

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made and is effective this 31st day of December, 2009 (Effective Date), by and between Coastal Bank, Merritt Island, Florida, OTS Docket No. 15445 (Association), acting by and through its Board of Directors (Board), and the Office of Thrift Supervision (OTS), a bureau of the United States Department of the Treasury, acting by and through its Regional Director for the Southeast Region or his designee (Regional Director).

WHEREAS, the OTS is the primary Federal regulator of the Association pursuant to the Home Owners' Loan Act (HOLA), 12 U.S.C. §§ 1461 *et seq.*, and is the Association's appropriate Federal banking agency for purposes of the Federal Deposit Insurance Act (FDIA), 12 U.S.C. §§ 1811 *et seq.*; and

WHEREAS, based on its April 27, 2009 Report of Examination of the Association (2009 ROE), the OTS finds that the Association has failed to comply with the requirements of laws or regulations to which the Association is subject and engaged in acts and practices that are unsafe or unsound; and

WHEREAS, the Association, which is subject to examination, regulation and supervision by OTS, is taking steps to address the violations of law or regulation, unsafe or unsound acts and practices and weaknesses and deficiencies identified by the OTS; and

WHEREAS, in furtherance of their common goal to ensure that the Association continues to address the violations of law or regulation and unsafe or unsound acts and practices identified by the OTS, the Association and the OTS have mutually agreed to enter into this Agreement; and

NOW THEREFORE, in consideration of the above premises, it is agreed as follows:

Compliance with Laws and Regulations.

1. The Association shall comply with all applicable laws, regulations, and regulatory guidelines including, but not limited to, the following:
 - (a) 12 C.F.R. § 560.101 (Real Estate Lending Standards);
 - (b) 12 C.F.R. § 560.160 (Asset Classification);
 - (c) Section II G of Appendix A to the Safety and Soundness Standards of 12 C.F.R. Part 570; and
 - (d) OTS Chief Executive Officer (CEO) Memorandum # 252 - Commercial Real Estate Concentration Risks, Sound Risk Management Practices (December 14, 2006).

Capital.

2. Within forty-five (45) days, the Board shall prepare and submit for Regional Director review and comment, a written plan to strengthen the Association's capital position and ensure that adequate levels of capital are maintained to support the Association's activities and operations, as set forth in the Business Plan required by Paragraph 6 below (Capital Augmentation Plan). At a minimum, the Capital Augmentation Plan shall:
 - (a) address the requirements and restrictions imposed by this Agreement and the regulations contained at 12 C.F.R. Part 565;
 - (b) address different scenarios based on recent asset quality trends and current and projected real estate market conditions;
 - (c) identify any additional capital needed under the Business Plan required by Paragraph 6;
 - (d) establish timeframes by which any additional capital will be raised and specific target quarter-end capital levels;

- (e) detail the method by which the additional capital will be raised and identify the sources of such capital; and
 - (f) establish an alternative strategy to be implemented immediately if additional capital cannot be raised and maintained in the amounts and timeframes projected.
3. Within fifteen (15) days after receipt of any comments from the Regional Director, the Board will revise the Capital Augmentation Plan to incorporate any recommended changes by the Regional Director and adopt the Capital Augmentation Plan as revised. The Board shall ensure that the Association and its Senior Executive Officers¹ (Management) implement and adhere to the Capital Augmentation Plan. A copy of the Capital Augmentation Plan and the Board meeting minutes reflecting the Board's adoption thereof shall be provided to the Regional Director within ten (10) days after the Board meeting.
4. The Board shall require Management to prepare and submit for Board review at each regular monthly Board meeting, beginning with the March 2010 meeting, a written report on the Association's compliance with the Capital Augmentation Plan (Capital Status Report). The Capital Status Report shall include a variance report on the Association's compliance with the Capital Plan that, at a minimum:
- (a) compares actual operating results to projected results;
 - (b) includes detailed explanations of any material deviations;² and
 - (c) describes the specific corrective actions or measures that have been implemented or are proposed to address each material deviation.

¹ The term Senior Executive Officer is defined at 12 C.F.R. § 563.555.

² A deviation shall be considered material under this Paragraph of the Agreement when the Association: (i) engages in any activity, line of business, or operation that is inconsistent with the Capital Plan; (ii) exceeds the level of any activity or growth contemplated in the Capital Plan by more than 10 percent; or (iii) falls below or fails to meet the target amounts established in the Capital Plan by more than 10 percent.

