

AGREEMENT BY AND BETWEEN

Republic Federal Bank National Association
Miami, Florida
and
The Comptroller of the Currency

Republic Federal Bank National Association, Miami, Florida ("Bank") and the Comptroller of the Currency of the United States of America ("Comptroller") wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

The Comptroller, through his National Bank Examiner, has examined the Bank, and his findings are more fully explained in the Report of Examination dated as of December 31, 2007 ("ROE").

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors ("Board"), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

Article I

JURISDICTION

(1) This Agreement shall be construed to be a "written agreement entered into with the agency" within the meaning of 12 U.S.C. § 1818(b)(1).

(2) This Agreement shall be construed to be a "written agreement between such depository institution and such agency" within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).

(3) This Agreement shall be construed to be a "formal written agreement" within the meaning of 12 C.F.R. § 5.51(c)(6)(ii). See 12 U.S.C. § 1831i.

(4) This Agreement shall be construed to be a "written agreement" within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(5) All reports or plans which the Bank or Board has agreed to submit to the Director for Special Supervision ("Director") pursuant to this Agreement shall be forwarded, by overnight mail, to the following:

Director for Special Supervision
Comptroller of the Currency
250 E Street, S.W.
Mail Stop 6-4
Washington, D.C. 20219

with a copy to:

South Florida Field Office
Comptroller of the Currency
Doral Costa Office Park
9800 Northwest 41st Street, Suite 120
Miami, Florida 33178

Article II

STRATEGIC PLAN

(1) Within ninety (90) days, the Board shall forward to the Director for his review pursuant to paragraph (4) of this Article a written Strategic Plan for the Bank covering at least a three-year period. At the next Board meeting following receipt of the Director's determination of no supervisory objection, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to the Strategic Plan. The Strategic Plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital adequacy,

reduction in the volume of nonperforming assets, product line development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives and, at a minimum, include:

- (a) a mission statement that forms the framework for the establishment of strategic goals and objectives;
- (b) a description of the Bank's targeted market(s) and an assessment of the current and projected risks and competitive factors in its identified target market(s);
- (c) the strategic goals and objectives to be accomplished;
- (d) specific actions to improve Bank earnings and accomplish identified strategic goals and objectives;
- (e) Bank personnel who are responsible and accountable for achieving each goal and objective of the strategic plan, including specific time frames;
- (f) a financial forecast to include projections for major balance sheet and income statement accounts, targeted financial ratios, and growth projections over the period covered by the strategic plan;
- (g) a description of the assumptions used to determine financial projections and growth targets;
- (h) an identification and risk assessment of the Bank's present product lines (assets and liabilities), and an identification and risk assessment of future product lines prior to the offering of such product lines that will be utilized to accomplish the strategic goals and objectives established in (1)(c) of this Article;

- (i) control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's operating environment;
- (j) an evaluation of the Bank's internal operations, staffing requirements, board and management information systems and policies and procedures for their adequacy and contribution to the accomplishment of the goals and objectives developed under (1)(c) of this Article;
- (k) a management employment and succession program to promote the retention and continuity of capable management;
- (l) assigned responsibilities and accountability for the strategic planning process, new products, growth goals, or proposed changes in the Bank's operating environment; and
- (m) a description of systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(2) On at least a monthly basis, the Board shall review reports prepared by the chief financial officer which shall include financial reports and earnings analyses that evaluate the Bank's performance against the Strategic Plan and that contain a written explanation of significant differences, including extraordinary and/or nonrecurring items, in actual vs. projected balance sheet, income and expense accounts. Upon completion, a copy of the reports shall be submitted to the Director.

(3) On at least a quarterly basis, the Board shall evaluate the Bank's performance against the Strategic Plan and require the Bank to prepare written explanations of the reasons behind any differences between actual performance and the Bank's strategic goals and objectives, and a description of the actions the Board will require the Bank to take to address any

shortcomings, which shall be documented in the Board meeting minutes. Upon completion, a copy of the evaluation shall be submitted to the Director.

(4) Prior to adoption by the Board, a copy of the Strategic Plan, and any subsequent amendments or revisions, shall be forwarded to the Director for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Director, the Bank shall immediately implement and adhere to the Strategic Plan.

