

Division of Corporations

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DIVISION OF CORPORATIONS

MERGER OR SHARE EXCHANGE

MORTGAGE LION, INC.

54 pages
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FILED
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Certificate of Status	0
Certified Copy	1
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Mortgage
1/16/01

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ARTICLES OF MERGER
Merger Sheet

MERGING:

AMB ACQUISITION CORP., a Florida corporation, document number
P00000077127

INTO

MORTGAGE LION, INC., a Georgia corporation not qualified in Florida

File date: January 16, 2001

Corporate Specialist: Karen Gibson

ARTICLES OF MERGER
OF
AMB ACQUISITION CORP.
AND
MORTGAGE LION, INC.

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA
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Pursuant to the provisions of the Florida Business Corporation Act and the Georgia Business Corporation Code, the following corporations do hereby submit the following Articles of Merger:

1. Attached hereto as Exhibit "A" and made a part hereof is the Merger Agreement (the "Merger Agreement") that provides the plan of merger pursuant to which AMB Acquisition Corp., a Florida corporation ("AMB Acquisition"), is merging with and into Mortgage Lion, Inc., a Georgia corporation ("Mortgage Lion"). The plan of merger is as set forth in the Merger Agreement.
2. The merger of AMB Acquisition with and into Mortgage Lion is permitted by the laws of the State of Florida and the State of Georgia and is in compliance with such laws.
3. The name and jurisdiction of the surviving corporation is "Mortgage Lion, Inc.", a Georgia corporation (the "Company").
4. The name and jurisdiction of the merging corporation is "AMB Acquisition Corp.", a Florida corporation.
5. The merger shall become effective on the date this Certificate is filed with the Florida Secretary of State.
6. The Agreement was duly approved and adopted by the shareholders of AMB Acquisition on January 15, 2001, by unanimous written consent in accordance with the provisions of Section 607.0704 of the Florida Business Corporation Act.
7. The Agreement was duly approved and adopted by the shareholders of Mortgage Lion on January 15, 2001, by unanimous written consent in accordance with the provisions of Section 14-2-704 of the Georgia Business Corporation Code.

[SIGNATURE APPEAR ON NEXT PAGE]

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IN WITNESS WHEREOF, the undersigned have executed this Certificate as of January 16,
2001.

AMB ACQUISITION CORP.

By: 

Print Name:

J. TRACEY FORE

Its:

CHAIRMAN & CEO

MORTGAGE LION, INC.

By: 

Print Name:

JAMES C BOWER

Its:

PRESIDENT

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EXHIBIT A
MERGER AGREEMENT
[SEE ATTACHED]

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MERGER AGREEMENT AND PLAN OF MERGER

This Agreement is made as of August 15, 2000, by and among MONTICELLO BANK ("Monticello"), a federal savings bank, AMB ACQUISITION CORP. ("AMB Acquisition"), a Florida corporation, MORTGAGE LION, INC. ("Mortgage Lion"), a Georgia corporation, James C. Bowen, G. Byron McDaniel and Cindy B. Harlow. James C. Bowen, G. Byron McDaniel and Cindy B. Harlow are collectively referred to herein as the "Mortgage Lion Shareholders".

Recitals

Monticello wishes to acquire all of the outstanding capital stock of Mortgage Lion in exchange for stock in Monticello through a reverse subsidiary merger of AMB Acquisition with and into Mortgage Lion. This Agreement sets forth the terms and conditions of the transaction.

Now, therefore, for good and valuable consideration, the parties agree as follows:

ARTICLE I DEFINITIONS

1.01 Defined Terms. Certain terms used herein shall have the meanings ascribed thereto in Appendix I attached hereto.

1.02 Interpretation. The definitions set forth in Appendix I attached hereto are equally applicable to both the singular and plural forms of the terms defined. The words "hereof", "herein" and "hereunder" when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

ARTICLE II MERGER

2.01 The Merger. AMB Acquisition shall merge with and into Mortgage Lion (the "Merger") at the Effective Time (as defined herein) subject to the terms and conditions of this Agreement. Mortgage Lion shall be the corporation (the "Surviving Corporation") surviving the Merger.

2.02 The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Monticello in Jacksonville Beach, Florida, on the third business day following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the transactions contemplated hereby (other than conditions with respect to actions that the parties will take at the Closing itself) or such other date as the parties may mutually determine (the "Closing Date").

2.03 Actions at the Closing. At the Closing: (a) Mortgage Lion and the Mortgage Lion Shareholders will deliver to Monticello and AMB Acquisition the various certificates, instruments, and documents referred to in Article VII below, (b) Monticello and AMB Acquisition will deliver

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to Mortgage Lion the various certificates, instruments, and documents referred to in Article VIII below, (c) Mortgage Lion and AMB Acquisition will file with the Secretary of State of Florida and the Secretary of State of Georgia a Certificate of Merger (or, as the case may be, Articles of Merger) in form satisfactory to Monticello (the "Certificate of Merger"), and (d) Monticello will deliver the Merger Consideration (as defined herein) as set below.

2.04 Effect of Merger.

(a) The Merger shall become effective at the time (the "Effective Time") that Mortgage Lion and AMB Acquisition file the Certificate of Merger with the Secretary of State of Florida and the Secretary of State of Georgia. The Merger shall have the effect set forth in the Georgia general corporation law. The Surviving Corporation may, at any time after the Effective Time, take any action (including executing and delivering any document) in the name and on behalf of either Mortgage Lion or AMB Acquisition in order to carry out and effectuate the transactions contemplated by this Agreement.

(b) As of the Effective Time, each Mortgage Lion Share shall be converted into the right to receive 0.5916666 shares (collectively, the "Monticello Common Shares") of Monticello's common stock (the "Merger Consideration") (with the number of shares to be issued to any shareholder rounded up or down to the nearest whole share so that no fractional shares shall be issued). The Merger Consideration shall be subject to equitable adjustment in the event of any stock split, stock dividend, reverse stock split, or other change in the number of Mortgage Lion Shares outstanding from and after the date hereof.

(c) As of the Effective Time, each share of common stock, \$1.00 par value per share, of AMB Acquisition shall be converted into one share of common stock, no par value per share, of the Surviving Corporation.

(d) The Certificate of Incorporation and Bylaws of the Surviving Corporation shall, at Monticello's option, be amended and restated as of the Effective Time to read in such form as Monticello deems appropriate.

(e) The following persons shall be elected and shall serve as the directors and officers of the Surviving Corporation as of the Effective Time:

<u>Name</u>	<u>Position</u>
James C. Bowen	Director and President
G. Byron McDaniel	Director
J. Tracey Fore	Director
Patricia Allen	Director

2.05 Procedure for Payment. At the Closing, Monticello will deliver to the Mortgage Lion Shareholders certificates representing the Merger Consideration.

2.06 Closing of Transfer Records. After the Effective Time, transfers of Mortgage Lion Shares outstanding prior to the Effective Time shall not be made on the stock transfer books of the Surviving Corporation.

2.07 Monticello Board of Directors. James C. Bowen and G. Byron McDaniel shall be appointed to the Board of Directors of Monticello, as of the Effective Time, subject to the approvals required under Section 7.10 hereof.

2.08 Shareholder Approval. As soon as practicable after the date hereof, but in no event later than August 31, 2000, this Agreement shall be presented to the shareholders of Mortgage Lion, Monticello and AMB Acquisition pursuant to the requirements of applicable law for approval in accordance with applicable law (but only if, and to the extent that, shareholder approval is required).

ARTICLE III REPRESENTATIONS AND WARRANTIES OF MORTGAGE LION

Mortgage Lion and the Mortgage Lion Shareholders have, on or before the date hereof, provided Monticello with a disclosure schedule (which, as the same exists on the date hereof, is referred to herein as the "Disclosure Schedule") that sets forth certain information concerning Mortgage Lion. As a material inducement to Monticello and AMB Acquisition to enter into this Agreement and to consummate the transactions contemplated hereby, Mortgage Lion and the Mortgage Lion Shareholders make the following representations and warranties to Monticello and AMB Acquisition:

3.01 Corporate Status. Mortgage Lion is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia and has the requisite power and authority to own or lease its properties and to carry on its business as now being conducted. Mortgage Lion is duly licensed and qualified in all other states and jurisdictions wherein the nature of the business transacted by it or the ownership of its properties makes such licensing or qualification necessary, if any, except where the failure to be so qualified would not have a Material Adverse Effect. Mortgage Lion has fully complied with all of the requirements of any statute governing the use and registration of fictitious names, and has the legal right to use the names under which it operates its businesses. There is no pending or threatened proceeding for the dissolution, liquidation, insolvency or rehabilitation of Mortgage Lion.

3.02 Power and Authority. Mortgage Lion has the corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. Mortgage Lion has taken all corporate action necessary to authorize the execution and delivery of this Agreement, the performance of its obligations hereunder

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and the consummation of the transactions contemplated hereby. The Mortgage Lion Shareholders have the requisite competence and authority to execute and deliver this Agreement, to perform their obligations hereunder and to consummate the transactions contemplated hereby.

3.03 Enforceability. This Agreement has been duly executed and delivered by Mortgage Lion and the Mortgage Lion Shareholders and constitutes the legal, valid and binding obligation of each of them, enforceable against Mortgage Lion and the Mortgage Lion Shareholders in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles regardless of whether such enforceability is considered in a proceeding at law or in equity.

3.04 Capitalization. The only authorized capital stock of Mortgage Lion consists of 1,000,000 shares of voting common stock, no par value, of which 600 shares are issued and outstanding. The Disclosure Schedule sets forth the number and percentages of shares of each class of Mortgage Lion's capital stock owned by each shareholder of Mortgage Lion. All of the issued and outstanding shares of capital stock of Mortgage Lion (i) have been duly authorized and validly issued and are fully paid and non-assessable, (ii) were issued in compliance with all applicable state and federal securities laws, and (iii) were not issued in violation of any preemptive rights or rights of first refusal. No preemptive rights or rights of first refusal exist with respect to the shares of capital stock of Mortgage Lion and no such rights arise by virtue of or in connection with the transactions contemplated hereby. There are no outstanding or authorized rights, options, warrants, convertible securities, subscription rights, conversion rights, exchange rights or other agreements or commitments of any kind that could require Mortgage Lion to issue or sell any shares of its capital stock (or securities convertible into or exchangeable for shares of its capital stock). There are no outstanding stock appreciation, phantom stock, profit participation or other similar rights with respect to Mortgage Lion. There are no proxies, voting rights or other agreements or understandings with respect to the voting or transfer of the capital stock of Mortgage Lion. Mortgage Lion is not obligated to redeem or otherwise acquire any of its outstanding shares of capital stock. As of the date hereof, the shareholders set forth on the Disclosure Schedule constitute all of the holders of all issued and outstanding shares of capital stock of Mortgage Lion in such number and percentages as set forth on the Disclosure Schedule, and such shareholders own such shares free and clear of all liens, restrictions and claims of any kind.

3.05 No Violation: Consents and Approvals. The execution and delivery of this Agreement by Mortgage Lion and the Mortgage Lion Shareholders, the performance by Mortgage Lion and the Mortgage Lion Shareholders of their respective obligations hereunder and the consummation by them of the transactions contemplated by this Agreement will not (a) contravene any provision of the articles of incorporation or bylaws of Mortgage Lion, (b) violate or conflict with any law, statute, ordinance, rule, regulation, decree, writ, injunction, judgment or order of any Governmental Authority or of any arbitration award that is either applicable to, binding upon or enforceable against Mortgage Lion or the Mortgage Lion Shareholders, (c) conflict with, result in any breach of, or constitute a default (or an event that would, with the passage of time or the giving

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of notice or both, constitute a default) under, or give rise to a right of payment or right to terminate, amend, modify, abandon or accelerate, any Contract that is applicable to, binding upon or enforceable against Mortgage Lion or the Mortgage Lion Shareholders, (d) result in or require the creation or imposition of any Lien upon or with respect to any of the properties or Assets (as herein defined) of Mortgage Lion, (e) give to any individual or entity a right or claim against Mortgage Lion or the Mortgage Lion Shareholders or (f) require the consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, any court or tribunal or any other Person.

3.06 Records of Mortgage Lion. The copies of the articles of incorporation, bylaws, and other documents and agreements of Mortgage Lion that were provided to Monticello and AMB Acquisition prior to the date hereof are true, accurate and complete and reflect all amendments made through the date of this Agreement. The minute books for Mortgage Lion made available to Monticello and AMB Acquisition prior to the date hereof for review were correct and complete in all material respects as of the date of such review, no further entries have been made through the date of this Agreement, such minute books contain the true signatures of the persons purporting to have signed them, and such minute books contain an accurate record of all material corporate actions of the shareholders and directors (and any committees thereof) of Mortgage Lion taken by written consent or at a meeting since incorporation. All material corporate actions taken by Mortgage Lion have been duly authorized or ratified. All accounts, books, ledgers and official and other records of Mortgage Lion are substantially complete and fairly, fully and accurately reflect all matters contained therein. The stock ledgers of Mortgage Lion, as previously made available to Monticello and AMB Acquisition, contain accurate and complete records of all issuances, transfers and cancellations of shares of the capital stock of Mortgage Lion.

