UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF FLORIDA
PENSACOLA DIVISION

In re:	)	Chapter 11
	)	Case No.
BEACH COMMUNITY BANCSHARES, INC.,	)	
	)	
Debtor.	)	

MOTION FOR ORDERS PURSUANT TO 11 U.S.C. §§ 105(a) AND 363(b); FED. R. BANKR. P. 2002, 6004, 9014 AND 9019; (I) APPROVING (A) BIDDING PROCEDURES AND (B) THE FORM AND MANNER OF NOTICE OF (i) THE SALE OF CERTAIN ASSETS AND (ii) GRANTING RELATED RELIEF; (II) AUTHORIZING AND APPROVING (A) THE SALE OF CERTAIN ASSETS; (III) WAIVING THE 14-DAY STAY OF FED. R. BANKR. P. 6004(h) AND REQUEST FOR EMERGENCY HEARING TO CONSIDER BIDDING PROCEDURES

The Debtor Beach Community Bancshares, Inc. ("BCB" or the "Debtor") submits this motion (the "Motion")[1] seeking the entry of orders, pursuant to 11 U.S.C. §§ 105(a) and 363(b); Fed. R. Bankr. P. 2002, 6004, 9014 and 9019; and L.B.R. 6004-1 and 9006-1 (i) approving the proposed bidding procedures set forth herein (the "Bidding Procedures") for the proposed sale of all of the shares (the "Shares") of Beach Community Bank (the "Bank", and collectively with BCB, the "Company") to the David F. Bolger 2018 Irrevocable Stock Trust ("Purchaser");

[1] All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Stock Purchase Agreement, dated as of April 6, 2018 by and between BCB and the Purchaser (the "Agreement") attached hereto as Exhibit A.

(ii) approving certain bidding protections described herein, including the Minimum Overbids, the Bidding Increments, and the Stalking Horse Bidder Fee (the "Bidding Protections"); (iii) approving the form and manner of (a) the notice that will be filed with this Court and served on all creditors and parties-in-interest regarding the Sale and related Sale Hearing (as defined hereinafter) (the "Notice of Sale"); (iv) authorizing and approving the Sale, free and clear of all Encumbrances, to the Purchaser or to the Successful Bidder (as defined in the Bidding Procedures); (v) approving the release of all claims of the Debtor against the Purchaser (or the Successful Bidder) and the Bank; (vi) waiving the fourteen-day stay imposed by Bankruptcy Rules 6004(h) and 6006(d); and (vii) granting related relief, including scheduling a hearing to approve the Sale (the "Sale Hearing"). BCB requests that the Court schedule a hearing within seven (7) days of the Petition Date to consider the proposed Bidding Procedures. In support of this Motion, BCB states the following:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief herein are §§ 105(a), 363(b), and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended) (the "Bankruptcy

Code"); Rules 2002, 6004, 6006, 9014 and 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); and Rule 2002-1, 6004-1, and 9014-1 of the Local Rules for the United States Bankruptcy Court of the Northern District of Florida (the "Local Rules").

BACKGROUND

2. On April 9, 2018, (the "Petition Date") BCB filed a voluntary petition under Chapter 11 of the Bankruptcy Code. BCB continues to operate its business as a debtor-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108. No trustee or examiner has been appointed in the Debtor's Chapter 11 case. An official committee of unsecured creditors has not yet been formed or appointed.

A. Events leading to the Chapter 11 filing

3. BCB is a registered bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended, that is incorporated under the laws of the State of Florida. It is engaged in the banking business through its wholly owned banking subsidiary, Beach Community Bank, which was chartered in 2001. The Debtor was incorporated in 2004 for the purpose of enabling the Bank to operate within a bank holding company structure. The Debtor's principal direct activity consists of owning the Bank, through which the Debtor derives substantially all of its revenues.

4. The Bank is primarily engaged in business in Okaloosa, Santa Rosa, and Escambia counties. As a result of the severe economic recession nationally and the corresponding downturn in the markets served by the Bank in the State of Florida, the Bank's asset values deteriorated during 2009 and 2010.

i. Regulatory Action

5. The Bank and the Debtor are highly regulated entities. The Bank and the Debtor's principal regulators are the Federal Deposit Insurance Corporation ("FDIC"), the State of Florida, Office of Financial Regulation, ("OFR") and the Federal Reserve Bank of Atlanta (the "FRB" and with the OFR and FDIC, the "Regulators").

6. On March 15, 2010, the Bank, the FDIC and the OFR entered into a written consent order (the "Consent Order"). Among other things, the Consent Order requires the Bank to raise its Tier 1 Leverage Ratio to 8%.[2] As of February 28, 2018, the Tier 1 Leverage Ratio of the Bank was 2.68%.

[2] The Tier 1 Leverage ratio (formerly the capital ratio) is a measure of a banking firm's core equity capital and total risk-weighted assets. A firm's core equity capital is known as its Tier 1 capital and is the measure of a bank's financial strength based on the sum of its equity capital and disclosed reserves. A firm's risk-weighted assets include all assets that the firm holds that are systematically weighted for credit risk. Central banks typically develop the weighting scale for different asset classes, such as cash and coins, which have zero risk, versus a letter or credit, which carries more risk. Regulators use the Tier 1 Leverage ratio to grade a firm's capital adequacy as one of the following rankings: well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized. Presently, a firm must have a Tier 1Leverage ratio of 6% or greater, and not pay any dividends or distributions that would affect its capital, to be classified as well-capitalized. Firms that are ranked undercapitalized or below are prohibited from paying any dividends or management fees. In addition, they are required to file a capital restoration plan. *See* http://www.investopedia.com/terms/t/tier-1-capital-ratio.asp#ixzz3eOestHGa

7. On June 1, 2010, BCB entered into a written agreement with the FRB (the "FRB Agreement"). Among other things, the FRB Agreement requires BCB to submit to the FRB a written capital plan sufficient to maintain adequate capital on a consolidated basis with the Bank.

8. Since the entry of the Consent Order and the FRB Agreement, the Debtor has been engaged in an effort to secure additional capital to meet the regulatory thresholds. The failure to meet those requirements could result in the Regulators taking additional actions against the Bank. Absent conformance to the terms of the Consent Order, the Debtor and the Bank are prohibited from making any payment of subordinated debt principal or interest without regulatory approval.

9. BCB commenced this case in accordance with the requirements of a written Purchase Agreement dated April 6, 2018 (the "Agreement"), which will permit the sale of the Debtor's stock in the Bank and the injection of new capital into the Bank in an amount sufficient to comply with the existing regulatory order. The proposed sale, subject to higher and better counter-offers in accordance with the terms of any bid procedures established by the Court, is to the Purchaser (David F. Bolger 2018 Irrevocable Stock Trust).

10. The sale of the Shares to the Purchaser will generate sale consideration of $850,000, of which $500,000 will be distributed to the creditors of BCB, after the satisfaction of any administrative expenses that may be allowed by

the Court. [For avoidance of doubt, any administrative expenses to be paid from the estate will be limited to an amount that yields no less than $500,000 to the creditors of BCB.] The successful completion of the proposed sale transaction will, in turn, allow the Bank to issue new equity securities pursuant to certain written Stock Subscription Agreements (collectively, the "SSAs") that will generate new equity of approximately $100 million to recapitalize the Bank and allow the Bank to continue to serve the interests of its customers, depositors, borrowers, employees and creditors.

B. Debtor's Capital Structure

i. Creditors of the Debtor

11. The Debtor has two creditors, U.S. Capital Funding V, Ltd. ("US Cap V") and U.S. Capital Funding VI, Ltd. ("US Cap VI" and with US Cap V, the "TruPS Holders") the holders of certificates issued in accordance with a written indenture (the "Trust Preferred Obligations" or "TruPS"). On June 14, 2006, the Debtor issued $12,372,000 Floating Rate Junior Subordinated Deferrable Interest Debentures due September 23, 2036, the securities bear interest at a variable rate per annum, reset quarterly, equal to LIBOR plus 1.55 percent, with an outstanding balance as of the petition date of $14,691,584.

12. The Debtor formed and capitalized the TruPS through the Beach Community Statutory Trust I (the "Trust"). The Debtor owns 100% of the issued

and outstanding common securities of the Trust. The Trust is a Delaware statutory trust that was established for the sole purpose of issuing capital securities. The beneficial interests in the Trust are held by US Cap V and with US Cap VI.

13. Under the trust preferred securities framework, the issuing company forms a business statutory trust and holds 100% of the common stock of the trust. The trusts in turn issue preferred stock to investors. The proceeds from the preferred stock are paid to the issuing company. The company then issues subordinated debt[3] to the trust on the same terms as the trust's preferred stock and guarantees the interest and maturity payments on the trust preferred stock. Generally, the company then downstreams those funds to the subsidiary bank. The Debtor used the proceeds of the notes to invest capital in the Bank. The trust preferred securities as issued under this framework were included in the Tier 1 Capital of the subsidiary bank thereby permitting further growth. Under the proposed capital structure, it was contemplated that the Bank then in turn would make dividend payments to the Debtor enabling it to service the obligations under the notes. As is typical for these securities, they each have an option to defer all interest due under the notes for a period of five years, absent default. As the operating Bank is the sole source of repayment for the Trust Preferred Securities,

[3] The TruPS are unsecured.

any weakness in the Bank or inability to make payment impairs the value of the Trust Preferred Securities.

14. Prior to the commencement of this case, the Debtor, at the request of the TruPS Holders, commenced the process of dissolving the Trust. While the direct beneficial interest in the indebtedness is held by US Cap V and US Cap VI, the Debtor will also continue to provide notice to the indenture trustee.

15. The Debtor has no other creditors.

C. Prior efforts to recapitalize

16. During the entire time period from the entry of the Consent Order to the present, the Debtor and the Bank have been diligently pursuing alternative solutions to meet the required capital ratios and otherwise satisfy the obligations of the Consent Order. These alternatives have included raising outside capital with the assistance of the Debtor’s legal and financial advisors. The Debtor has also focused its efforts on improving the overall financial performance and efficiency of the Bank.

17. The Bank’s lending base consists primarily of real estate loans, with a substantial portion of that portfolio dedicated to loans related to acquisition and development of real estate. The Bank was severely affected by the national economic recession and then, with others in the area, was adversely affected by the

April, 2010 explosion of the *Deepwater Horizon* drilling platform and the resultant regional economic impact.

18. For over 8 years, since 2010 and the entry of the Consent Order, BCB and the Bank have been actively engaged in the search for new equity to address the outstanding Trust Preferred obligations and to bring the Bank into conformance with the Consent Order by raising new capital.

19. As part of these efforts the Debtor and the Bank engaged the Hovde Group, LLC ("Hovde") to act as a financial advisor and placement agent for raising new equity value at the Bank level.

20. BCB and the Bank have been unable to create a new capital structure and also reach an accommodation with the TruPS Holders without providing for the commencement of a bankruptcy case that would offer sufficient comfort to the Purchaser of the Shares and the parties to the SSAs with the Bank and also satisfy the requirements of the TruPS Holders.

21. Subsequent to negotiating the Agreement and the SSAs, the Debtor has also engaged Teneo Securities, Inc. ("Teneo") to assist it marketing the Shares as part of the proposed bidding procedures.

i. Identity of Purchaser

22. The David F. Bolger 2018 Irrevocable Stock Trust is a trust formed for the purpose of purchasing the Shares and is represented by its trustee, Mr.

Thomas Wells. Mr. Wells is the senior partner of the law firm Wells, Jaworski & Liebman, LLP. In addition to his legal practice, Mr. Wells serves as a Director and Chief Executive Officer of the Bolger Foundation, as a Director and President of the Wells Mountain Foundation, and as Managing Member of Wells Mountain LLC, a real estate development, ownership and hospitality company.

23. The Purchaser is a party to an SSA and in addition to acquiring the Shares will participate in the new equity offering by the Bank. At the closing of the transactions, if the Motion is allowed by the Court, the Purchaser will hold an equity interest in the Bank with voting rights no greater than 9.9%, as explained below.

ii. Restructuring Support Agreement

24. Prior to the commencement of the case, the Debtor entered into a written restructuring support agreement (the "RSA") with the TruPS Holders. The RSA incorporates a term sheet that sets forth with particularity the proposed terms of the Bidding Procedures sought in the Motion, including, but not limited to, the Solicitation Period (30 days), the Break Up Fee ($250,000), the Purchase Price ($850,000) and the net payment to the TruPS Holders ($500,000). The terms of the RSA were the subject to extensive negotiations between the TruPS Holders and the Debtor. Under the terms of the RSA, the TruPS Holders, the only creditors of

the Debtor, have agreed to support the relief requested in the Motion. A copy of the RSA is appended to the Agreement.

D. The Stock Purchase Agreement

25. The Debtor and the Purchaser, subject to the review and approval of the Court, have entered into the written Agreement. A true and accurate copy of the Agreement is attached hereto as Exhibit A. If effectuated, the transactions contemplated by the Agreement and the SSAs will recapitalize the Bank, ensure the Bank's regulatory compliance, maximize the value available for the Debtor's creditors, preserve jobs, and save banking regulators substantial amounts, while simultaneously allowing the Bank to continue serving the needs of its customers.

26. The Purchaser is prepared to proceed with a transaction to acquire 100% of the stock in the Bank owned by the Debtor for $850,000. The Purchaser and other third party investors (the "Third Party Investors") will at the same time enter into the SSAs to provide approximately $100 million in consideration of new equity to be issued by the Bank (the "Equity Contribution").

27. If the Court approves the Stock Purchase Agreement, two directors of the Debtor and the Bank and the Chief Executive Officer of the Debtor and the Bank intend to become investors as part of the SSAs. The director investments would be in the amount of $200,000 and $20,000 and the officer investment in the amount of $50,000, or collectively .27% of the total investment being raised.

28. The Debtor, its management and its Board of Directors, have been engaged in an intensive effort to solve the problems of the Debtor and the Bank over a prolonged period of time and firmly believe that this solution, the Agreement with the Purchaser, presents the best opportunity for creditors and all parties in interest.

E. Key terms and conditions of the Stock Purchase Agreement

29. Pursuant to the Agreement, BCH will sell 100% of the stock in the Bank (the "Shares") to Purchaser free and clear of all Encumbrances. The following highlights some of the key terms and conditions of the Agreement, all of which are more fully explained in the Agreement.

Consideration. The purchase price for the acquisition of the Shares will be an amount equal to Eight Hundred Fifty Thousand Dollars ($850,000) cash (the "Purchase Price").

Closing Date and Closing Conditions. The Sale is subject to approval by the Court and competitive bidding pursuant to the Bidding Procedures Order. Further, consummation of the sale transaction is jointly subject to certain closing conditions, such as the following: (i) Court approval of the Bidding Procedures proposed herein including, without limitation, the Stalking Horse Bidder Fee, (ii) the entry of the final Sale Order by the Court; (iii) the parties obtaining all necessary governmental authorizations including without limitation, the approval of the Board of Governors of the Federal Reserve System, the FDIC and the Florida OFR; (iv) the successful closing of the new equity raise through the SSAs; and (v) the successful sale by the Bank of certain nonperforming assets.

No-Shop Provision. BCB is authorized to solicit competing proposals to purchase the Bank shares in accordance with the Bidding Procedures Order, but not otherwise.

Release. In connection with Purchaser's acquisition of the Bank, Purchaser requires that the Debtor and the Bank release the Purchaser from any obligations or claims.

Credit Bidding. The Purchaser shall retain the right to credit bid the Stalking Horse Bidder Fee at any auction that may be held with respect to the Shares.

Waiver of Bankruptcy Rule 6004(h). In light of the regulatory and financial pressures on BCB and the Bank, BCB has requested a waiver of the stay imposed by Bankruptcy Rule 6004(h).

F. The Stock Subscription Agreement

30. As of the date of the Agreement, the Bank has separately entered into the SSAs with the Purchaser and the Third Party Investors. A true and accurate copy of the form of SSA is attached to the Agreement.

31. Under the terms of the SSAs, the Bank will issue approximately 13.3 million shares of new common stock and 5.4 million shares of preferred stock raising not less than $95 million and not more than $100 million. No Third Party Investor will hold voting rights greater than 9.9%, although in some instances their equity interests may exceed that margin.

32. The SSAs require, among other things, that the proposed Sale Order be entered by the Court and that the transactions contemplated by the Agreement and the SSAs receive regulatory approval. The SSAs have an Outside Date, by which the transactions must close, of July 5, 2018. The Debtor anticipates that the time to close and receive the necessary regulatory approvals following the entry of

the Sale Order is approximately 60 days. After the Outside Date, the Purchaser and the Third Party Investors will no longer be obligated to purchase the new equity to be issued by the Bank.

33. The SSAs are also conditioned on the successful sale by the Bank of certain nonperforming assets [SSA, § 2.2(b)(xi), page 13] that must yield losses from book value of not more than $43 million. The Bank has a reasonable belief that it will be able to successfully close under this condition.

34. The SSAs require the Agreement to successfully close and the Bidding Procedures Order and Sale Order to be entered in accordance with the terms of Agreement. The Third Party Investors have each provided the Purchaser with certain written authority to modify their respective SSAs in certain respects relating to the conduct of any Auction and the entry of the Bidding Procedures Order.

35. As part of the new equity raise through the SSAs, the Bank intends to supplement its existing management team. Those efforts will include the addition of Carl J. Chaney as the anticipated executive chairman of the Bank. Mr. Chaney has over 30 years of experience in the banking industry.

G. Regulatory approval of the sale

36. During the months preceding BCB's bankruptcy proceeding, the Company's management engaged in discussions with the Regulators to keep them apprised of the Company's recapitalization efforts.

37. The Company has disclosed the Purchaser's proposed acquisition of the Bank as a proposed mechanism for recapitalizing the Bank. Although still reviewing the proposed transaction, to date, the Regulators have raised no objections to this bankruptcy filing or the proposed Agreement. BCB believes that it can timely obtain all requisite approvals from the Regulators for approval of the Agreement.

H. Proposed timeline for sale of assets

38. The Purchaser and the Third Party Investors deem it essential to their success in acquiring the Bank and successfully closing under the Agreement to do so on an accelerated timeline. The pendency of these proceedings will create a certain level of uncertainty that is inimical to the welfare of the Bank and its future operations. As the Agreement closing is contingent on regulatory approval of the Agreement and the new equity raise represented by the SSAs, and the prospects for the success of that process will diminish the longer the pre-sale uncertainty exists, it is important to the efforts of BCB to deliver the substantial value represented by the Agreement that it succeed in carrying out the sale process as promptly as possible.

39. BCB proposes the following timeline in connection with the relief sought in this Motion:

EVENT	DATE
Bidding Procedures Hearing[4]	Within 7 days of Petition Date
Deadline for competing bids	5 days before Sale Hearing
Auction Date (if necessary)	3 days before Sale Hearing
Sale Hearing[5]	Within 30 days of Bidding Procedures Hearing

40. BCB believes that after more than eight years of exploring potential alternatives for recapitalizing the Bank, every party that reasonably could be expected to consummate a transaction to purchase, recapitalize, or merge with BCB is aware of the opportunity. Accordingly, BCB believes that the proposed timeline is more than sufficient to complete a fair and open process that will maximize value for the assets.

RELIEF REQUESTED

41. By this Motion, BCB seeks entry of a "Bidding Procedures Order", a copy of which is attached here to as Exhibit B, which (i) approves the Bidding Procedures; (ii) approves the Bidding Protections, including the Stalking Horse

[4] Agreement, Section 5.9(a) requires the Bidding Procedures Order to enter within 10 days of the Petition Date.
[5] Agreement, Section 5.9(b) requires the hearing to be held within 30 days of the entry of the Bidding Procedures Order.

Bidder Fee, the Initial Minimum Overbid, and the bidding increments described below; (iii) approves the form and manner of the Notice of Sale; and (iv) grants related relief.

42. Further, by this Motion, BCB requests that the Court set a Sale Hearing within thirty (30) days of the entry of any Bidding Procedures Order. At the Sale Hearing, subject to the outcome of the Auction (if necessary), BCB requests entry of an Order in substantially the form attached hereto as Exhibit C (the "Sale Order"), which, among other things, (i) approves the Agreement; (ii) confirms that the sale of the Shares shall be free and clear of all Encumbrances; (iii) waives the 14-day stay incorporated by Bankruptcy Rules 6004(h) and 6006(d); and (vii) approves certain findings of fact and conclusions of law, including, without limitation, that all requirements imposed by Bankruptcy Code section 363(f) have been satisfied, that the Purchaser is a good faith purchaser entitled to the protections of Bankruptcy Code section 363(m), and that the terms of the Sale are fair and reasonable.

BASIS FOR RELIEF

A. Necessity for sale

43. BCB has concluded that the only way to recapitalize the Bank (avoiding the risk of its seizure by regulators), and thereby realize value for BCB and its stakeholders, is to conduct a sale of the Bank pursuant to Section 363 of the

Bankruptcy Code. BCB submits that the proposed sale, on the timeframe set forth herein, provides for the maximum value for BCB and its stakeholders.

44. It is imperative that the sale process be conducted in an expeditious manner for a number of reasons. First, as a result of BCB's required public announcement of this bankruptcy filing, there is a potential for customer confusion.[6] Notwithstanding the fact that substantially all of the Bank's customer deposits are fully protected by FDIC insurance, during any prolonged period of uncertainty, customers may become concerned and may look elsewhere for banking services, harming the value of the assets of the Debtor's estate.

45. Second, the universe of potential investors who have both the financial backing and ability to satisfy the regulatory prerequisites to consummate a purchase of the Bank is very small. Accordingly, prolonging the process in order to attempt to find other alternatives would be futile and a waste of estate assets.

46. The Company has invested substantial time, effort and resources in assembling the proposed investor group and is at risk of losing this last opportunity to recapitalize absent the conclusion of the sale. Failure to timely consummate the proposed Sale could cause the Company to lose the one opportunity that will allow it to optimally recapitalize the Bank and preserve value for BCB and its creditors.

[6] Indeed, this precise scenario happened to IndyMac. Depositors withdrew a total of $1.3 billion after certain third-party statements sparked widespread panic. Reuters' News, *U.S. seizes IndyMac as financial troubles spread*, July 12, 2008, *available at* http://www.reuters.com/article/idUSWA000014120080712.
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47. In sum, BCB submits that the proposed timeline and procedures described herein achieve the overarching objectives of the Company: recapitalizing the Bank as required by the Regulators and preserving the Bank's going concern for the benefit of its stakeholders.

B. The proposed bidding procedures

48. BCB crafted the Bidding Procedures to permit an expedited sale, as necessitated by the risks faced by the Bank, while simultaneously fostering an orderly and fair sale process. BCB has determined that the Bidding Procedures establish a framework that will maximize the value of the Bank for the benefit of BCB's estate, its creditors, and other interested parties.

49. The proposed Bidding Procedures are attached to the Bidding Procedure Order as Exhibit B. Those procedures are summarized in relevant part below subject to qualifications outlined in the Bidding Procedures.[7]

> **Participation Requirements.** Before a potential bidder may receive any confidential information from BCB or the Bank, submit an Initial Overbid (defined below), or participate in the Auction, a potential bidder other than the Purchaser (an "Overbidder") must submit each of the following to BCB: (i) an executed confidentiality agreement and (ii) current audited financial statements and the latest unaudited financial statements (collectively, the "Financials").

[7] The summary of the Bidding Procedures set forth herein is provided for informational purposes only. Interested parties should read the entire Bidding Procedures, which are annexed hereto as part of Exhibit B. In the event of any conflict between the Bidding Procedures and this summary, the Bidding Procedures shall control. Capitalized terms used in this summary have the meaning ascribed to them in the Bidding Procedures.

Bid Deadline. In order to participate at the Auction, an Overbidder must submit its bid in a form acceptable to BCB (with copies to certain professionals as explained in the Bidding Procedures) on or before five (5) days before the Sale Hearing (the "Bid Deadline").

Bid Requirements. A bid must be a written irrevocable offer from an Overbidder and shall contain, among other things, the following: (a) a proposed purchase agreement (the "Competing Purchase Agreement") on substantially the same terms and conditions as those in the Agreement; (b) a cashier's check made payable to the order of BCB in the amount of ($350,000) (the "Overbidder's Deposit") which will be retained by BCB as a deposit; (c) admissible evidence in the form of affidavits or declarations establishing, among other things, the Overbidder's financial ability, good faith, and ability to perform the obligations under the Competing Purchase Agreement (collectively, the "Bidder Representations"); (d) confirmation that the offer will remain open until one business day after the Closing; (e) terms and conditions that are higher and better than the terms and conditions of the Agreement; (f) a bid that exceeds the Closing Consideration by at least the sum of the Stalking Horse Bidder Fee and $100,000 (the "Initial Minimum Overbid") and provides for the recapitalization of the Bank on terms not less favorable than the Agreement and that have are acceptable to the Regulators; (g) sufficient information to establish that the Overbidder is capable of obtaining all required regulatory approvals required to consummate the Sale; and (h) a statement indicating that the Overbidder consents to the core jurisdiction of the Bankruptcy Court for all disputes relating to the Auction or the Sale.

Qualified Overbidders and Initial Overbid. A **"**Qualified Overbidder" is any potential Overbidder that both: (i) conforms with the above requirements by submitting a Competing Asset Purchase Agreement, supporting documentation and the Overbidder's Deposit (collectively, an "Initial Overbid"); and (ii) that the Company has determined is reasonably likely to consummate the Sale if selected as the Successful Bidder. The Purchaser shall automatically be deemed a Qualified Overbidder. Only Qualified Overbidders may bid for the Shares at the Auction. Any bid submitted by a Qualified Overbidder shall be referred to as a "Qualified Bid."

Due Diligence. Neither the Company, nor any of its employees, officers, directors, affiliates, subsidiaries, representatives, agents, advisors, or professionals are responsible for, and shall bear no liability with respect to, any information obtained by potential bidders in connection with the Sale. The Company shall not be obligated to furnish any due diligence information after the Bid Deadline. Each Overbidder shall comply with all reasonable requests for additional information and due diligence by the Company or its advisors regarding the Overbidder and its proposed transaction. Failure by an Overbidder to comply with requests for information and due diligence access shall be a basis for the Company to determine that such Overbidder is not a Qualified Overbidder.

Bidder Protections. In order to provide an incentive and compensate the Purchaser to serve as the stalking horse bidder, BCB has agreed to provide the Buyer with certain bidder protections commonly approved in other bankruptcy sales. In the event that the Buyer is not the Successful Bidder for the Shares, the Purchaser shall be entitled to collect a $250,000 fee from BCB (the "Stalking Horse Bidder Fee"), which fee will be paid from the sale consideration received from the Successful Bidder.

As Is, Where Is. The sale of the Shares shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by BCB, its agents, its advisors, or estate, except to the extent set forth in the Agreement or in BCB's purchase agreement(s) with the Successful Bidder(s). Except as otherwise provided in the Agreement or the purchase agreement(s) with the Successful Bidder(s), all of the right, title and interest in and to the Shares to be acquired will be sold free and clear of all liens, security interests, encumbrances, and interests thereon and there against (collectively, the "Encumbrances"). The Encumbrances will attach to the net proceeds of the sale of such Shares, subject to any claim of the Purchaser to such proceeds for payment of the Stalking Horse Bidder Fee (as defined above).

The Auction. If on the Bid Deadline, the Purchaser is the only Qualified Overbidder, BCB shall not conduct an Auction. Rather, BCB shall request at the Sale Hearing that the Bankruptcy Court approve the proposed Sale of the Shares to the Purchaser under the Agreement and request that the Sale Order shall be immediately effective upon entry. If, on the Bid Deadline, there is more than one Qualified Overbidder, BCB will conduct an auction of the Shares (the "Auction"), subject to approval of the Bankruptcy Court, in which the Purchaser and all other Qualified Overbidders may participate.

Auction Procedures. The Auction will be governed by the following procedures, the most significant of which include the following (the "Auction Rules"): (a) bidding will commence at the amount of the highest bid submitted by a Qualified Overbidder, as determined by BCB; (b) each subsequent bid after the Initial Minimum Overbid will be in increments of no less than One Hundred Thousand Dollars ($100,000) (the "Bidding Increments"); (c) the Purchaser will have the right, but not the obligation to match bids made by any Qualified Overbidder (and credit the amount of the Stalking Horse Bidder Fee), and in such event, the Purchaser matching bid will be deemed the highest and best bid for the Shares; (d) the Auction shall continue until there is only one Qualified Bid that BCB determines in its reasonable business judgment, after consultation with its advisors, is the winning bid; (e) if, upon conclusion of the Auction the Purchaser's final bid matches (or is greater than) the highest bid made by any Qualified Overbidder, BCB will seek the approval of the Bankruptcy Court to sell the Shares to the Purchaser; and (f) BCB may elect to deem the Purchaser's final bid to be the highest bid, notwithstanding the receipt of an apparently higher bid from another Overbidder.

C. Notice procedures

50. BCB shall, within two (2) days of the entry of the Bidding Procedures Order on this Court's docket, serve a copy of each of the Motion, the Bidding Procedures Order, and a copy of the Notice of Sale, substantially in the form attached hereto as Exhibit 2 to the Bidding Procedures Order by first-class mail, postage prepaid, upon the following parties (collectively, the "Notice Parties"): (a) the Office of the United States Trustee for the Northern District of Florida (the

"U.S. Trustee"); (b) all parties that have filed requests for notices under Bankruptcy Rule 9010(b) or are entitled to notice under Bankruptcy Rule 2002; (c) U.S. Capital Funding V, Ltd. ("US Cap V") and U.S. Capital Funding VI, Ltd. ("US Cap VI"), the holders of trust preferred securities originally issued by Beach Community Statutory Trust I (the "Trust Preferred"); (d) Wilmington Trust Company, formerly the Indenture Trustee for the Trust Preferred ("Wilmington Trust"); (e) the Internal Revenue Service; (f) the holders of Preferred Stock in the Debtor; (g) Purchaser and (e) any governmental entity affected by the relief sought herein.

APPLICABLE AUTHORITY

I. The Sale Should be Approved Under Section 363(b) as Fair, Reasonable, and in the Best Interest of Creditors.

51. Bankruptcy Code section 363(b) and Bankruptcy Rule 6004 authorize a debtor to sell assets of the estate other than in the ordinary course of business, after notice and a hearing. In accordance with Bankruptcy Rule 6004(f)(1), sales of property outside of the ordinary course of business may be by private sale or public auction. See Fed. R. Bankr. P. 6004(f)(1). Here, BCB believes that its ability to select the highest and best bidder at the Court-supervised Auction enhances and benefits the marketing process by providing a motivation for bidders to submit a Qualified Bid with a high market value.

52. Although section 363(b) does not specify a standard for determining when it is appropriate for a court to authorize the use, sale or lease of property of the estate, case law has repeatedly confirmed that such use or sales of estate assets is appropriate if the sales or uses are based upon a debtor's sound business judgment. See In re Gulf States Steel, Inc. of Alabama, 285 B.R. 497, 514 (Bankr. N.D. Ala. 2002) (providing that the business judgment standard should be used when evaluating a sale motion under section 363(b)); In re Tropical Sportswear Int'l Corp., 320 B.R. 15, 17-18 (Bankr. M.D. Fla. 2005) (applying sound business justification standard in authorizing payment of prepetition claims pursuant to section 363(b)); In re Montgomery Ward Holding Corp., 242 B.R. 147, 153 (D. Del. 1999) ("In evaluating whether a sound business purpose justifies the use, sale or lease of property under Section 363(b), courts consider a variety of factors, which essentially represent a '*business judgment test*.'") (emphasis added). This "business judgment test" requires that: (i) there is a sound business reason justifying the sale; (ii) adequate and reasonable notice of the sale has been furnished to interested parties; (iii) the sale price is fair and reasonable; and (iv) the purchaser has acted in good faith. See In re Delaware & H.R. Co., 124 B.R. 169, 176 (D. Del. 1991); see also In re Lorraine Brooke Associates, Inc., No. 07-12641-BKC-AJC, 2007 WL 2257608, at *4 (Bankr. S.D. Fla. Aug. 2, 2007) (applying

business judgment standard as defined in In re Delaware). All of these factors are satisfied here.

II. There is a Sound Business Reason for the Sale.

53. Once a business justification is articulated, a presumption arises that the directors acted on an informed basis, in good faith, and in the best interest of the company, and courts show great deference to the debtor's business decisions. See In re First Foliage, L.C., No. 10-27532-BKC-LMI, 2011 Bankr. LEXIS 1979, * at 11 (Bankr. S.D. Fla. February 14, 2011) (authorizing sale of substantially all of the debtor's assets and finding that the sale transaction was undertaken in good faith without collusion); In re ALH Holdings LLC, 675 F. Supp. 2d 462, 477 (D. Del. 2009) (business judgment rule "creates a presumption that 'in making a business decision the directors of a corporation acted on an informed basis, in good faith …" -- overcoming this presumption is a "near-Herculean task"); In re S.N.A. Nut Co., 186 B.R. 98, 102 (Bankr. N.D. Ill. 1995) (if the procedures utilized by the directors are applied fairly, and if the directors do not violate any of their fiduciary duties their decision will not be second-guessed); In re Integrated Resources, Inc., 147 B.R. 650, 656 (S.D.N.Y. 1992) (the business judgment rule's presumption "shields corporate decision-makers and their decisions from judicial second-guessing"); In re Johns-Mansville Corp., 60 B.R. 612, 615-16 (Bankr. S.D.N.Y. 1986) (signaling In re Curlew Valley Assoc., 14 B.R. 506, 513 (Bankr. D. Utah

1981) (where the debtor articulates a reasonable basis for its business decisions "courts will generally not entertain objections to the debtor's conduct")); Pitt v. First Wellington Canyon Assoc. (In re First Wellington Canyon Assoc.), 1989 WL 106838, *3 (N.D. Ill. 1989) (the debtor's business judgment must be accorded deference unless the debtor's decision was "taken in bad faith or in gross abuse of the debtor's retained discretion").

54. In this analysis courts use an illustrative list of considerations, on a case-by-case basis, to determine whether the business justification is sufficient, including:

- The proportionate value of the asset to the estate as a whole;
- The amount or elapsed time since filing the petition;
- The effect of the proposed disposition on the future plans of reorganization;
- The amount of proceeds to be obtained from a disposition compared to a valuation of the asset; and
- Most importantly, whether the asset is increasing or decreasing in value.

In re Tidal Constr. Co., 446 B.R. 620, 623 (Bankr. S.D. Ga. 2009); In re Continental Airlines, Inc., 780 F.2d 1223, 1226 (5th Cir. 1986) (citing In re Lionel Corp., 722 F.2d 1063, 1071 (2d Cir. 1983)); Matter of Baldwin United Corp., 42 B.R. 888, 905-06 (Bankr. S.D. Ohio 1984)).

55. Here, BCB's business justification is made much easier given the unique nature of the Bank as a regulated entity, and the current state of the financial markets:

- The proportionate value of the Shares to the estate is substantial given that BCB is a financial services holding company and the Shares represent all of its assets;
- The Company has been subject to the terms of the Consent Agreement with Regulators for eight years (8) years;
- The Bank has been marketed extensively, and the Sale will be subject to a competitive bidding process as set forth in the Bidding Procedures;
- As of the date hereof, despite extensive marketing, BCB and the Bank have received no other offers to purchase the Shares other than from the Purchaser;
- The Agreement is the result of an arm's length negotiation that will result in a net payment of $500,000 and will result in the operations of the Bank becoming well-capitalized; and
- Finally, and most importantly, the failure to close the sale transaction could result in actions by the Bank's regulators, which could, in turn, severely impact creditor recoveries.

Therefore, sound business justifications exist enabling this Court to approve implementation of the Bidding Procedures and, ultimately, a sale of the Bank.

III. The Bidding Procedures Provide Adequate and Reasonable Notice of the Sale.

56. Section 363 of the Bankruptcy Code requires that interested parties receive adequate notice of the sale. Full disclosure of the terms of the Sale will be provided through transmittal of the Notice of Sale as described above. Such notice

is reasonably calculated to provide timely and adequate notice to BCB's major creditor constituencies, those parties most interested in this case, those parties that may have an interest in the Shares, and those parties potentially interested in bidding on the Shares.

IV. The Purchase Price is Fair and Reasonable.

57. An auction sale is generally considered to establish sufficient value for the assets being sold. See, e.g., In re TWA, Inc., 2001 Bankr. LEXIS 980, *13 (Bankr D. Del. 2001) ("The auction procedure [in a 363 sale] has developed over the years as an effective means for producing an arm's length fair value transaction."); In re Celotex Corp., 204 B.R. 586, 612 (Bankr. M.D. Fla. 1996) (equating the value of the debtor's assets to the value received from a hypothetical auction sale of such assets). BCB believes that the sale process has been structured in a manner that will secure the highest purchase price for the assets being sold. BCB and Hovde have extensively marketed the Company, the Bank and the Shares. That process culminated in the realization of the highest and best offer, from the third-party, non-insider Purchaser, to acquire the Shares.

58. BCB will also provide a Notice of Sale to all known potential bidders, thereby maximizing the possibility that competing bidders will come forward to pay a higher price for the Shares than that offered by the Purchaser in the

Agreement. In essence, the Purchaser has set the floor for the bidding at the Auction.

59. BCB specifically retained Hovde to act as financial advisor to BCB and to assist BCB in identifying and analyzing possible transaction structures. Hovde has made presentations to the Board of Directors of BCB for the purpose of assisting the Board of Directors of BCB in making a reasoned and well informed decision regarding any course of action, which included, without limitation (i) a review of efforts to raise capital through a recapitalization of BCB and/or a business combination, and a sale to a strategic partner or buyer through a business combination or otherwise, (ii) a review of market conditions and comparable market transactions, (iii) an overview of the current regulatory environment as it relates to a recapitalization, (iv) an evaluation of the execution risk of one or more proposed transactions involving potential second parties, and (v) an analysis of, and advice regarding, existing bids. That impartial analysis and advice helped BCB determine the basis for the purchase price set out in the Agreement, which further demonstrates the fairness and reasonableness of the Closing Consideration.

60. Based on extensive marketing efforts and negotiations surrounding the Agreement, with the assistance of Hovde, BCB believes that the Purchaser’s offer (subject to overbid at the Auction) satisfies the requirement that the price paid for the Shares be fair and reasonable.

V. The Sale is in Good Faith and Thus the Purchaser or the Successful Bidder Should be Afforded the Protections of 11 U.S.C. § 363(m)

61. Section 363(m) of the Bankruptcy Code provides:

> The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to any entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

Although the Bankruptcy Code does not define "good faith," courts have found that the good faith requirement focuses principally on the disclosure of all material sale terms and absence of fraud or collusion between bidders. See, e.g., In re Abbotts Dairies, 788 F.2d 143, 147-48 (3rd Cir. 1986). It is typically only "fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders" that leads to a determination that there was a lack of good faith in a sale proceeding. Id.

62. The Agreement is a product of intensive arm's-length negotiations between BCB and the Purchaser, and does not contain special treatment for BCB, BCB's estate, the Purchaser, or their respective affiliates or insiders. The Agreement specifically provides for overbids at the Auction. Moreover, BCB submits that any purchase agreement reached as a result of the Bidding Procedures will be an arm's-length, negotiated transaction entitled to the protections of section

363(m). In addition, the terms of the Sale will be fully disclosed to creditors and other potential bidders pursuant to the Notice of Sale as described above.

63. Based on the foregoing, the Purchaser or the Successful Bidder, as the case may be, should be deemed a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code.

VI. The Sale Satisfies the Requirements of Bankruptcy Code Section 363(f) for the Sale of the Estate's Assets Free and Clear of Liens, Claims, and Encumbrances.

64. Section 363(f) of the Bankruptcy Code permits debtors to sell assets free and clear of liens, claims, and encumbrances with interests in the property attaching to the net proceeds of the sale. Section 363(f) provides:

> The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if –
>
> (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
>
> (2) such entity consents;
>
> (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
>
> (4) such interest is in bona fide dispute; or
>
> (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

65. BCB believes that one or more of the tests set forth in section 363(f) are satisfied here. First and foremost, the Shares are not encumbered by any

recorded lien, security interest. To the extent there is any unrecorded interest in the Shares, BCB submits that Bankruptcy Code section 363(f)(5) would apply to permit the Sale free and clear of such interests. In addition, because BCB is unaware of any interests or encumbrances upon the Shares, BCB submits that the assertion of any interests in those assets will be in bona fide dispute, requiring application of Bankruptcy Code Section 363(f)(4).

66. Because BCB has satisfied one of the alternative conditions set forth in Section 363(f), BCB requests that the Shares be transferred to the Purchaser free and clear of all Encumbrances with interests in property attaching to the proceeds of the Sale of the Shares.

VII. The Proposed Bidding Procedures are Fair and Designed to Maximize the Value of BCB's Estate

67. Bidding procedures should be approved where the debtor has exercised sound business judgment in developing those procedures. See In re Holley Performance Prods., 2009 Bankr. LEXIS 4683, *5 (Bankr. D. Del. 2009); In re Gulf States Steel, 285 B.R. at 514. Here, BCB prepared the Bidding Procedures in order to maximize the potential recovery for BCB, the Bank, and their stakeholders in connection with the proposed Sale of the Shares. The Bidding Procedures provide for an open bidding process that will provide all potential bidders with the opportunity to participate and test the Purchaser's proposed sale price through an auction process. Because the Bidding Procedures are fair,

reasonable, and a sound exercise of BCB's business judgment, BCB submits that approval of the proposed Bidding Procedures is warranted.

VIII. The Proposed Stalking Horse Bidder Fee is Necessary to Preserve the Value of BCB's Estate.

68. This transaction is unique. Any prospective Bank purchaser must not only compensate the estate for the value of the Shares, but must also obtain regulatory approval.

69. In order to obtain regulatory approval, the Purchaser and the Third Party Investors have entered into the SSAs that will result in an equity contribution of approximately $100 million and thus committed substantial capital to shoring up and sustaining the operations of the Bank. The size of this commitment will cause the Purchaser and the Third Party Investors to otherwise allocate and reserve capital for the potential sale under the Agreement that could be used for other purposes and opportunities. The Purchaser is taking all of the steps necessary to obtain regulatory approval, including negotiation of the Agreement in a form tailored to gain the acceptance of the Regulators. The Purchaser will also be required to invest the substantial cost and expense of pursuing the consummation of this transaction through the Bankruptcy Court. Because BCB insisted that the transaction be subject to higher and better offers, the Purchaser understandably requested certain bidding protections and was unwilling to make this offer and

proceed with the Agreement without such protections. BCB believes that approval of the Stalking Horse Bidder Fee will maximize realizable value of the Shares for the benefit of BCB's estate and creditors.

70. Under the proposed Bidding Procedures, in the event the Purchaser is not the Successful Bidder for the Shares, BCB would be required to pay a Stalking Horse Bidder Fee of $250,000.[8] Of course, in order for the Stalking Horse Bidder Fee to be triggered, the Purchaser would have to be out-bid by another Qualified Bidder in an amount exceeding the Stalking Horse Bidder Fee (plus an overbid amount).

71. Approval of a stalking horse bidder fee is appropriate if such protections are necessary to preserve the value of the estate. There are two primary ways that bid protections, such as a stalking horse bidder fee, create or preserve value for a debtor's estate. First, bid protections can preserve value for the estate if assurance of the bid protections "promote[s] more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited." Calpine Corp. v. O'Brien Envtl. Energy, Inc. (In re O'Brien Envtl. Energy, Inc.), 181 F.3d 527, 537 (3d Cir. 1999) (hereinafter, "O'Brien"); see also Reliant Energy Channelview LP v. Kelson Channelview LLC,

[8] The Stalking Horse Bidder Fee will be divided between the Purchaser and the Third Party Investors in accordance with the provisions of Section 5.5 of the Agreement. The Purchaser will also be entitled to a reimbursement of its legal expenses under the SSA in the amount of $100,000. Other parties to the SSAs may also obtain fee reimbursements related to the SSAs.

594 F.3d 200, 206-07 (3d Cir. 2010) (hereinafter, "Reliant"); see also In re Camtech Precision Mfg., No. 10-22760-PGH, 2010 Bankr. LEXIS 6045, at * 19 (Bankr. S.D. Fla. Dec. 23, 2010) (recognizing that bid protections are designed to facilitate a full and fair process to maximize the value of the debtor's assets). Second, if the availability of bid protections, such as a stalking horse bidder fee, induce a purchaser to expend funds and conduct due diligence that determines the true value of the debtor's assets upon which other bidders can rely, the purchaser has created value for the estate by increasing the likelihood that the price at which the debtor's assets are sold will reflect its true worth. Reliant, 594 F.3d at 206-07; O'Brien, 181 F.3d at 537; see also Camtech Precision, 2010 Bankr. LEXIS 6045, at * 19.

