UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

In re	Case No. 91-14561-BKC-PGH
SOUTHEAST BANKING CORPORATION,	Chapter 11
Debtor. _____/	

TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

DATED DECEMBER 9, 2008

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CHAPTER 11 PLAN OF REORGANIZATION

INTRODUCTION

Jeffrey H. Beck, as Chapter 11 Trustee (the "Trustee") for the Estate of Southeast Banking Corporation, Debtor (the "Debtor") hereby proposes this plan of reorganization (the "Plan") for the resolution of the outstanding Claims (as defined below) against and Interests (as defined below) in the Debtor. Reference is made to the Disclosure Statement (as defined below) distributed contemporaneously herewith for a discussion of the Debtor's history, businesses, properties, results of operations, projections for future operations, risk factors, and a summary and analysis of the Plan and certain related matters, including distributions to be made under the Plan. The Trustee is the proponent of the Plan within the meaning of Section 1129 of the Bankruptcy Code (as defined below).

All Holders of Interests who are entitled to vote on the Plan are encouraged to read the Plan and the Disclosure Statement in their entirety before voting to accept or reject the Plan. Subject to certain restrictions and requirements set forth in Section 1127 of the Bankruptcy Code, Rule 3019 of the Bankruptcy Rules (as defined below), and Article IX of the Plan, the Trustee reserves the right to alter, amend, modify, revoke, or withdraw the Plan before its substantial consummation.

For purposes of the Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms used in the Plan and not otherwise defined in the Plan shall have the meanings ascribed to them in Article I of the Plan. Any capitalized term used in the Plan that is not defined in the Plan, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules. Whenever the context requires, such terms shall include the plural as well as the singular number, the masculine gender shall include the feminine, and the feminine gender shall include the masculine.

ARTICLE I
DEFINITIONS

For purposes of the Plan, (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (b) any reference in the Plan to an existing document or exhibit means such document or exhibit as it may be amended, modified, or supplemented from time to time; (c) unless otherwise specified, all references in the Plan to sections, articles, schedules, and exhibits are references to sections, articles, schedules, and exhibits of or to the Plan; (d) the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (e) captions and headings to articles and sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; and (f) the rules of construction set forth in Section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

1.1 "Ad Hoc Committee" means the Ad Hoc Committee of Subordinated Noteholders.

1.2 "Administrative Claim" means a Claim for an Administrative Expense.

1.3 "Administrative Claims Bar Date" means the last day for filing Administrative Claims, as set forth in the Administrative Claims Bar Date Order.

1.4 "Administrative Claims Bar Date Order" means an Order of the Bankruptcy Court setting a bar date for the filing of Administrative Claims.

1.5 "Administrative Expense" means any cost or expense of administration in the Bankruptcy Case under Section 503 of the Bankruptcy Code, including, without express or implied limitation, any actual and necessary costs and expenses of preserving the Estate, any expenses of Professionals under Sections 330 and 331 of the Bankruptcy Code, any actual and necessary costs and expenses of operating the businesses of the Debtor, any indebtedness or obligations incurred or assumed by the Trustee on behalf of the Debtor and the Estate in connection with the conduct of the Debtor's business or for the acquisition or lease of property or the rendition of services, any allowed compensation or reimbursement of expenses under Section 503(b)(2)-(5) of the Bankruptcy Code, and any fees or charges assessed against the Estate.

1.6 "Affiliate" means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) any officer, director, manager, general partner, member or trustee of such Person or (iii) any Person who is an officer, director, manager, general partner, member or trustee of any Person described in clauses (i) or (ii) of this sentence. For purposes of this definition, the terms "controlling," "controlled by" or "under common control with" shall mean 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 or interests, by contract or otherwise, or the power to elect at least 50% of the directors, managers, general partners, members or persons exercising similar authority with respect to such Person.

1.7 "Aggregate Purchase Price" shall have the meaning set forth in Section 5.6(b) of the Plan.

1.8 "Allowed" means, (a) when used with respect to an Administrative Claim, all or any portion of an Administrative Claim that has been allowed or adjudicated in favor of the Holder by estimation or liquidation, by a Final Order; (b) when used with respect to a Claim other than an Administrative Claim, such Claim or any portion thereof that has been allowed; or (c) when used with respect to an Interest, such Interest that has been allowed or, in the case of an Interest represented by an Old SEBC Common Stock Certificate, as to which the Trustee, Disbursing Agent or Transfer Agent, as applicable, has received documentation sufficient in his or her discretion to allow such Interest.

1.9 "Available Cash" means all Cash held by the Estate, the SEBNA Receivership, the Jacksonville Property Subsidiaries, and the Other SEBC Subsidiaries on the

Effective Date, all of which shall have been upstreamed to the Estate immediately prior to the Closing in accordance with Section 5.15 of the Plan.

1.10 "Bankruptcy Case" means the Chapter 7 Case and the Chapter 11 Case collectively.

1.11 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as in effect on the Petition Date or as thereafter amended to the extent the amendment is applicable to the Bankruptcy Case.

1.12 "Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of Florida or such other court as may have jurisdiction over the Bankruptcy Case or any aspect thereof.

1.13 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

1.14 "BNY Senior" means The Bank of New York Mellon, in its capacity as Indenture Trustee under the Senior Indenture.

1.15 "BNY Sub" means The Bank of New York Mellon, in its capacity as Indenture Trustee under the 1972 Indenture and the 1989 Indenture.

1.16 "Business Day" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City, New York and Miami, Florida.

1.17 "Cash" means legal tender of the United States or equivalents thereof.

1.18 "Chapter 7 Case" means the Chapter 7 case of the Debtor.

1.19 "Chapter 11 Case" means the Chapter 11 case of the Debtor.

1.20 "Claim" means (a) the right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, known, unknown, or asserted; or (b) the right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

1.21 "Class" means a category of Holders of Claims or Interests, as described in Article II of the Plan.

1.22 "Closing" means the closing of the Transaction and delivery of the agreements and documents and other acts set forth in the Master Subscription Agreement.

1.23 "Closing Date" means the Effective Date.

1.24 "Common Stock Conversion" shall have the meaning set forth in Section 3.4 of the Plan.

1.25 "Confirmation" means approval of the Plan by the Bankruptcy Court pursuant to Section 1129 of the Bankruptcy Code.

1.26 "Confirmation Date" means the date of entry by the Clerk of the Bankruptcy Court of the Confirmation Order.

1.27 "Confirmation Hearing" means the hearing to consider Confirmation of the Plan under Section 1128 of the Bankruptcy Code.

1.28 "Confirmation Order" means the order entered by the Bankruptcy Court confirming the Plan.

1.29 "Cramdown" means Confirmation of the Plan notwithstanding the rejection or deemed rejection of the Plan by an Impaired Class of Claims or Interests, as provided in Section 1129(b) of the Bankruptcy Code.

1.30 "Creditor Questionnaire" means the questionnaire, in substantially the form attached as Exhibit M to the Plan, to be submitted by each Holder of Senior Notes, Subordinated Notes, and Allowed Class 3 Claims in order to determine whether such Holder is a Qualified Creditor, the submission of which shall be a prerequisite to any Distribution to such Holder under the Plan.

1.31 "Debtor" means Southeast Banking Corporation, a Florida corporation.

1.32 "Disbursing Agent" means any Person or Persons designated by the Trustee in his discretion to serve as disbursing agent under the Plan with respect to Distributions to Holders of particular Classes of Claims or Interests, and any agent appointed by such Disbursing Agent for the purpose of effectuating such Distributions.

1.33 "Disclosure Statement" means the Disclosure Statement with Respect to Trustee's First Amended Chapter 11 Plan of Reorganization of Southeast Banking Corporation, as amended, supplemented, or modified from time to time, and that is prepared, approved and distributed in accordance with Section 1125 of the Bankruptcy Code and Rule 3018 of the Bankruptcy Rules.

1.34 "Distributed Cash" means $21 million (x) plus the amount that Net Cash exceeds $8 million, or (y) minus the amount that Net Cash is less than $8 million.

