STATE OF ILLINOIS

OFFICE OF BANKS AND REAL ESTATE

BUREAU OF BANKS AND TRUST COMPANIES

AND

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In The Matter Of: CONTINENTAL COMMUNITY BANK AND TRUST COMPANY AURORA, ILLINOIS (Illinois State-Chartered Nonmember Bank)	ORDER TO CEASE AND DESIST OBRE No. 2003-BBTC-85 FDIC-03-191b

Continental Community Bank and Trust Company, Aurora, Illinois ("Bank"), having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the unsafe or unsound banking practices and violations of law, rule and regulation alleged to have been committed by the Bank, and of its right to a hearing on the charges under 38 Ill. Adm. Code, section 392.30, regarding hearings before the Office of Banks and Real Estate for the State of Illinois ("OBRE"), and under section 8(b)(1) of the Federal Deposit Insurance Act (the "FDI Act"), 12 U.S.C. § 1818(b)(1), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("STIPULATION") with representatives of the

OBRE and the Federal Deposit Insurance Corporation (the "FDIC"), dated _____________, ____, whereby, solely for the purpose of this proceeding and without admitting or denying the charges of unsafe or unsound banking practices and violations of law, rule, or regulation, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the OBRE and the FDIC.

The OBRE and the FDIC considered the matter and determined that there was reason to believe that the Bank had engaged in unsafe or unsound banking practices and had violated laws, rules, or regulations. The OBRE and the FDIC, therefore, accepted the STIPULATION and issued the following:

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED, that the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), and its successors and assigns, cease and desist from the following unsafe or unsound banking practices and violations of law, rule, or regulation:

A. Operating with an inadequate level of capital protection for the kind and quality of assets held;

B. Operating with inadequate earnings;

C. Operating with an inadequate allowance for loan and lease losses ("ALLL") for the volume, kind, and quality of loans and leases held;

D. Engaging in hazardous lending and lax collection practices including but not limited to:

(i) Ineffective monitoring of borrowing-based certificates for asset-based credits;

(ii) Failing to obtain current financial statements on borrowers and guarantors;

(iii) Failing to obtain appropriate loan documentation to support credit decisions and monitor the ability to repay;

(iv) Failing to identify problem credits in a timely manner; and

(v) Operating with an excessive level of adversely classified loans, delinquent loans, and non-accrual loans.

E. Relying on a high level of non-core funding to fund longer term assets;

F. Failing to develop an effective liquidity plan;

G. Failing to properly and effectively manage interest rate risk;

H. Operating with a board of directors which has failed to provide adequate supervision over and direction to the management of the Bank to prevent unsafe or unsound banking practices and violations of law, rule, or regulation;

I. Operating with management whose practices are detrimental to the Bank and jeopardize the safety of its deposits;

J. Failing to provide accurate board reports and maintain adequate records; and

K. Violating laws, rules, or regulations, including:

(i) Purchasing and holding Federal Home Loan Bank stock in excess of the amount permitted under sections 3 and 5(11) of the Illinois Banking Act [205 ILCS 5/1] (the "Act"); and

(ii) Failing to comply with section 323.3(a) of the FDIC Rules and Regulations, 12 C.F.R. § 323.3(a), which establishes guidelines regarding appraisals.

IT IS FURTHER ORDERED, that the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the FDI Act, 12 U.S.C. § 1813(u), and its successors and assigns, take affirmative action as follows:

1. (a) Within 60 days from the effective date of this ORDER, the Bank shall determine from its Reports of Condition and Income its level of Tier 1 capital as a percentage of its total assets ("Capital Ratio") for the most recent calendar quarter and bring its Tier 1 capital ratio to not less than 7.0 percent.