The Board's review of the monthly Capital Status Reports shall be documented in the Board meeting minutes. A copy of the Capital Status Report and the meeting minutes detailing the Board's review shall be provided to the Regional Director within ten (10) days after the Board meeting.

Growth.

5. Effective immediately, the Association shall not increase its total assets during any quarter in excess of an amount equal to net interest credited on deposit liabilities during the previous quarter without the prior written non-objection of the Regional Director. The growth restrictions imposed by this Paragraph shall remain in effect until the Regional Director has notified the Association in writing that its Business Plan is acceptable pursuant to Paragraph 6 of this Agreement.

Business Plan.

6. Within sixty (60) days, the Association shall submit a new business plan for calendar year 2010 (Business Plan) that is acceptable to the Regional Director. Thereafter, the Association shall submit a new one (1) year Business Plan at least sixty (60) days prior to the end of each calendar year. At a minimum, the Business Plan shall include:

- (a) plans and strategies to restructure the Association's operations, improve the Association's earnings, control expenses, and achieve positive core income;
- (b) strategies for ensuring that the Association has the financial and personnel resources necessary to implement and adhere to the Business Plan;
- (c) quarterly pro forma financial projections (balance sheet, capital forecasts, and income statement); and

(d) identification of all relevant assumptions made in formulating the Business Plan and retention of documentation supporting such assumptions.

7. Upon receipt of written notification from the Regional Director that the Business Plan is acceptable, the Board shall adopt and ensure that the Association implements and adheres to the Business Plan. A copy of the Business Plan and the Board meeting minutes reflecting the Board's adoption thereof shall be provided to the Regional Director within ten (10) days after the Board meeting.

8. Any material modifications³ to the Business Plan must receive the prior written non-objection of the Regional Director. The Association shall submit proposed modifications to the Regional Director at least forty-five (45) days prior to the date of implementation of the proposed modifications.

9. Within thirty (30) days after the close of each calendar quarter, beginning with the calendar quarter ending March 31, 2010, the Board shall review quarterly variance reports on the Association's compliance with the Business Plan (Quarterly Business Plan Variance Reports).

The Quarterly Business Plan Variance Reports shall:

(a) identify material variances⁴ in the Association's actual performance during the preceding quarter as compared to the projections set forth in the Business Plan;

(b) contain an analysis and explanation of identified variances; and

³ A modification shall be considered material under this section of the Agreement if the Association plans to: (a) engage in any activity that is inconsistent with the revised Business Plan; or (b) exceed the level of any activity contemplated in the revised Business Plan or fail to meet target amounts established in the revised Business Plan by more than ten percent (10%), unless the activity involves assets risk-weighted fifty percent (50%) or less, in which case a modification of more than twenty-five percent (25%) shall be deemed to be a material modification.

⁴ A variance shall be considered material under this section of the Agreement if the Association plans to: (a) engage in any activity that is inconsistent with the revised Business Plan; or (b) exceed the level of any activity contemplated in the revised Business Plan or fail to meet target amounts established in the revised Business Plan by more than ten percent (10%), unless the activity involves assets risk-weighted fifty percent (50%) or less, in which case a variance of more than twenty-five percent (25%) shall be deemed to be a material variance.

(c) discuss the specific measures taken or to be taken to address identified variances.

10. The Board's review of the Quarterly Business Plan Variance Reports, including any corrective actions adopted by the Board, shall be fully documented in the Board meeting minutes. A copy of the Quarterly Business Plan Variance Report and the Board meeting minutes detailing the Board's review shall be provided to the Regional Director within ten (10) days after the Board meeting.

Lending.

11. Effective immediately, the Association shall not originate, purchase or commit to originate or purchase any new nonresidential real estate or land loans or extend additional funds to existing borrowers on or relating to nonresidential real estate or land loans until all loan underwriting, credit administration, and credit concentration deficiencies discussed in the 2009 ROE and addressed in this Agreement have been corrected to the satisfaction of the Regional Director.

12. Prior to resuming any activity covered by Paragraph 11 of this Agreement, the Association shall obtain the written non-objection of the Regional Director. The Association's request for Regional Director non-objection shall include a list of all corrective measures taken, including process or policy changes, internal/external audit changes and the date such changes were made.

