") for the purpose of providing qualified management for the Bank. The Management Plan shall include, at a minimum:

- (i) identification of both the type and number of officer positions needed to properly manage and supervise the affairs of the Bank;
- (ii) identification and establishment of such Bank committees as are needed to provide guidance and oversight to active management;
- (iii) annual written evaluations of all Bank officers and, in particular, the chief executive officer, senior lending officer, and the chief operating officer to determine whether these individuals possess the ability, experience and other qualifications required to perform present and anticipated duties, including, but not limited to, adherence to the Bank's established policies and practices, and restoration and maintenance of the Bank in a safe and sound condition;

(iv) a plan to recruit and hire any additional or replacement personnel with the requisite ability, experience and other qualifications to fill those officer positions consistent with the needs identified in the Management Plan; and

(v) an organizational chart.

(e) The Management Plan and its implementation shall be satisfactory to the Supervisory Authorities. Within 60 days of the date of this ORDER, the Bank shall submit the proposed Management Plan to the Supervisory Authorities for review and comment. Within 10 days of receipt of comments from the Supervisory Authorities, the Bank shall incorporate those comments, if any, and shall approve and adopt the Management Plan as revised.

3. CAPITAL

(a) Within 60 days from the effective date of this ORDER, the Bank shall have Tier 1 Capital in such amount as to equal or exceed seven percent (7%) of the Bank's total assets and Total Risk-Based Capital in such an amount as to equal or exceed twelve percent (12%) of the Bank's total risk-weighted assets. Thereafter, during the life of this Order, the Bank shall maintain Tier 1 Capital and Total Risk-Based Capital ratios equal to or exceeding seven percent (7%) and twelve percent (12%), respectively, as those capital ratios are described in the FDIC Statement of Policy on Risk-Based Capital and contained in Appendix A to Part 325 of the FDIC Rules and Regulations, 12 C.F.R. Part 325, Appendix A.

(b) The level of Tier 1 Capital to be maintained during the life of this ORDER pursuant to this paragraph shall be in addition to a fully funded allowance for loan

and lease losses (“ALLL”), the adequacy of which shall be satisfactory to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

(c) Any increase in Tier 1 Capital necessary to meet the requirements of this paragraph may be accomplished by the following:

- (i) sale of common stock; or
- (ii) sale of noncumulative perpetual preferred stock; or
- (iii) direct contribution of cash by the Board, shareholders, and/or parent holding company; or
- (iv) any other means acceptable to the Supervisory Authorities; or
- (v) any combination of the above means.

Any increase in Tier 1 Capital necessary to meet the requirements of this paragraph may not be accomplished through a deduction from the Bank's ALLL.

(d) If all or part of any increase in Tier 1 Capital required by this paragraph is accomplished by the sale of new securities, the Board shall forthwith take all necessary steps to adopt and implement a plan for the sale of such additional securities, including the voting of any shares owned or proxies held or controlled by them in favor of the plan. Should the implementation of the plan involve a public distribution of the Bank’s securities (including a distribution limited only to the Bank's existing shareholders), the Bank shall prepare offering materials fully describing the securities being offered, including an accurate description of the financial condition of the Bank and the circumstances giving rise to the offering, and any other material disclosures necessary to comply with the Federal

securities laws. Prior to the implementation of the plan and, in any event, not less than fifteen (15) days prior to the dissemination of such materials, the plan and any materials used in the sale of the securities shall be submitted for review to the FDIC, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room F-6066, Washington, D.C. 20429 and to the Office of Financial Regulation, 200 East Gaines Street, Tallahassee, Florida 32399-0371. Any changes requested to be made in the plan or materials by the FDIC or the OFR shall be made prior to their dissemination. If the increase in Tier 1 Capital is provided by the sale of noncumulative perpetual preferred stock, then all terms and conditions of the issue, including but not limited to those terms and conditions relative to interest rate and convertibility factor, shall be presented to the Supervisory Authorities for prior approval.

(e) In complying with the provisions of this paragraph, the Bank shall provide to any subscriber and/or purchaser of the Bank's securities, a written notice of any planned or existing development or other changes which are materially different from the information reflected in any offering materials used in connection with the sale of Bank securities. The written notice required by this paragraph shall be furnished within ten (10) days from the date such material development or change was planned or occurred, whichever is earlier, and shall be furnished to every subscriber and/or purchaser of the Bank's securities who received or was tendered the information contained in the Bank's original offering materials.

