

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made and is effective this 5th day of June, 2006 (Effective Date), by and between **Homestead Bank, Ponchatoula, Louisiana**, OTS Docket No. 03606 (the Bank or Homestead), a federal stock savings bank, and the Office of Thrift Supervision (OTS), a bureau of the United States Department of the Treasury, acting through its Midwest Regional Director or his designee (Regional Director).

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

WHEREAS, based upon the Bank's January 30, 2006 Report of Examination (ROE), OTS is of the opinion that the Bank has engaged in acts and practices that: (i) have resulted in violations of certain laws or regulations to which the Bank is subject; and (ii) are considered to be unsafe and unsound;

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

WHEREAS, 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;

WHEREAS, the Bank wishes to cooperate with OTS and to evidence the intent to: (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) enters into this Agreement, without admitting or denying that such grounds exist to initiate an administrative proceeding.

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

1. **Compliance With Laws and Regulations**

The Bank and its directors, officers, employees, and agents, shall take all necessary and appropriate actions to comply with the following laws and regulations:

- A. 12 C.F.R. § 560.170(b) (loan underwriting);
- B. 12 C.F.R. § 563.176 (interest rate risk);
- C. 12 C.F.R. § 563.177(c)(1) (system of internal controls to ensure compliance with the Bank Secrecy Act and implementing regulations¹);

¹ Currency and Foreign Transactions Reporting Act, as amended by USA Patriot Act and other laws (Bank Secrecy Act or BSA), 31 U.S.C. § 5311 *et seq.*, and the regulations adopted thereunder by the U.S. Department of the Treasury, 31 C.F.R. § 103.11 *et seq.*, and the related BSA regulations adopted by OTS, 12 C.F.R. § 563.177 (collectively with the aforementioned laws and regulations, the BSA Laws and Regulations).

- D. 12 C.F.R. § 563.177(c)(3) (a BSA officer who is responsible for coordinating and monitoring for day-to-day compliance with BSA);
- E. 12 C.F.R. § 563.177(c)(4) (training of appropriate personnel regarding BSA Laws and Regulations); and
- F. 31 C.F.R. § 103.121(b)(2) (customer identification procedures).

2. **Operations Review**

By June 30, 2006, the Board shall designate a committee of no less than three outside directors: (1) to review current staffing levels (a) to determine the expertise, adequacy, and depth of management and staff (i) to operate the Bank in compliance with applicable laws and regulations and in a safe and sound manner and (ii) to implement an acceptable business plan that addresses the requirements set forth in Paragraph 3 hereof, and (b) to determine whether dual controls are appropriate for certain positions to prevent or minimize fraud and to ensure regulatory compliance; (2) make recommendations to the Board regarding the realignment of staff or the hiring of additional personnel and the establishment of additional internal controls by September 30, 2006; and (3) provide a copy of the recommendations to the OTS.

3. **Business Plan**

- A. By September 30, 2006, the Board shall prepare, adopt and submit a new comprehensive three-year business plan (Business Plan) for OTS's review and a written notice of non-objection. The Business Plan shall: (1) consider the Bank's existing operations, business strategies, current market conditions, competitors, staffing levels and expertise, and existing capital levels; (2) set forth well supported and realistic strategic goals to improve earnings (with due consideration of the costs which shall be incurred implementing this Agreement); (3) incorporate strategies to reduce interest rate risk in accordance with the interest rate risk management plan required by Paragraph 4 hereof; (4) set forth portfolio mix with established targets and delineation of credit risks; (5) set forth liquidity and funding levels from retail deposits, Federal Home Loan Bank advances, and other sources; (6) restrict dividend payments to its holding company, Homestead Bancorp, Inc. (HB), that exceed the amount of HB's payments on its trust preferred securities; (7) address appropriate staffing level and expertise to fulfill goals set forth in the Business Plan; (8) establish marketing strategies that may increase the level of loan applications to minority population within the Bank's lending area; and (9) set forth a detailed description of the assumptions used to prepare three-year pro forma statements, including, but not limited to (i) the assumed interest rate scenario for each category or type of interest earning asset and interest costing liability and analysis of changes in the asset maturity structure on the Bank's interest rate risk exposure; (ii) assumptions used for non-interest income and non-interest expense; (iii) discussion of expected loan repayments, repayment of relocation mortgage-backed securities, other maturing investments, purchases of certificate of deposits, and repayment of Federal Home Loan Bank advances; and (iv) assumptions for the start-up costs, volumes, and expected returns for any new product or service.

