

OFFICE OF THRIFT SUPERVISION

APPROVAL OF HOLDING COMPANY APPLICATION AND
RELATED APPLICATIONS

ORDER NO.: 96-33

DATE: April 8, 1996

Harbor Financial, M.H.C., Fort Pierce, Florida (the "Mutual Holding Company"), seeks approval of the Office of Thrift Supervision ("OTS"): (i) under 12 U.S.C. § 1464 and 12 C.F.R. § 552.2-2 to form an interim federal savings bank ("Interim"); (ii) under 12 U.S.C. §§ 1467a(e) and 1828(c), and 12 C.F.R. §§ 552.13, 563.22, and 574.3 to acquire Treasure Coast Bank, A Federal Savings Bank, Stuart, Florida (the "Savings Bank") through the merger of the Interim into the Savings Bank; (iii) under 12 U.S.C. § 1828(c) and 12 C.F.R. §§ 552.13 and 563.22 for the Savings Bank, as the survivor of the merger with the Interim, to merge into the Mutual Holding Company's wholly owned subsidiary, Harbor Federal Savings Bank, Fort Pierce, Florida (the "Subsidiary"); and (iv) under 12 C.F.R. § 563.134 for the Subsidiary to make a capital distribution in connection with the proposed cash-out merger. (The foregoing filings are referred to as the "Applications").

The OTS has considered the Applications under the factors set forth in 12 U.S.C. §§ 1464, 1467a(e), 1467a(o), and 1828(c), and 12 C.F.R. §§ 552.2-2, 552.13, 563.22, 563.134, 574.7 and 575.10, and under the Community Reinvestment Act, 12 U.S.C. § 2901, et seq., and the OTS regulations thereunder at 12 C.F.R. Part 563e. In addition, the OTS has considered a digest, dated February 9, 1996, from the OTS Southeast Regional Office, an analysis dated April 2, 1996, prepared by Corporate Activities, and a legal opinion, dated April 1, 1996, from the Business Transactions Division. Based on the foregoing statutes, regulations, and materials, the OTS has determined that the proposed transactions would be in compliance with all of the applicable standards and criteria, provided the conditions set forth below are satisfied. Accordingly, the Applications are hereby approved, provided that each of the following conditions is complied with in a manner satisfactory to the Southeast Regional Director ("Regional Director"):

1. The proposed transaction shall be consummated in accordance with the Agreement of Merger, dated September 13, 1995, no earlier than

15 calendar days and no later than 120 calendar days after the date of this order unless an extension of time is granted for good cause by the Regional Director;

2. On the business day prior to the date of consummation of the proposed transaction, the chief financial officers of the Mutual Holding Company, the Subsidiary and the Savings Bank shall certify to the Regional Director, in writing, that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Mutual Holding Company, the Subsidiary and the Savings Bank, respectively, since the date of the financial statements submitted with the application;

3. The organization of the Interim is completed pursuant to 12 C.F.R. § 552.2-1(h);

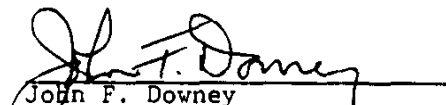
4. Upon the completion of the organization of the Interim, the board of directors of the Interim shall ratify the Agreement of Merger;

5. The Interim has not opened for business;

6. No later than 5 calendar days from the date of consummation of the proposed transaction, the Mutual Holding Company shall file with the Regional Director, a certification by legal counsel stating the effective date of the proposed transaction and that the proposed transaction has been consummated in accordance with the provisions of all applicable laws and regulations, the Applications, the Agreement of Merger and this order; and

7. The Subsidiary shall advise each accountholder whose withdrawable accounts in the Subsidiary would increase above \$100,000 as a result of the proposed transaction of the effect of the transaction on insurance coverage no later than 30 calendar days after the date of consummation of the proposed transaction.

By Order of the Acting Director of the Office of Thrift Supervision, or his designee, effective April 8, 1996.


John F. Downey
Executive Director, Supervision