(5) The Bank may not initiate any action which deviates significantly from the Board-approved Strategic Plan without a written determination of no supervisory objection from the Director. The Board must give the Director advance, written notice of its intent to deviate significantly from the Strategic Plan, along with an assessment of the impact of such change on the Bank's condition, including a profitability analysis and an evaluation of the adequacy of the Bank's organizational structure, staffing, management information systems, internal controls, and written policies and procedures to identify, measure, monitor, and control the risks associated with the change in the Strategic Plan.

(6) For the purposes of this Article, changes that may constitute a significant deviation from the Strategic Plan include, but are not limited to, a change in the Bank's marketing strategies, marketing partners, underwriting practices and standards, credit administration, account management, collection strategies or operations, fee structure or pricing, accounting processes and practices, or funding strategy, any of which, alone or in aggregate, may have a material impact on the Bank's operations or financial performance; or any other changes in personnel, operations, or external factors that may have a material impact on the Bank's operations or financial performance. For purposes of this paragraph (6) personnel shall include

the president, chief executive officer, chief operating officer, chief financial officer, chief credit officer, chief compliance officer, risk manager, auditor, member of the Bank's board of directors, or any other position subsequently identified in writing by the Director.

(7) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to effectively implement and adhere to the plan developed pursuant to this Article.

Article III

CAPITAL PLAN AND HIGHER MINIMUMS

(1) The Bank shall maintain the following minimum capital levels (as defined in 12 C.F.R. Part 3)¹:

- (a) Tier 1 capital at least equal to ten percent (10%) of risk-weighted assets;
- (b) Tier 1 capital at least equal to seven percent (7%) of adjusted total assets.²

(2) Within ninety (90) days, the Board shall forward to the Director for his review pursuant to paragraph (3) of this Article a written Capital Plan for the Bank, consistent with the Bank's Strategic Plan required by Article II, covering at least a three-year period. At the next Board meeting following receipt of the Director's determination of no supervisory objection, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to the Capital Plan. The Capital Plan shall include:

- (a) specific plans for the maintenance of adequate capital that may in no event be less than the requirements of paragraph (1);

¹ The requirement in this Agreement to meet and maintain a specific capital level means that the Bank may not be deemed to be "well capitalized" for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 pursuant to 12 C.F.R. § 6.4(b)(1)(iv).

² Adjusted total assets is defined in 12 C.F.R. § 3.2(a) as the average total asset figure used for call report purposes minus end-of-quarter intangible assets.

- (b) projections for growth and capital requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;
- (c) projections of the sources and timing of additional capital to meet the Bank's future needs as set forth in the Strategic Plan;
- (d) the primary source(s) from which the Bank will maintain an appropriate capital structure to meet the Bank's future needs as set forth in the Strategic Plan;
- (e) contingency plans that identify alternative methods should the primary source(s) under (d) above not be available; and
- (f) a dividend policy that permits the declaration of a dividend only:
 - (i) when the Bank is in compliance with its approved Capital Plan and will remain in compliance with its approved Capital Plan and paragraph (1) of this Article immediately following the payment of any dividend;
 - (ii) when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and
 - (iii) following the prior written determination of no supervisory objection by the Director.

(3) Prior to adoption by the Board, a copy of the Capital Plan, and any subsequent amendments or revisions, shall be forwarded to the Director for review and prior written determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Director, the Bank shall immediately implement and adhere to the Capital Plan.

(4) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to effectively implement and adhere to the plan developed pursuant to this Article.

Article IV

BOARD TO ENSURE COMPETENT MANAGEMENT

(1) The Board shall ensure that the Bank has competent management in place on a full-time basis in the positions of chairman of the board and chief executive officer, president, chief compliance officer, chief credit officer, and chief financial officer to carry out the Board's policies; ensure compliance with this Agreement; ensure compliance with applicable laws, rules and regulations; and manage the day-to-day operations of the Bank in a safe and sound manner.

(2) For each incumbent officer in the positions mentioned in paragraph (1) of this Article, the Board shall, within ninety (90) days, oversee the preparation of a written assessment of the capabilities of the officer to perform present and anticipated duties, taking into account the findings contained in the ROE and prior Reports of Examination, and factoring in the officer's past actual performance, experience, and qualifications, compared to their position description, duties and responsibilities, with particular emphasis on their responsibilities to execute the Strategic Plan, pursuant to Article II and correct the concerns raised in the ROE. Upon completion, a copy of the written assessment shall be submitted to the Director.