(b) Within 30 days from the last day of each calendar quarter following the date of required compliance with subparagraph (a), the Bank shall determine from its Reports of Condition and Income its Tier 1 capital ratio for that calendar quarter. If the capital ratio is less than 7.0 percent, the Bank shall, within 60 days of the date of the required determination, increase its capital ratio to not less than 7.0 percent calculated as of the end of that preceding quarterly period. For purposes of this ORDER, Tier 1 capital and total assets shall be calculated in accordance with Part 325 of the FDIC Rules and Regulations ("Part 325"), 12 C.F.R. Part 325.

(c) Any increase in Tier 1 capital required to comply with this paragraph may be accomplished by the following:

(i) The sale of common stock and noncumulative perpetual preferred stock constituting Tier 1 capital under Part 325;

(ii) The elimination of all or part of the assets classified "Loss" as of June 9, 2003 without loss or liability to the Bank, provided any collection on a partially charged-off asset shall first be applied to that portion of the asset which was not charged-off pursuant to this ORDER;

(iii) The collection in cash of assets previously charged-off;

(iv) The direct contribution of cash by the directors of the Bank and/or by Continental Mortgage Corporation, the Bank's holding company;

(v) Any other means acceptable to the Commissioner of OBRE ("Commissioner") and the Regional Director of the Chicago Regional Office of the FDIC ("Regional Director"); or

(vi) Any combination of the above means.

(d) If all or part of the increase in capital required by this paragraph is to be accomplished by the sale of new securities, the board of directors of the Bank shall adopt and implement a plan for the sale of such additional securities, including the voting of any shares owned or proxies held by or controlled by them in favor of said plan. Should the implementation of the plan involve public distribution of Bank securities, including a distribution limited only to the Bank's existing shareholders, the Bank shall prepare detailed offering materials fully describing the securities being offered, including an accurate description of the financial condition of the Bank and the circumstances giving rise to the offering, and other material disclosures necessary to comply with state and Federal securities laws. Prior to the implementation of the plan and, in any event, not less than 20 days prior to the dissemination of such materials, the materials used in the sale of the securities shall be submitted to Scott D. Clarke, Assistant Commissioner, Office of Banks and Real Estate, 310 South Michigan Avenue, Suite 2130, Chicago, Illinois 60604, and to the FDIC Registration and Disclosure Section, 550 17th Street, N.W., Washington, D.C. 20429, for review. Any changes requested to be made in the materials by the OBRE or the FDIC shall be made prior to their dissemination.

(e) In complying with the provisions of this paragraph, the Bank shall provide to any subscriber and/or purchaser of Bank securities written notice of any planned or existing development or other changes that are materially different from the information reflected in any offering materials used in connection with the sale of Bank securities. The written notice required by this paragraph shall be furnished within 10 calendar days of the date any material development or change was planned or occurred, whichever is earlier, and shall be furnished to every purchaser and/or subscriber of the Bank's original offering materials.

(f) The capital ratio analysis required by this paragraph shall not negate the responsibility of the Bank and its board of directors for maintaining throughout the year an adequate level of capital protection for the kind, quality and degree of market depreciation of assets held by the Bank.

2. (a) Within 90 days from the effective date of this ORDER, the Bank shall formulate and submit to the Commissioner and Regional Director for review a written profit plan and a realistic, comprehensive budget for all categories of income and expense for calendar years 2004 and 2005. The plans required by

this paragraph shall contain formal goals and strategies, consistent with sound banking practices, to improve the Bank's overall earnings.

(b) The written profit plan shall address, at a minimum:

(i) Realistic and comprehensive budgets;

(ii) A budget review process to monitor the income and expenses of the Bank to compare actual figures with budgetary projections;

(iii) An identification of the major areas in, and means by which, the Board will seek to improve the Bank's earnings; and

(iv) A description of the operating assumptions that form the basis for, and adequately supports, major projected income and expense components.

(c) Within 30 days from the end of each calendar quarter following completion of the profit plans and budgets required by this paragraph, the Bank's board of directors shall evaluate the Bank's actual performance in relation to the plans and budgets, record the results of the evaluations, and note any actions taken by the Bank in the minutes of the board of directors' meetings at which such evaluations are undertaken.

