

UNITED STATES OF AMERICA
BEFORE
THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

STATE OF MARYLAND
DIVISION OF FINANCIAL REGULATION
BALTIMORE, MARYLAND

Written Agreement by and among)	
)	
AMERICASBANK CORP)	
Towson, Maryland)	Docket Nos. 01-11-WA/RB-HC
)	01-11-WA/RB-SM
AMERICASBANK)	
Towson, Maryland)	
)	
FEDERAL RESERVE BANK)	
OF RICHMOND)	
Richmond, Virginia)	
)	
and)	
)	
MARYLAND DIVISION)	
OF FINANCIAL REGULATION)	
Baltimore, Maryland)	

WHEREAS, in recognition of their common goal to restore and maintain the financial soundness of AmericasBANK Corp, Towson, Maryland (the "BHC"), a registered bank holding company, and its subsidiary bank, AmericasBANK, Towson, Maryland (the "Bank"), a state chartered bank that is a member of the Federal Reserve System, the BHC, the Bank, the Federal Reserve Bank of Richmond (the "Reserve Bank"), and the state of Maryland Division of Financial Regulation (the "Commissioner") have mutually agreed to enter into this Written Agreement (the "Agreement"); and

WHEREAS, on August 3rd, 2001 the boards of directors of the BHC and the Bank, at duly constituted meetings adopted resolutions authorizing and directing,

Kenneth D. Pezulla Chairman of the board of directors of the BHC, and Kenneth D. Pezulla Chairman of the board of directors of the Bank, to enter into this Agreement on behalf of the BHC and the Bank, respectively, and consented to compliance by the BHC and the Bank and their institution-affiliated parties, as defined by sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813(u) and (b)(3)) (the "FDI Act"), with each and every applicable provision of this Agreement.

NOW, THEREFORE, the BHC, the Bank, the Reserve Bank, and the Commissioner agree as follows:

1. Within 30 days of this Agreement, the boards of directors of the BHC and the Bank shall review the current structure and composition of their respective boards of directors and committees to determine if they are suitable and appropriate for the size and needs of the BHC and the Bank. The review shall, at a minimum, identify: (i) the number of director positions needed to properly supervise the management and affairs of the BHC and the Bank, and (ii) the responsibilities of the respective boards of directors and committees. The BHC and the Bank shall submit to the Reserve Bank and the Commissioner a written report that includes findings, conclusions, and a description of specific actions that each board of directors proposes to take to improve the efficiency and effectiveness of each board of directors and any committees thereof.

2. Within 60 days of this Agreement, the Bank's board of directors shall submit to the Reserve Bank and the Commissioner a written plan to strengthen board oversight and management information systems. The plan shall, at a minimum, address, consider, and include:

(a) The actions that the Bank's board of directors will take to improve the Bank's condition and to maintain effective control over and supervision of the senior management, major operations, and activities of the Bank, including, at a minimum:

- (i) the credit risk management program, including underwriting, loan policy exceptions, and collections;
- (ii) interest rate risk;
- (iii) operational risk;
- (iv) accounting practices;
- (v) internal controls and recordkeeping procedures; and
- (vi) the budgeting process;

(b) the responsibility of the Bank's board of directors to monitor management's adherence to approved Bank policies, guidelines, and the business plan, and exceptions thereto;

(c) deficiencies related to board of directors' oversight of management noted in the combined report of inspection of the BHC and examination of the Bank conducted by the Reserve Bank and the Commissioner in March 2001 (the "Report of Examination"); and

(d) a detailed description of the information to be included in periodic reports that will be reviewed by the Bank's board of directors in its oversight of the operations and management of the Bank, including, at a minimum, information on the Bank's portfolio mix of loan types, loans to insiders, adversely classified assets, loan loss reserve adequacy, and earnings.

3. Within 90 days of this Agreement, the Bank's board of directors shall conduct a review of the functions and performance of the Bank's officers and employees and shall forward to the Reserve Bank and the Commissioner a written report that includes findings, conclusions, and a description of specific actions that the Bank's board of directors proposes to take to strengthen the Bank's management. The primary purpose of the review shall be to aid in the development of a management structure that is adequately staffed by qualified and trained personnel suitable to the Bank's needs. The review shall, at a minimum, address, consider, and include:

- (a) Identification of the type and number of officer positions needed to manage and properly supervise the affairs of the Bank, and the number of employee positions needed to adequately staff the Bank;
- (b) an evaluation of each officer to determine whether the individual possesses the ability, experience, and other qualifications required to perform competently present and anticipated duties, including the ability to adhere to the Bank's established policies and procedures, restore and maintain the Bank to a safe and sound condition, and comply with the requirements of this Agreement;

- (c) deficiencies related to management noted in the Report of Examination;
and
- (d) a plan to recruit, hire, or appoint replacement personnel, as needed, with the requisite ability, experience, and other qualifications required to perform competently their assigned duties.