13. Beginning with the January 2010 meeting, Management shall prepare and submit to the Board for review a monthly written schedule of all outstanding loans with interest reserves (Interest Reserve Schedule). The Interest Reserve Schedule shall include, at a minimum:

- (a) the total amount of interest reserves established, which shall include all prior interest reserve amounts;

- (b) the total amount of interest reserves available and remaining;
- (c) the loan maturity date and all renewal or extension dates; and
- (d) the projected date that the interest reserves will be depleted; and
- (e) the funding source for the interest reserves.

The Board's review of the Interest Reserve Schedule, including any corrective actions adopted by the Board, shall be fully documented in the Board meeting minutes.

14. Within thirty (30) days after the end of each calendar quarter, beginning with the quarter ending March 31, 2010, the Association shall provide the Regional Director with copies of the Interest Reserve Schedules and the Board meeting minutes detailing the Board's review for the immediately preceding quarter.

Loan Underwriting.

15. Within sixty (60) days, the Board shall revise the Association's loan underwriting policies, procedures, practices, and controls (Loan Underwriting Policy) to address all deficiencies and weaknesses discussed in the 2009 ROE. At a minimum, the Board shall ensure that the Association's Loan Underwriting Policy is prudent for the complexity and type of loans granted by the Association, complies with 12 C.F.R. § 560.101, and conforms to regulatory guidance including, but not limited to, Section II G of Appendix A to the Safety and Soundness Standards of 12 C.F.R. Part 570 and the OTS Thrift Activities Handbook.

Credit Administration.

16. Within sixty (60) days, the Board shall review and revise the Association's policies and procedures governing credit administration and documentation (Credit Administration Policy) to address the deficiencies and recommendations discussed in the 2009 ROE. At a minimum, the Credit Administration Policy shall:

- (a) comply with Section II G of Appendix A to the Safety and Soundness Standards of 12 C.F.R. Part 570;
- (b) require ongoing, periodic documentation of collateral values;
- (c) establish policies, procedures and systems to obtain and analyze, on an annual basis, updated borrower financial information and documentation for all loans with originated amounts of \$500,000 or greater;
- (d) establish policies, procedures and systems to obtain and review updated information on the status of all real estate projects;
- (e) provide for the classification of loans, including designation as special mention, or placement of loans on a watch list, if there is a significant decline in a borrower's financial standing whereby the borrower would not qualify under the Association's loan underwriting standards or no longer demonstrates the ability to meet global debt service obligations; and
- (f) establish an effective system for the retention, review, renewal and updating by the Association of all required records, liens, filings and other credit related documents.

Concentrations of Credit.

17. Within sixty (60) days, the Association shall develop a written program for identifying, monitoring, and managing risks associated with concentrations of credit that is acceptable to the Regional Director (Credit Concentration Program). The Credit Concentration Program shall, at a minimum:

- (a) establish comprehensive and reasonable loan concentration limits expressed as a percent of total risk-based capital;

- (b) establish additional stratification levels and enhanced risk analysis, monitoring, and management of the concentrations of credit in nonresidential real estate loans and land loans;
- (c) contain specific review procedures and reporting requirements, including written reports to the Board, designed to identify, monitor, and control the risks associated with concentrations of credit; and
- (d) a written action plan, including specific time frames, for reducing the level of concentrations and the risks associated with the Association's concentrations of credit in nonresidential real estate loans and land loans.

18. Upon receipt of notification from the Regional Director that the Credit Concentration Program is acceptable, the Board shall adopt and ensure that the Association implements and adheres to the Credit Concentration Program.

19. Within thirty (30) days after the close of each calendar quarter, beginning with the quarter ending March 31, 2010, the Board shall review the Association's compliance with the revised Credit Concentration Program. The Board's review and assessment of the Association's compliance with the Credit Concentration Program shall be fully documented in the appropriate Board meeting minutes. A copy of the Board meeting minutes detailing the Board's review of the Association's compliance with the Credit Concentration Program shall be provided to the Regional Director within ten (10) days after the Board meeting date.

Problem Assets.