(3) If the Board determines that an officer's performance, skills or abilities needs improvement, the Board will, within sixty (60) days following its determination, require the Bank to develop and implement a written program, with specific time frames, to improve the officer's performance, skills and abilities. Upon completion, a copy of the written program shall be submitted to the Director.

(4) If the Board determines that an officer will not continue in his/her position or if an officer's duties will change, the Board shall document the reasons for this decision in its assessment performed pursuant to paragraph (2) of this Article. For any position mentioned in paragraph (1) of this Article that becomes vacant now or in the future, or if the Board realigns an existing officer's responsibilities and a position mentioned in paragraph (1) of this Article becomes vacant, the Board shall within ninety (90) days of such vacancy select a capable person for the vacant position who shall be vested with sufficient executive authority to ensure the Bank's compliance with this Agreement and the safe and sound operation of functions within the scope of that position's responsibility.

(5) Immediately upon selection and prior to the appointment of any individual pursuant to paragraph (4), the Board shall submit to the Director written notice as required by 12 C.F.R. § 5.51 and in accordance with the Comptroller's Licensing Manual. The Director shall have the power to disapprove the appointment of the proposed officer. However, the failure to exercise such veto power shall not constitute an approval or endorsement of the proposed officer. The requirement to submit information and the prior disapproval provisions of this Article are based on the authority of 12 U.S.C. § 1818(b)(6)(E) and do not require the Comptroller to complete the review and act on any such information within ninety (90) days.

(6) The Board shall perform, at least annually, a written performance appraisal for the chief executive officer and president, and shall review the written performance appraisal for each incumbent officer in the remaining positions mentioned in paragraph (1) of this Article, which establishes objectives by which the officer's effectiveness will be measured and evaluates performance according to the position's description and responsibilities, and actions taken to remedy issues raised in Reports of Examination or audit reports. Upon completion, a copy of the

performance appraisal shall be submitted to the Director. The Board shall require and ensure that the Bank addresses any identified deficiencies in a manner consistent with paragraphs (2) or (3) of this Article.

Article V

BOOKS, RECORDS AND FINANCIAL REPORTING

(1) The Board shall immediately require the Bank to take all necessary actions to ensure that by September 30, 2008, the Bank's books, records and management information systems (MIS) are maintained in a complete and accurate condition and supported by subsidiary records which provide a clear audit trail.

(2) All books and records of the Bank, including subsidiary records and other supporting documents, are to be maintained in the English language, except for documents related to loans that are guaranteed or insured by the Export-Import Bank of the United States or by a private insurer. Except as permitted by the preceding sentence, any documents in a language other than English, which are received by the Bank from any source and are used to support or substantiate the Bank's books and records, must be translated into English within forty-five (45) days of receipt by the Bank.

(3) Within thirty (30) days, the Bank shall resolve all general ledger accounts which are in an out-of-balance condition. The Board shall ensure that all Bank general ledger accounts are reconciled on at least a monthly basis, that reconcilements are reviewed and approved by an officer independent of the operation of the account, and that the resolution (including charge-off) of reconciling differences is documented and occurs within thirty (30) days of discovery.

(4) Within thirty (30) days, the Board shall adopt and the Bank shall implement (subject to Board review and ongoing monitoring) an Officer Expense policy which establishes

the required documentation to support business expenses charged to the Bank, sets time frames for submission of expense reports and supporting documentation, and holds officers accountable for compliance with the Bank's Officer Expense policy. The policy shall also describe the Bank's accounting procedures for reporting non-business expenses paid on behalf of Bank officers on IRS W-2 or other applicable IRS forms.

(5) The Board shall ensure that the Bank has effective procedures in place so that the Bank's Consolidated Reports of Condition and Income are completed pursuant to the Instructions for Preparation of Consolidated Reports of Condition and Income, and are fully supported by subsidiary records and work papers which provide a clear audit trail.