3.07 Subsidiaries. Mortgage Lion does not own, directly or indirectly, any outstanding voting securities of or other interests in, or have any control over, any other corporation, partnership, joint venture or other business entity.

3.08 Liabilities of Mortgage Lion: Indebtedness. Mortgage Lion does not have any liabilities or obligations, whether accrued, absolute, contingent or otherwise, except (a) to the extent reflected or taken into account in the Current Balance Sheet (as defined herein) and not heretofore paid or discharged, (b) liabilities incurred in the ordinary course of business consistent with past practice since the date of the Current Balance Sheet (none of which relates to breach of contract, breach of warranty, tort, infringement or violation of law, or which arose out of any action, suit, claim, governmental investigation or arbitration proceeding) and (c) liabilities incurred in the ordinary course of business prior to the date of the Current Balance Sheet which, in accordance with Mortgage Lion's accounting principles and methods consistently applied, were not recorded thereon and are not material in the aggregate.

3.09 Litigation. There is no action, suit, or other legal or administrative proceeding or governmental investigation pending, anticipated, threatened or contemplated against, by or affecting Mortgage Lion or the Mortgage Lion Shareholders, or any of Mortgage Lion's properties or Assets

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or that questions the validity or enforceability of this Agreement or the transactions contemplated hereby, and there is no basis for any of the foregoing. There are no outstanding orders, decrees or stipulations issued by any Governmental Authority in any proceeding to which Mortgage Lion is or was a party that have not been complied with in full or that continue to impose any material obligations on Mortgage Lion.

3.10 Environmental Matters. Mortgage Lion is and at all time has been in full compliance with all environmental laws governing Mortgage Lion and its business, operations, properties and Assets (as defined herein). There are no (and there is no basis for any) non-compliance orders, warning letters, notices of violation, claims, suits, actions, judgments, penalties, fines, or administrative or judicial investigations of any nature or proceedings pending or threatened against or involving Mortgage Lion, its business, operations, properties, or Assets, issued by any Governmental Authority or third party with respect to any environmental laws or licenses issued to Mortgage Lion thereunder in connection with, related to or arising out of the ownership by Mortgage Lion of its properties or Assets or the operation of its business.

3.11 Real Estate.

(a) Mortgage Lion does not own any real property or any interest therein (including, without limitation, any option or other right or obligation to purchase any real property or any interest therein). The Mortgage Lion Shareholders do not own any real property (or any interest therein, including leasehold interests) used by Mortgage Lion.

(b) The Disclosure Schedule sets forth (i) the street address and legal description of the sole parcel of real estate used or occupied by Mortgage Lion for the conduct of its business (the "Leased Premises") pursuant to a written lease (the "Real Property Lease"), a true and correct copy of which has previously been furnished to Monticello and AMB Acquisition and (ii) the lessor and lessee thereof and the date and term of such lease. The Real Property Lease is in full force and effect and has not been amended, and neither Mortgage Lion nor any other party thereto is in default or breach under such lease. No event has occurred which, with the passage of time or the giving of notice or both, would cause a breach of or default by Mortgage Lion under such lease. With respect to the Leased Premises, Mortgage Lion has a valid leasehold interest or other right of use and occupancy in the Leased Premises, free and clear of any Liens therein or of any covenants, easements or title defects known to or created by Mortgage Lion, except as do not affect the occupancy or use of the Leased Premises.

3.12 Good Title to and Condition of Assets. Mortgage Lion has, and at Closing will have, good and marketable title to all of its Assets (as herein defined) free and clear of any Liens or restrictions on use. For purposes of this Agreement, the term "Assets" means all of the properties and assets of Mortgage Lion, whether personal or mixed, tangible or intangible, wherever located. The Disclosure Schedule contains a true and complete list of all Assets of Mortgage Lion, setting forth a description of each such Asset, whether it is owned or leased, and, if owned, the name of the

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lienholder and the amount of the Lien, and if leased, the name of the lessor and the general terms of the lease. The Assets currently in use or necessary for the business and operations of Mortgage Lion are in good operating condition, normal wear and tear excepted, and have been maintained substantially in accordance with all applicable manufacturer's specifications and warranties. The Assets constitute all the properties, assets and rights forming a part of, used, held or intended to be used in, and all such properties, assets and rights as are necessary in the conduct of the current business of Mortgage Lion.

3.13 Compliance with Laws. Mortgage Lion and the Mortgage Lion Shareholders are and at all times have been in compliance with all laws, regulations and orders applicable to Mortgage Lion, its business and operations (as conducted by it now and in the past), the Assets and each of the Leased Premises and any other properties and assets (in each case owned or used by it now or in the past). Mortgage Lion has not been cited, fined or otherwise notified of any asserted past or present failure to comply with any laws, regulations or orders and no proceeding with respect to any such violation is pending or threatened. Neither Mortgage Lion, the Mortgage Lion Shareholders nor any of their respective employees or agents, has made any payment of funds in connection with Mortgage Lion's business that is prohibited by law, and no funds have been set aside to be used in connection with its business for any payment prohibited by law. Neither Mortgage Lion nor any of the Mortgage Lion Shareholders is subject to any Contract, decree or injunction in which it is a party that restricts the continued operation of any business or the expansion thereof to other geographical areas, customers, suppliers or lines of business.

3.14 Labor and Employment Matters. The Disclosure Schedule sets forth the name, address and current rate of compensation of each of the employees of Mortgage Lion. Mortgage Lion is not a party to or bound by any collective bargaining agreement or any other agreement with a labor union, and there has been no effort by any labor union during the twenty-four (24) months prior to the date hereof to organize any employees of Mortgage Lion into one or more collective bargaining units. There is no pending or threatened labor dispute, strike or work stoppage that affects or that may affect the business of Mortgage Lion or may interfere with its continued operations. The Disclosure Schedule contains detailed information about each contract, agreement or plan of the following nature, whether formal or informal, and whether or not in writing, to which Mortgage Lion is a party or under which it has an obligation: (i) employment agreements, (ii) employee handbooks, policy statements and similar plans, (iii) non-competition and confidentiality agreements, (iv) consulting agreements; and (v) assignments of work product. Mortgage Lion has complied with all applicable laws, rules and regulations relating to employment, civil rights and equal employment opportunities, including but not limited to, the Civil Rights Act of 1964, the Fair Labor Standards Act, and the Americans with Disabilities Act, as amended.

3.15 Employee Benefit Plans.

(a) Except as set forth in the Disclosure Schedule, Mortgage Lion does not have and has not ever maintained, and has no liability with respect to any employee benefit plans or arrangements, including but not limited to employee pension benefit plans, as defined in

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Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), multiemployer plans, as defined in Section 3(37) of ERISA, employee welfare benefit plans, as defined in Section 3(1) of ERISA, deferred compensation plans, stock option plans, bonus plans, stock purchase plans, hospitalization, disability and other insurance plans, severance or termination pay plans and policies, whether or not described in Section 3(3) of ERISA, in which employees, their spouses or dependents, of Mortgage Lion participate ("Employee Benefit Plans").

(b) Neither Mortgage Lion, nor any entity that would be aggregated with it under Code Section 414(b), (c), (m) or (o): (i) has ever terminated or withdrawn from an employee benefit plan under circumstances resulting (or expected to result) in liability to the Pension Benefit Guaranty Corporation ("PBGC"), the fund by which the employee benefit plan is funded, or any employee or beneficiary for whose benefit the plan is or was maintained (other than routine claims for benefits); (ii) has any Assets subject to (or expected to be subject to) a lien for unpaid contributions to any employee benefit plan; (iii) has failed to pay premiums to the PBGC when due; (iv) is subject to (or expected to be subject to) an excise tax under Code Section 4971; (v) has engaged in any transaction that would give rise to liability under Section 4069 or Section 4212(c) of ERISA; or (vi) has violated Code Section 4980B or Section 601 through 608 of ERISA.

(c) (i) Mortgage Lion is not under any obligation to pay separation, severance, termination or similar benefits solely as a result of any transaction contemplated by this Agreement or solely as a result of a "change of control" (as such term is defined in Section 280G of the Code) and (ii) all required or discretionary (in accordance with historical practices) payments, premiums, contributions or reimbursements for all periods ending prior to or as of the date hereof shall have been made.

(d) Except as may be required under applicable law, Mortgage Lion is not obligated under any employee benefit plan to provide medical or death benefits with respect to any employee or former employee of Mortgage Lion or its predecessors after termination of employment. Mortgage Lion has complied with the notice and continuation of coverage requirements of Section 4980B of the Code, and the regulations thereunder, and Part 6 of Title I of ERISA ("COBRA") and has complied with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") with respect to any group health plan within the meaning of Section 5000(b)(1) of the Code.

(e) Each Employee Benefit Plan is in compliance with all applicable laws and regulations and has been operated in accordance with its terms and provisions. With respect to each employee benefit plan there are no actions, claims or disputes pending by any third party and no audits, proceedings, claims or demands pending by any Governmental Authority. All amendments required to bring any employee benefit plan into conformity with any applicable provisions of ERISA and the Code have been duly adopted.

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3.16 Tax Matters. All Tax Returns required to be filed prior to the Closing Date with respect to Mortgage Lion or any of its income, properties, franchises or operations have been timely filed, each such Tax Return has been prepared in compliance with all applicable laws and regulations, and all such Tax Returns are true and accurate in all respects. A true and correct copy of Mortgage Lion's Tax Returns for the most recent taxable period are included in the Disclosure Schedule. All Taxes due and payable by or with respect to Mortgage Lion have been timely paid or are accrued on the Current Balance Sheet. Mortgage Lion has withheld and paid all Taxes to the appropriate Governmental Authority required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party. With respect to each taxable period of Mortgage Lion: (i) no deficiency or proposed adjustment which has not been settled or otherwise resolved for any amount of Taxes has been asserted or assessed by any taxing authority against Mortgage Lion; (ii) Mortgage Lion has not consented to extend the time in which any Taxes may be assessed or collected by any taxing authority; (iii) Mortgage Lion has not requested or been granted an extension of the time for filing any Tax Return to a date later than the Closing; (iv) there is no action, suit, taxing authority proceeding, or audit or claim for refund now in progress, pending or threatened against or with respect to Mortgage Lion regarding Taxes; and (v) there are no Liens for Taxes (other than for current Taxes not yet due and payable) upon the Assets of Mortgage Lion.

3.17 Insurance. Mortgage Lion is covered by valid, outstanding and enforceable policies of insurance as listed on the Disclosure Schedule, which were issued to it by reputable insurers covering its properties, Assets and businesses against risks normally insured against by corporations in the same or similar lines of business and in coverage amounts typically and reasonably carried by such corporations (the "Insurance Policies"). Such Insurance Policies are in full force and effect, and all premiums due thereon have been paid. As of Closing, each of the Insurance Policies will be in full force and effect. None of the Insurance Policies will lapse or terminate as a result of the transactions contemplated by this Agreement. Mortgage Lion has complied with the provisions of such Insurance Policies. The Disclosure Schedule sets forth (i) a complete and correct list of all Insurance Policies and all amendments and riders thereto (copies of which have been provided to Monticello and AMB Acquisition), (ii) with respect to each such Insurance Policy, the policy number, the name and address of the insurer, the expiration date and the amount of the annual premium, and (iii) a detailed description of each pending claim under any of the Insurance Policies that relates to loss or damage to the properties, Assets or businesses of Mortgage Lion. Mortgage Lion has not failed to give, in a timely manner, any notice required under any of the Insurance Policies to preserve its rights thereunder.

3.18 Receivables. The Disclosure Schedule contains a true and complete list of all of the Receivables (as hereinafter defined) of Mortgage Lion. All of the Receivables are valid and legally binding, represent bona fide transactions and arose in the ordinary course of business of Mortgage Lion. All of the Receivables are good and collectible receivables, and will be collected in full in accordance with the terms of such receivables (and in any event within three months following the date hereof) without setoff or counterclaims, subject to the allowance for doubtful accounts, if any, set forth on the Current Balance Sheet. For purposes of this Agreement, the term "Receivables"

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means all receivables of Mortgage Lion, including, without limitation, all trade account receivables arising from the provision of goods or services, notes receivable and insurance proceeds receivable. There is no contest, claim or right of set-off under any Contract with any obligor of any Receivable of Mortgage Lion relating to the amount or validity of such Receivable.

3.19 Licenses and Permits. Mortgage Lion possesses all licenses, approvals, permits or authorizations from Governmental Authorities (collectively, the "Permits") for the operation of its business, including all Permits required in connection with the operation of the Leased Premises, and The Disclosure Schedule sets forth a true, complete and accurate list of all such Permits and all applications for Permits currently pending. All such Permits are valid and in full force and effect, Mortgage Lion is in full compliance with the respective requirements thereof, and no proceeding is pending or threatened to revoke or amend any of them.