20. Within sixty (60) days, the Board shall prepare and adopt a detailed, written plan with

specific strategies, targets and timeframes to reduce⁵ the Association's level of criticized assets⁶ (Problem Asset Plan). At a minimum, the Problem Asset Plan shall require Management to prepare and submit for Board review individual written asset resolution plans for each criticized asset and delinquent loan or group of loans to the same borrower of Five Hundred Thousand Dollars (\$500,000) or greater (Asset Resolution Plans).

21. Within thirty (30) days after the end of each calendar quarter, beginning with the quarter ending March 31, 2010, the Board shall review a quarterly written asset status report (Quarterly Asset Report). The Quarterly Asset Report shall include, at a minimum:

- (a) the current status of all Asset Resolution Plans;
- (b) a detailed analysis of the calculation and adequacy of the Association's ALLL levels and comparison of ALLL levels to the total level of classified assets;
- (c) a comparison of classified assets to core and risk based capital;
- (d) a comparison of classified assets at the current quarter end with the preceding quarter;
- (e) a breakdown of classified assets by type (residential, acquisition and development, construction, land loans, etc.);
- (f) an assessment of the Association's compliance with the Problem Asset Plan; and
- (g) a discussion of the actions taken during the preceding quarter to reduce the Association's level of criticized assets and delinquent loans.

22. The Board's review of the Quarterly Asset Reports, and any corrective actions adopted by the Board, shall be fully documented in the appropriate Board meeting minutes. A copy of

⁵ For purposes of this Paragraph, "reduce" means to collect, sell, charge off, or improve the quality of an asset sufficient to warrant its removal from adverse criticism or classification.

⁶ The term "criticized assets" shall include all classified assets, assets designated special mention or watch, all nonperforming assets and all delinquent loans.

the Quarterly Asset Report and the Board meeting minutes detailing the Board's review shall be provided to the Regional Director within ten (10) days after the Board meeting.

Liquidity.

23. Within sixty (60) days, the Board shall revise and submit to the Regional Director for review and comment a liquidity management policy for the Association that addresses the deficiencies discussed in the 2009 ROE and ensures conformance with the guidance contained in OTS Thrift Bulletin 77 and Sections 530 and 560 of the OTS Examination Handbook (Liquidity Policy). The Liquidity Policy will include a written plan to ensure the maintenance of adequate short-term and long-term liquidity to withstand any anticipated or extraordinary demand against its funding base (Liquidity Plan).

24. The Liquidity Plan shall, at a minimum:

- (a) include a cash flow analysis that contains reasonable assumptions, identifies anticipated funding needs under varying economic and market conditions and scenarios, discusses the funding sources to meet identified funding needs, identifies those funding sources that are subject to formal arrangements, considers the level and maturity of any brokered deposits, and addresses any contingent liabilities; and
- (b) identify alternative funding sources for meeting extraordinary demands or to provide liquidity in the event the sources identified in subparagraph (a) above are insufficient. Such alternative funding sources must consider, at a minimum, the selling of assets, obtaining lines of credit from correspondent banks, recovering charged-off assets, and injecting additional equity capital.

25. Within thirty (30) days after the receipt of any comments from the Regional Director, the Board will revise the Liquidity Policy to incorporate any recommended changes by the Regional

Director and adopt the Liquidity Policy. The Board shall ensure that the Association implements and adheres to the Liquidity Policy. The Association shall not modify the Liquidity Policy without the prior written non-objection of the Regional Director.

26. Effective immediately, Management shall conduct a monthly review of the Association's liquidity and, following their adoption, assess the Association's compliance with its Liquidity Policy and the Liquidity Plan (Liquidity Reviews). The Liquidity Reviews shall consider:

- (a) a maturity schedule of certificates of deposit, including large uninsured and/or brokered deposits;
- (b) the volatility of demand deposits including escrow deposits;
- (c) the amount and type of loan commitments and standby letters of credit;
- (d) an analysis of the continuing availability and volatility of present funding sources;
- (e) an analysis of the impact of decreased cash flow from the Association's loan portfolio resulting from delinquent and non-performing loans; and
- (f) an analysis of the impact of decreased cash flow from the sale of loans or loan participations.

27. At each monthly Board meeting, beginning with the January 2010 meeting, Management shall submit copies of the Liquidity Reviews for the preceding month to the Board for review. The Board's review of the Liquidity Reviews, and any corrective actions adopted by the Board, shall be fully documented in the Board meeting minutes. The Board will provide the Regional Director with copies of the monthly Board meeting minutes within ten (10) days after the Board meeting.

