

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION

TALLAHASSEE, FLORIDA

_____)	
In the Matter of)	
)	
FIRST CITY BANK OF FLORIDA)	ORDER TO
FORT WALTON BEACH, FLORIDA)	CEASE AND DESIST
)	
(Insured State Nonmember Bank))	FDIC-09-356b
_____)	OFR-0667-FI-08/09

FIRST CITY BANK OF FLORIDA, FORT WALTON BEACH, FLORIDA ("Bank"), having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the unsafe or unsound banking practices and violations of law and/or regulations alleged to have been committed by the Bank and of its right to a hearing on the alleged charges under section 8(b)(1) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b)(1), and Sections 655.033 and 655.041, Florida Statutes (2009), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") with a representative of the Legal Division of the Federal Deposit Insurance Corporation ("FDIC") and the Director ("Director") of the Division of Financial Institutions of the Florida Office of Financial Regulation ("OFR"), dated October October 8, 2009, whereby, solely for the purpose of this proceeding and without admitting or denying any of the alleged charges of unsafe or unsound banking practices and violations of law,

rules, and/or regulations, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC and the OFR.

The FDIC and the OFR considered the matter and determined that there is reason to believe that the Bank has engaged in unsafe or unsound banking practices and has committed violations of law and/or regulations. The FDIC and the OFR, therefore, accepted the CONSENT AGREEMENT and issued the following:

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED, that the Bank, its institution-affiliated parties, as such term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and Section 655.005(1)(i), Florida Statutes, and its successors and assigns cease and desist from the following unsafe or unsound banking practices and violations of law and/or regulations:

- (a) operating with a Board of Directors ("Board") that has failed to provide adequate supervision over and direction to the management of the Bank;
- (b) operating with management whose practices are detrimental to the Bank and jeopardize the safety of its deposits;
- (c) operating with inadequate equity capital in relation to the volume and quality of assets held by the Bank;
- (d) operating with an excessive volume of adversely classified assets;
- (e) operating with inadequate policies and procedures to monitor and control risks within concentrations of credit in the Bank's loan portfolio;
- (f) operating with an inadequate allowance for loan and lease losses ("ALLL");
- (g) operating with hazardous lending practices, lax collection practices, and an inadequate loan policy;
- (h) operating with inadequate liquidity in light of the Bank's asset and liability mix;

- (i) operating with a business strategy that has resulted in unprofitable operations and poor asset quality; and
- (j) operating in violation of laws, regulations, and/or Statements of Policy as more fully discussed on pages 23 and 24 of the FDIC Report of Examination dated May 11, 2009 (“Report”).

IT IS FURTHER ORDERED, that the Bank, its institution-affiliated parties, and its successors and assigns take affirmative action as follows:

BOARD OF DIRECTORS

1. (a) Immediately upon the effective date of this ORDER, the Board shall increase its participation in the affairs of the Bank, assuming full responsibility for the approval of sound policies and objectives and for the supervision of all of the Bank's activities, consistent with the role and expertise commonly expected for directors of banks of comparable size. The Board shall prepare in advance and follow a detailed written agenda for each meeting, including consideration of the actions of any committee. Nothing in this provision shall preclude the Board from considering matters other than those contained in the agenda. This participation shall include meetings to be held no less frequently than monthly at which, at a minimum, the following areas shall be reviewed and approved: capital adequacy; liquidity; classified and criticized assets; concentrations of credit; new, overdue, renewal, insider, charged-off, and recovered loans; reports of income and expenses; investment activity; operating policies; and individual committee actions. Board minutes shall document these reviews and approvals, including the names of any dissenting directors.
- (b) Within 30 days from the effective date of the ORDER, the Board shall establish a Board committee ("Directors' Committee"), consisting of at least three members, to

oversee the Bank's compliance with the ORDER. A majority of the members of the Directors' Committee shall be independent directors and shall not be officers of the Bank. The Directors' Committee shall receive from Bank management monthly reports regarding the Bank's actions with respect to compliance with this ORDER. The Directors' Committee shall present a report regarding the Bank's adherence to the ORDER to the Board at each regularly scheduled Board meeting. Such report shall be recorded in appropriate minutes of the Board's meeting and shall be retained in the Bank's records. The establishment and actions of the Directors' Committee does not diminish the responsibility of the directors, collectively and individually, to ensure compliance with the provisions of this ORDER.