1.35 "Distribution" means the payment or delivery to any Holder of an Allowed Claim or Interest of the consideration payable to such Holder under the terms of and in accordance with the Plan.

1.36 "Distribution Date" means the Effective Date for all Classes.

1.37 "Distribution Record Date" means the record date for determining entitlement to receive Distributions under the Plan, which date shall be (a) for all Holders of Allowed Claims other than Holders of Noteholder Claims, the third (3rd) Business Day after the Confirmation Date at 5:00 p.m. prevailing Eastern time; and (b) for all Holders of Noteholder Claims other than Holders of the EuroNotes, the close of business on the Business Day immediately preceding the Distribution Date.

1.38 "Effective Date" means the Business Day, on or before April 30, 2009, upon which all conditions to the consummation of the Plan as set forth in Section 7.2 of the Plan have been satisfied or waived as provided in Section 7.3 of the Plan and the Plan becomes effective.

1.39 "Estate" means the estate of the Debtor in the Bankruptcy Case created pursuant to Section 541 of the Bankruptcy Code.

1.40 "EuroNotes" means the Floating Rate Subordinated Notes due 1996 and Floating Rate Subordinated Capital Notes due 1997, as issued under the 1984 Indenture and 1985 Indenture, respectively.

1.41 "FDIC" means the Federal Deposit Insurance Corporation, whether in its former capacity as receiver for SEBNA and/or Southeast Bank of West Florida or in its corporate capacity, as Holder of the Allowed Class 5 Interest under the Plan, as appropriate in the context of the reference.

1.42 "Final Order" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in the Bankruptcy Case, or the docket of any such other court, the operation or effect of which has not been stayed, reversed, or amended, and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal or seek review or rehearing or leave to appeal has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, no appeal or petition for review or rehearing remains pending; *provided, however*, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order or judgment shall not cause such order or judgment not to be a Final Order.

1.43 "General Unsecured Claims" means all Allowed unsecured pre-petition Claims, other than Noteholder Claims, which are entitled to receive Postpetition Interest.

1.44 "Global Settlement Order" means the Order Approving and Implementing Global Settlement of Issues Affecting Calculation and Payment of Post Petition Interest and Attorneys' Fees and Related Priority and Subordination Issues, and Procedure for Interim Distributions of Post Petition Interest on Negative Notice Without Hearing issued by the Bankruptcy Court on November 3, 2003, a copy of which is attached as Exhibit K to the Plan.

1.45 "Global Settlement Order Reallocation Formula" shall mean the formula by which distributions to be made to the Holders of Allowed Class 1 and 2 Claims pursuant

to the Plan are reallocated pursuant to the Global Settlement Order or such further Order as may be entered by the Bankruptcy Court consistent with the terms of the Global Settlement Order.

1.46 "Holder" means the Person holding the beneficial interest in a Claim or Interest.

1.47 "Impaired" means, with respect to any Claim or Interest, that such Claim or Interest is impaired within the meaning of former Section 1124 of the Bankruptcy Code.

1.48 "Indenture Trustee Fees and Expenses" means any and all reasonable fees, expenses, disbursements and advances of the Indenture Trustees (and their counsel, agents, and advisors) that are provided for under the respective Indentures (including, without limitation, in connection with Distributions under the Plan and for payments made in connection with indemnity claims), which are incurred at any time prior to or after the Effective Date.

1.49 "Indenture Trustees" means, collectively, the Senior Indenture Trustee and the Subordinated Indenture Trustees.

1.50 "Indentures" means the 1972 Indenture, 1984 Indenture, 1985 Indenture, 1987 Indenture, 1989 Indenture, and the Senior Indenture.

1.51 "Institutional Accredited Investor" means an "accredited investor" as such term is defined in paragraphs (1), (2), (3) and (7) of Rule 501(a) of Regulation D under the Securities Act of 1933, as amended.

1.52 "Interests" means all equity interests in the Debtor, specifically including but not limited to, the Old SEBC Common Stock Interests, the Series A Preferred Stock, Series E Preferred Stock, and all other issued, unissued, authorized or outstanding shares of stock together with any warrants, options or contract rights to purchase or acquire such interests at any time (other than any equity interests to be issued under the Plan).

1.53 "Interim Distributions" means the series of Interim Cash distributions approved by the Bankruptcy Court and made to Holders of Allowed Claims during the Chapter 7 Case.

1.54 "Investment Vehicle" means a newly formed special purpose vehicle to be established to acquire the Investment Vehicle Initial Investments on or after the Closing Date.

1.55 "Investment Vehicle Equity" means the equity to be issued to MLE or any of its Affiliates on or after the Closing Date.

1.56 "Investment Vehicle Initial Investments" means not less than $1,650,000,000 face value in fixed-income instruments to be determined by Investor prior to the Closing Date to be acquired by the Investment Vehicle from an Affiliate of Investor.

1.57 "Investment Vehicle Senior Securities" means that certain senior preferred equity to be issued by Investment Vehicle to Reorganized SEBC on or after the Closing Date.

1.58 "Investor" means MLE and/or any other entity to which MLE validly assigns its rights under the Master Subscription Agreement and related documents including, without limitation, the Third Party Investor.

1.59 "Jacksonville Property" means the interests in real property and personal property currently owned by various non-debtor subsidiaries of the Estate in and/or relating to certain parcels of real property located in Jacksonville, Florida and more particularly described as follows: (i) the Southwest Quadrant Property, a 145.022-acre parcel consisting of (x) a 17.662-acre parcel of vacant land owned by Southeast Properties, Inc. ("SEPI"), a non-debtor wholly owned subsidiary of the Estate, (y) a 121.85-acre parcel owned 50% by SWQ Holdings, Inc. ("SWQ"), a non-debtor subsidiary wholly owned by the Estate, and 50% by an unrelated joint venture ("SQJV") in which the Estate has no interest, and (z) a 5.51-acre parcel owned in fee simple with undivided interests each by SEPI, SWQ, and SQJV. Notwithstanding the aforesaid legal ownership, in respect of the 145.022 acres of the Southwest Quadrant Property, SEPI and SWQ hold the right to receive 70% from the proceeds of any sale, and SQJV owns the right to receive the remaining 30% of the proceeds, pursuant to an agreement entered into by, between, and among the Estate, SEPI, SWQ, and SQJV in April of 1998, and approved by the Bankruptcy Court in the Chapter 7 Case; (ii) 7.321 acres of vacant land owned by Second Pioneer Corporation, a non-debtor subsidiary wholly owned by First Pioneer Corporation, a non-debtor subsidiary wholly owned by the Estate; and (iii) the Townsend Road Property, an approximate 40-acre parcel owned by First Pioneer Corporation.

1.60 "Jacksonville Property Subsidiaries" means, collectively, SEPI, SWQ, First Pioneer Corporation, and Second Pioneer Corporation, each of which shall, on or before the Effective Date, be converted into a Florida limited liability company which shall not be permitted to elect to be taxed as a corporation for federal income tax purposes.

1.61 "Legal Rate" means simple interest at the rate of 8% per annum, without compounding of any type, as provided in the Global Settlement Order, or as otherwise determined by the Bankruptcy Court.

1.62 "Legal Representative" means Jerry M. Markowitz, Esq., the legal representative for Holders of Old SEBC Common Stock Interests, as appointed by the Bankruptcy Court in its *Order Appointing Legal Representative for Holders of SEBC Common Stock* entered in the Bankruptcy Case on or about November 23, 2007.

1.63 "Lien" means a charge against or interest in property of the Debtor to secure payment of a debt or performance of an obligation owed by the Debtor.

1.64 "Master Subscription Agreement" means that certain Master Subscription Agreement between the Trustee and MLE (including all schedules and exhibits thereto), which is attached as Exhibit L to the Plan.

1.65 "Mixed Securities Distribution" means $10.5 million in total consideration consisting of $6 million in SEBC Holdings Senior Preferred Units and $4.5 million in Reorganized SEBC Series K Junior Preferred Stock, subject, however, to adjustment pursuant to Section 5.6(e) of the Plan.