Violations of Law.

28. Within sixty (60) days, the Board shall ensure that all violations of law, rule, and/or regulation discussed in the Association's 2009 ROE are corrected. Within ninety (90) days, the Board shall prepare, adopt, and thereafter ensure that the Association adheres to specific procedures to prevent future violations.

29. Within thirty (30) days of receipt of any subsequent Report of Examination, internal audit report, independent external audit report, or other report prepared by the Association's employees, agents, or independent contractors, which cites or discusses any violation of law, rule, or regulation, the Board shall prepare, adopt, and thereafter ensure the Association adheres to specific procedures to correct such violations and prevent such violations in the future.

Directorate and Management Changes.

30. Effective immediately, the Association shall comply with the prior notification requirements for changes in directors and Senior Executive Officers set forth in 12 C.F.R. Part 563, Subpart H, 12 C.F.R. §§ 563.550 through 563.590.

Employment Contracts and Compensation Arrangements.

31. Effective immediately, the Association shall not enter into any new, or renew, extend, or revise any existing, contractual arrangement relating to compensation or benefits for any Senior Executive Officer or director of the Association, unless it first provides the Regional Director with not less than thirty (30) days prior written notice of the proposed transaction. The notice to the OTS shall include a copy of the proposed employment contract or compensation arrangement or a detailed, written description of the compensation arrangement to be offered to such officer or director, including all benefits and perquisites. The Board shall ensure that any contract,

agreement, or arrangement submitted to the OTS fully complies with the requirements of 12 C.F.R. Part 359, 12 C.F.R. §§ 563.39 and 563.161(b), and 12 C.F.R. Part 570 – Appendix A.

Severance and Indemnification Payments.

32. Effective immediately, the Association shall not make any golden parachute payment⁷ and/or indemnification payment unless, with respect to each such payment, the Association has complied with the requirements of 12 C.F.R. Part 359 and, as to indemnification payments, 12 C.F.R. § 545.121.

Third Party Arrangements.

33. Effective immediately, the Association shall not enter into any new arrangement or contract with a third party service provider that is significant⁸ to the overall operation or financial condition of the Association or outside the Association’s normal course of business unless, with respect to each such contract, the Association has: (a) provided the OTS with a minimum of thirty (30) days prior written notice of such arrangement or contract; (b) determined that the arrangement or contract complies with the standards and guidelines set forth in Thrift Bulletin 82a (TB 82a); and (c) received written notice of non-objection from the Regional Director.

34. Effective immediately, the Association shall provide the OTS with written notice of all new arrangements or contracts with third party service providers consistent with the requirements of 12 U.S.C. § 1464(d)(7)(D)(ii). Such notice shall be provided to the Regional Director not later than thirty (30) days after the earlier of: (a) the date on which the Association enters into the contract; or (b) the date on which the performance of the service is initiated. The

⁷ The term “golden parachute payment” is defined at 12 C.F.R. § 359.1(f).

⁸ A contract shall be considered significant to the overall operation or financial condition of the Association where the annual contract amount equals or exceeds two (2) percent of the Association’s total capital.

Board shall review all arrangements or contracts with third party service providers covered by this Paragraph to ensure compliance with the standards and guidelines set forth in TB 82a.

Brokered Deposits.

35. Effective immediately, the Association is prohibited from increasing the dollar amount of brokered deposits at the Association without receiving the prior written approval or non-objection of the Regional Director. The Association's written request for such approval or non-objection should be submitted to the Regional Director at least forty-five (45) days prior to the anticipated date of acceptance of additional brokered deposits.

Dividends.

36. Effective immediately, the Association shall pay no dividends or make any other capital distributions, as that term is defined in 12 C.F.R. § 563.141, without receiving the prior written approval of the Regional Director. The Association's written request for written approval shall be submitted to the Regional Director at least thirty (30) days prior to the anticipated date of the proposed dividend payment or distribution of capital.

Affiliate and Insider Transactions.