4. Within 60 days of this Agreement, the BHC and the Bank shall submit to the Reserve Bank and the Commissioner an acceptable joint written plan to maintain sufficient capital at the Bank. The plan shall, at a minimum, address, consider, and include:

- (a) The Bank's current and future capital requirements, including compliance with the Capital Adequacy Guidelines of the Board of Governors (12 C.F.R. Part 208, App. A and B);
- (b) any planned growth in the Bank's assets;
- (c) the Bank's level of concentrations of credit;
- (d) the volume of the Bank's adversely classified assets;
- (e) the Bank's anticipated level of retained earnings; and
- (f) the source and timing of additional funds to fulfill the future capital and allowance for loan and lease loss needs of the Bank.

5. (a) Within 30 days of this Agreement, the Bank shall: (i) review and grade all mortgage loans acquired from third parties to determine the Bank's risk exposure to such loans, and (ii) submit to the Reserve Bank and the Commissioner an acceptable plan and procedures to monitor such loans.

(b) Within 30 days after the end of each calendar quarter (September 30, December 31, March 31, and June 30) following the date of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner a quarterly written report regarding the status of all loans acquired from third parties. The report shall include, at a minimum, the current loan balance, date and amount of payments received, changes in the nature and value of supporting collateral, and an estimate of any current or anticipated losses.

6. Within 30 days of this Agreement, the Bank shall achieve and, thereafter, maintain, through charges to current operating income, an adequate valuation reserve for loan losses. The adequacy of the reserve shall be determined in light of the volume of criticized loans, the current level of past due and nonperforming loans, past loan loss experience, evaluation of the probable losses in the Bank's loan portfolio, including the potential for the existence of unidentified losses in loans adversely classified and mortgage loans acquired from third-parties, and the imprecision of loss estimates, and the requirements of the Interagency Policy Statements on the Allowance for Loan and Lease Losses, dated December 22, 1993 and July 2, 2001, the SFAS 114, and SFAS 5. A written record shall be maintained indicating the methodology used in determining the amount of reserve needed to cover total loans and documentation shall be maintained to support the methodology. The reserve methodology shall be submitted to the Reserve Bank and the Commissioner within 60 days of this Agreement. Thereafter, at a minimum on calendar quarterly basis, the Bank shall conduct an assessment of its loan loss reserve and its non-performing loans and shall submit documentation of each

quarterly assessment to the Reserve Bank and the Commissioner within 30 days of the end of each calendar quarter.

7. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner acceptable written procedures designed to strengthen the Bank's internal controls. These procedures shall include corrective steps that are responsive to the internal control deficiencies noted in the Report of Examination, including, but not limited to, segregation of duties, use of and access to official checks, and reconcilements.

8. The Bank shall immediately take all necessary steps, consistent with sound banking practices, to eliminate or correct all violations of laws and regulations set forth in the Report of Examination. The Bank's board of directors shall take all necessary steps to ensure the Bank's future compliance with applicable laws and regulations.

9. The BHC and Bank shall not declare or pay any dividends without the prior written approval of the Reserve Bank, the Director of the Division of Banking Supervision and Regulation of the Board of Governors, and the Commissioner. All requests for approval shall be received at least 30 days prior to the proposed date for declaration of dividends and shall contain, but not be limited to, current and projected information on the Bank's earnings, cash flow, capital levels, and asset quality.

10. The BHC shall not, directly or indirectly, incur any debt without the prior written approval of the Reserve Bank and the Commissioner. All requests for prior written approval shall contain, but not be limited to, a statement regarding the purpose of the debt, the terms of the

debt, and the planned sources for debt repayment, and an analysis of the cash flow resources available to meet such debt repayment.

11. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner an acceptable written plan to monitor the Bank's sensitivity to market risk, which shall, at a minimum, address, consider, and include: (a) identification of individuals responsible for measuring, monitoring, and controlling market risk; (b) appropriate oversight and review by management and the board of directors; and (c) maintenance of documentation to support the validity and accuracy of assumptions used in measuring market risk.