1.66 "MLE" means Modena 2004-1 LLC, a Delaware limited liability company and indirect wholly owned subsidiary of Merrill Lynch & Co., Inc., and any of Modena 2004-1 LLC's Affiliates to which it validly assigns its rights under the Master Subscription Agreement and related documents.

1.67 "Net Cash" means Available Cash after deducting from such Available Cash all Allowed but unpaid Administrative Expenses (excluding the SCS Structuring Fee and the SCS Annual Fee) and the total amount of all asserted but not yet Allowed Administrative Expenses, to the extent such Administrative Expenses shall not have been disallowed by a Final Order of the Bankruptcy Court.

1.68 "1972 Indenture" means that certain Indenture between the Debtor and Morgan Guaranty Trust Co. of New York, as Trustee, dated as of October 15, 1972, for $35 million in original principal amount of 4-3/4% Convertible Subordinated Debentures due 1997.

1.69 "1984 Indenture" means that certain Indenture between the Debtor and Morgan Guaranty Trust Co. of New York, as Trustee, dated as of December 1, 1984, for $75 million in original principal amount of Floating Rate Subordinated Notes due 1996.

1.70 "1985 Indenture" means that certain Indenture between the Debtor and Morgan Guaranty Trust Co. of New York, as Trustee, dated as of November 1, 1985, for $75 million in original principal amount of Floating Rate Subordinated Capital Notes due 1997.

1.71 "1987 Indenture" means that certain Indenture between the Debtor and Morgan Guaranty Trust Company of New York, dated as of April 1, 1987 for $50 million in original principal amount of 6½% Subordinated Capital Notes Due 1999.

1.72 "1989 Indenture" means that certain Indenture between the Debtor and Irving Trust Co., as Trustee, dated as of March 15, 1989, for $100 million in original principal amount of 10 1/2% Subordinated Notes due 2001.

1.73 "Noteholder" means any Holder of a Note.

1.74 "Noteholder Claim" shall mean a Claim asserted by a Noteholder.

1.75 "Notes" means, collectively, the Senior Notes and the Subordinated Notes.

1.76 "Old SEBC Common Stock Certificate" means a certificate or other writing reflecting the ownership of Old SEBC Common Stock Interests.

1.77 "Old SEBC Common Stock Interests" means the shares of common stock, par value $5.00 per share, of SEBC issued and outstanding as of the Petition Date.

1.78 "Other SEBC Subsidiaries" means First Development Corp. of Jacksonville, a Florida corporation and wholly-owned subsidiary of the Estate; The First National Bank of Palm Beach, Incorporated, an inactive Florida corporation and wholly-owned subsidiary of the Estate; and any other subsidiaries of the Estate other than SEBNA Receivership and the Jacksonville Property Subsidiaries.

1.79 "Person" means any individual, firm, partnership, corporation, trust, association, company, limited liability company, joint stock company, joint venture, governmental unit, or other entity or enterprise.

1.80 "Petition Date" means September 20, 1991, the date on which the Debtor filed its petition for relief under Chapter 7 of the Bankruptcy Code, commencing the case that is now being administered as the Chapter 11 Case.

1.81 "Plan" means this Trustee's First Amended Chapter 11 Plan of Reorganization of Southeast Banking Corporation, all exhibits annexed to the Plan or referenced in the Plan, as the same may be amended, modified, or supplemented from time to time.

1.82 "Plan Supplement" means the supplement to the Plan containing, without limitation, the Securities Purchase Agreement, SEBC Holdings Charter, Real Estate LLC Charter, and all schedules and exhibits thereto, and the Reorganized SEBC By-laws, SEBC Holdings Partnership Agreement, Real Estate LLC Agreement, and all schedules and exhibits thereto.

1.83 "Postpetition Interest" means interest on any Allowed Claim which has accrued or is calculated for the period from and after the Petition Date through the Postpetition Interest Calculation Date, at the Legal Rate as provided in the Global Settlement Order.

1.84 "Postpetition Interest Calculation Date" means May 31, 2002.

1.85 "Professional" means (i) any professional employed in the Bankruptcy Case pursuant to Section 327 of the Bankruptcy Code; (ii) the Legal Representative; (iii) any attorney or financial advisor retained by the Legal Representative and approved by the Bankruptcy Court to be employed in the Bankruptcy Case; and (iv) any professional seeking compensation or reimbursement of expenses in connection with the Bankruptcy Case pursuant to Section 503(b) of the Bankruptcy Code.

1.86 "Professional Fee Claim" means (i) a Claim of a Professional for compensation or reimbursement of costs and expenses relating to services rendered after the Petition Date and before and including the Effective Date, arising under Section 327, 328, 330 or 331 of the Bankruptcy Code, and (ii) a Claim by the Trustee for compensation or reimbursement of costs and expenses relating to services rendered after the Petition

Date and before and including the Effective Date, arising under Section 326 of the Bankruptcy Code.

1.87 "Professional Fee Contribution" means $300,000 in Cash to be paid by Reorganized SEBC to the Disbursing Agent on the first quarterly dividend payment date for Reorganized SEBC after the Effective Date, which amount shall be applied toward payment of Allowed Professional Fee Claims or reimbursement of the Disbursing Agent for prior payment of such Allowed Professional Fee Claims.

1.88 "Proof of Claim" means a Proof of Claim filed with the Bankruptcy Court in connection with the Chapter 7 Case.

1.89 "Proof of Interest" means (i) a Proof of Interest filed with the Bankruptcy Court in connection with the Chapter 7 Case, or (ii) a Proof of Claim filed with the Bankruptcy Court in connection with the Chapter 7 Case that was reclassified by the Bankruptcy Court and temporarily allowed as an Interest, without prejudice to the right of the Trustee or any other party in interest to seek reconsideration of such Interests pursuant to Section 502(j) of the Bankruptcy Code.

1.90 "Pro Rata" means, at any time, the proportion that the amount of a Claim in a particular Class or across Classes (or portions thereof, as applicable) bears to the aggregate amount of all Claims in such Class or across Classes (or portions thereof, as applicable), unless the Plan provides otherwise; provided, however, that certain Distributions referred to in the Plan as Pro Rata may be subject to reallocation between Holders of Senior Notes and Subordinated Notes pursuant to the Global Settlement Order.

1.91 "QIB" means a "qualified institutional buyer" as such term is defined in Rule 144A under the Securities Act of 1933, as amended.

1.92 "Qualified Creditor" means a QIB or an Institutional Accredited Investor.

1.93 "Real Estate LLC" means SEBC Real Estate LLC, a Delaware limited liability company to be established under the Plan to acquire the Jacksonville Property Subsidiaries on or after the Effective Date, following their conversion into Florida limited liability companies.

1.94 "Real Estate LLC Agreement" means the Limited Liability Company Agreement of Real Estate LLC, which shall be substantially in the form included in the Plan Supplement.

1.95 "Real Estate LLC Charter" means the Certificate of Formation of Real Estate LLC, which shall be substantially in the form included in the Plan Supplement.

1.96 "Real Estate LLC Debt" means $9 million face amount in debt to be issued by Real Estate LLC to Reorganized SEBC, which (i) will have a total coupon equal to the sum of (a) a fixed coupon of 5% per annum, subject to Section 5.6(e) of the Plan, and (b) a participating coupon equal to 10% of all distributions on capital by Real Estate LLC

in any year that exceed the dollar amount distributed pursuant to clause (i)(a) above; (ii) will, at any particular date, have a total amount payable upon its redemption or upon the liquidation of Real Estate LLC, as the case may be, equal to the sum of (a) its remaining unpaid face amount, (b) any amounts payable pursuant to clause (i)(a) above theretofore accrued but unpaid and (c) 10% of the excess of (1) the cumulative sum, up to such date, of the realized and unrealized value of the total assets of Real Estate LLC, over (2) the sum of $33 million and any amount paid, or accrued and unpaid pursuant to clause (i)(a) above; (iii) will not be callable at the option of the issuer before the 2nd anniversary of the issuance; (iv) will, by its terms, be mandatorily convertible into 7-year term preferred equity units of Real Estate LLC with corresponding economic terms, at the earlier of (a) the 7th anniversary of the issuance of the Real Estate LLC Debt and (b) the redemption of all Reorganized SEBC Senior Preferred Stock; and (v) will have such other terms and conditions as will be set forth in the Plan Supplement.