Article VI

LOAN PORTFOLIO MANAGEMENT

(1) The Board shall, within sixty (60) days, submit to the Director pursuant to paragraph (3) of this Article a written credit policy to improve the Bank's loan portfolio management. At the next Board meeting following receipt of the Director's determination of no supervisory objection, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement and thereafter ensure adherence to the written credit policy. The credit policy shall include, but not be limited to:

- (a) requirements that extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining current and sufficient credit information to fully assess the borrower's cash flow, debt service requirements, contingent liabilities, and liquidity on a global basis, and only after preparing a documented credit analysis;

- (b) a description of the types of credit information required on borrowers and guarantors including, but not limited to, annual audited statements, interim financial statements, personal financial statements, supporting schedules and tax returns.
- (c) procedures to validate and analyze income and liquidity sources for extensions of credit to all borrowers, including those which are foreign entities and those which have foreign guarantors;
- (d) adequate training in cash flow preparation and analysis, particularly from tax returns, for Bank personnel performing credit analyses, and processes to ensure that additional training is provided as needed;
- (e) procedures to ensure that extensions of credit are granted, by renewal or otherwise, to any borrower only after obtaining and documenting a current valuation of collateral, with the exception of real estate collateral which is addressed in Article VII;
- (f) procedures and controls to periodically verify the existence and lien position of collateral;
- (g) procedures which prohibit, on any loan renewal or extension, the establishment of an interest reserve using any Bank loan proceeds to the same borrower, provided that where an interest reserve is funded by a Bank loan to another borrower, that loan fully complies with the requirements of subparagraph (a) above, and further, the loan receiving such an interest reserve shall not be considered a performing loan and shall be placed on nonaccrual;

- (h) procedures which prohibit, on any loan renewal or extension, the capitalization of accrued interest;
- (i) procedures which establish time frames to resolve credit and collateral documentation exceptions;
- (j) early problem loan identification to assure that credits are accurately risk rated on at least a monthly basis, pursuant to the risk ratings definitions contained in the Bank's credit policy and consistent with regulatory guidance;
- (k) a performance appraisal process, including performance appraisals, job descriptions, and incentive programs for loan officers, which adequately consider their performance relative to policy compliance, documentation standards, accuracy in credit grading, and other loan administration matters; and
- (l) procedures to track and analyze concentrations of credit, significant economic factors, and general conditions and their impact on the credit quality of the Bank's loan portfolio.

(2) Where the Bank deviates from the Bank's credit policy, exceptions shall be clearly documented on the loan offering sheet, problem loan report and other management information systems, and these exceptions shall receive the prior written approval by the Board or a committee thereof.

(3) Upon completion, a copy of the credit policy shall be forwarded to the Director for a determination of no supervisory objection. Upon receiving a determination of no supervisory objection from the Director, the Bank shall immediately implement and adhere to the program.

(4) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to effectively implement and adhere to the policy developed pursuant to this Article.

Article VII

APPRAISALS OF REAL PROPERTY

(1) The Board shall require the Bank to obtain a current independent appraisal on any loan in excess of \$750,000 that is secured by real property when the borrower has failed to comply with the contractual terms of the loan agreement and an analysis of current financial information does not demonstrate the ongoing ability of the borrower to perform in accordance with the contractual terms of the loan agreement. Such appraisal shall be ordered within thirty (30) days following the borrower's failure to comply with the contractual terms of the loan agreement, including those loans that are sixty (60) days or more past due.

(2) Within ninety (90) days, the Board shall require and ensure the Bank develops and implements an appraisal review and analysis process to ensure that appraisals conform to appraisal standards and regulations. The appraisal review and analysis process shall ensure:

- (a) that appraisals are performed in accordance with 12 C.F.R. Part 34;
- (b) are consistent with the guidance in *OCC Bulletin 2005-6*, "Appraisal Regulations and the Interagency Statement on Independent Appraisal and Evaluation Functions: Frequently Asked Questions", dated March 22, 2005;
and
- (c) are consistent with *Advisory Letter 2003-9*, "Independent Appraisal and Evaluation Function", dated October 28, 2003.

(3) Written documentation supporting each appraisal review and analysis shall be retained in the loan file along with the appraisal.

(4) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to effectively implement and adhere to the processes developed pursuant to this Article, and that Bank personnel are sufficiently trained to execute their duties and responsibilities under this Article.