(c) Within 30 days from the effective date of this ORDER, the Bank's Board shall develop and adopt an educational program for each member of the Board. The educational program shall include, at a minimum:

- (i) specific training in the areas of lending, operations, and compliance with laws, rules and regulations applicable to banks chartered in the state of Florida;
- (ii) specific training in the duties and responsibilities of the Board in connection with the safe and sound operation of the Bank; and
- (iii) provisions for periodic training.

(d) The Board shall document the training activities in the minutes of the next Board meeting following completion of the training. The Board's training activities and documentation must be completed to the satisfaction of the Regional Director ("Regional Director") of the FDIC and the OFR (collectively, the "Supervisory Authorities") as determined at subsequent examinations and/or visitations.

MANAGEMENT

2. Within 90 days of the effective date of this ORDER and at all times thereafter, the Bank shall have and retain qualified management.

(a) Each member of management shall have qualifications and experience commensurate with his or her duties and responsibilities at the Bank. Each member of management shall be provided appropriate written authority from the Board to implement the provisions of this ORDER. Management shall include a chief executive officer, a senior lending officer, and a chief financial officer.

(b) The qualifications of management shall be assessed on its ability to:

(i) comply with the requirements of this ORDER;

(ii) operate the Bank in a safe and sound manner;

(iii) comply with applicable laws and regulations; and

(iv) restore all aspects of the Bank to a safe and sound condition, including asset quality, capital adequacy, earnings, management effectiveness, liquidity, and sensitivity to market risk.

(c) During the life of this ORDER, the Bank shall notify the Supervisory Authorities in writing within 15 days of the resignation or termination of any of the Bank's directors or senior executive officers, as that term is defined in Part 303 of the FDIC's Rules and Regulations, 12 C.F.R. § 303.101, or executive officers as that term is defined and applied in Chapter 655 and Sections 655.0385 and 655.948, Florida Statutes, and Rules 69U-100.03852 and 69U-100.948, Florida Administrative Code ("F.A.C.").

(d) During the life of this ORDER, the Bank shall notify the Supervisory Authorities in writing when it proposes to add any individual to the Bank's Board or employ any individual as a senior executive officer, as that term is defined in Section 303.101 of the

FDIC's Rules and Regulations, 12 C.F.R. § 303.101, or executive officer as that term is defined and applied in Chapter 655 and Section 655.0385, Florida Statutes, and Rule 69U-100.03852, F.A.C. The notification to the Supervisory Authorities shall comply with the requirements set forth in section 32 of the Act, 12 U.S.C. § 1831i, and 12 C.F.R. Part 303, Subpart F, and Rule 69U-100.03852, F.A.C. The notification shall include a description of the background and experience of the individual or individuals to be added or employed and must be received at least 60 days before such addition or employment is intended to become effective. If the Regional Director or the OFR issues a notice of disapproval pursuant to section 32 of the Act, 12 U.S.C. § 1831i, or Section 655.0385(2) or (3), Florida Statutes, with respect to any proposed individual, then such individual may not be added or employed by the Bank.