72. Here, both of these conditions are satisfied. As set forth above, although the Regulators have placed pressure on the Bank compelling new outside investment or a sale and the Company and Hovde (and predecessor advisors) have diligently marketed the Bank for well over eight years, the Company has been able to locate only one party—the Purchaser, acting together with the Third Party Investors—that has set forth a viable offer to both recapitalize the Bank and allow BCB to realize value from its most significant asset. If BCB is unable to quickly consummate the Sale, swift action could be taken by the Regulators, producing disastrous consequences to BCB and its creditors. Thus, approval of the Stalking

Horse Bidder Fee is necessary to induce the Purchaser to make its proposed bid that will preserve the value that BCB will realize through the Sale and to gain the successful recapitalization of the Bank through the proposed new equity raise represented by the SSAs—failure to receive such a bid or consummate the Sale could erode any prospect of creditor recovery.

73. Moreover, the Stalking Horse Bidder Fee is necessary to compensate the Purchaser for the opportunity costs that it has lost through committing capital to this Sale transaction. The lost opportunity costs are significant.

74. Thus, the proposed Stalking Horse Bidder Fee is necessary to preserve the value of BCB's estate. The Stalking Horse Bidder Fee induced the Purchaser to make its initial bid, and granting this protection is also necessary to prevent the Purchaser from withdrawing its offer and compensate the Purchaser for the lost opportunity costs associated with setting forth in its Sale offer. The Purchaser only agreed to enter into the Agreement if it would receive the Stalking Horse Bidder Fee, and the Purchaser has agreed to consummate the Agreement only if it receives such protection. Without this protection, the Purchaser could walk away from the Agreement.

75. Furthermore, the proposed Stalking Horse Bidder Fee is fair, reasonable, and within the range of similar protections approved in other bank holding company cases where a bank has been sold. Based on the total

consideration (the sale price for the shares and the new equity being issued by the Bank) of $100,850,000, the proposed Stalking Horse Bidder Fee of $250,000 is in-line with stalking horse bidder fees approved in recent bank holding bankruptcy cases. See In re Bankers Bancorporation of Florida, Inc., Case No. 15-05642 (Bankr. M.D. Fla. July 13, 2015, Docket No. 34) (approving breakup fee of $200,000 based on proposed cash purchase price of $1 million); In re Bank of Commerce Holdings, Inc., Case No. 16-08197 (Bankr. M.D. Fla. September 29, 2016, Docket No. 36) (approving $200,000 break-up fee based on cash of $750,000 to bankruptcy estate); In re Premier Bank Holding Company, Case No. 12-40550 (Bankr. N.D. Fla. September 13, 2012) (approving breakup fee of $150,000 and expense reimbursement of $250,000 based on proposed cash purchase price of approx. $1.4 million); In re AmericanWest Bancorp., Case No. 10-06097 (Bankr. E.D. Wash. November 3, 2010) (approving $1 million breakup fee based on $6,500,000 purchase price).

76. The Stalking Horse Bidder Fee is both reasonable and necessary to preserve the value of the estate’s most valuable asset, including tying up equity capital in order to consummate the Sale and spending several months in order to develop a proper transaction structure.

IX. The Release of the Purchaser and the Bank as Part of the Sale is Appropriate and Necessary to the Sale and Authorized by Bankruptcy Rule 9019.

77. As part of the Agreement, the Purchaser has negotiated for and received the Debtor's agreement that it will release any claims that it has against the Purchaser and the Bank.

78. The Debtor is not aware of any claims that it holds against the Purchaser or the Bank.

79. The standard in this Circuit for determining whether to approve a compromise or settlement pursuant to Bankruptcy Rule 9019(a) is set forth in Wallis v. Justice Oaks II, Ltd. (In re Justice Oaks II, Ltd.), 898 F.2d 1544 (11th Cir. 1990), in which the Eleventh Circuit stated:

> When a bankruptcy court decides whether to approve or disapprove a proposed settlement, it must consider:
>
> (a) The probability of success in the litigation;
>
> (b) the difficulties, if any, to be encountered in the matter of collection;
>
> (c) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and
>
> (d) the paramount interest of the creditors and a proper deference to their reasonable views in the premises.

Id. at 1549

80. The releases provided for as part of the Agreement are normal and customary conditions. The Debtor is aware of no claims that exist, and the Debtor believes that a sale cannot be consummated (and the value of its assets preserved) if the threat of future litigation hangs over the Bank or any purchaser. The

transaction will prevent the Debtor from losing the only assets it has, provide a return to creditors of the Debtor and successfully recapitalize the Bank as required by the Consent Order. The proposed releases otherwise satisfy the requirements of Rule 9019.

X. This Court Should Waive the Fourteen-Day Stay Period Imposed by Bankruptcy Rule 6004(h)

81. Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). BCB requests that the stay imposed by Bankruptcy Rule 6004(h) be waived under the circumstances of this case. It is in the interest of BCB's creditors and estate that the Sale be consummated as quickly as possible without any stay pending appeal because of the Bank's undercapitalized status, the risk of deposit withdrawals, and the decisive response that the Regulators will implement in the event of significant deposit withdrawals.

82. BCB will notice the hearing on this Motion to all of its creditors, interest holders, and other parties-in-interest, and therefore any person having any objection to the Motion will be afforded a reasonable opportunity to voice any objections or concerns. Accordingly, BCB is aware of no prejudice that would be caused by the Court's waiver of Bankruptcy Rule 6004(h). BCB requests that any

order approving the Sale be effective immediately by providing that the fourteen-day stay is inapplicable.

NOTICE

83. Notice of this Motion will be been provided to (i) all creditors of the estate; (ii) any entities known to have asserted any Encumbrance in or upon the Shares; (iii) all federal, state, and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief requested by the Motion, including the Regulators; (iv) all parties to the Agreement; (v) the Office of the United States Trustee; (vi) the Internal Revenue Service; (vii) Wilmington Trust as indenture trustee; (viii) all entities that have requested notice in accordance with Bankruptcy Rule 2002; and (ix) counsel to any official committee established in this Chapter 11 case. In light of the nature of the relief requested herein, BCB submits that no other or further notice is required.

NO PRIOR REQUEST

84. No prior request for the relief sought in this Motion has been made to this or any other court.

REQUEST FOR EMERGENCY HEARING

85. The proposed Agreement provides that the Bidding Procedures must be approved within ten (10) days of the Petition Date. If the deadline is not met, the Debtor and the estate will lose the advantage of the Agreement.

86. The need for expedited relief has not been created by lack of due diligence by the Debtor or its proposed counsel.

CONCLUSION

For all of the foregoing reasons, BCB respectfully requests entry of an order granting the relief requested herein and such other and further relief as the Court deems just.

Beach Community Bancshares, Inc.

By its attorneys,

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Proposed Counsel for the Debtor and Debtor in Possession

Dated: April 9, 2018

Index to EXHIBITS

Exhibit A – Stock Purchase Agreement (Exhibits C and D to the Stock Purchase Agreement have been omitted because they are otherwise attached to this motion)

Exhibit B – Proposed Bidding Procedures Order

Exhibit C - Proposed Sale Order

EXECUTION VERSION

STOCK PURCHASE AGREEMENT

by and between

BEACH COMMUNITY BANCSHARES, INC.,

BEACH COMMUNITY BANK

and

THE PURCHASER IDENTIFIED ON THE SIGNATURE PAGE HERETO

Dated as of April 6, 2018

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "**Agreement**") is made as of April 6, 2018, by and between Beach Community Bancshares, Inc., a Florida corporation (the "**Company**"), the purchaser identified on the signature page hereto ("**Purchaser**"), and solely with respect to Sections 5.4, 5.11, 5.12, 5.13, 5.14, 5.15, 5.19, 7.4, and 9.9, Beach Community Bank, a Florida banking corporation (the "**Bank**").

RECITALS

A. The Company owns all of the issued and outstanding shares of Common Stock of the Bank.

B. The Board of Directors of the Company has authorized the Company to sell all of the shares of Common Stock of the Bank issued and outstanding as of the Closing Date (as hereinafter defined) (the "**Shares**"), free and clear of all Encumbrances (as hereinafter defined), to Purchaser pursuant to this Agreement.

C. On the terms and conditions of this Agreement, the Company wishes to sell, and Purchaser wishes to purchase, all of the Shares (as hereinafter defined) for an aggregate purchase price of $850,000.00 (the "**Purchase Price**").

D. The Company intends to file a voluntary bankruptcy petition (the "**Bankruptcy Case**") under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "**Bankruptcy Code**"), in the United States Bankruptcy Court for the Northern District of Florida (the "**Bankruptcy Court**") within one Business Day following the date that this Agreement is executed (the date of such filing, the "**Petition Date**").

E. The parties intend for the sale and purchase of the Shares to the Purchaser (the "**Sale**") to be effectuated pursuant to an order of the Bankruptcy Court under, *inter alia*, Sections 105, 363 and 365 of the Bankruptcy Code, approving such transactions with Purchaser.

F. Concurrently with the execution of this Agreement, the Bank is entering into identical stock subscription agreements with the Purchaser and other investors substantially in the form attached hereto as Exhibit A (each a "**Stock Subscription Agreement**" and collectively, the "**Stock Subscription Agreements**"), pursuant to which the Bank will offer and sell in a private placement newly issued equity securities of the Bank (the "**Bank Stock Offering**") for aggregate gross proceeds of approximately $100 million (the "**Gross Offering Proceeds**"), upon the terms and conditions stated in such Stock Subscription Agreements.

G. Concurrently with the execution of this Agreement, the Company is entering into the Restructuring Support Agreement with StoneCastle Advisors, LLC (the "**TruPS Holder**") substantially in the form attached hereto as Exhibit B-1, as modified by the side letter dated April 6, 2018 attached hereto as Exhibit B-2 (collectively, the "**TruPS RSA**"), pursuant to which the TruPS Holder has agreed, among other things, to support the transactions contemplated by this Agreement.

H. The parties intend that the Contemplated Transactions shall occur simultaneously.

In consideration of the covenants, agreements, representations and warranties set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, covenant and agree as follows:

ARTICLE 1

INTERPRETATION

1.1 Definitions. In this Agreement, unless the context otherwise requires or unless otherwise specifically provided herein:

(a) "Action" means any action, suit, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition), or investigation pending or, to the Company's Knowledge, threatened in writing against the Company, the Bank, any of their respective Subsidiaries, or any of their respective properties or any officer, director, or employee of the Company, the Bank or any of their respective Subsidiaries acting in his or her capacity as an officer, director, or employee before or by any Governmental Authority.

(b) "Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with, such Person, with "control" for such purpose meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or voting interests, by contract or otherwise.

(c) "Affiliated Group" has the meaning given to the term in Code §1504 (or any corresponding provision of state, local or non-U.S. Tax Law).

(d) "Agency" is defined in Section 3.20(c).

(e) "Agreement" is defined in the introductory paragraph.

(f) "Alternative Transaction" means any one of the following transactions with or by a Third Party: (i) a merger, consolidation or similar transaction involving the Company or the Bank, or (ii) a sale, lease or other disposition directly or indirectly by merger, consolidation, tender offer, share exchange or otherwise of assets of Company or the Bank constituting a majority of the consolidated assets of Company or the Bank.

(g) "Bank" is defined in the Recitals.

(h) "Bank Financial Statements" collectively means the Year-End Financial Statements and the Interim Financial Statements.

(i) "Bank Reports" is defined in Section 3.4.

(j) "Bank Required Approvals" is defined in Section 3.3(b).

(k) "Bank Stock Offering" is defined in the Recitals.

(l) "Bankruptcy Case" is defined in the Recitals.

(m) "Bankruptcy Code" is defined in the Recitals.

(n) "Bankruptcy Court" is defined in the Recitals.

(o) "BHCA" means the Bank Holding Company Act of 1956, as amended.

(p) "Bid Procedures" means the bid procedures attached as Exhibit 1 to the Bidding Procedures Order.

(q) "Bidding Procedures Order" means the bidding procedures order, approving, among other things, the process by which bids may be solicited in connection with the sale of the Shares, in the form attached hereto as Exhibit C with such changes as are acceptable to Purchaser and the Company in their respective sole discretion. For the avoidance of doubt, all references to the Bidding Procedures Order shall include the Bid Procedures attached as Exhibit 1 thereto.

(r) "Bid Procedures Motion" is defined in Section 5.7(a).

(s) "Break Up Fee" is defined in Section 5.5(a).

(t) "Broker" means Hovde Group, LLC.

(u) "Broker's Fees" means the fees payable by the Company and/or the Bank to the Broker in connection with the Closing in an aggregate amount equal to the amount set forth in Section 5.4 of the Disclosure Schedule.

(v) "Burdensome Condition" means, other than the Consent Order, any action taken, or any law, rule or regulation enacted, entered, enforced or deemed applicable to the Company or its Subsidiaries, the Purchaser (or its Affiliates) or the transactions contemplated by this Agreement, by any bank regulatory authority that imposes any restriction or condition on the Company or its Subsidiaries or the Purchaser or any of its Affiliates that the Purchaser determines, in its reasonable good faith judgment, (i) is materially and unreasonably burdensome on the Bank's or its Subsidiaries' business following the Closing or on the Purchaser (or any of his Affiliates), (ii) would materially reduce the economic benefits of the transactions contemplated by this Agreement to the Purchaser or the Bank, or (iii) requires any modification of governance arrangement with respect to, or imposes any capital or other support requirements on the Purchaser, in each case, to such a degree that the Purchaser would not have entered into this Agreement had such condition or restriction been known to it on the date hereof.

(w) "Business Day" means any day other than a Saturday, Sunday or any federal holiday in the United States.

(x) "Business-Related Assets and Contracts" is defined in Section 5.15.

(y) "Charter Documents" means articles or certificate of incorporation, bylaws and any other comparable constituent document of a corporate entity.

(z) "CIBC Act" means the Change in Bank Control Act of 1978.

(aa) "Closing" means the completion of the sale and purchase of the Shares in accordance with Article 7.

(bb) "Closing Date" means (i) the third (3^{rd}) Business Day after the date on which the last of the conditions set forth in Article 6 (other than those conditions that by their nature are to be satisfied at the Closing, but subject to fulfillment or waiver of those conditions) is satisfied or waived by the appropriate party or (ii) such other date as the Purchaser and the Company mutually agree following the satisfaction or waiver, as applicable, of the conditions set forth in Article 6 (other than those conditions that by their nature are to be satisfied at the Closing, but subject to fulfillment or waiver of those conditions).

(cc) "Code" means the Internal Revenue Code of 1986, including the regulations and published interpretations thereunder.

(dd) "Common Stock" is defined in Section 3.2(a).

(ee) "Company" is defined in the introductory paragraph.

(ff) "Company Tax Returns" is defined in Section 5.12.

(gg) "Conformity Election" is defined in Section 5.11(c).

(hh) "Consent" means any approval, consent, ratification, waiver or other authorization.

(ii) "Consent Order" means the Consent Order with respect to the Bank issued by the FDIC, docket number FDIC-09-492b, and the FORF, docket number OFR 0686-FI-10/09, dated March 16, 2010 and consented to by the Bank.

(jj) "Contemplated Transactions" means all of the transactions contemplated by this Agreement, and the Stock Subscription Agreements between the Company and/or the Bank, on the one hand, and the Purchaser and the other investors, on the other hand, including the execution, delivery and performance of all documents, instruments and agreements contemplated hereby.

(kk) "Contracts" means all contracts, agreements, instruments, leases, indentures and commitments, whether written or oral, relating to the business of the Bank or its Subsidiaries to which the Company, the Bank or any other Subsidiary is a party, including, without limitation, non-competition, non-solicitation and confidentiality agreements.

(ll) "CRA" is defined in Section 3.3(d).

(mm) "Disclosure Schedule" means the disclosure schedule delivered by the Company to the Purchaser concurrently with execution and delivery of this Agreement in the form of Schedule I.

(nn) "Encumbrance," with respect to any asset, means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising:

i. a lien (statutory or otherwise), encumbrance, adverse claim, charge, execution, security interest, pledge against such asset, hypothecation or a subordination to any right or claim of others in respect thereof;

ii. a claim or interest against such asset;

iii. an option or other right to acquire such asset, or any interest therein;

iv. an interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset; and

v. any other encumbrance of whatsoever nature and kind against such asset.

(oo) "Environmental Laws" is defined in Section 3.14.

(pp) "Equity Contribution" means a capital injection into the Bank, to be made concurrently with the Closing, in an amount of up to $103 million, to be funded with the Gross Offering Proceeds received by the Bank in the Bank Stock Offering.

(qq) "ERISA" is defined in Section 3.9(b).

(rr) "Exchange Act" means the Securities Exchange Act of 1934 or any successor statute, and the rules and regulations promulgated thereunder.

(ss) "FDIC" means the Federal Deposit Insurance Corporation, or any successor thereto.

(tt) "Federal Reserve" means the Board of Governors of the Federal Reserve System.

(uu) "Final, Non-appealable" (including, with correlative meaning, the term "final and non-appealable") means, with respect to any Order or other action of a Governmental Authority, an Order or other action (i) as to which no appeal, notice of appeal, motion to amend or make additional findings of fact, motion to alter or amend judgment, motion for rehearing or reconsideration, motion for new trial or petition for writ of certiori has been timely filed, or, if any of the foregoing has been timely filed, it has been disposed of in a manner that upholds and affirms the subject order in all material respects without the possibility for further appeal or rehearing thereon; and (ii) as to which the time for institution or filing an appeal, motion for rehearing or reconsideration, motion for new trial or petition for writ of certiori shall have expired, excluding any additional time periods that may begin as a result of Federal Rule 60(b).

(vv) "FOFR" means the Florida Office of Financial Regulation.

(ww) "GAAP" shall mean generally accepted accounting principles as in effect in the United States.

(xx) "Governmental Authority" means any court, tribunal, administrative agency, arbitrator, branch, department or commission or other governmental or regulatory authority or instrumentality, whether federal, state, local, or foreign (or other political subdivision), and any applicable industry self-regulatory organization or securities exchange.

(yy) "Governmental Authorization" means any Consent, approval, license, registration, permit or waiver issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law.

(zz) "Gross Offering Proceeds" is defined in the Recitals.

(aaa) "Intellectual Property" is defined in Section 3.16.

(bbb) "Interim Financial Statements" means the consolidated unaudited financial statements of the Bank and its Subsidiaries, consisting of consolidated statements of financial condition as of February 28, 2018 and consolidated statements of operations for the two months ended February 28, 2018, included in Section 3.6 of the Disclosure Schedule.

(ccc) "Knowledge" of the Company, or words of similar import, including without limitation, the Company being aware of a fact or circumstance, means the actual knowledge as of the date of this Agreement after reasonable investigation of the following officers: Anthony Hughes and Gary Johns.

(ddd) "Law" means any federal, state, county, municipal or local ordinance, permit, concession, grant, franchise, law, statute, code, rule, regulation, interpretation or guidance or any judgment, ruling, order, writ, injunction or decree promulgated by any Governmental Authority.

(eee) "Liability" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, whether or not accrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise.

(fff) "Lien" means any lien, charge, claim, Encumbrance, security interest, right of first refusal, preemptive right, mortgage, deed of trust, pledge, conditional sale agreement, restriction on transfer or other restrictions of any kind.

(ggg) "Material Adverse Effect" means any event, circumstance, change or occurrence that has had or would reasonably be expected to have (a) a material and adverse effect on the legality, validity, or enforceability of this Agreement, (b) a material and adverse effect on the results of operations, assets, properties, business, or condition (financial or otherwise) of the Bank and its Subsidiaries, taken as a whole, or (c) any adverse impairment to the Company's or Bank's ability to perform in any material respect on a timely basis its obligations under this Agreement; *provided, however*, that clause (b) shall not include the impact of (i) the Bankruptcy Case; (ii) changes in banking and similar Laws of general applicability or interpretations thereof by any applicable Governmental Authority, (iii) changes in GAAP or regulatory accounting requirements applicable to banks generally, (iv) changes in general economic conditions, including interest rates, affecting banks generally, (v) any action required or permitted by this Agreement, or (vi) the effects of any action or omission taken by the Bank with the prior written consent of Purchaser, except, with respect to clauses (ii), (iii) and (iv), to the extent that the effect of such changes has a material and disproportionate impact on the Bank and its Subsidiaries, taken as a whole, relative to other similarly situated banks generally.

(hhh) "Material Contract" means any of the following agreements of the Bank or any of its Subsidiaries:

(1) any contract containing covenants that limit in any material respect the ability of the Bank or any of its Subsidiaries to compete in any line of business or with any person or which involve any material restriction of the geographical area in which, or method by which or with whom, the Bank or any of its Subsidiaries may carry on its business (other than as may be required by law or applicable regulatory authorities), and any contract that could require the disposition of any material assets or line of business of the Bank or any of its Subsidiaries;

(2) any joint venture, partnership, strategic alliance, or other similar contract (including any franchising agreement, but in any event excluding introducing broker agreements), and any contract relating to the acquisition or disposition of any material business or material assets (whether by merger, sale of stock or assets, or otherwise), which acquisition or disposition is not yet complete or where such contract contains continuing material obligations or contains continuing indemnity obligations of the Bank or any of its Subsidiaries;

(3) any real property lease and any other lease with annual rental payments aggregating $100,000 or more;

(4) other than with respect to loans, any contract providing for, or reasonably likely to result in, the receipt or expenditure of more than $250,000 on an annual basis, including the payment or receipt of royalties or other amounts calculated based upon revenues or income;

(5) any contract or arrangement under which the Bank or any of its Subsidiaries is licensed or otherwise permitted by a third party to use any Intellectual Property (as herein defined) that is material to its business (except for any "shrinkwrap" or "click through" license agreements or other agreements for software that is generally available to the public and has not been customized for the Bank or any of its Subsidiaries) or under which a third party is licensed or otherwise permitted to use any Intellectual Property owned by the Bank or any of its Subsidiaries;

(6) any contract that by its terms limits the payment of dividends or other distributions by the Bank or any of its Subsidiaries;

(7) any standstill or similar agreement pursuant to which any party has agreed not to acquire assets or securities of another Person;

(8) any contract that would reasonably be expected to prevent, materially delay, or materially impede the Bank's ability to consummate the transactions contemplated by this Agreement;

(9) any contract providing for indemnification by the Bank or any of its Subsidiaries of any Person, except for immaterial contracts entered into in the ordinary course of business consistent with past practice;

(10) any contract that contains a put, call, or similar right pursuant to which the Bank or any of its Subsidiaries could be required to purchase or sell, as applicable, any equity interests or assets that have a fair market value or purchase price of more than $100,000; and

(11) any other contract or agreement that would be required to be filed as a "material contract" within the meaning of Item 601(b)(10) of Regulation S-K if the Common Stock was registered with the Commission pursuant to the Securities Act or the Exchange Act.

(iii) "Material Permit" is defined in Section 3.3(a).

(jjj) "Money Laundering Laws" is defined in Section 3.19.

(kkk) "OFAC" is defined in Section 3.3(d).

(lll) "Order" means any order, judgment, decree, decision, ruling, writ, assessment, charge, stipulation, injunction or other determination of any Governmental Authority, or any arbitration award entered into by an arbitrator, in each case having competent jurisdiction to render such.

(mmm) "Outside Date" means ninety (90) days following the date of this Agreement; *provided*, that if such day is not a Business Day, the first day following such day that is a Business Day; *provided further*, that if on the Outside Date, the conditions set forth in Sections 6.1(i) and 6.1(j) shall not have been satisfied but all other conditions set forth in Sections 6.1, 6.2 and 6.3 shall be satisfied or capable of being satisfied on the Outside Date, then the Outside Date shall be extended to July 31, 2018.

(nnn) "Permits" means all permits, licenses, registrations, consents, authorizations, approvals, privileges, waivers, exemptions, orders, certificates, rulings, agreements and other concessions from, of or with Governmental Authorities or other regulatory bodies required to carry on the Business as now being carried on.

(ooo) "Person" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, Governmental Authority, or any other form of entity not specifically listed herein.

(ppp) "Petition Date" is defined in the Recitals.

(qqq) "Pre-Closing Tax Period" is defined in Section 5.12.

(rrr) "Purchase Price" is defined in the Recitals.

(sss) "Purchaser" is defined in the introductory paragraph.

(ttt) "Regulatory Agreement" is defined in Section 3.3(c).

(uuu) "Sale" is defined in the Recitals.

(vvv) "Sale Motion" is defined in Section 5.7.

(www) "Sale Order" means the order, approving the sale of the Shares to the Purchaser, in substantially the form attached hereto as Exhibit D with such changes as are acceptable to Purchaser and the Company in their respective sole discretion.

(xxx) "Securities Act" means the Securities Act of 1933 or any successor statute, and the rules and regulations promulgated thereunder.

(yyy) "Shares" is defined in the Recitals.

(zzz) "Specified Person" means (i) any Person that has indicated an interest in, or could reasonably be expected to have an interest in, participating in any direct or indirect sale of any equity interest in, or any material portion of the assets of, the Company or the Bank or any extraordinary corporate transaction directly or indirectly involving the Company or the Bank, (ii) any Affiliate of any such Person and (iii) any director, officer, employee, agent, representative or advisor of any such Person or any of its Affiliates.

(aaaa) "Stock Subscription Agreements" is defined in the Recitals.

(bbbb) "Subsidiary" includes any corporation or other entity of which a majority of the capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time, directly or indirectly, owned by such party. The term "Subsidiary" shall include all Subsidiaries of any Subsidiary.

(cccc) "Tax" or "Taxes" mean (a) any federal, state, local or foreign income, gross receipts, property, sales, use, license, excise, severance, stamp, occupation, premium, windfall profits, environmental, capital stock, profits, withholding, social security (or similar), unemployment, disability, real property, transfer, registration, value added, franchise, employment, payroll, withholding, alternative or add on minimum, ad valorem, transfer or excise tax, or any other tax, custom, duty, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest, penalty, or addition thereto imposed by any Governmental Authority, whether disputed or not, and (b) any liability in respect of any items described in clause (a) above payable by reason of contract, assumption, transferee or successor liability, operation of law, Treasury Regulations Section 1.1502-6(a) (or any predecessor or successor thereof or analogous or similar provisions of Law) or otherwise.

(dddd) "Tax Matter" is defined in Section 5.14.

(eeee) "Tax Refund" means any Tax refunds from any Governmental Authority.

(ffff) "Tax Returns" means any return, declaration, report or similar statement filed or required to be filed with respect to any Tax (including any attached schedules), including, without limitation, any information return, claim for refund, amended return or declaration of estimated Tax.

(gggg) "Third Party" means any Person or group other than Purchaser and its Affiliates.

(hhhh) "Year-End Financial Statements" means (i) the consolidated unaudited financial statements of the Company and its Subsidiary, consisting of consolidated unaudited statements of financial condition as of December 31, 2017, and consolidated unaudited statements of operations, for the year ended December 31, 2017; and (ii) the consolidated audited financial statements of the Company and its Subsidiary, consisting of consolidated audited statements of financial condition as of December 31, 2016, and consolidated audited statements of operations, for the year ended December 31, 2016, both of which are included in Section 3.6 of the Disclosure Schedule.

1.2 Currency. Except where otherwise expressly provided, all monetary amounts in this Agreement are stated and shall be paid in United States currency.

1.3 Governing Law. This Agreement and the agreements contemplated hereby shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the Bankruptcy Code and the substantive laws of the State of Florida, in each case without regard to the conflict of laws principles thereof or of any other jurisdiction.

1.4 Schedules and Exhibits. The following are the Schedules and Exhibits which are attached to and form part of this Agreement:

Schedule I	Disclosure Schedule
Schedule 6.1(f)	Consents
Exhibit A	Form of Stock Subscription Agreement
Exhibit B	Restructuring Support Agreement
Exhibit C	Bidding Procedures Order
Exhibit D	Sale Order

ARTICLE 2

PURCHASE OF SHARES

2.1 Purchase and Sale of the Shares. Subject to the terms and conditions set forth in this Agreement, and subject to the entry of the Sale Order and for the Purchase Price (as hereinafter defined), Company agrees to sell, assign and transfer to Purchaser, free and clear of all Encumbrances, on the Closing Date, effective as of and from the Closing, all of the Shares.

2.2 Shares; Consideration. Following the entry of the Sale Order by the Bankruptcy Court and pursuant to the terms and conditions hereof, Purchaser shall purchase from the Company, at the Closing, all of the Shares for the Purchase Price.

2.3 Payments. On the Closing Date, Purchaser shall pay the Purchase Price for the Shares to the Company by wire transfer to an account designated by the Company in writing at least two (2) Business Days prior to the Closing Date.

2.4 All Liabilities Excluded. Notwithstanding any provision in this Agreement to the contrary, Purchaser is not assuming, and shall not be deemed to have assumed, any Liabilities of the Company of whatever nature (whether arising prior to, at the time of, or subsequent to Closing), whether absolute, accrued, contingent or otherwise, whether due or to become due and whether or not known or unknown or currently existing or hereafter arising or matured or unmatured, direct or indirect, and the Company shall be solely and exclusively liable for any and all such Liabilities, including those Liabilities, related to, arising out of or in connection with (x) the operation of its business or (y) the ownership of the Shares, in each case, at any time prior to the Closing Date.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Subject to such exceptions as are disclosed in the Disclosure Schedule dated as of the date hereof and attached hereto, the Company hereby makes the following representations and warranties to Purchaser as of the date hereof and as of the Closing Date; provided that those representations and warranties which address matters only as of a particular earlier date shall have been true and correct only on such date. The inclusion of an item in the Disclosure Schedule shall not be deemed an admission by the Company or the Bank that such item represents a material fact, event, or circumstance or has had or would be reasonably expected to have a Material Adverse Effect. Disclosure in any section of the Disclosure Schedule shall apply only to such section of such Disclosure Schedule.

3.1 Corporate Status and Authority; Non-Contravention.

(a) Status of the Company. The Company is duly organized, validly existing and in good standing under the laws of the State of Florida and otherwise has the corporate power and authority to own or lease all of its properties and assets and to conduct its business in the manner in which its business is now being conducted. The Company is a bank holding company registered under the BHCA. The Company is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not in the reasonable judgment of the Company be expected to have a Material Adverse Effect.

(b) Status of Bank. The Bank is a direct, wholly-owned Subsidiary of the Company, and the Bank is a banking corporation, duly organized, validly existing and in good standing under the laws of Florida and otherwise has the corporate power and authority to own or lease all of its properties and assets and to conduct its business in the manner in which its business is now being conducted. The Bank has no direct or indirect Subsidiaries except as set forth in Section 3.1(b) of the Disclosure Schedule. The Bank owns, directly or indirectly, all of the capital stock (except for any preferred securities issued by Subsidiaries that are trusts) or comparable equity interests of each Subsidiary free and clear of any and all Liens and Encumbrances, and all the issued and outstanding shares of capital stock or comparable equity interest of each Subsidiary are validly issued and are fully paid, non-assessable, and free of preemptive and similar rights to subscribe for or purchase securities. The Bank and each of its Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not in the reasonable judgment of the Company be expected to have a Material Adverse Effect. The Bank's deposit accounts are insured up to applicable limits by the FDIC, and all premiums and assessments required to be paid in connection therewith have been paid when due. The FDIC has not been appointed receiver of the Bank.

(c) Due Authorization. (i) The Company has full legal right, corporate power and authority to enter into this Agreement and, subject to the Sale Order and receipt of any Bank Required Approvals, to carry out its obligations hereunder and thereunder; and (ii) the execution and delivery of this Agreement and, subject to the Sale Order, the completion and performance of the Contemplated Transactions, have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement has been duly executed and delivered by the Company and, subject to the Sale Order and receipt of any Bank Required Approvals, constitute legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms. No other corporate proceedings, including any stockholder or debt holder approvals, are necessary for the execution and delivery by the Company of this Agreement, the performance by it of its obligation hereunder or thereunder or the consummation by it of the Contemplated Transactions.

(d) Non-contravention. The execution, delivery, and performance by the Company of this Agreement, and, subject to the Sale Order, the consummation by the Company of the Contemplated Transactions, do not and will not, (i) conflict with or violate any provisions of the Charter Documents of the Company, the Bank or any Subsidiary of the Company or the Bank, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would result in a default) under, result in the creation of any Lien or Encumbrance upon any of the properties or assets of the Company, the Bank or any Subsidiary of the Company or the Bank or give to others any rights of termination, amendment, acceleration, or cancellation (with or without notice, lapse of time or both) of, any agreement, indenture or instrument to which the Company, the Bank or any Subsidiary of the Company or the Bank is a party, or (iii) subject to the receipt of any Bank Required Approvals, conflict with or result in a violation of any Law of any Governmental Authority to which the Company, the Bank or any Subsidiary of the Company or the Bank is subject, or by which any property or asset of the Company, the Bank or any Subsidiary of the Company or the Bank is bound or affected, except in the case of clauses (ii) and (iii) such as would not have or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.2 Capitalization of the Bank.

(a) Ownership. The authorized capital stock of the Bank consists of 2,000,000 shares, $5.00 par value (the "**Common Stock**"), of which 1,382,943 shares of Common Stock are outstanding. No other shares of capital stock of the Bank are issued or outstanding. All of the outstanding shares of Common Stock are directly and beneficially owned and held by the Company. All of the outstanding shares of capital stock of the Bank are duly authorized, validly issued, fully paid and non-assessable, have been issued in compliance in all material respects with all applicable federal and state securities laws, and none of such outstanding shares were issued in violation of any preemptive rights or similar rights to subscribe for or purchase any capital stock of the Bank.

(b) Outstanding Stock Rights. Except as disclosed on Section 3.2(b) of the Disclosure Schedule, (i) no shares of the Bank's outstanding capital stock are subject to preemptive rights or any other similar rights; (ii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares of capital stock of the Bank, or contracts, commitments, understandings or arrangements by which the Bank is or may become bound to issue additional shares of capital stock of the Bank or options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares of capital stock of the Bank; (iii) there are no material outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing indebtedness of the Bank or any Subsidiary of the Bank or by which the Bank or such Subsidiary is bound; (iv) there are no agreements or arrangements under which the Bank is obligated to register the sale of any of its securities under the Securities Act; (v) there are no outstanding securities, instruments, agreements, commitments, understandings, or arrangements of the Bank that contain any redemption or similar provisions, and there are no contracts, commitments, understandings, or arrangements by which the Bank is or may become bound to redeem a security of the Bank or any of its Subsidiaries; and (vi) neither the Bank nor any of its Subsidiaries has any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement.

(c) Ownership of Assets Covenant. Neither the Company nor any of its Subsidiaries (other than the Bank and its Subsidiaries) (i) owns or has any right to use any asset or property (whether real, personal, tangible, intangible or otherwise) used in or held for use in, or related to, the business of the Bank or its Subsidiaries or (ii) is a party to any Contract relating to the business of the Bank or its Subsidiaries. Neither the Company nor any Subsidiary of the Company (other than the Bank or its Subsidiaries) has or owns any interest in any Tax Refund or any outstanding proceeds related to any insurance claim to the extent related to the Bank or its Subsidiaries or the business of the Bank or its Subsidiaries.

3.3 Business Operations.

(a) Permits. The Bank and each of its Subsidiaries possess or have applied for all certificates, authorizations, consents, and permits issued by the appropriate federal, state, local, or foreign regulatory authorities necessary to conduct their respective businesses as currently conducted, except where the failure to possess such certificates, authorizations, consents, or permits, individually or in the aggregate, has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect (the "**Material Permits**"), and (i) neither the Bank nor any of its Subsidiaries has received any notice in writing of proceedings relating to the revocation or material adverse modification of any such Material Permits, and (ii) none of the Company, the Bank or any Subsidiary of the Bank is aware of any facts or circumstances that would give rise to the revocation or material adverse modification of any Material Permits.

(b) Government Authorizations. Subject to the entry of the Sale Order, and except for the filing of applications and notices with, and the receipt of consents, authorizations, approvals, exemptions or non-objections, as applicable, of the Governmental Authorities set forth in Section 3.3(b) of the Disclosure Schedule (the "**Bank Required Approvals**"), no consents or approvals of or filings or registrations with any Governmental Authority are necessary on the part of the Company or its Affiliates in connection with the execution and delivery by the Company of this Agreement and the consummation by the Company and the Bank of the Contemplated Transactions. As of the date of this Agreement, the Company knows of no reason relating specifically to the Company and its Affiliates why any of the Bank Required Approvals will not be obtained or that any of the Bank Required Approvals will not be granted without imposition of a Burdensome Condition.

(c) Agreements with Governmental Authorities. Except for the Consent Order or as otherwise set forth on Section 3.3(c) of the Disclosure Schedule neither the Bank nor any of its Subsidiaries is subject to any cease-and-desist or other similar order or enforcement action issued by, or is a party to any written agreement, consent agreement, or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any capital directive by, or since December 31, 2015, has adopted any board resolutions at the request of, any Governmental Authority that currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its liquidity and funding policies and practices, its ability to pay dividends, its credit, risk management or compliance policies, its internal controls, its management, or its operations or business (each item in this sentence, a "**Regulatory Agreement**"), nor has the Bank or any of its Subsidiaries been advised in writing since December 31, 2015 by any Governmental Authority that it intends to issue, initiate, order, or request any such Regulatory Agreement. Except as set forth in Section 3.3(c) of the Disclosure Schedule, the Bank and each of its applicable Subsidiaries is in compliance in all material respects with the Regulatory Agreements.

(d) Compliance with Certain Banking Regulations. To the Company's Knowledge, there are no facts or circumstances, and the Company has no reason to believe that any facts or circumstances exist, that would cause the Bank or any applicable Subsidiary (i) to be deemed not to be in satisfactory compliance with the Community Reinvestment Act ("**CRA**") and the regulations promulgated thereunder or to be assigned a CRA rating by federal or state banking regulators of lower than "satisfactory," (ii) to be deemed to be operating in violation of the Bank Secrecy Act, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001, any order issued with respect to anti-money laundering by Office of Foreign Assets Control of the Treasury ("**OFAC**"), or any other anti-money laundering statute, rule, or regulation, (iii) to be deemed not to be in satisfactory compliance with the Home Mortgage Disclosure Act, the Fair Housing Act, the Community Reinvestment Act, the Equal Credit Opportunity Act, or (iv) to be deemed not to be in satisfactory compliance, in any material respect, with all applicable privacy of customer information requirements contained in any applicable federal and state privacy laws and regulations as well as the provisions of all information security programs adopted by the Bank.

(e) Compliance. Neither the Bank nor any of its Subsidiaries (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Bank or any of its Subsidiaries under), nor has the Bank or any of its Subsidiaries received written notice of a claim that it is in default under or that it is in violation of, any Material Contract (whether or not such default or violation has been waived), (ii) except as set forth on Section 3.3(e) of the Disclosure Schedule, is in violation of, or in receipt of written notice that it is in violation of, any order of which the Bank has been made aware in writing of any court, arbitrator, or governmental body having jurisdiction over the Bank or its Subsidiaries or their respective properties or assets, (iii) is in violation of, or in receipt of written notice that it is in violation of, any statute, rule, regulation, policy, guideline, or order (other than the Consent Order) of any Governmental Authority applicable to the Bank or any of its Subsidiaries, or which would have the effect of revoking or limiting FDIC deposit insurance.

3.4 Regulatory Reports. Since January 1, 2016, the Bank and each Subsidiary have filed all material reports, registrations, and statements, together with any required amendments thereto, that it was required to file with the FDIC, the FOFR, and any other applicable federal or state securities or banking authorities. All such reports and statements filed with any such regulatory body or authority are collectively referred to herein as the "Bank Reports." All such Bank Reports were filed on a timely basis or the Bank or the applicable Subsidiary, as applicable, received a valid extension of such time of filing and has filed any such Bank Reports prior to the expiration of any such extension. As of their respective dates, the Bank Reports complied in all material respects with all the rules and regulations promulgated by the FDIC, the FOFR, and any other applicable foreign, federal, or state securities or banking authorities, as the case may be.

3.5 Unlawful Payments. Neither the Bank nor any of its Subsidiaries, nor to the Company's Knowledge, any directors, officers, employees, agents, or other Persons acting at the direction of or on behalf of the Bank or any of its Subsidiaries has, in the course of its actions for, or on behalf of, the Bank or any of its Subsidiaries (a) directly or indirectly, used any corporate funds for unlawful contributions, gifts, entertainment, or other unlawful expenses relating to foreign or domestic political activity, (b) made any direct or indirect unlawful payments to any foreign or domestic governmental officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (c) violated any provision of the Foreign Corrupt Practices Act of 1977, or (d) made any other unlawful bribe, rebate, payoff, influence payment, kickback, or other material unlawful payment to any foreign or domestic government official or employee.

3.6 Financial Matters.

(a) Bank Financial Statements. The Company has, prior to the date hereof, provided (by hard copy, electronic data room access or otherwise) to Purchaser the Bank Financial Statements. Except as set forth on Section 3.6(a) of the Disclosure Schedule, the Bank Financial Statements (i) have been prepared in accordance with GAAP (except for the omission of footnotes) and regulatory accounting principles using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the audited Year-End Financial Statements and (ii) fairly present in all material respects the consolidated financial position of the Company, the Bank and the Subsidiaries of the Company and the Bank as of the respective dates set forth therein and their consolidated results of operations, for the periods set forth therein, subject, in the case of the Interim Financial Statements, to normal respective year-end adjustments, which would not be material, either individually or in the aggregate.

(b) Internal Controls. Since December 31, 2016, the Bank has not been advised of any material deficiencies in the design or operation of internal control over financial reporting or any fraud, whether or not material, that involves management. Since December 31, 2016, no material weakness in internal control over financial reporting has been identified by the Company's and the Bank's auditors, and since the date of the most recent evaluation thereof, there have been no significant changes in internal control over financial reporting that could reasonably be expected to materially and adversely affect internal control over financial reporting.

(c) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Bank (or any of its Subsidiaries) and an unconsolidated or other off-balance sheet entity that is required to be disclosed by the Bank in the Bank Financial Statements and is not so disclosed.

(d) No Undisclosed Liabilities. There are no material liabilities or obligations of the Bank or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable, or otherwise, except for (i) liabilities appropriately reflected or reserved against in accordance with GAAP in the Bank's Financial Statements or that are otherwise disclosed in the footnotes to the financial statements for the year ended December 31, 2017, and (ii) liabilities that have arisen in the ordinary and usual course of business and consistent with past practice since December 31, 2017.

3.7 Tax Matters. The Bank and each of its Subsidiaries (or the Company on behalf of the Bank and its Subsidiaries) has filed all material foreign, U.S. federal, state and local Tax Returns that are or were required to be filed, and all such Tax Returns are true, correct and complete in all material respects and were prepared in substantial compliance with all applicable Laws and regulations. All material Taxes due and owing by the Bank or any of its Subsidiaries (whether or not shown on any Tax Return) and any other material assessment, fine or penalty levied against it have been paid, other than any such amounts (i) currently payable without penalty or interest, or (ii) being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP. There are no Liens or Encumbrances for Taxes (other than Taxes not yet due and payable) on any assets of the Bank or its Subsidiaries.

(b) The Bank and each of its Subsidiaries have timely withheld, collected or deposited as the case may be all material Taxes (determined both individually and in the aggregate) required to be withheld, collected or deposited by it, and to the extent required, have been paid to the relevant taxing authority in accordance with applicable Law. Each of the Bank and its Subsidiaries has complied with all applicable information reporting requirements in all material respects.

(c) Neither the Company, the Bank, nor any of their Subsidiaries is subject to any outstanding audit, assessment, dispute or claim concerning any material Tax liability of the Company, the Bank or any of their Subsidiaries either within the Company's Knowledge or claimed, pending or raised by an authority in writing. No claim has been made by a tax authority in a jurisdiction where the Company, the Bank or any of their Subsidiaries does not pay Taxes or file Tax Returns asserting that the Company, the Bank or any of their Subsidiaries is or may be subject to Taxes assessed by such jurisdiction.

(d) Neither the Bank nor any of its Subsidiaries is a party to any agreement, contract, arrangement or plan that has resulted or could result, separately or in the aggregate, in the payment of (i) any "excess parachute payment" within the meaning of Code §280G (or any corresponding provision of state, local or non-U.S. Tax Law) or (ii) any amount that will not be fully deductible as a result of Code §162(m) (or any corresponding provision of state, local or non-U.S. Tax Law). Neither the Bank nor any of its Subsidiaries has been a United States real property holding corporation within the meaning of Code §897(c)(2) during the applicable period specified in Code §897(c)(1)(A)(ii). Each of the Company, the Bank and their Subsidiaries have disclosed on their federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Code §6662. Neither the Bank nor any of its Subsidiaries is a party to or bound by any Tax allocation, Tax sharing or Tax indemnification agreement or similar contract or arrangement (other than a tax allocation policy adopted by the Company, which is set forth in Section 3.7(d) of the Disclosure Schedule). Neither the Bank nor any of its Subsidiaries (A) has been a member of an Affiliated Group filing a consolidated federal income Tax Return (other than a group the common parent of which was the Company) or (B) has any Liability for the Taxes of any Person (other than the Bank or any of its Subsidiaries) under Treas. Reg. 1.1502-6 (or any similar provision of state, local, or non-U.S. Law), as a transferee or successor, by contract or otherwise.

