

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

Written Agreement by and among

REMO DUQUOIN LLC
PRIVEE LLC
REPUBLIC FEDERAL BANCORP, INC.
Miami, Florida

and

FEDERAL RESERVE BANK OF ATLANTA
Atlanta, Georgia

Docket No. 08-00X-WA/RB-HC

WHEREAS, in recognition of their common goal to maintain the financial soundness of Remo DuQuoin LLC, Privee LLC, and Republic Federal Bancorp, Inc., Miami, Florida (collectively “Bancorp”), registered bank holding companies that own and control Republic Federal Bank, N.A. (the “Bank”), a national bank, Bancorp and the Federal Reserve Bank of Atlanta (the “Reserve Bank”) have mutually agreed to enter into this Written Agreement (the “Agreement”); and

WHEREAS, on October 16, 2008, the board of directors of Bancorp, by unanimous consent, adopted a resolution authorizing and directing Walter R. Cook, Chief Executive Officer for Republic Federal Bancorp, Inc., and Managing Member of Remo DuQuoin LLC and Privee LLC, to enter into this Agreement on behalf of Bancorp, and consenting to compliance by Bancorp and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”)

(12 U.S.C. §§ 1813(u) and 1818(b)(3)), with each and every provision of this Agreement.

NOW, THEREFORE, Bancorp and the Reserve Bank agree as follows:

Dividends

1. (a) Bancorp shall not declare or pay any dividends without the prior written approval of the Reserve Bank and the Director of the Division of Banking Supervision and Regulation of the Board of Governors (“Director”).

(b) Bancorp shall not directly or indirectly take dividends or any other form of payment representing a reduction in capital from the Bank without the prior written approval of the Reserve Bank.

(c) Bancorp and its nonbank subsidiaries shall not make any distributions of interest, principal, or other sums on subordinated debentures or trust preferred securities without the prior written approval of the Reserve Bank and the Director.

(d) All requests for prior approval shall be received by the Reserve Bank at least 30 days prior to the proposed dividend declaration date, proposed distribution on subordinated debentures, and required notice of deferral on trust preferred securities. All requests shall contain, at a minimum, current and projected information on Bancorp’s capital, earnings, and cash flow; the Bank’s capital, asset quality, earnings, and allowance for loan and lease losses (“ALLL”); and identification of the sources of funds for the proposed payment or distribution.

Debt and Stock Redemption

2. (a) Bancorp shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank. 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 source(s) for debt repayment, and an analysis of the cash flow resources available to meet such debt repayment.

(b) Bancorp shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank.

Capital Plan

3. Within 60 days of this Agreement, Bancorp shall submit to the Reserve Bank an acceptable written plan to maintain sufficient capital at the consolidated organization and the Bank. The plan shall, at a minimum, address, consider, and include:

(a) The consolidated organization's and the Bank's current and future capital requirements, including compliance with the Capital Adequacy Guidelines for Bank Holding Companies: Risk-Based Measure and Tier 1 Leverage Measure, Appendices A and D of Regulation Y of the Board of Governors (12 C.F.R. Part 225, App. A and D);

(b) the adequacy of the Bank's capital, taking into account the volume of the Bank's adversely classified assets, the adequacy of the ALLL, any planned asset growth, and the projected level of retained earnings;

(c) the source and timing of additional funds to fulfill the consolidated organization's and the Bank's future capital requirements;

(d) federal supervisory requests for additional capital at the Bank or the requirements of any supervisory action imposed on the Bank by its federal regulator;

(e) the requirements of section 225.4(a) of Regulation Y of the Board of Governors (12 C.F.R. § 225.4(a)) that Bancorp serve as a source of strength to the Bank; and

(f) procedures for Bancorp to notify the Reserve Bank, in writing, no more than 30 days after the end of any quarter in which Bancorp's consolidated capital ratios or the

Bank's capital ratios (total risk-based, Tier 1 risk-based, or leverage) fall below the plan's minimum ratios and to submit to the Reserve Bank an acceptable written plan that details the steps Bancorp will take to increase its and the Bank's capital ratios above the plan's minimum ratios within 30 days of such calendar quarter-end date.

Appointment of New Officers and Directors, and Severance and Indemnification Payments

4. (a) In appointing any new director or senior executive officer, or changing the responsibilities of any senior executive officer so that the officer would assume a different senior executive officer position, Bancorp shall comply with the notice 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. §§ 225.71 *et seq.*).

(b) Bancorp shall comply with the restrictions on indemnification and severance payments of section 18(k) of the FDI Act (12 U.S.C. § 1828(k)) and Part 359 of the Federal Deposit Insurance Corporation's regulations (12 C.F.R. Part 359).

Approval, Implementation, and Progress Reports

5. (a) Bancorp shall submit a written capital plan that is acceptable to the Reserve Bank within the applicable time period set forth in paragraph 3 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank, Bancorp shall adopt the approved capital plan. Upon adoption, Bancorp shall promptly implement the approved plan, and thereafter fully comply with it.

(c) During the term of this Agreement, the approved capital plan shall not be amended or rescinded without the prior written approval of the Reserve Bank.

6. Within 30 days after the end of each calendar quarter following the date of this Agreement, the board of directors shall submit to the Reserve Bank written progress reports

detailing the form and manner of all actions taken to secure Bancorp's compliance with the provisions of this Agreement and the results thereof.

Communications

All communications regarding this Agreement shall be sent to:

- (a) Mr. Steve Wise
Assistant Vice President
Federal Reserve Bank of Atlanta
1000 Peachtree Street, N.E.
Atlanta, Georgia 30309-4470

- (b) Mr. Walter R. Cook
Chief Executive Officer, Republic Federal Bancorp, Inc.
Managing Member, Remo DuQuoin LLC and Privee LLC
8600 N.W. 36th Street, Suite 800
Miami, Florida 33166

Miscellaneous

7. Notwithstanding any provision of this Agreement to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to Bancorp to comply with any provision of this Agreement.

8. The provisions of this Agreement shall be binding upon Bancorp and each of its institution-affiliated parties, in their capacities as such, and their successors and assigns.

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

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

11. Pursuant to section 50 of the FDI Act (12 U.S.C. § 1831aa), this Agreement is enforceable by the Board of Governors 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 22nd day of October, 2008.

REMO DUQUOIN LLC
PRIVEE LLC
REPUBLIC FEDERAL BANCORP, INC.

FEDERAL RESERVE BANK
OF ATLANTA

By: /s/ Walter R. Cook
Mr. Walter R. Cook
Chief Executive Officer,
Republic Federal Bancorp, Inc.
Managing Member,
Remo DuQuoin LLC and Privee LLC

By: /s/ Steve Wise
Mr. Steve Wise
Assistant Vice President