(e) Within 60 days from the effective date of this ORDER, the Board shall develop a written analysis and assessment of the Bank's management ("Management Plan") which shall include, at a minimum:

- (i) identification of both the type and number of positions needed to properly manage and supervise the lending function of the Bank during a period of declining asset quality considering the labor intensive nature of the Bank's needs to work out large, complex problem loans;
- (ii) evaluations of each loan officer and manager to determine whether each individual possesses the ability, experience, and other qualifications required to perform present and anticipated duties, including adherence to the Bank's established policies and practices, and restoration and maintenance of the Bank's safe and sound condition;

- (iii) a plan of action to recruit and hire any additional or replacement personnel with the requisite ability, experience, and other qualifications, which the Board determines are necessary to fill those officer or staff positions consistent with the needs identified in the Management Plan;
 - (iv) an organizational chart which specifies lines of authority and responsibility; and
 - (v) designation of one or more employees dedicated to the oversight, monitoring, and workout of problem assets.
- (f) The Management Plan shall be submitted to the Supervisory Authorities for review and comment. No more than 30 days from the receipt of any comment from the Supervisory Authorities and after consideration of such comment, the Board shall approve the Management Plan and/or any subsequent modification thereto, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall immediately implement the Management Plan and/or any subsequent modification.

CAPITAL

3. Within 60 days from the effective date of this ORDER, the Bank shall:
- (a) Increase Tier 1 leverage capital to 8 percent of total assets and total risk-based capital to 12 percent of risk-weighted assets.
 - (b) Maintain during the life of this ORDER, the following capital ratios: Tier 1 capital at least equal to 8 percent of total assets and total risk-based capital equal to 12 percent of total risk-weighted assets, or take such other action acceptable to the Supervisory Authorities sufficient to comply with this provision.
 - (c) Comply with the FDIC's Statement of Policy on Risk-Based Capital found in Appendix A to Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. Part 325, App.

A. Tier 1 capital and total risk based capital ratios shall be calculated at the end of each calendar quarter utilizing the definitions contained in 12 C.F.R. 325.2.

(d) Notify the Supervisory Authorities in the event any ratio falls below the required minimum, and shall increase capital in an amount, or take such other action acceptable to the Supervisory Authorities, sufficient to comply with this provision within 90 days after any ratio falls below the required minimums.

(e) Maintain the level of Tier 1 capital, Tier 1 risk-based capital, and total risk-based capital in addition to a fully funded ALLL, the adequacy of which shall be satisfactory to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

(f) Increase Tier 1 capital as necessary to meet the requirements of this paragraph, which may be accomplished by:

- (i) the sale of common stock;
- (ii) the direct contribution of cash by the Board and/or the shareholders; or
- (iii) any other means acceptable to the Supervisory Authorities.

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

in any event, not less than 15 days prior to the dissemination of such materials, the plan and any materials to be used in the sale of the securities shall be submitted to the FDIC, Division of Supervision and Consumer Protection, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room F-6043, Washington, D.C. 20429, and the OFR, Division of Financial Institutions, 200 East Gaines Street, Tallahassee, Florida, 32399-0371, for review. Any changes requested to be made in the plan or materials shall be made prior to their dissemination.

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

ADVERSELY CLASSIFIED ASSETS

4. (a) Within 60 days from the effective date of this ORDER, the Bank shall formulate a written plan ("Assets Plan") to reduce the Bank's risk exposure in each asset, or relationship in excess of \$250,000 classified "Substandard" or "Doubtful" in the Report. For purposes of this provision, "reduce" means to collect, charge off, or improve the quality of an asset so as to warrant its removal from adverse classification by the Supervisory Authorities. In developing the Assets Plan, the Bank shall, at a minimum, and with respect to each adversely classified loan or lease, review, analyze, and document

the financial position of the borrower, including source of repayment, repayment ability, and alternative repayment sources, as well as the value and accessibility of any pledged or assigned collateral, and any possible actions to improve the Bank's collateral position.

(b) In addition, the Assets Plan shall also include, but not be limited to, the following:

(i) A quarterly schedule for reducing the outstanding dollar amount of adversely classified assets;

(ii) A schedule showing, on a quarterly basis, the expected consolidated balance of all adversely classified assets, and the ratio of the consolidated balance to the Bank's projected Tier 1 capital plus the ALLL;

(iii) A provision for the Bank's submission of monthly written progress reports to its Board; and

(iv) A provision mandating Board review of the progress reports, with a notation of the review recorded in the minutes of the meeting of the Board.