3.20 Contracts. The Disclosure Schedule sets forth a list of each Contract (including any amendments and modifications thereto, whether written or oral), of whatever kind or nature, to which Mortgage Lion is a party or by which Mortgage Lion or its Assets or properties are bound, true, correct and complete copies of which have been provided to Monticello and AMB Acquisition. None of the Contracts requires the consents of third parties to the transactions contemplated hereby. The copy of each Contract furnished to Monticello and AMB Acquisition prior to the date hereof is a true, correct and complete copy of the document it purports to represent and reflects all amendments thereto made through the date of this Agreement. Mortgage Lion has not violated any of the terms or conditions of any Contract or any term or condition that would permit termination or material modification of any Contract, all of the covenants to be performed by any other party thereto have been fully performed, and there are no claims for breach or indemnification or notice of default or termination under any Contract. No event has occurred which constitutes, or after notice or the passage of time, or both, would constitute, a default by Mortgage Lion or any other party under any Contract. Mortgage Lion is not subject to any liability or payment resulting from renegotiation of amounts paid under any Contract.

3.21 Investment Intent; Accredited Investor Status; Securities Documents. Each of the Mortgage Lion Shareholders is acquiring the Monticello Common Shares hereunder for its own account for investment and not with a view to, or for sale in connection with, any distribution of any of the Monticello Common Shares, except in compliance with applicable state and federal securities laws. Each of the Mortgage Lion Shareholders has had the opportunity to discuss the transactions contemplated herein with Monticello and has had the opportunity to obtain such information pertaining to Monticello as has been requested. Each of the Mortgage Lion Shareholders is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act, and has such knowledge and experience in business or financial matters that it is capable of evaluating the merits and risks of an investment in Monticello. Each of the Mortgage Lion Shareholders hereby represents that it can bear the economic risk of losing its investment in the Monticello Common Shares and has adequate means for providing for his or her current financial needs and contingencies.

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3.22 No Commissions. Neither Mortgage Lion nor any of the Mortgage Lion Shareholders have incurred any obligation for any finder's or broker's or agent's fees or commissions or similar compensation in connection with the transactions contemplated hereby.

3.23 Bank Accounts; Business Locations. The Disclosure Schedule sets forth, with respect to each account of Mortgage Lion with any bank, broker or other depository institution, (i) the name and account number of such account, (ii) the name and address of the institution where such account is held, (iii) the name of any Person(s) holding a power of attorney with respect to such account and (iv) the names of all authorized signatories and other Persons authorized to withdraw funds from each such account. As of the date hereof, Mortgage Lion has no office or place of business other than as identified on the Disclosure Schedule and Mortgage Lion's principal places of business and chief executive offices are indicated on the Disclosure Schedule. All locations where the equipment, inventory, chattel paper and books and records of Mortgage Lion are located as of the date hereof are fully identified on the Disclosure Schedule.

3.24 Financial Statements. Mortgage Lion has delivered to Monticello and AMB Acquisition the unaudited financial statements of Mortgage Lion for the fiscal years ended December 31, 1999 including the notes thereto (the "Year End Financial Statements") and the unaudited financial statements of Mortgage Lion for the interim period ended June 30, 2000 (the "Interim Financial Statements," and together with the Year End Financial Statements, the "Financial Statements"), copies of which are included in the Disclosure Schedule. The balance sheet of Mortgage Lion dated as of the most recent month-end close prior to the date of this Agreement included in the Financial Statements is referred to herein as the "Current Balance Sheet." The Financial Statements fairly present the financial position of Mortgage Lion as of each of the balance sheet dates and the results of operations for the periods covered thereby, and have been prepared in accordance with GAAP consistently applied throughout the periods indicated. The books and records of Mortgage Lion fully and fairly reflect all of its transactions, properties, Assets and liabilities. There are no material special or non-recurring items of income or expense during the periods covered by the Financial Statements and the balance sheets included in the Financial Statements do not reflect any writeup or revaluation increasing the book value of any Assets, except as specifically disclosed in the notes thereto.

3.25 Changes Since the Current Balance Sheet Date. Since the date of its Current Balance Sheet, Mortgage Lion has operated its business only in the usual, regular and ordinary course of business. As of the date of its Current Balance Sheet, Mortgage Lion did not have any obligation or liability (contingent or otherwise) that was material, or that when combined with all similar obligations or liabilities would have been material, except as disclosed in the Current Balance Sheet or as disclosed in the Disclosure Schedule. Since the date of its Current Balance Sheet, Mortgage Lion has not incurred, paid or been assessed for any material obligation or liability (contingent or otherwise), or any obligation or liability that when combined with all similar obligations or liabilities would have been material, except as disclosed in the Current Balance Sheet or as disclosed in the Disclosure Schedule and except for obligations incurred or paid in connection with transactions by it in the ordinary course of business consistent with its past practices. There does not exist a set of

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circumstances resulting from transactions effected or events occurring on or prior to the date of its Current Balance Sheet or from any action omitted to be taken during such period that could reasonably be expected to result in any such material obligation or liability, except as disclosed in the Disclosure Schedule or as disclosed or provided for in the Current Balance Sheet. Since the date of its Current Balance Sheet, Mortgage Lion has not suffered any Material Adverse Change in its business, operations, prospects, assets or condition (financial or other) or failed to operate its business consistent with their past practices. Except as set forth in the Disclosure Schedule, since the date of its Current Balance Sheet included in the Financial Statements, Mortgage Lion has not (a) declared, set aside, made or paid any dividend or other distribution payable in cash, stock, property or otherwise of or with respect to its capital stock, or other securities, or reclassified, combined, split, subdivided or redeemed, purchased or otherwise acquired, directly or indirectly, any of its capital stock, or other securities; (b) paid any bonus to or increased the rate of compensation of any of its officers, partners, or employees, or amended any other terms of employment or engagement of such persons; (c) sold, leased or transferred any of its properties or Assets or acquired any properties or assets other than in the ordinary course of business consistent with past practice; (d) made, or obligated itself to make, any capital expenditures; (e) made any payment in respect of its liabilities other than in the ordinary course of business consistent with past practice; (f) except in the ordinary course of business, incurred any obligations or liabilities (including, without limitation, any indebtedness for borrowed money, issuance of any debt securities, or the assumption, guarantee, or endorsement of the obligations of any Person) or entered into any transaction or series of transactions contemplated hereby; (g) suffered any theft, damage, destruction or casualty loss not covered by insurance in excess of \$5,000 in the aggregate, and in excess of \$10,000 in the aggregate if covered by insurance; (h) suffered any extraordinary losses (whether or not covered by insurance); (i) waived, canceled, compromised or released any rights having a value in excess of \$2,500 in the aggregate; (j) made or adopted any change in its accounting practice or policies; (k) made any adjustment to its books and records other than in respect of the conduct of its business activities in the ordinary course consistent with past practice; (l) entered into any transaction with any of its shareholders or any affiliate of Mortgage Lion; (m) entered into any employment agreement that is not terminable at will without any liability or obligation; (n) terminated, amended or modified any agreement involving an amount in excess of \$2,500 in the aggregate; (o) imposed any security interest or other Lien on any of its Assets; (p) delayed paying any account payable or other obligation beyond the date on which it is due and payable, except to the extent being contested in good faith; (q) made or pledged any charitable contributions; (r) acquired (including, without limitation, for cash or shares of stock, by merger, consolidation, or acquisition of stock or assets) any interest in any corporation, partnership or other business organization or division thereof or any assets, or made any investment either by purchase of stock or securities, contributions or property transfer of capital; (s) increased or decreased prices charged to customers, or taken any actions which might reasonably result in any material loss of customers; (t) entered into any other transaction or been subject to any event which has or may reasonably be expected to have a Material Adverse Effect on Mortgage Lion; or (u) agreed to do or authorized any of the foregoing.

3.26 Names; Prior Acquisitions. All names under which Mortgage Lion does business as of the date hereof are specified on the Disclosure Schedule. Mortgage Lion has not changed its name

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or used any assumed or fictitious name, or been the surviving entity in a merger, acquired any business or changed its principal place of business or chief executive office, within the past three (3) years.

3.27 Accuracy of Information Furnished. No representation, statement or information made or provided by Mortgage Lion or the Mortgage Lion Shareholders contained in this Agreement (including, without limitation, the various schedules attached hereto) or any agreement executed in connection herewith or in any certificate delivered pursuant hereto or thereto, contains or shall contain any untrue statement of a material fact or omits or shall omit any material fact necessary to make the information contained therein not misleading. Mortgage Lion has provided Monticello and AMB Acquisition with true, accurate and complete copies of all documents listed or described in the various schedules attached hereto.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF MONTICELLO AND AMB ACQUISITION

As a material inducement to Mortgage Lion to enter into this Agreement and to consummate the transactions contemplated hereby, Monticello and AMB Acquisition make the following representations and warranties to Mortgage Lion:

4.01 Organization. Monticello is a federal savings bank duly organized, validly existing and in good standing under applicable federal law. AMB Acquisition is a corporation duly organized, validly existing, and in good standing under the laws of the State of Florida.

4.02 Authorization of Transaction. Each of Monticello and AMB Acquisition has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of each of Monticello and AMB Acquisition, enforceable in accordance with its terms and conditions.

4.03 Capitalization of Monticello. The authorized capital stock of Monticello consists of 1,000,000 shares of common stock having a par value of \$1.00 per share. An aggregate of 1,421 shares of such common stock are outstanding as of the date hereof. All of the issued and outstanding shares of capital stock of Monticello (i) have been duly authorized and validly issued and are fully paid and non-assessable, (ii) were issued in compliance with all applicable state and federal securities laws, and (iii) were not issued in violation of any preemptive rights or rights of first refusal. No preemptive rights or rights of first refusal exist with respect to the shares of capital stock of Monticello and no such rights arise by virtue of or in connection with the transactions contemplated hereby. There are no outstanding or authorized rights, options, warrants, convertible securities, subscription rights, conversion rights, exchange rights or other agreements or commitments of any kind that could require Monticello to issue or sell any shares of its capital stock

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(or securities convertible into or exchangeable for shares of its capital stock). There are no outstanding stock appreciation, phantom stock, profit participation or other similar rights with respect to Monticello. There are no proxies, voting rights or other agreements or understandings with respect to the voting or transfer of the capital stock of Monticello. Monticello is not obligated to redeem or otherwise acquire any of its outstanding shares of capital stock.

4.04 Capitalization of AMB Acquisition. The authorized capital stock of AMB Acquisition consists of 1,000,000 shares of common stock having a par value of \$.01 per share. An aggregate of 100 shares of such common stock are outstanding as of the date hereof. All of the issued and outstanding shares of capital stock of AMB Acquisition (i) have been duly authorized and validly issued and are fully paid and non-assessable, (ii) were issued in compliance with all applicable state and federal securities laws, and (iii) were not issued in violation of any preemptive rights or rights of first refusal. No preemptive rights or rights of first refusal exist with respect to the shares of capital stock of AMB Acquisition and no such rights arise by virtue of or in connection with the transactions contemplated hereby. There are no outstanding or authorized rights, options, warrants, convertible securities, subscription rights, conversion rights, exchange rights or other agreements or commitments of any kind that could require AMB Acquisition to issue or sell any shares of its capital stock (or securities convertible into or exchangeable for shares of its capital stock). There are no outstanding stock appreciation, phantom stock, profit participation or other similar rights with respect to AMB Acquisition. There are no proxies, voting rights or other agreements or understandings with respect to the voting or transfer of the capital stock of AMB Acquisition. AMB Acquisition is not obligated to redeem or otherwise acquire any of its outstanding shares of capital stock. As of the date hereof, Monticello holds of all issued and outstanding shares of capital stock of AMB Acquisition free and clear of all liens, restrictions and claims of any kind.

4.05 Brokers' Fees. Neither Monticello or AMB Acquisition has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which Mortgage Lion or the Mortgage Lion Shareholders could become liable or obligated.

ARTICLE V ADDITIONAL COVENANTS AND AGREEMENT

5.01 Further Assurances. Each party shall execute and deliver such additional instruments and other documents and shall take such further actions as may be necessary or appropriate to effectuate, carry out and comply with all of the terms of this Agreement and the transactions contemplated hereby. The parties shall use their diligent efforts to cause the satisfaction of all conditions precedent to the consummation of the Closing.

5.02 Compliance with Covenants. Mortgage Lion and the Mortgage Lion Shareholders will comply with all of their respective covenants under this Agreement.

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5.03 Notification of Certain Matters. Mortgage Lion and the Mortgage Lion Shareholders shall give prompt notice to Monticello and AMB Acquisition of the occurrence or non-occurrence of any event that would likely cause any representation or warranty contained herein to be untrue or inaccurate, or any covenant, condition, or agreement contained herein not to be complied with or satisfied.

