



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 19, 1997

R. Thomas Kamradt, Esquire
Akerman, Senterfitt & Eidson, P.A.
777 S. Flagler Drive, Suite 900, East Tower
West Palm Beach, Florida 33401

Dear Mr. Kamradt:

The Secretary of the Board of Governors of the Federal Reserve System, acting pursuant to authority delegated by the Board, and having considered the record of these applications in light of the relevant statutory factors, has approved the application by 1st United Bancorp, Boca Raton, Florida ("1st United"), to acquire Island National Bank and Trust Company, Palm Beach, Florida ("Island National"), pursuant to section 3(a)(3) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842(a)(3)), and the application by 1st United Bank, Boca Raton, Florida, to merge with Island National pursuant to section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) ("Bank Merger Act"), and, incident thereto, to establish branches pursuant to section 9 of the Federal Reserve Act (12 U.S.C. § 321).

In addition, the Secretary has reviewed the notice filed by 1st United under section 4(j)(5)(B) of the Bank Holding Company Act ("BHC Act"), as amended by section 2208 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (Pub. L. No. 104-208, § 2208, 110 Stat. 3009 (1996)), to acquire Island Investment Services, Inc., Palm Beach, Florida, and thereby engage in securities brokerage activities. This activity has been determined by the Board to be closely related to banking under Section 225.25(b)(15) of the Board's Regulation Y (12 C.F.R. 225.25(b)(15)).

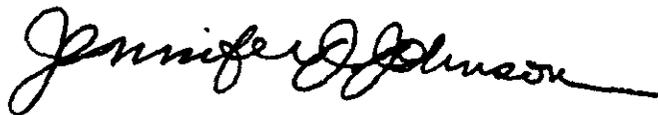
1st United has certified that all the criteria set forth in section 4(j)(4) of the BHC Act are met and has filed the information required under that section. Based on all the facts of record, including relevant examination, financial and other reports maintained by the Federal Reserve System, the System does not object to the consummation of the proposal at this

time. As provided in section 4(j)(4)(C)(i) of the BHC Act, the Secretary's determination on 1st United's notice to engage in securities brokerage activities is subject to all the restrictions, terms, and conditions imposed by the Board on the securities brokerage activities of bank holding companies. Approval of this notice is subject to the Board's authority to require reports by, and make examinations of, holding companies and their subsidiaries and to require such modification or termination of activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the Act, and the Board's regulations and orders issued thereunder.

In approving these applications and the related notice, the Secretary has relied on all the facts of record and all representations and commitments made by 1st United and 1st United Bank in the applications and notice and in related correspondence in light of the factors set forth in the BHC Act, the Bank Merger Act, and the Federal Reserve Act. These commitments are conditions imposed in writing in connection with the findings and decision herein, and, as such, may be enforced under applicable provisions of law.

The acquisition of and merger with Island National may not be consummated before the fifteenth calendar day following the effective date of this order, or later than three months after the date of this order, and the acquisition of Island Investment Services, Inc. should be consummated within three months after the effective date of this order, unless such period is extended for good cause by the Federal Reserve Bank of Atlanta. In connection with these provisions, advice of the fact of consummation should be given in writing to the Reserve Bank.

Very truly yours,



Jennifer J. Johnson
Deputy Secretary of the Board

cc: Federal Reserve Bank of Atlanta
Department of Justice
Federal Deposit Insurance Corporation
Florida State Comptroller