(c) The Assets Plan shall further require a reduction in the aggregate balance of assets classified "Substandard" and "Doubtful" in the Report in accordance with the following schedule.

(i) Within 90 days of the effective date of this ORDER, to not more than 180 percent of Tier 1 capital plus the ALLL as determined at the end of the 90 day period;

(ii) Within 180 days of the effective date of this ORDER, to not more than 140 percent of Tier 1 capital plus the ALLL as determined at the end of the 180 day period;

- (iii) Within 270 days of the effective date of this Order, to not more than 110 percent of Tier 1 capital plus the ALLL as determined at the end of the 270 day period;
 - (iv) Within 360 days of the effective date of this ORDER, to not more than 80 percent of Tier 1 capital plus the ALLL as determined at the end of the 360 day period; and
 - (v) Within 540 days of the effective date of this ORDER, to not more than 40 percent of Tier 1 capital plus the ALLL as determined at the end of the 540 day period.
- (d) The requirements of this provision do not represent standards for future operations of the Bank. Following compliance with the above reduction schedule, the Bank shall continue to reduce the total volume of adversely classified assets. The Plan may include a provision for increasing Tier 1 capital when necessary to achieve the prescribed ratio.
- (e) Within 60 days of the effective date of this ORDER, the Bank shall submit the Assets Plan to the Supervisory Authorities for review and comment. Within 30 days of receipt of any comment from the Supervisory Authorities, and after due consideration of any recommended changes, the Bank shall approve the Assets Plan, which approval shall be recorded in the minutes of the Board meeting. Thereafter, the Bank shall implement and fully comply with the Assets Plan.

RESTRICTIONS ON ADVANCES TO ADVERSELY CLASSIFIED BORROWERS

5. (a) During the life of this ORDER, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit from the Bank that has been charged off or classified, in whole or in

part, "Loss" or "Doubtful" and is uncollected. The requirements of this paragraph shall not prohibit the Bank from renewing, after collection in cash of interest and fees due from the borrower, any credit already extended to the borrower.

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

(c) Paragraphs 5(a) and 5(b) shall not apply if the Bank's failure to extend further credit to a particular borrower would be detrimental to the best interests of the Bank. Prior to the extending of any additional credit pursuant to this paragraph, either in the form of a renewal, extension, or further advance of funds, such additional credit shall be approved by a majority of the Board, or a designated committee thereof, who shall certify, in writing:

- (i) why the failure of the Bank to extend such credit would be detrimental to the best interests of the Bank;
- (ii) that the Bank's position would be improved thereby; including an explanatory statement of how the Bank's position would be improved;
- (iii) an appropriate workout plan has been developed and will be implemented in conjunction with the additional credit to be extended; and
- (iv) the signed certification shall be made a part of the minutes of the Board or designated committee, and a copy of the signed certification shall be retained in the borrower's credit file.

CONCENTRATIONS OF CREDIT

6. (a) Within 60 days from the effective date of this ORDER, the Bank shall review its concentrations of credit as listed on page 41 of the Report to identify the level of risk and develop a written plan approved by its Board and acceptable to the Supervisory Authorities to systematically reduce and monitor the Bank's level of concentration risk.
- (b) At a minimum, the written plan shall include:
- (i) amounts and percent of capital to which the Bank shall reduce each concentration;
 - (ii) timeframes for achieving the reduction in dollar levels identified in response to this provision;
 - (iii) provisions for the submission of monthly written progress reports to the Board for review and notation in the minutes of its meetings; and
 - (iv) procedures for monitoring the Bank's compliance with the plan.

