

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made and is effective this 1st day of October, 2004 (Effective Date), by and between Horizon Bank, FSB, Pembroke Pines, Florida, OTS No. 15318, (Horizon or Bank), a Federally chartered savings bank, and the Office of Thrift Supervision (OTS), a bureau of the United States Department of the Treasury, acting through its Southeast Regional Director or his designee (Regional Director).

WHEREAS, the OTS is the primary federal regulator of the Bank;

WHEREAS, based upon the Bank's February 27, 2004 Report of Examination (2004 Examination), the OTS is of the opinion that Horizon has engaged in acts and practices that: (i) have resulted in violations of certain of the laws or regulations to which the Bank is subject; and/or (ii) are considered to be unsafe and unsound;

WHEREAS, the OTS is of the opinion that grounds exist for the initiation of an administrative proceeding against the Bank;

WHEREAS, the OTS is of the view that it is appropriate to take measures intended to ensure that the Bank will: (i) comply with all applicable laws and regulations; and (ii) engage in safe and sound practices; and

WHEREAS, the Bank, acting through its Board of Directors (Board), without admitting or denying that such grounds exist except those as to jurisdiction, which are admitted, wishes to cooperate with the OTS and to evidence the intent to: (i) comply with all applicable laws and regulations; and (ii) engage in safe and sound practices.

NOW THEREFORE, in consideration of the above premises and the mutual undertakings set forth herein, the parties hereto agree as follows:

Compliance With Laws and Regulations

1. The Bank, its Directors, officers, employees, agents, and subordinate organizations shall take all necessary and appropriate actions to comply with the following laws and regulations:
 - a. Sections 11(i), 22(g) and 22(h) of the Federal Reserve Act, 12 U.S.C. §§ 248(i), 375a, and 375b, and the regulations set forth in 12 C.F.R. Part 215 (Regulation O) and 12 C.F.R. § 563.43;
 - b. The Currency and Foreign Transactions Reporting Act, as amended by the USA Patriot Act and other laws (the Bank Secrecy Act or BSA), 31 U.S.C. §§ 5311 et seq., and the related BSA regulations issued by the U. S. Department of the Treasury, 31 C.F.R. §§ 103.11 et seq., and the OTS, 12 C.F.R. § 563.177 (collectively with the aforementioned laws and regulations, the BSA Laws and Regulations);

- c. The Flood Disaster Protection Act, 42 U.S.C. § 4001 et seq. (FDPA) and the regulations issued by the OTS at 12 C.F.R. § 572;
- d. The Home Mortgage Disclosure Act, 12 U.S.C. § 2801 et seq. (HMDA), and the regulations set forth at 12 C.F.R. Part 203;
- e. The Real Estate Settlement Procedures Act, 12 U.S.C. § 2601 et seq. (RESPA), and the regulations set forth at 24 C.F.R. Part 3500;
- f. The Bank Protection Act, 12 U.S.C. § 1881 et seq. (BPA), and the regulations set forth at 12 C.F.R. Part 568;
- g. The Truth in Lending Act, 15 U.S.C. § 1601 et seq. (TILA), and the TILA regulations issued by the Federal Reserve Board at 12 C.F.R. Part 226;
- h. The OTS regulations regarding conflicts of interest set forth at 12 C.F.R. § 563.200;
- i. The OTS regulations regarding real estate lending standards set forth in 12 C.F.R. § 560.101; and
- j. The OTS regulations regarding the establishment and maintenance of records set forth in 12 C.F.R. § 563.170.

Loan Underwriting

2. Within ninety (90) days after the Effective Date of this Agreement, the Board shall review and revise the Bank's loan underwriting policies and procedures (Loan Policies) for each type of loan made or purchased by the Bank (e.g., construction, consumer, mortgage, commercial, nonresidential). The Loan Policies shall comply with 12 C.F.R. §§ 560.100, 560.101 and 560.170 and the guidance provided in Section 210 of the OTS Thrift Activities Handbook (TAH). The revised Loan Policies shall specifically address concentrations of credit and establish limitations as follows: (i) by borrower; (ii) by loan type; (iii) by collateral (e.g., subdivision, condominium building or development); (iv) by borrower for each subdivision or development; and (v) by metropolitan area. The Board shall be responsible for ensuring compliance with the Bank's Loan Policies and shall require such reports from Management as are necessary for the Board to fulfill its fiduciary duties. The Loan Policies shall, at a minimum:

- a. be commensurate with the types of loans the Bank will make in the ordinary course of its business and considering its operating strategies and the terms and conditions under which the loans will be made;
- b. consider the nature of the markets in which the loans will be made;

- c. require, prior to any form of credit commitment, a thorough analysis and documentation of the borrower's overall financial condition and resources (including repayment sources), the financial responsibility of any guarantor, the nature and value of any underlying collateral, and the borrower's character and willingness to repay as agreed;
- d. establish a system of independent, ongoing credit monitoring and review, including obtaining updated financial information and other documentation as necessary, with appropriate communication to Management and to the Board;
- e. consider the risks associated with concentrations of credit;
- f. specifically define the types of entities and/or individuals constituting "foreign nationals";
- g. prohibit approval of "no documentation" loans; and
- h. be appropriate and reasonable in light of Horizon's lines of business, complexity, size, and the nature and scope of its activities.

3. Effective immediately, the Board shall require Management to prepare and submit to the Board for review a quarterly report identifying all loans granted by the Bank as an exception to the Bank's Loan Policies. The Board shall ensure that loans granted as exceptions to the Bank's Loan Policies do not exceed the limitations set forth in 12 C.F.R. § 560.101. The Board's review of loans granted as exceptions to the Bank's Loan Policies shall be fully documented in the Board minutes.

4. Effective immediately, the Board shall require Management to prepare and submit to the Board for review a separate quarterly report identifying all loans granted as an exception to the Bank's Loan to Value (LTV) limits. The Board's review of loans granted as exceptions to the Bank's LTV limits shall be fully documented in the Board minutes.

5. Effective immediately, the Board also shall require Management to prepare and submit to the Board for review a separate quarterly report identifying all loans made to or outstanding at any time during the quarter to foreign nationals, as defined in the Loan Policies. Such loans must be monitored for delinquency, yield, and compliance with applicable documentation requirements. All loans to foreign nationals that qualify as "low documentation loans" shall be specifically identified as such on the loans to foreign nationals report. The Board's review of this quarterly report on loans to foreign nationals shall be fully documented in the Board minutes.

Staffing

6. Within sixty (60) days after the Effective Date of this Agreement, the Board shall develop, adopt, and implement a plan that addresses and improves staffing weaknesses in all departments of the Bank (Staffing Plan). The Staffing Plan shall consider the Bank's 2004 Examination and address the Bank's current staffing weaknesses, as well as its future needs. The Staffing Plan shall specifically consider the Bank's needs in the event that the proposed acquisition is not completed or is not completed in a timely manner. The Bank shall retain such qualified and experienced personnel as are necessary to fulfill the Bank's current needs under the Staffing Plan.

7. Within sixty (60) days after the Effective Date of this Agreement, the Board shall develop, implement, and thereafter ensure the Bank's adherence to a comprehensive compliance training program for appropriate Bank employees to ensure their awareness of and commitment to the Bank's compliance with applicable consumer laws and regulations. The required comprehensive training program should include strategies for mandatory attendance, the frequency of training, procedures and timing for updating training programs and materials including a thorough review of previously identified violations and deficiencies, and the method for delivering training. The Bank shall maintain adequate documentation and records of all training attended by each employee.

Board and Committee Meetings

8. Effective immediately, the Board shall ensure that Management provides complete and accurate reports and other information to the Board and to each Board Committee in a timely manner to allow sufficient discussion and review by the members to fulfill the Board's fiduciary responsibility to Horizon. The Board shall ensure that accurate, complete and detailed minutes of all Board and Board Committee meetings are prepared and maintained. Such minutes shall clearly and specifically reflect all matters presented to and discussed by the Board or any Board Committee. Copies of any reports to the Board or Board Committees shall be retained with the appropriate minutes reflecting the review and discussion of such reports. The Board shall appoint one member to be responsible for reviewing and approving the minutes of the Board meetings. Each Board Committee shall appoint one member who shall be responsible for reviewing and approving the minutes of each Board Committee meeting.