5.04 Confidentiality; Publicity. Except as may be required by law or as otherwise permitted or expressly contemplated herein, no party hereto or their respective Affiliates, employees, agents and representatives shall disclose to any third party this Agreement or the subject matter or terms hereof without the prior consent of the other parties hereto and no press release or other public announcement related to this Agreement or the transactions contemplated hereby shall be issued by any party hereto without the prior approval of the other parties, except that Monticello and AMB Acquisition may make any press release or other public announcement or any disclosure related to this Agreement or the transactions contemplated hereby following the Closing and Monticello and AMB Acquisition also may make such public disclosure which it believes in good faith to be required by law or by the terms of any listing agreement with or requirements of a securities exchange.

5.05 No Other Discussions. Neither Mortgage Lion nor the Mortgage Lion Shareholders will (i) initiate, encourage the initiation by others of discussions or negotiations with third parties or respond to solicitations by third Persons relating to any merger, sale or other disposition of any substantial part of the Assets, business or properties of Mortgage Lion (whether by merger, consolidation, sale of stock or otherwise) or (ii) enter into any agreement or commitment (whether or not binding) with respect to any of the foregoing transactions.

5.06 Due Diligence Review. Monticello and AMB Acquisition shall be entitled to have conducted prior to the Closing a due diligence review of the Assets, properties, books and records of Mortgage Lion. Mortgage Lion and the Mortgage Lion Shareholders shall (and shall cause Mortgage Lion's directors, officers, employees, auditors, counsel and agents to) afford Monticello and AMB Acquisition and each of their respective officers, employees, auditors, counsel and agents reasonable access at all reasonable times to its properties, offices, and other facilities, to its officers and employees and to all books and records, and shall furnish such persons with all financial, operating and other data and information as may be requested. If the results such due diligence review are not satisfactory to each of Monticello and AMB Acquisition in their sole discretion, then Monticello and AMB Acquisition may elect not to close the transactions contemplated by this Agreement in which case this Agreement shall be terminated.

5.07 Stock Transfer Agreement. At Closing, the Mortgage Lion Shareholders shall execute and deliver to Monticello, a Stock Transfer Agreement in the form attached hereto as Exhibit "A" (the "Stock Transfer Agreement")

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5.08 Leased Premises. On the Closing Date, Mortgage Lion shall cause the landlord of the Leased Premises to execute and deliver a consent and estoppel agreement reasonably satisfactory to Monticello and AMB Acquisition (the "Landlord's Consent").

5.09 Employment Agreements. Mortgage Lion shall cause each of James C. Bowen and G. Byron McDaniel to enter into an Employment Agreement with Mortgage Lion, effective as of the Closing Date in substantially the form set forth on Exhibit "B" (the "Employment Agreements"). Mortgage Lion shall cause any other Mortgage Lion employees designated by Monticello or AMB Acquisition, in their sole discretion, to be employed by Mortgage Lion as employees at will upon terms and conditions determined by Monticello and AMB Acquisition. The parties shall use their reasonable efforts to agree upon the term and compensation under the Employment Agreements prior to Closing.

5.10 Incentive Bonus Plan. The parties hereto shall use their reasonable efforts to agree upon a bonus plan to be adopted at or promptly following the Closing (the "Bonus Plan"), which Bonus Plan shall replace any bonus plan of Mortgage Lion in effect on the date hereof (which plan shall cease to have any further effect).

5.11 Confidentiality. The Mortgage Lion shareholders will not, at any time, divulge, furnish or make accessible to anyone (other than in the regular course of business of Mortgage Lion) any knowledge or information with respect to any confidential or secret aspect of Mortgage Lion or Monticello.

5.12 Operation of Business. Mortgage Lion and the Mortgage Lion Shareholders agree that they will not engage in any practice, take any action, or enter into any transaction outside the ordinary course of business. Without limiting the generality of the foregoing:

(a) Mortgage Lion will not authorize or effect any change in Mortgage Lion's charter or bylaws;

(b) Mortgage Lion will not grant any options, warrants, or other rights to purchase or obtain any of Mortgage Lion's capital stock or issue, sell, or otherwise dispose of any of Mortgage Lion's capital stock (except upon the conversion or exercise of options, warrants, and other rights currently outstanding);

(c) Mortgage Lion will not declare, set aside, or pay any dividend or distribution with respect to its capital stock (whether in cash or in kind), or redeem, repurchase, or otherwise acquire any of its capital stock;

(d) Mortgage Lion will not issue any note, bond, or other debt security or create, incur, assume, or guarantee any indebtedness for borrowed money or capitalized lease obligation outside the ordinary course of business;

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(e) Mortgage Lion will not impose any security interest upon any of Mortgage Lion's assets outside the ordinary course of business;

(f) Mortgage Lion will not make any capital investment in, make any loan to, or acquire the securities or assets of any other Person; and

(g) Mortgage Lion will not make any change in employment terms for any of its directors, officers, and employees outside the ordinary course of business.

5.13 Shareholder Approval. Each of the Mortgage Lion Shareholders shall: (a) vote his or her shares of Mortgage Lion in favor of the transactions contemplated herein so that such transactions shall be approved in accordance with applicable law on or before August 31, 2000; and (b) take all such other action as may be required to assure that such transactions are approved by the shareholders and directors of Mortgage Lion in accordance with applicable law on or before such date.

5.14 Quality Control. The Surviving Corporation shall implement and maintain, and the Mortgage Lion Shareholders shall cause the Surviving Corporation to implement and maintain, a quality control program (the "Quality Control Program"), acceptable in scope and substance to Monticello, to ensure that Mortgage Lion maintains: (a) a minimum CAMELS Score of 2 for safety and soundness; and (b) a minimum CAMELS Score of Satisfactory for compliance. The Quality Control Program shall provide for quarterly internal audits of the Surviving Corporation, performed by a qualified auditor approved by Monticello. All expenses incurred by the Surviving Corporation in connection with the Quality Control Program, including, without limitation, audit costs, compliance costs and the cost of internal controls established within the Quality Control Program shall be the responsibility of the Surviving Corporation.

ARTICLE VI INDEMNIFICATION

6.01 Indemnity by Mortgage Lion and the Mortgage Lion Shareholders. The Mortgage Lion Shareholders, jointly and severally, agree to indemnify and hold Monticello, AMB Acquisition, the Surviving Corporation and their respective stockholders, directors, officers, employees, attorneys and Affiliates (collectively, for purposes of this Article VI, the "Monticello Indemnitees") harmless from and against, and, at the Monticello Indemnitees' election, in their sole discretion, the Monticello Indemnitees shall be entitled to recover by setoff in accordance with Section 6.03, the aggregate of all expenses, losses, costs, deficiencies, liabilities and damages (including, without limitation, related reasonable counsel and paralegal fees and expenses) incurred or suffered by the Monticello Indemnitees, or any of them, arising out of or resulting from (i) any breach of a representation or warranty made by Mortgage Lion or the Mortgage Lion Shareholders in or pursuant to this Agreement, (ii) any breach of the covenants or agreements made by Mortgage Lion or the Mortgage Lion Shareholders in or pursuant to this Agreement, (iii) any inaccuracy in any certificate, instrument or other document delivered by Mortgage Lion or the Mortgage Lion Shareholders as required by

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this Agreement, (iv) the failure to obtain the consent of any landlord to the assignment of the Real Property Lease if such consent is required pursuant to the terms of such lease, or (v) any transfer taxes that may be due and owing to any Governmental Authority (collectively, "Indemnifiable Damages"). Without limiting the generality of the foregoing, with respect to the measurement of Indemnifiable Damages, the Monticello Indemnitees shall have the right to be put in the same pre-tax consolidated financial position as they would have been in had each of the representations and warranties of Mortgage Lion and the Mortgage Lion Shareholders hereunder been true and correct and had the agreements of Mortgage Lion and the Mortgage Lion Shareholders hereunder been performed in full.

6.02 Survival of Representations and Warranties. Each of the representations, warranties and agreements made by Mortgage Lion and the Mortgage Lion Shareholders herein shall survive the Closing. Notwithstanding any knowledge of facts determined or determinable by any party by investigation, each party shall have the right to fully rely on the representations, warranties, covenants and agreements of the other parties hereto contained in this Agreement or in any other documents or papers delivered in connection herewith. Each representation, warranty, covenant and agreement contained in this Agreement is independent of each other representation, warranty, covenant and agreement.

6.03 Set-Off. As security for the indemnification obligations contained in this Article VI and as a non-exclusive remedy of Monticello and AMB Acquisition for the breach of any such obligations, Monticello shall have the right, upon written notice to the Mortgage Lion Shareholders, to set off any or all of the Indemnifiable Damages against payments due under any of the Employment Agreements or any other agreements between Monticello and the Mortgage Lion Shareholders ("Offset Amounts").

6.04 No Bar. If payments due under the Employment Agreements are insufficient to set off any claim for Indemnifiable Damages made hereunder, then the Monticello Indemnitees may take any action or exercise any remedy available to it by appropriate legal proceedings to collect the Indemnifiable Damages.

6.05 Remedies Cumulative. The remedies provided herein shall be cumulative and shall not preclude the Monticello Indemnitees from asserting any other right, or seeking any other remedies against the Mortgage Lion Shareholders or Mortgage Lion.

ARTICLE VII CONDITIONS TO THE OBLIGATIONS OF MONTICELLO AND AMB ACQUISITION

The obligation of each of Monticello and AMB Acquisition to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions, any or all of which may be waived in whole or in part by Monticello and AMB Acquisition:

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7.01 Accuracy of Representations and Warranties and Compliance with Obligations. The representations and warranties of Mortgage Lion and the Mortgage Lion Shareholders contained in this Agreement shall be true and correct at and as of the Closing Date with the same force and effect as though made at and as of that time except (i) for changes specifically permitted by or disclosed pursuant to this Agreement, and (ii) that those representations and warranties that address matters only as of a particular date shall remain true and correct as of such date. Each of Mortgage Lion and the Mortgage Lion Shareholders shall have performed and complied with all of their respective obligations required by this Agreement to be performed or complied with at or prior to the Closing Date. Mortgage Lion and the Mortgage Lion shareholders shall have delivered to Monticello and AMB Acquisition a certificate, dated as of the Closing Date, duly signed by the president of Mortgage Lion and each of the Mortgage Lion Shareholders, certifying that such representations and warranties are true and correct and that all such obligations have been performed and complied with.

7.02 No Material Adverse Change or Destruction of Property. Between the date hereof and the Closing Date, (i) there shall have been no Material Adverse Change to Mortgage Lion, (ii) there shall have been no adverse federal, state or local legislative or regulatory change affecting in any material respect the services, products or business of Mortgage Lion, and (iii) none of the properties and Assets of Mortgage Lion shall have been damaged by fire, flood, casualty, act of God or the public enemy or other cause (regardless of insurance coverage for such damage) which damages may have a Material Adverse Effect thereon, and there shall have been delivered to Monticello and AMB Acquisition a certificate to that effect, dated the Closing Date and signed by the president of Mortgage Lion and the Mortgage Lion Shareholders.

7.03 Certificate. Mortgage Lion shall deliver to Monticello and AMB Acquisition (i) copies of the articles of incorporation and bylaws of Mortgage Lion as in effect immediately prior to the date hereof, (ii) copies of resolutions adopted by Mortgage Lion's board of directors and shareholders authorizing the transactions contemplated by this Agreement, and (iii) a certificate of good standing of Mortgage Lion issued by the Secretary of State of Georgia and each other state in which it is qualified to do business as of a date not more than ten days prior to the date hereof, certified in each case as of the date hereof by the secretary of Mortgage Lion as being true, correct and complete.

7.04 Employment Agreements. At Closing, the Employment Agreements shall be duly executed and delivered.

7.05 Landlord's Consent. At Closing, Mortgage Lion and the Mortgage Lion Shareholders shall have caused to be executed and delivered to Monticello and AMB Acquisition the Landlord's Consent.

7.06 No Adverse Litigation. There shall not be pending or threatened any action or proceeding by or before any court or other governmental body that shall seek to restrain, prohibit, invalidate or collect damages arising out of the transactions contemplated hereby, and that, in the

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judgment of either Monticello or AMB Acquisition, makes it inadvisable to proceed with this Agreement and other transactions contemplated hereby.

7.07 Opinion of Counsel. Monticello and AMB Acquisition shall have received an opinion, dated as of the Closing Date, from counsel for Mortgage Lion and the Mortgage Lion Shareholders acceptable to Monticello and AMB Acquisition in form and substance reasonably satisfactory to Monticello and AMB Acquisition.

7.08 Consents. Mortgage Lion and the Mortgage Lion Shareholders shall have received (and delivered to Monticello and AMB Acquisition copies of) consents to the transactions contemplated hereby and waivers of rights to terminate or modify any material rights or obligations of Mortgage Lion or the Mortgage Lion Shareholders from any Person from whom such consent or waiver is required under any Contract.

7.09 Due Diligence Review. Monticello and AMB Acquisition shall be satisfied in all respects with the results of the due diligence review.