Article VIII

CRITICIZED ASSETS

(1) The Bank shall take immediate and continuing action to protect its interest in those assets criticized in the ROE, in any subsequent Report of Examination, by internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination.

(2) Within ninety (90) days, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement, and thereafter ensure Bank adherence to a written program designed to eliminate the basis of criticism of assets criticized in the ROE, in any subsequent Report of Examination, by any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination as "doubtful," "substandard," or "special mention." This program shall include, at a minimum:

- (a) an identification of the expected sources of repayment;
- (b) the appraised value of supporting collateral and the position of the Bank's lien on such collateral where applicable;
- (c) an analysis of current and satisfactory credit information, including cash flow analysis where loans are to be repaid from operations, consistent with the requirements of Article VI, paragraph (1); and

(d) the proposed actions to eliminate the basis of criticism and the time frame for its accomplishment.

(3) Upon adoption, a copy of the program for all criticized assets equal to or exceeding five hundred thousand dollars (\$500,000) shall be forwarded to the Director.

(4) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to effectively implement and adhere to the program developed pursuant to this Article.

(5) The Board, or a designated committee, shall conduct a review, on at least a monthly basis, to determine:

- (a) the status of each criticized asset or criticized portion thereof that equals or exceeds five hundred thousand dollars (\$500,000);
- (b) management's adherence to the program adopted pursuant to this Article;
- (c) the status and effectiveness of the written program; and
- (d) the need to revise the program or take alternative action.

(6) A copy of each review shall be forwarded to the Director on a monthly basis.

(7) The Bank may extend credit, directly or indirectly, including renewals or extensions, to a borrower whose loans or other extensions of credit are criticized in the ROE, in any subsequent Report of Examination, in any internal or external loan review, or in any list provided to management by the National Bank Examiners during any examination and whose aggregate loans or other extensions exceed five hundred thousand (\$500,000) only if each of the following conditions is met:

- (a) the Board or designated committee finds that the extension of additional credit is necessary to promote the best interests of the Bank and that prior to renewing or extending any additional credit, a majority of the full Board

(or designated committee) approves the credit extension and records, in writing, why such extension is necessary to promote the best interests of the Bank;

- (b) the Bank performs a credit and collateral analysis as required by Article VI, paragraph (1); and
- (c) if necessary, the written program adopted pursuant to paragraph (2) of this Article is revised.

(8) A copy of the approval of the Board or of the designated committee shall be maintained in the file of the affected borrower.

Article IX

LOAN REVIEW

(1) The Board shall engage the services of a qualified individual independent of the Bank's lending function to perform an asset quality review of the Bank on at least an annual basis. This independent loan review process shall be utilized until such time as an ongoing internal asset quality review system is developed by the Board, implemented and determined by the Director to be effective.

(2) The Board shall provide a copy of any future contract, agreement or engagement letter regarding the engagement of services for an independent loan review to the Director for review prior to the execution of the contract or agreement.

Article X

ALLOWANCE FOR LOAN AND LEASE LOSSES

(1) The Board shall require the Bank to maintain a program for the maintenance of an adequate Allowance for Loan and Lease Losses ("ALLL") that is designed in light of the

comments on maintaining a proper ALLL found in the FFIEC Interagency Policy Statement on the ALLL contained in OCC 2006-47 dated December 13, 2006, and the "Allowance for Loan and Lease Losses" booklet of the Comptroller's Handbook, and shall address the following:

- (a) internal risk ratings of loans;
- (b) results of the Bank's external loan review;
- (c) criteria for determining which loans will be reviewed under Financial Accounting Standard ("FAS") 114, how impairment will be determined, and procedures to ensure that the analysis of loans complies with FAS 114 requirements;
- (d) criteria for determining FAS 5 loan pools and an analysis of those loan pools;
- (e) recognition of non-accrual loans in conformance with GAAP and FFIEC policy;
- (f) loan loss experience;
- (g) trends of delinquent and non-accrual loans;
- (h) concentrations of credit in the Bank; and
- (i) present and prospective economic and market conditions.