(f) For the purposes of this ORDER, "Tier 1 Capital," "Total Risk-Based Capital," "total assets," and "total risk-weighted assets" shall have the meanings

ascribed to them in Part 325 of the FDIC Rules and Regulations, 12 C.F.R. Part 325.

4. CHARGE-OFF

(a) Within 30 days from the effective date of this ORDER, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified “Loss” in the FDIC Report of Examination dated June 16, 2009 (the “ROE”) that have not been previously collected or charged-off. Elimination of any of these assets through proceeds of other loans made by the Bank is not considered collection for purposes of this paragraph.

(b) Additionally, while this ORDER remains in effect, the Bank shall, within 30 days from the receipt of any official Report of Examination of the Bank from the FDIC or the OFR, eliminate from its books, by collection, charge-off, or other proper entries, the remaining balance of any asset classified “Loss” unless otherwise approved in writing by the Supervisory Authorities.

5. REDUCTION OF ADVERSELY CLASSIFIED ASSETS

(a) Within 90 days from the effective date of this ORDER, the Bank shall formulate and submit to the Supervisory Authorities, for review and comment, a written plan to reduce the Bank’s risk position in each asset or relationship which is in excess of \$1,000,000 and which is classified “Substandard” in the ROE. For purposes of this provision, “reduce” means to collect, charge off, or improve the quality of an asset so as to warrant its removal from adverse classification by the Supervisory Authorities. In developing the plan mandated by this paragraph, the Bank shall, at a minimum, and with respect to each adversely classified loan or

lease, review, analyze and document the financial position of the borrower, including source of repayment, repayment ability, and alternative repayment sources, as well as the value of and accessibility of any pledged or assigned collateral, and any possible actions to improve the Bank's collateral position. Within 10 days from the receipt of any comment from the Supervisory Authorities, and after due consideration of any recommended changes, the Bank shall approve the plan, which approval shall be recorded in the minutes of a Board meeting. Thereafter, the Bank shall implement and follow this plan. The plan shall be monitored and progress reports thereon shall be submitted to the Supervisory Authorities at 90 day intervals concurrent with the other reporting requirements set forth in this ORDER.

(b) The plan mandated by this paragraph shall include, but not be limited to, the following:

- (i) the dollar levels to which risk in each classified asset will be reduced;
- (ii) a description of the risk reduction methodology to be followed;
- (iii) provisions for the submission of monthly written progress reports to the Board;
- (iv) provisions mandating board review of said progress reports; and
- (v) provisions for the mandated review to be recorded by notation in the minutes of the Board meetings.

(c) The written plan mandated by this paragraph shall further require a reduction in the aggregate balance of assets classified "Substandard" in the ROE

in accordance with the following schedule. For purposes of this paragraph, “number of days” means number of days from the effective date of this ORDER.

The reduction schedule is:

- (i) within 90 days, the aggregate balance of assets classified “Substandard” shall not exceed one hundred sixty percent (160%) of the sum of Tier 1 Capital and ALLL;
 - (ii) within 180 days, the aggregate balance of assets classified “Substandard” shall not exceed one hundred twenty-five percent (125%) of the sum of Tier 1 Capital and ALLL;
 - (iii) within 360 days, the aggregate balance of assets classified “Substandard” shall not exceed one hundred percent (100%) of the sum of Tier 1 Capital and ALLL;
 - (iv) within 540 days, the aggregate balance of assets classified “Substandard” shall not exceed seventy-five percent (75%) of the sum of Tier 1 Capital and ALLL; and
 - (v) within 720 days, the aggregate balance of assets classified “Substandard” shall not exceed fifty percent (50%) of the sum of Tier 1 Capital and ALLL
- (d) The requirements of this paragraph are not to be construed as standards for future operations of the Bank. Following compliance with the above reduction schedule, the Bank shall continue to reduce the total volume of adversely classified assets.

6. ADDITIONAL CREDIT TO ADVERSELY CLASSIFIED BORROWERS

(a) As of the effective date of this ORDER, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit from the Bank that has been charged off or classified, in whole or in part, "Loss" or "Doubtful" and is uncollected. The requirements of this paragraph shall not prohibit the Bank from renewing (after collection in cash of interest due from the borrower) any credit already extended to any borrower.