(e) Neither the Bank nor any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any period (or any portion thereof) ending after the Closing as a result of any:

(A) installment sale or other open transaction disposition made on or prior to the Closing;

(B) prepaid amount received on or prior to the Closing;

(C) written and legally binding agreement with a Governmental Authority relating to taxes entered into before the Closing;

(D) change in method of accounting in any taxable period ending on or before the Closing;

(E) election under Section 108(i) of the Code;

(F) use of an improper method of accounting for a taxable period ending on or before the Closing Date; or

(G) intercompany transaction or excess loss account described in Treasury Regulations under Code §1502 (or any corresponding provision of state, local or non-U.S. Tax Law).

(f) Section 3.7(f) of the Disclosure Schedule sets forth, with respect to each of the Bank and its Subsidiaries as of the most recent practicable date (as well as on an estimated pro forma basis as of the Closing giving effect to the consummation of the transactions contemplated hereby), the amount of any net operating loss, net capital loss, unused investment or other credit, unused foreign tax credit, or excess charitable contribution allocable to the Bank or its Subsidiaries.

(g) Neither the Bank nor any of its Subsidiaries has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code §355 or Code §361.

(h) Neither the Bank nor any of its Subsidiaries is or has been a party to any “reportable transaction,” as defined in Code §6707A(c)(1) and Reg. §1.6011-4(b).

(i) Neither the Bank nor any of its Subsidiaries (A) is a “controlled foreign corporation” as defined in Code §957, (B) is a “passive foreign investment company” within the meaning of Code §1297, or (C) has a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise has an office or fixed place of business in a country other than the country in which it is organized.

(j) Neither the Bank nor any of its Subsidiaries has received any letter ruling from the Internal Revenue Service (or any comparable ruling from any other taxing authority).

(k) The Affiliated Group of which the Company is the common parent has filed all material income Tax returns that it was required to file for each taxable period during which any of the Bank or its Subsidiaries was a member of the Affiliated Group. All such Tax Returns were correct and complete (i) in all material respects as they relate to the Bank or any of its Subsidiaries and (ii) in all material respects in so far as they do not relate to the Bank or any of its Subsidiaries. All income Taxes owed by such Affiliated Group (whether or not shown on any Tax Returns) have been paid for each taxable period during which any of the Bank and its Subsidiaries was a member of the Affiliated Group.

(l) None of the net operating losses, tax credits and other relevant Tax attributes of the Bank and its Subsidiaries is subject to limitations under Code §382 or §383.

3.8 Litigation. There is no Action pending or, to the Company's Knowledge, threatened, which (a) adversely affects or challenges the legality, validity, or enforceability of this Agreement, the sale of the Shares or the Business-Related Assets and Contracts pursuant to this Agreement or (b) except as set forth on Section 3.8 of the Disclosure Schedule, is reasonably likely to be material to the Bank or any of its Subsidiaries, individually or in the aggregate, if there were an unfavorable decision. Except as set forth on Section 3.8 of the Disclosure Schedule, neither the Bank nor any of its Subsidiaries, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities Laws or a claim of breach of fiduciary duty nor is any Action, to the Company's Knowledge, currently threatened. There is no Action by the Bank or any of its Subsidiaries pending or which the Bank or any of its Subsidiaries intends to initiate (other than collection or similar claims in the ordinary course of business). With the exception of the Consent Order, there are no outstanding orders, judgments, injunctions, awards or decrees of any court, arbitrator or governmental or regulatory body against the Bank or any executive officers or directors of the Bank in their capacities as such, which individually or in the aggregate, would reasonably be expected to be material to the Bank or any of its Subsidiaries.

3.9 Employee Matters.

(a) Employees. No labor dispute exists or, to the Company's Knowledge, is imminent with respect to any of the employees of the Bank or any of its Subsidiaries which would have or reasonably be expected to have a Material Adverse Effect. None of the employees of the Bank or any of its Subsidiaries is a member of a union that relates to such employee's relationship with the Bank or any of its Subsidiaries, and neither the Bank nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company believes that the Bank's and each of its Subsidiary's relationship with its employees is good. To the Company's Knowledge, there is no activity involving any of the employees of the Bank or any of its Subsidiaries seeking to certify a collective bargaining unit or similar organization. To the Company's Knowledge, no executive officer is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of a third party, and to the Company's Knowledge, the continued employment of each such executive officer does not subject the Bank or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Bank and each of its Subsidiaries are in compliance with all material Laws and regulations relating to employment and employment practices, immigration, terms and conditions of employment and wages and hours. As of the date of this Agreement, except as otherwise disclosed in Section 3.9(a) of the Disclosure Schedule, no material employee has given notice to the Bank or any of its Subsidiaries of his or her intent to terminate his or her employment or service relationship with the Bank or any of its Subsidiaries. The Bank and its Subsidiaries are in material compliance with all Laws concerning the classification of employees and independent contractors and have properly classified all such individuals for purposes of participation in employee benefit plans.

(b) ERISA. The Bank and its Subsidiaries are in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, including the regulations and published interpretations thereunder ("**ERISA**"), and there is no pending or, to the Company's Knowledge, threatened Action relating to a benefit plan (other than routine claims for benefits) maintained by or for the benefit of the Bank and its Subsidiaries (each, a "**Benefit Plan**"), and no Benefit Plan has within the three (3) years prior to the date hereof been the subject of an examination or audit by a Governmental Authority; no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Bank or any of its Subsidiaries would have any liability; the Bank and its Subsidiaries have not incurred and the Company does not expect the Bank and its Subsidiaries to incur liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan," or (ii) Sections 412 or 4971 of the Code; and each "Pension Plan" or other employee benefit plan for which the Bank or any of its Subsidiaries would have liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

3.10 Properties and Leases. The Bank and its Subsidiaries have good and marketable title to all real property and tangible personal property owned by them which is material to the business of the Bank and its Subsidiaries, taken as a whole, in each case free and clear of all Liens and Encumbrances, except such as do not materially affect the value of such property or do not interfere with the use made and proposed to be made of such property by the Bank and any of its Subsidiaries. Any real property and facilities held under lease by the Bank and any of its Subsidiaries are held by them under valid, subsisting, and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and facilities by the Bank and its Subsidiaries. No notice of a claim of default by any party to any lease entered into by the Bank or any of its Subsidiaries has been delivered to either the Bank or any of its Subsidiaries or is now pending, and there does not exist any event or circumstance that with notice or passing of time, or both, would constitute a default or excuse performance by any party thereto. None of the owned or leased premises or properties of the Bank or any of its Subsidiaries is subject to any current or potential interests of third parties or other restrictions or limitations that would impair or be inconsistent in any material respect with the current use of such property by the Bank or any of its Subsidiaries, as the case may be.

3.11 Material Changes. Since December 31, 2017, except as disclosed in the Interim Financial Statements, or otherwise disclosed on Section 3.11 of the Disclosure Schedule, (a) there have been no events, occurrences, or developments that have had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (b) the Bank has not incurred any material liabilities (contingent or otherwise) other than (i) trade payables, accrued expenses, and other liabilities incurred in the ordinary course of business consistent with past practice, and (ii) liabilities not required to be reflected in the Bank Financial Statements pursuant to GAAP, (c) the Bank has not altered materially its method of accounting or the manner in which it keeps its accounting books and records, (d) there has not been any material change or amendment to, or any waiver of any material right by the Bank under, any Material Contract under which the Bank or any of its Subsidiaries is bound or subject, and (e) to the Company's Knowledge, there has not been a material increase in the aggregate dollar amount of (i) the Bank's nonperforming loans (including nonaccrual loans and loans ninety (90) days or more past due and still accruing interest) or (ii) the reserves or allowances established on the Bank Financial Statements with respect thereto.

3.12 Material Contracts. The Company has made available to the Purchaser (by hard copy, electronic data room access or otherwise), prior to the date hereof, true, correct, and complete copies of, and listed on Section 3.12 of the Disclosure Schedule, each Material Contract to which the Bank or any of its Subsidiaries is a party or subject (whether written or oral, express or implied) as of the date of this Agreement. Each Material Contract is a valid and binding obligation of the Bank or any of its Subsidiaries (as applicable) that is a party thereto and, to the Company's Knowledge, each other party to such Material Contract, except for such failures to be valid and binding as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Each such Material Contract is enforceable against the Bank or any of its Subsidiaries (as applicable) that is a party thereto and, to the Company's Knowledge, each other party to such Material Contract in accordance with its terms (subject in each case to 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 of law or at equity), except for such failures to be enforceable as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Neither the Bank nor any of its Subsidiaries, nor to the Company's Knowledge, any other party to a Material Contract, is in material default or material breach of a Material Contract and there does not exist any event, condition or omission that would constitute such a default or breach (whether by lapse of time or notice or both), in each case, except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

3.13 Risk Management Instruments. The Bank and its Subsidiaries have in place risk management policies and procedures sufficient in scope and operation to protect against risks of the type and in amounts reasonably expected to be incurred by companies of similar size and in similar lines of business as the Bank and its Subsidiaries. Except as has not had or would not reasonably be expected to have a Material Adverse Effect, since January 1, 2017, all derivative instruments, including, swaps, caps, floors, and option agreements, whether entered into for the Bank's own account, or for the account of one or more of its Subsidiaries, were entered into (a) only in the ordinary course of business, (b) in accordance with prudent practices and in all respects with all applicable Laws, rules, regulations, and regulatory policies, and (c) with counterparties believed to be financially responsible at the time, and each of them constitutes the valid and legally binding obligation of the Bank or one of its Subsidiaries, enforceable in accordance with its terms. Neither the Bank nor its Subsidiaries, nor, to the Company's Knowledge, any other party thereto, is in breach of any of its obligations under any such agreement or arrangement.

3.14 Environmental Matters. To the Company's Knowledge, neither the Bank nor any of its Subsidiaries (a) is in violation of any Law of any relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "**Environmental Laws**"), (b) is liable for any off-site disposal or contamination pursuant to any Environmental Laws, (c) owns or operates any real property contaminated with any substance that is in violation of any Environmental Laws or (d) is subject to any claim relating to any Environmental Laws; in each case, which violation, contamination, liability or claim has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and there is no pending or, to the Company's Knowledge, threatened investigation that might lead to such a claim. To the Company's Knowledge, except as would not result in a Material Adverse Effect, there are no circumstances or conditions (including the presence of asbestos, underground storage tanks, lead products, polychlorinated biphenyls, prior manufacturing operations, dry-cleaning or automotive services) involving the Bank or any of its Subsidiaries, or any currently or formerly owned or operated property of the Bank or any of its Subsidiaries, that could reasonably be expected to result in any claim, liability, investigation, cost or restriction against the Bank or any of its Subsidiaries, or result in any restriction on the ownership, use, or transfer of any property pursuant to any Environmental Law, or adversely affect the value of any currently owned property of the Bank or any of its Subsidiaries.

3.15 Insurance. The Bank and each of its Subsidiaries are, and following the Closing will remain, insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as the Bank reasonably believes to be prudent and customary in the businesses and locations in which and where the Bank and its Subsidiaries are engaged. The Bank and the Bank Subsidiaries have not been refused any insurance coverage sought or applied for, and the Company does not have any reason to believe that the Bank and its Subsidiaries will not be able to renew their existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue their business at a cost that would not have a Material Adverse Effect. All premiums due and payable under all such policies and bonds have been timely paid, and the Company, the Bank and its Subsidiaries are in material compliance with the terms of such policies and bonds. Neither the Bank nor any of its Subsidiaries has received any notice of cancellation of any such insurance, nor, to the Company's Knowledge, will the Bank or any of its Subsidiaries be unable to renew their respective existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would be materially higher than their existing insurance coverage. The Bank (a) maintains directors' and officers' liability insurance and fiduciary liability insurance with financially sound and reputable insurance companies with benefits and levels of coverage as disclosed in Section 3.15 of the Disclosure Schedule, (b) has timely paid all premiums on such policies, and (c) there has been no lapse in coverage during the term of such policies.

3.16 Intellectual Property. The Bank and its Subsidiaries own, possess, license, or have other rights to use all foreign and domestic patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, inventions, trade secrets, technology, Internet domain names, know-how, and other intellectual property (collectively, the "**Intellectual Property**") necessary for the conduct of their respective businesses as now conducted or as proposed to be conducted except where the failure to own, possess, license, or have such rights would not have or reasonably be expected to have a Material Adverse Effect. Except where such violations or infringements would not have or reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (a) there are no rights of third parties to any such Intellectual Property, (b) there is no infringement by third parties of any such Intellectual Property, (c) there is no pending or threatened action, suit, proceeding, or claim by others challenging the Bank's and its Subsidiaries' rights in or to any such Intellectual Property, (d) there is no pending or threatened action, suit, proceeding, or claim by others challenging the validity or scope of any such Intellectual Property, and (e) there is no pending or threatened action, suit, proceeding, or claim by others that the Bank and/or any of its Subsidiaries infringes or otherwise violates any patent, trademark, copyright, trade secret, or other proprietary rights of others. Section 3.16 of the Disclosure Schedule sets forth a true and complete list of all registrations and applications for registration of Intellectual Property owned by the Company, the Bank or its Subsidiaries.

3.17 Related Party Transactions. Except as set forth in Section 3.17 of the Disclosure Schedule, none of the officers or directors of the Bank and, to the Company's Knowledge, none of the employees or Affiliates of the Bank, is presently a party to any contract, arrangement or transaction with the Bank, the Company or any Affiliate (other than for services as employees, officers and directors) that would be required to be disclosed pursuant to Item 404 of Regulation S-K promulgated under the Securities Act if the Common Stock was required to be registered with the Commission under the Securities Act or the Exchange Act. All agreements between the Bank and any of its Affiliates comply with the Federal Reserve's Regulation W to the extent applicable in accordance with Section 18(J) of the Federal Deposit Insurance Act, 12 U.S.C. § 1828(J).

3.18 No Additional Agreements. Except as set forth on Section 3.18 of the Disclosure Schedule, the Company has no agreements or understandings (including, without limitation, side letters) with any other Person with respect to the sale of the Shares on terms that are different from those set forth herein. The Company does not have any agreement or understanding with Purchaser with respect to the Contemplated Transactions other than as specified in this Agreement.

3.19 Anti-money Laundering. The operations of each of the Bank and each of its Subsidiaries are, and have been conducted at all times, in compliance in all material respects with the money laundering statutes of applicable jurisdictions, the rules and regulations thereunder, and any related or similar rules, regulations, or guidelines, issued, administered, or enforced by any applicable governmental agency (collectively, the "**Money Laundering Laws**"), and to the Company's Knowledge, no action, suit, or proceeding by or before any court or governmental agency, authority, or body or any arbitrator involving the Bank and/or any Subsidiary of the Bank with respect to the Money Laundering Laws is pending or threatened.

3.20 Mortgage Banking Business. Except as has not had and would not reasonably be expected to have a Material Adverse Effect:

(a) The Bank and each of its Subsidiaries has complied with, and all documentation in connection with the origination, processing, underwriting, and credit approval of any mortgage loan originated, purchased, or serviced by the Bank or any of its Subsidiaries satisfied, (i) all applicable federal, state, and local Laws, rules, and regulations with respect to the origination, insuring, purchase, sale, pooling, servicing, subservicing, or filing of claims in connection with mortgage loans, including all Laws relating to real estate settlement procedures, consumer credit protection, truth in lending Laws, usury limitations, fair housing, transfers of servicing, collection practices, equal credit opportunity, and adjustable rate mortgages, (ii) the responsibilities and obligations relating to mortgage loans set forth in any agreement between the Bank or any of its Subsidiaries and any Agency, Loan Investor, or Insurer, (iii) the applicable rules, regulations, guidelines, handbooks, and other requirements of any Agency, Loan Investor, or Insurer, and (iv) the terms and provisions of any mortgage or other collateral documents and other loan documents with respect to each mortgage loan; and

(b) No Agency, Loan Investor, or Insurer has (A) claimed in writing that the Bank or any of its Subsidiaries has violated or has not complied with the applicable underwriting standards with respect to mortgage loans sold by the Bank or any of its Subsidiaries to a Loan Investor or Agency, or with respect to any sale of mortgage servicing rights to a Loan Investor, (B) imposed in writing restrictions on the activities (including commitment authority) of the Bank or any of its Subsidiaries, or (C) indicated in writing to the Bank or any of its Subsidiaries that it has terminated or intends to terminate its relationship with the Bank or any of its Subsidiaries for poor performance, poor loan quality, or concern with respect to the Bank's or any of its Subsidiaries' compliance with Laws.

(c) For purposes of this Section 3.20, (1) "**Agency**" means the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Farmers Home Administration (now known as Rural Housing and Community Development Services), the Federal National Mortgage Association, the United States Department of Veterans' Affairs, the Rural Housing Service of the U.S. Department of Agriculture, or any other federal or state agency with authority to (A) determine any investment, origination, lending, or servicing requirements with regard to mortgage loans originated, purchased, or serviced by the Bank or any of its Subsidiaries, or (B) originate, purchase, or service mortgage loans, or otherwise promote mortgage lending, including state and local housing finance authorities, (2) "**Loan Investor**" means any Person (including an Agency) having a beneficial interest in any mortgage loan originated, purchased, or serviced by the Bank or any of its Subsidiaries or a security backed by or representing an interest in any such mortgage loan, and (3) "**Insurer**" means a Person who insures or guarantees for the benefit of the mortgagee all or any portion of the risk of loss upon borrower default on any of the mortgage loans originated, purchased, or serviced by the Bank or any of its Subsidiaries, including the Federal Housing Administration, the United States Department of Veterans' Affairs, the Rural Housing Service of the U.S. Department of Agriculture, and any private mortgage insurer, and providers of hazard, title, or other insurance with respect to such mortgage loans or the related collateral.

3.21 Nonperforming Assets. As of the date hereof, except as set forth in Section 3.21 of the Disclosure Schedule, to the Company's Knowledge, the Company believes that the Bank will be able to fully and timely collect substantially all interest, principal, or other payments when due under its loans, leases, and other assets that are not classified as nonperforming and such belief is reasonable under all the facts and circumstances known to the Company, and the Company believes that the amount of reserves and allowances for loan and lease losses and other nonperforming assets established on the Bank Financial Statements is adequate, and such belief is reasonable under all the facts and circumstances known to the Company.

3.22 Brokers or Finders. Except for the Broker's Fees disclosed in Section 5.4 of the Disclosure Schedule, neither the Company nor the Bank nor its Subsidiaries, nor any of their representatives, have incurred any Liability for brokerage or finders' fees or agents' commissions or other similar payments in connection with the Contemplated Transactions.

3.23 Disclaimer of Other Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE 3, THE COMPANY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, IN RESPECT OF THE SHARES AND ANY SUCH OTHER REPRESENTATIONS OR WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT TO THE EXTENT SPECIFICALLY SET FORTH IN THIS ARTICLE 3, PURCHASER IS PURCHASING THE SHARES ON AN "AS-IS, WHERE-IS" BASIS.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Purchaser hereby makes the following representations and warranties to the Company as of the date hereof and as of the Closing Date; provided that those representations and warranties which address matters only as of a particular earlier date shall be required to be true and correct only on such date.

4.1 Entity Status and Authority; Non-contravention.

(a) Status of Purchaser. Purchaser is a trust duly organized, validly existing, and in good standing under the Laws of the State of Florida with requisite entity power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder.

(b) Due Authorization.

(i) The execution, delivery, and performance by Purchaser of this Agreement and the transactions contemplated by this Agreement have been duly authorized by all necessary action on the part of Purchaser. This Agreement has been duly executed by Purchaser, and when delivered by Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of Purchaser, and subject to the approval of the Bankruptcy Court, is enforceable against it in accordance with its terms.

(c) Non-contravention. The execution, delivery, and performance by Purchaser of this Agreement and the consummation by Purchaser of the transactions contemplated hereby will not (i) result in a violation of the organizational documents of Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, or instrument to which Purchaser is a party, or (iii) subject to entry of the Sale Order and to the receipt of all Bank Required Approvals, result in a violation of any Law applicable to Purchaser, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights, or violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the ability of Purchaser to perform its obligations hereunder.

4.2 Governmental Authorizations. Subject to entry of the Sale Order, to Purchaser's knowledge, no consents, or approvals of or filings or registrations with any Governmental Authority are necessary on the part of Purchaser or its Affiliates in connection with the execution and delivery by Purchaser of this Agreement and the consummation by Purchaser of the Contemplated Transactions to which Purchaser is a party.

4.3 Investment Intent. Purchaser is acquiring the Shares for its own account and not with the view toward distribution within the meaning of Section 2(a)(11) of the Securities Act of 1933, as amended, other than in compliance with all applicable Laws, including United States federal securities Laws.

4.4 Sufficient Funds. Purchaser will have sufficient funds at the Closing to pay the Purchase Price and to pay the Subscription Amount (as defined in Purchaser's Stock Subscription Agreement).

4.5 Non-reliance. Purchaser acknowledges and agrees that in entering into this Agreement it has not relied and is not relying on any representations, warranties or other statements whatsoever, whether written or oral (from or by the Bank, the Company or any Person acting on their behalf) other than those expressly set out in this Agreement (or Purchaser's Stock Subscription Agreement or other related documents referred to herein or therein) and that it will not have any right or remedy rising out of any representation, warranty or other statement not expressly set out in this Agreement (or Purchaser's Stock Subscription Agreement or other related documents referred to herein or therein) except in the case of fraud.

4.6 Litigation and Claims. Other than the Bankruptcy Case, there are no current, pending or, to the knowledge of Purchaser, threatened Actions against or relating to Purchaser that would reasonably be expected to materially interfere with or delay any of the Contemplated Transactions. There is no material Order or regulatory restriction imposed upon or relating specifically to Purchaser or that would reasonably be expected to materially interfere with or delay any of the Contemplated Transactions.

4.7 Brokers and Finders. No Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest, or claim against or upon the Bank or Purchaser for any commission, fee, or other compensation pursuant to any agreement, arrangement, or understanding entered into by or on behalf of Purchaser.

ARTICLE 5

PRE-CLOSING MATTERS AND OTHER COVENANTS

5.1 Conduct of Business. The Company shall cause the Bank and its Subsidiaries to: (a) operate their business in the ordinary course consistent with past practice; (b) preserve intact the current business organization of the Bank; (c) use commercially reasonable efforts to retain the services of their employees, consultants, and agents; (d) preserve the current relationships of the Bank and its Subsidiaries with material customers and other Persons with whom the Bank and its Subsidiaries have and intend to maintain significant relations; (e) maintain all of its operating assets in their current condition (normal wear and tear excepted); (f) refrain from taking or omitting to take any action that would constitute a breach of Section 3.11; and (g) refrain from (i) declaring, setting aside or paying any distributions or dividends on, or making any distributions (whether in cash, securities, or other property) in respect of, any of its capital stock, (ii) splitting, combining or reclassifying any of its capital stock or issuing or authorizing the issuance of any other securities in respect of, in lieu of or in substitution for capital stock or any of its other securities, or (iii) purchasing, redeeming or otherwise acquiring any capital stock, assets or other securities or any rights, warrants or options to acquire any such capital stock, assets or other securities, other than acquisitions of investment securities in the ordinary course of business.

5.2 Consents and Approvals.

(a) Bank Required Approvals. Purchaser and the Company agree to use commercially reasonable efforts to obtain all Bank Required Approvals, and to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under any applicable Law to consummate the Contemplated Transactions. For the avoidance of doubt, none of the obligations in this Section 5.2 shall require Purchaser or any of its Affiliates to take any action that would result in the imposition of a Burdensome Condition. Notwithstanding anything herein to the contrary, Purchaser and its Affiliates are not subject to any covenant or agreement under this Agreement to file any application or notice under the BHCA or the CIBC Act or applicable Laws of Florida in connection with any of the transactions as contemplated by this Agreement.

(b) Preparation of Applications. As promptly as practicable following the execution and delivery of this Agreement, but in no event later than five (5) Business Days thereafter, the Company, with the cooperation of the Purchaser, shall cause to be published all required notices and prepare all necessary documentation and effect all necessary filings in connection with obtaining the Bank Required Approvals. Purchaser and the Company will cooperate with each other and will each furnish the other and the other's counsel with all information reasonably requested concerning themselves, their Subsidiaries, directors, officers and stockholders and such other matters as may be reasonably necessary or advisable in connection with any application, petition or any other statement or application made by or on behalf of Purchaser, the Company or their respective Subsidiaries to any Governmental Authority in connection with the Contemplated Transactions. Purchaser and the Company shall have the right to review and approve in advance all characterizations of the information relating to them and any of their respective Subsidiaries which appear in any filing made, or written materials submitted, in connection with the Contemplated Transactions with any Governmental Authority. Notwithstanding anything herein to the contrary, Purchaser shall not be required to furnish the Company with any (i) personal biographical or financial information of any of the directors, officers, employees, managers or partners of the Purchaser or any of its Affiliates, or (ii) proprietary and non-public information related to the organizational terms of, or investors in Purchaser or any of its Affiliates.

(c) Submission of Applications for Bank Required Approvals. The Purchaser and the Company shall use their commercially reasonable efforts to:

(i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry relating to the Bank Required Approvals, including, but not limited to, Purchaser, the Company and their respective Subsidiaries cooperating and using commercially reasonable efforts to make, on a timely basis, all registrations, filings and applications with, give all notices to, and obtain any approvals, orders, qualifications and waivers from a Governmental Authority necessary for the consummation of the transactions contemplated hereby; provided, however, that neither the Company or any of its Affiliates nor Purchaser or any of its Affiliates shall be required to commence or be a plaintiff in any litigation in connection with any such registration, filing, application, notice, approval, order, qualification or waiver. In addition, nothing herein shall require the Purchaser or any of its Affiliates to take any action that would result in the imposition of a Burdensome Condition.

(ii) subject to any Law, permit each other to review and discuss in advance, and consider in good faith the views of the other in connection with, any proposed written communication (or other correspondence or memoranda) between any such party and any Governmental Authority relating to the other party; and

(iii) subject to any Law, promptly inform each other of and supply to each other any written communication (or other correspondence or memoranda) submitted to (except to the extent such submission is confidential), or received by them from, any Governmental Authority, in each case regarding any of the Contemplated Transactions, except to the extent that such communication relates to the information described in the last sentence of Section 5.2(b).

5.3 Notice of Certain Events. The Company shall promptly notify Purchaser in writing of:

(a) any notice or other material written or oral communication from any Person other than a Governmental Authority in connection with the Contemplated Transactions;

(b) any actions, suits, claims, investigations or proceedings commenced or, to its Knowledge, threatened against, relating to or involving or otherwise affecting the Company or the Bank or its Subsidiaries that, if pending on the date hereof, would have been required to have been disclosed pursuant to Section 3.8 or that could reasonably be expected to adversely affect or delay the Company's ability to consummate any of the Contemplated Transactions;

(c) any circumstance, event or action the existence, occurrence or taking of which could reasonably be expected to result in any representation or warranty made by the Company in this Agreement not being true and correct or that could reasonably be expected to cause any condition set forth in Section 6.1 or Section 6.3 not to be satisfied; and

(d) any failure of the Company to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it under this Agreement.

No information received by Purchaser pursuant to this Section 5.3 or otherwise shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the Company in this Agreement, nor shall any such information be deemed to change, supplement or amend the Disclosure Schedule.

5.4 Payment of the Broker's Fees. At the Closing, the Bank shall pay to the Broker the Broker's Fees in full satisfaction of all obligations of the Bank and Purchaser in connection with the engagement letters or other agreements of the Company, the Bank or any other Subsidiaries with the Broker as set forth in Section 5.4 of the Disclosure Schedule.

5.5 Break Up Fee.

(a) In consideration for Purchaser serving as the stalking-horse bidder and facilitating the consummation of the transactions contemplated by the Stock Subscription Agreements, and this Agreement and the Purchaser's Stock Subscription Agreement being subject to termination in the event that the Company receives a higher and better bid consistent with the Bid Procedures, so long as this Agreement and the Purchaser's Stock Subscription Agreement each are not terminated prior to the Closing due to the Purchaser's uncured breach and regardless of whether or not Purchaser makes any matching or competing bids, the Company shall pay to Purchaser a stalking-horse bidder fee in an amount equal to $250,000 (the "**Break Up Fee**") on the first Business Day following the date of consummation of any Alternative Transaction; provided that Purchaser acknowledges and agrees that if the Purchaser is paid the Break Up Fee, (i) Purchaser shall be entitled to keep for its own account the first $50,000 of the Break Up Fee and (ii) the remaining Break Up Fee shall be allocated among each investor party to the Stock Subscription Agreements, including Purchaser, on a pro rata basis based on the percentage of each investor's subscription amount to the sum of the aggregate subscription amounts under the Stock Subscription Agreements.

(b) The parties intend that the Break Up Fee shall be treated as a superpriority administrative expense in the Bankruptcy Case senior to all unsecured claims and other administrative expenses; provided that, in no event will the Break Up Fee be paid in the absence of the entry of a sale order approving an Alternative Transaction. The Company acknowledges and agrees that: (i) the approval of the Break Up Fee is an integral part of the transactions contemplated by this Agreement and the Stock Subscription Agreements; (ii) in the absence of the Company's obligation to pay the Break Up Fee, Purchaser would not have entered into this Agreement and Purchaser's Stock Subscription Agreement and the other investors would not have entered into their respective Stock Subscription Agreements; (iii) the entry of Purchaser into this Agreement and Purchaser's Stock Subscription Agreement is necessary for preservation of the estate of the Company and the Bank and is beneficial to the Company because, in the Company's business judgment, it will enhance the Company's ability to maximize the value of its assets for the benefit of its creditors; (iv) the Break Up Fee is reasonable in relation to Purchaser's costs and efforts and to the magnitude of the Contemplated Transactions and Purchaser's lost opportunities resulting from the time spent pursuing the Contemplated Transactions; and (v) time is of the essence with respect to the entry of the Bidding Procedures Order by the Bankruptcy Court, approving, among other things, the process by which bids may be solicited in connection with the sale of the Shares and Purchaser's portion of the Equity Contribution. The Company's agreement to pay the Break Up Fee is subject to Bankruptcy Court entry of the Bidding Procedures Order.

(c) Notwithstanding anything to the contrary in this Agreement, the Company's obligations under this Section 5.5 shall survive the termination of this Agreement.

5.6 Debtor in Possession. During the pendency of the Bankruptcy Case, the Company shall continue to operate its business as a debtor in possession pursuant to the Bankruptcy Code.

5.7 Bankruptcy Pleadings.On or within one (1) Business Day following the Petition Date, the Company shall file a Bid Procedures Motion (the "**Bid Procedures Motion**") and a sale motion with the Bankruptcy Court (the "**Sale Motion**"), and such additional pleadings as may be necessary to support the Bid Procedures Motion and the Sale Motion, requesting, among other things, approval of the Bid Procedures and entry of the Bidding Procedures Order no later than ten (10) days following the Petition Date.

(b) No less than 24 hours prior to filing the Bid Procedures Motion and Sale Motion, the Company shall provide such drafts of such motions to Purchaser and its legal counsel, and shall consider in good faith all comments provided by Purchaser or its legal counsel to such motions.

5.8 The Bidding Procedures and Sale Order.

(a) The Bidding Procedures Order, including the Bid Procedures and the Sale Order each shall not be amended, modified or supplemented from the forms attached hereto without Purchaser's prior written consent, which may be withheld in Purchaser's sole discretion.

(b) Purchaser has standing and is deemed to be a party in interest with standing to be heard on any motion, hearing or other matter related to this Agreement or any Qualified Bid (as defined in the Bid Procedures), or other sale of the Shares.

(c) These Bid Procedures may be modified by the Company as required by the terms of the Bidding Procedures Order.

5.9 Bankruptcy Efforts. Purchaser and the Company shall use their commercially reasonable efforts to cause the Bankruptcy Court to enter (a) the Bidding Procedures Order within ten (10) days following the Petition Date and (b) the Sale Order within thirty (30) days thereafter.

5.10 Public Announcements Other than mutually agreed upon press releases and other materials to be issued upon the announcement of this Agreement or thereafter, with respect to which the parties shall cooperate in good faith to jointly prepare or communicate consistent with the joint communication policy of the parties, from and after the date hereof, neither party shall make any public announcement or public comment regarding this Agreement or the Contemplated Transactions without the prior written consent of the other party (which consent shall not be unreasonably withheld, delayed or conditioned), unless and only to the extent that (a) the furnishing or use of information is required in making any filing or obtaining any Governmental Authorization required for the consummation of the Contemplated Transactions (including any Bank Required Approval), or (b) the furnishing or use of such information is required by Laws.

5.11 Tax Elections.

(a) On its consolidated federal income Tax Return for the taxable year in which the Closing Date occurs, the Company shall elect under Treasury Regulations Section 1.1502-36(d) to reduce its tax basis in the Shares to the extent necessary to prevent any reduction of the Bank's Tax attributes. All Tax Returns filed by the Company, the Bank and its Subsidiaries shall be consistent with this provision. In addition, the Company shall take any other action reasonably requested by the Bank to preserve the Bank's Tax attributes.

(b) At Bank's discretion, the Company will make, or forego making (and cause its Subsidiaries to make or forego making), the election under Internal Revenue Code Section 108(b)(5) for the consolidated federal return filing year that includes the date of Closing. The Bank will provide direction to the Company on making or not making the election within twenty (20) days of receiving a preliminary calculation of how the Company would apply the provisions of Sec. 108 to any excluded cancellation of debt income.

(c) If the Bank currently has in place a valid election under Treasury Regulations Section 1.166-2(d)(3) (the "**Conformity Election**"), at Bank's discretion, it will apply for voluntary revocation of the Conformity Election, effective for the Company's consolidated federal return filing year that included the date of Closing. Purchaser will advise the Company in writing of its desire for voluntary revocation within sixty (60) days of the end of the Company's consolidated federal return filing year that included the date of Closing.

(d) The Company will not make an election under Code §336(e) with respect to its sale of the Shares.

5.12 Preparation and Filing of Tax Returns; Taxes. The Company shall include the income (including any deferred items triggered into income by Treas. Reg. §1.1502-13 and any excess loss account taken into income under Treas. Reg. §1.1502-19), equity or other applicable tax base of the Bank and its Subsidiaries on the Company's consolidated, unitary, affiliated or other combined federal and state income Tax Returns for all periods through the end of the Closing Date (such period, the "**Pre-Closing Tax Period**" and such Tax Returns, the "**Company Tax Returns**"), in accordance with applicable tax statutes, and pay any federal and state Taxes attributable to such income, equity or other applicable tax base subject to the Bank reimbursing the Company for the Bank's pro rata share of any such income Taxes paid by the Company, such pro rata share to be determined in accordance with federal consolidated return regulations, where applicable, and with the Interagency Policy Statement on Income Tax Allocation in a Holding Company Structure. The Bank shall furnish Tax information to the Company for inclusion in such Company Tax Returns in accordance with the Bank's past custom and practice. The income of the Bank and its Subsidiaries shall be apportioned to the period up to and including the Closing Date and the period after the Closing Date by closing the books of the Bank and its Subsidiaries as of the end of the Closing Date. The Company shall timely prepare and file (or cause to be prepared and filed) the Company Tax Returns, and shall prepare all Company Tax Returns in a manner consistent with prior practice in respect of the Bank and its Subsidiaries unless otherwise required by applicable Law or unless the Bank consents to such different treatment, such consent not to be unreasonably withheld, conditioned or delayed. The Company shall provide (or cause to be provided) to the Bank a copy of any Company Tax Return at least twenty (20) Business Days prior to the due date for filing such return (or, if such Tax Return is required to be filed within twenty (20) Business Days after the Closing Date, as soon as practicable after preparation but prior to filing thereof), and the Bank shall have ten (10) Business Days in which to review and comment on such return prior to the filing thereof. The Company shall not unreasonably withhold its consent to reflect the Bank's comments on such returns to the extent permitted by applicable Law. The Bank and the Company agree to report all transactions not in the ordinary course of business occurring on the Closing Date after the Closing on Bank's federal and state income Tax Returns to the extent permitted by Treasury Regulations Section 1.1502-76(b)(1)(ii)(B). Neither the Company nor the Bank shall amend or cause to be amended any consolidated/unitary Tax Returns that relates to any Tax period or portion thereof that ends on or before the Closing Date without the consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

5.13 Tax Cooperation. In connection with the preparation of Tax Returns, audit examinations, and any administrative or judicial proceedings relating to the Tax liabilities imposed on or attributable to the Bank or its Subsidiaries, the Bank on the one hand and the Company on the other hand shall reasonably cooperate fully with each other, including the furnishing or making available during normal business hours of records, personnel (as reasonably required), books of account, powers of attorney or other materials necessary or helpful for the preparation of such Tax Returns, the conduct of audit examinations or the defense of claims by taxing authorities as to the imposition of Taxes. The Company shall provide to the Bank copies of all information, returns, books, records and documents relating to any Tax Matters of or attributable to the Bank or its Subsidiaries.

5.14 Tax Proceedings. The Company shall promptly notify the Bank upon receipt by the Company of any notice of any inquiries, assessments, audits, proceedings or similar events received from any taxing authority with respect to any Taxes, Tax attributes (including net operating losses) or Tax Refunds of or attributable to the Bank and its Subsidiaries, including such items included in any consolidated, affiliated, unitary or other combined Tax Return, whether attributable to the Pre-Closing Tax Period or any period or portion of a period after the Closing Date (any such inquiry, assessment, audit, proceeding or similar event, a "**Tax Matter**"). The Bank shall have the right to control the process, disposition and decision of whether to settle any Tax Matter in its sole discretion. In addition, the Company shall not enter into any settlement of or otherwise compromise any inquiry, assessment, audit, proceeding or similar event to the extent that such settlement or compromise could adversely affect the Tax liability (including a reduction of a Tax Refund, net operating loss or other Tax attribute) of the Bank or its Subsidiaries, including under this Agreement, without the consent of the Bank, such consent not to be unreasonably withheld, conditioned or delayed.

5.15 Transfer of Business-Related Assets and Contracts. If at any time, whether before or after the Closing, the Company or any of its officers or employees discovers or is otherwise aware of the fact that the Company or one of its Subsidiaries (other than the Bank or its Subsidiaries) (a) owns any asset (whether real, personal, tangible, intangible or otherwise) that is used or held for use in connection with, or that relates to, the business of the Bank or its Subsidiaries or (b) is a party to any Contract relating to the business of the Bank or its Subsidiaries ((a) and (b), collectively, the "**Business-Related Assets and Contracts**"), the Company will promptly give notice of that fact to the Bank and, if the Bank so requests, the Company will promptly cause such asset to be transferred to the Bank free and clear of all Encumbrances, or the rights and obligations (but not any obligations relating to a pre-transfer breach or default) under such Contract to be assigned to the Bank free and clear of all Encumbrances, as the case may be, for no additional consideration beyond that currently provided for herein.

5.16 Plan. The Company covenants and agrees that if the Sale Order is entered, the terms of any plan of reorganization or liquidation submitted, supported or sponsored by the Company for confirmation, or proposed order dismissing the Bankruptcy Case, shall not conflict with, supersede, abrogate, nullify, modify or restrict the terms of this Agreement and the rights of Purchaser hereunder, or in any way prevent or interfere with the consummation or performance of the transactions contemplated by this Agreement, including any transaction that is approved pursuant to the Sale Order. The terms of this Section 5.16 shall be included in the Sale Motion and the Sale Order.

5.17 Appeal. If the Sale Order or the Bidding Procedures Order is appealed by any Person, or petition for certiorari or motion for rehearing or reconsideration is filed with respect thereto, if requested by Purchaser, the Company will take all action as may be reasonably necessary to defend against such appeal, petition or motion and to obtain an expedited resolution of such appeal, petition or motion, and, in such case, Purchaser will take all actions as may be reasonably requested by the Company to assist the Company in such defense.

5.18 Non-Solicitation of Competing Bids. Except in accordance with the Bidding Procedures Order (once entered by the Bankruptcy Court), the Company shall not, and shall cause its Affiliates and its and their representatives not to, (a) solicit or negotiate with any Specified Person (and to cease immediately any such ongoing activity), or enter into any agreement or understanding with respect to, or approve or recommend, any direct or indirect sale of any equity interest in, or any material portion of the assets of, the Company or the Bank or any extraordinary corporate transaction directly or indirectly involving the Company or the Bank or (b) provide any Specified Person (other than Purchaser and each of their Affiliates, agents and representatives) with access to the books, records, operating data, contracts, documents or other information relating to the Bank. The Company shall promptly notify Purchaser of any proposal or offer from a third party to acquire, directly or indirectly, all or any substantial portion of the assets, properties, rights and interests of the Company or the Bank received by the Company in writing after the date hereof, and the Company shall communicate to the Purchaser the material terms of any such bid.

5.19 Tail Policy; Indemnification.

(a) On or prior to the Closing Date, the Company's existing policies shall include an extending reporting period (otherwise known as "tail coverage") covering the directors and officers of the Bank and its Subsidiaries for a period of at least six years from the Closing Date, and the total premium for such policy shall have been paid in full. The Company shall not, and shall cause its Subsidiaries not to, take any action following the Closing Date to cause such tail coverage to be cancelled or any provision therein to be amended or waived. The Bank shall promptly reimburse any deductibles attributable to and paid by any covered directors or officers of the Bank as required under the tail coverage.

(b) From and after the Closing Date, the Bank covenants and agrees to honor and fulfill in all respects the obligations of the Bank under application provisions of Florida Law relating to indemnification of the Bank's directors and officers, under the Bank's articles of incorporation and by-laws in effect as of the date hereof.

ARTICLE 6

CONDITIONS OF CLOSING

6.1 Conditions to the Purchaser's Obligations. The obligation of Purchaser to complete the transactions contemplated by this Agreement is subject to the fulfillment of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company contained in this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) as of the date of this Agreement on and as of the Closing, as though made on and as of such date, except for representations or warranties that speak as of a specified earlier date;

(b) Covenants. The covenants and obligations of the Company to be performed or observed on or before the Closing pursuant to this Agreement shall have been duly performed or observed in all material respects;

(c) Bidding Procedures Order. The Bankruptcy Court shall have entered the Bidding Procedures Order and such order (i) shall have become Final and Non-appealable, (ii) shall not have been stayed, stayed pending appeal or vacated, and (iii) shall not have been amended, supplemented or otherwise modified, except with the prior written consent of Purchaser, which may be withheld in Purchaser's sole discretion;

(d) Sale Order. The Bankruptcy Court shall have entered the Sale Order and such order (i) shall have become Final and Non-appealable, (ii) shall not have been stayed as of the Closing Date, stayed pending appeal or vacated, and (iii) shall not have be amended, supplemented or otherwise modified, except with the prior written consent of Purchaser, which may be withheld in Purchaser's sole discretion;

(e) Officers' Certificate. The Company shall have delivered to Purchaser an Officers' Certificate from the chief executive officer and the chief financial officer certifying to the effect that the conditions set forth in Section 6.1(a) and (b) have been satisfied;

(f) Consents. The material consents necessary for the continued operations of the business of the Bank or its Subsidiaries, which are set forth in Section 6.1(f) of the Disclosure Schedule, shall have been obtained in form and substance reasonably acceptable to Purchaser and shall be in effect;

(g) No Litigation. There shall not be pending or threatened any Action by any Governmental Authority or other Persons that, in the reasonable opinion of Purchaser, (i) would impose a Burdensome Condition, (ii) prevent the Closing, or (iii) in which there is a possibility of an outcome that could have a Material Adverse Effect;

(h) No Material Adverse Effect. From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect;

(i) Required Approvals. The Bank Required Approvals shall have been received in form and substance reasonably acceptable to Purchaser and without the imposition of any Burdensome Condition, and no such Bank Required Approval shall have been amended, modified, reversed or vacated;

(j) Advice to Purchaser. Purchaser shall have received confirmation, satisfactory to it, in its sole reasonable discretion, from the Federal Reserve, the Federal Reserve Bank of Atlanta, the FDIC and the FOFR to the effect that neither it, nor any of its Affiliates, shall be deemed to "control" the Company or any of its Subsidiaries after the Closing for purposes of the BHCA, CIBC Act or applicable Laws of Florida or otherwise being regulated as a bank holding company within the meaning of the BHCA, or applicable Laws of Florida, by reason of the Contemplated Transactions, or is otherwise required to file any application or notice or obtain any approval or clearance from any Governmental Authority with respect to any of the foregoing (except for entry into passivity commitments, if applicable, and any notices or applications required for a director appointed by Purchaser to the board of directors of the Bank).

(k) Escrowed Proceeds. The gross proceeds to the Bank from the Bank Stock Offering shall be not less than $95 million and not more than $105 million, with such subscription funds having been previously placed in escrow and subject to release from escrow to the Bank contingent only upon the Closing.