12. (a) Within 30 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner a written business plan and budget for the remainder of 2001 and 2002, which shall, at a minimum, provide for or describe:

- (i) management, lending, and operational objectives, and the specific strategies for achieving such objectives;
- (ii) financial performance objectives, including plans for asset growth, earnings, liquidity, and capital supported by detailed quarterly pro forma financial statements, including projected balance sheets and income statements; and
- (iii) the establishment of a monthly review process to monitor the actual income and expenses of the Bank in comparison to budgetary projections.

(b) A business plan and budget for each calendar year subsequent to 2002 shall be submitted to the Reserve Bank and the Commissioner at least one month prior to the beginning of that calendar year.

13. During the term of this Agreement, or as otherwise required by law, the BHC and the Bank shall comply with the provisions of section 32 of the FDI Act (12 U.S.C. 1831i) and Subpart H of Regulation Y of the Board of Governors (12 C.F.R Part 225, Subpart H) with respect to the appointment of any new director or the hiring or promotion of any senior executive officer, as defined in Regulation O of the Board of Governors (12 C.F.R Part 215).

14. Within 30 days after the end of each calendar quarter (September 30, December 31, March 31, and June 30) following the date of this Agreement, the Bank's board of directors shall submit a written progress report to the Reserve Bank and the Commissioner detailing the actions taken to comply with each provision of this Agreement and the results of those actions. The Bank's board of directors shall certify in writing to the Reserve Bank and the Commissioner that each director has reviewed each quarterly progress report required by this paragraph. Such reports may be discontinued when the Reserve Bank and the Commissioner, in writing, release the Bank from making further reports.

15. The Bank, and the BHC where applicable, shall submit plans and procedures required by paragraphs 4, 5(a), 7, and 11 hereof that are acceptable to the Reserve Bank and the Commissioner within the time periods set forth in this Agreement. The Bank, and the BHC where applicable, shall adopt all plans and procedures that are approved by the Reserve Bank

and the Commissioner within 10 days of approval and then shall fully comply with them.

During the term of this Agreement, the BHC and the Bank shall not amend or rescind the approved plans and procedures without the prior written approval of the Reserve Bank and the Commissioner.

16. All communications regarding this Agreement shall be sent to:

- (a) Jeffrey S. Kane
Senior Vice President
Banking Supervision and Regulation
Federal Reserve Bank of Richmond
Post Office Box 27622
Richmond, Virginia 23261
- (b) Mary Louise Preis
Commissioner
Maryland Division of Financial Regulation
500 N. Calvert Street
Room 402
Baltimore, Maryland 21202
- (c) Kenneth D. Pezulla
Chairman of the Board
AmericasBANK Corp
401 Washington Avenue
Suite 301
Towson, Maryland 21204

17. Notwithstanding any provision of this Agreement to the contrary, the Reserve Bank and the Commissioner may, in their sole discretion, grant written extensions of time to the BHC and the Bank to comply with any provision of this Agreement.

18. The provisions of this Agreement shall be binding upon the BHC and the Bank and all of their institution-affiliated parties, in their capacities as such, and their successors and assigns.

19. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated or suspended by the Reserve Bank and the Commissioner.

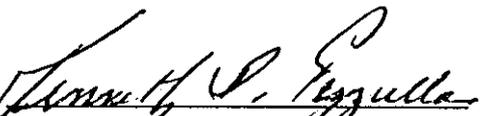
20. The provisions of this Agreement shall not bar, estop, or otherwise prevent the Board of Governors or the Commissioner or any other federal or state agency from taking any other action affecting the BHC or the Bank or any of their current or former institution-affiliated parties and their successors and assigns.

21. This Agreement is a "written agreement" for the purposes of, and is enforceable by the Board of Governors as an order issued under, section 8 of the FDI Act (12 U.S.C. 1818).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 3rd day of August, 2001.

AmericasBANK Corp

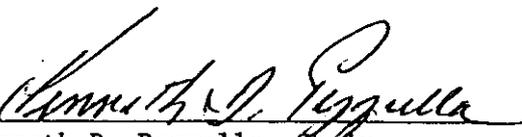
Federal Reserve Bank of Richmond

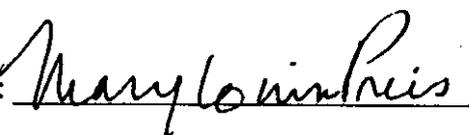
By: 
Kenneth D. Pezulla, Chairman

By: 

AmericasBANK

Maryland Division of Financial Regulation

By: 
Kenneth D. Pezulla, Chairman

By: 

The undersigned directors of AmericasBANK Corp individually acknowledge reading the foregoing Agreement and approve of the consent thereto by AmericasBANK Corp.