7.10 Prior Regulatory Approval. All filings and registrations with, and notification to, all federal and state authorities required for consummation of the transactions contemplated herein shall have been made, all approvals and authorizations of all federal and state authorities required for the consummation of the transactions contemplated herein, including, without limitation, approval from the Office of Thrift Supervision ("OTS") and the Federal Deposit Insurance Corporation shall have been received (without any material conditions or contingencies) and shall be in full force and effect, and all applicable waiting periods shall have passed.

7.11 Other Approvals. The shareholders and directors of each of Monticello, AMB Acquisition and Mortgage Lion shall have approved all transactions contemplated herein in accordance with applicable law.

7.12 Closing Documents. Mortgage Lion and the Mortgage Lion Shareholders shall have executed and delivered the documents required by this Agreement to have been executed and delivered by them, and such other closing documents as may be necessary to consummate the Acquisition.

ARTICLE VIII CONDITIONS TO THE OBLIGATIONS OF MORTGAGE LION AND THE MORTGAGE LION SHAREHOLDERS

The obligations of Mortgage Lion and the Mortgage Lion Shareholders to effect the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing Date of the following conditions, any or all of which may be waived in whole or in part in writing by Mortgage Lion and the Mortgage Lion Shareholders:

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8.01 Accuracy of Representations and Warranties and Compliance with Obligations. The representations and warranties of Monticello and AMB Acquisition contained in this Agreement shall be true and correct as of the Closing Date with the same force and effect as though made at and as of that time except (i) for changes specifically permitted by or disclosed pursuant to this Agreement, and (ii) that those representations and warranties that address matters only as of a particular date shall remain true and correct as of such date. Monticello and AMB Acquisition shall have performed and complied with all of their respective obligations required by this Agreement to be performed or complied with at or prior to the Closing. Each of Monticello and AMB Acquisition shall have delivered to Mortgage Lion and the Mortgage Lion Shareholders a certificate, dated as of the Closing Date, duly signed by its president, certifying that such representations and warranties are true and correct and that all such obligations have been complied with and performed in all material respects.

8.02 Purchase Price. At the Closing, Monticello shall deliver the Merger Consideration to Mortgage Lion and the Mortgage Lion Shareholders pursuant to Article II hereof.

8.03 Delivery of Other Documents. At the Closing, each of Monticello and AMB Acquisition shall cause to be executed and delivered the documents required by this Agreement to have been executed and delivered by each of them.

8.04 Prior Regulatory Approval. All filings and registrations with, and notification to, all federal and state authorities required for consummation of the transactions contemplated herein shall have been made, all approvals and authorizations of all federal and state authorities required for the consummation of the transactions contemplated herein, including, without limitation, approval from the OTS and the Federal Deposit Insurance Corporation shall have been received (without any material conditions or contingencies) and shall be in full force and effect, and all applicable waiting periods shall have passed.

ARTICLE IX TERMINATION

9.01 Termination of Agreement. Any of the parties may terminate this Agreement with the prior authorization of its board of directors (whether before or after stockholder approval) as provided below:

(a) The parties may terminate this Agreement by mutual written consent at any time prior to the Effective Time.

(b) Monticello and AMB Acquisition may terminate this Agreement by giving written notice to Mortgage Lion and the Mortgage Lion Shareholders at any time prior to the Effective Time (i) in the event that either Mortgage Lion or the Mortgage Lion Shareholders have breached any material representation, warranty, or covenant contained in this Agreement in any material respect; or (ii) if the Closing shall not have occurred on or before

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December 31, 2000, by reason of the failure of any condition precedent hereunder (unless the failure results primarily from Monticello or AMB Acquisition breaching any representation, warranty, or covenant contained in this Agreement).

(c) Mortgage Lion and the Mortgage Lion shareholders may terminate this Agreement by giving written notice to Monticello and AMB Acquisition at any time prior to the Effective Time (i) in the event that either Monticello or AMB Acquisition has breached any material representation, warranty, or covenant contained in this Agreement in any material respect; or (ii) if the Closing shall not have occurred on or before December 31, 2000, by reason of the failure of any condition precedent hereunder (unless the failure results primarily from Mortgage Lion or the Mortgage Lion Shareholders breaching any representation, warranty, or covenant contained in this Agreement).

9.02 Effect of Termination. If any party terminates this Agreement pursuant to Section 9.01 above, all rights and obligations of the parties hereunder shall terminate without any liability of any party to any other party (except for any liability of any party then in breach). However, the confidentiality provisions contained in this Agreement shall survive any such termination.

ARTICLE X GENERAL PROVISIONS

10.01 Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing and shall be delivered by certified or registered mail (first class postage pre-paid), guaranteed overnight delivery, or facsimile transmission if such transmission is confirmed by delivery by certified or registered mail (first class postage pre-paid) or guaranteed overnight delivery, to the following addresses and telecopy numbers (or to such other addresses or telecopy numbers which such party shall designate in writing to the other party):

if to Monticello Bank or AMB Acquisition :

Monticello Bank
3288 S. Third Street
Jacksonville Beach, Florida 32250
Telecopy: (904) 241-7079
Attention: Chairman

with a copy to:

Stonchurner Berry Goldman & Simmons, P.A.
225 Water Street, Suite 2050
Jacksonville, Florida 32202
Attn: James I. Vance Berry, Jr., Esq.
Telecopy: (904) 354-5244

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if to Mortgage Lion:

Mortgage Lion, Inc.
1108 Ten Mile Road
Fitzgerald, Georgia 31750
Attn: President
Telecopy: (912) 831-6223

with a copy to:

J. Harvey Davis
South Cherry Street
Ocilla, Georgia 31774

if to the Mortgage Lion Shareholders:

James C. Bowen
G. Byron McDaniel
Cindy B. Harlow
1108 Ten Mile Road
Fitzgerald, Georgia 31750
Telecopy: (912) 831-6223

with a copy to:

J. Harvey Davis
South Cherry Street
Ocilla, Georgia 31774

10.02 Entire Agreement. This Agreement (including the schedules attached hereto) and other documents delivered at Closing, contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between or among the parties with respect to such subject matter. The schedules constitute a part hereof as though set forth in full above.

10.03 Expenses. Except as otherwise provided herein, the parties shall pay their own fees and expenses, including their own counsel fees, incurred in connection with this Agreement or any transaction contemplated hereby.

10.04 Amendment; Waiver. This Agreement may not be modified, amended, supplemented, canceled or discharged, except by written instrument executed by all parties. No failure to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege

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hereunder preclude the exercise of any other right, power or privilege. No waiver of any breach of any provision shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision, nor shall any waiver be implied from any course of dealing between the parties. No extension of time for performance of any obligations or other acts hereunder or under any other agreement shall be deemed to be an extension of the time for performance of any other obligations or any other acts. The rights and remedies of the parties under this Agreement are in addition to all other rights and remedies, at law or equity, that they may have against each other.

10.05 Binding Effect; Assignment. The rights and obligations of this Agreement shall bind and inure to the benefit of the parties and their respective successors and assigns. Nothing expressed or implied herein shall be construed to give any other Person any legal or equitable rights hereunder. Except as expressly provided herein, the rights and obligations of this Agreement may not be assigned or delegated by any party without the prior written consent of the other parties.

10.06 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

10.07 Interpretation. When a reference is made in this Agreement to an article, section, paragraph, clause, schedule or exhibit, such reference shall be deemed to be to this Agreement unless otherwise indicated. The headings contained herein and on the schedules are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or the schedules. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." Time shall be of the essence in this Agreement.

10.08 Governing Law; Interpretation. This Agreement shall be construed in accordance with and governed for all purposes by the laws of the State of Florida applicable to contracts executed and to be wholly performed within such State, without regard to conflict of laws principles.

10.09 Jurisdiction. Any suit, action or proceeding arising out of, or with respect to, this Agreement or any judgment entered by any court in respect thereof may be brought in the courts of Duval County, Florida, or in the U.S. District Court for the Middle District of Florida, as Monticello (in its sole discretion) may elect, and Mortgage Lion hereby irrevocably accept and consent to the nonexclusive personal jurisdiction of those courts for the purpose of any suit, action or proceeding. In addition, Mortgage Lion hereby irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any judgment entered by any court in respect thereof brought in Duval County, Florida, or the U.S. District Court for the Middle District of Florida, as selected by Monticello and AMB Acquisition, and hereby further irrevocably waives any claim that any suit, action or proceedings brought in Duval County, Florida, or in such District Court has been brought in an inconvenient forum.

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10.10 Arm's Length Negotiations. Each party herein expressly represents and warrants to all other parties hereto that (a) before executing this Agreement, such party has fully informed itself of the terms, contents, conditions and effects of this Agreement; (b) such party has relied solely and completely upon its own judgment in executing this Agreement; (c) such party has had the opportunity to seek and has obtained the advice of counsel before executing this Agreement; (d) such party has acted voluntarily and of its own free will in executing this Agreement; (e) such party is not acting under duress, whether economic or physical, in executing this Agreement; and (f) this Agreement is the result of arm's length negotiations conducted by and among the parties and their respective counsel.

10.11 Severability. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument.

10.12 Ancillary Agreements. To the extent any agreement ancillary to this Agreement contains any representation or warranty that provides for different or conflicting rights, duties or obligations from those representations and warranties contained herein, the provisions of this Agreement will control.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

MONTICELLO BANK,
a federal savings bank

By: _____

Its: _____

AMB ACQUISITION CORP.,
a Florida corporation

By: _____

Its: _____

01/16/2001

11:42

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NO. 761

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MORTGAGE LION, INC.,
a Georgia corporation

By: James C. Bowen

Its: PRESIDENT

SHAREHOLDERS:

James C. Bowen
James C. Bowen

G. Byron McDaniel
G. Byron McDaniel

Cindy B. Harlow
Cindy B. Harlow

mb-ma

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APPENDIX I

The following terms when used in the Merger Agreement shall have the following meanings:

"Affiliate" means any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for the purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other Person, whether through the ownership of voting securities, common directors, trustees or officers, by conduct or otherwise.

"Assets" is defined in Section 3.12 of the Merger Agreement.

"Bonus Plan" is defined in Section 5.10 of the Merger Agreement.

"Certificate of Merger" is defined in Section 2.03 of the Merger Agreement.

"COBRA" is defined in Section 3.15(d) of the Merger Agreement.

"Closing" is defined in Section 2.02 of the Merger Agreement.

"Closing Date" is defined in Section 2.02 of the Merger Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Confidential Information" means any information concerning the businesses and affairs of Mortgage Lion and its Subsidiaries that is not already generally available to the public.

"Contract" means any agreement, contract, lease, note, mortgage, indenture, loan agreement, franchise agreement, covenant, employment agreement, license, instrument, purchase and sales order, commitment, undertaking, obligation, whether written or oral, express or implied.

"Current Balance Sheet" is defined in Section 3.24 of the Merger Agreement.

"Disclosure Schedule" is defined in the introduction to Article III of the Merger Agreement.

"Effective Time" is defined in Section 2.04(a) of the Merger Agreement.

"Employee Benefit Plans" is defined in Section 3.15(a) of the Merger Agreement.

"Employment Agreements" is defined in Section 5.09 of the Merger Agreement.

"ERISA" is defined in Section 3.15(a) of the Merger Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

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"Financial Statements" is defined in Section 3.24 of the Merger Agreement.

"GAAP" means generally accepted accounting principles in effect in the United States of America from time to time.

"Governmental Authority" means any nation or government, any state, regional, local or other political subdivision thereof, and any entity or official exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"HIPAA" is defined in Section 3.15(d) of the Merger Agreement.

"Indemnifiable Damages" is defined in Section 6.01 of the Merger Agreement.

"Insurance Policies" is defined in Section 3.17 of the Merger Agreement.

"Landlord's Consent" is defined in Section 5.08 of the Merger Agreement.

"Leased Premises" is defined in Section 3.11(b) of the Merger Agreement.

"Lien" means any mortgage, pledge, security interest, collateral assignment, preemptive or refused right, equity of any kind encumbrance, lien or charge of any kind (including, but not limited to, any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction in connection with such mortgage, pledge, security interest, encumbrance, lien or charge).

"Material Adverse Change (or Effect)" means a change (or effect), in the condition (financial or otherwise), properties, assets, prospects, liabilities, rights, obligations, operations, or business which change (or effect) individually or in the aggregate, is materially adverse to such condition, properties, assets, liabilities, rights, obligations, operations, or business.

"AMB Acquisition" is defined in the Recitals to the Merger Agreement.

"Merger" is defined in Section 2.01 of the Merger Agreement.

"Merger Consideration" is defined in Section 2.04(b) of the Merger Agreement.

"Monticello Common Shares" is defined in Section 2.04(b) of the Merger Agreement.

"Monticello" is defined in the Recitals to the Merger Agreement.

"Monticello Indemnitees" is defined in Section 6.01 of the Merger Agreement.

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"Mortgage Lion" is defined in the Recitals to the Merger Agreement.

"Mortgage Lion Share" means any share of the common stock, no par value per share, of Mortgage Lion.

"Mortgage Lion Shareholders" is defined in the Recitals to the Merger Agreement.

"Offset Amounts" is defined in Section 6.03 of the Merger Agreement.