37. Effective immediately, the Association shall not engage in any transaction with an Affiliate⁹ unless, with respect to each such transaction, the Association has complied with the notice requirements set forth in 12 C.F.R. § 563.41(c)(4), which notice also shall include the information set forth in 12 C.F.R. § 563.41(c)(3). The Board shall ensure that any transaction with an Affiliate complies with the requirements of 12 C.F.R. § 563.41, 12 C.F.R. Part 223 (Regulation W), and the guidance contained in Section 310 of the OTS Examination Handbook. The Board shall ensure that documentation demonstrating such compliance is maintained in the

⁹ 12 C.F.R. § 223.2

Association's files and records.

38. Effective immediately, the Association shall not make any loans to or enter into any contracts or agreements with any Insiders except in compliance with Paragraph 37 above and all applicable laws, rules, and regulations including, but not limited to, 12 C.F.R. Part 215 and 12 C.F.R. § 564.43, and Section 310 of the OTS Examination Handbook. The Board shall ensure that the Association complies with the requirements of this Paragraph and that documentation demonstrating such compliance is maintained in the Association's files and records.

Board Compliance Committee.

40. Within thirty (30) days after the end of each calendar quarter, beginning with the quarter ending March 31, 2009, the Board shall prepare a quarterly written progress report that: (i) details the Association's compliance with each of the provisions of this Agreement and the corrective actions contained in the 2009 ROE; (ii) identifies and discusses each instance of noncompliance; and (iii) discusses in detail the additional corrective actions or steps adopted or required by the Board to address each instance of noncompliance.

41. Within forty-five (45) days after the end of each calendar quarter, the Board shall submit to the Regional Director a copy of the quarterly progress report required by Paragraph 40 of this Agreement, including the Board meeting minutes. Nothing contained herein shall diminish the responsibility of the entire Board to ensure the Association's compliance with the provisions of this Agreement.

Effective Date.

42. This Agreement is effective on the Effective Date as shown on the first page.

Duration.

43. This Agreement shall remain in effect until terminated, modified or suspended, by written notice of such action by OTS, acting by and through its authorized representatives.

Time Calculations.

44. Calculation of time limitations for compliance with the terms of this Agreement run from the Effective Date and shall be based on calendar days, unless otherwise noted.

45. The Regional Director may extend any of the deadlines set forth in the provisions of this Agreement upon written request by the Association that includes reasons in support for any extension. Any OTS extension shall be made in writing.

Submissions and Notices.

46. All submissions, including progress reports, to OTS that are required by or contemplated by the Agreement shall be submitted within the specified timeframes.

47. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Agreement shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

- a. To OTS:
Regional Director
Office of Thrift Supervision
1475 Peachtree St., N.E.
Atlanta, Georgia 30309
404.897.1861 (Fax)

- b. To the Association:
Board of Directors
c/o R. Paul Johnson, President
2105 North Courtenay Parkway
Merritt Island, FL 32953
321.453.5894 (Fax)

No Violations Authorized.

48. Nothing in this Agreement shall be construed as allowing the Association, its Board, officers or employees to violate any law, rule, or regulation.

OTS Authority Not Affected.

49. Nothing in this Agreement shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting the Association if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law.

Other Governmental Actions Not Affected.

50. The Association acknowledges and agrees that its execution of the Agreement is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 49 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than OTS.

Miscellaneous.

51. The laws of the United States of America shall govern the construction and validity of this Agreement.

52. If any provision of 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 or her sole discretion determines otherwise.

53. All references to OTS in this Agreement shall also mean any of the OTS's predecessors, successors, and assigns.

54. The section and paragraph headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

55. The terms of this Agreement represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

Enforceability of Agreement.

56. This Agreement is a “written agreement” entered into with an agency within the meaning and for the purposes of 12 USC §§ 1818.

Signature of Directors/Board Resolution.

57. Each Director signing this Agreement attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association to the issuance and execution of the Agreement.

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WHEREFORE, the OTS, acting by and through its Regional Director, and the Board of the Association, hereby execute this Agreement.

COASTAL BANK
Merritt Island, Florida

OFFICE OF THRIFT SUPERVISION

By: /s/
B. Robert Tucker, Director

By: /s/
James G. Price
Southeast Regional Director

Date: See Effective Date on page 1

 /s/
R. Paul Johnson, Director

 /s/
Vivian Lindauer, Director

 /s/
Kelly Perdock, Director

 /s/
P. Douglas Freedle, Chairman

 /s/
William B. Wood, Director