1.97 "Real Estate LLC Membership Interests" means the new membership interests of Real Estate LLC, based on an initial capital contribution of $24 million, to be issued to the Trustee or Reorganized SEBC and contributed to SEBC Holdings under Section 5.3(d) of the Plan as of the Effective Date, with terms substantially as set forth in the Real Estate LLC Agreement.

1.98 "Real Estate LLC Securities" means the Real Estate LLC Debt and the Real Estate LLC Membership Interests.

1.99 "Reorganized SEBC" means the Debtor as reorganized pursuant to the Plan, on and after the Effective Date, to be named SEBC Financial Corporation, a Florida corporation.

1.100 "Reorganized SEBC Board" means the Board of Directors of Reorganized SEBC, to be constituted as of the Effective Date pursuant to Section 5.11 of the Plan.

1.101 "Reorganized SEBC By-laws" means the by-laws of Reorganized SEBC, which shall be substantially in the form included in the Plan Supplement.

1.102 "Reorganized SEBC Charter" means the articles of incorporation of Reorganized SEBC, which shall be substantially in the form included in the Plan Supplement.

1.103 "Reorganized SEBC Class A Common Stock" means the new common stock, par value $0.001 per share, of Reorganized SEBC to be authorized and issued under Section 5.9(b) of the Plan as of the Effective Date, with terms substantially as set forth in the Reorganized SEBC Charter and the Reorganized SEBC By-laws, as described on Exhibit A hereto.

1.104 "Reorganized SEBC Class B Common Stock" means the new common stock, par value $0.001 per share, of Reorganized SEBC to be authorized and issued under Section 5.9(b) of the Plan as of the Effective Date, with terms substantially as set forth in the Reorganized SEBC Charter and the Reorganized SEBC By-laws, as described on Exhibit B hereto.

1.105 "Reorganized SEBC Class C Common Stock" means the new common stock, par value $0.001 per share, of Reorganized SEBC to be authorized and issued under Section 5.9(b) of the Plan as of the Effective Date, with terms substantially as set forth in the Reorganized SEBC Charter and the Reorganized SEBC By-laws, as described on Exhibit C hereto.

1.106 "Reorganized SEBC Common Stock" means, collectively the Reorganized SEBC Class A Common Stock, Reorganized SEBC Class B Common Stock, and Reorganized SEBC Class C Common Stock.

1.107 "Reorganized SEBC Junior Preferred Stock" means Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock.

1.108 "Reorganized SEBC Preferred Stock" means Reorganized SEBC Junior Preferred Stock and Reorganized SEBC Senior Preferred Stock.

1.109 "Reorganized SEBC Securities" means, collectively, Reorganized SEBC Common Stock, Reorganized SEBC Senior Preferred Stock, Reorganized SEBC Series J Junior Preferred Stock, and Reorganized SEBC Series K Junior Preferred Stock.

1.110 "Reorganized SEBC Senior Preferred Stock" means Reorganized SEBC Series A Senior Preferred Stock and Reorganized SEBC Series B Senior Preferred Stock.

1.111 "Reorganized SEBC Series A Senior Preferred Stock" means the new senior preferred stock, par value $0.001 per share, of Reorganized SEBC to be authorized and issued under Section 5.9(b) of the Plan as of the Effective Date, with terms substantially as set forth in the Reorganized SEBC Charter and the Reorganized SEBC By-laws, as described on Exhibit D hereto.

1.112 "Reorganized SEBC Series B Senior Preferred Stock" means the new senior preferred stock, par value $0.001 per share, of Reorganized SEBC to be authorized and issued under Section 5.9(b) of the Plan as of the Effective Date, with terms substantially as set forth in the Reorganized SEBC Charter and the Reorganized SEBC By-laws, as described on Exhibit E hereto.

1.113 "Reorganized SEBC Series J Junior Preferred Stock" means the new cumulative preferred stock, par value $0.001 per share, of Reorganized SEBC to be authorized and issued under Section 5.9(b) of the Plan as of the Effective Date, with terms substantially as set forth in the Reorganized SEBC Charter and the Reorganized SEBC By-laws as described on Exhibit F hereto.

1.114 "Reorganized SEBC Series K Junior Preferred Stock" means the new cumulative preferred stock, par value $0.001 per share, of Reorganized SEBC to be authorized and issued under Section 5.9(b) of the Plan as of the Effective Date, with terms substantially as set forth in the Reorganized SEBC Charter and the Reorganized SEBC By-laws, as described on Exhibit G hereto.

1.115 "Schedules" means the schedules of assets and liabilities, schedules of executory contracts and unexpired leases, and the statements of financial affairs filed in the Bankruptcy Court by the Debtor, as amended or supplemented from time to time in accordance with Rule 1009 of the Bankruptcy Rules or orders of the Bankruptcy Court.

1.116 "SCS" means Structured Capital Solutions, LLC, investment banker for the Estate.

1.117 "SCS Structuring Fee" means .04% (4 bps) of the Aggregate Purchase Price, but excluding for the purposes of this calculation from the Aggregate Purchase Price the total combined value of the 5,000,000 shares of Reorganized SEBC Class B Common Stock and the 5,000,000 shares of Reorganized SEBC Class C Common Stock purchased by Investor pursuant to Section 5.6(c) of the Plan.

1.118 "SCS Annual Fee" means .08% (8 bps) of the Aggregate Purchase Price, but excluding for the purposes of this calculation from the Aggregate Purchase Price the total combined value of the 5,000,000 shares of Reorganized SEBC Class B Common Stock and the 5,000,000 shares of Reorganized SEBC Class C Common Stock purchased by Investor pursuant to Section 5.6(c) of the Plan, *per annum* payable in four equal quarterly installments on each quarterly dividend payment date for Reorganized SEBC for so long as the Transaction remains outstanding, commencing on the first quarterly dividend payment date for Reorganized SEBC after the Effective Date.

1.119 "SEBC" means Southeast Banking Corporation, a Florida corporation, which is the Debtor in the Bankruptcy Case.

1.120 "SEBC Holdings" means SEBC Holdings, LP, a Delaware limited partnership to be established under the Plan.

1.121 "SEBC Holdings Charter" means the Certificate of Limited Partnership of SEBC Holdings, which shall be substantially in the form included in the Plan Supplement.

1.122 "SEBC Holdings Common Units" means the new common units of SEBC Holdings to be authorized under Section 5.9(a) of the Plan as of the Effective Date, with terms substantially as set forth in the SEBC Holdings Partnership Agreement, as described in Exhibit H hereto.

1.123 "SEBC Holdings General Partner" means the general partner appointed for SEBC Holdings as set forth in Section 5.10 of the Plan.

1.124 "SEBC Holdings Junior Preferred Units" means the new junior preferred units of SEBC Holdings to be authorized under Section 5.9(a) of the Plan as of the Effective Date, with terms substantially as set forth in the SEBC Holdings Partnership Agreement, as described in Exhibit J hereto.

1.125 "SEBC Holdings Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of SEBC Holdings, which shall be substantially in the form included in the Plan Supplement.

1.126 "SEBC Holdings Restriction Release Date" means any date selected by the SEBC Holdings General Partner after the redemption of all outstanding Reorganized SEBC Senior Preferred Stock and Reorganized SEBC Series J Junior Preferred Stock, if the SEBC Holdings General Partner in good faith determines that it is in the best interests of SEBC Holdings and the holders of SEBC Holdings Common Units for the ownership and transfer limitations set forth in the SEBC Holdings Charter or SEBC Holdings Partnership Agreement to expire.

1.127 "SEBC Holdings Securities" means, collectively, the SEBC Holdings Common Units, SEBC Holdings Senior Preferred Units, and SEBC Holdings Junior Preferred Units.

1.128 "SEBC Holdings Senior Preferred Units" means the new senior preferred units of SEBC Holdings to be authorized under Section 5.9(a) of the Plan as of the Effective Date, with terms substantially as set forth in the SEBC Holdings Partnership Agreement, as described in Exhibit I hereto.