- B. The Board shall direct management to follow and implement the Business Plan after receiving written notice of non-objection from OTS. Any material new activity, operation, or line of business shall require the prior review and approval of the Board and a written notice of non-objection from the OTS. Any material modifications to the Business Plan shall be submitted to OTS forty-five (45) days prior to implementation unless the OTS waives such time period.
- C. Management shall prepare and submit to the Board, with a copy to OTS, quarterly variance reports on the Bank's compliance with the Business Plan within thirty (30) days after the close of each calendar quarter. Such variance reports shall detail actual operating results versus projected results and shall include detailed explanations of any material deviations from the Business Plan and a specific description of the corrective actions or measures that have been implemented, proposed, or are under consideration to correct any material deviation. A deviation shall be considered material under this Paragraph 3 when: (1) the Bank engages in any material activity that is inconsistent with the Business Plan; or (2) the Bank exceeds the level of any activity or asset growth contemplated in the Business Plan or fails to meet target amounts established in the Business Plan by more than 15%, unless the activity involves assets risk weighted 50% or less, in which case a variance of more than 25% shall be deemed to be a material deviation; provided that notwithstanding the foregoing, none of the following deviations shall be deemed to be material: (1) a change of \$250,000 or less in any balance sheet item, (2) a change of \$50,000 or less in any income statement item, except for net income, or (3) a change of \$20,000 or less in net income.

The Board's review of the Business Plan shall be fully documented in the Board meeting minutes. The Board also shall review, on a quarterly basis, the effectiveness of marketing strategies to increase the percentage of minority customers, including but not limited to, customer education and training, advertising, personal contacts, and other community programs.

4. **Interest Rate Risk**

- A. By September 30, 2006, the Board and management shall receive training regarding interest rate risk management and monitoring that is conducted by a qualified independent vendor.
- B. By September 30, 2006, the Bank must revise its interest rate risk management program to ensure that the program satisfies the requirements of Section II.E of Appendix A to 12 C.F.R. Part 570, 12 C.F.R. § 563.176, and OTS Thrift Bulletin 13a (TB 13a). Such program must provide for:
1. Accurate measuring and monitoring of interest rate risk;
 2. Discussion of the Bank's current and proposed asset and liability composition in terms of sensitivity to interest rate changes and the impact on earnings and capital and net portfolio values and comparison with the exposure limits set forth in the Bank's interest rate risk policy;

3. Reduction of the Bank's interest rate risk to a moderate level and to increase the post-shock net portfolio value ratios above the levels established in the Bank's interest rate risk policy;
4. Documentation of all securities transactions in accordance with TB 13a;
5. Prohibition of investments in any complex securities or financial derivatives as defined in TB 13a or otherwise change the composition of the Bank's investment securities portfolio until (a) the Board and the Chief Executive Officer have received adequate training regarding such investments and interest rate risk management from an independent qualified vendor, (b) the Board has approved an amendment to the Bank's interest rate risk policy to address such investments, including but not limited to the requirement for a pre-purchase analysis, and (c) the Bank has obtain a written notice of non-objection from OTS; and
6. Quarterly reports to the Board regarding compliance with the post-shock net portfolio value and the reduction of interest rate risk.

5. **Loan Underwriting**

By June 30, 2006, the Board shall adopt an underwriting policy for nonhomogeneous loans that addresses the real estate guidelines set forth in 12 C.F.R. § 560.101 for commercial real estate loans and that requires the following:

- A. Before approval of any nonhomogeneous loan, written documentation or the completion of a loan presentation sheet setting forth (a) detailed financial analysis of the source of repayment, including, but not limited to (i) an assessment of the borrower's or guarantor's ability to repay the debt based on accurate signed financial statements and/or tax returns, and validation of collateral value; (ii) loan-to-value ratios; and (iii) background information on owners of borrowing companies, when applicable; (b) a checklist setting forth a list of all required and obtained credit and collateral documentation; and (c) a checklist setting forth that the loan complies with all applicable regulations, including but not limited to 12 C.F.R. §§ 560.30, 560.93, 560.101, 560.170, and 563.170(c); 12 C.F.R. Part 564; and Homestead's loan policy; and
- B. Ongoing credit administration of all loans that includes, but is not limited to (a) obtaining updated financial information from borrower(s) and/or guarantor(s) during the term of the loan or credit reports, (b) periodic documentation of collateral value or description of any changes in collateral, and (c) tracking of the borrower's compliance with conditions of loan approval.