"OTS" is defined in Section 7.10 of the Merger Agreement.

"PBGC" is defined in Section 3.15(b) of the Merger Agreement.

"Permits" is defined in Section 3.19 of the Merger Agreement.

"Person" means an individual, partnership, corporation, business trust, joint stock company, estate, trust, unincorporated association, joint venture, Governmental Authority or other entity, of whatever nature.

"Quality Control Program" is defined in Section 5.14 of the Merger Agreement.

"Real Property Lease" is defined in Section 3.11(b) of the Merger Agreement.

"Receivables" is defined in Section 3.18 of the Merger Agreement.

"Register", "registered" and "registration" refer to a registration of the offering and sale of securities effected by preparing and filing a registration statement in compliance with the Securities Act and the declaration or ordering of the effectiveness of such registration statement.

"Requisite Stockholder Approval" means the affirmative vote of the holders of a majority of the Mortgage Lion Shares in favor of this Agreement.

"Security Interest" means any mortgage, pledge, lien, encumbrance, charge, or other security interest, other than (a) mechanic's, materialman's, and similar liens, (b) liens for taxes not yet due and payable or for taxes that the taxpayer is contesting in good faith through appropriate proceedings, (c) purchase money liens and liens securing rental payments under capital lease arrangements, and (d) other liens arising in the ordinary course of business and not incurred in connection with the borrowing of money.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

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"Stock Transfer Agreement" is defined in Section 5.07 of the Merger Agreement.

"Surviving Corporation" is defined in Section 2.01 of the Merger Agreement.

"Tax Return" means any tax return, filing or information statement required to be filed in connection with or with respect to any Tax.

"Taxes" means all taxes, fees or other assessments, including, but not limited to, income, excise, property, sales, franchise, intangible, payroll, withholding, social security and unemployment taxes imposed by any federal, state, local or foreign governmental agency, and any interest or penalties related thereto, whenever they may be assessed.

"Year End Financial Statements" is defined in Section 3.24 of the Merger Agreement.

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EXHIBIT "A"

STOCK TRANSFER AGREEMENT

This STOCK TRANSFER AGREEMENT is entered into and effective as of this ___ day of August, 2000, by and between MONTICELLO BANK (the "Bank"), a federal savings bank, and _____ (the "Shareholder").

Recitals

The Shareholder owns, beneficially and of record, the number and percentages of shares of the Bank's common stock, \$1.00 par value per share (the "Common Stock"), set forth in Exhibit A hereto (collectively, the "Shares"). The Bank and the Shareholder wish to provide for continuity in and harmonious management of the affairs of the Bank by providing certain restrictions on the right of the Shareholder to sell or otherwise dispose of his Shares and related securities.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein set forth, it is agreed as follows:

1. Restrictions on Transfer. The Shareholder (including any transferee of the Shareholder) shall not Transfer any Shares (or any other securities hereafter issued with respect to such Shares, whether by stock dividend, stock split, merger, exchange, reorganization or otherwise) or any interest in any Shares (hereinafter collectively referred to as the "Restricted Securities"), whether voluntarily or by operation of law, except as expressly permitted by and in accordance with the provisions of this Agreement. As used in this Agreement, the term "Transfer" shall mean any transfer, sale, assignment, gift, pledge, exchange, encumbrance or other disposition. Notwithstanding any contrary provisions set forth herein, the Shareholder shall be entitled to pledge all or a portion of the Shares pursuant to a Pledge Agreement dated _____ executed by the Shareholder in favor of _____.

2. Bona Fide Offer; Right of First Refusal.

2.1. Bona Fide Offer; Right of First Refusal. If the Shareholder receives a Bona Fide Offer (as herein defined) to purchase some or all of the Restricted Securities owned by the Shareholder (the "Offered Securities") and the Shareholder desires to accept such Bona Fide Offer, the Shareholder shall, prior to accepting the Bona Fide Offer, deliver written notice (the "Offer Notice") to the Bank irrevocably offering to sell all of the Offered Securities to the Bank at the Offered Price (as herein defined) and upon the terms and conditions contained in the Bona Fide Offer. The Offer Notice shall contain a true and complete copy of the Bona Fide Offer and shall set forth all of the terms and conditions of such offer including, without limitation, the name and address of the proposed transferee, the number and type of Offered Securities sought to be transferred and the purchase price offered for such Offered Securities (the "Offered Price"). The Bank shall have the right of first refusal exercisable during the time period set forth below.

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2.2. Right of the Bank. For a period of thirty (30) days after its receipt of an Offer Notice (the "Exercise Period"), the Bank shall have the exclusive right, at its sole option, to purchase all of the Offered Securities at the Offered Price and upon the terms and conditions contained in the Bona Fide Offer. The exercise or non-exercise of the Bank's right to purchase all of the Offered Securities shall be determined by a vote of the holders of a majority of the capital stock of the Bank, excluding the Shareholder (who shall abstain from voting on the matter). If the Bank elects to purchase the Offered Securities, the Bank shall deliver to the Shareholder written notice of such election prior to the expiration of the Exercise Period.

2.3. Purchase by the Bank and Closing. If the Bank shall have elected to purchase all of the Offered Securities, it shall provide in its written notice of such election a closing date and time, which closing shall occur no later than sixty (60) days after the expiration of the Exercise Period. The closing shall occur on the date and at the time indicated in the Bank's written notice of election and shall be held at the Bank's offices or at any other location designated by the Bank. At the Closing, the Bank shall deliver to the Shareholder the consideration for the Offered Securities being sold and the Shareholder shall transfer, assign and deliver to the Bank certificates representing the Offered Securities being so sold, free and clear of all liens, claims, charges and encumbrances, properly endorsed for Transfer, together with such assignments separate from the certificates and such other documents and instruments as the Bank may reasonably request to properly and validly effectuate or evidence such Transfer.

2.4. Right to Proceed with Sale. If the Bank elects within the prescribed period not to purchase all of the Offered Securities, the Shareholder shall have the right to accept the Bona Fide Offer in whole (but not in part) and to sell all of the Offered Securities (subject, however, to Section 2.7 hereof), but only (a) in strict accordance with all of the provisions of the Bona Fide Offer and (b) if the sale is fully consummated within sixty (60) days after the expiration of the Exercise Period. The Shareholder shall furnish such proof of the completion of the sale and the terms thereof as the Bank may reasonably request.

2.5. Reinstatement of Rights. If the Shareholder has not sold the Offered Securities by the end of the 60-day period set forth in Section 2.4 above, all of the restrictions on and procedures relating to Transfers set forth in this Agreement shall again come into effect with respect to the Transfer of such Offered Securities.

2.6. Bona Fide Offer Defined. The term "Bona Fide Offer" shall mean a bona fide offer in writing, signed by the offeror, from a third party, in a form legally enforceable against such party, who must be financially capable of carrying out the terms of such bona fide offer. The Bona Fide Offer must set forth a purchase price for the Offered Securities consisting only of cash, a promissory note or some combination of cash and a promissory note. The only security for any indebtedness in connection with any such Transfer shall be the Offered Securities being transferred.

2.7. Assumption of Agreement. Any Transfer of all or any part of the Shares by the Shareholder pursuant to this Section 2 shall be effective only upon the purchaser's or the transferee's execution or assumption of this Agreement. Any purchaser or transferee who executes

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or assumes this Agreement agrees that he, she or it will be bound by the provisions of this Agreement, that he, she or it will assume all liabilities of the Shareholder under this Agreement, and that he, she or it will perform all obligations and duties of the Shareholder under this Agreement. The Shareholder agrees that any purchaser or transferee who signs or assumes this Agreement shall be entitled to the rights and benefits of the Shareholder hereunder. In addition, the term "Shares" shall include any Shares acquired by such a purchaser or transferee.

3. Involuntary Transfer. If any of the Shareholder's Restricted Securities are subject to Transfer by operation of law or are otherwise subject to involuntary Transfer, such Restricted Securities shall be deemed to be first irrevocably offered to the Bank in accordance with Section 2.1 above and the Bank shall have the exclusive right of first refusal to purchase such Restricted Securities for cash at fair market value as determined in good faith by the Board of Directors, which right shall be exercisable commencing on the date that the Bank acquires knowledge that the Restricted Securities are subject to such involuntary Transfer and expiring thirty (30) days following such Transfer.

4. Joinder; Compliance.

4.1. Joinder. The Shareholder shall not transfer any Restricted Securities to any person or entity, whether voluntarily or involuntarily, unless the transferee shall agree in writing (for and on behalf of such transferee, such transferee's legal representatives, transferees and assigns) to be bound by all of the provisions of this Agreement. The failure or refusal of a transferee to so agree in writing to be bound by all provisions of this Agreement shall not limit the applicability of the restrictions on transfer contained in this Agreement to the securities so transferred.

4.2. Compliance. All transfers of any Restricted Securities shall: (i) be made pursuant to, and in accordance with the terms of this Agreement; and (ii) comply with the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended, and all applicable federal and state securities laws, unless the transfer is exempt from the requirements of such laws. Any purported transfer in violation of this Agreement will be void and of no force or effect.

5. Endorsement of Stock Certificate. Upon the execution of this Agreement, the Bank shall imprint upon each stock certificate representing the Restricted Securities the following legend:

THIS CERTIFICATE IS SUBJECT TO THE PROVISIONS OF
THE STOCK TRANSFER AGREEMENT, DATED AUGUST __,
2000, BY AND BETWEEN MONTICELLO BANK AND THE
HOLDER HEREOF, THE ORIGINAL OF WHICH IS ON FILE AT
THE OFFICES OF THE BANK.

Additionally, unless and until the Bank has registered its stock under applicable securities law, or otherwise complied with applicable federal, state and/or local laws as to the sale

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or transfer of securities, each stock certificate issued or to be issued shall bear the following additional legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THESE SHARES FILED UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO MONTICELLO BANK TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED UNDER SUCH SECURITIES LAWS.

The parties hereto agree that all Restricted Securities not presently owned by the Shareholder, but hereafter issued to or acquired by the Shareholder, shall be subject to this Agreement and shall have endorsed thereon the above legends. The Shareholder hereby agrees immediately to submit to the Bank the stock certificates representing his Shares for inscription of the above legends.

6. Termination. This Agreement shall terminate upon (i) the voluntary agreement of all parties hereto; or (ii) the conclusion of an initial public offering of the Bank's equity securities.

7. Miscellaneous.

7.1. Notices. Any and all notices, consents, offers, acceptances, or any other communication provided for herein shall be given in writing by registered or certified mail or by overnight mail sent by a nationally known courier service which shall be addressed, in the case of the Bank, to its principal office, and in the case of the Shareholder, to its current address appearing in the records of the Bank, or to such other address as may be designated in a written notice to the Bank and shall be deemed effective three business days after deposit in the U.S. Mail or one business day after deposit with such courier service.

7.2. Voting. The Shareholder agrees at all times to vote his shares and to take or cause to be taken such other action as may be necessary during the term of this Agreement to cause the Bank to effect each of the acts and actions required by the terms of this Agreement.

7.3. Specific Performance and Other Relief. The parties hereto agree that it may be impossible to measure in money the damages that will accrue to a party by reason of the failure of any party to perform any of the obligations under this Agreement. Therefore, in addition to any other rights that may be available under this Agreement, if any party hereto shall institute any action or proceeding to enforce the provisions of this Agreement, any person hereby waives the claim or defense therein that such party has an adequate remedy at law.

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7.4. Construction. This Agreement and all amendments hereto shall be construed in accordance with the laws of the State of Florida.

7.5. Arbitration. Any claim, controversy or dispute between the Shareholder and the Bank with respect to the construction or application of this Agreement, or arising out of the breach of this Agreement, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Judgment on any award rendered by the arbitrators may be entered in any court having jurisdiction over the parties. The Shareholder shall be obligated to continue his obligations in accordance with the terms and conditions of this Agreement until the dispute under this section is resolved, or unless otherwise ordered by the arbitrators. Arbitration shall be initiated by delivery of a written notice of demand for arbitration. Each party shall appoint an individual as an arbitrator, and the two so appointed shall then appoint a third arbitrator. If either party refuses or neglects to appoint an arbitrator within thirty (30) days, the other party may appoint the second arbitrator. If the two arbitrators do not agree on the third arbitrator within thirty (30) days of their appointment, the American Arbitration Association shall then appoint the third arbitrator. The arbitrators shall not have a personal or financial interest in the result of the arbitration. Each side shall pay the fees and expenses of its own arbitrator, and one-half of the fees and expenses of the third arbitrator. Any other expenses of the arbitration shall be equally divided between the parties.

7.6. Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto, and supersedes all previous oral and written agreements, if any, between the parties concerning the subject matter hereof, and may not be amended, altered or modified except by written instrument signed by all of the parties hereto.

7.7. Assignment. Except for the transfer of capital stock in accordance with this Agreement, the Shareholder shall not assign any rights or delegate any duties under this Agreement by operation of law or otherwise.