1.129 "SEBNA" means Southeast Bank, N.A.

1.130 "SEBNA District Court Proceeding" means that certain action commenced by the Successor Agent in connection with the termination of the SEBNA Receivership and docketed on August 13, 2008 in the United States District Court for the Southern District of Florida as Case No. 08-22286-CIV-COOKE.

1.131 "SEBNA Receivership" means the receivership for SEBNA, for which the FDIC was the initial receiver and as to which the Trustee has been elected as the Successor Agent.

1.132 "Securities Purchase Agreement" means the agreement pursuant to which Investor shall purchase not less than an aggregate of $6.5 million of the Mixed Securities Distribution in accordance with Section 5.7 of the Plan.

1.133 "Senior Indenture" means that certain Indenture between the Debtor and BNY Senior, as successor Trustee, dated as of March 1, 1983, for $57,250,000 in original principal amount of 11 1/4% Senior Notes due 1993.

1.134 "Senior Indenture Trustee" means BNY Senior as successor to JPMorgan Chase Bank f/k/a The Chase Manhattan Bank, as successor by merger to Manufacturers Hanover Trust Co., in its capacity as the Indenture Trustee under the Senior Indenture. Any reference to a Distribution or other payment being made "to the Senior Indenture Trustee" shall mean a Distribution or payment "to the Senior Indenture Trustee, for the benefit of Holders of Senior Notes (except to the extent the Distribution or other payment is in payment of the Senior Indenture Trustee's Indenture Trustee Fees and Expenses)."

1.135 "Senior Noteholders" means Holders of Senior Notes.

1.136 "Senior Notes" means the Notes issued by the Debtor under the Senior Indenture.

1.137 "Series A Certificate" shall have the meaning set forth in Section 3.3(a) of the Plan.

1.138 "Series A Exchange" shall have the meaning set forth in Section 3.3(a) of the Plan.

1.139 "Series A Preferred Stock" means the 600,000 authorized Adjustable Rate Cumulative Preferred Stock, Series A, with a stated value of $50 per share authorized and issued by the Debtor on April 20, 1987.

1.140 "Series E Certificate" shall have the meaning set forth in Section 3.3(b) of the Plan.

1.141 "Series E Exchange" shall have the meaning set forth in Section 3.3(b) of the Plan.

1.142 "Series E Preferred Stock" means the 240,000 authorized 8.75% Cumulative Convertible Preferred Stock, Series E, with a stated value of $100 per share authorized and issued by the Debtor on May 26, 1989.

1.143 "Solicitation Order" means an order of the Bankruptcy Court determining certain procedures relating to the solicitation of votes under the Plan.

1.144 "Subordinated Indentures" means, collectively, the 1972 Indenture, the 1984 Indenture, the 1985 Indenture, the 1987 Indenture, and the 1989 Indenture.

1.145 "Subordinated Indenture Trustees" means, collectively, BNY Sub and U.S. Bank. Any reference to a Distribution or other payment being made "to the Subordinated Indenture Trustees" shall mean a Distribution or payment "to the Subordinated Indenture Trustees, for the benefit of Holders of Subordinated Notes (except to the extent the Distribution or other payment is in payment of the Subordinated Indenture Trustee's Indenture Trustee Fees and Expenses)."

1.146 "Subordinated Noteholders" means Holders of Subordinated Notes.

1.147 "Subordinated Notes" means the notes issued by the Debtor under each of the Subordinated Indentures.

1.148 "Successor Agent" means the Trustee, in his capacity as Successor Agent to the FDIC for the SEBNA Receivership.

1.149 "Third Party Investor" means, collectively, one or more investors that may acquire from MLE, in whole or in part, Reorganized SEBC Series A Senior Preferred

Stock or Reorganized SEBC Series B Senior Preferred Stock (or a combination thereof) and Reorganized SEBC Class B Common Stock or Reorganized SEBC Class C Common Stock on or after the Effective Date.

1.150 "Transaction" means, collectively, the transactions contemplated by the Plan, the exhibits to the Plan (including, without limitation, the Master Subscription Agreement), and the documents comprising the Plan Supplement.

1.151 "Transfer Agent/Registrar" means a Person appointed pursuant to the Plan to effectuate the Series A Exchange, Series E Exchange, the Common Stock Conversion, and such other duties as set forth in Section 6.4 of the Plan, or any agent appointed by or for such Person pursuant to the Plan with respect to any Claim or Interest under the Plan.

1.152 "Trustee" means Jeffrey H. Beck, as Chapter 11 Trustee for SEBC.

1.153 "Unimpaired" means, with respect to any Claim or Interest, that such Claim or Interest is not impaired within the meaning of former Section 1124 of the Bankruptcy Code.

1.154 "U.S. Bank" means U.S. Bank National Association, in its capacity as successor Indenture Trustee under the 1984 Indenture, the 1985 Indenture, and the 1989 Indenture.

ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS

2.1 Introduction

(a) In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims have not been classified, and the respective treatment of such unclassified Claims is set forth in Section 3.1 of the Plan.

(b) A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and such Claim or Interest has not been paid, released, or otherwise settled before the Effective Date. A Claim or Interest may be and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes.

2.2 Unimpaired/Non-voting Classes of Claims

The following Classes contain Claims that are Unimpaired by the Plan and are therefore not entitled to vote on the Plan.

Class 1: Senior Noteholder Claims

Class 1 consists of all Senior Noteholder Claims.

Class 2: Subordinated Noteholder Claims

Class 2 consists of all Subordinated Noteholder Claims, comprised of the following sub-Classes:

Class 2A: Subordinated Noteholder Claims under the 1972 Indenture

Class 2B: Subordinated Noteholder Claims under the 1984 Indenture

Class 2C: Subordinated Noteholder Claims under the 1985 Indenture

Class 2D: Subordinated Noteholder Claims under the 1987 Indenture

Class 2E: Subordinated Noteholder Claims under the 1989 Indenture

Class 3: General Unsecured Claims

Class 3 consists of all General Unsecured Claims.

2.3 Impaired/Voting Classes of Interests

The following Classes contain Interests that are Impaired by the Plan and are entitled to vote on the Plan.

Class 4: Series A Preferred Stock Interests

Class 4 consists of all Series A Preferred Stock Interests.

Class 5: Series E Preferred Stock Interests

Class 5 consists of all Series E Preferred Stock Interests.

2.4 Impaired/Non-Voting Classes of Interests Deemed to Reject Plan.

The following Class contains Interests that are Impaired by the Plan, and, pursuant to the Solicitation Order, are deemed to have rejected the Plan, and therefore are not entitled to vote on the Plan.

Class 6: Old SEBC Common Stock Interests

Class 6 consists of all Old SEBC Common Stock Interests.

ARTICLE III
TREATMENT OF CLAIMS AND INTERESTS

3.1 Unclassified Claims: Administrative Claims

With respect to each Allowed Administrative Claim, except as otherwise provided for herein, and subject to the requirements of Sections 9.1 through 9.5 of the Plan, on

the Effective Date or the date on which such Administrative Claim becomes payable pursuant to any agreement between Reorganized SEBC or the Trustee and the Holder of such Administrative Claim, the Holder of each such Allowed Administrative Claim shall receive from the Estate in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim, (i) Cash equal to the unpaid portion of such Allowed Administrative Claim or (ii) such different treatment (on terms no more favorable to the Holder than previously agreed to among the parties) as to which the Trustee or Reorganized SEBC and such Holder shall have agreed in writing. The Professional Fee Contribution shall also be used as a source for, or in reimbursement of, Allowed Professional Fee Claims.

3.2 Unimpaired/Non-Voting Classes of Claims

(a) Class 1: Senior Noteholder Claims

All principal amounts due and owing with respect to the Senior Notes have been paid in full during the Chapter 7 Case, as a result of which the Holders of Senior Notes are Unimpaired pursuant to former Section 1124(3) of the Bankruptcy Code. The Holders of the Senior Notes have Allowed Claims for and remain entitled to receive Postpetition Interest, the payment of which is governed by the Global Settlement Order, as implemented by and incorporated into the Plan.