(b) Additionally, as of the effective date of this ORDER, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit from the Bank that has been classified, in whole or part, "Substandard" or "Special Mention" and is uncollected.

(c) Paragraph (b) of this paragraph shall not apply if the Bank's failure to extend further credit to a particular borrower would be detrimental to the best interests of the Bank. Prior to the extending of any additional credit pursuant to this paragraph, either in the form of a renewal, extension, or further advance of funds, such additional credit shall be approved by a majority of the Board or a designated committee thereof, who shall certify in writing as follows:

- (i) why the failure of the Bank to extend such credit would be detrimental to the best interests of the Bank;
- (ii) that the Bank's position would be improved thereby; and
- (iii) how the Bank's position would be improved.

The signed certification shall be made a part of the minutes of the Board or its designated committee and a copy of the signed certification shall be retained in the borrower's credit file.

7. WRITTEN STRATEGIC/BUSINESS PLAN

(a) Within 90 days from the effective date of this ORDER, the Bank shall prepare and submit to the Supervisory Authorities for review and comment a written business/strategic plan covering the overall operation of the Bank. At a minimum the plan shall establish objectives for the Bank's earnings performance, growth, balance sheet mix, liability structure, capital adequacy, and reduction of nonperforming and underperforming assets, together with strategies for achieving those objectives. The plan shall also identify capital, funding, managerial and other resources needed to accomplish its objectives. Such plan shall specifically provide for the following:

- (i) goals for the composition of the loan portfolio by loan type including strategies to diversify the type and improve the quality of loans held;
- (ii) goals for the composition of the deposit base including strategies to reduce reliance on volatile and costly deposits; and
- (iii) plans for effective risk management and collection practices.

(b) Within 10 days from the receipt of any comments from the Supervisory Authorities, and after due consideration of any recommended changes, the Board shall approve the business/strategic plan, which approval shall be recorded in the minutes of the appropriate Board meeting.

8. INTERNAL LOAN REVIEW

Within 90 days from the effective date of this ORDER, the Bank shall adopt an effective internal loan review and grading system to provide for the periodic review of the Bank's loan portfolio in order to identify and categorize the Bank's loans, and other extensions of credit which are carried on the Bank's books as loans, on the basis of credit quality. Such system and its implementation shall be satisfactory to the Supervisory Authorities as determined at their initial review and at subsequent examinations and/or visitations.

9. LENDING AND COLLECTION POLICIES

Within 90 days from the effective date of this ORDER, the Bank shall revise, adopt and implement its written lending and collection policy to provide effective guidance and control over the Bank's lending function. That implementation shall include the resolution of those exceptions, problems and deficiencies described in the ROE, including those described on pages 11-13 thereof. In addition, the Bank shall obtain adequate and current documentation for all loans in the Bank's loan portfolio. Such policy and its implementation shall be in a form and manner acceptable to the Supervisory Authorities.

10. CONCENTRATIONS OF CREDIT

Within 45 days from the effective date of this ORDER, the Bank shall perform a risk segmentation analysis with respect to the Concentrations of Credit listed on page 37 of the ROE. Concentrations should be identified by product type, geographic distribution, underlying collateral or other asset groups, which are considered economically related and in the aggregate represent a large portion of the Bank's Tier 1 Capital. A copy of this analysis shall be provided to the Supervisory Authorities and the Board shall develop a

plan to reduce any segment of the portfolio which the Supervisory Authorities deem to be an undue concentration of credit in relation to the Bank's Tier 1 Capital. The plan and its implementation shall be in a form and manner acceptable to the Supervisory Authorities.

11. ALLOWANCE FOR LOAN AND LEASE LOSSES

Within 30 days from the effective date of this ORDER, the Board shall review the adequacy of the ALLL and, within 90 days from the effective date of this ORDER, the Board shall establish a comprehensive policy for determining the adequacy of the ALLL. For the purpose of this determination, the adequacy of the ALLL shall be determined after the charge-off of all loans or other items classified "Loss." The policy shall provide for a review of the ALLL at least once each calendar quarter. Said review shall be completed in time to properly report the ALLL in the quarterly Reports of Condition and Income. The review shall focus on the results of the Bank's internal loan review, loan and lease loss experience, trends of delinquent and non-accrual loans, an estimate of potential loss exposure on significant credits, concentrations of credit, and present and prospective economic conditions. A deficiency in the ALLL shall be remedied in the calendar quarter it is discovered, prior to submitting the Reports of Condition and Income, by a charge to current operating earnings. The minutes of the Board meeting at which such review is undertaken shall indicate the results of the review. The Bank's policy for determining the adequacy of the ALLL and its implementation shall be satisfactory to the Supervisory Authorities.