6. **Asset Quality Procedures**

By August 31, 2006, the Board, or a committee thereof, shall establish a formal internal review process for nonhomogeneous loans, independent of the loan function, that:

- A. Reviews the status of the financial condition of the borrower and collateral value for each nonhomogeneous loan in accordance with an established schedule;

- B. Identifies and monitors problem assets;
- C. Documents the rationale for the asset classification assigned to the credit in accordance with Section 260, Classification of Assets, of the OTS Examination Handbook and develops specific written loan workout plan for each adversely classified asset; and
- D. Requires periodic reports to the Board and Board discussions documented in the minutes.

7. **BSA Officer**

- A. By July 31, 2006, the Board shall designate a BSA officer who has sufficient expertise, time, and resources to perform his/her assigned responsibilities to coordinate and monitor for day-to-day compliance with BSA Laws and Regulations, the Bank's BSA Policy and Procedures (BSA Program) and the Bank's Policy and Procedures for compliance with Office of Foreign Assets Control requirements (OFAC Program). The Board shall ensure that the designated BSA officer has received BSA training, including but not limited to BSA seminar(s) that are attended by other financial institutions' BSA officers by December 31, 2006.
- B. The Board must review this position, on at least a semiannual basis (with the first such review to be conducted for the six-month period ended December 31, 2006), to determine whether the designated BSA officer(s) is adequately coordinating and monitoring BSA compliance on a day-to-day basis and whether additional resources, time, and training are necessary.

8. **BSA Program**

By August 31, 2006, the Board shall review and revise the Bank's BSA Program to ensure Homestead's compliance with the BSA Laws and Regulations. The revised BSA Program shall address at a minimum the applicable requirements in the FFIEC's Bank Secrecy Act/Anti-Money Laundering Examination Manual (FFIEC Manual):

- A. Any changes to the Bank's BSA risk assessment (products, services, customers, and geographic locations);
- B. Establishment of internal controls for customer identification required by Paragraph 10 hereof and to ensure correction of all deficiencies discussed in OTS reports of examination, the independent tests, and self-assessments;
- C. Enhancement of review procedures to ensure the accurate completion and timely filing of all Currency Transaction Reports;
- D. Incorporation of a training program consistent with Paragraph 11 of this Agreement;
- E. Requirement for submission of a written annual independent test report to the Board for review within forty-five (45) days after receipt of the report, and requirement that

the Board's review of the independent test findings, and any required corrective actions be detailed in the Board meeting minutes;

- F. Incorporation of procedures for identification and monitoring of money services businesses, including the actions to be taken if any money service business fails to register; and
- G. Requirement for review of the BSA Program on an annual basis, and more frequently if required by regulation or if the Bank significantly changes any of its major business lines and products, method of delivery of such products, geographic markets, or the type of customers that it serves; the Board's review, which may be based on reports from the BSA officer and management, shall address: (1) the scope of coverage of the BSA Program with respect to regulatory requirements and the guidelines set forth in the FFIEC Manual; (2) a BSA and OFAC risk assessment of the Bank; (3) the adequacy of internal controls to ensure compliance with BSA Laws and Regulations and OFAC requirements and to detect money laundering, terrorist financing, and suspicious activity; (4) the adequacy of independent testing and the implementation of corrective actions; (5) the incorporation of all recommendations set forth in the most recent independent test report and correction of all deficiencies noted in the most recent OTS report of examination; (6) the ability of the designated BSA officer(s) to coordinate and monitor day-to-day compliance with BSA Laws and Regulations, OFAC requirements, and the Bank's BSA Program with the allocated resources and training; and (7) the adequacy of training of the BSA officer, all appropriate staff, the Board, and senior management on BSA Laws and Regulations, OFAC requirements, and the Bank's BSA and OFAC Programs.