Insider Transactions/Conflicts of Interest

9. Within sixty (60) days after the Effective Date of this Agreement, the Board shall ensure that specific policies and procedures governing transactions with directors, officers, principal shareholders and their related interests (collectively, Insiders) have been drafted, adopted and implemented to ensure the Bank fully complies with the requirements set forth in Regulation O, 12 C.F.R. Part 215, and 12 C.F.R. § 563.43 (Insider Rules). The Board also shall adopt a comprehensive Conflict of Interest and Ethics policy (Conflict Policy) that is consistent with 12 C.F.R. § 563.200 and the guidance contained in Section 310 of the TAH. The Conflict Policy

shall require any director with any interest in a particular matter under review by the Board to abstain from discussion and voting on the matter, specifically address compensation paid to directors and officers in connection with loans originated or purchased by the Bank, and establish guidelines for officers and employees outside employment activities. The Bank shall submit a copy of the Conflict Policy to the Regional Director within thirty (30) days after adoption by the Board.

10. The Board shall ensure that adequate procedures and controls are implemented by Management to ensure compliance with applicable law and regulations and the Bank's Conflict Policy. The Board shall ensure that adequate documentation is prepared and maintained demonstrating that all transactions with Insiders comply with the Bank's Conflict Policy and applicable statutory and regulatory requirements. The Board shall require Management to prepare a monthly report identifying all overdrafts by Insiders in the amount of \$1,000 or more (Overdraft Report). The Board shall review the Overdraft Report at each Board meeting. The Board shall document its review, including any required corrective actions, in the appropriate Board meeting minutes.

11. Within sixty (60) days after the Effective Date of this Agreement, the Board shall conduct a complete review of all transactions and accounts involving the Bank's former Senior Vice President to determine whether and to what extent any violations of Bank policies or applicable law or regulation have occurred and what corrective actions, including the filing of a Suspicious Activity Report, must be taken in response. The Board also shall consider what actions must be taken to prevent similar future occurrences involving other employees.

12. Effectively immediately, the Board shall take all steps necessary to ensure that the Assistant Vice President whose activities are discussed at pages 42 through 44 of the 2004 Examination has no involvement with and does not receive compensation, directly or indirectly, in connection with any loan made by or purchased from any of his former employers.

Asset Classification

13. Within ninety (90) days after the Effective Date of this Agreement, the Board shall correct the asset classification deficiencies noted in the Bank's 2004 Examination, adopt the asset classifications for the Bank's March 31, 2004 Thrift Financial Report (TFR) noted in the 2004 Examination, and review and amend its Asset Classification Policy (Classification Policy) consistent with the requirements of 12 C.F.R. § 560.160 and TAH Section 260: Classification of Assets. The revised Classification Policy shall specifically require:

- a. that periodic asset quality reviews be conducted to identify problem assets and the appropriate classification of all such assets;
- b. that internal valuation analyses be performed for all problem assets identified by the review required by subparagraph (i) above;

- c. that all internal valuations for problem assets secured by real estate include estimated net discounted cash flows;
- d. estimates of potential losses in identified problem assets and the establishment of appropriate ALLs for all classified assets; and
- e. the preparation of quarterly asset classification review reports (Asset Classification Reports), which shall identify problem or non-performing assets for possible classification; discuss the problems and weaknesses of each identified asset; detail any actions taken with respect to each such asset or any discussions with borrowers concerning resolution of the asset; contain Management's recommendations as to the appropriate classifications for each asset; and include all relevant and necessary supporting documentation

14. The Asset Classification Reports required by Paragraph 13 shall be reviewed and approved by the Board. The Board shall ensure that assets are being adequately classified and accurately reported on the TFR and complete and accurate minutes of all Loan Committee meetings are created and preserved. A copy of each Asset Classification Report and the Board's review, as evidenced in the minutes of the appropriate Board meeting, shall be provided to the Regional Director within 10 days of each Board meeting at which an Asset Classification Report is reviewed.