(l) Stock Subscription Agreements. All conditions to the closing of the transactions under the Stock Subscription Agreements, including the Purchaser's Stock Subscription Agreement, shall have been satisfied (other than the simultaneous consummation of the transactions contemplated under such agreements), and the Bank shall consummate the closing of the transactions under the Stock Subscription Agreements, including the Purchaser's Stock Subscription Agreement, simultaneously with the consummation of the Sale;

(m) TruPS Support. The TruPS RSA shall not have been terminated, or amended, supplemented or modified in any manner adverse to the Company or Purchaser except with the prior written consent of Purchaser, which may be withheld in Purchaser's sole discretion. The TruPS Holder shall not have materially breached (and not cured) the TruPS RSA; and

(n) Business-Related Assets and Contracts. The Company shall have transferred to the Bank all Business-Related Assets and Contracts of which the Company is aware as of the Closing Date, free and clear of Encumbrances.

The foregoing conditions are for the benefit of Purchaser only, and accordingly, Purchaser will be entitled to waive compliance with any such conditions if it sees fit to do so, without prejudice to its rights and remedies at law and in equity and also without prejudice to any of its rights of termination in the event of non-performance of any other conditions in whole or in part.

6.2 Conditions to the Company's Obligations. The obligation of the Company to complete the transactions contemplated by this Agreement is subject to the fulfillment of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Purchaser contained in this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) as of the date of this Agreement on and as of the Closing with the same effect as though such representations and warranties had been made as of the Closing (provided that those representations and warranties which address matters only as of a particular earlier date shall have been true and correct only on such date);

(b) Covenants. The covenants and obligations of Purchaser to be performed or observed on or before the Closing pursuant to this Agreement shall have been duly performed or observed in all material respects;

(c) Sale Order. The Bankruptcy Court shall have entered the Sale Order;

(d) Secretary's Certificate. Purchaser shall have delivered to the Company a Secretary's Certificate certifying to the effect that the conditions set forth in Section 6.2(a) and (b) have been satisfied;

(e) Escrowed Proceeds. The gross proceeds to the Bank from the Bank Stock Offering shall be not less than $95 million and not more than $105 million, with such subscription funds having been previously placed in escrow and subject to release from escrow to the Bank contingent only upon the Closing; and

(f) Stock Subscription Agreement. All conditions to the closing of the transactions under the Stock Subscription Agreements, including the Purchaser's Stock Subscription Agreement, shall have been satisfied (other than the simultaneous consummation of the transactions contemplated under such agreements), and the Bank shall consummate the closing of the transactions under the Stock Subscription Agreements, including the Purchaser's Stock Subscription Agreement, simultaneously with the consummation of the Sale.

The foregoing conditions are for the benefit of the Company only and accordingly the Company will be entitled to waive compliance with any such conditions if it sees fit to do so, without prejudice to its rights and remedies at law and in equity and also without prejudice to any of its rights of termination in the event of non-performance of any other conditions in whole or in part.

6.3 Mutual Condition. The obligations of the Company and Purchaser to complete the Contemplated Transactions are subject to the fulfillment of the condition that no injunction or restraining order or other decision, ruling or order of a court, board, Governmental Authority or administrative tribunal of competent jurisdiction being in effect which prohibits, restrains, limits or imposes conditions on the transactions contemplated by this Agreement and no action or proceeding having been instituted or remaining pending or having been threatened (and such threat not having been withdrawn) before any such court, board, Governmental Authority or administrative tribunal to restrain, prohibit, limit or impose conditions on the transactions contemplated by this Agreement.

6.4 Termination.

(a) In the event that the Closing has not occurred on or before the Outside Date, Purchaser or the Company, as applicable, may, subject to Section 9.10, terminate this Agreement, in which event the parties will be released from all obligations under this Agreement, except that the Company will not be released from its obligations to pay the Break Up Fee on the first Business Day following the date of consummation of an Alternative Transaction unless Purchaser is in material breach of this Agreement, and provided that no party will be released from its obligations, or may terminate this Agreement if it has willfully and materially breached (and not cured) any of its covenants or obligations in or under this Agreement and such breach has been the cause of or resulted in the failure of the Closing to occur on or before the Outside Date.

(b) This Agreement may also be terminated prior to the Closing:

(i) at any time by the mutual written agreement of the Company and Purchaser;

(ii) by Purchaser (provided, that Purchaser is not then in material breach of any representation, warranty, covenant or other agreement contained herein), if either of the conditions in Section 6.1(a) or (b) have not been fulfilled and the breach or breaches giving rise to the failure of these conditions to be fulfilled cannot be or have not been cured within thirty (30) days after written notice by Purchaser to the Company;

(iii) by the Company (provided, that the Company is not then in material breach of any representation, warranty, covenant or other agreement contained herein), if either of the conditions in Section 6.2(a) or (b) have not been fulfilled and the breach or breaches giving rise to the failure of these conditions to be fulfilled cannot be or have not been cured within thirty (30) days after written notice by the Company to Purchaser;

(iv) by the Company or Purchaser, if the Bankruptcy Court enters a Sale Order approving the Sale to a Qualified Overbidder (as defined in the Bidding Procedures Order), other than Purchaser;

(v) by either the Company or Purchaser, with fifteen (15) days' prior written notice or such shorter period as required by a court or Governmental Authority, or any applicable Law, if any court or Governmental Authority shall finally determine that the subject of this Agreement violates any applicable Law and the terms of this Agreement cannot be amended to meet all legal requirements to the satisfaction of such court or Governmental Authority;

(vi) by either the Company or Purchaser, if Purchaser or any of its Affiliates receives written notice from or is otherwise advised by a Governmental Authority that it will not grant (or intends to rescind or revoke if previously approved) any Bank Required Approvals or receives written notice from or is otherwise advised by such Governmental Authority that it will not grant any such Bank Required Approvals on the terms contemplated by this Agreement without imposing any Burdensome Condition;

(vii) by Purchaser, if the Bankruptcy Court has not entered the Bidding Procedures Order within fourteen (14) days of the Petition Date or if the Bidding Procedures Order has been entered but is stayed or has been reversed or vacated on or after such date, or if the Bidding Procedures Order has been entered but has been amended or modified other than in accordance with this Agreement on or before such date;

(viii) by Purchaser, if the Bankruptcy Court has not entered the Sale Order approving the Sale to Purchaser by thirty-five (35) days after entry of the Bidding Procedures Order, if such Sale Order has been entered but is stayed or has been reversed or vacated on or after such date, or if the Sale Order has been entered but has been amended or modified other than in accordance with this Agreement on or before such date;

(ix) by Purchaser, if the Bankruptcy Case is dismissed or converted to a case under chapter 7 of the Bankruptcy Code;

(x) by Purchaser, if (A) the TruPS RSA is terminated or (B) the TruPS Holder (1) materially breaches the TruPS RSA (and such breach is not cured within the period contemplated by the TruPS RSA for curing such breach), (2) directly or indirectly objects to or seeks to hinder or delay or otherwise takes action to oppose the Contemplated Transactions, or (3) directly or indirectly supports, facilitates or participates in an Alternative Transaction other than in accordance with the Bidding Procedures;

(xi) by Purchaser, if the Bankruptcy Court approves any Alternative Transaction or any Alternative Transaction is consummated by the Company or the Bank;

(xii) by Purchaser, if Purchaser has not received prior to the Closing advice from the Federal Reserve, the Federal Reserve Bank of Atlanta, the FDIC and the FOFR described in Section 6.1(j); and

(xiii) by either the Company or Purchaser, if the Purchaser's Stock Subscription Agreement is terminated.

6.5 Investigations. No investigation by either of the parties or their respective representatives shall affect or be deemed to modify or waive the representations and warranties of the other set forth herein.

ARTICLE 7

CLOSING TRANSACTIONS

7.1 Time and Place. The Closing shall take place in the offices of Nelson Mullins Riley & Scarborough LLP at 201 17th Street NW, Atlanta, Georgia 30363 on the Closing Date; or at such other time and date, or both, as the Company and the Purchaser or their respective counsel may agree upon in writing.

7.2 Company's Closing Deliverables. At the Closing, the Company shall deliver the following to Purchaser or the Bank, as applicable:

(a) a certificate signed by the chief executive officer and chief financial officer of the Company, certifying to the fulfillment of the conditions specified in Section 6.1(a) and (b);

(b) a stock certificate evidencing the Shares duly endorsed in blank, or accompanied by stock powers duly executed in blank and with all required stock transfer Tax stamps affixed for cancellation by the Bank and re-issuance by the Bank pursuant to Section 7.4(b);

(c) all conveyances, transfers, assignments, instruments and other documents which are necessary to assign, sell and transfer the Shares and the Business-Related Assets and Contracts to the Purchaser or to the Bank, in either case, as contemplated by this Agreement in such form and content as the Purchaser may require, acting reasonably;

(d) certified copies of a resolution of the directors of the Company approving the completion of the Contemplated Transactions including, without limitation, the sale of the Shares and the Business-Related Assets and Contracts to the Purchaser and the execution and delivery of this Agreement and all documents, instruments and agreements required to be executed and delivered by the Company pursuant to this Agreement in such form and content as the Purchaser may require, acting reasonably;

(e) a certified copy of the Sale Order;

(f) a letter agreement, in form and substance reasonably satisfactory to Bank, the terms of which are included in the Sale Motion and the Sale Order, pursuant to which the Company, on its own behalf and on behalf of its Affiliates, irrevocably and unconditionally waives, releases and discharges any and all claims, counterclaims, demands, debts, costs, expenses, Liabilities, damages, obligations and causes of action of any kind or nature whatsoever, in each case whether absolute or contingent, liquidate or unliquidated, known or unknown, and whether arising under any agreement or understanding or otherwise in law or in equity, against the Bank and its Subsidiaries (and their successors and its and their respective officers, directors, employees, managers, partners, shareholders members, and principals) other than Liabilities under this Agreement.

(g) an affidavit from the Company that it is not a "foreign person" or subject to withholding requirements under the Foreign Investment in Real Property Tax Act of 1980, as amended.

7.3 Purchaser's Closing Deliverables. At the Closing, Purchaser shall deliver the following:

(a) to the Company, a certificate signed by an authorized signor of Purchaser, certifying to the fulfillment of the conditions specified in Section 6.2(a) and (b);

(b) to the Company, the Purchase Price; and

(c) to the Escrow Agent identified in the Purchaser's Stock Subscription Agreement, the Purchaser's Subscription Amount (as defined in Purchaser's Stock Subscription Agreement).

7.4 Bank's Closing Deliverables.

(a) The Bank shall have delivered a letter agreement to the Company, in form and substance reasonably satisfactory to the Company, pursuant to which the Bank, on its own behalf and on behalf of its Affiliates, irrevocably and unconditionally waives, releases and discharges any and all claims, counterclaims, demands, debts, costs, expenses, Liabilities, damages, obligations and causes of action of any kind or nature whatsoever, in each case whether absolute or contingent, liquidate or unliquidated, known or unknown, and whether arising under any agreement or understanding or otherwise in law or in equity, against the Company and its Affiliates (other than the Bank and the its Subsidiaries (and their successors and its and their respective officers, directors, employees, managers, partners, shareholders members, and principals)) other than Liabilities under this Agreement.

(b) The Bank shall have delivered to the Purchaser the Shares, as evidenced by one or more certificates dated the Closing Date free and clear of all Liens and Encumbrances.

7.5 Concurrent Delivery. It shall be a condition of the Closing that all matters of payment and the execution and delivery of documents by any party to the others pursuant to the terms of this Agreement and all Stock Subscription Agreements shall be concurrent requirements and that nothing will be complete at the Closing until everything required as a condition precedent to the Closing has been paid, executed and delivered, as the case may be.

ARTICLE 8

SURVIVAL OF REPRESENTATIONS AND COVENANTS

8.1 Survival. The Company and the Purchaser agree that all of the representations, warranties, agreements and covenants of the Company and the Purchaser contained in this Agreement, or any instrument delivered pursuant to this Agreement, shall survive the Closing Date.

ARTICLE 9

MISCELLANEOUS

9.1 Legal and Other Fees and Expenses. Unless otherwise specifically provided herein or in any other agreement with respect to the Contemplated Transactions, including Section 5.5(a) of this Agreement and Section 4.19 of the Purchaser's Stock Subscription Agreement, the parties will pay their respective legal, accounting and other professional fees and expenses incurred by each of them in connection with the negotiation and settlement of this Agreement, the completion of the Contemplated Transactions and other matters pertaining hereto.

9.2 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail (provided the sender receives a machine-generated confirmation of successful facsimile transmission or e-mail notification or confirmation of receipt of an e-mail transmission) at the facsimile number or e-mail address specified in this Section 9.2 prior to 5:00 p.m., Eastern time, on a Business Day, (b) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or e-mail at the facsimile number or e-mail address specified in this Section 9.2 on a day that is not a Business Day or later than 5:00 p.m., Eastern time, on any Business Day, (c) if sent by U.S. nationally recognized overnight courier service with next day delivery specified (receipt requested) the Business Day following delivery to such courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Bank:	Beach Community Bank 17 S.E. Elgin Parkway Fort Walton Beach, FL 32548 Attention: Chief Executive Officer Telephone: (850) 244-9900 Facsimile: (850) 244-9901 Email: tony@beachcommunitybank.com
With a copy to:	Nelson Mullins Riley & Scarborough LLP Atlantic Station 201 17th Street NW, Suite 1700 Atlanta, GA 30363 Attn: Brennan Ryan Telephone: 404.322.6218 Email: brennan.ryan@nelsonmullins.com Nelson Mullins Riley & Scarborough, LLP One Post Office Square 30th Floor Boston, MA 02109 Attn: Peter J. Haley Telephone: 617.217.4714 Email: peter.haley@nelsonmullins.com
If to Purchaser:	To the address set forth under Purchaser's name on the signature page hereof; or such other address as may be designated in writing hereafter, in the same manner, by such Person.
With a copy to:	Sullivan & Cromwell LLP 125 Broad Street New York, NY 10004 Attn: Mark J. Menting Telephone: 212.558.4859 Email: mentingm@sullcrom.com

or such other address as may be designated in writing hereafter, in the same manner, by such Person.

9.3 Further Assurances. Each of the parties shall execute and deliver such further documents, instruments and agreements and do such further acts and things as may be reasonably required from time to time, either before, on or after the Closing Date, to carry out the full intent and meaning of this Agreement, give effect to the transactions contemplated by this Agreement and assure to the Purchaser good and valid title to the Shares, free and clear of all Encumbrances. The Company shall seek to enforce its rights under any third party nondisclosure or confidentiality agreements on behalf of and at the request and expense of the Purchaser.

9.4 Time of the Essence. Time shall be of the essence of this Agreement.

9.5 Entire Agreement. This Agreement (and all related documents referred to herein, including the schedules and exhibits hereto) constitutes the entire agreement between the Company and the Purchaser pertaining to the Contemplated Transactions and supersedes all prior agreements, undertakings, negotiations and discussions, whether oral or written, of the Company and the Purchaser and there are no warranties, representations, covenants, obligations or agreements between the Company (or any Affiliate thereof) and the Purchaser (or any Affiliate thereof) except as set forth in this Agreement (or any such related document).

9.6 Assignment. Neither party to this Agreement may assign any of its respective benefits, obligations or liabilities under or in respect of this Agreement without the prior written consent of the other party, which may be withheld in its absolute discretion; provided, however, that the Purchaser may, without the consent of the Company, assign its rights and benefits under or in respect of this Agreement, in whole or in part, to one or more directly or indirectly wholly-owned Subsidiaries, if and to the extent permitted by the regulatory approvals required to be obtained in connection with the Contemplated Transactions and the Bankruptcy Court, but no such assignment will relieve the Purchaser of its obligations under this Agreement. Any attempted assignment without the necessary consent shall be void.

9.7 Invalidity. Each of the provisions contained in this Agreement is distinct and severable and a determination of illegality, invalidity or unenforceability of any such provision or part hereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof, unless as a result of such determination this Agreement would fail in its essential purposes.

9.8 Waiver and Amendment. Except as expressly provided in this Agreement, no amendment or waiver of it will be binding unless made in writing by the party to be bound by such amendment or waiver. No waiver of any provision, or any portion of any provision, of this Agreement will constitute a waiver of any other part of the provision or any other provision of this Agreement nor a continuing waiver unless otherwise expressly provided.

9.9 Third-Party Beneficiaries; Bank as Party. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein express or implied shall give or be construed to give to any Person, other than, (i) solely with respect to the provisions in Section 5.19, the covered directors and officers under the tail coverage; (ii) solely with respect to the provision in Section 5.5(a), the other investors party to the Stock Subscription Agreements; and (iii) the parties hereto and such permitted assigns, any legal or equitable rights hereunder. The Bank is a party to this Agreement solely for purposes of Sections 5.4, 5.11, 5.12, 5.13, 5.14, 5.15, 5.19, 7.4, and 9.9; provided, however, that nothing in this Agreement shall in any way limit the Bank's right to claim any benefits inuring to it under any other sections of this Agreement.

9.10 Surviving Provisions on Termination. Notwithstanding any other provisions of this Agreement, if this Agreement is terminated, the provisions of Sections 1.3, 5.6, 6.4(a) and 9.1 shall survive such termination and remain in full force and effect, and each party shall remain liable for any willful breach of this Agreement prior to its termination.

9.11 Captions. The captions in this Agreement are inserted for convenience of reference only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

9.12 Counterparts. This Agreement may be signed in counterparts and each such counterpart will constitute an original document and such counterparts, taken together, will constitute one and the same instrument. Electronically transmitted or facsimile copies shall be deemed to be originals.

9.13 Delivery by Facsimile. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments or waivers hereto or thereto, to the extent signed and delivered by means of a facsimile machine or by e-mail delivery of a ".pdf" format data file, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or e-mail delivery of a ".pdf" format data file to deliver a signature to this Agreement or any amendment hereto or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or e-mail delivery of a ".pdf" format data file as a defense to the formation of a contract and each party hereto forever waives any such defense.

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EXECUTION VERSION

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

COMPANY

BEACH COMMUNITY BANCSHARES, INC.

By: ______________________________
Name: A. Anthony Hughes
Title: President and Chief Executive Officer

BANK

BEACH COMMUNITY BANK

By: ______________________________
Name: A. Anthony Hughes
Title: President and Chief Executive Officer

EXECUTION VERSION

NAME OF PURCHASER: David F. Bolger 2018 Irrevocable Stock Trust

By:________________________________

Name: Thomas M. Wells

Title: Trustee

Address for Notice:
c/o Wells, Jaworski & Liebman, LLP
12 Route 17 North, P.O. Box 1827
Paramus, New Jersey 07653-1827

Telephone:	(201) 587-0888
Facsimile:	(201) 587-8845
Email:	twells@wellslaw.com
Attention:	Thomas M. Wells, Esq.

Delivery Instructions:
(if different than above)

____
____
____
____

EXHIBIT A

FORM OF STOCK SUBSCRIPTION AGREEMENT

EXECUTION VERSION

STOCK SUBSCRIPTION AGREEMENT

dated April _, 2018

by and among

BEACH COMMUNITY BANK

and

THE PURCHASER IDENTIFIED ON THE SIGNATURE PAGE HERETO

TABLE OF CONTENTS

EXHIBITS

STOCK SUBSCRIPTION AGREEMENT

This Stock Subscription Agreement (this "**Agreement**") is dated as of April _, 2018, by and among Beach Community Bank, a Florida banking corporation (the "**Bank**"), and the purchaser identified on the signature page hereto (including its successors and assigns, the "**Purchaser**").

RECITALS

A. Beach Community Bancshares, Inc. (the "**Company**") currently owns all of the issued and outstanding shares of Common Stock of the Bank.

B. The Company intends to file a voluntary bankruptcy petition (the "**Bankruptcy Case**") under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the "**Bankruptcy Code**"), in the United States Bankruptcy Court for the Northern District of Florida (the "**Bankruptcy Court**") promptly following the date this Agreement is executed.

C. Pursuant to the Stock Purchase Agreement (the "**Stock Purchase Agreement**"), dated as of the date of this Agreement, by and between the Company and the purchaser identified on the signature page thereto (the "**Bank Stock Purchaser**"), the Bank Stock Purchaser has agreed to purchase all of the issued and outstanding shares of Common Stock of the Bank, upon the approval of such sale pursuant to an order of the Bankruptcy Court under, *inter alia*, Sections 105, 363 and 365 of the Bankruptcy Code.

D. Following entry of the Sale Order by the Bankruptcy Court, in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933 (the "**Securities Act**") and Rule 506 of Regulation D ("**Regulation D**") as promulgated by the United States Securities and Exchange Commission (the "**Commission**") under the Securities Act, the Purchaser wishes to purchase, and the Bank wishes to sell, upon the terms and subject to the conditions stated in this Agreement, following the adoption and subject to the terms and conditions of the Articles of Amendment (as defined below), that aggregate number of shares of (i) common stock, par value $5.00 per share, of the Bank (the "**Common Stock**") at a price per share of Common Stock equal to $5.00 (subject to adjustment in accordance with Section 2.1(e) with respect to the Bank Stock Purchaser only, the "**Purchase Price**"), set forth below the Purchaser's name on the signature page of this Agreement (which shall be collectively referred to herein as the "**Common Shares**") and (ii) Convertible Perpetual Preferred Stock, Class A, par value $5.00 per share, of the Bank (the "**Non-Voting Preferred Stock**") at a price per share equal to the Purchase Price, set forth below the Purchaser's name on the signature page of this Agreement (which together with the Common Shares are referred to herein as the "**Securities**"). The Securities are also exempt from registration under Section 3(a)(2) of the Securities Act. A Purchaser that proposes to acquire a number of Common Shares that would exceed ten percent (10%) of the Bank's total outstanding voting equity immediately following the closing of this offering shall instead acquire Common Shares representing nine and nine-tenths percent (9.9%) of the total outstanding voting equity immediately following the offering and any shares acquired in excess of this amount shall be issued as shares of Non-Voting Preferred Stock.

E. The Bank has engaged Hovde Group, LLC as its placement agent (the "**Placement Agent**") for the offering of the Securities.

F. In addition to the Securities to be purchased by the Purchaser pursuant to this Agreement, the Bank intends to effect one or more private placement transactions for the sale of the Securities with other "accredited investors" (the "**Other Investors**"). On the Closing Date (as defined below), the Bank will offer and sell to each Other Investor, pursuant to identical stock subscription agreements with the

Other Investors (collectively, the "**Stock Subscription Agreements**"), the number of shares of Securities subscribed by such Other Investor and accepted by the Bank. The aggregate number of shares that may be subscribed for pursuant to this Agreement and the Stock Subscription Agreements is 13,319,439 shares of Common Stock and 5,405,604 shares of Non-Voting Preferred Stock for gross proceeds of between $95 million and $105 million.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Bank and the Purchaser hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms shall have the meanings indicated in this Section 1.1:

"**Acquisition Proposal**" means a written offer or proposal involving the Bank or any Subsidiary with respect to: (a) any merger, reorganization, consolidation, share exchange, share issuance, recapitalization, business combination, liquidation, dissolution or other similar transaction involving any sale, issuance, lease, exchange, mortgage, pledge, transfer or other disposition of, all or a material portion of the assets or equity securities or deposits of, the Bank or any Subsidiary, in a single transaction or series of related transactions; (b) any tender offer or exchange offer for all or a material portion of the outstanding shares of capital stock of the Bank or any Subsidiary; or (c) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing.

"**Action**" means any action, claim, suit, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition), or investigation pending or, to the Bank's Knowledge, threatened in writing against the Bank, any Subsidiary, or any of their respective properties or any officer, director, or employee of the Bank or any Subsidiary acting in his or her capacity as an officer, director, or employee before or by any Governmental Entity.

"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is controlled by, or is under common control with such Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"**Affiliated Group**" has the meaning given to the term in Code §1504 (or any corresponding provision of state, local or non-U.S. Tax Law).

"**Agency**" has the meaning set forth in Section 3.1(nn).

"**Agreement**" has the meaning ascribed to such term in the Preamble.

"**Articles of Amendment**" has the meaning set forth in Section 2.2(b).

"**Articles of Incorporation**" means the Articles of Incorporation of the Bank and all amendments thereto, as the same may be amended from time to time.

"**Asset Sales**" has the meaning set forth in Section 2.2(b).

"**Bank**" has the meaning set forth in the Preamble.

"**Bank Counsel**" means Nelson Mullins Riley & Scarborough LLP.

"**Bank Financial Statements**" has the meaning set forth in Section 3.1(h).

"**Bank Reports**" has the meaning set forth in Section 3.1(ii).

"**Bank's Knowledge**" means with respect to any statement made to the knowledge of the Bank, that the statement is based upon the actual knowledge after reasonable investigation of the following officers: Anthony Hughes and Gary Johns.

"**Bank Stock Purchase Price**" means the Purchase Price (as such term is defined in the Stock Purchase Agreement, including any adjustments thereto pursuant to Section 5.8 of the Stock Purchase Agreement).

"**Bank Stock Purchaser**" has the meaning set forth in the Recitals.

"**Benefit Plan**" has the meaning set forth in Section 3.1(pp).

"**BHCA**" means the Bank Holding Company Act of 1956, as amended.

"**BHCA Control**" has the meaning set forth in Section 3.1(uu).

"**Bidding Procedures Order**" has the meaning given to such term in the Stock Purchase Agreement.

"**Board Representation Side Letter**" means each of the side letter agreements in the form attached hereto as Exhibit G between the Bank, on one hand, and each of the Purchaser and the applicable Other Investors (each of which intends to purchase an economic interest in the Bank of approximately 9.9% at Closing), respectively, on the other hand.

"**Burdensome Condition**" has the meaning set forth in Section 2.2(a)(iii).

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks in Florida are open for the general transaction of business.

"**Change in Control**" means, with respect to the Bank, the occurrence of any of the following events:

(1) any Person or "group" (other than the Purchaser and its Affiliates) becomes a beneficial owner (as defined in Rules 13d-3 of the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the aggregate shares of Common Stock;

(2) any Person or "group" (other than the Purchaser and its Affiliates) becomes a beneficial owner (as defined in Rules 13d-3 of the Exchange Act), directly or indirectly, of twenty-four and nine-tenths percent (24.9%) or more of the aggregate shares of Common Stock, and in connection with such event, individuals who, on the date of this Agreement, constitute the board of directors cease for any reason to constitute at least a majority of the board of directors;

(3) the consummation of a merger, consolidation, statutory share exchange, or similar transaction that requires adoption by the Bank's shareholders (a "**Business Combination**"), unless immediately following such Business Combination more than fifty percent (50%) of the total voting power of the corporation resulting from such Business Combination (the "**Surviving Corporation**"), or, if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership (as defined in Rules 13d-3 of the Exchange Act) of one hundred percent (100%) of the voting securities eligible to elect directors of the Surviving Corporation, is represented by Common Stock that was outstanding immediately before such Business Combination;

(4) the shareholders of the Bank approve a plan of liquidation or dissolution of the Bank or a sale of all or substantially all of the Bank's assets;

(5) a determination is made under 12 U.S.C. Section 1841(a)(2)(C) that any Person or "group" directly or indirectly exercise a controlling influence over the management or policies of the Bank; or

(6) the Bank has entered into a definitive agreement, the consummation of which would result in the occurrence of any of the events described in clauses (1) through (5) of this definition above.

"**CIBC Act**" means the Change in Bank Control Act of 1978.

"**Closing**" means the closing of the purchase and sale of the Securities pursuant to this Agreement.

"**Closing Date**" means the day when all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all of the conditions set forth in Section 2.2 hereof are satisfied or waived, as the case may be, or such other date as the parties may agree.

"**Code**" means the Internal Revenue Code of 1986, including the regulations and published interpretations thereunder.

"**Commission**" has the meaning set forth in the Recitals.

"**Common Shares**" has the meaning set forth in the Recitals.

"**Common Stock**" has the meaning set forth in the Recitals and also includes any securities into which the Common Stock may hereafter be reclassified or changed.

"**Company**" has the meaning set forth in the Recitals.

"**Consent Order**" means the Consent Order with respect to the Bank issued by the FDIC, docket number FDIC-09-492b, and the FOFR, docket number OFR 0686-FI-10/09, dated March 16, 2010 and consented to by the Bank.

"**Control**" (including the terms "controlling," "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise for purposes of the BHCA or the CIBC Act.

"**Covered Person**" has the meaning set forth in Section 3.1(rr).

"**CRA**" has the meaning set forth in Section 3.1(ll).

"**Data Room**" means the electronic data room prepared and maintained by the Bank for purposes of this offering.

"**Disclosure Materials**" means the Investor Presentation, the information in the Data Room, this Agreement, including the Schedules and applicable Exhibits hereto, the Disclosure Schedules, and any certificates furnished pursuant to this Agreement.

"**Disqualification Event**" has the meaning set forth in Section 3.1(rr).

"**Encumbrance**" with respect to any assets, means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising:

(i) A lien (statutory or otherwise), encumbrance, adverse claim, charge, execution, security interest, pledge against such asset, hypothecation, or a subordination to any right or claim of others in respect thereof;

(ii) A claim or interest against such asset;

(iii) An option or other right to acquire such asset or any interest therein;

(iv) An interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset; and

(v) Any other encumbrance of whatsoever nature and kind against such asset.

"**Environmental Laws**" has the meaning set forth in Section 3.1(k).

"**ERISA**" has the meaning set forth in Section 3.1(pp).

"**Escrow Agent**" means SunTrust Bank.

"**Escrow Agreement**" has the meaning set forth in Section 2.1(c).

"**Exchange Act**" means the Securities Exchange Act of 1934 or any successor statute, and the rules and regulations promulgated thereunder.

"**FDIC**" means the Federal Deposit Insurance Corporation.

"**Federal Reserve**" means the Board of Governors of the Federal Reserve System.

"**Final, Non-appealable**" (including, with correlative meaning, the term "final and non-appealable") means, with respect to any Order or other action of a Governmental Entity, an Order or other Action (i) as to which no appeal, notice of appeal, motion to amend or make additional findings of fact, motion to alter or amend judgment, motion for rehearing or reconsideration, motion for new trial or petition for writ of certiorari has been timely filed, or, if any of the foregoing has been timely filed, it has been disposed of in a manner that upholds and affirms the subject order in all material respects without the possibility for further appeal or rehearing thereon; and (ii) as to which the time for institution or filing an appeal, motion for rehearing or reconsideration, motion for new trial or petition for writ of certiorari shall have expired, excluding any additional time periods that may begin as a result of Federal Rule 60(b).

"**Florida Courts**" means the courts of the State of Florida that have jurisdiction over Okaloosa County or the Federal District Court of the Northern District of Florida.

"**FOFR**" means the Florida Office of Financial Regulation.

"**GAAP**" means U.S. generally accepted accounting principles as applied by the Bank.

"**Governmental Entity**" means any court, tribunal, administrative agency, arbitrator, branch, department or commission or other governmental or regulatory authority or instrumentality, whether federal, state, local, or foreign (or other political subdivision), and any applicable industry self-regulatory organization or securities exchange.

"**Holding Company Reorganization**" has the meaning set forth in Section 4.13(b).

"**Insurer**" has the meaning set forth in Section 3.1(nn).

"**Intellectual Property**" has the meaning set forth in Section 3.1(q).

"**Investor Presentation**" means that certain Confidential Presentation for Accredited Investors prepared by the Bank, dated November 2017.

"**IPO Offering Document**" has the meaning set forth in Section 4.13(a)(ii).

"**Law**" means any federal, state, county, municipal or local ordinance, permit, concession, grant, franchise, law, statute, code, rule, regulation, interpretation, or guidance or any judgment, ruling, order, writ, injunction or decree promulgated by any Governmental Entity.

"**Lien**" means any lien, charge, claim, Encumbrance, security interest, right of first refusal, preemptive right, mortgage, deed of trust, pledge, conditional sale agreement, restriction on transfer or other restrictions of any kind.

"**Loan Investor**" has the meaning set forth in Section 3.1(nn).

"**Material Adverse Effect**" means any event, circumstance, change or occurrence that has had or would reasonably be expected to have (a) a material and adverse effect on the legality, validity, or enforceability of any Transaction Document, (b) a material and adverse effect on the results of operations, assets, properties, business, or condition (financial or otherwise) of the Bank and the Subsidiaries, taken as a whole, or (c) any adverse impairment to the Bank's ability to perform in any material respect on a timely basis its obligations under any Transaction Document; *provided, however*, that clause (b) shall not include the impact of (i) the Bankruptcy Case; (ii) changes in banking and similar Laws of general applicability or interpretations thereof by any applicable Governmental Entity, (iii) changes in GAAP or regulatory accounting requirements applicable to banks and their holding companies generally, (iv) changes in general economic conditions, including interest rates, affecting banks generally, (v) any action required or permitted by this Agreement, or (vi) the effects of any action or omission taken by the

Bank with the prior written consent of the Purchaser, except, with respect to clauses (ii), (iii) and (iv), to the extent that the effect of such changes has a material and disproportionate impact on the Bank and the Subsidiaries, taken as a whole, relative to other similarly situated banks and their holding companies generally.

"**Material Contract**" means any of the following agreements of the Bank or any of its Subsidiaries:

(1) any contract containing covenants that limit in any material respect the ability of the Bank or any Bank Subsidiary to compete in any line of business or with any person or which involve any material restriction of the geographical area in which, or method by which or with whom, the Bank or any Bank Subsidiary may carry on its business (other than as may be required by Law or applicable regulatory authorities), and any contract that could require the disposition of any material assets or line of business of the Bank or any Bank Subsidiary;

(2) any joint venture, partnership, strategic alliance, or other similar contract (including any franchising agreement, but in any event excluding introducing broker agreements), and any contract relating to the acquisition or disposition of any material business or material assets (whether by merger, sale of stock or assets, or otherwise), which acquisition or disposition is not yet complete or where such contract contains continuing material obligations or contains continuing indemnity obligations of the Bank or any of the Bank Subsidiaries;

(3) any real property lease and any other lease with annual rental payments aggregating $100,000 or more;

(4) other than with respect to loans, any contract providing for, or reasonably likely to result in, the receipt or expenditure of more than $250,000 on an annual basis, including the payment or receipt of royalties or other amounts calculated based upon revenues or income;

(5) any contract or arrangement under which the Bank or any of the Bank Subsidiaries is licensed or otherwise permitted by a third party to use any Intellectual Property (as defined in Section 3.1(q)) that is material to its business (except for any "shrinkwrap" or "click through" license agreements or other agreements for software that is generally available to the public and has not been customized for the Bank or any of the Bank Subsidiaries) or under which a third party is licensed or otherwise permitted to use any Intellectual Property owned by the Bank or any of the Bank Subsidiaries;

(6) any contract that by its terms limits the payment of dividends or other distributions by the Bank or any Bank Subsidiary;

(7) any standstill or similar agreement pursuant to which any party has agreed not to acquire assets or securities of another person;

(8) any contract that would reasonably be expected to prevent, materially delay, or materially impede the Bank's ability to consummate the transactions contemplated by this Agreement and the other Transaction Documents;

(9) any contract providing for indemnification by the Bank or any Bank Subsidiary of any person, except for immaterial contracts entered into in the ordinary course of business consistent with past practice;

(10) any contract that contains a put, call, or similar right pursuant to which the Bank or any Bank Subsidiary could be required to purchase or sell, as applicable, any equity interests or assets that have a fair market value or purchase price of more than $100,000; and

(11) any other contract or agreement that would be required to be filed as a "material contract" within the meaning of Item 601(b)(10) of Regulation S-K if the Common Stock was registered with the Commission pursuant to the Securities Act or the Exchange Act.

"**Material Permits**" has the meaning set forth in Section 3.1(o).

"**Money Laundering Laws**" has the meaning set forth in Section 3.1(gg).

"**Non-Voting Preferred Stock**" has the meaning set forth in the Recitals.

"**OFAC**" has the meaning set forth in Section 3.1(ff).

"**Order**" means any order, judgment, decree, decision, ruling, writ, assessment, charge, stipulation, injunction or other determination of any Governmental Entity, or any arbitration award entered into by an arbitrator, in each case having competent jurisdiction to render such.

"**Other Investors**" has the meaning set forth in the Recitals.

"**Outside Date**" means ninety (90) days following the date of this Agreement; *provided*, that if such day is not a Business Day, the first day following such day that is a Business Day; *provided further*, that if on the Outside Date, the conditions set forth in Section 2.2(a)(ii) shall not have been satisfied but all other conditions set forth in Section 2.2 shall be satisfied or capable of being satisfied on the Outside Date, then the Outside Date shall be extended to July 31, 2018.

"**Person**" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, Governmental Entity, or any other form of entity not specifically listed herein.

"**Placement Agent**" has the meaning set forth in the Recitals.

"**Proceeding**" means an action, claim, suit, investigation, or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"**Purchase Price**" has the meaning set forth in the Recitals.

"**Purchaser**" has the meaning set forth in the Preamble.

"**Registration Statement**" has the meaning set forth in Section 4.13(a)(i).

"**Regulation D**" has the meaning set forth in the Recitals.

"**Regulatory Agreement**" has the meaning set forth in Section 3.1(kk).

"**Required Approvals**" has the meaning set forth in Section 3.1(e).

"**Rule 144**" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule 144.

"**Sale Order**" means the order, approving the sale of all of the issued and outstanding shares of Common Stock of the Bank to the Bank Stock Purchaser, in the form attached hereto as Exhibit H, with such changes that (a) with respect to each Purchaser that is not the Bank Stock Purchaser, are contemplated by the authorization letter from such Purchaser and (b) with respect to the Bank Stock Purchaser, are made solely in accordance with the Stock Purchase Agreement.

"**Secretary's Certificate**" has the meaning set forth in Section 2.2(b)(ix).

"**Securities**" has the meaning set forth in the Recitals.

"**Securities Act**" has the meaning set forth in the Recitals.

"**Solicitor**" has the meaning set forth in Section 3.1(rr).

"**Stock Purchase Agreement**" has the meaning set forth in the Recitals.

"**Stock Subscription Agreements**" has the meaning set forth in the Recitals.

"**Subscription Amount**" means with respect to the Purchaser, the aggregate amount to be paid for the Securities purchased hereunder as indicated on the Purchaser's signature page to this Agreement next to the heading "Aggregate Purchase Price (Subscription Amount)."

"**Subsidiary**" means any entity in which the Bank, directly or indirectly, owns fifty percent (50%) or more of the outstanding capital stock or otherwise has Control over such entity.

"**Tax**" or "**Taxes**" mean (a) any federal, state, local or foreign income, gross receipts, property, sales, use, license, excise, severance, stamp, occupation, premium, windfall profits, environmental, capital stock, profits, withholding, social security (or similar), unemployment, disability, real property, transfer, registration, value added, franchise, employment, payroll, withholding, alternative or add on minimum, ad valorem, transfer or excise tax, or any other tax, custom, duty, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest, penalty, or addition thereto imposed by any Governmental Entity, whether disputed or not, and (b) any liability in respect of any items described in clause (a) above payable by reason of contract, assumption, transferee or successor liability, operation of law, Treasury Regulations Section 1.1502-6(a) (or any predecessor or successor thereof or analogous or similar provisions of Law) or otherwise.

"**Tax Opinion**" has the meaning set forth in Section 2.2(a)(iv).

"**Tax Return**" means any return, declaration, report or similar statement filed or required to be filed with respect to any Tax (including any attached schedules), including, without limitation, any information return, claim for refund, amended return or declaration of estimated Tax.

"**Transaction Documents**" means this Agreement, the Schedules and applicable Exhibits attached hereto, including the Articles of Amendment, and any other documents or agreements executed by the Bank or the Purchaser in connection with the transactions contemplated hereunder, including the Stock Purchase Agreement (and the Schedules and Exhibits thereto) and the Stock Subscription Agreements (and the Schedules and applicable Exhibits thereto).

"**Transfer Agent**" means the Bank or any successor transfer agent for the Bank.

"**U.S. Sanctions Laws**" has the meaning set forth in Section 3.2(p).

ARTICLE II
PURCHASE AND SALE

2.1 **Closing.**

(a) **Purchase of Securities**. Subject to the terms and conditions set forth in this Agreement, at the Closing, the Bank shall issue and sell to the Purchaser, and the Purchaser shall, purchase from the Bank, the number of Securities set forth below the Purchaser's name on the signature page of this Agreement at a per share price equal to the Purchase Price.

(b) **Closing**. The Closing of the purchase and sale of the Securities pursuant to this Agreement shall take place at the offices of the Bank's counsel on the Closing Date or at such other locations or remotely by facsimile transmission or other electronic means as the parties may mutually agree.

(c) **Escrow**. Subject to a satisfactory pre-closing in form and substance satisfactory to the Purchaser, the Purchaser who does not require physical certificates to be held immediately prior to the Closing shall deliver to the Escrow Agent, pursuant to a written escrow agreement, dated the date hereof, between the Escrow Agent and the Bank satisfactory to the Purchaser (the "**Escrow Agreement**"), its Subscription Amount, in U.S. dollars and in immediately available funds, in the amount indicated below the Purchaser's name on the applicable signature page hereto under the heading "Aggregate Purchase Price (Subscription Amount)" by wire transfer at least one Business Day prior to the Closing Date to the account provided by the Bank.

(d) **Form of Payment**. Unless otherwise agreed to by the Bank and the Purchaser or Other Investors (in each case as to itself only), on the Closing Date, (i) the Bank shall deliver to the Purchaser one or more stock certificates (if physical certificates are required by the Purchaser to be held immediately prior to Closing; if not, then facsimile or ".pdf" copies of such certificates shall suffice for purposes of Closing with the original stock certificates to be delivered within two (2) Business Days of the Closing Date), evidencing the number of Securities set forth on the Purchaser's signature page to this Agreement, and (ii) upon receipt thereof, the Purchaser and Other Investors shall wire, or direct the Bank to wire from the account holding any Purchaser funds deposited pursuant to Section 2.1(c) its Subscription Amount to the Bank, in United States dollars and in immediately available funds.

(e) **Adjustment to Purchase Price**. With respect to the Bank Stock Purchaser only, in the event that the Bank Stock Purchase Price exceeds $850,000, a corresponding decrease shall be made to the Purchase Price (as defined in this Agreement) in an amount equal to (i) the amount by which the Bank Stock Purchase Price exceeds $850,000, *divided by* (ii) the total number of Securities to be purchased by the Purchaser under this Agreement. For the avoidance of doubt, the total number of Securities to be purchased by the Purchaser pursuant to this Agreement shall not change by reason of this Section 2.1(e).

2.2 **Closing Conditions.**

(a) **Conditions to Both Parties' Obligations**. The obligations of the Purchaser, on the one hand, and the Bank, on the other hand, are subject to the fulfillment and satisfaction on or before the Closing of each of the following conditions (unless waived in writing by the Purchaser and the Bank):

(i) (A) No provision of any applicable Law or regulation and no judgment, injunction, order, decision or decree by any Governmental Entity or the Bankruptcy Court shall prohibit the Closing or shall prohibit or restrict the Purchaser from owning or voting any Securities and (B) no lawsuit or other proceeding shall have been commenced by any Governmental Entity seeking to effect any of the foregoing.

(ii) All Required Approvals shall have been obtained and shall be in full force and effect;

(iii) Since the date hereof, other than the Consent Order, there shall not be any action taken, or any Law, rule or regulation enacted, entered, enforced or deemed applicable to the Bank or its Subsidiaries, the Purchaser (or its Affiliates) or the transactions contemplated by this Agreement, by any bank regulatory authority that (i) imposes any restriction or condition on the Bank or its Subsidiaries or the Purchaser or any of its Affiliates that the Purchaser determines, in its reasonable good faith judgment, is materially and unreasonably burdensome on the Bank's or its Subsidiaries' business following the Closing or on the Purchaser (or any of his Affiliates); (ii) would materially reduce the economic benefits of the transactions contemplated by this Agreement to the Purchaser or the Bank; (iii) results in the Bank being placed into receivership or conservatorship; or (iv) requires any modification of governance arrangement with respect to, or imposes any capital or other support requirements on the Purchaser, in each case, to such a degree that the Purchaser would not have entered into this Agreement had such condition or restriction been known to him on the date hereof (any such condition or restriction, a "**Burdensome Condition**").

(iv) The Bank shall have received, and shall have provided to the Purchaser a limited scope tax opinion (the "**Tax Opinion**") from a big four accounting firm, containing the conclusion reflected in Exhibit C attached hereto.

(v) The Bankruptcy Court shall have entered the Sale Order and such order (A) shall have become final and non-appealable, (B) shall not have been stayed as of the Closing Date, stayed, pending appeal or vacated, and (C) shall not have been amended, supplemented or otherwise modified in such a way that it could reasonably be expected to impose a Burdensome Condition or impair in any material respect the benefits to the Purchaser of the transactions contemplated by this Agreement.

(vi) The Bank shall have received executed letter agreements from the directors and executive officers of the Bank at Closing, substantially in the form of Exhibit I, releasing the Bank and its Affiliates from and against any pre-Closing liabilities of the Bank.

(b) **Conditions to the Purchaser's Obligations**. The obligations of the Purchaser hereunder are subject to the fulfillment and satisfaction on or before the Closing of each of the following conditions (unless waived in writing by the Purchaser):

(i) The representations and warranties of the Bank set forth in Section 3.1 of this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) as of the date when made and as of the Closing Date, as though made on and as of such date, except for such representations and warranties that speak as of a specific date.