(d) A written profit plan and budget shall be prepared for each calendar year for which this ORDER is in effect and shall be submitted to the Commissioner and Regional Director for review within 30 days from the end of each year. Thereafter, the Bank shall implement and follow the plan.

3. (a) Within 90 days from the effective date of this ORDER, the Bank shall formulate and adopt a realistic, comprehensive strategic plan. The plan required by this paragraph shall contain an assessment of the Bank's current financial condition and market area.

(b) The written strategic plan shall address, at a minimum:

(i) Strategies for pricing policies and asset/liability management;

(ii) Equity sources, desired loan portfolio mix, market area, acceptable funding sources, product offerings, and branch development plans;

(iii) Staffing levels, training, and management succession;

(iv) Financial goals for asset growth, capital adequacy, and earnings; and

(v) A description of the operating assumptions that form the basis for, and adequately support, the written strategic plan.

(c) The Bank shall submit the strategic plan to the Commissioner and Regional Director for review and comment.

Thereafter, the Bank shall approve the plan, which approval shall be recorded in the minutes of a board of directors' meeting.

(d) Within 30 days from the end of each calendar quarter following the effective date of this ORDER, the Bank's board of directors shall evaluate the Bank's actual performance in relation to the strategic plan required by this paragraph and record the results of the evaluation, and any actions taken by the Bank, in the minutes of the board of directors' meeting at which such evaluation is undertaken.

(e) The strategic plan required by this ORDER shall be revised and submitted to the Commissioner and Regional Director for review and comment within 45 days following the end of each calendar year for which this ORDER is in effect. Within 10 days of receipt of any comments from the Commissioner and Regional Director, and after consideration of all comments, the Bank shall approve the revised plan, which approval shall be recorded in the minutes of a board of directors' meeting. Thereafter, the Bank shall implement the revised plan.

4. (a) During the life of this ORDER, the Bank shall not increase its total assets by more than 3.0 percent during any consecutive three-month period without providing, at least 30 days prior to its implementation, a growth plan to the Commissioner and Regional Director for review; and

(b) Such growth plan, at a minimum, shall include the funding source to support the projected growth, as well as the anticipated use of funds. This growth plan shall not be implemented without the prior written consent of the Commissioner and Regional Director. For the purpose of this paragraph, "total assets" shall be defined as in the Federal Financial Institutions Examination Council ("FFIEC") Instructions for the Consolidated Reports of Condition and Income.

5. (a) Within 10 days from the effective date of this ORDER, the Bank shall make an additional provision for loan and lease losses which, after review and consideration by the board of directors, reflects the potential for further losses in the remaining loans or leases classified "Substandard" or "Doubtful" and all other loans and leases in its portfolio. In making this determination, the board of directors shall consider the FFIEC Instructions for the Reports of Condition and Income, the Policy Statement on Allowance for Loan and Lease Losses Methodologies and Documentation for Banks and Savings Institutions ("ALLL Policy Statement") and any analysis of the Bank's ("ALLL") provided by the OBRE or the FDIC.

(b) Prior to submission or publication of all Reports of Condition and Income required by the FDIC after the effective date of this ORDER, the board of directors of the Bank shall review the adequacy of the Bank's ALLL, provide for an adequate

ALLL, and accurately report the same. The minutes of the board meeting at which such review is undertaken shall indicate the findings of the review, the amount of increase in the ALLL recommended, if any, and the basis for determination of the amount of the ALLL provided. In making these determinations, the board of directors shall consider the FFIEC Instructions for the Reports of Condition and Income, the ALLL Policy Statement, and any analysis of the Bank's ALLL provided by the OBRE and the FDIC.

(c) ALLL entries required by this paragraph shall be made prior to any Tier 1 capital determinations required by this ORDER.