Information Technology

15. Effectively immediately, the Board shall require Management to address and correct all weaknesses identified in both the Reeves and Pearigen information technology audit reports and the EVRA report. The Board shall establish a Committee comprising two outside directors who shall be responsible for ensuring that all weaknesses and concerns identified in the Bank's 2004 Examination, the Reeves and Pearigen report, and the EVRA reports are addressed and corrected not later than ninety (90) days after the Effective Date of this Agreement.

Internal Audit

16. Within sixty (60) days after the Effective Date of this Agreement, the Board shall ensure that the Bank has an internal audit and control program (Audit Program) with a designated internal auditor who shall be responsible for ensuring that the Bank's accounting, recordkeeping, and reporting functions are complete and accurate. The Audit Program shall be appropriate for Horizon's size, including the nature and scope of its activities, and consistent with the guidance provided in Sections 340 and 355 of the TAH. The Bank's Audit Program shall, at a minimum:

- a. include an organizational plan that segregates functional responsibilities and duties appropriately;

- b. include a system of authorization limits and recording procedures that ensures reasonable control of assets, liabilities, income and expenses;
- c. include sound practices that are to be followed by each organizational department in the performance of its duties and functions;
- d. provide for an internal audit function with an internal auditor who shall be responsible for ensuring that the Bank's accounting, recordkeeping and reporting functions are both complete and accurate And the internal auditor shall be independent from Management and shall report directly to the Board;
- e. require adequate testing and review of information systems;
- f. provide for adequate documentation of tests and findings and any corrective actions taken or required by the Board or Management; and
- g. verification and review of corrective actions to address material problems or weaknesses.

17. The Board shall require the Internal Auditor to submit quarterly reports to the Board regarding the Bank's compliance with (i) applicable laws and regulations; (ii) internal policies, procedures and plans; and (iii) this Agreement. The Board shall review such reports and adopt specific corrective actions as are necessary and appropriate. The Board's review and the corrective actions adopted as a result shall be documented in the minutes of the appropriate Board meeting. The Board shall submit a copy of the Audit Program required by this Paragraph to the Regional Director within thirty (30) days after adoption by the Board. The Board also shall submit a copy of each quarterly report from the Internal Auditor and the minutes reflecting the Board's review and adoption of corrective action to the Regional Director within thirty (30) days after the date of the appropriate Board meeting.

Compliance Program

18. Within thirty (30) days after the Effective Date of this Agreement, the Board shall review the December 19, 2002 Chief Executive Officer Letter from OTS Managing Director Scott Albinson regarding the revised Compliance Self Assessment Guide (CEO Letter 171) to determine the necessary changes that should be made to the Bank's written compliance management program to comply with the requirements of CEO Letter 171 (Compliance Program). Such changes will be made within ninety (90) days after the Effective Date of this Agreement. The Board shall designate a member of Senior Management as the Bank's Compliance Officer who shall be responsible for ensuring the Bank's adherence to its Compliance Program. The Bank's Compliance Officer shall provide the Board a quarterly report detailing Management's findings and any corrective action taken or suggested by Management.

19. Within ninety (90) days after the Effective Date of this Agreement, the Board shall engage a qualified external consumer compliance audit firm to conduct a full scale audit of the Bank's compliance with all consumer compliance protection laws and regulations (External Compliance Audit). The Board shall review the results of the External Compliance Audit, adopt appropriate corrective action to address any identified weaknesses or deficiencies, and shall require Management to implement the corrective actions adopted by the Board. Thereafter, Management shall prepare a monthly report to the Board detailing Management's progress in effecting the Board's corrective actions and addressing the weaknesses and deficiencies noted in the External Compliance Audit. A copy of the External Compliance Audit and the Board meeting minutes for the meeting at which it is reviewed shall be provided to the Regional Director within thirty (30) days after the Board meeting.

Truth in Lending.

20. Within thirty (30) days after the Effective Date of this Agreement, the Board shall amend its policies and procedures governing compliance with the TILA, 15 U.S.C. § 1601 et seq., and Regulation Z, 12 C.F.R. Part 226, to ensure full compliance with TILA and Regulation Z by requiring timely and accurate interest rate adjustments to all adjustable rate mortgages and consumer loans and the provision of accurate and timely notices and disclosures to borrowers.

