

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made and is effective this 28th day of August, 2009 (Effective Date), by and between MRCB Holdings, Inc., Palmetto, Florida, OTS Docket No. H-3952 (Holding Company), a savings and loan holding company of its wholly-owned savings association subsidiary Manatee River Community Bank, Palmetto, Florida, OTS Docket No. 15352 (Association), acting by and through the Holding Company's 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 Holding Company pursuant to the Home Owners' Loan Act (HOLA), 12 U.S.C. §§ 1461 *et seq.*, and is the Holding Company'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 March 30, 2009 examination of the Holding Company (2009 Examination), the OTS finds that the Holding Company has engaged in unsafe or unsound practices and has other weaknesses and deficiencies that have resulted in the Association being in an unsafe or unsound condition primarily due to credit concentrations in higher risk loans, rising loan delinquencies, increases in the level of problem assets, and inadequate levels of capital and allowance for loan and lease losses (ALLL); and

WHEREAS, the Holding Company, which is subject to examination, regulation and supervision by the OTS, is taking steps to address the unsafe or unsound practices and other weaknesses and deficiencies identified by the OTS; and

WHEREAS, in furtherance of their common goal to ensure that the Holding Company continues to address the unsafe or unsound practices and weaknesses and deficiencies identified by the OTS, the Holding Company and the OTS have mutually agreed to enter into this Agreement.

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

Capital

1. By October 30, 2009, the Board shall prepare and submit for Regional Director review and comment, a written plan to preserve and enhance the capital of the Holding Company and the Association (Capital Augmentation Plan). At a minimum, the Capital Augmentation Plan shall:

a. consider and address the requirements and restrictions imposed by this Agreement and the Supervisory Agreement between the OTS and the Association dated August _____, 2009 (Association Agreement);

b. establish the timeframes by which additional capital will be raised;

c. detail the method by which the additional capital will be raised and identify the sources of such capital;

d. establish an alternative strategy, including but not limited to, seeking a merger or acquisition partner, to be implemented immediately if the Board's primary strategy to raise additional capital is unsuccessful; and

e. require the Senior Executive Officers (Management) ¹ to prepare and submit for Board review at each regular monthly Board meeting beginning with the August 2009 Board meeting, a written report on the Association's compliance with the Capital Augmentation Plan and the Association's current capital levels (Capital Status Report).

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

The Board shall make any changes to the Capital Augmentation Plan required by the Regional Director within twenty (20) days after being notified of such changes and provide a copy of the revised Capital Augmentation Plan to the Regional Director for review.

2. Upon receipt of approval of or non-objection to the Capital Augmentation Plan from the Regional Director, the Board shall adopt the Capital Augmentation Plan and the Capital Augmentation Plan shall be incorporated herein by reference and become a part of this Agreement and any violation of the Capital Augmentation Plan shall be a violation of this Agreement. The Board shall ensure that the Holding Company and the Association adhere to and implement 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.

3. If the Board determines that the additional capital proposed in the revised Capital Augmentation Plan cannot be raised in the amounts or within the timeframes detailed in the revised Capital Augmentation Plan, the Board shall: (a) provide the Regional Director with written notice of its determination that the commitments established in the revised Capital Augmentation Plan cannot be fulfilled on the next business day following such determination (Capital Notice); and (b) immediately implement the alternative strategy established under Paragraph 1.d of this Agreement. Not later than fourteen (14) days after issuance of the Capital Notice and every fourteen (14) days thereafter, the Board shall provide the Regional Director with a written update on the status of its efforts to implement the alternative strategy approved in the revised Capital Augmentation Plan. The Board shall provide the Regional Director with a copy of a definitive merger agreement or other alternative strategy documentation within ten (10) days after execution.

Strategic Plan.

4. By October 30, 2009, the Board shall prepare and submit for Regional Director review and comment, a comprehensive strategic plan that covers the fourth quarter of calendar year 2009, calendar years 2010 and 2011, and the first three quarters of calendar year 2012 (Strategic Plan). The Strategic Plan shall set forth the Board's strategy for improving the financial strength and condition of the Holding Company and strengthening and improving the Association's operations and financial condition. At a minimum, the Strategic Plan shall: (a) consider the Capital Augmentation Plan required by Paragraph 1 of this Agreement; (b) include a detailed discussion of the Board's strategies to strengthen and improve the Holding Company and the Association's operations, earnings, and profitability, including plans for reducing the Association's operating expenses and the Holding Company's debt; (c) detail the Board's strategies for strengthening and preserving the Association's financial resources to meet its business and operational needs, adequately support the Association's risk profile, maintain compliance with applicable regulatory capital requirements, and ensure adequate liquidity; (d) include pro forma financial projections (balance sheet and income statement) for each quarter covered by the Strategic Plan; and (e) identify all relevant assumptions and projections and include documentation supporting such assumptions and projections.