Marc J. Atlas

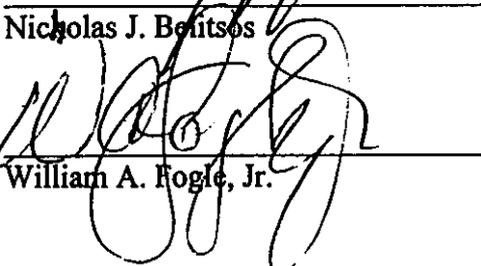


Garbis Baklayan



Nicholas J. Benitsos

Thomas Brandt, Jr.



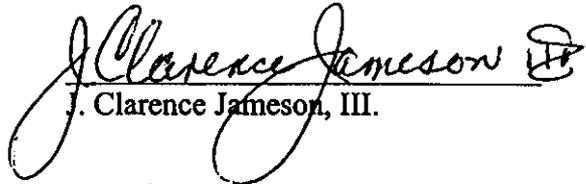
William A. Fogle, Jr.

Resigned

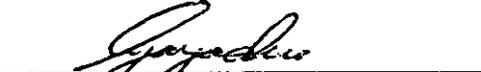
Constantine Frank

Resigned

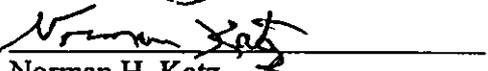
Charles F. Imhoff, Jr.



J. Clarence Jameson, III.



Kemp Jayadeva



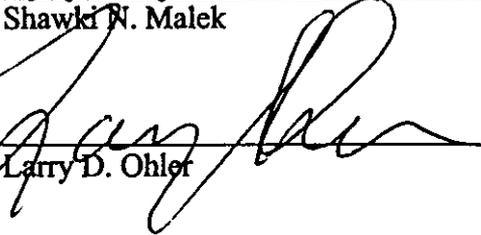
Norman H. Katz



Shawki N. Malek



Mark D. Noar



Larry D. Ohler



Kenneth D. Pezzulla

Neena Rao



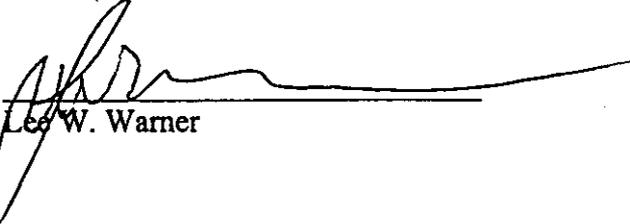
Ramon F. Roig, Jr.

Resigned

Baldev Singh



J. Scott Sturgill



Lee W. Warner

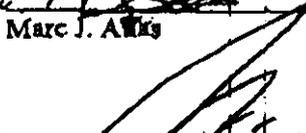
The undersigned directors of AmericasBANK Corp individually acknowledge reading the foregoing Agreement and approve of the consent thereto by AmericasBANK Corp.



Marc J. Amis

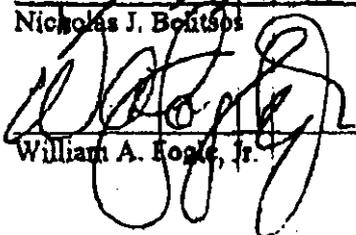


Garbis Baklayan



Nicholas J. Bonitsos

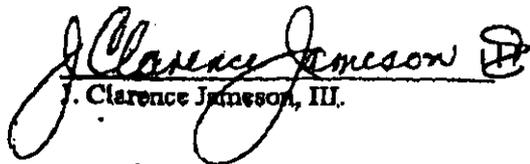
Thomas Brandt, Jr.



William A. Fogle, Jr.

Constantine Frank

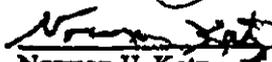
Charles F. Imhoff, Jr.



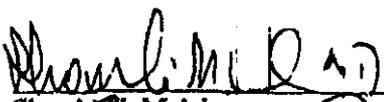
J. Clarence Jameson, III.