12. BUDGET

- (a) Within 60 days from the effective date of this ORDER, the Bank shall formulate and fully implement a written plan and a comprehensive budget for all

categories of income and expense for the calendar year ending December 31, 2010. The plan and budget required by this paragraph shall include formal goals and strategies, consistent with sound banking practices and taking into account the Bank's other written policies, to improve the Bank's net interest margin, increase interest income, reduce discretionary expenses, and improve and sustain earnings of the Bank. The plan shall include a description of the operating assumptions that form the basis for, and adequately support, major projected income and expense components. Thereafter, the Bank shall formulate such a plan and budget by November 30 of each subsequent year and submit the plan and budget to the Supervisory Authorities for review and comment by December 15 of each subsequent year.

(b) The plans and budgets required by this paragraph shall be acceptable to the Supervisory Authorities.

(c) Following the end of each calendar quarter, the Board shall evaluate the Bank's actual performance in relation to the plans and budgets required by this paragraph and shall record the results of the evaluation, and any actions taken by the Bank, in the minutes of the Board meeting at which such evaluation is undertaken.

13. LIQUIDITY CONTINGENCY PLAN

(a) Within 90 days from the effective date of this Order, the Bank shall revise its Liquidity Contingency Plan to ensure the Bank has sufficient access to alternative funding sources. The Liquidity Contingency Plan should include

actions management will employ to improve liquidity levels and should address the items described on pages 13 and 14 of the ROE.

(b) The plan shall incorporate the guidance contained in Financial Bank Letter (FIL) 84-2008, dated August 26, 2008, entitled *Liquidity Risk Management*.

(c) A copy of the plan shall be submitted to the Supervisory Authorities upon its completion for review and comment. Within 10 days from the receipt of any comments from the Supervisory Authorities, the Bank shall incorporate those recommended changes. Thereafter, the Bank shall implement and follow the plan, and implementation shall be in a form and manner acceptable to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

14. INTEREST RATE RISK MANAGEMENT

Within 90 days from the effective date of this ORDER, the Bank shall develop and implement a written policy for managing interest rate risk in a manner that is appropriate to the size of the Bank and the complexity of its assets. The policy shall comply with the Joint Agency Policy Statement on Interest Rate Risk, 61 Fed. Reg. 33169 (June 26, 1996), shall be consistent with the comments and recommendations detailed in the ROE, and shall include, at a minimum, the means by which the interest rate risk position will be monitored, the establishment of risk parameters, and provision for periodic reporting to management and the Board regarding interest rate risk with adequate information provided to assess the level of risk. Such policy and its implementation shall be satisfactory to the Supervisory Authorities.

15. POLICY FOR INTERNAL ROUTINE AND CONTROL

Within 90 days from the effective date of this ORDER, the Bank shall adopt and implement a policy for the operation of the Bank in such a manner as to provide adequate internal routine and controls within the Bank consistent with safe and sound banking practices. Such policy and its implementation shall, at a minimum, eliminate and/or correct all internal routine and control deficiencies as more fully set forth on pages 14 and 15 of the ROE and shall be satisfactory to the Supervisory Authorities.

16. AUDITS

Within 90 days from the effective date of this ORDER, the Bank shall adopt and implement a comprehensive written audit program which shall be satisfactory to the Supervisory Authorities. A copy of the audit program shall be submitted to the Supervisory Authorities upon its completion for review and comment. Within 10 days from the receipt of any comments from the Supervisory Authorities, the Bank shall incorporate those recommended changes. The Bank shall thereafter implement and enforce an effective system of internal and external audits. The internal auditor shall make written monthly reports of audit findings directly to the Board. The minutes of the meetings of the Board shall reflect consideration of these reports and describe any action taken as a result thereof.