5. The Board shall make any changes to the Strategic Plan required by the Regional Director within twenty (20) days after being notified of such changes and provide a copy of the revised Strategic Plan to the Regional Director for review. Upon receipt of approval of or non-objection to the revised Strategic Plan from the Regional Director, the Board shall adopt the revised Strategic Plan and the revised Strategic Plan shall be incorporated herein by reference and become a part of this Agreement and any violation of the revised Strategic Plan shall be a

violation of this Agreement. The Board shall ensure that the Holding Company adheres to and implements the revised Strategic Plan. A copy of the revised Strategic 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. Any material modifications to the Strategic Plan shall be submitted to the Regional Director for approval at least forty-five (45) days prior to implementation. A modification shall be considered material under this section of the Agreement if the Holding Company plans to: (a) engage in any activity that is inconsistent with the revised Strategic Plan; or (b) exceed the level of any activity contemplated in the revised Strategic Plan or fail to meet target amounts established in the revised Strategic 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 (25%) shall be deemed to be a material modification.

6. The Board shall provide the Regional Director with quarterly status reports on the Holding Company's compliance with the revised Strategic Plan within thirty (30) days after the close of each calendar quarter beginning with the calendar quarter ending December 31, 2009.

Dividends.

7. Effective immediately, the Holding Company shall neither accept nor request that the Association make or pay any dividends or other capital distributions, as that term is defined in 12 C.F.R. § 563.134, or commit to make or pay dividends or any other capital distributions, without receiving the prior written approval of the Regional Director. The Holding Company's written request for such approval shall be submitted to the Regional Director at least forty-five (45) days prior to the anticipated date of the proposed dividend payment or distribution of capital.

8. Effective immediately, the Holding Company shall not declare or pay any dividends or other capital distributions without the prior written approval of the Regional Director. The Holding Company's written request for such approval shall be submitted to the Regional Director at least forty-five (45) days prior to the anticipated date of the proposed dividend payment or distribution of capital.

Debt Limitations.

9. Effective immediately, the Holding Company shall not incur, issue, renew, or rollover any debt or debt securities, increase any current lines of credit, guarantee the debt of any entity, or otherwise incur any additional debt without receiving the prior written approval of the Regional Director. All written requests to the Regional Director shall include, at a minimum, a statement regarding the purpose of the debt, the terms of the debt, the planned source(s) for debt repayment, and an analysis of the cash flow resources available to meet such debt repayment. The Holding Company's written request for such approval shall be submitted to the Regional Director at least forty-five (45) days prior to the anticipated date of the proposed debt issuance, renewal, or rollover.

10. Effective immediately, the Holding Company shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Regional Director. The Holding Company's written request for such approval shall be submitted to the Regional Director at least forty-five (45) days prior to the anticipated date of the proposed stock purchase or redemption.

Thrift Oversight.

11. Effective immediately, the Holding Company shall ensure the Association's compliance with applicable laws, rules, regulations, and agency guidance and all the terms of the Association Agreement.

Management Changes.

12. Effective immediately, the Holding Company 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.

13. Effective immediately, the Holding Company shall not enter into, renew, extend, or revise any contractual arrangement relating to compensation or benefits for any Senior Executive Officer or director of the Holding Company, unless it first provides the OTS 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.

14. Effective immediately, the Holding Company shall not make any golden parachute payment² or prohibited indemnification payment³ unless, with respect to each such payment, the

² The term "golden parachute payment" is defined at 12 C.F.R. § 359.1(f).

³ The term "prohibited indemnification payment" is defined at 12 C.F.R. § 359.1(l).

Holding Company 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 Contracts.

15. Effective immediately, the Holding Company shall not enter into any arrangement or contract with a third party service provider that is significant⁴ to the overall operation or financial condition of the Holding Company or outside the Holding Company's normal course of business unless, with respect to each such contract, the Holding Company 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.

16. Effective immediately, the Holding Company shall provide the OTS with written notice of all 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 Holding Company enters into the contract; or (b) the date on which the performance of the service is initiated. The 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.

Effective Date.

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

⁴ A contract shall be considered significant to the overall operation or financial condition of the Holding Company where the annual contract amount equals or exceeds two (2) percent of the Holding Company's total capital.

Duration.

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

Time Calculations.

19. 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.

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

Submissions and Notices.

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

22. 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 the OTS:
Arthur W. Goodhand, Acting Regional Director
Office of Thrift Supervision
1475 Peachtree St., NE
Atlanta, Georgia 30309
404.897.1861 (Fax)

- b. To the Holding Company:
Board of Directors
c/o James E. Boyd, Chairman
MRCB Holdings, Inc.
430 8th Avenue West
Palmetto, FL 34221
941.721.8323 (Fax)

No Violations Authorized.

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

OTS Authority Not Affected.

24. Nothing in this Agreement shall inhibit, estop, bar or otherwise prevent OTS from taking any other action affecting the Holding Company 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.

25. The Holding Company acknowledges and agrees that its execution of the Agreement is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 24 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Holding Company that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than OTS.

Miscellaneous.

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

27. 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.

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

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

30. 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.

31. This Agreement is a “written agreement” entered into with an agency within the meaning and for the purposes of 12 USC §§ 1818(b)(1), 1818(e)(1), 1818(i)(2), and 1818(u)(1)(A).

Signature of Directors/Board Resolution.

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

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