(ii) The Bank shall have performed, satisfied and complied in all material respects with all covenants, agreements, and conditions required by the Transaction Documents to be performed, satisfied, or complied with by it at or prior to the Closing.

(iii) The Bank shall deliver to the Purchaser at Closing a certificate dated as of the Closing Date and signed by its President and Chief Executive Officer or its Chief Financial Officer, substantially in the form attached hereto as Exhibit E.

(iv) The Bank shall deliver to the Purchaser a legal opinion of Bank counsel, dated as of the Closing Date and in the form attached as Exhibit B, executed by such counsel and addressed to the Purchaser.

(v) The gross proceeds to the Bank from sales of the Common Stock and Non-Voting Preferred Stock shall be not less than $95 million and not more than $105 million, with such subscription funds having been previously accepted by the Bank or placed in escrow and subject to release from escrow to the Bank contingent only upon the Closing.

(vi) The purchase of the Common Shares by the Purchaser shall not cause the Purchaser, together with any other person whose Bank securities would be aggregated with the Purchaser's Bank securities for purposes of any banking regulation or Law, to collectively be deemed to own, control or have the power to vote securities which would represent more than nine and nine-tenths percent (9.9%) of any class of voting securities of the Bank outstanding at such time.

(vii) Excluding the transactions contemplated by this Agreement, since November 2017, no fact, change, condition, development, circumstance or effect shall have occurred that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

(viii) The Bank shall have delivered a certificate of the Secretary of the Bank, in the form attached hereto as Exhibit D (the "**Secretary's Certificate**"), dated as of the Closing Date, (A) certifying the resolutions adopted by the board of directors of the Bank approving the transactions contemplated by this Agreement and the other Transaction Documents and the issuance of the Securities pursuant to this Agreement and the other Transaction Documents and the Securities pursuant to the Stock Subscription Agreements, (B) certifying the current versions of the Articles of Incorporation and Bylaws of the Bank, (C) certifying as to the signatures and authority of persons signing the Transaction Documents and related documents on behalf of the Bank, and (D) attaching a Certificate of Existence for the Bank from the Secretary of State of the State of Florida as of a recent date no more than ten (10) Business Days prior to Closing.

(ix) The Bank shall have filed the articles of amendment to the Articles of Incorporation with the Secretary of State of the State of Florida (and the Secretary of State shall have issued a file-stamped copy evidencing the effectiveness of the articles of amendment) in the form attached hereto as Exhibit F (the "**Articles of Amendment**"), increasing the authorized shares of Common Stock and setting forth the terms of the Non-Voting Preferred Stock.

(x) The Bank shall have delivered to the Purchaser the Securities, as evidenced by one or more certificates dated the Closing Date free and clear of all Liens.

(xi) The Bank shall have entered into binding agreements to sell or otherwise resolve the assets set forth on Schedule 2.2(b)(xi) (the "**Asset Sales**") with (A) such Asset Sales closing simultaneously with the Closing or as soon thereafter as practicable under the terms of such binding agreements; (B) with discounts or losses in the aggregate of no more than $43 million from the book value set forth in Schedule 2.2(b)(xi); and (C) with respect to the portion of the Asset Sales that are bulk transactions (which is estimated to be approximately 80% of the assets listed on Schedule 2.2(b)(xi)), the conditions to close under such binding agreements shall be satisfied except for those conditions to be satisfied at the closing.

(xii) Purchaser shall have received confirmation, satisfactory to it, in its sole reasonable discretion, from the Federal Reserve Bank of Atlanta or the Board of Governors of the Federal Reserve System, the FDIC and the FOFR, to the effect that the consummation of the transactions contemplated by the Transaction Documents will not result in the Purchaser or any of its Affiliates (A) being deemed in control of the Bank or any of its Subsidiaries for purposes of the BHCA, CIBC Act or applicable laws of Florida, (B) otherwise being regulated as a bank holding company within the meaning of the BHCA or applicable state laws of Florida, or (C) otherwise be required to file any application or notice or obtain any approval or clearance from any Governmental Entity with respect to any of the foregoing.

(xiii) The Bank shall have received subscription funds from the Bank Stock Purchaser, with such subscription funds having been previously accepted by the Bank or placed in escrow and subject to release from escrow to the Bank contingent only upon the Closing, to cause the Bank Stock Purchaser's weighted average cost of Common Stock to be equal to the per share Purchase Price.

(xiv) All conditions to the closing of the transactions contemplated under the Stock Purchase Agreement shall have been satisfied (other than simultaneous consummation of the transactions contemplated under such agreements), and the Bank shall consummate the closing of the transactions under the Stock Purchase Agreement simultaneously with the closing of the transactions contemplated by the Stock Subscription Agreements.

(xv) The Bank Stock Purchase Price shall be $850,000 or as otherwise authorized by the Purchaser.

(xvi) The Company shall, and shall cause any of its Subsidiaries to, have contributed any Business-Related Assets and Contracts (as such term is defined in the Stock Purchase Agreement) to the Bank, if applicable.

(xvii) At Closing, the Bank's board of directors will be comprised as disclosed on Schedule 2.2(b)(xvii) and to the extent the Purchaser is entitled to nominate a director to the Bank's board of directors pursuant to a Board Representation Side Letter and exercises such right, the Purchaser's nominee shall have been appointed to the Bank's board of directors.

(c) **Conditions to the Bank's Obligations**. The obligations of the Bank hereunder are subject to the fulfillment and satisfaction on or before the Closing of each of the following conditions (unless waived in writing by the Bank):

(i) The representations and warranties of the Purchaser in Section 3.2 shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) when made and as of the Closing Date, except for such representations and warranties that speak as of a specific date.

(ii) The Purchaser shall have performed, satisfied, and complied in all material respects with all obligations, covenants, and agreements of the Purchaser required by the Transaction Documents to be performed, satisfied, or complied by the Purchaser at or prior to the Closing Date.

(iii) The Purchaser, except for the Bank Stock Purchaser, shall have fully completed and duly executed the Accredited Investor Questionnaire reasonably satisfactory to the Bank, in the form attached as Exhibit A, respectively.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 **Representations and Warranties of the Bank**. The Bank hereby represents and warrants as of the date hereof and as of the Closing Date, except for the representations and warranties that speak as of a specific date, which shall be made as of such date and qualified as set forth on the Schedules attached to this Agreement, provided that disclosure in any section of the Schedules shall apply only to such section of such Schedule, to the Purchaser that:

(a) **Subsidiaries**. The Bank has no direct or indirect Subsidiaries except as set forth in Schedule 3.1(a). The Bank owns, directly or indirectly, all of the capital stock (except for any preferred securities issued by Subsidiaries that are trusts) or comparable equity interests of each Subsidiary free and clear of any and all Liens, and all the issued and outstanding shares of capital stock or comparable equity interest of each Subsidiary are validly issued and are fully paid, non-assessable, and free of preemptive and similar rights to subscribe for or purchase securities.

(b) **Organization and Qualification**. The Bank and each of its Subsidiaries is an entity duly incorporated or otherwise organized, validly existing, and in good standing under the Laws of the jurisdiction of its incorporation or organization (as applicable), with the requisite power and authority to own or lease and use its properties and assets and to carry on its business as currently conducted. Neither the Bank nor any Subsidiary is in violation of any of the provisions of its respective certificate or articles of incorporation, bylaws, or other organizational or charter documents. The Bank and each of its Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not in the reasonable judgment of the Bank be expected to have a Material Adverse Effect. The Bank's deposit accounts are insured up to applicable limits by the FDIC, and all premiums and assessments required to be paid in connection therewith have been paid when due. The Bank and each of its Subsidiaries has conducted its business in compliance with all applicable federal, state and foreign Laws, orders, judgments, decrees, rules, regulations, and applicable stock exchange requirements, including all Laws and regulations restricting activities of banking organizations, in all material respects except as disclosed in Schedule 3.1(b).

(c) **Authorization; Enforcement; Validity**. The Bank has the requisite corporate power and authority to enter into and, subject to the Required Approvals, to consummate the transactions contemplated by each of the Transaction Documents and the Stock Subscription Agreements and otherwise to carry out its obligations hereunder and thereunder, including, without limitation, to issue the Securities in accordance with the terms hereof and to issue the shares of Common Stock in accordance with the terms of the Stock Subscription Agreements. The Bank's execution and delivery of each of the Transaction Documents and the Stock Subscription Agreements, and the consummation by it of the transactions contemplated hereby and thereby (including, but not limited to, the sale and delivery of the Securities pursuant to this Agreement and the other Transaction Documents) have been duly authorized by all necessary corporate action on the part of the Bank, and no further corporate action is required by the Bank, its board of directors, or its shareholders in connection therewith other than in connection with the Required Approvals. Each of the Transaction Documents and the Stock Subscription Agreements has been (or upon delivery will have been) duly executed by the Bank and is, or when delivered in accordance with the terms hereof or thereof, subject to the Required Approvals, will constitute the legal, valid, and binding obligation of the Bank enforceable against the Bank in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, or similar Laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application, (ii) as limited by Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (iii) insofar as indemnification and contribution provisions may be limited by applicable Law. There are no shareholder agreements, voting agreements, or other similar arrangements with respect to the Bank's capital stock to which the Bank is a party or, to the Bank's Knowledge, between or among any of the Bank's shareholders.

(d) **No Conflicts**. The execution, delivery, and performance by the Bank of the Transaction Documents and the Stock Subscription Agreements, and the consummation by the Bank of the transactions contemplated hereby or thereby (including, without limitation, the issuance of the Securities pursuant to this Agreement and the other Transaction Documents and the Stock Subscription Agreements), do not and will not, subject to receipt of the Required Approvals, (i) conflict with or violate any provisions of the Bank's or any Subsidiary's certificate or articles of incorporation, bylaws, or otherwise result in a violation of the organizational documents of the Bank or any Subsidiary, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would result in a default) under, result in the creation of any Lien upon any of the properties or assets of the Bank or any Subsidiary or give to others any rights of termination, amendment, acceleration, or cancellation (with or without notice, lapse of time or both) of, any agreement, indenture or instrument to which the Bank or any Subsidiary is a party, or (iii) subject to the Required Approvals, conflict with or result in a violation of any Law, rule, regulation, order, judgment, injunction, decree, or other restriction of any Governmental Entity to which the Bank is subject (including federal and state securities Laws and regulations and the rules and regulations thereunder, assuming, without investigation, the correctness of the representations and warranties made by the Purchaser herein and by the Other Investors in the Stock Subscription Agreements, of any self-regulatory organization to which the Bank or its securities are subject), or by which any property or asset of the Bank is bound or affected, except in the case of clauses (ii) and (iii) such as would not have or reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(e) **Filings, Consents and Approvals**. Neither the Bank nor any of its Subsidiaries is required to obtain any consent, waiver, authorization, or order of, give any notice to, or make any filing or registration with, any Governmental Entity, self-regulatory organization, or other Person in connection with the execution, delivery, and performance by the Bank of the Transaction Documents or the Stock Subscription Agreements (including, without limitation, the issuance of the Securities pursuant to this Agreement and the other Transaction Documents and the Stock Subscription Agreements), other than (i) the filing of the Bankruptcy Case and entry of the Bidding Procedures Order and the Sale Order,

(ii) filings required by any applicable state securities Laws, (iii) the filing of a Notice of Exempt Offering of Securities on Form D with the Commission under Regulation D of the Securities Act, (iv) the filing of any applicable notices and/or applications to or the receipt of any applicable consents or non-objections from the state or federal bank regulatory authorities that govern the Bank, including those in accordance with Section 4.12, (v) the filing of the Articles of Amendment to create Non-Voting Preferred Stock, and (vi) those that have been made or obtained prior to the date of this Agreement (collectively, the "**Required Approvals**"). The Bank is unaware of any facts or circumstances relating to the Bank or its Subsidiaries which would be likely to prevent the Bank from obtaining or effecting any of the foregoing.

(f) **Issuance of the Shares**. The issuance of the Securities has been duly authorized and the Securities, when issued and paid for in accordance with the terms of the Transaction Documents, will be duly and validly issued, fully paid, and non-assessable and free and clear of all Liens, other than Liens, if any, created by the Purchaser, and shall not be subject to preemptive or similar rights. Assuming the accuracy of the representations and warranties of the Purchaser in this Agreement and the Other Investors in the Stock Subscription Agreements, the Securities will be issued in compliance with all applicable federal and state securities Laws.

(g) **Capitalization**.

(i) (i) The authorized capital stock of the Bank consists of 2,000,000 shares of Common Stock. As of the date of this Agreement, there were 1,382,943 shares of Common Stock outstanding. All of the outstanding shares of capital stock of the Bank are duly authorized, validly issued, fully paid and non-assessable, have been issued in compliance in all material respects with all applicable federal and state securities Laws, and none of such outstanding shares were issued in violation of any preemptive rights or similar rights to subscribe for or purchase any capital stock of the Bank. The shares of Non-Voting Preferred Stock will, upon approval by the Bankruptcy Court and filing of the related amendment to the Articles of Incorporation with the Secretary of State of the State of Florida, have been duly authorized by all necessary corporate action and when so issued upon such conversion or exercise will be validly issued, fully paid and non-assessable, and free of preemptive rights except for those stated herein. The Bank will reserve, free of any preemptive or similar rights of shareholders of the Bank, a number of unissued shares of Common Stock, sufficient to issue and deliver the Common Stock into which the Non-Voting Preferred Stock is convertible. Except as set forth in Schedule 3.1(g), (1) no shares of the Bank's outstanding capital stock are subject to preemptive rights or any other similar rights; (2) there are no outstanding options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares of capital stock of the Bank, or contracts, commitments, understandings or arrangements by which the Bank is or may become bound to issue additional shares of capital stock of the Bank or options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares of capital stock of the Bank; (3) there are no material outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing indebtedness of the Bank or by which the Bank is bound; (4) except for the Stock Subscription Agreements, there are no agreements or arrangements under which the Bank is obligated to register the sale of any of its securities under the Securities Act; (5) there are no outstanding securities, instruments, agreements, commitments, understandings, or arrangements of the Bank that contain any redemption or similar provisions, and there are no contracts, commitments, understandings, or arrangements by which the Bank is or may become bound to redeem a security of the Bank or any of its Subsidiaries; and (6) the Bank does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. There are no securities or instruments issued by or to which the Bank is a party containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities pursuant to this Agreement and the other Transaction Documents or the Securities issued pursuant to the Stock Subscription Agreements.

(ii) Upon the filing of the Articles of Amendment prior to the Closing, the authorized capital stock of the Bank will consist of (A) 30,000,000 shares of Common Stock and (B) 15,000,000 shares of preferred stock of which 6,000,000 will be designated as Class A Preferred Stock. Immediately following the Closing, (A) 14,702,382 shares of Common Stock and (B) 5,405,604 shares of Non-Voting Preferred Stock will be issued and outstanding.

(h) **Financial Statements**. The consolidated unaudited financial statements of the Bank and its Subsidiary, consisting of the Report of Condition and Income of the Bank as of and for the period ended December 31, 2017; and the consolidated unaudited financial statements of the Bank and its Subsidiary, consisting of consolidated statements of financial condition as of February 28, 2018 and consolidated statements of operations for the two months ended February 28, 2018 (collectively, the "**Bank Financial Statements**") have been prepared in accordance with GAAP and regulatory accounting principles applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the balance sheet and results of operations of the Bank and its consolidated Subsidiaries taken as a whole as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments, which would not be material, either individually or in the aggregate.

(i) **Tax Matters**.

(i) The Bank and each of its Subsidiaries (or the Company on behalf of the Bank and its Subsidiaries) has filed all material foreign, U.S. federal, state and local Tax Returns that are or were required to be filed, and all such Tax Returns are true, correct and complete in all material respects and were prepared in substantial compliance with all applicable Laws and regulations. All material Taxes due and owing by the Bank or any of its Subsidiaries (whether or not shown on any Tax Return) and any other material assessment, fine or penalty levied against it have been paid, other than any such amounts (i) currently payable without penalty or interest, or (ii) being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP. There are no Liens for Taxes (other than Taxes not yet due and payable) on any assets of the Bank or its Subsidiaries.

(ii) The Bank and each of its Subsidiaries have timely withheld, collected or deposited as the case may be all material Taxes (determined both individually and in the aggregate) required to be withheld, collected or deposited by it, and to the extent required, have been paid to the relevant taxing authority in accordance with applicable Law. Each of the Bank and its Subsidiaries has complied with all applicable information reporting requirements in all material respects.

(iii) Neither the Company, the Bank, nor any of their Subsidiaries is subject to any outstanding audit, assessment, dispute or claim concerning any material Tax liability of the Company, the Bank or any of their Subsidiaries either within the Company's Knowledge or claimed, pending or raised by an authority in writing. No claim has been made by a tax authority in a jurisdiction where the Company, the Bank or any of their Subsidiaries does not pay Taxes or file Tax Returns asserting that the Company, the Bank or any of their Subsidiaries is or may be subject to Taxes assessed by such jurisdiction.

(iv) Neither the Bank nor any of its Subsidiaries is a party to any agreement, contract, arrangement or plan that has resulted or could result, separately or in the aggregate, in the payment of (i) any "excess parachute payment" within the meaning of Code §280G (or any corresponding provision of state, local or non-U.S. Tax Law) or (ii) any amount that will not be fully deductible as a result of Code §162(m) (or any corresponding provision of state, local or non-U.S. Tax Law). Neither the Bank nor any of its Subsidiaries has been a United States real property holding corporation within the meaning of Code §897(c)(2) during the applicable period specified in Code §897(c)(1)(A)(ii). Each of the Company, the Bank and their Subsidiaries have disclosed on their federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Code §6662. Neither the Bank nor any of its Subsidiaries is a party to or bound by any Tax allocation, Tax sharing or Tax indemnification agreement or similar contract or arrangement (other than a tax allocation policy adopted by the Company, which is set forth in Section 3.1(i) of the Disclosure Schedule). Neither the Bank nor any of its Subsidiaries (A) has been a member of an Affiliated Group filing a consolidated federal income Tax Return (other than a group the common parent of which was the Company) or (B) has any Liability for the Taxes of any Person (other than the Bank or any of its Subsidiaries) under Treas. Reg. 1.1502-6 (or any similar provision of state, local, or non-U.S. Law), as a transferee or successor, by contract or otherwise.

(v) Neither the Bank nor any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any period (or any portion thereof) ending after the Closing as a result of any:

(A) installment sale or other open transaction disposition made on or prior to the Closing;

(B) prepaid amount received on or prior to the Closing;

(C) written and legally binding agreement with a Governmental Entity relating to taxes entered into before the Closing;

(D) change in method of accounting in any taxable period ending on or before the Closing;

(E) election under Section 108(i) of the Code;

(F) use of an improper method of accounting for a taxable period ending on or before the Closing Date; or

(G) intercompany transaction or excess loss account described in Treasury Regulations under Code §1502 (or any corresponding provision of state, local or non-U.S. Tax Law).

(vi) Section 3.1(i) of the Disclosure Schedule sets forth, with respect to each of the Bank and its Subsidiaries, as of the most recent practicable date (as well as on an estimated pro forma basis as of the Closing giving effect to the consummation of the transactions contemplated hereby), the amount of any net operating loss, net capital loss, unused investment or other credit, unused foreign tax credit, or excess charitable contribution allocable to the Bank or its Subsidiaries.

(vii) Neither the Bank nor any of its Subsidiaries has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code §361.

(viii) Neither the Bank nor any of its Subsidiaries is or has been a party to any "reportable transaction," as defined in Code §6707A(c)(1) and Reg. §1.6011-4(b).

(ix) Neither the Bank nor any of its Subsidiaries (A) is a "controlled foreign corporation as defined in Code §957, (B) is a "passive foreign investment company" within the meaning of Code §1297, or (C) has a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise has an officer or fixed place of business in a country other than the country in which it is organized.

(x) Neither the Bank nor any of its Subsidiaries has received any letter ruling from the Internal Revenue Service (or any comparable ruling from any other taxing authority).

(xi) The Affiliated Group of which the Company is the common parent has filed all material income Tax returns that it was required to file for each taxable period during which any of the Bank or its Subsidiaries was a member of the Affiliated Group. All such Tax Returns were correct and complete (i) in all material respects as they relate to the Bank or any of its Subsidiaries and (ii) in all material respects in so far as they do not relate to the Bank or any of its Subsidiaries. All income Taxes owed by such Affiliated Group (whether or not shown on any Tax Returns) have been paid for each taxable period during which any of the Bank and its Subsidiaries was a member of the Affiliated Group.

(xii) At the time of the Closing (as defined in the Stock Purchase Agreement to which the Bank Stock Purchaser is a party), none of the net operating losses, tax credits and other relevant Tax attributes of the Bank and its Subsidiaries is subject to limitations under Code §382 or §383.

(j) **Material Changes**. Since December 31, 2017, except as disclosed in the unaudited consolidated balance sheets of the Company and its Subsidiary as of February 28, 2018, and related consolidated statements of operations for the two months then ended or otherwise disclosed in Schedule 3.1(j), (i) there have been no events, occurrences, or developments that have had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (ii) the Bank has not incurred any material liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses, and other liabilities incurred in the ordinary course of business consistent with past practice, and (B) liabilities not required to be reflected in the Bank Financial Statements pursuant to GAAP, (iii) the Bank has not altered materially its method of accounting or the manner in which it keeps its accounting books and records, (iv) the Bank has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed, or made any agreements to purchase or redeem any shares of its capital stock, (v) the Bank has not issued any equity securities to any officer, director, or Affiliate, (vi) there has not been any material change or amendment to, or any waiver of any material right by the Bank under, any Material Contract under which the Bank or any of its Subsidiaries is bound or subject, and (vii) to the Bank's Knowledge, there has not been a material increase in the aggregate dollar amount of (A) the Bank's nonperforming loans (including nonaccrual loans and loans ninety (90) days or more past due and still accruing interest) or (B) the reserves or allowances established on the Bank's or the Bank's financial statements with respect thereto. Except for the transactions contemplated by this Agreement and the Stock Subscription Agreements or as otherwise disclosed in Schedule 3.1(j), no event, liability, or development has occurred or exists with respect to the Bank or its Subsidiaries or their respective business, properties, operations, or financial condition that has materially affected or would reasonably be expected to materially affect, either individually or in the aggregate, the information as presented to the Purchaser in connection with the offering of the Securities.

(k) **Environmental Matters**. To the Bank's Knowledge, neither the Bank nor any of its Subsidiaries (i) is in violation of any Law of any Governmental Entity relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "**Environmental Laws**"), (ii) is liable for any off-site disposal or contamination pursuant to any Environmental Laws, (iii) owns or operates any real property contaminated with any substance that is in violation of any Environmental Laws or (iv) is subject to any claim relating to any Environmental Laws; in each case, which violation, contamination, liability or claim has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and there is no pending or, to the Bank's Knowledge, threatened investigation that might lead to such a claim. To the Bank's Knowledge, except as would not result in a Material Adverse Effect, there are no circumstances or conditions (including the presence of asbestos, underground storage tanks, lead products, polychlorinated biphenyls, prior manufacturing operations, dry-cleaning or automotive services) involving the Bank or any of its Subsidiaries, or any currently or formerly owned or operated property of the Bank or any of its Subsidiaries, that could reasonably be expected to result in any claim, liability, investigation, cost or restriction against the Bank or any of its Subsidiaries, or result in any restriction on the ownership, use, or transfer of any property pursuant to any Environmental Law, or adversely affect the value of any currently owned property of the Bank or any of its Subsidiaries.

(l) **Litigation**. There is no Action pending or, to the Bank's Knowledge, threatened, which (i) adversely affects or challenges the legality, validity, or enforceability of any of the Transaction Documents, the issuance of Securities pursuant to this Agreement and the other Transaction Documents or the Securities issued pursuant to the Stock Subscription Agreements or (ii) except as disclosed in Schedule 3.1(l), is reasonably likely to be material to the Bank or any Subsidiary, individually or in the aggregate, if there were an unfavorable decision. Except as disclosed in Schedule 3.1(l), neither the Bank nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities Laws or a claim of breach of fiduciary duty nor is any Action, to the Bank's Knowledge, currently threatened. There is no Action by the Bank or any Subsidiary pending or which the Bank or any Subsidiary intends to initiate (other than collection or similar claims in the ordinary course of business). Except as disclosed in Schedule 3.1(l), there has not been, and to the Bank's Knowledge there is not pending or contemplated, any investigation by the Commission involving the Bank or any current or former director or officer of the Bank. With the exception of the Consent Order, there are no outstanding orders, judgments, injunctions, awards or decrees of any court, arbitrator or governmental or regulatory body against the Bank or any executive officers or directors of the Bank in their capacities as such, which individually or in the aggregate, would reasonably be expected to be material to the Bank or any Subsidiary.

(m) **Employment Matters**. No labor dispute exists or, to the Bank's Knowledge, is imminent with respect to any of the employees of the Bank or any Bank Subsidiary which would have or reasonably be expected to have a Material Adverse Effect. None of the employees of the Bank or any Bank Subsidiary is a member of a union that relates to such employee's relationship with the Bank or any Bank Subsidiary, and neither the Bank nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Bank and each Subsidiary believes that its relationship with its employees is good. To the Bank's Knowledge, there is no activity involving any of the employees of the Bank or any Bank Subsidiary seeking to certify a collective bargaining unit or similar organization. To the Bank's Knowledge, no executive officer is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of a third party, and to the Bank's Knowledge, the continued employment of each such executive officer does not subject the Bank or any Bank Subsidiary to any liability with respect to any of the foregoing matters. The Bank and each of its Subsidiaries are in compliance in all material respects with all Laws and regulations relating to employment and employment practices, immigration, terms and conditions of employment and wages and hours. As of the date of this Agreement, except as otherwise disclosed in Schedule 3.1(m), no material employee has given notice to the Bank or any of its Subsidiaries of his or her intent to terminate his or her employment or service relationship with the Bank or any of its Subsidiaries. The Bank and its Subsidiaries are in material compliance with all Laws concerning the classification of employees and independent contractors and have properly classified all such individuals for purposes of participation in employee benefit plans.

(n) **Compliance**. Neither the Bank nor any of its Subsidiaries (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Bank or any of its Subsidiaries under), nor has the Bank or any of its Subsidiaries received written notice of a claim that it is in default under or that it is in violation of, any Material Contract (whether or not such default or violation has been waived), (ii) except for the Consent Order, is in violation of any order of which the Bank has been made aware in writing of any court, arbitrator, or governmental body having jurisdiction over the Bank or its Subsidiaries or their respective properties or assets, (iii) is in violation of, or in receipt of written notice that it is in violation of, any statute, rule, regulation, policy, guideline, or order (other than the Consent Order) of any Governmental Entity or self-regulatory organization applicable to the Bank or any of its Subsidiaries, or which would have the effect of revoking or limiting FDIC deposit insurance.

(o) **Regulatory Permits**. The Bank and each of its Subsidiaries possess or have applied for all certificates, authorizations, consents, and permits issued by the appropriate federal, state, local, or foreign regulatory authorities necessary to conduct their respective businesses as currently conducted, except where the failure to possess such certificates, authorizations, consents, or permits, individually or in the aggregate, has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect ("**Material Permits**"), and (i) neither the Bank nor any of its Subsidiaries has received any notice in writing of proceedings relating to the revocation or material adverse modification of any such Material Permits, and (ii) the Bank is unaware of any facts or circumstances that would give rise to the revocation or material adverse modification of any Material Permits.

(p) **Title to Assets**. The Bank and its Subsidiaries have good and marketable title to all real property and tangible personal property owned by them which is material to the business of the Bank and its Subsidiaries, taken as a whole, in each case free and clear of all Liens, except such as do not materially affect the value of such property or do not interfere with the use made and proposed to be made of such property by the Bank and any of its Subsidiaries. Any real property and facilities held under lease by the Bank and any of its Subsidiaries are held by them under valid, subsisting, and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and facilities by the Bank and its Subsidiaries. No notice of a claim of default by any party to any lease entered into by the Bank or any of its Subsidiaries has been delivered to either the Bank or any of its Subsidiaries or is now pending, and there does not exist any event or circumstance that with notice or passing of time, or both, would constitute a default or excuse performance by any party thereto. None of the owned or leased premises or properties of the Bank or any of its Subsidiaries is subject to any current or potential interests of third parties or other restrictions or limitations that would impair or be inconsistent in any material respect with the current use of such property by the Bank or any of its Subsidiaries, as the case may be.

(q) **Patents and Trademarks**. The Bank and its Subsidiaries own, possess, license, or have other rights to use all material foreign and domestic patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, inventions, trade secrets, technology, Internet domain names, know-how, and other intellectual property (collectively, the "**Intellectual Property**") necessary for the conduct of their respective businesses as now conducted or as proposed to be conducted. Except where such violations or infringements would not have or reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (i) there are no rights of third parties to any such Intellectual Property, (ii) there is no infringement by third parties of any such Intellectual Property, (iii) there is no pending or threatened Action by others challenging the Bank's and its Subsidiaries' rights in or to any such Intellectual Property, (iv) there is no pending or threatened Action or claim by others challenging the validity or scope of any such Intellectual Property, and (v) there is no pending or threatened Action or claim by others that the Bank and/or any Subsidiary infringes or otherwise violates any patent, trademark, copyright, trade secret, or other proprietary rights of others.

(r) **Insurance**. The Bank and each of the Subsidiaries are, and following the Closing Date will remain, insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as the Bank reasonably believes to be prudent and customary in the businesses and locations in which and where the Bank and the Subsidiaries are engaged. The Bank and the Bank Subsidiaries have not been refused any insurance coverage sought or applied for, and the Bank and the Bank Subsidiaries do not have any reason to believe that they will not be able to renew their existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue their business at a cost that would not have a Material Adverse Effect. All premiums due and payable under all such policies and bonds have been timely paid, and the Bank and its Subsidiaries are in material compliance with the terms of such policies and bonds. Neither the Bank nor any of its Subsidiaries has received any notice of cancellation of any such insurance, nor, to the Bank's Knowledge, will it or any Subsidiary be unable to renew their respective existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would be materially higher than their existing insurance coverage. The Bank (i) maintains directors' and officers' liability insurance and fiduciary liability insurance with financially sound and reputable insurance companies with benefits and levels of coverage as disclosed in Schedule 3.1(r), (ii) has timely paid all premiums on such policies, and (iii) there has been no lapse in coverage during the term of such policies.

(s) **Transactions with Affiliates and Employees**. Except as set forth in Schedule 3.1(s), none of the officers or directors of the Bank and, to the Bank's Knowledge, none of the employees or Affiliates of the Bank, is presently a party to any contract, arrangement or transaction with the Bank (other than for services as employees, officers and directors) that would be required to be disclosed pursuant to Item 404 of Regulation S-K promulgated under the Securities Act if the Common Stock was required to be registered with the Commission under the Securities Act or the Exchange Act.

(t) **Internal Control over Financial Reporting**. Since December 31, 2016, the Bank has not been advised of any material deficiencies in the design or operation of internal control over financial reporting or any fraud, whether or not material, that involves management. Since December 31, 2016, no material weakness in internal control over financial reporting has been identified by the Bank's auditors, and since the date of the most recent evaluation thereof, there have been no significant changes in internal control over financial reporting that could reasonably be expected to materially and adversely affect internal control over financial reporting.

(u) **Certain Fees**. Except as set forth in Schedule 3.1(u), no Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest, or claim against or upon the Bank, any Subsidiary or the Purchaser for any commission, fee, or other compensation pursuant to any agreement, arrangement, or understanding entered into by or on behalf of the Bank or any Subsidiary.

(v) **Private Placement**. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2 of this Agreement and the accuracy of the information disclosed in the Accredited Investor Questionnaires (as applicable) and the accuracy of the Other Investors representation and warranties set forth in the Stock Subscription Agreements, no registration under the Securities Act is required for the offer and sale of the Securities by the Bank to the Purchaser under the Transaction Documents or the Securities to the Other Investors pursuant to the Stock Subscription Agreements.

(w) **Registration Rights**. Other than the Purchaser and the Other Investors, no Person has any right to cause the Bank or any Subsidiary to effect the registration under the Securities Act of any securities of the Bank or any Subsidiary.

(x) **No Integrated Offering**. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2 and the accuracy of the Other Investors' representations and warranties set forth in the respective Stock Subscription Agreements, none of the Bank, its Subsidiaries nor, to the Bank's Knowledge, any of its Affiliates or any Person acting on its behalf has, directly or indirectly, at any time within the past six months, made any offers or sales of any Bank security or solicited any offers to buy any security under circumstances that would eliminate the availability of the exemption from registration under Regulation D under the Securities Act in connection with the offer and sale by the Bank of the Securities as contemplated hereby.

(y) **Investment Company**. Neither the Bank nor any of its Subsidiaries is required to be registered as, and is not an Affiliate of, and immediately following the Closing will not be required to register as, an "investment company" within the meaning of the Investment Company Act of 1940.

(z) **Unlawful Payments**. Neither the Bank nor any of its Subsidiaries, nor to the Bank's Knowledge, any directors, officers, employees, agents, or other Persons acting at the direction of or on behalf of the Bank or any of its Subsidiaries has, in the course of its actions for, or on behalf of, the Bank or any of its Subsidiaries (i) directly or indirectly, used any corporate funds for unlawful contributions, gifts, entertainment, or other unlawful expenses relating to foreign or domestic political activity, (ii) made any direct or indirect unlawful payments to any foreign or domestic governmental officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) violated any provision of the Foreign Corrupt Practices Act of 1977, or (iv) made any other unlawful bribe, rebate, payoff, influence payment, kickback, or other material unlawful payment to any foreign or domestic government official or employee.

(aa) **Application of Takeover Protections; Rights Agreements**. The Bank has not adopted any shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of its Common Stock or a Change in Control of the Bank. The Bank and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement), or other similar anti-takeover provision under the Bank's Articles of Incorporation or other organizational documents or the Laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to the Purchaser solely as a result of the transactions contemplated by the Transaction Documents or to any of the Other Investors solely as a result of the transactions contemplated by the Stock Subscription Agreements, including, without limitation, the Company's sale to the Bank Stock Purchaser of all of the issued and outstanding shares of Common Stock of the Bank, the Bank's issuance of the Securities and the Purchaser's ownership of the Securities, the Bank's issuance of the Securities to any of the Other Investors, and any of the Other Investors' ownership of shares of the Securities.

(bb) **No Undisclosed Liabilities. T**here are no material liabilities or obligations of the Bank or any of the Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable, or otherwise, except for (i) liabilities appropriately reflected or reserved against in accordance with GAAP in the Bank's unaudited balance sheet or that are otherwise disclosed in the footnotes to the financial statements for the year ended December 31, 2017, and (ii) liabilities that have arisen in the ordinary and usual course of business and consistent with past practice since December 31, 2017.

(cc) **Off Balance Sheet Arrangements**. There is no transaction, arrangement, or other relationship between the Bank (or any Subsidiary) and an unconsolidated or other off- balance sheet entity that is required to be disclosed by the Bank in the Bank Financial Statements and is not so disclosed.

(dd) **Acknowledgment Regarding Purchaser's Purchase of Securities**. The Bank acknowledges and agrees that Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby. The Bank further acknowledges that the Purchaser is not acting as a financial advisor or fiduciary of the Bank (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by the Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchaser's purchase of the Securities.

(ee) **Absence of Manipulation**. The Bank has not, and to the Bank's Knowledge no one acting on its behalf has, taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Bank to facilitate the sale or resale of any of the Securities.

(ff) **OFAC**. Neither the Bank nor any Subsidiary nor, to the Bank's Knowledge, any director, officer, agent, employee, Affiliate, or Person acting on behalf of the Bank or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**"), and the Bank will not knowingly use the proceeds of the sale of the Securities towards any sales or operations in Cuba, Iran, Syria, Sudan, Myanmar, or any other country sanctioned by OFAC or for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC.

(gg) **Money Laundering Laws**. The operations of each of the Bank and any Subsidiary are, and have been conducted at all times, in compliance in all material respects with the money laundering statutes of applicable jurisdictions, the rules and regulations thereunder, and any related or similar rules, regulations, or guidelines, issued, administered, or enforced by any applicable governmental agency (collectively, the "**Money Laundering Laws**"), and to the Bank's Knowledge, no Action by or before any Governmental Entity or any arbitrator involving the Bank and/or any Subsidiary with respect to the Money Laundering Laws is pending or threatened.

(hh) **No Additional Agreements**. Except for the Board Representation Side Letter and as set forth on Schedule 3.1(hh), the Bank has no agreements or understandings (including, without limitation, side letters (other than those whose terms are described on Schedule 3.1(hh)) with any Other

Investors or other Person to purchase shares of Common Stock on terms that are different from those set forth herein. The Bank does not have any agreement or understanding with the Purchaser with respect to the transactions contemplated by the Transaction Documents other than as specified in the Transaction Documents and in the Stock Subscription Agreements.

(ii) **Reports, Registrations and Statements**. Since January 1, 2016, the Bank and each Subsidiary have filed all material reports, registrations, and statements, together with any required amendments thereto, that it was required to file with the FDIC, the FOFR, and any other applicable federal or state securities or banking authorities. All such reports and statements filed with any such regulatory body or authority are collectively referred to herein as the "**Bank Reports**." All such Bank Reports were filed on a timely basis or the Bank or the applicable Subsidiary, as applicable, received a valid extension of such time of filing and has filed any such Bank Reports prior to the expiration of any such extension. As of their respective dates, the Bank Reports complied in all material respects with all the rules and regulations promulgated by the FDIC, the FOFR, and any other applicable foreign, federal, or state securities or banking authorities, as the case may be.

(jj) **Bank Regulatory Capitalization**. As of December 31, 2017, the Bank was considered "Significantly Undercapitalized" for the purpose of the FDIC's capital adequacy rules. The FDIC has not been appointed receiver of the Bank.

(kk) **Agreements with Regulatory Agencies**. Except for the Consent Order or as otherwise disclosed in Schedule 3.1(kk), neither the Bank nor any Subsidiary is subject to any cease-and-desist or other similar order or enforcement Action issued by, or is a party to any written agreement, consent agreement, or memorandum of understanding with, or is a party to any commitment letter or similar undertaking to, or is subject to any capital directive by, or since December 31, 2015, has adopted any board resolutions at the request of, any Governmental Entity that currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its liquidity and funding policies and practices, its ability to pay dividends, its credit, risk management or compliance policies, its internal controls, its management, or its operations or business (each item in this sentence, a "**Regulatory Agreement**"), nor has the Bank or any Subsidiary been advised in writing since December 31, 2015 by any Governmental Entity that it intends to issue, initiate, order, or request any such Regulatory Agreement. Except as set forth in Schedule 3.1(kk), the Bank and any applicable Subsidiary is in compliance in all material respects with the Regulatory Agreements.

(ll) **Compliance with Certain Banking Regulations**. To the Bank's Knowledge, there are no facts or circumstances, and the Bank has no reason to believe that any facts or circumstances exist, that would cause the Bank or any applicable Subsidiary (i) to be deemed not to be in satisfactory compliance with the Community Reinvestment Act ("**CRA**") and the regulations promulgated thereunder or to be assigned a CRA rating by federal or state banking regulators of lower than "satisfactory," (ii) to be deemed to be operating in violation of the Bank Secrecy Act, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001, any order issued with respect to anti-money laundering by OFAC, or any other anti-money laundering statute, rule, or regulation, (iii) to be deemed not to be in satisfactory compliance with the Home Mortgage Disclosure Act, the Fair Housing Act, the Community Reinvestment Act, the Equal Credit Opportunity Act, or (iv) to be deemed not to be in satisfactory compliance, in any material respect, with all applicable privacy of customer information requirements contained in any applicable federal and state privacy Laws and regulations as well as the provisions of all information security programs adopted by the Bank.

(mm) **No General Solicitation or General Advertising**. Neither the Bank nor, to the Bank's Knowledge, any person acting on its behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with any offer or sale of the Securities pursuant to this Agreement and the other Transaction Documents or the Securities offered and sold pursuant to the Stock Subscription Agreements.

(nn) **Mortgage Banking Business**.

(i) The Bank and each of its Subsidiaries has complied in all material respects with, and all documentation in connection with the origination, processing, underwriting, and credit approval of any mortgage loan originated, purchased, or serviced by the Bank or any of its Subsidiaries satisfied, (A) all applicable federal, state, and local Laws, rules, and regulations with respect to the origination, insuring, purchase, sale, pooling, servicing, subservicing, or filing of claims in connection with mortgage loans, including all Laws relating to real estate settlement procedures, consumer credit protection, truth in lending Laws, usury limitations, fair housing, transfers of servicing, collection practices, equal credit opportunity, and adjustable rate mortgages, (B) the responsibilities and obligations relating to mortgage loans set forth in any agreement between the Bank or any of its Subsidiaries and any Agency, Loan Investor, or Insurer, (C) the applicable rules, regulations, guidelines, handbooks, and other requirements of any Agency, Loan Investor, or Insurer, and (D) the terms and provisions of any mortgage or other collateral documents and other loan documents with respect to each mortgage loan; and

(ii) No Agency, Loan Investor, or Insurer has (A) claimed in writing that the Bank or any of its Subsidiaries has violated or has not complied with the applicable underwriting standards with respect to mortgage loans sold by the Bank or any of its Subsidiaries to a Loan Investor or Agency, or with respect to any sale of mortgage servicing rights to a Loan Investor, (B) imposed in writing restrictions on the activities (including commitment authority) of the Bank or any of its Subsidiaries, or (C) indicated in writing to the Bank or any of its Subsidiaries that it has terminated or intends to terminate its relationship with the Bank or any of its Subsidiaries for poor performance, poor loan quality, or concern with respect to the Bank's or any of its Subsidiaries' compliance with Laws.

For purposes of this Section 3.1(nn), (A) "**Agency**" means the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Farmers Home Administration (now known as Rural Housing and Community Development Services), the Federal National Mortgage Association, the United States Department of Veterans' Affairs, the Rural Housing Service of the U.S. Department of Agriculture, or any other federal or state agency with authority to (i) determine any investment, origination, lending, or servicing requirements with regard to mortgage loans originated, purchased, or serviced by the Bank or any of its Subsidiaries, or (ii) originate, purchase, or service mortgage loans, or otherwise promote mortgage lending, including state and local housing finance authorities, (B) "Loan Investor" means any person (including an Agency) having a beneficial interest in any mortgage loan originated, purchased, or serviced by the Bank or any of its Subsidiaries or a security backed by or representing an interest in any such mortgage loan, and (C) "Insurer" means a person who insures or guarantees for the benefit of the mortgagee all or any portion of the risk of loss upon borrower default on any of the mortgage loans originated, purchased, or serviced by the Bank or any of its Subsidiaries, including the Federal Housing Administration, the United States Department of Veterans' Affairs, the Rural Housing Service of the U.S. Department of Agriculture, and any private mortgage insurer, and providers of hazard, title, or other insurance with respect to such mortgage loans or the related collateral.

(oo) **Fiduciary Accounts**. The Bank and each of its Subsidiaries has properly administered all accounts for which it acts as a fiduciary, including accounts for which it serves as a trustee, agent, custodian, personal representative, guardian, conservator or investment advisor, in accordance with the terms of the governing documents, applicable federal and state law and regulation and common law. None of the Bank, its Subsidiaries, or any director, officer or employee of the Bank or its Subsidiaries has committed any breach of trust or fiduciary duty with respect to any such fiduciary account and the accountings for each such fiduciary account are true and correct and accurately reflect the assets of such fiduciary account.

(pp) **Risk Management Instruments**. The Bank and the Subsidiaries have in place risk management policies and procedures sufficient in scope and operation to protect against risks of the type and in amounts reasonably expected to be incurred by companies of similar size and in similar lines of business as the Bank and the Subsidiaries. Except as has not had or would not reasonably be expected to have a Material Adverse Effect, since January 1, 2017, all derivative instruments, including, swaps, caps, floors, and option agreements, whether entered into for the Bank's own account, or for the account of one or more of the Subsidiaries, were entered into (1) only in the ordinary course of business, (2) in accordance with prudent practices and in all respects with all applicable Laws, rules, regulations, and regulatory policies, and (3) with counterparties believed to be financially responsible at the time, and each of them constitutes the valid and legally binding obligation of the Bank or one of the Subsidiaries, enforceable in accordance with its terms. Neither the Bank nor the Subsidiaries, nor, to the Bank's Knowledge, any other party thereto, is in breach of any of its obligations under any such agreement or arrangement.