6. (a) Within 60 days from the effective date of this ORDER, the Bank shall formulate and submit to the Commissioner and the Regional Director for review and comment a written plan to reduce the Bank's risk position in each asset and/or loan relationship in excess of $200,000 which is classified "Substandard" or "Doubtful" in the report of examination of the Bank conducted jointly by the OBRE and the FDIC, dated June 9, 2003 (the "Joint Report").

(b) As used in this paragraph, "reduce" means to: collect; charge-off; or improve the quality of such assets so as to warrant removal of any adverse classification by the OBRE or the FDIC.

(c) In developing such plan, the Bank shall, at a minimum, review the financial position of each such borrower, including the source of repayment, repayment ability, and alternative repayment sources.

(d) Such plan shall include, but not be limited to:

(i) Dollar levels to which the Bank shall reduce each asset within six months from the effective date of this ORDER; and

(ii) Provisions for the submission of monthly written progress reports to the Bank's board of directors for review and notation in minutes of the meetings of the board of directors.

(e) Within 30 days from the receipt of any comment from the Commissioner and the Regional Director, and after the adoption of any recommended changes, the Bank shall approve the written plan, which approval shall be recorded in the minutes of a board of directors' meeting. Thereafter, the Bank shall implement and follow this written plan.

(f) As of the effective date of this ORDER, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who is already obligated in any manner to the Bank on any extension of credit (including any portion thereof) that has been charged-off the books of the

Bank or classified "Loss" so long as such credit remains uncollected.

(g) As of the effective date of this ORDER, the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower whose loan or other credit has been classified "Substandard", "Doubtful" or is listed for "Special Mention" and is uncollected unless the Bank's board of directors has adopted, prior to such extension of credit, a detailed written statement giving the reasons why such extension of credit is in the best interest of the Bank. A copy of the statement shall be placed in the appropriate loan file and shall be incorporated in the minutes of the applicable board of directors' meeting.

(h) Within 60 days from the effective date of this ORDER, the Bank shall develop a system to correct loan administration deficiencies and ensure adherence to the loan policy. Specific areas to be addressed include:

(i) Untimely identification of problem credits;

(ii) Inadequate ALLL;

(iii) Lack of an appraisal review process;

(iv) Ineffective monitoring of borrowing-based credits;

(v) Lack of current financial statements;

(vi) Lack of officer memoranda and comprehensive loan presentation sheets;

(vii) Inadequate monitoring of construction loans; and

(viii) Incorrect accounting of Bank-financed Other Real Estate property.

(i) Within 60 days from the effective date of this ORDER, the Bank shall correct all deficiencies in the loans listed for "Special Mention" in the Joint Report.

(j) As of the effective date of this ORDER, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "Loss" as of June 9, 2003 that have not been previously collected or charged-off. Any such charged-off asset shall not be rebooked without the prior written consent of the Commissioner and the Regional Director. Elimination or reduction of these assets with the proceeds of other Bank extensions of credit is not considered collection for the purpose of this paragraph.

7. Effective immediately, the Bank shall not renew or obtain brokered deposits without the prior approval of the Commissioner and the Regional Director.

8. (a) Within 60 days from the effective date of this ORDER, the Bank shall develop and submit to the Commissioner and the Regional Director for review and comment a written plan addressing liquidity, the Bank's relationship of volatile liabilities to temporary investments and asset/liability management. Annually thereafter during the life of this ORDER,

the Bank shall review this plan for adequacy and, based upon such review, make appropriate revisions to the plan that are necessary to strengthen funds management procedures and maintain adequate provisions to meet the Bank's liquidity needs.