The Bank shall comply with the Bank's BSA Program. The Board shall provide to OTS a copy of the Board minutes documenting the Board's review of the BSA Program and the independent test report within thirty (30) days after its review.

9. **OFAC Program**

By June 30, 2006, the Board shall review and revise its OFAC Program to ensure compliance with OFAC restrictions, 31 C.F.R. Part 500, and guidelines as set forth in the FFIEC Manual. The Bank's OFAC Program shall be commensurate with the Bank's OFAC risk assessment and shall address, at a minimum, the following:

- A. The periodic screening of existing customers no less than quarterly; the screening of incoming and outgoing wire transfers; and the screening of the purchasers of monetary instruments;
- B. Requirements for documentation of OFAC searches and other record retention requirements; and
- C. Annual review of OFAC Program for (1) effectiveness of internal controls, (2) monitoring of compliance by designated officer, (3) effectiveness of training, and (4) implementation of corrective actions in response to the independent test.

10. **Customer Information Program**

- A. By June 30, 2006, the Board shall require the establishment of internal controls to ensure that all customer information required by 31 C.F.R. § 103.121(b) and the guidelines set forth in the FFIEC Manual is obtained for all loans and properly documented.
- B. The Board shall require that the scope of the next independent test include a larger sampling of all loans, to determine whether all information required by 31 C.F.R. § 103.121(b) was obtained and properly documented and to ensure proper corrective actions are implemented.

11. **BSA Training**

By July 31, 2006, the Board shall approve, and management shall implement a comprehensive training program to ensure that: (A) the BSA officer has adequate expertise to coordinate and monitor day-to-day compliance with applicable BSA Laws and Regulations and OFAC requirements and to oversee compliance with the Bank's BSA and OFAC Programs; (B) each officer and employee is knowledgeable of the specific requirements of the applicable BSA Laws and Regulations, including but not limited to (1) customer information requirements set forth in 31 C.F.R. 103.121, (2) suspicious activity regulations, (3) OFAC requirements, and (4) applicable provisions of the Bank's BSA and OFAC Programs for which he or she is responsible for compliance; and (C) directors have sufficient training to provide oversight over the BSA and OFAC Programs (Training Program). Each director, officer, and employee who is subject to the training requirement above shall receive training no less frequently than annually, and more frequently if required to address violations and deficiencies noted in independent tests or the OTS report of examination or by a change in the Bank's BSA or OFAC risk, BSA Laws and Regulations, and the Bank's BSA and OFAC Programs. The Training Program also shall address: (A) employee accountability for ensuring BSA and OFAC compliance and (B) coverage of different forms of money laundering and terrorist financing as it relates to identification and examples of suspicious activity. The Bank shall maintain detailed records on all training conducted for a period of five (5) years after such training. These training records shall address the curriculum, attendance, and proficiency standards.

12. **Compliance Officer**

- A. By July 31, 2006, the Board shall designate an individual who has the expertise, training, time, and resources to serve as the Bank's Compliance Officer. The Compliance Officer's duties shall include, but not be limited to: (1) implementing the Bank's Compliance Program in accordance with Paragraph 13; (2) preparing self-assessments of compliance with consumer regulations in accordance with an annual schedule; (3) ensuring corrective actions are taken promptly to correct deficiencies found in the self-assessments, independent tests, and reports of examinations; and (4) preparing periodic reports to the Board.
- B. The Board shall semi-annually review and determine whether the Bank's Compliance Officer has the expertise, training, resources, and time to perform assigned compliance functions.