CHARGE-OFF

7. (a) Within 30 days from the effective date of this ORDER, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" and 50 percent of all assets or portions of assets classified "Doubtful" in the Report that have not been previously collected or charged-off. If an asset classified "Doubtful" is a loan or lease, the Bank may, in the alternative, increase its ALLL by an amount equal to 50 percent of the loan or lease classified "Doubtful."
- (b) Additionally, while this ORDER remains in effect, the Bank shall, within 30 days from the receipt of any official Report of Examination of the Bank from either of the Supervisory Authorities, eliminate from its books, by collection, charge-off, or other proper entries, the remaining balance of any asset classified "Loss" and 50 percent of

those classified "Doubtful" unless otherwise approved in writing by the Supervisory Authorities. Elimination or reduction of assets through proceeds of other loans made by the Bank is not considered collection for purposes of this provision.

ALLOWANCE FOR LOAN AND LEASE LOSSES

8. (a) Within 30 days from the effective date of this ORDER, the Board shall review the adequacy of the ALLL and its policy for determining the adequacy of the ALLL. For the purpose of this determination, the adequacy of the ALLL shall be determined after the charge-off of all loans or other items classified "Loss." The Board shall revise the ALLL policy as necessary following the review. The policy shall provide for a review of the ALLL at least once each calendar quarter. Said review shall be completed prior to the end of each quarter, in order that the findings of the Board with respect to the ALLL may be properly reported in the quarterly Reports of Condition and Income. The review shall, at a minimum, include the following:
 - (i) the results of the Bank's internal loan review, loan and lease loss experience, trends of delinquent and non-accrual loans, an estimate of potential loss exposure of significant credits, concentrations of credit, present and prospective economic conditions, and trends in the severity of weaknesses in extensions of credit identified as adversely classified in the latest Report of Examination by the Supervisory Authorities; and
 - (ii) compliance with the Federal Financial Institutions Examination Council's instructions for the Reports of Condition and Income, the Interagency Statement of Policy on the ALLL, and other applicable regulatory guidance that addresses the adequacy of the Bank's ALLL.

(b) A deficiency in the ALLL shall be remedied in the calendar quarter it is discovered, prior to submitting the Reports of Condition and Income, by a charge to current operating earnings. The minutes of the Board meeting at which such review is undertaken shall indicate the results of the review. The Bank's policy for determining the adequacy of the ALLL and its implementation shall be satisfactory to the Supervisory Authorities at subsequent examinations and/or visitations.

OTHER REAL ESTATE

9. (a) Within 60 days from the effective date of this ORDER, the Board shall develop a written policy for managing the Other Real Estate (“ORE”) of the Bank. At a minimum, the policy shall provide for:
- (i) review of the ORE portfolio, at least quarterly, by a committee appointed by the Board ;
 - (ii) documentation that taxes and insurance premiums are paid in a timely manner;
 - (iii) resolution of documentation exceptions;
 - (iv) realistic and comprehensive budget for each parcel with a book value in excess of \$100,000 including projections of the Bank’s carrying costs (e.g., upkeep, repairs, and insurance costs) and projections of the marketing costs;
 - (v) independent appraisal of each parcel at the time of foreclosure and periodically thereafter (but no more than 12 months from the date of the prior appraisal report);
 - (vi) determination by the ORE committee that each parcel of ORE is listed with a real estate broker or otherwise made widely available for sale within an appropriate timeframe and at a realistic selling price;

(vii) periodic progress reports from each real estate broker marketing Bank ORE, including projected sales timeframes;

(viii) detailed report from the ORE committee to the Board at least quarterly, with a copy of the report, including documentation of the action taken to facilitate the timely sale of ORE, made part of the board minutes; and

(ix) requirements for accounting, documentation, resale terms and action plans for the orderly liquidation of ORE from the Bank's books.