17. VIOLATIONS OF LAW, REGULATION AND POLICY

Within 30 days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of law and regulation, and all contraventions of statements of policy, which are more fully set out on pages 16-19 of the ROE. In addition, the Bank shall take all necessary steps to ensure future compliance with all applicable laws, regulations, and applicable statements of policy.

18. CALL REPORTS

Within 30 days after eliminating from its books any asset in compliance with the “Charge-Off” paragraph of this ORDER and establishing an adequate ALLL in compliance with the Allowance For Loan and Lease Losses paragraph of this ORDER, the Bank shall file with the FDIC amended Reports of Condition and Income which shall accurately reflect the financial condition of the Bank as of June 30, 2009. Thereafter, during the life of this ORDER, the Bank shall file with the FDIC Reports of Condition and Income which accurately reflect the financial condition of the Bank as of the end of the period for which the Reports are filed, including any adjustment in the Bank’s books made necessary or appropriate as a consequence of any official Report of Examination of the Bank from the FDIC or the OFR during that reporting period.

19. CASH DIVIDENDS

The Bank shall not pay cash dividends without the prior written consent of the Supervisory Authorities.

20. BROKERED DEPOSITS

Throughout the effective life of this ORDER, the Bank shall not accept, renew, rollover any brokered deposit, as defined by 12 C.F.R. § 337.6(a)(2), unless it is in compliance with the requirements of 12 C.F.R. § 337.6(b), governing solicitation and acceptance of brokered deposits by insured depository institutions. In addition, the Bank shall comply with the restrictions on the effective yields on deposits as described in 12 C.F.R. § 337.6.

21. NO MATERIAL GROWTH WITHOUT PRIOR NOTICE

While this ORDER is in effect, the Bank must notify the Supervisory Authorities at least 60 days prior to undertaking asset growth of 10% or more per annum or initiating

material changes in asset or liability composition. In no event shall asset growth result in non-compliance with the capital maintenance provisions of this ORDER unless the Bank receives prior written approval from the Supervisory Authorities.

22. PROGRESS REPORTS

Within 30 days from the end of the first quarter following the effective date of this ORDER, and within 30 days of the end of each quarter thereafter, the Bank shall furnish written progress reports to the Supervisory Authorities detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof. Such reports shall include a copy of the Bank's Reports of Condition and Income. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Supervisory Authorities have released the Bank in writing from making further reports. All progress reports and other written responses to this ORDER shall be reviewed by the Board and made a part of the minutes of the appropriate Board meeting.

23. DISCLOSURE

Following the effective date of this ORDER, the Bank shall send or otherwise furnish to its shareholders a description of this ORDER in conjunction with the Bank's next shareholder communication and also in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe the ORDER in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room F-6066, Washington, D.C. 20429 and to the Director of DFI of the OFR, 200 East Gaines Street, Tallahassee, FL 32399-0371 at least

fifteen (15) days prior to dissemination to shareholders. Any changes requested to be made by the FDIC or the OFR shall be made prior to dissemination of the description, communication, notice, or statement.

The provisions of this ORDER shall not bar, estop, or otherwise prevent the FDIC, the OFR or any other federal or state agency or department from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties, as such term is defined in 12 U.S.C. §1813(u) and Section 655.005(1)(i), Florida Statutes.

This ORDER shall be effective on the date of issuance.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that and until such time as any provision has been modified, terminated, suspended, or set aside by the Supervisory Authorities.

Issued Pursuant to Delegated Authority

Dated this 25th day of November, 2009

/s/

Doreen R. Eberley
Acting Regional Director
Division of Supervision and Consumer Protection
Atlanta Region
Federal Deposit Insurance Corporation

The Commissioner of the Florida Office of Financial Regulation, having duly approved the foregoing ORDER, and the Bank, through its Board, having agreed that the issuance of said ORDER by the FDIC shall be binding as between the Bank and the OFR to the same degree and legal effect that such ORDER would be binding upon the Bank if the OFR had issued a separate order that included and incorporated all of the provisions of the foregoing ORDER pursuant to Chapters 120, 655, and 658, Florida Statutes, including specifically Sections 655.033 and 655.041, Florida Statutes (2009).

Dated this 25th day of November, 2009.

/s/

Linda B. Charity
Director
Division of Financial Institutions
Office of Financial Regulation
By Delegated Authority for the Commissioner,
Office of Financial Regulation