13. **Compliance Program**

- A. By October 31, 2006, the Board shall establish, adopt, and submit to OTS for written notice of non-objection a Compliance Program to address compliance with all applicable consumer and public-interest related laws and regulations and addresses the components of Systems, Monitoring, Assessment, Accountability, Response and Training (SMAART) Program) outlined in Appendix A to Section 1100 of the OTS Examination Handbook. The Board shall consider the retention of qualified consultant(s), acceptable to OTS, to assist with the development of the Compliance Program. The Compliance Program shall require:
1. A review, no less than annually, of the Bank's written policies and procedures to address applicable laws, regulations, and OTS policy guidelines to determine whether the revisions, enhancements, or updates are appropriate;
 2. Risk assessment of compliance regulations;
 3. A self-assessment program that provides for periodic and systemic review of records and operations to identify customer transactional violations and program deficiencies;
 4. Review of existing systems, monitoring processes, and staff accountability in accordance with the guidelines set forth in Appendix A to Section 1100 of the OTS Examination Handbook;
 5. A process for promptly remedying regulatory violations including but not limited to violations of 12 C.F.R. § 226.19(a) and 12 C.F.R. § 203.4(a)(8); correcting self-identified and OTS examination deficiencies; addressing consumer complaints, and revising the Compliance Program, if appropriate, to address deficiencies;
 6. Comprehensive training program, including the use of qualified outside vendors, to ensure that: (a) the board members have a general understanding of the Bank's Compliance Program before its review; (b) each officer and employee who is involved in customer transactions is aware of and understand the applicable laws and regulations, and related procedures for which their department and for which he or she is responsible for compliance; and (c) the Compliance Officer has the expertise to oversee the Program; and
 7. Periodic reporting on (a) results from self-assessments and corrective actions taken, (b) significant changes in compliance regulations to the Board, and (c) the effectiveness of the compliance training program, including scope and frequency of training and proficiency standards.

14. **Compliance with Agreement**

- A. All policies, procedures, corrective actions, plans, programs, and reviews required by this Agreement (collectively referred to as Plans and Policies) shall conform to all

applicable statutes, regulations, and written OTS policy and guidance that has been published by OTS or distributed by OTS to OTS-regulated institutions. The Board shall revise such Plans and Policies as required by OTS.

- B. The Board and management of the Bank shall take immediate action to cause the Bank to comply with the provisions of this Agreement.
- C. This Agreement requires the Bank to receive approval, notice of non-objection, or notice of acceptability from OTS for certain Board actions. The Board affirms that such regulatory oversight does not derogate or supplant each individual member'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 OTS's determinations as required by this Agreement.
- D. By the thirtieth (30th) calendar day after the end of each calendar month, beginning with the month of June 2006, the Board shall adopt and submit to OTS a certified copy of a board resolution formally resolving that, following a diligent inquiry of relevant information (including a report from Bank's management regarding the Bank's compliance with each provision of this Agreement), to the best of its knowledge and belief, during the immediately preceding calendar month, the Bank has complied with each provision of this Agreement currently in effect, except as otherwise stated. The Compliance Resolution shall: (1) specify in detail how, if at all, full compliance was found not to exist; and (2) identify all notices of exemption or non-objection issued by OTS that were outstanding as of the date of its adoption. 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.

15. Definitions

- A. 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, Home Owners' Loan Act (HOLA), Federal Deposit Insurance Act (FDIA), or OTS Publications. Any such technical words or terms used in this Agreement and undefined in Code of Federal Regulations, HOLA, FDIA, or OTS Publications shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.
- B. For purposes of this Agreement, nothing shall be deemed "acceptable" to the Regional Director or OTS unless the Regional Director, or the assigned Regional Deputy Director or Assistant Director, has stated, in writing, that it is acceptable or has provided a written notice of non-objection to it.
- C. For purpose of this Agreement, an independent vendor or consultant is a vendor or consultant that has not made any sales or investment presentations to Homestead's Board or management and that will not make any sales or investment presentations to Homestead's Board and management for at least two years.

- D. For purposes of this Agreement, nonhomogeneous loans include nonresidential real estate loans, commercial loans, land loans and construction loans other than construction/permanent loans on single-family properties that will be owned and occupied by individual borrowers.

16. **Successor Statutes, Regulations, Guidance, Amendments**

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

17. **Notices**

- A. Except as otherwise provided herein, any request, demand, authorization, directive, notice, consent, waiver or other document provided or permitted by this Agreement to be made upon, given or furnished to, delivered to, or filed with:
 - 1. OTS, by Homestead, shall be addressed to the Assistant Director, Office of Thrift Supervision, Department of the Treasury, 225 East John Carpenter Freeway, Suite 500, Irving, Texas 75062-2327 or telecopied to (972) 277-9500; and
 - 2. Homestead, by OTS, in each case shall be addressed to Chief Executive Officer or the Board of the Bank, at 195 North 6th Street, Ponchatoula, Louisiana 70454-0719 or telecopied to (985) 386-2400.
- B. Such delivery shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid; sent via overnight delivery service; physically delivered; or means of electronic transmission. If there is a dispute about the date on which a written notice has been received by a party to this Agreement, then, in the event such notice was sent by United States mail, there shall be a presumption that the notice was received two (2) business days after the date of the postmark on the envelope in which the notice was enclosed.