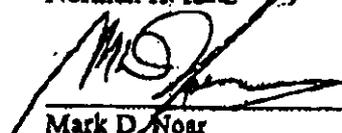
Kemp Ayadova



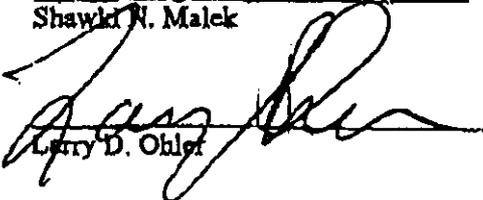
Norman H. Katz



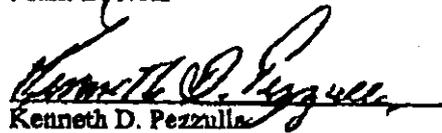
Shawkat N. Malek



Mark D. Noar



Larry D. Obler



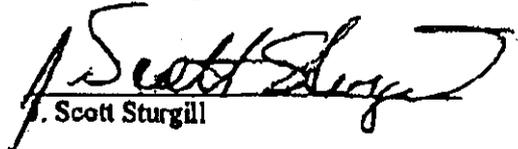
Kenneth D. Pezzulla

Neena Rao



Ramon F. Roig, Jr.

Baldev Singh

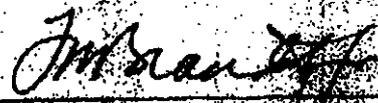


J. Scott Sturgill

Lee W. Warner

The undersigned directors of AmericasBank Corporation individually acknowledge and approve of the foregoing Agreement and approve of the consent thereto by AmericasBank

Garbis Baklayan



Thomas Brandt, Jr.

M.

Constantine Frank

Kemp Jayadeva

Shawki N. Malek

Larry D. Ohler

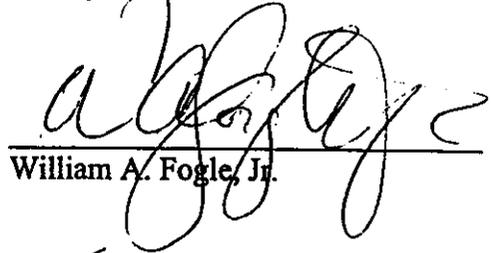
Nccna Rao

Baldev Singh

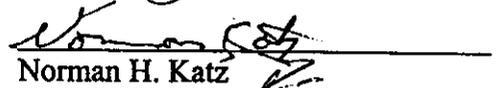
Lec W. Warner

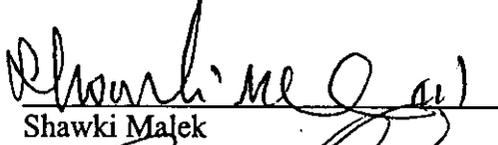
The undersigned directors of AmericasBANK individually acknowledge reading the foregoing Agreement and approve of the consent thereto by AmericasBANK.

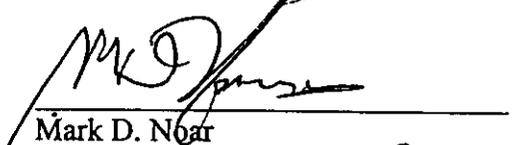

Patricia D'Alessandro

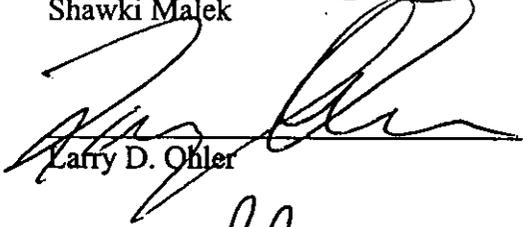

William A. Fogle, Jr.

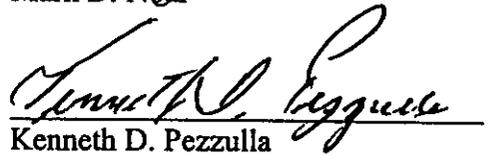

Kemp Jayadeva


Norman H. Katz

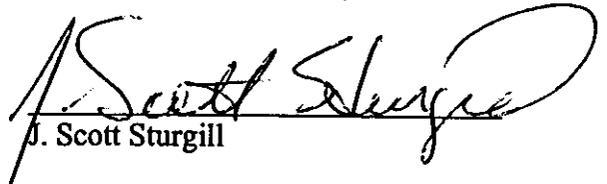

Shawki Malek


Mark D. Ngar


Larry D. Ohler


Kenneth D. Pezzulla


Ramon F. Roig, Jr.


J. Scott Sturgill