(b) The initial plan shall include, at a minimum, provisions:

(i) Establishing a desirable range for the Bank's net non-core funding ratio as computed in the Uniform Bank Performance Report;

(ii) Identifying the source and use of borrowed and/or volatile funds;

(iii) Establishing appropriate lines of credit at correspondent banks, including the Federal Reserve Bank of Chicago, that would allow the Bank to borrow funds to meet depositor demands if the Bank's other provisions for liquidity proved to be inadequate;

(iv) Establishing contingency plans by identifying alternative courses of action designed to meet the Bank's liquidity needs;

(v) Addressing the proper use of borrowings (e.g., seasonal credit needs, match-funding mortgage loans, etc.) and providing for limits on the use of the borrowed funds, addressing concentration of funding sources, pricing and collateral requirements with specific allowable funding channels identified (i.e., brokered deposits, internet deposits, Fed funds purchased and other correspondent borrowings);

(vi) Establishing procedures to ensure that liquidity and cash flow calculations are accurate; and

(vii) Establishing procedures for managing the Bank's sensitivity to interest rate risk which comply with the Joint Agency Statement of Policy on Interest Rate Risk (June 26, 1996). Specifically, the Bank should evaluate and revise as necessary assumptions used in the interest rate risk model, establish limits to monitor changes in the market value of equity for given interest rate changes, and provide for an annual independent review of the model.

(c) Within 30 days from the receipt of all such comments from the Commissioner and the Regional Director, and after revising the plan as necessary, the Bank shall approve the plan, which approval shall be recorded in the minutes of a board of directors’ meeting. Thereafter, the Bank shall implement the plan.

9. (a) During the life of this ORDER, the Bank shall have and thereafter retain qualified management. Each member of management shall have the qualifications and experience commensurate with his or her duties and responsibilities at the Bank. The qualifications of management shall be assessed on its ability to:

(i) Comply with the requirements of this ORDER;

(ii) Operate the Bank in a safe and sound manner;

(iii) Comply with applicable laws, rules, and regulations; and

(iv) Restore all aspects of the Bank to a safe and sound condition, including asset quality, capital adequacy, earnings, management effectiveness, and liquidity.

(b) During the life of this ORDER, the Bank shall notify the Commissioner and the Regional Director in writing of any changes in any of the Bank’s directors or senior executive officers. For purposes of this ORDER, “senior executive officer” is defined as in section 32 of the FDI Act (“section 32”), 12 U.S.C. § 1831(i), and section 303.101(b) of the FDIC Rules and Regulations, 12 C.F.R. § 303.101(b), and includes any person identified by the OBRE or the FDIC, whether or not hired as an employee, with significant influence over, or who participates in, major policymaking decisions of the Bank.

(c) Prior to the addition of any individual to the board of directors or the employment of any individual as a senior executive officer, the Bank shall comply with the requirements of section 32 and Subpart F of Part 303 of the FDIC Rules and Regulations, 12 C.F.R. §§ 303.100-303.104. Further, the Bank shall request and obtain the Commissioner's written approval prior to the addition of any individual to the board of directors and the employment of any individual as a senior executive officer.

(d) Within 45 days from the effective date of this ORDER, the Bank shall retain a bank consultant acceptable to the Commissioner and the Regional Director. The consultant shall develop a written analysis and assessment of the Bank's management and staffing needs ("Management Plan") for the purpose of providing qualified management for the Bank.

(e) The Bank shall provide the Commissioner and the Regional Director with a copy of the proposed engagement letter or contract with the consultant for review before it is executed. The contract or engagement letter, at a minimum, shall include:

(i) A description of the work to be performed under the contract or engagement letter;

(ii) The responsibilities of the consultant;

(iii) Identification of the professional standards covering the work to be performed;

(iv) Identification of the specific procedures to be used when carrying out the work to be performed;

(v) The qualifications of the employee(s) who are to perform the work;

(vi) The time frame for completion of the work;

(vii) Any restrictions on the use of the reported findings; and

(viii) A provision for unrestricted examiner access to work papers.