18. **Duration, Termination or Suspension of Agreement**

- A. This Agreement shall: (1) become effective upon its execution by the OTS, through its authorized representative, whose signature appears below; and (2) 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).
- B. The Regional Director, in his sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

19. **Time Limits**

The Regional Director, or the assigned OTS Regional Deputy Director or Assistant Director, may extend time frames by written notice.

20. **OTS Review of Actions Required**

The Regional Director or the assigned OTS Regional Deputy Director or Assistant Director may request additional information and provide written notice of non-objection or objection with respect to any submission required by this Agreement.

21. **Effect of Headings**

The section or paragraph headings herein are for convenience only and shall not affect the construction hereof.

22. **Separability Clause**

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.

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

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 OTS from taking such action(s), including, without limitation, any type of supervisory, enforcement or resolution action that OTS determines to be appropriate in fulfilling the responsibilities placed upon it by law.

24. **Successors in Interest/Benefit**

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, expressed 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.

25. **Integration Clause**

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. All Plans and Policies required by this Agreement shall, upon modification consistent with this Agreement or OTS's direction become part of this Agreement and any deviation from these Plans and Policies shall be deemed a violation of this Agreement.

26. **Enforceability of Agreement**

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 OTS within the meaning of 12 U.S.C. §1818.

27. **Counterparts**

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.

28. **Signature of Directors**

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.

IN WITNESS WHEREOF, 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.

OFFICE OF THRIFT SUPERVISION

By:

/s/ Frederick R. Casteel
Frederick R. Casteel
Regional Director

HOMESTEAD BANK, PONCHATOULA, LOUISIANA

Accepted by a Majority of its Directors

/s/
~~Lawrence C. Caldwell, Jr., President, Chief Executive Officer and Director~~

/s/
Dr. Milton J. Schanzbach, Chairman of the Board and Director

/s/
Barbara B. Theriot, Director

/s/
John C. Bohning, Director

/s/
Robert H. Gabriel, Director

/s/
Dennis E. James, Director

/s/
Allen B. Pierson, Jr., Director

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

I, the undersigned, being the duly appointed and qualified Secretary of Homestead Bank, Ponchatoula, Louisiana (Homestead or Bank), hereby certify as follows:

1. A duly called meeting of the Board of Directors of the Homestead was held on May 31, 2006, 2006;
2. At the meeting, a quorum was present and voting throughout;
3. The following is a true copy of resolution duly adopted by Homestead's Board of Directors, which resolutions have not been rescinded or modified and are now in full force and effect:

WHEREAS, Homestead's Board of Directors wishes to continue to cooperate with Office of Thrift Supervision, and to demonstrate that the Board and the Bank intend to continue to: (1) comply with all applicable laws and regulations; and (2) engage in safe and sound practices; and

WHEREAS, the Directors of Homestead have read and considered the proposed Agreement (Agreement) which shall be attached to the minutes of this meeting; and

WHEREAS, after due consideration, the Directors of Homestead have determined to cause the Bank to enter into the proposed Agreement which is in the best interest of the Bank.

NOW THEREFORE, BE IT RESOLVED, that Homestead be, and it hereby is authorized to enter into the Agreement in the form attached to the minutes of the meeting,

FURTHER RESOLVED, that the execution and delivery of, and performance of all of the provisions of the Agreement be, and they hereby are, authorized and approved,

FURTHER RESOLVED, that the Directors and Officers of Homestead be, and they hereby are, authorized and directed to execute and deliver the Agreement and to take all steps necessary or appropriate to implement the terms of the Agreement and to cause the Bank to comply in all respects with the terms of the Agreement.

4. All members of the Board of Directors were present and voted at the meeting (except None) and all members of the Board of Directors (except None) voted in favor of the resolutions;

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of Homestead Bank, Ponchatoula, Louisiana, on this 1st day of June, 2006.

/s/
Name: **Barbara B. Theriot**
Title: **Secretary**

(SEAL)