

Decisions on Bank Applications

Horizon Bank

FEDERAL DEPOSIT INSURANCE CORPORATION

RE: Horizon Bank Bellingham, Washington

Application Pursuant to Section 24(a) of the Federal Deposit Insurance Act to Indirectly Continue Activity That May Not Be Permissible for a National Bank

ORDER

The Board of Directors of the Federal Deposit Insurance Corporation has fully considered all facts and information relevant to the factors of section 24 and other provisions of the Federal Deposit Insurance Act, including facts and information made available to the Board of Directors by the applicant, the Corporation's Division of Supervision, and other information acquired by the Corporation, relating to the application of Horizon Bank, Bellingham, Washington, an insured State nonmember bank, for the Corporation's consent to continue engaging in residential real estate development activities.

The Board of Directors finds that Horizon Bank is in compliance with applicable capital standards and that the activity to be continued does not appear to pose a significant risk to the applicable deposit insurance fund.

Accordingly, IT IS ORDERED, that the application be and the same hereby is approved, subject to the following conditions:

1. That the applicant conduct real estate development activities through its wholly-owned subsidiary, Westward Financial Services Corporation;
2. That activities be limited to the development of real estate intended for single-family residential use;
3. That the applicant's aggregate investment in the activity at any one time not exceed 25% of its Tier 1 capital; and
4. That the consent granted herein is based on the facts and circumstances presented or otherwise known to the FDIC in connection with this request and if the facts and circumstances change significantly, the Corporation shall have the right to alter, suspend, or withdraw its approval.

Dated at Washington, D. C., this day of , 1994.

BY ORDER OF THE BOARD OF DIRECTORS

Acting Executive Secretary

FEDERAL DEPOSIT INSURANCE CORPORATION

RE: Horizon Bank Bellingham, Washington

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STATEMENT

Pursuant to the provisions of section 24 of the Federal Deposit Insurance Act, an application has been filed with the Federal Deposit Insurance Corporation by Horizon Bank, Bellingham, Washington ("Horizon"). The application seeks consent to continue engaging in residential real estate development activities. Horizon has successfully developed residential property from time to time over the past 25 years. Real estate activities are

conducted through a wholly-owned subsidiary and have required only modest financial and managerial resources.

The applicant has committed to preserve present conservative operating safeguards and establish investment limits to prevent credit concentrations. The applicant exceeds all applicable minimum capital standards and continuation of this activity as proposed does not appear to pose a significant risk to the Bank Insurance Fund.

Accordingly, the Board of Directors has concluded that the application should be approved.

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