On the Distribution Date, Holders of Senior Notes shall receive, in full and final satisfaction of their Allowed Class 1 Claims, their Pro Rata share (with Classes 2 and 3) of:

(i) Distributed Cash;

(ii) Mixed Securities Distribution (as set forth in Section 5.7 of the Plan); and

(iii) $18.7 million SEBC Holdings Junior Preferred Units.

All of the foregoing consideration shall be reallocated among Holders of Senior Notes and Subordinated Notes in accordance with the provisions of the Global Settlement Order or such further order as may be entered by the Bankruptcy Court. In the event that the terms of the reallocation are not finalized by the Effective Date, the Effective Date may nevertheless occur and distributions may be made to the Holders of Allowed Class 1 Claims.

Notwithstanding the foregoing, as additional consideration to the Holders of the Senior Notes, the Debtor or Reorganized SEBC shall pay, on or as soon as practicable after the Effective Date, in full in Cash, all of the Senior Indenture Trustee's reasonable Indenture Trustee Fees and Expenses incurred since July 31, 2002 (as provided in the Global Settlement Order), without application to or approval of the Bankruptcy Court and without a reduction to the recoveries of the Holders of the Senior Notes. In addition to the foregoing, nothing contained herein shall operate to preclude the Senior Indenture Trustee from distributing to the Holders of the Senior Notes any amounts

withheld by the Senior Indenture Trustee from any Interim Distribution as a reserve for Indenture Trustee Fees and Expenses in excess of the actual Indenture Trustee Fees and Expenses incurred.

(b) Class 2: Subordinated Noteholder Claims

All principal amounts due and owing with respect to the Subordinated Notes have been paid in full during the Chapter 7 Case, as a result of which the Holders of Subordinated Notes are Unimpaired pursuant to former Section 1124(3) of the Bankruptcy Code. The Holders of the Subordinated Notes have Allowed Claims for and remain entitled to receive Postpetition Interest, the payment of which is governed by the Global Settlement Order, as implemented by and incorporated into the Plan.

On the Distribution Date, Holders of Subordinated Notes shall receive, in full and final satisfaction of their Allowed Class 2 Claims, their Pro Rata Share (with Classes 1 and 3) of:

(i) Distributed Cash;

(ii) Mixed Securities Distribution (as set forth in Section 5.7 of the Plan); and

(iii) $18.7 million SEBC Holdings Junior Preferred Units.

All of the foregoing consideration shall be reallocated among Holders of Senior Notes and Subordinated Notes in accordance with the provisions of the Global Settlement Order or such further order as may be entered by the Bankruptcy Court. In the event that the terms of the reallocation are not finalized by the Effective Date, the Effective Date may nevertheless occur and distributions may be made to the Holders of Allowed Class 2 Claims.

Notwithstanding the foregoing, as additional consideration to the Holders of the Subordinated Notes, the Debtor or Reorganized SEBC shall pay, on or as soon as practicable after the Effective Date, in full in Cash, all of the Subordinated Indenture Trustees' reasonable Indenture Trustee Fees and Expenses incurred since July 31, 2002 (as provided in the Global Settlement Order), without application to or approval of the Bankruptcy Court and without a reduction to the recoveries of the Holders of the Subordinated Notes. In addition to the foregoing, nothing contained herein shall operate to preclude the Subordinated Indenture Trustees from distributing to the Holders of the Subordinated Notes any amounts withheld by the Subordinated Indenture Trustees from any Interim Distribution as a reserve for Indenture Trustee Fees and Expenses in excess of the actual Indenture Trustee Fees and Expenses incurred.

(c) Class 3: General Unsecured Claims

All principal amounts due and owing with respect to General Unsecured Claims have been paid in full during the Chapter 7 Case, as a result of which the Holders of

General Unsecured Claims are Unimpaired pursuant to former Section 1124(3) of the Bankruptcy Code The Holders of the General Unsecured Claims have Allowed Claims for and remain entitled to receive Postpetition Interest, the payment of which is governed by the Global Settlement Order, as implemented by and incorporated into the Plan.

On the Distribution Date, Holders of Allowed Class 3 Claims shall receive, in full and final satisfaction of their Allowed Class 3 Claims, their Pro Rata Share (with Classes 1 and 2) of:

(i) Distributed Cash;

(ii) Mixed Securities Distribution (as set forth in Section 5.7 of the Plan); and

(iii) $18.7 million SEBC Holdings Junior Preferred Units.

3.3 Impaired/Voting Classes of Interests

(a) Class 4: Series A Preferred Stock Interests

On the Distribution Date, in full and final satisfaction of all Allowed Class 4 Interests, all shares of Series A Preferred Stock shall be converted into an aggregate of 300,000 units ($300,000 aggregate face amount) of SEBC Holdings Junior Preferred Units (the **"Series A Exchange"**).

Effective upon the Series A Exchange, each certificate theretofore representing shares of Series A Preferred Stock (a **"Series A Certificate"**) shall no longer represent any interest in the capital stock of SEBC, and shall represent only the right to receive a new certificate representing the number of SEBC Holdings Junior Preferred Units into which the Series A Preferred Stock Interests previously represented by the Series A Certificate shall have been converted.

(b) Class 5: Series E Preferred Stock Interests

On the Distribution Date, in full and final satisfaction of all Allowed Class 5 Interests, all shares of Series E Preferred Stock shall be converted into an aggregate of 240,000 units ($240,000 aggregate face amount) of SEBC Holdings Junior Preferred Units (the **"Series E Exchange"**).

Effective upon the Series E Exchange, each certificate theretofore representing shares of Series E Preferred Stock (a **"Series E Certificate"**) shall no longer represent any interest in the capital stock of SEBC, and shall represent only the right to receive a new certificate representing the number of SEBC Holdings Junior Preferred Units into which the Series E Preferred Stock Interests previously represented by the Series E Certificate shall have been converted.

3.4 Impaired/Non-voting Classes of Interests - Class 6: Old SEBC Common Stock Interests

On the Distribution Date, in full and final satisfaction of all Allowed Class 6 Interests, each of the shares of Old SEBC Common Stock Interests shall be converted into one (1) unit of SEBC Holdings Common Units (the **"Common Stock Conversion"**). Following the Common Stock Conversion, Holders of Allowed Class 6 Interests shall hold, in the aggregate, 100% of the SEBC Holdings Common Units.

Effective upon the Common Stock Conversion, each Old SEBC Common Stock Certificate shall no longer represent any interest in the capital stock of SEBC and shall represent only the right to receive a new certificate representing the number of SEBC Holdings Common Units into which the Old SEBC Common Stock Interests previously represented by the Old SEBC Common Stock Certificate shall have been converted.

3.5 Distributions Held in Trust

For purposes of Distribution and effectuating the purchase and sale of such shares as described in Section 5.7 of the Plan, the Distributed Cash, Reorganized SEBC Series K Junior Preferred Stock, SEBC Holdings Senior Preferred Units, and SEBC Holdings Junior Preferred Units issued to Holders of Allowed Class 1, 2, and 3 Claims as set forth in Sections 3.2(a), 3.2(b), and 3.2(c) of the Plan shall be held in trust by the Disbursing Agent or the Transfer Agent/Registrar, as applicable, for the benefit of the Holders of such Allowed Noteholder Claims from and after the Effective Date, pending (x) finalization of the reallocation terms between Holders of Senior Notes and Subordinated Notes, (y) payment of such amounts in accordance with the Global Settlement Order Reallocation Formula, and (z) receipt of the Creditor Questionnaires in accordance with Section 3.6 of the Plan.

3.6 Creditor Questionnaire

Notwithstanding anything to the contrary set forth in the Plan, as a prerequisite to receiving any Distribution under the Plan, all Holders of Senior Notes, Subordinated Notes and Allowed Class 3 Claims shall be required to submit to the Trustee a Creditor Questionnaire, no later than thirty (30) days after the Confirmation Date.