21. Within ninety (90) days after the Effective Date of this Agreement, the Board shall require Management to promptly correct all deficiencies or non-compliance with TILA and Regulation Z, as noted in the Bank's 2004 Examination and April 2003 audit, and make any required reimbursements to borrowers. Management shall prepare and provide to the Board a report detailing the results of its review (TILA Report). The TILA Report shall identify all loans with deficiencies or otherwise found to be in non-compliance with the TILA and Regulation Z and specify the corrective action taken to remedy such deficiencies and non-compliance. A copy of the TILA Report and the Board minutes detailing the Board's review shall be provided to the Regional Director within thirty (30) days after the date of the Board meeting at which the TILA Report is presented and reviewed by the Board.

Home Mortgage Disclosure Act

22. The Board shall require the immediate correction of all loan application register (LAR) errors identified in the Bank's 2004 Examination and shall ensure that all other HMDA and LAR-related items of concern as noted in the Bank's 2004 Examination are fully addressed and resolved. Within sixty (60) days of the Effective Date of this Agreement, the Board shall require Management to prepare and submit to the Board a report identifying all loans with HMDA deficiencies or otherwise not in compliance with HMDA's requirements, including those identified in the Bank's 2004 Examination, and the corrective actions taken by Management (HMDA Report). The Board shall review the HMDA Report and adopt such additional corrective actions as are necessary to correct the noted deficiencies. The Board shall require Management to implement any corrective actions adopted by the Board and to provide the Board

with documentation demonstrating that corrective action has been taken and that all deficiencies, including those in the 2004 Examination, have been corrected.

23. Within ninety (90) days after the Effective Date of this Agreement, the Board shall adopt a formal written policy to ensure the Bank's compliance with HMDA, 12 U.S.C. § 2801 et seq. , and Regulation C, 12 C.F.R. Part 203 (HMDA Policy). The HMDA Policy shall designate a member of Management who shall be responsible for ensuring the accurate collection and recordation of all data and information required to be collected and maintained by the HMDA and Section 203.4 of Regulation C on the Bank's LAR. The HMDA Policy shall, at a minimum, require a quarterly review of the Bank's LAR to determine compliance with the HMDA, Regulation C and the HMDA Policy. A report detailing the results of the quarterly LAR review (LAR Report) shall be provided to the Board at the first regularly scheduled Board meeting following the end of each calendar quarter. The Board's review and discussion of the quarterly LAR Report, as well as any required corrective action, shall be fully documented in the appropriate Board meeting minutes.

Flood Disaster Protection Act

24. Within sixty (60) days after the Effective Date of this Agreement, the Board shall review and amend the Bank's FDPA policies and procedures (FDPA Policy) to ensure the Bank fully complies with the FDPA and the OTS regulations at 12 C.F.R. Part 572 (collectively, the FDPA Laws). The FDPA Policy shall establish a system to ensure that appropriate flood insurance is obtained and maintained on property securing a loan from the Bank and that all flood determinations and notices are accurately and timely completed and made.

25. Within ninety (90) days after the Effective Date of this Agreement, the Board shall ensure that all loans subject to the FDPA Laws fully comply with their requirements. The Bank shall promptly correct any deficiencies or non-compliance with the FDPA Laws, as noted in the Bank's 2004 Examination. Management shall prepare and provide to the Board a report detailing the results of its review (FDPA Report). The FDPA Report shall list all loans subject to the FDPA Laws, identify those loans with deficiencies or otherwise found to be in non-compliance with the FDPA Laws, and specify the corrective action taken to remedy such deficiencies and non-compliance. A copy of the FDPA Report and the Board minutes detailing the Board's review shall be provided to the Regional Director within thirty (30) business days after the date of the Board meeting at which the FDPA Report is presented and reviewed by the Board.

Real Estate Settlement Procedures Act

26. Within ninety (90) days after the Effective Date of this Agreement, the Board shall adopt written policies and procedures to ensure the Bank's compliance with RESPA and 24 C.F.R. Part 3500 (RESPA Policy). The RESPA Policy shall designate a member of Management who shall be responsible for ensuring compliance with the RESPA Policy, RESPA, and Part 3500. The Bank shall promptly correct any deficiencies or non-compliance with RESPA laws and

regulations as noted in the Bank's 2004 Examination. The RESPA Policy shall, at a minimum, require that Management review the Bank's compliance with RESPA on a quarterly basis and provide the Board a detailed report of its findings (RESPA Report). The RESPA Report shall identify those loans with deficiencies or otherwise found to be in non-compliance with RESPA laws and regulations and specify the corrective action taken to remedy such deficiencies and non-compliance. A copy of the RESPA Report and the Board minutes detailing the Board's review shall be provided to the Regional Director within thirty (30) business days after the date of the Board meeting at which the RESPA Report is presented and reviewed by the Board.