(b) The Bank shall submit the policy to the Supervisory Authorities for review and comment. Within 30 days from receipt of any comment from the Supervisory Authorities and after due consideration of any recommended changes, the Bank shall approve the policy, which approval shall be recorded in the minutes of the board meeting. Thereafter, the Bank shall implement and fully comply with the policy.

LIQUIDITY AND FUNDS MANAGEMENT

10. Within 60 days from the effective date of this ORDER, the Bank shall adopt and implement a written plan addressing liquidity, contingent funding, and asset liability management. A copy of the plan shall be submitted to the Supervisory Authorities upon its completion for their review and comment. Within 30 days from the receipt of any comments from the Supervisory Authorities, the Bank shall incorporate any recommended changes. Thereafter, the Bank shall implement and follow the plan. Annually during the life of this ORDER, the Bank shall review this plan for adequacy and, based upon such review, shall make appropriate revisions to the plan that are necessary to strengthen funds management procedures and maintain adequate provisions to meet the Bank's liquidity needs.

LENDING PRACTICES

11. (a) Within 90 days from the effective date of this ORDER, the Bank shall submit to the Supervisory Authorities specific plans and proposals to effect the correction of all loan underwriting, loan administration, and loan portfolio management weaknesses detailed in the Report. At a minimum, these plans and proposals shall incorporate procedures:
- (i) to address all loan underwriting weaknesses detailed on pages 1 and 2 of the Report;
 - (ii) to address construction loan inspection and disbursement procedures;
 - (iii) to address the appropriate use of interest reserves;
 - (iv) to ensure proper financial analysis of potential and existing credit relationships, including the documentation of cash flow for the primary and secondary sources of repayment;
 - (v) to evaluate the Bank's loan review and grading system and implement changes which shall:
 - a. ensure that loans are appropriately graded;
 - b. ensure that problem loans are accurately identified on a timely basis;
 - c. ensure that collateral and credit documentation deficiencies and policy exceptions are identified; and
 - d. ensure that the results of the loan review are communicated in writing to the Board and the Loan Committee;
 - (vi) to ensure that the bank's assessment of the adequacy of capital and the ALLL appropriately considers the loan review and grading system;

- (vii) to revise the loan policy to include risk limits for industry and individual concentrations and procedures for monitoring and reporting such;
 - (viii) to require strict guidelines for out-of-territory loans, which, at a minimum, include an aggregate limitation of such loans, require complete credit documentation, and require approval by a majority of the Board prior to disbursement of funds, including a written explanation of why such loans are in the best interest of the Bank; and
 - (ix) to monitor officer compliance with the written loan policy and to assign responsibility for exceptions to the policy.
- (b) Within 90 days from the effective date of this ORDER, the Bank shall establish, adopt, and implement a written loan policy to provide effective guidance, monitoring, and control over the Bank's commercial real estate ("CRE") lending function. The policy shall address the weaknesses related to the Bank's CRE lending activities, as detailed in the Report. Also, the policy shall provide for a planned material reduction in the volume of funded and unfunded CRE loans as a percentage of Tier 1 capital. Such policy shall be provided to the Supervisory Authorities for review and approval prior to implementation, and its implementation shall be in a form and manner acceptable to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

EARNINGS

12. (a) Within 60 days from the effective date of this ORDER, the Bank shall formulate and fully implement a written plan and a comprehensive budget for all categories of income and expense for the calendar year 2010. The plan and budget required by this provision shall include formal goals and strategies, consistent with sound banking practices and taking into account the Bank's other written policies, to improve the Bank's

net interest margin, increase interest income, reduce discretionary expenses, and improve and sustain earnings of the Bank. The plan shall include a description of the operating assumptions that form the basis for, and adequately support, major projected income and expense components. The plan and budget required by this paragraph of the ORDER shall be submitted to Supervisory Authorities for review and comment. Thereafter, the Bank shall prepare a budget by November 30 of each subsequent year and submit the plan modifications and budget to the Supervisory Authorities for review and comment by December 15 of each subsequent year.