ARTICLE IV
ACCEPTANCE OR REJECTION OF THE PLAN

4.1 Impaired Classes of Interests Entitled to Vote

Holders of Interests in each Impaired Class of Interests, other than Holders of Interests in Class 6, are entitled to vote as a Class to accept or reject the Plan. Accordingly, only the votes of the Holders of Interests in Class 4 and Class 5 shall be solicited with respect to the Plan.

4.2 Unimpaired Classes of Claims Not Entitled to Vote

Holders of Claims in each Unimpaired Class of Claims are conclusively presumed to have accepted the Plan, and therefore are not entitled to vote on the Plan. Accordingly, the votes of the Holders of Claims in Class 1, Class 2A, Class 2B, Class 2C, Class 2D, Class 2E, and Class 3 will not be solicited with respect to the Plan.

4.3 Impaired Classes of Interests Deemed to Have Rejected the Plan

Pursuant to the Solicitation Order, Holders of Interests in Class 6 are conclusively presumed to have rejected the Plan, and therefore their votes will not be solicited with respect to the Plan.

4.4 Acceptance by Impaired Class of Interests

In accordance with Section 1126(d) of the Bankruptcy Code, and except as provided in Section 1126(e) of the Bankruptcy Code, an Impaired Class of Interests shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in amount of the Allowed Interests of such Class that have timely and properly voted to accept or reject the Plan.

4.5 Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

Because Class 6 is deemed to have rejected the Plan (and to the extent that any other Impaired Class rejects the Plan), the Trustee shall request Confirmation of the Plan, as it may be modified from time to time, by way of Cramdown. The Trustee reserves the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement, or any exhibit, including to amend or modify it to satisfy the requirements of Section 1129(b) of the Bankruptcy Code, if necessary.

ARTICLE V
MEANS FOR IMPLEMENTATION OF THE PLAN

5.1 Continued Corporate Existence of SEBC

Reorganized SEBC shall continue to exist after the Effective Date as a separate legal entity, in accordance with the applicable laws of the State of Florida and pursuant to the Reorganized SEBC Charter and Reorganized SEBC By-laws.

5.2 Formation of Real Estate LLC

(a) On or before the Effective Date, the Trustee or Reorganized SEBC will form Real Estate LLC, which will be treated as a partnership as of the close of the Effective Date for federal income tax purposes.

(b) On the Effective Date, Reorganized SEBC will capitalize Real Estate LLC by contributing the equity interests in the Jacksonville Property Subsidiaries to Real Estate LLC, in exchange for:

(i) the Real Estate LLC Debt; and

(ii) the Real Estate LLC Membership Interests.

(c) In connection with the foregoing contribution by Reorganized SEBC, and prior to the formation of Real Estate LLC, the Jacksonville Property Subsidiaries shall be converted into Florida limited liability companies.

5.3 Formation of SEBC Holdings

(a) On or before the Effective Date, the Trustee or Reorganized SEBC and SEBC Holdings General Partner will form SEBC Holdings, which will be a partnership as of the close of the Effective Date for federal income tax purposes.

(b) On the Effective Date, the Holders of Allowed Class 6 Interests will capitalize SEBC Holdings by contributing all outstanding Old SEBC Common Stock Interests to SEBC Holdings in exchange for 100% of the SEBC Holdings Common Units, to be distributed as provided in Section 3.4 of the Plan.

(c) On the Effective Date, the Holders of Allowed Class 4 and 5 Interests will capitalize SEBC Holdings by contributing all outstanding Series A Preferred Stock and Series E Preferred Stock to SEBC Holdings in exchange for $300,000 SEBC Holdings Junior Preferred Units and $240,000 SEBC Holdings Junior Preferred Units, respectively, to be distributed as provided in Section 3.3(a) and 3.3(b) of the Plan.

(d) On the Effective Date, Reorganized SEBC will contribute the Real Estate LLC Membership Interests to SEBC Holdings, in exchange for:

(i) $6 million aggregate face amount of SEBC Holdings Senior Preferred Units, to be distributed to the Holders of Allowed Class 1, 2 and 3 Claims as part of the Mixed Securities Distribution as provided in Sections 3.2(a)(ii), (b)(ii) and (c)(ii) of the Plan; and

(ii) $18.7 million aggregate face amount of SEBC Holdings Junior Preferred Units, to be distributed to the Holders of Allowed Class 1, 2 and 3 Claims as provided in Sections 3.2(a)(iii), 3.2(b)(iii), and 3.2(c)(iii) of the Plan.

(e) On the Effective Date, Reorganized SEBC shall issue to SEBC Holdings the Reorganized SEBC Class A Common Stock as set forth in Section 5.9(b)(iv) of the Plan, representing 60% of the outstanding shares of Reorganized SEBC Common Stock.

(f) Upon issuance of the SEBC Holdings Securities pursuant to this Section 5.3 of the Plan, each holder of units of SEBC Holdings Securities shall be deemed to have executed the SEBC Holdings Partnership Agreement and shall be bound thereby.

5.4 Formation of Investment Vehicle

On the Effective Date, the Investment Vehicle will be created as a special purpose entity, to acquire the Investment Vehicle Initial Investments and issue the Investment Vehicle Equity and Investment Vehicle Senior Securities, as provided in the Plan Supplement.

5.5 Charters and Governing Documents

The Reorganized SEBC Charter shall be substantially in the form of such document included as an exhibit to the Master Subscription Agreement, and the Reorganized SEBC By-laws, the SEBC Holdings Charter and SEBC Holdings Partnership Agreement, and the Real Estate LLC Charter and Real Estate LLC Agreement shall be substantially in the forms of such documents included in the Plan Supplement, as necessary to satisfy the provisions of the Plan and the Bankruptcy Code. Each of the foregoing documents shall include, among other things, pursuant to Section 1123(a)(6) of the Bankruptcy Code, a provision prohibiting the issuance of non-voting equity securities, but only to the extent required by Section 1123(a)(6) of the Bankruptcy Code.

5.6 Aggregate Purchase Price and Other Contributions

(a) On the Effective Date, Reorganized SEBC shall be authorized to enter into the transactions contemplated by the Master Subscription Agreement and related documents included in the Plan Supplement, and on the Closing Date, Reorganized SEBC shall consummate the Transaction.

(b) As part of the Transaction, subject to the terms and conditions of the Master Subscription Agreement and subject to Section 5.6(e) of the Plan, Investor shall contribute $1.639 billion in Cash to Reorganized SEBC (the **"Aggregate Purchase Price"**).

(c) In consideration for Aggregate Purchase Price, subject, however, to Section 5.6(e) of the Plan, Investor shall receive:

(i) 300,000,000 shares ($300 million aggregate face amount) of Reorganized SEBC Series A Senior Preferred Stock;

(ii) 718,000,000 shares ($718 million aggregate face amount) of Reorganized SEBC Series B Senior Preferred Stock;

(iii) 611,000,000 shares ($611 million aggregate face amount) of Reorganized SEBC Series J Junior Preferred Stock;

(iv) 5,000,000 shares of Reorganized SEBC Class B Common Stock, representing 20% of the outstanding Reorganized SEBC Common Stock on a fully diluted basis; and

(v) 5,000,000 shares of Reorganized SEBC Class C Common Stock, representing 20% of the outstanding Reorganized SEBC Common Stock on a fully diluted basis.

(d) The Aggregate Purchase Price, together with Available Cash, shall be used as follows:

(i) An amount equal to Distributed Cash shall be distributed to Noteholders and Holders of Allowed Class 3 Claims in accordance with Sections 3.2(a)(i); 3.2(b)(i), and 3.2(c)(i) of the Plan;

(ii) Subject to Section 5.6(e) of the Plan, $1,625,600,000 shall be used to purchase the Investment Vehicle Senior Securities on or after the Closing Date;

(iii) A loan in an aggregate principal amount to be determined based on a good-faith projection of first-year operating expenses of SEBC Holdings, but in no case to exceed $600,000, shall be made to SEBC Holdings for a 3-year term, such loan to be paid in full at the end of the 3-year period, pursuant to the terms of a loan agreement, to be in a form mutually acceptable to Investor and the Trustee and entered into by the applicable parties on or prior to the Effective Date; and

(iv) the balance shall be used for general corporate purposes of Reorganized SEBC, subject to any limitations set forth in the Reorganized SEBC Charter.