(2) The program shall provide for a review of the ALLL by the Board at least once each calendar quarter. Any deficiency in the ALLL shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Reports of Condition and Income, by additional provisions from earnings. Written documentation shall be maintained indicating the factors considered and conclusions reached by the Board in determining the adequacy of the ALLL.

(3) A copy of the Board's program, and any subsequent revisions to the program, shall be submitted to the Director for review.

(4) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to effectively implement and adhere to the program developed pursuant to this Article.

Article XI

FORECLOSED ASSETS

(1) Within sixty (60) days, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement, and thereafter ensure Bank adherence to written policy and procedures to require the timely and accurate recognition and reporting of foreclosed or repossessed collateral, or assets taken in lieu of foreclosure. The policies and procedures shall, at a minimum:

- (a) require that an independent, written fair value analysis prepared in conformance with FAS 157 is obtained prior to booking the asset;
- (b) require that the asset is accounted for at "fair value" (less cost to sell) consistent with FAS 157; and
- (c) require that all foreclosed or repossessed assets be reported in a manner consistent with the Instructions for Preparation of Consolidated Reports of Condition and Income, and that this reporting, including any loss contingencies, occurs in the same quarter when physical possession of the asset is received.

(2) Upon adoption, a copy of the policy shall be submitted to the Director for review.

(3) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to effectively implement and adhere to the policy developed pursuant to this Article.

Article XII

VIOLATIONS OF LAW

(1) The Board shall immediately require the Bank to take all necessary steps to ensure that Bank management corrects each violation of law, rule or regulation cited in the ROE and in any subsequent Report of Examination to the extent those violations of law are capable of correction. The monthly progress reports required by Article XIII of this Agreement shall include the date and manner in which each correction has been effected during that reporting period.

(2) Within forty-five (45) days, the Board shall adopt and the Bank (subject to Board review and monitoring) shall implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and to general procedures addressing compliance management which incorporate internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(3) Within forty-five (45) days of receipt of any subsequent Report of Examination which cites violations of law, rule, or regulation, the Board shall adopt and the Bank (subject to Board review and ongoing monitoring) shall implement, and thereafter ensure Bank adherence to specific procedures to prevent future violations as cited in the ROE and to general procedures addressing compliance management which incorporate sufficient internal control systems and education of employees regarding laws, rules and regulations applicable to their areas of responsibility.

(4) Upon adoption, a copy of these procedures shall be promptly forwarded to the Director.

(5) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to effectively implement and adhere to the procedures developed pursuant to this Article.

Article XIII

COMPLIANCE COMMITTEE

(1) Within ten (10) days of the date of this Agreement, the Board shall appoint a Compliance Committee of at least three (3) directors, none of whom shall be an employee or controlling shareholder of the Bank or any of its affiliates (as the term "affiliate" is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. Upon appointment, the names of the members of the Compliance Committee and, in the event of a change of the membership, the name of any new member shall be submitted in writing to the Director. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Agreement.

(2) The Compliance Committee shall meet at least monthly.

(3) Within forty-five (45) days of the date of this Agreement and every thirty (30) days thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) a description of the action needed to achieve full compliance with each Article of this Agreement;
- (b) actions taken to comply with each Article of this Agreement; and
- (c) the results and status of those actions.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Director within fifteen (15) days of receiving such report.

Article XIV

CLOSING

(1) Although the Board has agreed to submit certain programs and reports to the Director for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him/her by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Director for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

(5) Upon execution of this Agreement, the Memorandum of Understanding dated November 1, 2005 is hereby terminated.

(6) In each instance in this Agreement in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

- (a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Agreement;
- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement;
- (c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner of any non-compliance with such actions.

(7) This Agreement is intended to be, and shall be construed to be, a supervisory "written agreement entered into with the agency" as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract. The Bank also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to

amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

signed

Ronald G. Schneck
Director for Special Supervision
Office of the Comptroller of the Currency

June 24, 2008

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

signed

Marcos Ackerman

June 24, 2008

Date

signed

Walter R. Cook

June 24, 2008

Date

signed

Rafael Diaz

June 24, 2008

Date

signed

Alan L. Freeman

June 24, 2008

Date

signed

Oscar Gaetan

June 24, 2008

Date

Marvin D. Lando

Date

signed

Daniel M. Schwartz

June 24, 2008

Date