Bank Protection Act

27. The Board shall ensure that the Bank complies with 12 C.F.R. Part 568. The Board shall adopt and implement appropriate systems and controls to ensure that the Bank's Security Officer prepares and submits to the Board for review the annual report required by 12 C.F.R. § 568.4.

Bank Secrecy Act

28. Effective immediately, the Board shall review and revise the Bank's Customer Identification Program to ensure compliance with the requirements set forth in 31 U.S.C. § 5318(l) and 31 C.F.R. § 103.121. The Board shall require all Bank personnel to comply with the revised Customer Identification Program as adopted by the Board (CI Program). The Board shall submit a copy of the CI Program, along with a copy of the Board minutes detailing the Board's review and revision of the CI Program, to the Regional Director within thirty (30) days after the date of the Board meeting at which the CI Program is presented, reviewed and revised by the Board.

Director Responsibility

29. Notwithstanding the requirements of this Agreement that the Board submit various matters to the Regional Director for the purpose of receiving his approval, non-objection or notice of acceptability, such regulatory oversight does not derogate or supplant each individual Director's continuing fiduciary duty. The Board shall have the ultimate responsibility for overseeing the safe and sound operation of the Bank at all times, including compliance with the determinations of the Regional Director as required by this Agreement.

Compliance with Agreement

30. All policies, procedures, corrective actions, plans, programs, reviews and systems required by this Agreement (collectively, Policies and Procedures) shall conform to all applicable statutes, regulations, OTS policy and guidance. The Board shall submit copies of all Policies and Procedures required by this Agreement to the Regional Director within the timeframes specified or, in the event a timeframe is not specified, within thirty (30) days after adoption by the Board. The Board shall revise such Policies and Procedures as required by the Regional Director within thirty (30) days of receipt of written direction from the Regional

Director. The Policies and Procedures, as modified consistent with the written direction of the Regional Director, shall be incorporated into this Agreement and any deviation from such Policies and Procedures shall be a violation of this Agreement.

31. The Board shall require Management to correct all deficiencies identified in the Bank's 2004 Examination, as directed therein, except where such direction is modified or changed by the terms of this Agreement. Further, the Board and Management of the Bank shall take immediate action to cause the Bank to comply with the terms of this Agreement and shall take all actions necessary or appropriate thereafter to cause the Bank to continue to carry out the provisions of this Agreement.

32. The Board shall, on a quarterly basis beginning with the calendar quarter ending September 30, 2004, adopt a board resolution (the Compliance Resolution) formally resolving that, following a diligent inquiry of relevant information (including a report from Management regarding the Bank's compliance with each numbered paragraph of this Agreement), to the best of its knowledge and belief, during the immediately preceding calendar quarter, the Bank has complied with each provision of this Agreement currently in effect, except as otherwise stated. The Compliance Resolution shall:

- a. specify in detail how, if at all, full compliance was found not to exist; and
- b. identify all notices of exemption or non-objection issued by the Regional Director that were outstanding as of the date of its adoption.

33. The minutes of each meeting of the Board shall set forth the following information with respect to the adoption of each Compliance Resolution:

- a. the identity of each Director voting in favor of its adoption; and
- b. the identity of each Director voting in opposition to its adoption or abstaining from voting thereon, setting forth each such Director's reasoning for opposing or abstaining.

34. Within thirty (30) calendar days after the end of each calendar quarter, beginning with the calendar quarter ending September 30, 2004, the Board shall provide to the Regional Director a certified true copy of the Compliance Resolution[s] adopted at the Board meeting pursuant to Paragraph 32 of this Agreement. The Board, by virtue of the Bank's submission of a certified true copy of such Compliance Resolution to the Regional Director, shall be deemed to have certified to the accuracy of the statements set forth in each Compliance Resolution, except that in the event that one or more Directors do not agree with the representations set forth in a Compliance Resolution, such disagreement shall be noted in the Board meeting minutes.