(b) Following the end of each calendar quarter, the Board shall evaluate the Bank's actual performance in relation to the plan and budget required by this provision and shall record the results of the evaluation, and any actions taken by the Bank, in the minutes of the Board meeting at which such evaluation is undertaken and provide a comparison of the actual performance to budget projections quarterly to the Supervisory Authorities with the Progress Reports required by paragraph 17 of this ORDER.

VIOLATIONS OF LAW AND REGULATIONS

13. Within 60 days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of laws, regulations, and/or statements of policy as set forth on pages 24 and 25 in the Report. In addition, the Bank shall adopt and implement appropriate procedures to ensure future compliance with all such applicable laws,, regulations, and/or statements of policy.

BROKERED DEPOSITS

14. Beginning with the effective date of this ORDER, and continuing for the life of this ORDER, the Bank shall not accept, renew, or rollover brokered deposits without obtaining a brokered deposit waiver approved by the FDIC pursuant to section 29 of the

Act, 12 U.S.C. § 1831f. For purposes of this ORDER, brokered deposits are defined as described in section 337.6(a)(2) of the FDIC's Rules and Regulations, 12 C.F.R. § 337.6(a)(2), to include any deposits funded by third party agents or nominees for depositors, including deposits managed by a trustee or custodian when each individual beneficial interest is entitled to a right to federal deposit insurance. The Bank shall comply with the restrictions on the effective yields on deposits prescribed in 12 C.F.R. § 337.6.

CASH DIVIDENDS

15. During the life of this ORDER, the Bank shall not pay cash dividends without the prior written consent of the Supervisory Authorities.

STRATEGIC PLAN

16. Within 90 days from the effective date of this ORDER, the Bank shall prepare and submit to the Supervisory Authorities its written strategic plan consisting of long-term goals designed to improve the condition of the Bank and its viability and strategies for achieving those goals. The plan shall be in a form and manner acceptable to the Supervisory Authorities, but at a minimum shall cover three years and provide specific objectives for asset growth, market focus, earnings projections, capital needs, and liquidity position.

PROGRESS REPORTS

17. (a) Within 30 days of the end of each calendar quarter following the effective date of this ORDER, the Bank shall furnish written progress reports to the Supervisory Authorities detailing the form, manner, and results of any actions taken to secure compliance with this ORDER.

(b) Such written progress reports shall provide cumulative details of the Bank's progress toward achieving compliance with each provision of the ORDER, including at a minimum:

- (i) Description of the identified weaknesses and deficiencies;
- (ii) Provision(s) of the ORDER pertaining to each weakness or deficiency;
- (iii) Actions taken or in-process for addressing each deficiency; and
- (iv) Results of the corrective actions taken;

The progress report requirements shall continue for the life of this ORDER unless modified or terminated in writing by the Supervisory Authorities. All progress reports and other written responses to this ORDER shall be reviewed by the Board and be made a part of the minutes of the appropriate Board meeting.

DISCLOSURE

18. Following the effective date of this ORDER, the Bank shall send, or otherwise furnish a description of, this ORDER to its shareholders in conjunction with the Bank's next shareholder communication and also in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe the ORDER in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC, Division of Supervision and Consumer Protection, Accounting and Securities Registration Disclosure Section, 550 17th Street, N.W., Room F-6066, Washington, D.C. 20429, and to the Office of Financial Regulation, Division of Financial Institutions, 200 East Gaines Street, Tallahassee, Florida 32399-0371, to review at least twenty (20) days prior to dissemination to shareholders. Any changes requested to be made by the Supervisory Authorities shall be made prior to dissemination of the description, communication, notice, or statement.

This ORDER shall become effective immediately upon the date of its issuance. The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this ORDER shall have been modified, terminated, suspended, or set aside in writing by the Supervisory Authorities.

Dated this 15th day of October, 2009.

/s/

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

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

Dated this 12th day of October, 2009.

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