(qq) **ERISA**. The Bank and its Subsidiaries are in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, including the regulations and published interpretations thereunder ("**ERISA**"), and there is no pending or, to the Bank's Knowledge, threatened Action relating to a benefit plan (other than routine claims for benefits) maintained by or for the benefit of the Bank and its Subsidiaries (each, a "**Benefit Plan**"), and no Benefit Plan has within the three (3) years prior to the date hereof been the subject of an examination or audit by a Governmental Entity; no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Bank or any Subsidiary would have any liability; the Bank and its Subsidiaries have not incurred and does not expect to incur liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan, " or (ii) Sections 412 or 4971 of the Code; and each "Pension Plan" or other Benefit Plan for which the Bank or any Subsidiary would have liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

(rr) **Shell Company Status**. The Bank is not, and has never been, an issuer identified in Rule 144(i)(1).

(ss) **No "Bad Actor" Disqualification**. The Bank has exercised reasonable care, in accordance with Commission rules and guidance, and has conducted a factual inquiry including the procurement of relevant questionnaires from each Covered Person (as defined below) or other means, the nature and scope of which reflect reasonable care under the relevant facts and circumstances, to determine whether any Covered Person (as defined below) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act ("**Disqualification Events**"). To the Bank's Knowledge, after conducting such sufficiently diligent factual inquiries, no Covered Person is subject to a Disqualification Event. The Bank has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act. "**Covered Persons**" are those persons specified in

Rule 506(d)(1) under the Securities Act, including the Bank, any predecessor or affiliate of the Bank, any director, executive officer, other officer participating in the offering, general partner or managing member of the Bank, any beneficial owner of twenty percent (20%) or more of the Bank's outstanding voting equity securities, calculated on the basis of voting power, any promoter (as defined in Rule 405 under the Securities Act) connected with the Bank in any capacity at the time of the sale of the Securities, and any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Securities (a "**Solicitor**"), any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of any Solicitor or general partner or managing member of any Solicitor.

(tt) **Nonperforming Assets**. As of the date hereof, except as set forth in Schedule 3.1(ss), to the Bank's Knowledge, the Bank believes in good faith that the Bank will be able to fully and timely collect substantially all interest, principal, or other payments when due under its loans, leases, and other assets that are not classified as nonperforming and such belief is reasonable under all the facts and circumstances known to the Bank, and the Bank believes that the amount of reserves and allowances for loan and lease losses and other nonperforming assets established on the Bank's financial statements is adequate, and such belief is reasonable under all the facts and circumstances known to the Bank.

(uu) **No Change in Control**. Neither the Bank nor any of its Subsidiaries is a party to any employment, change in control, severance, or other compensatory agreement or any benefit plan pursuant to which the issuance of the Securities to the Purchaser as contemplated by this Agreement and the issuance of the Securities to the Other Investors as contemplated by the Stock Subscription Agreements would trigger a "change of control" or other similar provision in any of the agreements, which results in payments to the counterparty or the acceleration of vesting of benefits.

(vv) **Common Control**. The Bank is not and, after giving effect to the offering and sale of the Securities, will not be under the control (as defined in the BHCA and the Federal Reserve's Regulation Y (12 CFR Part 225) ("**BHCA Control**") of any company (as defined in the BHCA and the Federal Reserve's Regulation Y). The Bank is not in BHCA Control of any federally insured depository institution other than the Bank. The Bank does not control, in the aggregate, more than five percent (5%) of the outstanding voting class, directly or indirectly, of any federally insured depository institution. The Bank is not subject to the liability of any commonly controlled depository institution pursuant to Section 5(e) of the Federal Deposit Insurance Act (12 U.S.C. § 1815(e)).

(ww) **Material Contracts.** The Bank has made available to the Purchaser or its representatives, prior to the date hereof, true, correct, and complete copies of, and listed on Schedule 3.1(ww), each Material Contract to which the Bank or any Bank Subsidiary is a party or subject (whether written or oral, express or implied) as of the date of this Agreement. Each Material Contract is a valid and binding obligation of the Bank or any of its Subsidiaries (as applicable) that is a party thereto and, to the Bank's Knowledge, each other party to such Material Contract, except for such failures to be valid and binding as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Each such Material Contract is enforceable against the Bank or any of its Subsidiaries (as applicable) that is a party thereto and, to the Bank's Knowledge, each other party to such Material Contract in accordance with its terms (subject in each case to 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 of law or at equity), except for such failures to be enforceable as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Neither the Bank nor any Bank Subsidiary, nor to the Bank's Knowledge, any other party to a Material Contract, is in material default or material breach of a Material Contract and there does not exist any event, condition or omission that would constitute such a default or breach (whether by lapse of time or notice or both), in each case, except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(xx) **Disclosure**. All of the disclosure furnished by or on behalf of the Bank to the Purchaser in the Disclosure Materials regarding the Bank and its Subsidiaries, their respective businesses and the transactions contemplated by the Transaction Documents, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(xx) **Exemption**. The Shares are exempt from registration under the Securities Act pursuant to Section 3(a)(2) thereof, and, accordingly, the issuance of the Shares hereunder is exempt from the registration requirements under the Act. Upon consummation of the sale of the Shares to the Purchaser, the Shares will be freely transferable and freely tradable by the Purchaser without restriction.

(yy) **Loan Sale Agreements**. The agreements to be entered into by the Bank with respect to the Asset Sales (collectively, the "**Loan Sale Agreements**") will, when executed, constitute valid and binding agreements of the Bank enforceable against the Bank in accordance with their respective terms. Each Loan Sale Agreement will contain a representation by the applicable counterparty that such agreement constitutes a valid and binding agreement of such counterparty enforceable against such counterparty in accordance with its terms.

(zz) **Stock Subscription Agreements with Other Investors**. The Bank has executed simultaneously with its execution of this Agreement, Stock Subscription Agreements with Other Investors for, in the aggregate with this Agreement, subscriptions for the sale of 13, 319,439 shares of Common Stock and 5,405,604 shares of Non-Voting Preferred Stock for gross proceeds of not less than $95 million and not more than $105 million.

3.2 **Representations and Warranties of the Purchaser**. The Purchaser, hereby for itself and no Other Investors, hereby represents and warrants as of the date hereof and as of the Closing Date to the Bank as follows:

(a) **Organization; Authority**.

(i) If the Purchaser is an entity, it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization with the requisite corporate, partnership, limited liability company, or other applicable similar power and authority to enter into and to consummate the transactions contemplated by the applicable Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. If the Purchaser is an entity, the execution, delivery, and performance by the Purchaser of the applicable Transaction Documents to which it is a party and the transactions contemplated by this Agreement have been duly authorized by all necessary corporate or, if the Purchaser is not a corporation, such partnership, limited liability company, or other applicable like action, on the part of the Purchaser. If the Purchaser is an entity, each of the applicable Transaction Documents to which it is a party has been duly executed by the Purchaser, and when delivered by the Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, or similar Laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

(ii) If the Purchaser is not an entity, the execution, delivery, and performance by the Purchaser of the applicable Transaction Documents to which it is a party and the transactions contemplated by this Agreement have been duly authorized. Each of the applicable Transaction Documents to which the Purchaser is a party has been duly executed by the Purchaser, and when delivered by the Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, or similar Laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

(b) **No Conflicts**. The execution, delivery, and performance by the Purchaser of this Agreement , and the consummation by the Purchaser of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of the Purchaser (if the Purchaser is an entity), (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, or instrument to which the Purchaser is a party, or (iii) result in a violation of any Law, rule, regulation, order, judgment, or decree (including federal and state securities Laws) applicable to the Purchaser, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights, or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Purchaser to perform its obligations hereunder.

(c) **Investment Intent**. The Purchaser understands that the Securities may be "restricted securities" under applicable state Law and have not been registered under the Securities Act or any applicable state securities Law and is acquiring the Securities as principal for its own account and not with a view to, or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities Laws, *provided, however*, that by making the representations herein, the Purchaser does not agree to hold any of the Securities for any minimum period of time and reserves the right at all times to sell or otherwise dispose of all or any part of such Securities pursuant to an effective registration statement under the Securities Act or under an exemption from such registration and in compliance with applicable federal and state securities Laws. The Purchaser does not presently have any agreement, plan, or understanding, directly or indirectly, with any Person to distribute or effect any distribution of any of the Securities (or any securities which are derivatives thereof) to or through any person or entity.

(d) **Purchaser Status**. At the time the Bank Stock Purchaser was offered the Securities, it was, and at the date hereof it is, a sophisticated person as described in Rule 506(b)(2)(ii) under the Securities Act. For each Purchaser that is not the Bank Stock Purchaser, at the time the Purchaser was offered the Securities, it was, and at the date hereof it is, an "accredited investor" as defined in Rule 501(a) under the Securities Act; each such Purchaser has provided the information in the Accredited Investor Questionnaire attached hereto as Exhibit A.

(e) **Reliance**. The Bank will be entitled to rely upon this Agreement and is irrevocably authorized to produce this Agreement or a copy hereof to (i) any regulatory authority having jurisdiction over the Bank and its Affiliates, and (ii) any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby, in each case, to the extent required by any Governmental Entity to which the Bank is subject, provided that the Bank provides the Purchaser with prior written notice of such disclosure to the extent practicable and allowed by applicable Law.

(f) **General Solicitation**. The Purchaser is not purchasing the Securities as a result of any advertisement, article, notice, or other communication regarding the Securities published in any newspaper, magazine, or similar media or broadcast over television or radio or presented at any seminar or any other form of "general solicitation" or "general advertising" (as such terms are used in Regulation D promulgated under the Securities Act and interpreted by the Commission).

(g) **Direct Purchase**. Purchaser is purchasing the Securities directly from the Bank and not from the Placement Agent. The Placement Agent did not make any representations or warranties to Purchaser, express or implied, regarding the Securities, the Bank, or the Bank's offering of the Securities.

(h) **Experience of The Purchaser**. The Purchaser, either alone or together with its representatives, has such knowledge, sophistication, and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities and has so evaluated the merits and risks of such investment. The Purchaser is capable of protecting its own interests in connection with this investment and has experience as an investor in securities of companies like the Bank. The Purchaser is able to hold the Securities indefinitely if required, is able to bear the economic risk of an investment in the Securities, and, at the present time, is able to afford a complete loss of such investment. Further, Purchaser understands that no representation is being made as to the future trading value or trading volume of the Securities.

(i) **Access to Information**. The Purchaser is sufficiently aware of the Bank's business affairs and financial condition to reach an informed and knowledgeable decision to acquire the Securities. The Purchaser acknowledges that it has had the opportunity to review the Disclosure Materials and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, management and representatives of the Bank concerning the terms and conditions of the offering of the Securities and the merits and risks of investing in the Securities and any such questions have been answered to the Purchaser's reasonable satisfaction; (ii) access to information about the Bank and the Subsidiaries and their respective financial condition, results of operations, business, properties, management, and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Bank possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. The Purchaser has received all information it deems appropriate for assessing the risk of an investment in the Securities. Neither such inquiries nor any other investigation conducted by or on behalf of the Purchaser or its representatives or counsel shall modify, amend, or affect the Purchaser's right to rely on the truth, accuracy, and completeness of the Disclosure Materials provided to the Purchaser and the Bank's representations and warranties contained in the Transaction Documents. The Purchaser has sought such accounting, legal, and tax advice as it has considered necessary to make an informed decision with respect to its acquisition of the Securities. The Purchaser acknowledges that neither the Bank nor the Placement Agent have made any representation, express or implied, with respect to the accuracy, completeness, or adequacy of any available information except that the Bank has made the express representations and warranties contained in Section 3.1 of this Agreement.

(j) **Brokers and Finders**. Except as disclosed in Schedule 3.2(j), no Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest, or claim against or upon the Bank or the Purchaser for any commission, fee, or other compensation pursuant to any agreement, arrangement, or understanding entered into by or on behalf of the Purchaser.

(k) **Independent Investment Decision**. The Purchaser has independently evaluated the merits of its decision to purchase the Securities pursuant to the Transaction Documents, and the

Purchaser confirms that it has not relied on the advice of the Bank or the Placement Agent (or any of their respective agents, counsel, or Affiliates) or any Other Investor or Other Investor's business and/or legal counsel in making such decision. The Purchaser understands that nothing in this Agreement or any other materials presented by or on behalf of the Bank (including, without limitation, by the Placement Agent) to the Purchaser in connection with the purchase of the Securities constitutes legal, regulatory, tax, or investment advice. The Purchaser has consulted such legal, tax, and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Securities. The Purchaser understands that the Placement Agent has acted solely as the agent of the Bank in this placement of the Securities and the Purchaser has not relied on the business, legal, or regulatory advice of the Placement Agent or any of their agents, counsel, or Affiliates in making its investment decision hereunder, and confirms that none of such Persons has made any representations or warranties to the Purchaser in connection with the transactions contemplated by the Transaction Documents.

(l) **Reliance on Exemptions**. The Purchaser understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of U.S. federal and state securities Laws and that the Bank is relying in part upon the truth and accuracy of, and the Purchaser's compliance with, the representations, warranties, agreements, acknowledgements, and understandings of the Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of the Purchaser to acquire the Securities.

(m) **No Governmental Review**. The Purchaser understands that no U.S. federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(n) **Residency**. The Purchaser's residence (if an individual) or office in which its investment decision with respect to the Securities was made (if an entity) is located at the address immediately below the Purchaser's name on its signature page hereto.

(o) **Trading**. The Purchaser acknowledges that there is currently no trading market for the Common Stock and that there will be no trading market for the Non-Voting Preferred Stock.

(p) **OFAC and Anti-Money Laundering**. The Purchaser understands, acknowledges, represents, and agrees that (i) the Purchaser is not the target of any sanction, regulation, or Law promulgated by the Office of Foreign Assets Control, the Financial Crimes Enforcement Network, or any other U.S. Governmental Entity ("**U.S. Sanctions Laws**"), (ii) the Purchaser is not owned by, controlled by, under common control with, or acting on behalf of any person that is the target of U.S. Sanctions Laws, (iii) the Purchaser is not a "foreign shell bank" and is not acting on behalf of a "foreign shell bank" under applicable anti-money laundering Laws and regulations, (iv) the Purchaser's entry into this Agreement or consummation of the transactions contemplated hereby will not contravene U.S. Sanctions Laws or applicable anti-money laundering Laws or regulations, (v) to the extent permitted under applicable Law, the Purchaser will promptly provide to the Bank or any regulatory or Law enforcement authority such information or documentation as may be required to comply with U.S. Sanctions Laws or applicable anti-money laundering Laws or regulations, and (vi) the Bank may provide to any regulatory or law enforcement authority information or documentation regarding, or provided by, the Purchaser for the purposes of complying with U.S. Sanctions Laws or applicable anti-money laundering Laws or regulations.

(q) **Bank Holding Company Status**. Purchaser has not or is not acting in concert with any other Person in connection with the transactions contemplated by this Agreement, other than the

Affiliates of the Purchaser identified by the Purchaser to the Bank as Affiliates. Assuming the accuracy of the representations and warranties of the Bank contained herein and assuming the completion of the transactions contemplated by the Transaction Documents, the Purchaser, either acting alone or together with any other Person will not, directly or indirectly, own, control or have the power to vote, immediately after giving effect to its purchase of Securities pursuant to this Agreement, in excess of nine and nine-tenths percent (9.9%) of the outstanding shares of the Bank's voting stock of any class or series. Without limiting the foregoing, assuming the accuracy of the representations and warranties of the Bank contained herein, the Purchaser represents and warrants that it has no present intention of acquiring "control" of the Bank, for purposes of the BHCA or the CIBC Act.

(r) **Antitrust and Other Consents, Filings, Etc**. Assuming the accuracy of the Bank's representations and warranties regarding its capitalization, no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Entity or authority or any other person or entity in respect of any Law or regulation, including the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder, is necessary or required to be obtained or made by the Purchaser, and no lapse of a waiting period under Law applicable to the Purchaser is necessary or required, in each case in connection with the execution, delivery, or performance by the Purchaser of this Agreement or the purchase of the Securities contemplated hereby or the Securities contemplated to be purchased under the Stock Subscription Agreements.

(s) **No Additional Representations**. The Bank and the Purchaser acknowledge and agree that no party to this Agreement has made or makes any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in this Article III and the Transaction Documents.

ARTICLE IV
OTHER AGREEMENTS OF THE PARTIES

4.1 **Transfer Agent Instructions**. No instruction will be given by the Bank to its transfer agent restricting the transfer of the Securities, and the Securities shall be freely transferable on the books and records of the Bank. If the Purchaser (or any Other Investor) effects a sale, assignment or transfer of the Securities, the Bank shall, in accordance with applicable securities Laws, permit the transfer and shall promptly instruct its transfer agent to issue one or more certificates in such name and in such denominations as specified by such Purchaser (or Other Investor) to effect such sale, transfer or assignment.

4.2 **Form D and Blue Sky**. The Bank agrees to timely file a Form D with respect to the Securities as required under Regulation D. The Purchaser agrees to timely provide the Bank with any and all needed information in connection with Bank's preparation and filing of a Form D. The Bank, on or before the Closing Date, shall take such action as the Bank shall reasonably determine is necessary in order to obtain an exemption for or to qualify the Securities for sale to the Purchaser at the Closing pursuant to this Agreement under applicable securities or "Blue Sky" Laws of the states of the United States (or to obtain an exemption from such qualification). The Bank shall make all filings and reports relating to the offer and sale of the Securities required under applicable securities or blue sky Laws of the states of the United States following the Closing Date.

4.3 **Information and Confidentiality.** Each party to this Agreement will use commercially reasonable efforts to hold, and will cause its respective subsidiaries and their directors, officers, employees, agents, consultants and advisors to hold, in strict confidence, unless disclosure to a Governmental Entity is necessary or appropriate in connection with any necessary regulatory approval, or request for information or similar process, or unless compelled to disclose by judicial or administrative process or, based on the advice of its counsel, by other requirement of Law or the applicable requirements of any Governmental Entity (in which case, the party permitted to disclose such information shall, to the extent legally permissible and reasonably practicable, provide the other party with prior written notice of such permitted disclosure), all nonpublic and confidential records, books, contracts, instruments, computer data and other data and information (collectively, "**Information**") concerning the other party hereto furnished to it by such other party or its representatives pursuant to this Agreement (except to the extent that such information can be shown to have been (1) previously known by such party on a nonconfidential basis, (2) in the public domain through no fault of such party, or (3) later lawfully acquired by such party from other sources under no obligation of confidentiality by the party to which it is furnished), and neither party hereto shall release or disclose such Information to any other person, except its Affiliates, partners, auditors, attorneys, financial advisors, other consultants and advisors with the express understanding that such parties will maintain the confidentiality of the Information and to auditors and bank and securities regulatory authorities; provided, however, that (i) Purchaser is permitted to disclose Information to auditors and bank and securities regulatory authorities without prior written notice to the Bank in connection with any audit or examination that does not explicitly reference the Bank or this Agreement and (ii) Purchaser may identify the Bank and the value of Purchaser's security holdings in the Bank in accordance with applicable investment reporting and disclosure regulations or internal policies without prior notice to or consent from the Bank.

The Bank shall not publicly disclose the name of Purchaser or any Affiliate or investment advisor of the Purchaser in any press release or in any filing with the Commission (other than, to the extent required by law, the Registration Statement or an IPO Offering Document) or any regulatory agency, without the prior written consent of Purchaser.

4.4 **No Integration**. The Bank shall not, and shall use its commercially reasonable efforts to ensure that no Affiliate of the Bank shall, sell, offer for sale, or solicit offers to buy, or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that will be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities to the Purchaser.

4.5 **Use of Proceeds**. The Bank intends to use the net proceeds from the sale of the Securities hereunder and the Securities under the Stock Subscription Agreements to provide additional capital to Bank in order to augment its capital position, support its operations, and for general corporate purposes.

4.6 **Limitation on Beneficial Ownership**. The Purchaser (and its Affiliates or any other Persons with which it is acting in concert) will not be entitled to purchase a number of Common Shares that would result in the Purchaser becoming, directly or indirectly, the beneficial owner (as determined under Rule 13d-3 under the Exchange Act) of more than nine and nine-tenths percent (9.9%) of the number of shares of the Bank's voting securities issued and outstanding other than, for the avoidance of doubt, Common Shares that may be acquired pursuant to the ownership of Non-Voting Preferred Stock.

4.7 **Certain Transactions**. The Bank will not merge or consolidate into, or sell, transfer or lease all or substantially all of its property or assets to, any other party unless the successor, transferee or lessee party, as the case may be (if not the Bank), expressly assumes the due and punctual performance and observance of each and every covenant and condition of this Agreement to be performed and observed by the Bank.

4.8 **No Additional Issuances**. Between the date of this Agreement and the Closing Date, except for the Securities being issued pursuant to this Agreement and the Securities issued pursuant to the Stock Subscription Agreements, the Bank shall not issue or agree to issue any additional shares of Common Stock or other securities which provide the holder thereof the right to convert such securities into, or acquire, shares of Common Stock.

4.9 **Conduct of Business**. From the date hereof until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, except as contemplated by this Agreement and subject to applicable requirements under the Bankruptcy Code, the Bank will, and will cause its Subsidiaries to: (a) operate their business in the ordinary course consistent with past practice; (b) preserve intact the current business organization of the Bank; (c) use commercially reasonable efforts to retain the services of their employees, consultants, and agents; (d) preserve the current relationships of the Bank and its Subsidiaries with material customers and other Persons with whom the Bank and its Subsidiaries have and intend to maintain significant relations; (e) maintain all of its operating assets in their current condition (normal wear and tear excepted); (f) refrain from taking or omitting to take any action that would constitute a breach of Section 3.1(k); and (g) refrain from (i) declaring, setting aside or paying any distributions or dividends on, or making any distributions (whether in cash, securities, or other property) in respect of, any of its capital stock, (ii) splitting, combining or reclassifying any of its capital stock or issuing or authorizing the issuance of any other securities in respect of, in lieu of or in substitution for capital stock or any of its other securities, or (iii) purchasing, redeeming or otherwise acquiring any capital stock, assets or other securities or any rights, warrants or options to acquire any such capital stock, assets or other securities, other than acquisitions of investment securities in the ordinary course of business.

4.10 **Avoidance of Control.**

(a) Notwithstanding anything to the contrary in this Agreement, the Purchaser (together with its Affiliates (as such term is used under the BHCA)) shall not have the ability to purchase or exercise any voting rights of any class of securities in excess of nine and nine-tenths percent (9.9%) of the total outstanding voting securities of the Bank. In the event the Purchaser breaches its obligations under this Section 4.10 or believes that it is reasonably likely to breach such an obligation, it shall promptly notify the other parties hereto and shall cooperate in good faith with such parties to modify ownership or make other arrangements or take any other action, in each case, as is necessary to cure or avoid such breach.

(b) Notwithstanding anything to the contrary in this Agreement, neither the Bank nor any Subsidiary shall take any action (including, without limitation, any redemption, repurchase, rescission or recapitalization of Common Stock, or securities or rights, options or warrants to purchase Common Stock, or securities of any type whatsoever that are, or may become, convertible into or exchangeable into or exercisable for Common Stock in each case, where the Purchaser is not given the right to participate in such redemption, repurchase, rescission or recapitalization to the extent of the Purchaser's pro rata proportion), that would reasonably be expected to pose a substantial risk that (i) the Purchaser's equity of the Bank (together with equity owned by the Purchaser's affiliates (as such term is used under the BHCA)) to exceed thirty-three and three-tenths percent (33.3%) of the Bank's total equity (provided that there is no ownership or control in excess of nine and nine-tenths percent (9.9%) of any class of voting securities of the Bank by the Purchaser, together with the Purchaser's Affiliates) or (ii) the Purchaser's ownership of any class of voting securities of the Bank (together with the ownership by the Purchaser's Affiliates (as such term is used under the BHCA) of voting securities of the Bank) to exceed nine and nine-tenths percent (9.9%), in each case without the prior written consent of the Purchaser, or to increase to an amount that would constitute "control" under the BHCA, the CIBC Act, any applicable provisions of Florida Law, or any rules or regulations promulgated thereunder (or any successor provisions) or otherwise cause the Purchaser to "control" the Bank under and for purposes of the BHCA, the CIBC Act or any rules or regulations promulgated thereunder (or any successor provisions). Notwithstanding anything to the contrary in this Agreement, the Purchaser (together with its Affiliates (as such term is used under the BHCA)) shall not have the ability to purchase more than thirty-three and three-tenths percent (33.3%) of the Bank's total equity or exercise any voting rights of any class of securities in excess of nine and nine-tenths percent (9.9%) of the total outstanding voting securities of the Bank. In the event either the Bank or the Purchaser breaches its obligations under this Section 4.10 or believes that it is reasonably likely to breach such an obligation, it shall promptly notify the other parties hereto and shall cooperate in good faith with such parties to modify ownership or, to the extent commercially reasonable, make other arrangements or take any other action, in each case, as is necessary to cure or avoid such breach.

(c) Notwithstanding anything herein to the contrary, the Purchaser and its Affiliates are not subject to any covenant or agreement under this Agreement to file any application or notice under the BHCA or the CIBC Act or applicable Laws of Florida in connection with any of the transactions as contemplated by this Agreement.

4.11 **Most Favored Nation**. Except as described in Section 4.19 and Schedule 3.1(hh), during the period from the date of this Agreement through the Closing Date, neither the Bank nor its Subsidiaries shall enter into any additional, or modify any existing, agreements with any existing or future investors in the Bank or any of its Subsidiaries that have the effect of establishing rights or otherwise benefiting such other investors in a manner more favorable in any material respect to such other investors than the rights and benefits established in favor of the Purchaser by this Agreement, unless, in any such case, the Purchaser has been provided with such rights and benefits.

4.12 **Filings; Other Actions.** The Purchaser, on the one hand, and the Bank, on the other hand, will reasonably cooperate and consult with the other and use commercially reasonable efforts to provide all necessary and customary information and data, to prepare and file all necessary and customary documentation, to effect all necessary and customary applications, notices, petitions, filings and other documents, to provide evidence of non-control of the Bank, as requested by the applicable Governmental Entity, including executing and delivery to the applicable Governmental Entities customary passivity commitments, disassociation commitments, and commitments not to act in concert, with respect to the Bank, and to obtain all necessary and customary permits, consents, orders, approvals, and authorizations of, or any exemption by, all third parties and Governmental Entities, in each case, (a) necessary or advisable to consummate the transactions contemplated by this Agreement, and to perform the covenants contemplated by this Agreement, in each case required by it, and (b) with respect to the Purchaser, to the extent typically provided by the Purchaser to such third parties or Governmental Entities, as applicable, under the Purchaser's policies and practices, and subject to such confidentiality requests as the Purchaser may reasonably seek. Each of the parties hereto shall execute and deliver both before and after the Closing such further certificates, agreements, and other documents and take such other actions as the other parties may reasonably request to consummate or implement such transactions or to evidence such events or matters subject, in each case, to clauses (a) and (b) of the first sentence of this Section 4.12. The Purchaser and the Bank will have the right to review in advance, and to the extent practicable each will consult with the other, in each case subject to applicable Laws relating to the exchange of information and confidential information related to the Purchaser, all the information (other than confidential information) relating to such other parties, and any of their respective Affiliates, which appears in any filing made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions to which it will be party contemplated by this Agreement; *provided,* that (i) for the avoidance of doubt, no Purchaser shall have the right to review any such information relating to any Other Investor and (ii) the Purchaser shall not be required to disclose to the Bank or any Other Investor any information that is confidential and proprietary to the Purchaser, its Affiliates, its investment advisors, or its or their control persons or equity holders. In exercising the foregoing right, each of the parties hereto agrees to act reasonably and as promptly as practicable. Notwithstanding anything in this Section 4.12 or elsewhere in this Agreement to the contrary, the Purchaser shall not be required to provide to any Person (including any Governmental Entity) pursuant to this Agreement any of its, its Affiliates', its investment advisors' or its or their control persons' or equity holders' nonpublic, proprietary, personal, or otherwise confidential information including the identities or financial condition of limited partners, shareholders, or non-managing members of the Purchaser or its Affiliates or their investment advisors. The Bank agrees to keep the Purchaser reasonably apprised of the status of matters referred to in this Section 4.12. The Purchaser and the Bank shall promptly furnish the other with copies of written communications received by it or its Affiliates from, or delivered by any of the foregoing to, any Governmental Entity in respect of the transactions contemplated by this Agreement; *provided*, that the party delivering any such document may redact any confidential information contained therein. The Bank shall file the Form D timely with the Commission and other jurisdictions' securities and blue sky officials and, to the extent applicable, shall cause the Placement Agent to timely file with FINRA all offering materials required by FINRA Rule 5123.

4.13 **Filing of Registration Statement and Listing of Common Stock.**

(a) **Filing of Registration Statement**. On or before the date that is three (3) years following the Closing Date (the "**Filing Deadline**"), the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization (as defined below), shall do the following:

(i) If the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, then meets the applicable listing requirements of a national securities exchange, file a registration statement on Form 10, or any successor form thereto (the "**Registration Statement**"), with the appropriate federal regulatory agency (whether the FDIC or the Commission), the Bank shall register the Common Stock (or any securities received in exchange for the Common Stock as a result of a Holding Company Reorganization) under Section 12 of the Exchange Act; or

(ii) If the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, does not then meet the applicable listing requirements of a national securities exchange, the Bank shall file for an initial public offering of its Common Stock (the "**IPO**") on Form S-1, or any successor form thereto, with the Commission, or the applicable FDIC form for an initial public offering of stock (which may consist of a Form 10 accompanied by an offering circular, if then required) (the "**IPO Offering Document**"), with the appropriate federal regulatory agency (whether the FDIC or the Commission) and appropriate state regulatory agency or agencies, and shall use reasonable best efforts to complete the IPO in order to meet the initial listing standards for such national securities exchange as soon as reasonably practicable (which IPO shall provide customary piggyback rights for all of Purchaser's Securities (subject to customary underwriter cutback), shall provide for customary indemnifications, shall require Purchaser and the Bank or any newly formed holding company of the Bank as a result of a Holding Company Reorganization to enter into customary standstill provisions for a period not to exceed 180 days (or 60 days with respect to any 1% or greater holder of Common Stock not participating in such IPO), and shall register the Common Stock (or any securities received in exchange for the Common Stock as a result of a Holding Company Reorganization) under Section 12 of the Exchange Act in connection with such IPO).

(iii) The Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, shall use its reasonable best efforts to cause such Registration Statement or IPO Offering Document, as applicable, to become effective as soon as practicable after the initial filing thereof, shall provide an independent transfer agent and registrar for all Common Stock on or prior to the effectiveness such Registration Statement or IPO Offering Document and shall pay the costs and expenses related to its preparation of the Registration Statement or the IPO Offering Document, as applicable, and the filing and effectiveness thereof. In connection with the IPO, the Bank (or the holding company formed in the Holding Company Reorganization) shall: (A) use its reasonable efforts to register and qualify the Common Stock covered by such IPO under such securities or Blue Sky Laws of such jurisdictions as the Purchaser shall reasonably request and (B) if the Purchaser is exercising its piggyback rights in connection with the IPO, furnish to the Purchaser (i) an opinion of counsel for the Bank (or the holding company formed in the Holding Company Reorganization), dated the date of the closing, and (ii) a "comfort" letter signed by the independent public accountants who have certified the financial statements included in the IPO Offering Document, covering substantially the same matters as are customarily covered in opinions of counsel and in "comfort" letters delivered to the underwriters in the IPO.

(iv) Prior to the Filing Deadline, the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, shall take all commercially reasonable actions within its control necessary to comply with the listing and corporate governance requirements of a national securities exchange.

(v) The Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, will use its reasonable best efforts to file an initial listing application to list the Common Shares (or any securities received in exchange for the Common Shares as a result of a Holding Company Reorganization) on a national securities exchange and cause its Common Stock to be listed on a national securities exchange on or prior to the Registration Statement or IPO Offering Document being declared effective.

(vi) After the Registration Statement is declared effective, the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, will use its reasonable best efforts to file, as soon as reasonably practicable, an initial listing application to list the Common Shares (or any securities received in exchange for the Common Shares as a result of a Holding Company Reorganization) on a national securities exchange.

(b) **Holding Company Reorganization**. The Bank may, within a reasonable period of time after the Closing, and prior to the Filing Deadline, form a bank holding company in accordance with applicable requirements of the bank holding company regulations and the Laws of the State of Florida. Under current Florida Law, the formation of a bank holding company will require a vote of the shareholders of the Bank and any shareholders voting against the plan of reorganization shall be entitled to the rights and remedies of a dissenting shareholder under Florida corporate Law. To the extent the Bank completes a reorganization prior to the Filing Deadline, where the Securities are exchanged for securities of a newly formed holding company of the Bank ("**Holding Company Reorganization**"), the obligations of the Bank pursuant to Section 4.13(a) shall then become the obligations of the newly formed holding company of the Bank. As a condition to the formation of any bank holding company and the exchange of Securities into securities of such newly formed holding company, such newly formed holding company shall authorize, execute and deliver a customary registration rights agreement for the benefit of the holders of the shares of Common Stock (and any securities in which such shares of Common Stock may be converted or exchanged), which shall include customary piggyback, standstill and suspension period provisions.

4.14 **Gross-Up Rights.**

(a) **Sale of New Securities**. Up until, but not including, an IPO pursuant to an IPO Offering Document, or until the Bank (or any newly formed holding company of the Bank as a result of Holding Company Reorganization) begins trading on a national securities exchange, for so long as the Purchaser, together with its Affiliates and, for purposes of this Section 4.14, persons who share a common discretionary investment advisor with the Purchaser, that purchased three percent (3.0%) or more of all of the outstanding shares of Common Stock at Closing beneficially owns fifty percent (50%) or more of the shares of Common Stock purchased at Closing (provided that, in making such calculation, (i) all shares of Common Stock into or for which shares of any securities owned by the Purchaser are directly or indirectly convertible or exercisable shall be included in the numerator, (ii) the shares described in clause (i) and all such shares owned by or attributed to the Purchaser and the Other Investors shall be included in the denominator, and (iii) all securities issued by the Bank after the Closing Date other than in connection with an issuance in which the Purchaser was offered the right to purchase its pro rata portion of such securities in accordance with this Section 4.14 shall be excluded from the denominator) (before giving effect to any issuances triggering provisions of this Section 4.14), if at any time after the date hereof the Bank makes any offering or sale of any equity (including Common Stock, Non-Voting Preferred Stock or restricted stock), or any securities, options or debt that is convertible or exchangeable into equity or that includes an equity component (such as, an "equity kicker") (including any hybrid security) (any such security, a "**New Security**") (other than (i) any Common Stock or other securities issuable upon the exercise or conversion of any securities of the Bank issued or agreed or contemplated (and disclosed to the Purchaser in writing) to be issued as of the date hereof; (ii) pursuant to the granting or exercise of employee stock options, restricted stock or other stock incentives pursuant to the Bank's stock incentive plans approved by the Bank's board of directors or the issuance of stock pursuant to the Bank's employee stock purchase plan approved by the Bank's board of directors or similar plan where stock is being issued or offered to a trust, other entity or otherwise, for the benefit of any employees, officers or directors of the Bank, in each case in the ordinary course of providing incentive compensation; or (iii) issuances of capital stock as full or partial consideration for a merger, acquisition, joint venture, strategic alliance, license agreement or other similar nonfinancing transaction), the Purchaser shall be afforded the opportunity (provided, that, if applicable, the Purchaser satisfied any applicable "accredited investor," "qualified institutional buyer," or other investor criteria applicable to such offering) to acquire from the Bank for the same price and on the same terms as such New Securities are proposed to be offered to others. The amount of New Securities that the Purchaser shall be entitled to purchase in the aggregate shall be determined by multiplying (x) the total number or principal amount of such offered New Securities by (y) a fraction, the numerator of which is the total number of shares of Common Stock then held by the Purchaser (counting for such purposes all shares of Common Stock into or for which any securities owned by the Purchaser are directly or indirectly convertible or exercisable, including the Non-Voting Preferred Stock), if any, and the denominator of which is the total number of shares of Common Stock then outstanding (counting for such purposes all shares of Common Stock into or for which any securities owned by the Purchaser are directly or indirectly convertible or exercisable, including the Non-Voting Preferred Stock). Notwithstanding anything herein to the contrary, in no event shall the Purchaser have the right to purchase New Securities hereunder to the extent such purchase would result in the Purchaser, together with any other person whose Bank securities would be aggregated with the Purchaser's Bank securities for purposes of any bank regulation or Law, to collectively be deemed to own, control or have the power to vote securities which (assuming, for this purpose only, full conversion and/or exercise of such securities by the Purchaser) would represent more than nine and nine-tenths percent (9.9%) of the voting securities or more than thirty-three and three-tenths percent (33.3%) of the Bank's total equity outstanding.

(b) **Limitation on Voting Securities**. Notwithstanding anything in this Section 4.14 to the contrary, upon the request of the Purchaser that the Purchaser not be issued voting securities in whole or in part upon the exercise of its rights to purchase New Securities, the Bank shall cooperate with the Purchaser to modify the proposed issuance of New Securities to the Purchaser to provide for the issuance of Non-Voting Preferred Stock or other non-voting securities in lieu of voting securities; *provided, however*, that to the extent, following such reasonable cooperation, such modification would cause any Other Investor to exceed its respective ownership limitation set forth in the applicable other securities purchase agreement, the Bank shall, and shall only be obligated to, issue and sell to the Purchaser such number of voting securities and nonvoting securities as will not cause any Other Investor to exceed its respective ownership limitation set forth in the applicable subscription agreement and that the Purchaser has indicated it is willing to hold following consummation of such Offering (as defined in Section 4.15(c) below), and any remaining securities may be offered, sold or otherwise transferred to any other person or persons in accordance with Section 4.14(e).

(c) **Notice**. In the event the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, proposes to offer or sell New Securities (the "**Offering**"), it shall give the Purchaser written notice of its intention, describing the price (or range of prices), anticipated amount of New Securities, timing, and other terms upon which the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, proposes to offer the same. If the information contained in the notice constitutes material non-public information (as defined under the applicable securities Laws), the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, shall deliver such notice only to the individuals identified (with respect to the Purchaser) in Section 5.3 hereof, and shall not communicate the information to anyone else acting on behalf of the Purchaser without the consent of one of the designated individuals. The Purchaser shall have fifteen (15) Business Days from the date of receipt of such a notice to notify the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, in writing that it intends to exercise its rights provided in this Section 4.14 and as to the amount of New Securities the Purchaser desires to purchase, up to the maximum amount calculated pursuant to this Section 4.14. Such notice shall constitute a nonbinding indication of interest of the Purchaser to purchase the amount of New Securities so specified at the price and other terms set forth in the Bank's, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, notice to it. The failure of the Purchaser to respond within such 15 Business Day period shall be deemed to be a waiver of the Purchaser's rights under this Section 4.14 only with respect to the Offering described in the applicable notice.

(d) **Purchase Mechanism**. If the Purchaser exercises its rights provided in this Section 4.14, the closing of the purchase of the New Securities in connection with the closing of the Offering with respect to which such right has been exercised shall take place within thirty (30) calendar days after the giving of notice of such exercise, which period of time shall be extended for a maximum of one hundred eighty (180) days in order to comply with applicable Laws and regulations (including receipt of any applicable regulatory or shareholder approvals). Notwithstanding anything to the contrary herein, the closing of the purchase of the New Securities by the Purchaser will occur no earlier than the closing of the Offering triggering the right being exercised by the Purchaser. Each of the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, and the Purchaser agrees to use its commercially reasonable efforts to secure any regulatory or shareholder approvals or other consents, and to comply with any Law or regulation necessary in connection with the offer, sale and purchase of, such New Securities.

(e) **Failure of Purchase**. In the event the Purchaser fails to exercise its rights provided in this Section 4.14 within this fifteen (15) Business Day period or, if so exercised, the

Purchaser is unable to consummate such purchase within the time period specified in Section 4.14(d) above because of its failure to obtain any required regulatory or shareholder consent or approval, the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, shall thereafter be entitled (during the period of sixty (60) days following the conclusion of the applicable period) to sell or enter into an agreement (pursuant to which the sale of the New Securities covered thereby shall be consummated, if at all, within ninety (90) days from the date of such agreement) to sell the New Securities not elected to be purchased pursuant to this Section 4.14 by the Purchaser or which the Purchaser is unable to purchase because of such failure to obtain any such consent or approval, at a price and upon terms no more favorable in the aggregate to the Purchaser of such New Securities than were specified in the Bank's, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, notice to the Purchaser. Notwithstanding the foregoing, if such sale is subject to the receipt of any regulatory or shareholder approval or consent or the expiration of any waiting period, the time period during which such sale may be consummated shall be extended until the expiration of five (5) Business Days after all such approvals or consents have been obtained or waiting periods expired, but in no event shall such time period exceed one hundred eighty (180) days from the date of the applicable agreement with respect to such sale. In the event the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, has not sold the New Securities or entered into an agreement to sell the New Securities within such 60-day period (or sold and issued New Securities in accordance with the foregoing within ninety (90) days from the date of such agreement (as such period may be extended in the manner described above for a period not to exceed one hundred eighty (180) days from the date of such agreement)), the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, shall not thereafter offer, issue or sell such New Securities without first offering such New Securities to the Purchaser in the manner provided above.

(f) **Expedited Issuance; Regulatory Directive**. Notwithstanding the foregoing provisions of this Section 4.14, if a majority of the directors of the board of directors determines that the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, must issue equity or debt securities on an expedited basis, then the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, may consummate the proposed issuance or sale of such securities ("**Expedited Issuance**") and then comply with the provisions of this Section 4.14 provided that (i) the Purchaser of such New Securities has consented in writing to the issuance of additional New Securities in accordance with the provisions of this Section 4.14, and (ii) the sale of any such additional New Securities under this Section 4.14(f) to the Purchaser, and certain Other Investors pursuant to this Section 4.14 and similar provisions in the other securities purchase agreements shall be consummated as promptly as is practicable but in any event no later than thirty (30) days subsequent to the date on which the Bank consummates the Expedited Issuance under this Section 4.14(f). Notwithstanding anything to the contrary herein, the provisions of this Section 4.14(f) (other than as provided in subclause (ii) of this Section 4.14(f)) shall not be applicable and the consent of the purchasers of such New Securities shall not be required in connection with any Expedited Issuance undertaken at the written direction of the applicable federal regulator of the Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization. Notwithstanding anything to the contrary in this Agreement, no rights of the Purchaser under this Agreement will be adversely affected solely as the result of the temporary dilution of its percentage ownership of Common Stock due to an Expedited Issuance under this Section 4.14(f); *provided*, *however*, that such rights may be adversely affected from and after such time, if any, that the Purchaser declines to purchase Common Stock offered to the Purchaser under this Section 4.14.

(g) **Non-Cash Consideration**. In the case of the offering of securities for a consideration in whole or in part other than cash, including securities acquired in exchange therefor (other than securities by their terms so exchangeable), the consideration other than cash shall be deemed to be the fair value thereof as determined by the board of directors; *provided*, *however*, that such fair value as determined by the board of directors shall not exceed the aggregate market price of the securities being offered as of the date the board of directors authorizes the offering of such securities.

(h) **Cooperation**. The Bank, or any newly formed holding company of the Bank as a result of a Holding Company Reorganization, and the Purchaser shall cooperate in good faith to facilitate the exercise of the Purchaser's rights under this Section 4.14, including to secure any required approvals or consents.

4.15 **Notice of Certain Events**. Each party hereto shall promptly notify the other party hereto of (a) any event, condition, fact, circumstance, occurrence, transaction or other item of which such party becomes aware prior to the Closing that would constitute a violation or breach of the Transaction Documents (or a breach of any representation or warranty contained herein or therein) or, if the same were to continue to exist as of the Closing Date, would constitute the non-satisfaction of any of the conditions set forth in Section 2.2 hereof, and (b) any event, condition, fact, circumstance, occurrence, transaction or other item of which such party becomes aware that would have been required to have been disclosed pursuant to the terms of this Agreement had such event, condition, fact, circumstance, occurrence, transaction or other item existed as of the date hereof; provided that delivery of any notice pursuant to this Section 4.16 shall not modify the representations, warranties, covenants, agreements or obligations of the parties (or remedies with respect thereto) or the conditions to the obligations of the parties under this Agreement. Notwithstanding the foregoing, neither party shall be required to take any action that would jeopardize such party's attorney-client privilege.

4.16 **Shareholder Litigation**. The Bank shall promptly inform the Purchaser of any Action, suit, arbitration, mediation, demand, or hearing ("**Shareholder Litigation**") against the Bank, any Bank Subsidiary or any of the past or present executive officers or directors of the Bank or any Bank Subsidiary that is threatened in writing or initiated by or on behalf of any shareholder of the Bank in connection with or relating to the transactions contemplated hereby or by the Transaction Documents. The Bank shall consult with the Purchaser and keep the Purchaser informed of all material filings and developments relating to any such Shareholder Litigation.

4.17 **Acquisition Proposals.** The Bank shall notify the Purchaser orally and in writing promptly (but in no event later than one Business Day) after receipt by the Bank of any proposal or offer from any Person to effect an Acquisition Proposal or any request in connection with a prospective Acquisition Proposal for non-public information relating to the Bank or for access to the properties, books or records of the Bank by any Person other than the Purchaser, indicating in such notice the material terms and conditions of any such proposal or offer and the identity of the Person making the proposal or offer, and thereafter shall keep the Purchaser reasonably informed with respect to the status of such proposal or offer. For the avoidance of doubt, any proposal or offer made after the Closing from any Person to attempt to effect an Acquisition Proposal shall not be an Acquisition Proposal under this Agreement.