35. The Board shall promptly respond to any request from the OTS for documents to

demonstrate compliance with this Agreement, including making Bank records and documents available for OTS examiner review upon request.

Definitions

36. 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, HOLA, Federal Deposit Insurance Act (FDIA) or OTS Memoranda. Any such technical words or terms used in this Directive and undefined in said Code of Federal Regulations, HOLA, FDIA, or OTS Memoranda shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

Successor Statutes, Regulations, Guidance, Amendments

37. Reference in this Agreement to provisions of statutes, regulations, and OTS Memoranda shall be deemed to include references to all amendments to such provisions as have been made as of the Effective Date and references to successor provisions as they become applicable.

Notices

38. Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by the Agreement to be made upon, given or furnished to, delivered to, or filed with:

- a. the OTS by the Bank, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Regional Director, Office of Thrift Supervision, Department of the Treasury, 1475 Peachtree Street, N.E., Atlanta, Georgia, 30309, or telecopied to 404.897.1861 and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.
- b. the Bank by the OTS, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Bank at 1851 NW 125th Avenue, Suite 100, Pembroke Pines , FL 33028 or telecopied to 954.433.5789 and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.

Duration, Termination or Suspension of Agreement

39. This Agreement shall:

- a. become effective upon its execution by the OTS, through its authorized representative whose signature appears below; and
- b. remain in effect until terminated, modified or suspended in writing by the OTS, acting through its Director or the Regional Director (including any authorized designee thereof).

40. The Regional Director in his sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

Time Limits

41. Time limitations for compliance with the terms of this Agreement run from the Effective Date, unless otherwise noted.

Effect of Headings

42. The Section headings herein are for convenience only and shall not affect the construction hereof.

Separability Clause

43. In case any provision in this Agreement is ruled to be invalid, illegal or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his sole discretion determines otherwise.

No Violations of Law, Rule, Regulation or Policy Statement Authorized; OTS Not Restricted

44. Nothing in this Agreement shall be construed as:

- a. allowing the Bank to violate any law, rule, regulation, or policy statement to which it is subject; or
- b. restricting the OTS from taking such action(s) as are appropriate in fulfilling the responsibilities placed upon it by law, including, without limitation, any type of supervisory, enforcement or resolution action that the OTS determines to be appropriate.

Successors in Interest/Benefit

45. 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. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the parties hereto and the Federal

Deposit Insurance Corporation and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

Signature of Directors

46. Each Director signing the Agreement attests, by such act, that she or he voted in favor of a Board resolution authorizing the execution of this Agreement by the Bank.

Integration Clause

47. This Agreement represents the final written agreement of the parties with respect to the subject matter hereof and constitutes the sole agreement of the parties, as of the Effective Date, with respect to such subject matter. However, as noted herein, all Policies and Procedures required by this Agreement shall, upon modification consistent with the direction of the Regional Director, become part of this Agreement and any deviation from these policies shall be deemed a violation of this Agreement.

Enforceability of Agreement

48. The Bank represents and warrants that this Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Bank. The Bank acknowledges that this Agreement, is a "written agreement" entered into with the OTS within the meaning of Section 8 of the FDIA, 12 U.S.C. §1818.

Counterparts

49. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

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IN WITNESS WHEREOF, the OTS, acting by and through the Regional Director and the Bank, in accordance with a duly adopted resolution of its Board, hereby execute this Agreement as of the Effective Date.

THE BANK

OFFICE OF THRIFT SUPERVISION

By: 

Name:

Title:

By: 

John E. Ryan

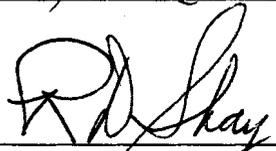
Southeast Regional Director



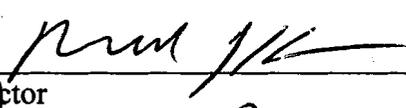
Director

10/1/04
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Dated



Director



Director



Director

x 

Director

Director

Director