(f) The Management Plan shall be developed within 90 days from the effective date of this ORDER. The Management Plan shall include, at a minimum:

(i) Identification of both the type and number of officer positions needed to properly manage and supervise the affairs of the Bank;

(ii) Identification and establishment of such Bank committees as are needed to provide guidance and oversight to active management;

(iii) Evaluation of all Bank officers to determine whether these individuals possess the ability, experience and other qualifications required to perform present and anticipated duties, including adherence to the Bank's established policies and practices, and restoration and maintenance of the Bank in a safe and sound condition;

(iv) A plan to recruit and hire any additional or replacement personnel with the requisite ability, experience and other qualifications to fill those officer positions identified by this paragraph of this ORDER; and

(v) Establishment of a review system that measures and evaluates officer performance at least annually.

(g) The Management Plan shall be submitted to the Commissioner and the Regional Director for review and comment upon its completion. Within 30 days from the receipt of any comments from the Commissioner and the Regional Director and after the adoption of any recommended changes, the Bank shall approve the Management Plan, and record its approval in the minutes of the board of directors' meeting. Thereafter, the Bank, its directors, officers, and employees shall implement and follow the Management Plan and/or any subsequent modification.

10. (a) As of the effective date of this Order, the Bank shall file accurate Consolidated Reports of Condition and Income. Additionally, the Bank shall establish policies and

provide adequate training to ensure reports are filed accurately in the future. While this ORDER is in effect, the Bank shall submit to the Regional Director and Commissioner a copy of all Reports of Condition and Income filed with the FDIC.

(b) As of the effective date of this Order, the Bank shall address the deficiencies noted in the June 9, 2003 OBRE Information Systems Report.

11. (a) Within 90 days from the effective date of this ORDER, the Bank shall eliminate and/or correct all violations of laws, rules, and regulations listed in the Joint Report.

(b) Within 90 days from the effective date of this ORDER, the Bank shall implement procedures to ensure future compliance with all applicable laws, rules, and regulations.

12. Within 30 days from the effective date of this ORDER, the Bank shall establish a compliance committee comprised of at least three directors who are not officers of the Bank. The committee shall monitor compliance with this ORDER and, within 45 days from the effective date of this ORDER and every 60 days thereafter, shall submit to the board of directors for consideration at its regularly scheduled meeting a written report detailing the Bank's compliance with this ORDER. The compliance report shall be incorporated into the minutes of the board of directors' meeting. Establishment of this committee does not in any way diminish the responsibility of the entire

board of directors to ensure compliance with the provisions of this ORDER.

13. As of the effective date of this ORDER, the Bank shall pay no cash dividends without the prior written consent of the Commissioner and the Regional Director.

14. Within 30 days from the end of each calendar quarter following the effective date of this ORDER, the Bank shall furnish to the Commissioner and the Regional Director written progress reports signed by each member of the Bank's board of directors, detailing the actions taken to secure compliance with the ORDER and the results thereof. Such reports may be discontinued when the corrections required by this ORDER have been accomplished and the Commissioner and the Regional Director have, in writing, released the Bank from making further reports.

15. Following the effective date of this ORDER, the Bank shall send to its shareholders and to the shareholders of Continental Mortgage Corporation ("Bank Holding Company") a copy or description of this ORDER: (1) in conjunction with the Bank's and the Bank Holding Company's next shareholder communications; and (2) in conjunction with the Bank's and the Bank Holding Company's notice or proxy statement preceding their next shareholder meetings. The description shall fully describe this ORDER in all material respects. The description and any accompanying communication, notice or statement shall be sent to the OBRE, 500 East Monroe Street, Suite 900, Springfield,

Illinois 62701, and to the FDIC Registration and Disclosure Section, 550 17th Street, N.W., Washington, D.C. 20429 for review at least 20 days prior to dissemination to shareholders. Any changes requested to be made by the OBRE and the FDIC shall be made prior to dissemination.

The effective date of this ORDER shall be 10 calendar days after its issuance by the OBRE and the FDIC.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the OBRE and the FDIC.

Pursuant to delegated authority.

Dated: January 9, 2004.

Scott D. Clarke Assistant Commissioner Office of Banks and Real Estate for the State of Illinois	Scott M. Polakoff Regional Director Chicago Regional Office Federal Deposit Insurance Corporation