4.18 **Bank Employment Matters**. The employment agreement with Mr. Chip Reeves will become effective upon the Closing.

4.19 **Expense Reimbursement**. The Bank shall, as and when requested, promptly but in any event within three (3) Business Days of such request, reimburse one of the Other Investors for its reasonable expenses incurred in connection with the negotiation of this Agreement up to $100,000. The Bank shall within three (3) Business Days after the later of (i) the Closing or (ii) request by one of the

Other Investors reimburse such Other Investor for its reasonable expenses incurred in connection with the negotiation of this Agreement up to $30,000. At the Closing, the Bank shall reimburse the Bank Stock Purchaser $100,000 for reasonable expenses incurred in connection with the Transaction Documents and all of the transactions contemplated thereby, including reasonable fees and expenses of counsel and other advisors. By execution of a similar Stock Subscription Agreement, each Other Investor hereby acknowledges and approves the reimbursements contemplated by this Section 4.19.

4.20 **Indemnification.**

(a) **Indemnification of Purchaser.** The Bank will indemnify and hold the Purchaser and its trustees, beneficiaries, directors, officers, shareholders, members, partners, employees, agents and investment advisors (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Affiliate of the Purchaser and such Affiliate's trustees, beneficiaries, directors, officers, shareholders, members, partners, employees, agents and investment advisors (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), and each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners, employees, agents and investment advisors (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling person (each, an "**Indemnified Person**") harmless from any and all damages, losses, liabilities, obligations, claims, contingencies, assessments, costs and expenses, including all judgments, amounts paid in settlements, court costs, reasonable fees and expenses of attorneys, accountants and other experts incurred in investigating, preparing, defending or prosecuting any Action (collectively, "**Losses**") that any such Indemnified Person may suffer or incur as a result of (i) any breach of any of the representations, warranties, covenants or agreements made by the Bank in this Agreement or in the other Transaction Documents, (ii) any Proceeding instituted against an Indemnified Person in any capacity, or any of them or their respective Affiliates, by any third party who is not an Affiliate of such Indemnified Person, with respect to any of the transactions contemplated by this Agreement, or (iii) any Proceeding involving the Bank arising out of or related to any event, fact, change, occurrence, development or condition prior to the Closing. The Bank will not be liable to any Indemnified Person under this Agreement to the extent, but only to the extent that such Losses are directly attributable to any Indemnified Person's willful and material breach of any of the representations, warranties, covenants or agreements made by such Indemnified Person in this Agreement or in the other Transaction Documents.

(b) **Conduction of Indemnification Proceedings.** Promptly after receipt by any Indemnified Person of any notice of any demand, claim or circumstances which would or might give rise to a claim or the commencement of any Proceeding in respect of which indemnity may be sought pursuant to Section 4.20(a), such Indemnified Person shall promptly notify the Bank in writing and the Bank shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Person, and shall assume the payment of all fees and expenses; provided that the failure of any Indemnified Person so to notify the Bank shall not relieve the Bank of its obligations hereunder except to the extent that such failure shall have materially and adversely prejudiced the Bank (as finally determined by a court of competent jurisdiction, which determination is not subject to appeal or further review). In any such Proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless: (i) the Bank and the Indemnified Person shall have mutually agreed to the retention of such counsel; (ii) the Bank shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Person in such Proceeding; or (iii) in the reasonable judgment of counsel to such Indemnified Person, representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them, provided, however, that the Bank shall not be required to pay for more than two separate counsel for all Indemnified Persons. The Bank shall not be liable for any settlement of any Proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or conditioned. Without the prior written consent of the Indemnified Person, the Bank shall not effect any settlement of any pending or threatened Proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release without any admission of liability or guilt of such Indemnified Person from all liability.

(c) **Limitation on Amount of Bank's Indemnification Liability**.

(i) **Tipping Basket**. The Bank will not be liable for Losses that are otherwise indemnifiable under Section 4.20(a)(i) with respect only to breaches of representations and warranties until the total of all Losses under Section 4.20(a)(i) incurred by all Purchasers exceeds $200,000, at which point the full amount of all Losses shall be recoverable.

(ii) **Maximum**. The maximum aggregate liability of the Bank for all Losses under Section 4.20(a)(i) is the aggregate Purchase Price by all Purchasers, provided however, that the maximum aggregate liability of the Bank for all Losses under Section 4.20(a)(i) as to any individual Purchaser is the aggregate Purchase Price of such individual Purchaser.

(iii) **Exclusion**. The provisions of Section 4.20(c)(i) and (ii) do not apply to (A) claims due to the inaccuracy of any of the representations or breach of any of the warranties of the Bank in Sections 3.1(a), 3.1(b), 3.1(c), 3.1(e), 3.1(f), 3.1(g), 3.1(i), 3.1(j), 3.1(k), 3.1(u), 3.1(y), 3.1(hh), 3.1(jj), 3.1(qq), 3.1(rr) or 3.1(vv), (B) indemnification claims involving fraud or knowing and intentional misconduct by the Bank, or (C) indemnification claims made pursuant to Section 4.20(a)(ii) or (iii).

(iv) **Materiality Scrape**. For purposes of the indemnity contained in Section 4.20(a)(i) and Section 4.20(c), all qualifications and limitations set forth in the parties' representations and warranties as to "materiality," "Material Adverse Effect" and words of similar import shall be disregarded in determining whether there shall have been any inaccuracy in or breach of any representations and warranties in this Agreement and the Losses arising therefrom.

4.21 **Escrow Agreement**. From the date hereof up to and including the Closing Date, the Bank shall not, without the written consent of the Purchaser and the Other Investors, who, in the aggregate, are subscribing for at least fifty percent (50%) of the Securities to be issued at Closing, amend, modify, supplement, terminate or waive any provision of the Escrow Agreement.

ARTICLE V
MISCELLANEOUS

5.1 **Fees and Expenses**. Except as disclosed in Section 4.19, the parties hereto shall be responsible for the payment of all expenses incurred by them in connection with the preparation and negotiation of the Transaction Documents and the consummation of the transactions contemplated hereby. The Bank shall pay all amounts owed to the Placement Agent relating to or arising out of the transactions contemplated hereby. The Bank shall pay all Transfer Agent fees, stamp taxes and other taxes and duties levied in connection with the sale and issuance of the Securities to the Purchaser.

5.2 **Entire Agreement**. The Transaction Documents, together with the applicable Exhibits and Schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, discussions, and representations, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits, and schedules. At or after the Closing, and without further consideration, the Bank and the Purchaser will execute and deliver to the other such further documents as may be reasonably requested in order to give practical effect to the intention of the parties under the Transaction Documents.

5.3 **Notices**. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail (provided the sender receives a machine-generated confirmation of successful facsimile transmission or e-mail notification or confirmation of receipt of an e-mail transmission) at the facsimile number or e-mail address specified in this Section 5.3 prior to 5:00 p.m., Eastern time, on a Business Day, (b) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or e-mail at the facsimile number or e-mail address specified in this Section 5.3 on a day that is not a Business Day or later than 5:00 p.m., Eastern time, on any Business Day, (c) if sent by U.S. nationally recognized overnight courier service with next day delivery specified (receipt requested) the Business Day following delivery to such courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Bank: Beach Community Bank
17 S.E. Eglin Parkway
Fort Walton Beach, FL 32548
Attention: Chief Executive Officer
Telephone: (850) 244-9900
Facsimile: (850) 244-9901
Email: Tony@beachcommunitybank.com

With a copy to: Nelson Mullins Riley & Scarborough LLP
Atlantic Station
201 17th Street NW, Suite 1700
Atlanta, GA 30363
Attn: Brennan Ryan
Telephone: 404.322.6218
Email: brennan.ryan@nelsonmullins.com

Nelson Mullins Riley & Scarborough, LLP
One Post Office Square
30th Floor
Boston, MA 02109
Attn: Peter J. Haley
Telephone: 617.217.4714
Email: peter.haley@nelsonmullins.com

If to the Purchaser:	To the address set forth under the Purchaser's name on the signature page hereof; or such other address as may be designated in writing hereafter, in the same manner, by such Person.

or such other address as may be designated in writing hereafter, in the same manner, by such Person.

5.4 **Amendments; Waivers; No Additional Consideration**. No amendment or waiver of any provision of this Agreement will be effective with respect to any party unless made in writing and signed by a duly authorized representative of such party. No waiver of any default with respect to any provision, condition, or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition, or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right. No consideration shall be offered or paid to the Purchaser to amend or consent to a waiver or modification of any provision of any Transaction Document unless the same consideration is also offered to all Other Investors who then hold Securities.

5.5 **Construction**. The headings herein are for convenience only, do not constitute a part of this Agreement, and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. This Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement or any of the Transaction Documents.

5.6 **Successors and Assigns**. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties and their successors and permitted assigns. This Agreement, or any rights or obligations hereunder, may not be assigned by the Bank without the prior written consent of the Purchaser. The Purchaser may assign its rights hereunder in whole or in part to any Person to whom the Purchaser assigns or transfers any Securities in compliance with the Transaction Documents and applicable Law, provided such transferee shall agree in writing to be bound, with respect to the transferred Securities, by the terms and conditions of this Agreement that apply to the "Purchaser."

5.7 **No Third-Party Beneficiaries**. This Agreement is intended for the benefit of the parties hereto, their respective successors and permitted assigns, and the Placement Agent and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than, solely with respect to the provisions of Section 4.20, the Indemnified Persons.

5.8 **Governing Law**

. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal Laws of the State of Florida, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective Affiliates, employees or agents) may be commenced on a non-exclusive basis in the Florida Courts. Each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of the Florida Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any such Florida Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law; *provided*, that, during the pendency of the Bankruptcy Case, any Proceeding arising out of or relating to this Agreement and the transactions contemplated hereby will be tried exclusively in the Bankruptcy Court. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

5.9 **Survival**. The representations, warranties, agreements, and covenants contained herein shall survive the Closing and the delivery of the Securities as follows: (a) the representations and warranties of the Bank set forth in Sections 3.1(a), 3.1(b), 3.1(c), 3.1(e), 3.1(f), 3.1(g), 3.1(i), 3.1(u), 3.1(y), 3.1(hh), 3.1(jj), and 3.1(rr) and shall survive indefinitely, (b) the representations and warranties of the Bank set forth in Sections 3.1(j), 3.1(k), and 3.1(qq) shall survive for the applicable statute of limitations, (c) all other representations and warranties of the Bank set forth in Sections 3.1 shall survive for a period of 24 months following the Closing and the delivery of the Securities, (d) all representations and warranties of the Purchaser set forth in Section 3.2 shall survive for a period of twelve (12) months following the Closing and the delivery of the Securities, and (e) all covenants contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing; *provided*, that, each party shall remain liable for any willful and material breach (that is not cured) by such party of any of its covenants or obligations in or under this Agreement and such breach has been the cause of or resulted in the failure of the Closing to occur on or before the Outside Date.

5.10 **Execution**. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or e-mail delivery of a ".pdf" format data file to deliver a signature to this Agreement or any amendment hereto or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or e-mail delivery of a ".pdf" format data file as a defense to the formation of a contract and each party hereto forever waives any such defense.

5.11 **Severability**. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

5.12 **Replacement of Securities**. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen, or destroyed, the Bank shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Bank and the Transfer Agent of such loss, theft, or destruction and the execution by the holder thereof of a customary lost certificate affidavit of that fact and an agreement to indemnify and hold harmless the Bank and the Transfer Agent for any losses in connection therewith or, if required by the Transfer Agent, a bond in such form and amount as is required by the Transfer Agent. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement Securities. If a replacement certificate or instrument evidencing any Securities is requested due to a mutilation thereof, the Bank may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

5.13 **Payment Set Aside**. To the extent that the Bank makes a payment or payments to the Purchaser pursuant to any Transaction Document or the Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by, or are required to be refunded, repaid or otherwise restored to the Bank, a trustee, receiver, or any other person under any Law (including, without limitation, any bankruptcy Law, state, or federal Law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.14 **Independent Nature of Purchaser's Obligations and Rights**. The obligations of the Purchaser under any Transaction Document are several and not joint with the obligations of any Other Investor, and the Purchaser shall not be responsible in any way for the performance of the obligations of any Other Investor under any Transaction Document. The decision of the Purchaser to purchase Securities pursuant to the Transaction Documents has been made by the Purchaser independently of any Other Investor and independently of any information, materials, statements, or opinions as to the business, affairs, operations, assets, properties, liabilities, results of operations, condition (financial or otherwise), or prospects of the Bank or any Subsidiary which may have been made or given by any Other Investor or by any agent or employee of any Other Investor, and neither the Purchaser nor any of its agents or employees shall have any liability to any Other Investor (or any other Person) relating to or arising from any such information, materials, statements, or opinions. Nothing contained herein or in any Transaction Document, and no action taken by the Purchaser pursuant thereto, shall be deemed to constitute the Purchaser and the Other Investors as a partnership, an association, a joint venture, or any other kind of entity, or create a presumption that the Purchaser and the Other Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. The Purchaser acknowledges that no Other Investor has acted as agent for the Purchaser in connection with making its investment hereunder and that no Other Investor will be acting as agent of the Purchaser in connection with monitoring its investment in the Securities or enforcing its rights under the Transaction Documents. The Purchaser shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any Other Investor to be joined as an additional party in any Proceeding for such purpose. It is expressly understood and agreed that each provision contained in this Agreement is between the Bank and the Purchaser, solely, and not between the Bank and the Purchaser and Other Investors collectively and not between and among the Purchaser and Other Investors.

5.15 **Termination.**

(a) This Agreement may be terminated and the sale and purchase of the Securities abandoned at any time prior to the Closing:

(i) by the written consent of the Bank and the Purchaser;

(ii) by the Bank or the Purchaser upon written notice to the other, if the Closing has not been consummated on or prior to 5:00 p.m., Eastern time, on the Outside Date; *provided, however*, that the right to terminate this Agreement under this Section 5.15(a)(ii) shall not be available to any Person whose failure to comply with its obligations under this Agreement has been the cause of or resulted in the failure of the Closing to occur on or before such time;

(iii) by the Bank or the Purchaser, upon written notice to the other parties, in the event that any Governmental Entity or the Bankruptcy Court shall have issued any order, decree or injunction or taken any other action restraining, enjoining or prohibiting any of the transactions contemplated by this Agreement, and such order, decree, injunction or other action shall have become final and non-appealable;

(iv) by the Purchaser, upon written notice to the Bank, if there has been a breach of any representation, warranty, covenant or agreement made by the Bank in this Agreement, or any such representation or warranty shall have become untrue after the date of this Agreement, in each case such that a closing condition in Section 2.2(b)(i) or (ii) would not be satisfied;

(v) by the Bank, upon written notice to the Purchaser, if there has been a breach of any representation, warranty, covenant or agreement made by the Purchaser in this Agreement, or any such representation or warranty shall have become untrue after the date of this Agreement, in each case such that a closing condition in Section 2.2(c)(i) or (ii) would not be satisfied;

(vi) by the Bank or the Purchaser, upon written notice to the other, if any of the conditions to Closing set forth in Section 2.2 are not capable of being satisfied on or before 5:00 p.m., Eastern time, on the Outside Date; *provided, however,* that the right to terminate this Agreement under this Section 5.15(a)(vi) shall not be available to any Person whose failure to comply with its obligations under this Agreement has been the cause of or resulted in the failure of the conditions to Closing set forth in Section 2.2 to occur on or before such time;

(vii) by the Purchaser, upon written notice to the Bank, if the Purchaser or any of its Affiliates receives written notice from or is otherwise advised by any applicable bank regulatory authorities that any such authorities will not grant (or intends to rescind if previously granted) any of the approval confirmations or determinations referred to in Section 2.2(a)(ii); or

(viii) by either the Bank or Purchaser, if the Stock Purchase Agreement is terminated.

(b) This Agreement shall terminate automatically without further action by the Bank or the Purchaser if during the pendency of the Bankruptcy Case an order shall be entered by the Bankruptcy Court (i) appointing a trustee under Chapter 7 or Chapter 11 of the Bankruptcy Code in the Bankruptcy Case, (ii) appointing an examiner with enlarged powers (beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) relating to the operation of the business under Section 1106(b) of the Bankruptcy Code in the Bankruptcy Case, or (iii) dismissing (under Section 1112 of the Bankruptcy Code or otherwise) or converting the Bankruptcy Case to a Chapter 7 case.

(c) In the event of a termination pursuant to this Section 5.15, in which event the parties will be released from all obligations under this Agreement and the Exhibits attached hereto, the provisions of Sections 4.19, 5.1, and 5.8 shall survive such termination and remain in full force and effect, and each party shall remain liable for any willful breach of this Agreement prior to its termination. In the event of a termination pursuant to this Section 5.15, the Bank shall promptly, but in any event within two (2) Business Days, (x) notify the Purchaser and all non-terminating Other Investors and (y) deliver written instructions to the Escrow Agent directing the Escrow Agent to return the Subscription Amount deposited by the Purchaser.

5.16 **Rescission and Withdrawal Right**. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever the Purchaser exercises a right, election, demand, or option under a Transaction Document and the Bank does not timely perform its related obligations within the periods therein provided, then the Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Bank, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

5.17 **Adjustments in Common Stock Numbers and Prices**. In the event of any stock split, subdivision, dividend or distribution payable in shares of Common Stock (or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly shares of Common Stock), combination or other similar recapitalization or event occurring after the date hereof and prior to the Closing, each reference in any Transaction Document to a number of shares or a price per share shall be deemed to be amended to appropriately account for such event.

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IN WITNESS WHEREOF, the parties hereto have caused this Stock Subscription Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

BEACH COMMUNITY BANK

By: ______________________
Name: ______________________
Title: ______________________

NAME OF PURCHASER:

____

By: ______________________
Name: ______________________
Title: ______________________

Aggregate Purchase Price
(Subscription Amount): $____________________

No. of Common Shares to be Acquired at $5.00 per share: __________________________

No. of Shares of Non-Voting Preferred Stock to be Acquired at $5.00 per share: __________________________

Tax ID No.:_______________________________

Address for Notice:

____
____
____
____

Telephone: ______________________
Facsimile: ______________________
Email: ______________________

Attention: ______________________

Delivery Instructions:
(if different than above)

____
____
____
____

[Signature Page to Stock Subscription Agreement]

EXHIBIT B-1

RESTRUCTURING SUPPORT AGREEMENT

RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof, this "Agreement"), dated as of April ___, 2018 is entered into by and among Beach Community Bancshares, Inc. ("Beach" or "Company"), U.S. Capital Funding V, Ltd. ("US Cap V") and U.S. Capital Funding VI, Ltd. ("US Cap VI" and with US Cap V, the "TruPS Holders") as they or their nominees are collectively the beneficial interest holders of 100% of those certain capital securities issued by Beach Community Statutory Trust I (the "Trust" and such securities, the "Trust Preferred"). The TruPS Holders and Beach are referred to herein as a "Party", and collectively as the "Parties".

RECITALS

WHEREAS, Beach and the TruPS Holders have negotiated a transaction that will result in a distribution to the TruPS Holders subject to, and in the amount specified in, the Term Sheet (as defined below) on the terms and conditions set forth in the Sale Motion (as defined below) (the "Restructuring") that is to be filed in a voluntary case commenced by the Debtor under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), before the United States Bankruptcy Court for the Northern District of Florida (the "Bankruptcy Court"), pursuant to a motion to sell 100% of the stock in Beach Community Bank (the "Bank") held by the Company (the "Sale Motion"), the terms and conditions of which will be substantially consistent with those described in the term sheet which is attached hereto as Exhibit A (including any annexes and schedules attached thereto, the "Term Sheet"), and, if not specified in the Term Sheet, that is otherwise in form and substance reasonably satisfactory to the TruPS Holders and Beach.

WHEREAS, in order to implement the Restructuring, Beach has agreed, subject to the terms and conditions of this Agreement, (i) to prepare and file, in any case filed under Chapter 11 of the Bankruptcy Code (the "Chapter 11 Case") the Sale Motion that is substantially consistent with the Term Sheet and otherwise is in form and substance reasonably satisfactory to Beach and the TruPS Holders; provided that prior to the Chapter 11 Case the debentures issued by Beach (the "Debentures") and held by the Trust shall be distributed to the TruPS Holders (the "Debenture Distribution"); and (ii) to use commercially reasonable efforts to have the Sale Motion approved by the Bankruptcy Court and consummated thereafter.

WHEREAS, the TruPS Holders, who collectively, directly or indirectly, hold 100% of the outstanding Trust Preferred , have agreed to support the Restructuring on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Incorporation of Term Sheet and Definitions

The Term Sheet is expressly incorporated herein by reference and is made part of this Agreement. All references herein to "this Agreement" or "herein" shall include the Term Sheet. The general terms and conditions of the Restructuring, as supplemented by the terms and conditions of this Agreement, are set forth in the Term Sheet. In the event the terms and conditions as set forth in the Term Sheet and this Agreement are inconsistent, the terms and conditions as set forth in the Term Sheet shall govern. Capitalized terms used and not defined in this Agreement shall have the meaning ascribed to them in the Term Sheet.

2. Implementation of the Restructuring

Subject to the terms and conditions of this Agreement, the Parties agree severally and not jointly to use commercially reasonable efforts to complete the Restructuring through the Sale Motion on terms and conditions consistent with those set forth herein. The Parties shall cooperate with each other in good faith and shall coordinate their activities in connection with the pursuit of the Restructuring and approval of the Sale Motion. Furthermore, each Party shall take such action as may be reasonably necessary to carry out the purposes and intent of this Agreement, and each Party shall refrain from taking any action that would reasonably be expected to frustrate the purposes and intent of this Agreement and the Restructuring, including proposing a plan of reorganization. Each Party hereby covenants and agrees severally and not jointly, from the date hereof until this Agreement has been terminated in accordance with Section 5 below, (i) to negotiate in good faith the definitive documents implementing, achieving and relating to the Restructuring, including, but not limited to, the orders of the Bankruptcy Court allowing the Sale Motion and establishing the bid procedures and other related documents, each of which are more specifically described in the Term Sheet and each of which shall contain terms and conditions substantially consistent in all respects with the Term Sheet and, if not specified in the Term Sheet, otherwise in form and substance reasonably satisfactory to the TruPS Holders and Beach and otherwise support and seek to effect the actions and transactions contemplated thereby.

3. TruPS Holders Obligations to Support the Restructuring

Subject to the terms and conditions of this Agreement, each TruPS Holder severally (and not jointly) agree that, until this Agreement has been terminated in accordance with Section 5 and in connection with the Restructuring and the Sale Motion upon the terms set forth in this Agreement, it will (i) not object to, or otherwise commence any proceeding to alter or oppose, the Restructuring or the Sale Motion; (ii) not take any action that is materially inconsistent with, or that would unreasonably delay the consummation of the Restructuring or the Sale Motion in accordance with the terms of this Agreement; (iii) not object to the approval of the Sale Motion, including the establishment of the bid procedures and the entry of the sale order substantially in the form attached to the Term Sheet; (iv) not vote for, consent to, intentionally induce or participate directly or indirectly in the formation of a plan of reorganization or liquidation proposed or filed, or to be proposed or filed, in the Chapter 11 Cases; (v) not commence or support any action or proceeding to shorten or terminate the period during which only the Debtor may propose and/or seek confirmation of the Plan; (vi) not directly or indirectly seek, solicit or encourage any other plan, proposal or offer of winding up, liquidation, reorganization, merger, consolidation, dissolution, restructuring of any Debtor or the sale of any or all assets of any Debtor; (vii) not commence or support any action filed by any party in interest to appoint a trustee, conservator, receiver or examiner for the Debtor, or to dismiss the Chapter 11 Cases, or to convert the Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code; (viii) subject to the terms of this Agreement, not withdraw, revoke or act inconsistently with any of the foregoing unless and until this Agreement is terminated in accordance with its terms; and (ix) will cause its affiliates and its and their representatives not to, other than in accordance with the bidding procedures, solicit or negotiate, or enter into any agreement or understanding with respect to, or approve or recommend, any direct or indirect sale of any equity interest in, or any material portion of the assets of, Beach or the Bank or any extraordinary corporate transaction directly or indirectly involving Beach or the Bank. Nothing contained herein shall limit the ability of a TruPS Holder to consult with Beach , or to appear and be heard, concerning any matter arising in the Chapter 11 Case so long as such consultation or appearance is not inconsistent with such TruPS Holder's obligations under this Agreement. Notwithstanding anything to the contrary set forth in this Agreement, the TruPS Holders shall have no obligations under this Agreement until the Debenture Distribution has occurred.

4. Beach's Obligations to Support the Restructuring.

Beach hereby agrees (a) to file the Chapter 11 Cases with respect to the Restructuring with the Bankruptcy Court on or prior to 11:59 P.M. (Eastern) on or before April 9, 2018 (such filing date, the "Petition Date") and to file the Sale Motion with the Bankruptcy Court on or prior to 11:59 P.M. (Eastern) on the date that is 3 days following the Petition Date; provided that the Petition Date shall not occur prior to the Debenture Distribution; (b) to use all reasonable commercial efforts to consummate the Restructuring and Sale Motion within the timeframe contemplated by this Agreement and take any and all necessary and appropriate actions in furtherance of the Restructuring and the approval of the Sale Motion; (c) to use all reasonable commercial efforts to obtain any and all required regulatory and/or third-party approvals for such Restructuring; (d) not to seek to implement any transaction or series of transactions that would effect a restructuring on different terms from the Restructuring or propose or support any plan of reorganization or liquidation in the Chapter 11 Cases other than the Sale Motion; (e) not to take any action that is inconsistent with, or that would unreasonably delay or impede approval or allowance of the Sale Motion that is otherwise inconsistent with this Agreement; (f) not to directly or indirectly seek, solicit, support or encourage any other plan, sale, proposal or offer of dissolution, winding up, liquidation, reorganization, merger, consolidation, liquidation or restructuring of the Debtor that could reasonably be expected to prevent, delay or impede the confirmation and consummation of the Restructuring and the Plan; and (g) to provide written notice to the Trustee and each TruPS Holder, within two business days of making such determination, if any Debtor determines that it would be inconsistent with its fiduciary duties to pursue confirmation and consummation of the Sale Motion contemplated by this Agreement; provided that nothing contained in this Agreement shall be deemed to prevent Beach from taking or failing to take any action that it is obligated to take (or fail to take) in the performance of any fiduciary or similar duty which Beach owes to any other person.

5. Termination of Obligations

(a) This Agreement shall terminate and all of the obligations of the Parties shall be of no further force or effect in the event that:

(i) the Sale Motion is allowed and becomes effective pursuant to a final non-appealable order,

(ii) the Parties mutually agree to such termination in writing, or

(iii) this Agreement is terminated pursuant to paragraph (b), (c) or (d) of this Section.

(b) The Debtor may terminate this Agreement by written notice to the TruPS Holders upon the occurrence of any of the following events:

(i) a breach by any TruPS Holder of its material obligations hereunder, which breach is not cured within five business days after the giving of written notice by Beach of such breach to such TruPS Holder; or

(ii) any TruPS Holder shall assert any claim or cause of action against Beach or any of its current directors, officers or advisors directly relating to the Trust Preferred, except to enforce the terms of this Agreement.

(c) The TruPS Holders may terminate this Agreement by written notice to the Debtor upon the occurrence of any of the following events (it being understood that the following termination events are intended solely for the benefit of the TruPS Holders) (the "TruPS Termination Events"):

(i) failure of the Debtor to meet either of the deadlines set forth in Paragraphs 4(a) above;

(ii) after filing of the Sale Motion, any amendment or modification to the Sale Motion or the filing of any pleading by the Debtor that seeks to amend or modify the Sale Motion, which amendment, modification or filing is inconsistent with this Agreement and the Term Sheet;

(iii) Beach publicly announces its support for any plan of reorganization or liquidation that is materially inconsistent with the Sale Motion, withdraws, or files a motion to withdraw the Sale Motion, gives the notice described in Paragraph 4(g) or otherwise evinces an intention in writing not to proceed with the pursuit of the Sale Motion or to proceed with any alternative Chapter 11 plan or transaction;

(iv) a breach by Beach of its material obligations hereunder, which breach is not cured within five business days after the giving of written notice by the TruPS Holders of such breach;

(v) any representation or warranty made by Beach pursuant to this Agreement shall prove to have been false or misleading in any material respect when so made;

(vii) any event, development or circumstance occurs that results in Beach being unable to perform its material obligations under this Agreement;

(viii) a chapter 11 trustee or an examiner with enlarged powers relating to the operation of Beach shall be appointed in any of the Chapter 11 Cases or the Debtor shall file a motion or other request for such relief; or

(ix) the Chapter 11 Case shall have been dismissed or converted to a case under Chapter 7 of the Bankruptcy Code.

(d) Beach or the TruPS Holder may terminate this Agreement by written notice to the Parties in the event that the Bankruptcy Court or other governmental authority shall have issued any order, injunction or other decree or take any other action, which has become final and non-appealable and which restrains, enjoins or otherwise prohibits the implementation of the Restructuring and/or the Sale Motion substantially on the terms and conditions set forth in this Agreement.

(e) If this Agreement is terminated pursuant to this Section 5, all further obligations of the Parties hereunder shall be terminated without further liability, provided that each Party shall have all rights and remedies available to it under applicable law (for all matters unrelated to this Agreement), the Trust Preferred, the Debentures and any documents or agreements related or ancillary to the Trust Preferred and Debentures. Upon a termination of this Agreement in accordance with this Section 5, no Party hereto shall have any continuing liability or obligation under this Agreement to any other Party hereto and the provisions of this Agreement shall have no further force or effect, except for the provisions in Sections 13-24 [Note: check section references], each of which shall survive termination of this Agreement; provided that no such termination shall relieve any party from liability for its breach or non-performance of its obligations hereunder prior to the date of such termination; provided, further that no such termination shall relieve Beach or any related party or successor from any obligations or liability under the Trust Preferred, the Debentures and any documents or agreements related or ancillary to the Trust Preferred and Debentures.

6. <u>Representations of Beach</u>

Beach hereby represents and warrants to each TruPS Holder as follows:

(a) Power and Authority. It has all requisite corporate, partnership or limited liability company power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its obligations under, this Agreement.

(b) Authorization. The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate, partnership or limited liability company action on its part.

(c) No Conflicts. To the best of the Company's knowledge, the execution, delivery and performance by it of this Agreement and the transactions contemplated hereby do not and shall not conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its respective subsidiaries is a party, other than as a result of the commencement of the Chapter 11 Case or taking action in furtherance thereof.

(d) Binding Obligation. This Agreement is the legally valid and binding obligation of it, enforceable against it in accordance with its terms.

(e) Governmental Consents. The execution, delivery and performance by it of this Agreement and the transactions contemplated hereby do not and shall not require any registration or filing with, consent or approval of, or notice to, or other action by, any federal, state or other governmental authority or regulatory body, except (i) in connection with the commencement of the Chapter 11 Case, the approval of the Sale Motion and (ii) in connection with any regulatory approvals or waivers required to transfer ownership and control of the Bank upon the consummation of the Restructuring.

(f) No Consent or Approval. Except as expressly provided in this Agreement and the Company's certificates of incorporation, no consent or approval by any other person or entity is required in order for it to carry out the provisions of this Agreement and the transactions contemplated hereby.

(g) No Material Misstatement or Omission. None of the material and information relating to pension, environmental or tax issues provided by or on behalf of the Debtor to the TruPS Holders in connection with the Restructuring contemplated in this Agreement, when read or considered together, contains any untrue statement of a material fact or omits to state a material fact necessary in order to prevent the statements made therein from being materially misleading.

7. <u>Representations of the TruPS Holders</u>

Each of the TruPS Holders, severally, but not jointly, represents and warrants to the Parties as follows:

(a) Holdings by TruPS Holders. As of the date hereof, with respect to the Trust Preferred as set forth on such TruPS Holders signature page hereto such TruPS Holder either is (i) the sole legal and beneficial owner of its share of the Trust Preferred and has full power and voting authority over such Trust Preferred, (ii) is the legal owner of its share of the Trust Preferred and has the power and authority to bind the legal and beneficial owner(s) of the Trust Preferred to the terms of this Agreement or (iii) has received direction from the party having full power and voting authority over such Trust Preferred to execute this Agreement.

(b) Sufficiency of Information Received. Such TruPS Holder has reviewed, or has had the opportunity to review, with the assistance of professional and legal advisors of its choosing, all information it deems necessary and appropriate for such TruPS Holder to evaluate the financial risks inherent in the Restructuring and accept the terms of the Sale Motion as set forth in the Term Sheet.

(c) Power and Authority. It has all requisite corporate, partnership or limited liability company power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its obligations under, this Agreement.

(d) Authorization. The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate, partnership or limited liability company action on its part.

(e) Governmental Consents. The execution, delivery and performance by it of this Agreement do not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body.

(f) Binding Obligation. This Agreement is the legally valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws limiting creditors' rights generally or by general principles of equity relating to enforceability.

8. Restrictions on Transfer.

(a) Except as set forth in Section 8(b), each TruPS Holder hereby agrees that, for so long as this Agreement shall remain in effect as to it, it shall not sell, transfer or assign all or any of its Trust Preferred as the case may be, or any option thereon or any right or interest (voting, participation or otherwise) therein (each, a "Transfer") without the prior written consent of Beach.

(b) Notwithstanding the foregoing, any TruPS Holder may Transfer any or all of its respective Trust Preferred, provided that, as a condition precedent, the transferee thereof agrees in writing to be bound by the terms of this Agreement.

(c) Any Transfer of any Trust Preferred Claim that does not comply with the foregoing shall be deemed void ab initio.

(d) Notwithstanding anything to the contrary set forth in this Agreement, this Section 8 shall not apply to, prohibit or in any way impair the Debenture Distribution. Any Transfer of Trust Preferred related to the Debenture Distribution shall have no limitations under this Agreement. Following the Debenture Distribution this Section 8 shall be of no further force or effect.

9. <u>Joinder.</u>

Subject to Section 8 (a), any person or entity that receives or acquires a portion of the Trust Preferred pursuant to a Transfer by a TruPS Holder to such person or entity hereby agrees to be bound by this Agreement (as may have been amended, restated or otherwise modified) (a "Joining TruPS Party") by executing and delivering a joinder in the form of Exhibit B hereto[Note: not attached] (the "TruPS Joinder"). The Joining TruPS Party shall thereafter be deemed a TruPS Holder and party for all purposes under this Agreement in respect of the Trust Preferred acquired by such Joining TruPS Party. By executing the TruPS Joinder, the Joining TruPS Party will have made the representations and warranties set forth in Section 7 of this Agreement to each of the other Parties.

Notwithstanding anything to the contrary set forth in this Agreement, this Section [11] shall not apply to, prohibit or in any way impair the Debenture Distribution. Any Transfer of Trust Preferred related to the Debenture Distribution shall have no limitations under this Agreement. Following the Debenture Distribution this Section [11] shall be of no further force or effect.

10. <u>Prior Negotiations</u>

This Agreement, including any exhibits, constitutes the entire understanding of the parties with respect to the subject matter hereof; provided, however, that any confidentiality agreement between any of Beach and any TruPS Holder shall remain in full force and effect in accordance with its terms. No representations, oral or written, other than those set forth herein, may be relied on by any party in connection with the subject matter hereof. Notwithstanding the foregoing, in the event the terms and conditions as set forth in the Term Sheet and this Agreement are inconsistent, the terms and conditions as set forth in the Term Sheet shall govern.

11. <u>Amendment or Waiver</u>

No waiver, modification or amendment of the terms of this Agreement shall be valid unless such waiver, modification or amendment is in writing and has been signed by each of Beach and the TruPS Holders. No waiver of any of the provisions of this Agreement shall be deemed or constitute a waiver of any other provision of this Agreement whether or not similar, nor shall any waiver be deemed a continuing waiver. Any modification of this Section [15] shall require the written consent of all Parties.

12. <u>Governing Law</u>

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida, without regard to such state's choice of law provisions which would require the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding against it with respect to any matter arising under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, may be brought in the United States District Court for the Northern District of Florida, and by execution and delivery of this Agreement, each of the Parties hereby irrevocably accepts and submits itself to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to jurisdiction, upon any commencement of the Chapter 11 Cases and until the effective date of the Plan, each of the Parties agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement.

13. Specific Performance

It is understood and agreed by the Parties that money damages would not be a sufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including, without limitation, an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

14. Reservation of Rights

(a) Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner, waive, limit, impair or restrict the ability of each (i) TruPS Holder to protect and preserve its rights, remedies and interests, including its claims against Beach and (ii) Beach to protect and preserve its rights, remedies and interests. If the Restructuring contemplated herein is not consummated, or if this Agreement is terminated for any reason, the Parties hereto fully reserve any and all of their rights. Pursuant to Federal Rule of Evidence 408, any applicable state rules of evidence and any other applicable law, foreign or domestic, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

(b) Without limiting Section 14a in any way, if the Restructuring contemplated by this Agreement is not consummated as provided herein or if this Agreement is otherwise terminated for any reason, the TruPS Holders and the Debtor each fully reserve any and all of their respective rights, remedies and interests under the Trust Preferred and the related and ancillary documents and agreements, applicable law and in equity.

15. Headings

The section headings of this Agreement are for convenience of reference only and shall not, for any purpose, be deemed a part of this Agreement.

16. Notice

Any notices or other communications required or permitted hereunder may be given by email or facsimile to (i) each TruPs Holder to the email address or facsimile stated below:

U.S. Capital Funding V, Ltd. and
U.S. Capital Funding VI, Ltd
c/o James Brennan
StoneCastle Advisors, LLC
jbrennan@stonecastlepartners.com
152 West 57th Street, 35th Floor
New York, NY 10019
tel 212 354-6500 ext 326 direct 347-887-0326

and (ii) to Beach as follows:

A. Anthony Hughes
President and
Chief Executive Officer
Beach Community Bancshares, Inc.
17 SE Eglin Parkway
Fort Walton Beach, FL 32548
Tony@beachcommunitybank.com

with a copy to:

Peter J. Haley
Nelson Mullins Riley & Scarborough
One Post Office Square
Boston, MA 02109-2127
peter.haley@nelsonmullins.com

17. Successors and Assigns, Several Obligations

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, permitted assigns, heirs, executors, administrators and representatives. The invalidity or unenforceability at any time of any provision hereof shall not affect or diminish in any way the continuing validity and enforceability of the remaining provisions hereof. The agreements, representations and obligations of the TruPS Holders under this Agreement are several and not joint in all respects. Any breach of this Agreement by a TruPS Holder shall not result in liability for any other non-breaching TruPS Holder.

18. Third-Party Beneficiaries

Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties hereto and no other person or entity shall be a third party beneficiary hereof.

19. Counterparts

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same agreement. Execution copies of this agreement may be delivered by facsimile or electronic mail which shall be deemed to be an original for the purposes of this paragraph.

20. Consideration

It is hereby acknowledged by the Parties that no consideration shall be due or paid to the TruPS Holders in exchange for their support of the Restructuring, in accordance with the terms and conditions of this Agreement, other than the obligations imposed upon Beach and the TruPS Holders pursuant to the terms of this Agreement, including, without limitation, the TruPS Distribution.

21. Acknowledgement

This Agreement is not, and shall not be deemed to be, an offer of securities or a solicitation for consents to the Plan.

22. Public Announcement and Bankruptcy Court Filings

The Parties agree that all public announcements of the entry into or the terms and conditions of this Agreement shall be mutually, reasonably acceptable to each of the Parties. The Debtor may disclose this Agreement and the contents hereof in their Chapter 11 Cases or other proceedings under the Bankruptcy Code or as otherwise required by applicable law.

23. Non-Petition/Limited Recourse

The obligations of each TruPS Holder to the Parties under this Agreement shall be limited to the assets of such TruPS Holder and sums delivered therefrom. Once such assets have been exhausted for the TruPS Holder, no Party to this Agreement, nor anyone acting on its behalf may take any further steps against such TruPS Holder or its directors, officers, members or administrators to recover any further sum and no debt will be owed by such TruPS Holder in respect of such sum. The Parties hereby acknowledges and agrees that each TruPS Holder's obligations hereunder are solely the corporate obligations of such TruPS Holder, and that it shall have no recourse against any of the directors, officers, members or administrators of such TruPS Holder for any claims, losses, damages, liabilities, indemnities or other obligations whatsoever in connection with any transactions contemplated by this

Agreement. The Parties will not institute or join with any other person in bringing, instituting or joining insolvency proceedings (whether court based or otherwise) or for the appointment of an examiner, receiver or analogous person in relation to either TruPS Holder nor will it have any claim over any sum relating to any of either TruPS Holder's assets other than in accordance with this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

[signatures on following page]

U.S. Capital Funding V, Ltd.

By

____

its___________________________
as duly authorized.

U.S. Capital Funding VI, Ltd.

By

____

its___________________________
as duly authorized.

Beach Community Bancshares, Inc.

By

____

its___________________________
as duly authorized.

[Term sheet attached as Exhibit A]

EXHIBIT A

PRINCIPAL TERMS OF
PROPOSED SALE MOTION

This Term Sheet sets forth the material terms of a restructuring that includes the transaction contemplated by the Sale Motion. Each element of this Term Sheet is consideration for the other elements and an integral aspect of the proposed restructuring of the debt and equity of Beach Community Bancshares, Inc. ("Beach"). Capitalized terms used herein but not defined herein shall have the meanings given to such terms in the Restructuring Support Agreement (the "Agreement").

Debtor:	Beach Community Bancshares, Inc. (the "Company"), a bank holding company under the Bank Holding Company Act of 1956, as amended (the "BHC Act").
Bank:	Beach Community Bank (the "Bank"), a wholly owned subsidiary of the Company.
TruPS Holders:	Collectively, U.S. Capital Funding V, Ltd. ("US Cap V") and U.S. Capital Funding VI, Ltd. ("US Cap VI") Each TruPS Holder is managed by StoneCastle Advisors, LLC (the "Collateral Manager") pursuant to a certain specified collateral management agreement between it and each such party.
Bankruptcy Case:	The Company shall commence a voluntary case under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), before the United States Bankruptcy Court for the Northern District of Florida (the "Bankruptcy Court") on or before April 9, 2018 (the "Petition Date"); provided that, the Petition Date shall not occur prior to the distribution of the debentures to the TruPS Holders (the "Debenture Distribution").
Investment Offering:	The Company will raise an aggregate amount of not less than $95 million (the "New Equity Proceeds") through a new equity offering by the Bank and $850,000 (the "Stock Consideration" and with the New Equity Proceeds the "Net Investment Proceeds") through the sale of the Bank stock held by the Debtor The successful completion of both the offering and the Debenture Distribution will be a condition to the effectiveness of the Agreement.
Use of Proceeds	The Net Investment Proceeds will be used to: (a) provide capital to the Bank in an amount not less than $95 million (b) As necessary, fund the costs and expenses of the Bankruptcy Case

	(as described below), payment from the Debtor not to exceed \$350,000; and (c) Make the TruPS Distribution (as defined below).
Capital to the Bank	To provide sufficient capital to the Bank as a well-capitalized institution. The Bank will hold contributed capital of not less than \$95 million and otherwise meet all regulatory requirements of the BHC Act.
Costs and Expenses of the Bankruptcy Case	All costs and expenses incurred by the Company in the conduct of the Bankruptcy Case as allowed by the Final Order of the Bankruptcy Court, including but not limited to the "Break Fee" if any, shall be paid to the applicants upon the entry of a Final Order allowing those costs and expenses or as otherwise authorized by the Bankruptcy Court (the "Bankruptcy Costs"). The Company shall reserve from the Stock Consideration the amount of \$350,000 to fund the Bankruptcy Costs until the entry of any Final Order.
TruPS Distribution	The TruPS Holders shall receive an aggregate cash distribution of \$500,000 to be allocated between US Cap V and US Cap VI based on notional exposure.
Competing Transaction	Upon the commencement of the Bankruptcy Case, the Debtor shall engage an investment banker acceptable to the Collateral Manager on behalf of the TruPS Holders to identify and solicit competing transactions in accordance with the bidding and auction procedures set forth below. For purposes of this provision, the Collateral Manager on behalf of the TruPS Holders agrees that Teneo Capital will be an acceptable investment banker.
Qualified Bids	To qualify, a Competing Transaction must meet the following standards: A. Through direct capital contributions or assets available on merger provide sufficient capital to operate the Bank as a well capitalized institution; B. Be capable of obtaining the necessary regulatory approvals; C. Fund in full the Bankruptcy Costs; D. Close the Competing Transaction on or before a date 90 days following the Petition Date; and E. Make a distribution to the TruPS Holders greater than \$500,000.