7.8. Headings. The headings used in this Agreement are used for reference purposes only and are not deemed controlling with respect to the contents thereof.

7.9. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

7.10. Binding Effect. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of, and shall be enforceable by, the respective successors, assigns, heirs, beneficiaries and personal representatives of the parties hereto.

7.11. Venue. The parties hereby stipulate and agree that the Courts of Duval County, Florida (whether state or federal) shall be the exclusive venue for all actions that may be brought under this Agreement, or to enforce any arbitration award hereunder.

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7.12. Waiver of Breach. The waiver of any party of a breach of any provision of this Agreement by the other shall not operate to be construed as a waiver of any subsequent breach.

7.13. Attorneys' Fees and Costs. In the event that any party shall be required to enforce this Agreement, whether or not through litigation or arbitration, the prevailing party shall be entitled to recover its reasonable attorneys' fees and all costs and expenses incurred in connection with such enforcement, including fees, costs and expenses incurred upon any appeal or in any bankruptcy proceeding.

7.14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which will, together, constitute one and the same agreement.

7.15. Joint Agreement. This Agreement shall be considered the joint product of all parties hereto, and in the event of any controversy as to the construction of any provision hereof, such controversy shall not be construed against any party as the alleged drafter of this Agreement.

7.16. Third Party Beneficiaries. All other shareholders of the Bank shall be third party beneficiaries of this Agreement and shall be entitled to enforce the Shareholder's obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, with the intent to be legally bound, on the day and year first written above.

BANK:

MONTICELLO BANK

By:

Name: _____
Title: _____

SHAREHOLDER:

Name: _____

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EXHIBIT "B"

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Employment Agreement") is dated effective as of _____, 2000 ("Effective Date"), and is entered into by and between MORTGAGE LION, INC., a _____ corporation (the "Company"), and _____, a resident of the State of Florida (the "Employee").

WHEREAS, the Company desires to employ the Employee and the Employee desires to be employed by the Company on the terms and subject to the conditions contained herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Employment. Upon the terms and subject to the conditions contained herein, during the term of this Employment Agreement, the Company hereby employs the Employee as an executive of the Company. The Employee shall be responsible for such duties as may from time to time be assigned to the Employee by the Board of Directors of the Company. The Employee hereby accepts such employment and, during the term hereof, shall devote all of his business time, skill, energy and attention, as is reasonably necessary, in performing the duties assigned to him by the Board of Directors. The Employee shall perform his duties in a diligent, trustworthy, loyal, businesslike and efficient manner, all for the purposes of advancing the business of the Company. The Employee is engaged as an employee of the Company, and the Employee and the Company do not intend to create a joint venture, partnership or other relationship which might impose a fiduciary obligation on the Employee or the Company in the performance of this Employment Agreement.

Section 2. Compensation.

2.1 Salary. Beginning as of the date first written above, and continuing during the term of this Employment Agreement and except as otherwise provided in Section 5 hereof, the Company shall pay to the Employee, and the Employee shall be entitled to receive from the Company, subject to the Company's set-off rights set forth in Section 8 below, as a base salary for the employment referred to in Section 1 hereof, compensation at the rate of _____ Dollars (\$ _____) per year (the "Base Salary"), payable in accordance with the payroll policies of the Company as are from time to time in effect, subject to income and payroll tax withholding and any other deductions or withholdings as are required by law. The Company shall review the Base Salary at least on an annual basis.

2.2 Benefits. During the term of this Employment Agreement, the Employee shall be eligible to participate in the Company's employee benefit plans and stock option plans from time to time in effect, if at all, in accordance with and subject to the applicable terms of such plans. The Employee shall also be reimbursed by the Company for reasonable business expenses that are actually incurred and reasonably documented by the Employee in accordance with and subject to the terms of the Company's policy regarding reimbursement of business expenses. In addition, the

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Employee shall be entitled to six (6) sick days annually. The Employee shall be entitled to receive his Base Salary accruing during his sick leave but such salary shall not accrue for periods in excess of such six (6) annual sick days. The sick leave not used within a particular year shall not accrue and carry forward.

Section 3. Term. Unless sooner terminated pursuant to Section 5 below, this Employment Agreement shall extend for a term of _____ () years commencing on the Effective Date and ending on the second anniversary of the Effective Date (the "Term").

Section 4. Noncompetition and Confidentiality.

4.1 Noncompetition and Confidentiality Agreement. The Employee agrees (a) to enter into the Noncompetition and Confidentiality Agreement with the Company, a form of which is attached hereto as Exhibit "A" and specifically incorporated herein by reference, concurrently with this Employment Agreement, and (b) that the covenants contained therein shall be deemed covenants of the Employee under this Employment Agreement.

4.2 Injunctive Relief and Other Remedies With Respect to Covenants. The Employee acknowledges and agrees that the covenants and obligations of the Employee with respect to nonsolicitation, confidentiality, Company property, noncompetition, and conflicting activities, relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Employee agrees that, notwithstanding the provisions of Section 6 hereof, the Company will (a) be entitled to a temporary injunction, restraining order or such other equitable relief restraining the Employee from committing any violation of the covenants and obligations contained in this Section 4 and the Noncompetition and Confidentiality Agreement and (b) have no further obligation to make any payments to the Employee hereunder following any material violation of the covenants and obligations contained in this Section 4 and the Noncompetition and Confidentiality Agreement. These remedies are cumulative and are in addition to any other rights and remedies the Company may have at law or in equity.

Section 5. Termination. Except as provided in Sections 5.1, 5.2, 5.3 and 5.4, neither the Employee nor the Company may terminate this Employment Agreement and the Employee's employment relationship.

5.1 Termination for Cause. The Company may terminate the Employee's employment at any time for Cause. "Cause" shall mean (a) the Employee's willful and continued failure to perform the duties of his position as reasonably assigned by the Board of Directors or the Employee's breach of any term or covenant of this Agreement or the Noncompetition and Confidentiality Agreement, (b) the commission of a felony, including theft, by the Employee (the evidence for which shall be a civil arrest for such crime or offense), (c) Employee's commission of any act of embezzlement, misappropriation of funds of the Company, acts involving moral turpitude committed by the Employee; or (d) violation of Section 5.7 hereof.

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5.2 Death During Employment. This Employment Agreement shall terminate automatically upon the death of the Employee.

5.3 Termination of Employment Status Upon Disability. If the Employee is, and has been for substantially all the normal working days during twelve consecutive weeks, unable to perform the duties specified pursuant to this Employment Agreement, due to mental or physical disability (a "Disability"), then the Employee's employment may be terminated by the Company. If there is any dispute as to whether Employee suffered a Disability, Employee shall submit to examination by a physician designated by the Company, whose determination shall be determinative of the issue.

5.4 Resignation with Reason. The Employee may voluntarily resign his employment with the Company if the Company shall fail to perform any material obligation of the Company under this Agreement and if such failure to perform shall not be cured within thirty (30) days following the Company's receipt of written notice from the Employee specifying such failure.

5.5 Payments Upon Termination. Subject to compliance with the terms of this Employment Agreement, upon termination pursuant to Sections 5.1 through 5.4 of this Employment Agreement, the Company shall pay the Employee or his estate any salary earned and unpaid to the date of termination, and the Company shall have no further obligations hereunder from and after the date of such termination. Any outstanding funds advanced by the Company to or on behalf of the Employee shall become immediately due and payable upon such termination.

5.6 Termination of Benefits. The Company shall not provide or pay for any employee benefits after the termination of Employee's employment, except as may be required by law.

5.7 Lock-up Period. If the Employee's employment with the Company is terminated pursuant to Section 5.1 or Section 5.4 above, all of the Employee's shares of Common Stock or warrants to purchase Common Stock or stock options in respect of any capital stock of the Company owned, directly or indirectly, by Employee (collectively the "Employee Stock") shall be subject to a lock-up period during which the Employee shall not be permitted to sell, transfer, pledge, assign or otherwise dispose of such Employee Stock (the "Lock-up Period"). The Lock-up Period commences on the date of the Company's Initial Public Offering and shall continue thereafter for a period of ____ () years. For purposes of this Agreement, "Initial Public Offering" shall mean that the Company has concluded an initial public offering of Common Stock under the Securities Act of 1933, as amended.

5.8 Prohibited Actions. The Employee shall neither take, nor authorize others to take, the following actions without the prior written consent of the Board of Directors of the Company: (i) any action that imposes obligations upon the Company that are inconsistent with the Company's budget then in effect; or (ii) any action that causes the Company to become insolvent or file for bankruptcy.

5.9 Miscellaneous Termination Provisions. The termination of this Employment Agreement will terminate all obligations of the Employee to render services on behalf of the

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Company, provided that the (i) Noncompetition and Confidentiality Agreement will continue in effect in accordance with its terms and (ii) the share transfer restrictions set forth in Section 5.7 of this Employment Agreement shall continue to be effective. All keys, entry cards, credit cards, files, records, financial information, furniture, furnishings, equipment, supplies and other items relating to the Company will remain the property of the Company. The Employee will have the right to retain and remove all personal property and effects which are owned by the Employee and located in the offices of the Company. Prior to the effective date of termination, the Employee will render such services to the Company as might be reasonably required to provide for the orderly termination of the Employee's employment.

Section 6. Arbitration. Each party to this Employment Agreement agrees that, except as otherwise provided in this Employment Agreement, any dispute or controversy arising between any of the parties to this Employment Agreement, or any person or entity in privity therewith, out of the transactions effected and relationships created pursuant to this Employment Agreement and each other agreement created in connection herewith, including any dispute or controversy regarding the formation, terms, or construction of this Employment Agreement (each, a "Dispute"), regardless of kind or character, must be resolved through binding arbitration. Each party to this Employment Agreement agrees to submit such Dispute to arbitration before the American Arbitration Association in Fort Lauderdale, Florida, and further agrees to be bound by the determination of any arbitrator or arbitration panel empaneled by the American Arbitration Association to adjudicate the dispute. Judgment on any arbitration award may be entered in any court of competent jurisdiction. Any party to this Employment Agreement may bring an action, including a summary or expedited proceeding, to compel arbitration of any such Dispute in a court of competent jurisdiction and, further, may seek provisional or ancillary remedies including temporary or injunctive relief in connection with such Dispute in a court of competent jurisdiction provided that the Dispute is ultimately resolved through binding arbitration conducted in accordance with the terms and conditions of this Section. The Company and the Employee further agree that any such arbitration shall be conducted in accordance with the rules of the American Arbitration Association in effect at such time of arbitration.

Section 7. Miscellaneous.

7.1 Notice. Any notice or other communication required or permitted to be given to the parties hereto shall be deemed to have been given when received, addressed as follows (or at such other address as the party addressed may have substituted by notice pursuant to this Section 7);

- (a) **If to the Company:**
The Board of Directors
Mortgage Lion, Inc.

Facsimile: () _____

- (b) **If to the Employee:** To the address set forth following Employee's signature below.

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7.2 Governing Law. This Employment Agreement shall be construed and enforced in accordance with the laws of the State of Florida.

7.3 Assignment. The Company may assign its rights and delegate its responsibilities under this Employment Agreement to any affiliated company or to any corporation which acquires all or substantially all of the operating assets or capital stock of the Company by merger, consolidation, dissolution, liquidation, combination, sale or transfer of assets or otherwise. The rights and obligations of the Employee hereunder shall not be assignable and any attempted assignment shall be void.

7.4 Waiver or Modification. This Employment Agreement constitutes the entire agreement of the parties hereto and may be modified, amended or waived only by written instrument executed by both parties. No waiver of a breach hereof shall be deemed to constitute a waiver of a future breach, whether of a similar or a dissimilar nature.

7.5 Counterparts. This Employment Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Employment Agreement.

7.6 Attorneys' Fees. In the event of litigation, the prevailing party shall be entitled to reimbursement for its reasonable attorneys' fees and expenses in connection therewith.

7.7 Shareholder Immunity. Notwithstanding anything contained herein it is expressly understood and agreed by the parties hereto that each and every representation, undertaking or agreement ("Representation") made herein on the part of the Company was not made nor intended to be made as a Representation on the part of any member, manager, shareholder or director or any direct or indirect owner of any equity interest in any member, manager, shareholder or director past, present or future of the Company ("Members") and no liability or responsibility is assumed by nor shall any recourse be asserted or enforced against any such Members. Any recourse against any such Members in common law and equity by statute or otherwise is expressly forever waived and released. This Subsection 7.7 shall survive the expiration or any earlier termination of this Agreement.

Section 8. Set-off. The Company shall have the right to set off against the Base Salary and any other payments due under this Employment Agreement the amount of any Indemnifiable Damages (as such term is defined in the Stock Purchase Agreement (as herein defined)) pursuant to the terms and conditions of that certain Stock Purchase Agreement between the Company and Monticello Bank (the "Stock Purchase Agreement").

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IN WITNESS WHEREOF, the parties hereto have caused this Employment Agreement to be duly executed and delivered as of the day and year first above written.

[Employee]

Address: _____

Facsimile: _____

MORTGAGE LION, INC., a _____ corporation

By: _____

Name: _____

Title: _____

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Exhibit "A"**Noncompetition and Confidentiality Agreement**

As an employee of MORTGAGE LION, INC., its subsidiaries or its affiliates (together, the "Company"), and as a condition of my employment by the Company and in consideration of the compensation now and hereafter received by me directly or indirectly from the Company, I agree to the following:

I. Maintaining Confidential Information.

(a) **Company Information.** Except with respect to the information listed on Exhibit "I" attached hereto, I agree at all times during the term of my employment and thereafter to hold in strictest confidence, and not to use, except for the benefit of the Company, or to disclose to any person, firm or corporation, without the written authorization of the Board of Directors of the Company or except as required by law, any trade secrets, confidential knowledge, data or other proprietary information regarding the Company or its business that I have received, learned of, or developed during my association with the Company, whether as an employee, independent contractor, shareholder, officer, director, or volunteer of the Company. By way of illustration and not limitation, such shall include information relating to products, processes, know-how, designs, formulas, methods, algorithms, computer programs (source and object codes), samples, developmental or experimental work, improvements, discoveries, plans for research, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers, and information regarding the skills and compensation of other employees of the Company.

(b) **Former Employer Information.** I agree that I will not, during my employment with the Company, improperly use or disclose any proprietary information or trade secrets of my former or concurrent employers or companies, if any, and that I will not bring onto the premises of the Company any unpublished documents or any property belonging to my former or concurrent employers or companies unless consented to in writing by said employers or companies.

(c) **Third Party Information.** I recognize that the Company has received and in the future will receive confidential or proprietary information from third parties subject to a duty on the Company's part to maintain the confidentiality of such information and in some cases, to use it only for certain limited purposes. I agree that I owe the Company and such third parties, both during the term of my employment and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation (except in a manner that is consistent with the Company's agreement with the third party) or use it for the benefit of anyone other than the Company or such third party (consistent with the Company's agreement with the third party), unless expressly authorized to act otherwise by an officer of the Company.

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2. Assignment of Inventions and Original Works.

(a) **Inventions and Original Works Retained by Me.** I have attached hereto as Exhibit "1" a complete list of all inventions, original works of authorship, developments, improvements, and trade secrets that I have, alone or jointly with others, conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to the commencement of my employment with the Company, that I consider to be my property or the property of third parties and that I wish to have excluded from the scope of this Agreement. If disclosure of an item on Exhibit "1" would cause me to violate any prior confidentiality agreement, I understand that I am not to list such item in Exhibit "1" but am to inform the Company that all items have not been listed for that reason. A space is provided on Exhibit "1" for such purpose. If no list is attached, I represent that there are no such items.

(b) **Inventions and Original Works Assigned to the Company.** I acknowledge that since the commencement of my employment and continuing through the term of my employment, all original works of authorship that are, or have been, made by me (solely or jointly with others) within the scope of my employment and that are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act (17 U.S.C., Section 101). I agree that I will make prompt written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company all my right, title and interest in and to any ideas, inventions, original works of authorship, developments, improvements or trade secrets (collectively, "Inventions") that I may solely or jointly conceive or reduce to practice, or cause to be conceived or reduced to practice, during the period of my employment with the Company; provided, however, such assignment shall not apply to an Invention that I develop entirely on my own time without using the Company's equipment, supplies, facilities, or trade secret information (the "Excluded Inventions") except for those Inventions that either (i) relate at the time of conception or reduction to practice of the Invention to the Company's business, or actual or demonstrably anticipated research or development of the Company; or (ii) result from any work performed by me for the Company. I further hereby assign to the Company all my right, title and interest in and to any Inventions (other than Excluded Inventions) which have solely or jointly been conceived or reduced to practice, or caused to be conceived or reduced to practice, since the commencement of my employment.

(c) **Inventions and Original Works Assigned to the United States.** I hereby assign to the United States government all my right, title and interest in and to any and all Inventions, original works of authorship, developments, improvements or trade secrets whenever full title to same is required to be in the United States by a contract between the Company and the United States or any of its agencies.

(d) **Obtaining Letters Patent, Copyright Registrations and Other Protections.** I will assist the Company in every proper way to obtain and enforce United States and foreign proprietary rights relating to any and all Inventions of the Company in any and all countries. To that end I will execute, verify and deliver such documents and perform such other acts (including appearing as a witness) the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such proprietary rights and the assignment thereof. In addition, I will execute, verify and deliver assignments of such proprietary rights to the Company or its

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designee. My obligation to assist the Company with respect to proprietary rights in any and all countries shall continue beyond the termination of my employment, but the Company shall compensate me at a reasonable rate after my termination for the time actually spent by me at the Company's request on such assistance.

(e) **Obligation to Keep Records.** I agree to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that may be required by the Company) of all proprietary information developed by me and all inventions made by me during the period of my employment at the Company, which records shall be available to and remain the sole property of the Company at all times.

3. Restrictive Covenant.

(a) I agree that I will not, during the period of my employment by the Company and for a period of five (5) years thereafter (the "Restricted Period"), anywhere in the United States, directly or indirectly, without the prior written approval of the Company, own an interest in or, as principal, agent, consultant or otherwise, engage in activities for or render services to, any firm or business (i) engaged in direct or indirect competition with the business as conducted by the Company or any of its affiliates, (ii) conducting a business of the type and character previously engaged in by (or contemplated by the Business Plan (as defined below) of) the Company, (iii) developing products or services competitive with those of the Company's business, or (iv) conducting any business in which the Company has been engaged (all of the businesses in clauses (i), (ii), (iii) and (iv) collectively, "Competitive Business").

(b) During the Restricted Period, I shall not, directly or indirectly, without the prior written approval of the Company, solicit or contact any customer, or any prospective customer, of the Company or any of its affiliates for any commercial pursuit that is in competition with the Company's business, or that is contemplated by the Business Plan or take away or interfere or attempt to interfere with any custom, trade, business or patronage of the Company. During the Restricted Period, I shall not, directly or indirectly, without the prior written approval of the Company, solicit or induce, or attempt to induce, any employees, agents or consultants of or to the Company or any of its affiliates to leave the employ of the Company or such affiliate or do anything from which I am restricted by reason of this Agreement nor shall I, directly or indirectly, offer or aid others to offer employment to or interfere or attempt to interfere with any employees, agents or consultants of the Company or any of its affiliates. For purposes of this Agreement, "Business Plan" shall mean, at any point in time, the then current business plan of the Company and any business plans of the Company in effect during the prior 18 months.

(c) For purposes of the covenant not to compete set forth in paragraph 3(a) above, I acknowledge that the Company's business is conducted throughout the United States. I agree that the time restriction and the geographical areas encompassed by such covenant are necessary and reasonable in order to protect the Company and its affiliates in the conduct of their businesses. The parties intend that the foregoing covenant of mine shall be construed as a series of separate covenants, one for each geographic area specified or effected. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant set forth in paragraph 3(a)

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above. To the extent that the foregoing covenant or any provision of this Section 3 shall be deemed illegal or unenforceable by a court or other tribunal of competent jurisdiction with respect to (i) any geographic area, (ii) any part of the time period covered by such covenant, (iii) any activity or capacity covered by such covenant or (iv) any other term or provision of such covenant, such determination shall not affect such covenant with respect to any other geographic area, time period, activity or other term or provision covered by or included in such covenant. If any such provision of this Section 3, or any part thereof, is held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced. The parties agree and acknowledge that the breach of this Section 3 will cause irreparable damage to the Company and upon breach of any provision of this Section 3, the Company shall be entitled to injunctive relief, specific performance or other equitable relief; *provided, however*, that this shall in no way limit any other remedies that the Company may have (including, without limitation, the right to seek monetary damages).

4. **No Conflicting Obligations.** I represent that my performance of all the terms of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence information acquired by me in confidence or in trust prior to my employment by the Company. I have not entered into, and I agree I will not enter into, any agreement either written or oral in conflict herewith.

5. **Return of Company Documents.** When I leave the employ of the Company, I will deliver to the Company (and will not keep in my possession, recreate or deliver to any one else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, together with all copies thereof (in whatever medium recorded) belonging to the Company, its successors or assigns. I further agree that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. Prior to leaving, I will cooperate with the Company in completing and signing the Company's termination statement for technical and management personnel.

6. **Notification of New Employer.** In the event that I leave the employ of the Company, I hereby consent to the notification of my new employer of my rights and obligations under this Agreement.

7. **Legal and Equitable Remedies.** Because my services are personal and unique and because I may have access to and become acquainted with the proprietary information of the Company, the Company shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief, without bond and without prejudice to any other rights and remedies that the Company may have for a breach of this Agreement.

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8. General Provisions.

(a) **Not an Employment Contract.** I agree and understand that nothing in this Noncompetition and Confidentiality Agreement shall confer any right with respect to continuation of employment by the Company, nor shall it interfere in any way with my right or the Company's right to terminate my employment at any time, with or without cause (such rights being conferred in the Employment Agreement).

(b) **Governing Law; Consent to Personal Jurisdiction.** This Agreement will be governed by and construed according to the laws of the State of Florida. I hereby expressly consent to the personal jurisdiction of the state and federal courts located in Duval County, Florida for any lawsuit filed there against me by the Company arising from or relating to this Agreement.

(c) **Entire Agreement.** This Agreement and Exhibit "1" attached hereto and hereby incorporated herein, sets forth the final, complete and exclusive agreement and understanding between the Company and me relating to the subject matter hereof and supersedes all prior and contemporaneous understandings and agreements relating to its subject matter. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing and signed by both the Company and me. Any subsequent change or changes in my duties, salary or compensation will not affect the validity or scope of this Agreement.

(d) **Severability.** If one or more of the provisions in this Agreement are deemed unenforceable by law, then the remaining provisions will continue in full force and effect.

(e) **Successors and Assigns.** This Agreement will be binding upon my heirs, executors, administrators and other legal representatives and will be for the benefit of the Company, its successors and its assigns.

(f) **Survival.** The provisions of this Agreement shall survive the termination of my employment and the assignment of this Agreement by the Company to any successor in interest or other assignee.

(g) **Waiver.** No waiver by the Company of any breach of this Agreement shall be a waiver of any preceding or succeeding breach. No waiver by the Company of any right under this Agreement shall be construed as a waiver of any other right. The Company shall not be required to give notice to enforce strict adherence to all terms of this Agreement.

(h) **Notice.** Any notices required or permitted hereunder shall be given to the appropriate party at the address specified below or at such other address as the party shall specify in writing. Such notice shall be deemed given upon personal delivery, or sent by certified or registered mail, postage prepaid, three (3) days after the date of mailing.

(i) **Arbitration.** Any dispute or controversy arising between any of the parties to this Agreement, or any person or entity in privity therewith, out of the transactions effected and relationships created pursuant to this Agreement and each other agreement created in connection

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herewith, including any dispute or controversy regarding the formation, terms, or construction of this Agreement (each, a "Dispute"), regardless of kind or character, must be resolved through binding arbitration. Each party to this Agreement agrees to submit such Dispute to arbitration before the American Arbitration Association in Duval County, Florida, and further agrees to be bound by the determination of any arbitrator or arbitration panel empaneled by the American Arbitration Association to adjudicate the Dispute. Judgment on any arbitration award may be entered in any court of competent jurisdiction. Any party to this Agreement may bring an action, including a summary or expedited proceeding, to compel arbitration of any such Dispute in a court of competent jurisdiction and, further, may seek provisional or ancillary remedies including temporary or injunctive relief in connection with such Dispute in a court of competent jurisdiction, provided that the Dispute is ultimately resolved through binding arbitration conducted in accordance with the terms and conditions of this Section. The parties to this Agreement further agree that any such arbitration shall be conducted in accordance with the rules of the American Arbitration Association in effect at such time of arbitration.

(j) **Shareholder Immunity.** Notwithstanding anything contained herein it is expressly understood and agreed by the parties hereto that each and every representation, undertaking or agreement ("Representation") made herein on the part of the Company was not made nor intended to be made as a Representation on the part of any member, manager, shareholder or director or any direct or indirect owner of any equity interest in any member, manager, shareholder or director past, present or future of the Company ("Members") and no liability or responsibility is assumed by nor shall any recourse be asserted or enforced against any such Members. Any recourse against any such Members in common law and equity by statute or otherwise is expressly forever waived and released. This paragraph 8(j) shall survive the expiration or any earlier termination of this Agreement.

(Signatures on following page)

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This Agreement shall be effective as of the Effective Date of my employment with the Company, namely, _____, 2000.

[Employee]

Address: _____

Facsimile: _____

MORTGAGE LION, INC., a _____
corporation

By: _____

Name: _____

Title: _____

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Exhibit "I"

Employee's Reserved Inventions

The following is a complete list of all inventions, original works of authorship, developments, improvements, and trade secrets that I have, alone or jointly with others, conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to the commencement of my employment with the Company, that I consider to be my property or the property of third parties and that I wish to have excluded from the scope of the Noncompetition and Confidentiality Agreement:

None

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