	In evaluating competing bids, the Parties agree that the primary criteria will be whether or not the bid delivers a return to the TruPS Holders greater than $500,000 and has a high likelihood of closing.
Break Fee	A fee equal to $250,000 to be paid to the participants in the Investment Offering upon the successful closing of a Competing Transaction.
Bidding Increments	Bidding shall proceed in increments of $100,000.
Initial Overbid	An initial overbid shall be in the amount equal to the sum of $500,000, the Break Fee and the Bidding Increment.
Auction	An auction, if necessary, shall take place at the offices of Nelson Mullins Riley & Scarborough LLP in Atlanta, Georgia.
Solicitation Period	The Company shall solicit bids for a Competing Transaction commencing on the date of an order authorizing the proposed bidding procedures ("Bidding Procedures Order Date") and ending on that date which is thirty (30) days after the Bidding Procedures Order Date.
Bankruptcy Court Approval	The proposed restructuring and the solicitation of Competing Transactions as part of the Plan process must be approved by the entry of orders by the Bankruptcy Court in a form and manner substantially identical to the forms attached as Exhibit 1 and 2 hereto and otherwise acceptable to the Company and the Collateral Manager on behalf of the TruPS Holders.
Confidentiality:	This Term Sheet is confidential and is for the use of the Company, the TruPS Holders and their respective advisors. Accordingly, the information contained in this document may not be disclosed to any third party or used to facilitate negotiations with any third party without the prior approval of the Company.
Governing Law:	State of Florida

EXHIBIT B-2

SIDE LETTER

Beach Community Bancshares, Inc.
17 SE Eglin Parkway
Fort Walton Beach, FL 32548

April 9, 2018

U.S. Capital Funding V, Ltd. and
U.S. Capital Funding VI, Ltd.
c/o James Brennan
StoneCastle Advisors, LLC
152 West 57th Street, 35th Floor
New York, NY 10019

Re: Beach Community Bancshares, Inc.

Dear Mr. Brennan:

I am writing in connection with that certain written Restructuring Support Agreement (the "Agreement") between Beach Community Bancshares, Inc. ("Beach" or "Company") and U.S. Capital Funding V, Ltd. ("US Cap V") and U.S. Capital Funding VI, Ltd. ("US Cap VI" and with US Cap V, the "TruPS Holders"). Capitalized terms used herein but not defined herein shall have the meanings given them in the Agreement.

This letter shall, as set forth below, serve to modify and amend the Agreement.

The Agreement requires, as a condition of its effectiveness, that the debentures issued by Beach (the "Debentures") and held by Wilmington Trust Company ("WTC") related to Beach Community Statutory Trust I (the "Trust") be distributed to the TruPS Holders, the so-called Debenture Distribution. The Agreement both conditions the commencement of the proposed Chapter 11 case and the obligations of the TruPS Holders under the Agreement on this occurrence.

Beach has acted to dissolve the Trust and has instructed WTC to distribute the Debentures to the TruPS Holders. Despite this instruction, WTC has not yet completed the distribution and has asserted the right to certain administrative fees as a condition of the distribution. Beach intends to commence the Chapter 11 proceeding on Monday, April 9, 2018. The TruPS Holders have agreed that subject to the following conditions, they will agree that the commencement of the case on April 9, 2018 shall not be considered in contravention of the Agreement and that the TruPS Holders shall otherwise agree to be bound by the terms of the Agreement, notwithstanding WTC's failure to deliver the debentures as of this date:

1. Beach agrees to be and shall be responsible for, and shall pay, any fees attendant to the distribution of the debentures imposed by or on behalf of WTC

or its representatives (including, without limitation, WTC's or its representatives' agents and attorneys)[1]; and

2. Those provisions of the Agreement and the Term Sheet requiring a distribution of $500,000 to the TruPS Holders shall be construed to mean $500,000 without deduction for any fees, costs or attorneys' fees incurred by or on behalf of WTC or its representatives (including, without limitation, WTC's or its representatives' agents and attorneys).

The terms and conditions of the Agreement, except as modified and amended by this letter shall otherwise remain in full force and effect.

Beach Community Bancshares, Inc.

By

____

its___________________________

AGREED AND ACCEPTED

U.S. Capital Funding V, Ltd.

By

____

its___________________________
as duly authorized.

U.S. Capital Funding VI, Ltd.

By

____

its___________________________
as duly authorized.

[1] So long as it shall not impair or delay the distribution of the debentures, this provision shall not be construed to limit the rights of Beach to contest the reasonableness of those fees and costs before the Bankruptcy Court or any other forum.

EXHIBIT C

BIDDING PROCEDURES ORDER

EXHIBIT D

SALE ORDER

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF FLORIDA
PENSACOLA DIVISION

In re:	)	Chapter 11
	)	Case No.
BEACH COMMUNITY BANCSHARES, INC.,	)	
	)	
Debtor.	)	

ORDER (A) APPROVING BID PROCEDURES RELATING TO SALE OF ALL OF THE DEBTOR'S STOCK IN BEACH COMMUNITY BANK;(B) BREAK UP FEE AND INITIAL MINIMUM OVERBID; (C) SCHEDULING A HEARING TO CONSIDER THE SALE AND APPROVING THE FORM AND MANNER OF NOTICES; AND (D) GRANTING RELATED RELIEF

This proceeding came on for hearing on ______________at _______ a.m. upon the Motion[1], (Docket No. ___) (the "Sale Motion"), of the Debtor, Beach Community Bancshares, Inc. (the "Debtor"), for the entry of an order (A) approving bid procedures which are attached as Exhibit 1 hereto (the "Bid Procedures") with respect to the proposed sale of all of the issued and outstanding capital stock (the "Shares") of Beach Community Bank, a Florida banking corporation (the "Bank"), as more fully set forth in that Stock Purchase Agreement (the "Agreement") dated as of

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement (as defined below), or in the Bid Procedures (defined below).

________________by and between the Debtor, _______ ("Purchaser"), and the Bank, solely with respect to certain provisions of the Agreement; (B) approving the Break Up Fee (as defined below) and the Initial Minimum Overbid (as defined below); (C) scheduling a hearing (the "Sale Hearing") and approving the form and manner of notice of the Auction and the Bid Procedures; and (D) granting related relief. The Court having determined that the relief requested in the Motion to the extent set forth herein is in the best interest of the Debtor, its estate, creditors and other parties in interest; due and appropriate notice of the Motion and the relief requested therein was provided by the Debtor pursuant to Bankruptcy Rules 2002, 4001, 6004, and 9014 on the following parties: (a) the Office of the United States Trustee for the Northern District of Florida (the "U.S. Trustee"); (b) all parties that have filed requests for notices under Bankruptcy Rule 9010(b) or are entitled to notice under Bankruptcy Rule 2002; (c) U.S. Capital Funding V, Ltd. ("US Cap V") and U.S. Capital Funding VI, Ltd. ("US Cap VI"), the holders of trust preferred securities originally issued by Beach Community Statutory Trust I (the "Trust Preferred"); (d) Wilmington Trust Company, formerly the Indenture Trustee for the Trust Preferred ("Wilmington Trust"); (e) the Internal Revenue Service; (f) the holders of Preferred Stock in the Debtor;

(g) Purchaser; and (h) any governmental entity effected by the relief sought herein as provided in Schedule [__] (collectively, the "Notice Parties"); and after consideration of the Sale Motion to the extent of the relief granted herein; the remainder of the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefore, it is hereby found:[2]

A. The Court has jurisdiction over this matter and over the property of the Debtor and its bankruptcy estate pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

B. Notice of the hearing of the Motion, the Motion and proposed entry of this Order has been provided to the Notice Parties. Under the circumstances, requisite notice of the Motion and the relief requested thereby and this Order has been provided in accordance with Bankruptcy Rules 2002, 4001, 6004, and 9014, which notice is sufficient for all purposes under the Bankruptcy Code, including, without limitation, Bankruptcy Code Section 102(1), and no further notice of, or hearing on, the Motion or this Order is necessary or required.

[2] Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

C. The proposed notices of (i) the proposed sale of the Shares as set forth in the Sale Motion, (ii) the Agreement, and the terms contained therein, and (iii) the Bid Procedures, in substantially the form attached hereto as Exhibit 1, are appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the proposed sale of the Shares, the Auction, the Agreement and the Bid Procedures to be employed in connection therewith.

D. The Debtor has disclosed in the Sale Motion the existence of the Stock Subscription Agreements pursuant to which the Bank will issue certain new equity securities and which conditions the closing of such offering on the entry of the Sale Order in an agreed to form subject to changes that are acceptable to the Other Purchasers or as otherwise provided by the terms of the Stock Subscription Agreement. The terms of the Stock Subscription Agreement facilitate the proposed sale process, are consistent with the purposes of the Bankruptcy Code and will not constitute collusive bidding within the meaning of 11 USC § 363(n) or otherwise prevent the Court from finding that Purchaser (and, as applicable, the other investors party to Stock Subscription Agreements) is a purchaser in good faith in accordance with 11 USC § 363(m), if the Court should later find such other sufficient facts to support such a finding.

E. The Debtor has disclosed in the Sale Motion that, pursuant to the Agreement, it is obligated to pay Purchaser a break-up fee equal to $250,000 (the "Break Up Fee") on the first business day following the date of consummation of any (i) merger, consolidation or similar transaction involving the Debtor or the Bank, or (ii) a sale, lease or other disposition directly or indirectly by merger, consolidation, tender offer, share exchange or otherwise of assets of the Debtor or the Bank constituting a majority of the consolidated assets of the Debtor or the Bank.

F. The approval of the Bid Procedures is in the best interest of the estate, its creditors and other parties in interest. The Debtor has articulated good and sufficient reasons for this Court to grant the relief requested in the Motion regarding the Bid Procedures and has demonstrated sound business justifications to support such relief. The Bidding Procedures, and the terms and conditions of the Agreement pertaining to the payment of the Break Up Fee, are fair, reasonable and reasonably calculated to enhance the prospect of competitive bidding and maximize recovery for the estate and its creditors.

The entry of this Order and the relief contained herein are in the best interests of the Debtor, its estate, creditors and other parties-in-interest.

Accordingly, it is

ORDERED that:

1. The relief requested in the Motion is GRANTED, to the extent set forth herein.

2. The Bid Procedures attached hereto as Exhibit 1 are hereby approved and fully incorporated into this Order, and shall apply with respect to the proposed sale of the Shares. The Debtor is authorized to take any and all actions necessary to implement the Bid Procedures.

3. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion or by stipulation filed with the Court, are overruled.

4. Except as otherwise provided below, a Qualified Bidder that desires to make a Bid shall deliver written copies of its bid to the parties set forth below not later than 12:00 noon (prevailing Eastern time) on ________________(the "Bid Deadline") and shall comply with the requirements set forth in the Bid Procedures for making such bid: (a) the Debtor: c/o Nelson Mullins Riley & Scarborough LLP, Atlantic Station, 201

17th Street NW, Suite 1700, Atlanta, Georgia 30363, Attention: J. Brennan Ryan; (b) the Trust Preferred: c/o StoneCastle Partners, LLC, 152 West 57th Street, 35th Floor, New York, NY 10019 Attn: Jim Brennan; (c) Purchaser: __________; and (d) U.S. Trustee: U.S. Trustee, 110 Park Avenue, Suite 128, Tallahassee, FL 32301, Attn: _______________.

5. Subject to its consultation with the Trust Preferred in accordance with the Bidding Procedures, the Debtor shall have the right to reject any and all bids that it believes, in its reasonable discretion, do not comply with the Bid Procedures. Purchaser is deemed to be a Qualified Bidder, and Purchaser's Bid, as embodied in the Agreement, is deemed to be a Qualified Bid.

6. As further described in the Bid Procedures, if a Qualified Bid other than Purchaser's Bid is timely received, the Auction will be held on ________________ at 10:00 a.m. (prevailing Eastern time), and the Debtor shall, not later than 12:00 noon (prevailing Eastern time) on __________________, notify Purchaser, all Qualified Bidders who have submitted a Qualified Bid and expressed their intent to participate in the Auction, counsel for the Trust Preferred, and the U.S. Trustee that the Auction will be held on ___________________ at 10:00 a.m., at the offices

of Nelson Mullins Riley & Scarborough LLP, Atlantic Station, 201 17th Street NW, Suite 1700, Atlanta, Georgia 30363.

7. Not later than three (3) days after entry of this Order, the Debtor will cause the Auction and Sale Notice, substantially similar to the form attached hereto as Exhibit 2, to be sent by first-class mail postage prepaid to the Notice Parties.

8. Recognizing the value and benefits that Purchaser has provided to the estate by entering into the Agreement, as well as Purchaser's expenditure of time, energy and commitment of resources, the Break-Up Fee is hereby approved and the Debtor is authorized and directed to pay the Break-Up Fee to Purchaser when earned pursuant to the Agreement. The Break-Up Fee, when earned, shall constitute a superpriority administrative claim against the estate under Bankruptcy Code Sections 503(b)(1) and 507(a)(1) with priority over all over administrative claims.

9. If Purchaser elects to participate in bidding at the Auction, the amount of the Break Up Fee shall be added to Purchaser’s Bid in determining whether Purchaser's bid is a higher and better offer for the Shares. Purchaser shall have the right, but not the obligation, in its sole and absolute discretion, to match bids made by any Qualified Overbidder.

Purchaser may participate in the Auction in reliance on the agreed-to form of the Sale Order.

10. The Stock Subscription Agreements facilitate the proposed sale process, are consistent with the purposes of the Bankruptcy Code and will not constitute collusive bidding within the meaning of 11 USC § 363(n) or otherwise prevent the Court from finding that Purchaser (and the other investors party to Stock Subscription Agreements) is a purchaser in good faith in accordance with 11 USC § 363(m), if the Court should later find such sufficient facts to support such a finding.

11. Objections, if any, to the relief requested in the Sale Motion must: (1) be in writing; (2) comply with the Bankruptcy Rules and the Local Bankruptcy Rules; (3) be filed with the clerk of the Bankruptcy Court for the Northern District of Florida, United States Bankruptcy Courthouse,110 East Park Avenue, Suite 100, Tallahassee, Florida 32301, on or before 12:00 noon (prevailing Eastern Time) on _________________; and (4) be served so as to be received no later than 4:00 p.m. (prevailing Eastern Time) on such date, upon (a) counsel to the Debtor: Nelson Mullins Riley & Scarborough LLP Atlantic Station, 201 17th Street NW, Suite 1700, Atlanta, Georgia 30363 Attention: J. Brennan Ryan, (b) Purchaser: _______________,

(c) the Trust Preferred: c/o StoneCastle Partners, LLC, 152 West 57th Street, 35th Floor, New York, NY 10019 Attn: Jim Brennan, and (d) U.S. Trustee: U.S. Trustee, 110 Park Avenue, Suite 128, Tallahassee, FL 32301, Attn: _______________.

12. The Sale Hearing shall be held before this Court on _____________________at _________ a.m. (prevailing Eastern Time). The Sale Hearing may be adjourned, from time to time, without further notice to creditors or other parties-in-interest other than by announcement of said adjournment before this Court or on this Court's calendar on the date scheduled for said hearing.

13. The notices to be issued in connection with the Proposed Sale of the Shares, substantially in the form of the notices annexed hereto as Exhibits 2 and 3, are approved in all respects.

14. The Debtor shall consult with the Trust Preferred on the conduct of the Auction, if any, and shall promptly convey to the Trust Preferred copies of any offers received. The Debtor shall otherwise consult with the Trust Preferred as provided in the Bidding Procedures.

15. Upon the entry of this Order, notwithstanding Section 5.18 of the Agreement, there shall be no restrictions on the Debtor's ability to solicit any and all offers solely in accordance with the Bidding Procedures.

16. This Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof.

17. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

18. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

19. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

###

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF FLORIDA

In re:	Chapter 11
	Case No.
BEACH COMMUNITY BANCSHARES, INC.,	
Debtor.	

BID PROCEDURES

On _________________(the "Petition Date"), Beach Community Bancshares, Inc. (the "Debtor") filed a chapter 11 case pending in the United States Bankruptcy Court for the Northern District of Florida (the "Bankruptcy Court"), Case No. ________________. On _____________, the Debtor entered into the Stock Purchase Agreement (the "Agreement")[3] with _______________ ("Purchaser") in which Purchaser proposes to acquire all of the Debtor's capital stock (the "Shares") in Beach Community Bank (the "Bank"). By motion dated ______________ (the "Motion"), the Debtor sought, among other things, approval for the transfer of all of the Shares and of the processes and procedures set forth below (the "Bid Procedures") through which the Debtor will determine the highest and best offer for the Shares. On _______________, the Bankruptcy Court entered its order (the "Bidding Procedures Order"), which, among other things, approved the Bid Procedures.

On _______________, at _________ a.m. (prevailing Eastern Time) as further described below, in the Motion and in the Bidding Procedures Order, the Bankruptcy Court shall conduct the Sale Hearing at which the Debtor shall seek entry of the Sale Order authorizing and approving the sale of the Shares (the "Proposed Sale") to Purchaser (defined below) or to one or more other Qualified Bidders (defined below) that the Debtor determines to have made the highest and best offer.

[3] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

Agreement

Pursuant to the terms and conditions of the Agreement, Purchaser would provide consideration for the Shares equal to $____________ (the "Purchase Price"). Purchaser, along with other purchasers, would also enter into certain Stock Subscription Agreements pursuant to which the Bank will offer and sell to Purchaser and other purchasers in a private placement newly issued equity securities of the Bank providing aggregate gross proceeds of not less than $_____________ (the "Equity Contribution") payable as set forth in the Agreement and the Stock Subscription Agreements. The transactions contemplated by the Agreement are subject to competitive bidding as set forth herein, and approval by the Bankruptcy Court pursuant to Section 363 of the Bankruptcy Code.

Assets for Sale

The only assets proposed to be sold to Purchaser are the Shares. The Debtor has agreed to transfer certain other Business-Related Assets to the Bank at Closing, as set forth in the Agreement.

Participation Requirements

In order to participate in the bidding process and to otherwise be considered for any purpose hereunder a person interested in the Shares (a "Potential Bidder") must first deliver (unless previously delivered) to the Debtor and its counsel no later than 12:00 noon (prevailing Eastern Time) on ________________:

(a) Confidentiality Agreement. An executed confidentiality agreement in form and substance acceptable to the Debtor and its counsel;

(b) Financial Statements. Current audited financial statements and the latest unaudited financial statements of the Overbidder or, if the Overbidder is an entity formed for the purpose of acquiring the Shares, current audited financial statements and the latest unaudited financial statements of the equity holders or sponsors of the Overbidder who will guarantee the obligations of the Overbidder, or such other form of financial disclosure and/or credit-quality support or enhancement satisfactory to the Debtor, if any, that will allow the Debtor to make a reasonable determination as to the Overbidder's financial and other capabilities to consummate the purchase of the Shares (including, but not limited to, the ability to obtain all necessary regulatory approvals with respect to the ownership of the Shares and operation of the Bank on a timely basis); and

(c) Identification of Potential Bidder. Identification of the Potential Bidder and any Principals (defined below), and the representatives thereof who are authorized to appear and act on their behalf for all purposes regarding the contemplated transaction.

Designation as Qualified Bidder

A "Qualified Bidder" is a Potential Bidder that delivers the documents described in subparagraphs (a)-(c) above, and that the Debtor in its discretion and with assistance from its advisors determines is reasonably likely to submit a *bona fide* offer that would result in greater Purchase Price being received for the benefit of the Debtor's creditors than under the Agreement and to be able to consummate a sale if selected as a Successful Bidder (defined below).

Upon the receipt from a Potential Bidder of the information required under subparagraphs (a)-(c) above, the Debtor, as soon as is practicable, shall determine and notify the Potential Bidder with respect to whether such Potential Bidder is a Qualified Bidder.

Purchaser has been designated as a Qualified Bidder.

Access to Due Diligence Materials

Only Potential Bidders that comply with the requirements set forth below are eligible to receive due diligence access or additional non-public information. If the Debtor determines that a Potential Bidder who has satisfied the Participation Requirements does not constitute or no longer qualifies as a Qualified Bidder, then such Potential Bidder's right to receive due diligence access or additional non-public information shall terminate. The Debtor will designate an employee or other representative to coordinate all reasonable requests for additional information and due diligence access from such Qualified Bidders. The Debtor shall not be obligated to furnish any due diligence information after the Bid Deadline (as hereinafter defined). The Debtor is not responsible for, and will bear no liability with respect to, any information obtained by Qualified Bidders in connection with the sale of the Shares.

Due Diligence From Bidders

Each Potential Bidder and Qualified Bidder (collectively, a "Bidder") shall comply with all reasonable requests for additional information and due diligence access by the Debtor or their advisors regarding such Bidder and its contemplated transaction. Failure by a Potential Bidder or a Qualified Bidder to comply with reasonable requests for additional information and due diligence access will be a basis for the Debtor to determine that the Potential Bidder is not a Qualified Bidder or that a Bid made by a Qualified Bidder is not a Qualified Bid.

Bidding Process

The Debtor and its advisors shall: (i) determine whether a Potential Bidder is a Qualified Bidder or ceases to be a Qualified Bidder; (ii) coordinate the efforts of Qualified Bidders in conducting their due diligence investigations, as permitted by the provisions above; (iii) receive offers from Qualified Bidders; and (iv) negotiate any offers made by Qualified Bidders to purchase the Shares (collectively, the "Bidding Process"). The Debtor shall have the right to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein) that will better promote the goals of the Bidding Process and that are not inconsistent with any of the other provisions hereof or of any Bankruptcy Court order.

Bid Deadline

The deadline for submitting bids by a Qualified Bidder shall be - ________________________, at 12:00 noon (prevailing Eastern Time) (the "Bid Deadline").

Prior to the Bid Deadline, a Qualified Bidder that desires to make an offer, solicitation or proposal (a "Bid") shall deliver written copies of its Bid to: (a) counsel to the Debtor: Nelson Mullins Riley & Scarborough LLP, Atlantic Station, 201 17th Street NW, Suite 1700, Atlanta, Georgia 30363, Attention: J. Brennan Ryan; and (b) Purchaser: ______________________________________ (collectively, the "**Notice Parties**"), so that the Bid is actually received by the Bid Deadline. The Debtor shall provide copies of all Bids to the Trust Preferred and U.S. Trustee as they are received.

A Bid received after the Bid Deadline shall not constitute a Qualified Bid.

Bid Requirements

To be eligible to participate in the Auction, each Bid and each Qualified Bidder submitting such a Bid must be determined by the Debtor to satisfy each of the following conditions:

(a) Overbidder's Deposit: Each Bid must be accompanied by a deposit in the form of a cashier's check payable to the order of the Debtor in an amount equal to the Initial Minimum Overbid less the Purchase Price and not less than $____________ (the "Overbidder's Deposit").

(b) Minimum Overbid: The aggregate consideration must equal or be greater than $____________ (the "Initial Minimum Overbid").

(c) Irrevocable: A Bid must be irrevocable until one (1) business day after the Shares have been sold pursuant to the Closing of the sale or sales approved by the Bankruptcy Court (the "Termination Date").

(d) The Same or Better Terms: The Bid must be on terms that, in the Debtor's business judgment are substantially the same or better than the terms of the Agreement. A Bid must include executed transaction documents pursuant to which the Qualified Bidder proposes to effectuate the contemplated transaction (the "Competing Purchase Agreement"). A Bid shall include a redlined, marked copy showing all changes between the Competing Purchase Agreement and the Agreement (including those related to the Purchase Price) and must contain satisfactory written evidence that the sale of the Shares to the Bidder is conditioned upon the recapitalization of the Bank on terms acceptable to Governmental Authorities that are the same or better than the terms of the Equity Contribution set forth in the Stock Subscription Agreements. The Stock Subscription Agreements are not assignable and will not be considered in evaluating a Competing Bid. The Competing Purchase Agreement must include a written commitment satisfactory to the Debtor of the Bidder's financial ability and intention to complete the transaction, pay the Purchase Price, and contain a representation that the Qualified Bidder shall make all necessary regulatory filings and pay all costs and expenses of such filings.

(e) Contingencies: A Bid may not be conditioned on obtaining financing or any internal approval, or on the outcome or review of due diligence, but may be subject to the accuracy in all material respects at the closing of specified representations and warranties or the satisfaction in material respects at the closing of specified conditions, none of which shall be more burdensome than those set forth in the Agreement, as applicable.

(f) Authority: A Bid must include:

1. admissible evidence in the form of affidavits or declarations, acceptable to the Debtor, establishing the Overbidder's good faith, within the meaning of Section 363(m) of the Bankruptcy Code;

2. admissible evidence in the form of affidavits or declarations, acceptable to the Debtor, establishing that the Overbidder is capable and qualified, financially, legally,

and otherwise, of unconditionally performing all of its obligations under the Competing Purchase Agreement;

3. admissible evidence, acceptable to the Debtor, in the form of affidavits or declarations establishing that the Overbidder has or is capable of obtaining all required regulatory approvals to perform all of its obligations under the Competing Purchase Agreement and to close the transaction not later than the Outside Date;

4. a written waiver, acceptable to the Debtor, of any right of the Overbidder to receive a fee analogous to the Break Up Fee or any expense reimbursement or to compensation under Bankruptcy Code Section 503(b) for making a substantial contribution;

5. admissible evidence, acceptable to the Debtor, of authorization and approval from the Overbidder's board of directors (or comparable governing body) with respect to the execution, delivery, and closing of the submitted Competing Purchase Agreement; and

6. a statement indicating that the Overbidder consents to the core jurisdiction of the Bankruptcy Court for all disputes relating to the Sale, and has waived any right to a jury trial in connection with any disputes relating to the Auction or the sale of the Shares.

(d) No Fees payable to Qualified Bidder: A Bid may not request or entitle the Qualified Bidder to any breakup fee, termination fee, expense reimbursement or similar type of payment. Moreover, by submitting a Bid, a Bidder shall be deemed to waive the right to pursue a substantial contribution claim under Section 503 of the Bankruptcy Code related in any way to the submission of its Bid or the Bid Procedures.

A Bid received from a Qualified Bidder before the Bid Deadline that meets the above requirements shall constitute a "Qualified Bid," if the Debtor believes, in its reasonable discretion that such Bid would be consummated if selected as the Successful Bid (as defined below). For purposes hereof, the Agreement shall constitute a Qualified Bid. Promptly upon such determination, the Debtor shall provide any other Qualified Bids to Purchaser and to any Qualified Bidders.

In the event that any Bid is determined by the Debtor not to be a Qualified Bid, the Qualified Bidder shall be refunded its deposit within three (3) business days after that determination.

Auction

Only if a Qualified Bid (other than Purchaser's Bid) is received by the Bid Deadline, shall the Debtor conduct an auction (the "Auction") to determine the highest and best bid with respect to the Shares. The Auction shall commence on ________________10:00 a.m. (prevailing Eastern time).

No later than 12:00 noon (prevailing Eastern time) on ________________, the Debtor will notify all Qualified Bidders of (i) the highest and best Qualified Bid(s), as determined in the Debtor's discretion (the "Baseline Bid") and (ii) the time and place of the Auction, and provide copies of all submitted Bids to all Qualified Bidders. If, however, no other such Qualified Bid is received by the Bid Deadline, then the Auction will not be held, Purchaser will be the Successful Bidder, the Agreement will be the Successful Bid, and, at the ___________________Sale Hearing, the Debtor will seek approval of and authority to consummate the Sale contemplated by the Agreement.

The Auction shall be conducted according to the following procedures:

(a) Participation at the Auction

Only a Qualified Bidder that has submitted a Qualified Bid is eligible to participate at the Auction. The Auction shall be conducted openly and all creditors shall be entitled to attend. During the Auction, bidding shall begin initially with the Baseline Bid as to the Shares and subsequently continue in minimum increments of at least $100,000. Bidding at the auction may be transcribed or videotaped. Other than as otherwise set forth herein, the Debtor may conduct the Auction in the manner it determines will result in the highest and best offer for the Shares, while recapitalizing the Bank on terms acceptable to Governmental Authorities that are the same or better than the terms of the Equity Contribution set forth in the Stock Subscription Agreements.

(b) The Debtor Shall Conduct the Auction

The Debtor and its professionals shall direct and preside over the Auction. At the start of the Auction, the Debtor shall describe the terms of the Baseline Bid. The determination of which Qualified Bid constitutes the Baseline Bid shall take into account any factors the Debtor reasonably deems relevant to the value of the Qualified Bid, including, *inter alia*, the following: (A) the amount and nature of the consideration; (B) the proposed assets to be purchased and the assumption of any liabilities, if any; (C) the ability of the Qualified Bidder to close the proposed transaction; (D) the proposed Closing Date and the likelihood, extent and impact of any potential delays in Closing; (E) any adjustments to the proposed equity contribution; (F) the impact of the contemplated transaction on any actual or potential litigation; (G) the net economic effect of any changes from the Agreement, if any, contemplated by the Competing Purchase Agreement; (H) the proposed recapitalization of the Bank under the terms of the bid; and (I) the net after-tax consideration to be received by the Debtor's estate (collectively, the "Bid Assessment Criteria"). All Bids made thereafter shall be Overbids (as defined below), and shall be made and received on an open basis, and all material terms of each Bid shall be fully disclosed to all other Qualified Bidders. The Debtor shall maintain a transcript of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids and the Successful Bid.

(c) Terms of Overbids

An "Overbid" is any Bid made at the Auction subsequent to the Debtor's announcement of the Baseline Bid. To submit an Overbid for purposes of this Auction, a Qualified Bidder seeking to acquire all or substantially all of the Shares and recapitalize the Bank must comply with the following conditions:

(i) Minimum Overbid Increment

Any Overbid after the Baseline Bid shall be made in increments of at least $100,000.

(ii) Remaining Terms are the Same as for Qualified Bids

Except as modified herein, an Overbid must comply with the conditions for a Qualified Bid set forth above, provided, however, that the Bid Deadline shall not apply. Any Overbid made by a Qualified Bidder must remain open and binding on the Qualified Bidder until and unless (a) the Debtor accepts a higher Qualified Bid as an Overbid and (b) such Overbid is not selected as the Back-up Bid (as defined below).

To the extent not previously provided (which shall be determined by the Debtor), a Qualified Bidder submitting an Overbid must submit, as part of its Overbid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtor) demonstrating such Qualified Bidder's ability to close the transaction proposed by such Overbid.

(iii) Announcing Overbids

The Debtor shall announce at the Auction the material terms of each Overbid, the basis for calculating the Purchase Price offered in each such Overbid and the resulting benefit to the Debtor's estate based on, *inter alia*, the Bid Assessment Criteria.

(iv) If Purchaser elects to participate in bidding at the Auction, the amount of the Break Up Fee shall be added to Purchaser's Bid in determining whether Purchaser's bid is a higher and better offer for the Shares. Purchaser shall have the right, but not the obligation, in its sole and absolute discretion, to match Bids made by any Qualified Overbidder.

(d) Additional Procedures

The Debtor may adopt rules for the Auction at or prior to the Auction that, in its reasonable discretion, will better promote the goals of the Auction and that are not inconsistent with any of the provisions of the Bidding Procedures Order or any Bankruptcy Court order. All such rules will provide that all Bids shall be made and received in one room, on an open basis, shall provide for the recapitalization of the Bank on terms acceptable to Governmental Authorities that are the same or better than the terms of the Equity Contribution set forth in the Stock Subscription Agreements, and all other Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each Qualified Bidder (*i.e.*, the principals submitting the Bid (the "Principals")) shall be fully disclosed to all other Qualified Bidders and that all material terms of each Qualified Bid will be fully disclosed to all other Qualified Bidders throughout the entire Auction. Each Qualified Bidder must clarify to the Debtor, prior to the start of the Auction, that it has not engaged in any undisclosed group bidding or collusion with respect to the Auction or in connection with its attempts to purchase the Shares, it being understood that the Stock Subscription Agreements do not constitute undisclosed group bidding or collusion by Purchaser. Subject to the prior written consent of Purchaser, the Debtor in its reasonable discretion, may adjourn without further notice the Auction (and Sale Hearing) if in its reasonable discretion an adjournment will better promote the goals of the Auction and allow parties to make progress towards modifications of any Qualified Bid that could result in a higher and better Qualified Bid.

(e) Consent to Jurisdiction as Condition to Bidding

All Qualified Bidders at the Auction shall be deemed to have consented to the core jurisdiction of the Bankruptcy Court and waived any right to a jury trial in connection with any disputes relating to the Auction, and the construction and enforcement of the Bidder's Competing Purchase Agreement, as applicable.

(f) Closing the Auction

Upon conclusion of the bidding, the Auction shall be closed, and the Debtor shall, (i) immediately review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Proposed Sale, and (ii) immediately identify the highest and best offer for the Shares under the Agreement (the "Successful Bid") and the Person submitting such Successful Bid (the "Successful Bidder"), which highest and best offer will provide the greatest amount of net value to the Debtor's estate, and the next highest or otherwise best offer after the Successful Bid (the "Back-up Bid"), and advise the Qualified Bidder of such determination; provided that Purchaser may in its sole discretion, elect that its offer not serve as the Back-up Bid. If, upon conclusion of the Auction, and consistent with the terms of the Bid Procedures, Purchaser's final bid matches or is greater than the highest bid made by any Qualified Overbidder, Seller shall request Bankruptcy Court approval of the Agreement, including the sale of the Shares to Purchaser contemplated thereby, and request Bankruptcy Court authorization for Seller to sell the Shares to Purchaser, and the amount of Purchaser's final Bid shall constitute the Purchase Price under the Agreement.

Acceptance of Successful Bid

The Debtor shall sell the Shares subject to the Successful Bid(s) to the Successful Bidder(s) upon the approval of the Successful Bid by the Bankruptcy Court after the Sale Hearing. The Debtor's presentation of a particular Qualified Bid to the Bankruptcy Court for approval does not constitute the Debtor's acceptance of the Bid. The Debtor will be deemed to have accepted a Bid only when the Bid has been approved by the Bankruptcy Court at the Sale Hearing. All interested parties reserve their right to object to the Debtor's selection of the Successful Bidder.

"As Is, Where Is"

The sale of the Shares shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtor, its agents or the Debtor's estate except to the extent set forth in the Agreement or the Competing Purchase Agreement of the Successful Bidder. Purchaser and each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Shares prior to making its Bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Shares in making its Bid, and that it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Shares, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bid Procedures or, (i) as to Purchaser, the terms of the sale of the Shares shall be set forth in the Agreement, or (ii) as to another Successful Bidder, the terms of the sale of the Shares shall be set forth in the applicable Competing Purchase Agreement.

Free Of Any And All Interests

Except as otherwise provided in the Agreement or another Successful Bidder's Competing Purchase Agreement, all of Debtor's right, title and interest in and to the Shares subject thereto shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively, the "Interests") in accordance with Section 363 of the Bankruptcy Code, with such Interests to attach to the net proceeds of the sale of the Shares.

Sale Hearing

The Sale Hearing shall be conducted by the Bankruptcy Court on _______________ at __________ or on such date as may be established by the Bankruptcy Court. Following the approval of the sale of the Shares to the Successful Bidder(s) at the Sale Hearing, if any Successful Bidder fails to consummate an approved sale as provided by the terms of the Sale Order, the Debtor, unless such Order approving the sale is otherwise stayed by order of a court with competent jurisdiction, shall be authorized, but not required, to deem the Back-Up Bid, as disclosed at the Sale Hearing, the Successful Bid, and the Debtor shall be authorized, but not required, to consummate the sale with the Qualified Bidder submitting such Bid without further order of the Bankruptcy Court.

Return of Good Faith Deposit

The good faith deposits (collectively, the "Good Faith Deposits"), if any, of the Successful Bidder(s) shall be applied to the purchase price of such transaction at Closing. The Good Faith Deposit of the Back-up Bidder shall be held in an interest-bearing account until five (5) days after the Closing of the transactions contemplated by the Successful Bid, and thereafter returned to the Back-up Bidder. Good Faith Deposits of all other Qualified Bidders shall be held in an interest-bearing escrow account until no later than two (2) business days after the Sale Hearing, and thereafter returned to the respective bidders. If a Successful Bidder or the Back-up Bidder, as appropriate, fails to consummate an approved sale because of a breach or failure to perform on the part of such Bidder, the Debtor shall be entitled to retain the Good Faith Deposit as part of the Debtor's damages resulting from the breach or failure to perform by such Bidder.

Modifications

The Debtor may (a) determine, which Qualified Bid, if any, is the highest and best offer; and (b) reject at any time before entry of an order of the Bankruptcy Court approving a Qualified Bid, any Bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bid Procedures or the terms and conditions of sale, or (iii) contrary to the best interests of the Debtor's estate and creditors. The Debtor shall not make material modifications to these Bid Procedures without Bankruptcy Court approval, provided, however, that, to the extent not contrary to the Bidding Procedures Order, the Debtor, in consultation with Purchaser, may make other non-material modifications to such procedures if their reasonable judgment such modifications would be in the best interests of the Debtor's estate, do not permit the recapitalization of the Bank on terms that are not acceptable to Governmental Authorities or are worse than the terms of the Equity Contribution set forth in the Stock Subscription Agreements, and promote an open and fair sale process.

Exhibit 2

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF FLORIDA

In re:	)	Chapter 11
	)	Case No.
BEACH COMMUNITY BANCSHARES, INC.,	)	
	)	
Debtor.	)	

NOTICE OF SALE

Please take notice that:

1. Pursuant to the *Order under 11 U.S.C. §§ 105(a), 363(b) and 365; Fed. R. Bankr. P. 2002, 6004, 6006, and 9014; and L.B.R. 6004-1 Approving (A) Bidding Procedures, (B) Bidding Protections, and (C) the Form and Manner of Notice of (i) the Sale of Certain Assets and (ii) Granting Related Relief (the "Bid Procedures Order")* entered by the United States Bankruptcy Court for the Northern District of Florida (the "Court") on _______________, Beach Community Bancshares, Inc. (the "Debtor"), is proceeding with a sale of its 100% equity ownership (the "Shares") in its non-debtor subsidiary, Beach Community Bank, a Florida banking corporation (the "Bank"), on the terms and conditions set forth in the Stock Purchase Agreement by and between the Debtor, ____________ ("Purchaser") and the Bank, solely with respect to certain provisions (the "Agreement").

2. All interested parties are invited to make competing offers to purchase the Shares in accordance with the Bid Procedures approved by this Court. Pursuant to the Bid Procedures Order[4], the Debtor will conduct an auction for the Shares (the "Auction") on ______________________at the offices of Nelson Mullins Riley & Scarborough LLP, Atlantic Station, 201 17th Street, NW, Suite 1700, Atlanta, Georgia 30363 at 10:00 a.m. (prevailing Eastern time).

3. Participation at the Auction is subject to the Bid Procedures and the Bid Procedures Order. Copies of the Agreement, the Sale Motion, the Bid Procedures and the Bid Procedures Order, may be obtained by contacting counsel for the Debtor.

4. As set forth in the Bid Procedures Order, in order to be qualified to receive any confidential information from the Debtor or the Bank, to submit an Qualified Bid and to participate in the Auction, a Potential Bidder, other than Purchaser, must submit each of the following to the Debtor (all as more particularly described in the Bid Procedures): (i) an executed confidentiality agreement; (ii) financial statements as described in the Bid Procedures; and (iii) information identifying the Potential Bidder and its Principals and representatives.

5. In order to participate at the Auction, a Potential Bidder must: (i) submit its bid to the parties set forth in the Bid Procedures Order on or before 12:00 noon

[4] All capitalized terms not otherwise defined herein shall have the meanings ascribed to them, as applicable, in the Sale Motion filed on ________________ (the "Sale Motion"); the Agreement; or the Bid Procedures Order. This notice summarizes in part the terms of the Bid Procedures Order, but is not meant to, and shall not be construed as, modifying, amending or altering those terms. The Bid Procedures Order and the incorporated Bid Procedures shall govern the conduct of the proposed sale in all respects.

(prevailing Eastern time) on __________________ (the "Bid Deadline"); and (ii) have received notification from the Debtor that the Potential Bidder is a Qualified Bidder.

6. A bid must be a written irrevocable offer from a Qualified Bidder and shall contain, among other things, the following: (a) a proposed purchase agreement (the "Competing Purchase Agreement "); (b) a cashier's check made payable to the order of the Debtor in the amount of $_____________ (the "Deposit"), which will be retained by the Debtor as a deposit; (c) evidence in the form of affidavits or declarations establishing, among other things, the Qualified Bidder's financial ability, good faith, and ability to perform the obligations under the Competing Purchase Agreement and obtain the regulatory approval necessary to consummate the transactions contemplated by the Competing Purchase Agreement (collectively, the "Bidder Representations"); (d) remain open until the first business day after the Sale to the Successful Bidder has closed; and (e) contain terms and conditions that are higher and better than the terms and conditions of the Agreement, including, among other things, (i) the recapitalization of the Bank through an equity contribution on terms not less favorable to the Bank than the Equity Contribution (as defined in the Agreement) and on terms acceptable to governmental authorities as evidenced by written authorization or affidavit, (ii) a proposed closing date that is not later than the Outside Date (as defined in the Agreement), and (iii) a purchase price that is equal to or greater than $____________ (the "Initial Minimum Overbid").

7. Purchaser and any party that conforms with the above requirements (a bid complying with such requirements, a "Qualified Bid ") that the Debtor has determined is reasonably likely to be able to consummate the Sale shall be deemed a

"Qualified Bidder" and may bid for the Shares at the Auction. For the avoidance of doubt, only Qualified Bidders may participate in the Auction.

8. The sale of the Shares shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtor, its agents, its advisors, or estate, except to the extent set forth in the Agreement or in the Debtor's purchase agreement(s) with the Successful Bidder(s). Except as otherwise provided in the Agreement or the purchase agreement(s) with the Successful Bidder(s), all of the right, title and interest in and to the Shares to be acquired will be sold free and clear of all liens, security interests, encumbrances, and interests thereon and there against (collectively, the "Encumbrances"). The Encumbrances, if any, will attach to the net proceeds of the sale of such Shares, subject to any claim of Purchaser to such proceeds for payment of the Break Up Fee.

9. If on the Bid Deadline, Purchaser is the only Qualified Overbidder, the Debtor shall not conduct the Auction. Rather, the Debtor shall (i) request at the Sale Hearing that this Court approve the proposed sale of the Shares to Purchaser under the Agreement; and (ii) request that the Sale Order shall enter. If there are any Qualified Bidders other than Purchaser on the Bid Deadline, the Debtor will conduct the Auction, subject to approval of this Court, in which Purchaser and all other Qualified Bidders may participate.

10. The Auction will be governed by the following procedures, the most significant of which include, without limitation, the following (the "Auction Rules"):

(a) the Debtor and its professionals shall direct and preside over the Auction, which shall be conducted at the offices of Nelson Mullins Riley & Scarborough LLP, Atlantic Station, 201 17th Street, NW, Suite 1700, Atlanta, Georgia 30363 on ______________________ at 10:00 a.m.; (b) bidding will commence at the amount of the highest bid submitted by a Qualified Bidder, as determined by the Debtor; (c) Purchaser shall be entitled to credit bid the amount of the Break Up Fee at the Auction; (d) each subsequent bid, after the Initial Minimum Overbid, will be in increments of no less than one hundred thousand dollars ($100,000); (e) Purchaser will have the right, but not the obligation, to match bids made by any Qualified Bidder; (f) the Auction shall continue until there is only one bid submitted by a Qualified Bidder that, in the Debtor's reasonable business judgment, is the winning bid; and (g) if, upon conclusion of the Auction, the Purchaser's final bid matches (or is greater than) the highest bid made by any Qualified Bidder, the Debtor will request that the Court approve the Agreement and authorize the Debtor to sell the Shares to Purchaser.

11. The Sale Hearing is presently scheduled to take place on _____________________ (prevailing Eastern Time) in the courtroom of The Honorable ____________________________________ in the United States Bankruptcy Court for the Northern District of Florida at Tallahassee, Florida.

12. Objections to the entry of an order approving the Sale and the related relief requested in the Sale Motion must be made in writing and must be filed with this Court and served upon the following parties so as to be received by no later than 4:00 p.m. (prevailing Eastern Time) on _________________________________ and served

upon the following: (a) the Debtor: c/o Nelson Mullins Riley & Scarborough LLP Atlantic Station, 201 17th Street NW, Suite 1700, Atlanta, Georgia 30363 Attention: J. Brennan Ryan; (b) the Trust Preferred: c/o StoneCastle Partners, LLC, 152 West 57th Street, 35th Floor, New York, NY 10019 Attn: Jim Brennan; (c) Purchaser: __________; and (d) U.S. Trustee: U.S. Trustee, 110 Park Avenue, Suite 128, Tallahassee, FL 32301, Attn: _______________. The failure of any objecting party to timely file and serve its objection shall be a bar to the assertion by such party at the Sale Hearing or thereafter of any objection to the Sale Motion, the Sale, or the Debtor's consummation and performance of the Agreement, including the transfer of the Shares free and clear of all Encumbrances.

13. This notice is qualified in its entirety by the Bid Procedures Order.

NELSON MULLINS RILEY
& SCARBOROUGH LLP

By_________________________________

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