(e) Notwithstanding anything to the contrary set forth in the Plan, the following values, as described more fully in Sections 1.96(i)(a), 5.3(d)(i), 5.6(b), 5.6(c), 5.6(d)(ii), 5.7(b)(y), 5.9(a)(i), 5.9(b)(i), 5.9(b)(ii), 5.9(b)(iii), and 5.9(b)(iv) of the Plan, shall be calculated two Business Days prior to the Closing Date and shall be subject to adjustment for (i) the five-year swap rate, (ii) the credit spread for the Investment Vehicle Senior Securities relative to LIBOR, (iii) occurrence of the Closing Date earlier than April 30, 2009, (iv) federal and state taxes and (v) fees and expenses directly attributable to the Transactions:

(i) the Aggregate Purchase Price;

(ii) the aggregate purchase price of the Reorganized SEBC Class B Common Stock and Reorganized SEBC Class C Common Stock, and the aggregate face value of the Reorganized SEBC Series A Senior Preferred Stock, Reorganized SEBC Series B Senior Preferred Stock, Reorganized SEBC Series J Junior Preferred Stock, Reorganized SEBC Series K Junior Preferred Stock, and SEBC Holdings Senior Preferred Units;

(iii) the face value of the Investment Vehicle Senior Securities; and

(iv) the fixed coupon rate for the Real Estate LLC Debt.

Such calculations and adjustments shall be mutually acceptable to Investor and the Trustee.

5.7 Mixed Securities Distribution

(a) On the Effective Date, Investor shall purchase, pursuant to the Securities Purchase Agreement, not less than an aggregate $6,500,000 face amount of SEBC Holdings Senior Preferred Units and Reorganized SEBC Series K Junior Preferred Stock in lieu of the issuance of such units and/or stock to Holders of Noteholder Claims and Allowed Class 3 Claims under Sections 3.2(a)(ii), 3.2(b)(ii), and 3.2(c)(ii) of the Plan as the Mixed Securities Distribution.

(b) Such purchase by Investor shall be implemented so that the Holders of Noteholder Claims and Allowed Class 3 Claims shall each receive (x) a Pro Rata share of $6,500,000 in Cash and (y) a Pro Rata share of an aggregate of $4,000,000 SEBC Series K Junior Preferred Stock and/or SEBC Holdings Senior Preferred Units, provided, however, that only Qualified Creditors shall be eligible to receive, acquire, or hold Reorganized SEBC Series K Junior Preferred Stock and provided further, however, that the Disbursing Agent shall not distribute shares of Reorganized SEBC Series K Junior Preferred Stock to more than 250 holders of record for purposes of the registration and periodic reporting obligations of the Securities Exchange Act of 1934, as amended.

5.8 Cancellation of Notes; Release of Indenture Trustees

(a) On the Effective Date, (i) the Notes, the Indentures, and any other note, bond, or indenture evidencing or creating any public indebtedness or obligation of the Debtor shall be deemed automatically extinguished, cancelled and of no further force or effect, and (ii) the obligations of the Debtor under any agreements, Indentures, or certificates of designations governing the Notes and any other note, bond, or indenture evidencing or creating any indebtedness or obligation of the Debtor with respect to the Notes shall be automatically discharged in each case without further act or action under any applicable agreement, law, regulation, order, or rule and without any action on the part of the Bankruptcy Court or any Person; provided, however, that the Notes and the Indentures shall continue in effect solely for the purposes of (w) allowing the Holders of the Notes to receive the Distributions provided to Classes 1 and 2 hereunder, (x) allowing the Disbursing Agent, the Transfer Agent/Registrar, or the Indenture Trustees, as the case may be, to make Distributions to Classes 1 and 2, (y) preserving the rights and liens of the Indenture Trustees with respect to the Indenture Trustee Fees and Expenses to the extent not otherwise paid, and (z) implementing and/or enforcing the Global Settlement Order. The Indentures shall terminate completely upon the completion of all Distributions to the Holders of Notes and the payment of the Indenture Trustees' Indenture Trustee Fees and Expenses.

(b) After the performance by the Indenture Trustees or their respective agents of any duties that are required under the Plan, the Confirmation Order and/or under the terms of the Indentures, the Indenture Trustees and their respective agents and advisors shall be relieved of, and released from, all obligations associated with the Notes arising

under the Indentures or under other applicable agreements or law and the Indenture Trustees shall be fully released and discharged.

5.9 Authorization and Issuance of SEBC Holdings Securities, Reorganized SEBC Securities, and Real Estate LLC Securities

(a) SEBC Holdings shall authorize and issue on the Effective Date the SEBC Holdings Securities, such that after such issuance and distribution the SEBC Holdings Securities shall be held as follows:

(i) $6 million aggregate face amount of SEBC Holdings Senior Preferred Units shall be held by Holders of Senior Notes, Subordinated Notes and Allowed Class 3 Claims as provided in Sections 3.2(a)(ii), 3.2(b)(ii), and 3.2(c)(ii) of the Plan, subject to Investor's purchase of a portion of the Mixed Securities Distribution as set forth in Section 5.7 of the Plan;

(ii) $18.7 million aggregate face amount of SEBC Holdings Junior Preferred Units shall be held by Holders of Allowed Class 1, 2 and 3 Claims as provided in Sections 3.2(a)(iii), 3.2(b)(iii), and 3.2(c)(iii) of the Plan;

(iii) $0.54 million aggregate face amount of SEBC Holdings Junior Preferred Units shall be held (x) $300,000 by the Holder of Allowed Class 4 Interests and (y) $240,000 by the Holder of Allowed Class 5 Interests, as provided in Sections 3.3(a) and (b) of the Plan; and

(iv) 100% of the SEBC Holdings Common Units shall be held by Holders of Allowed Class 6 Interests as provided in Section 3.4 of the Plan.

(b) Reorganized SEBC shall authorize and issue on the Effective Date the Reorganized SEBC Securities, such that upon consummation of the Transaction and after such issuance and distribution the Reorganized SEBC Securities shall be held, subject to Section 5.6(e) of the Plan, as follows:

(i) 300,000,000 shares ($300 million aggregate face amount) of Reorganized SEBC Series A Senior Preferred Stock shall be held by Investor;

(ii) 718,000,000 shares ($718 million aggregate face amount) of Reorganized SEBC Series B Senior Preferred Stock shall be held by Investor;

(iii) 611,000,000 shares ($611 million aggregate face amount) of Reorganized SEBC Series J Junior Preferred Stock shall be held by Investor;

(iv) 4,500,000 shares ($4.5 million aggregate face amount) of Reorganized SEBC Series K Junior Preferred Stock shall be held by Holders of Allowed Class 1, 2 and 3 Claims as provided in Sections 3.2(a)(ii), 3.2(b)(ii), and 3.2(c)(ii) of the Plan, subject to Investor's purchase of a portion of the Mixed Securities Distribution as set forth in Section 5.7 of the Plan; and

(v) Reorganized SEBC Class A Common Stock, representing 60% of all outstanding shares of Reorganized SEBC Common Stock shall be held by SEBC Holdings; Reorganized SEBC Class B Common Stock, representing 20% of all outstanding shares of Reorganized SEBC Common Stock shall be held by Investor; and Reorganized SEBC Class C Common Stock, representing 20% of all outstanding shares of Reorganized SEBC Common Stock, shall be held by Investor.

(c) Real Estate LLC shall authorize on the Effective Date the Real Estate LLC Securities, such that after such issuance and Distribution the Real Estate LLC Securities shall be held as follows:

(i) 100% of the Real Estate LLC Membership Interests shall be held by SEBC Holdings; and

(ii) 100% of the Real Estate Debt shall be held by Reorganized SEBC.

(d) Except as set forth in Section 5.3 of the Plan, the Reorganized SEBC Securities, SEBC Holdings Securities and Real Estate LLC Securities issued under the Plan shall not be subject to dilution based upon the issuance of any other shares or units of Reorganized SEBC, SEBC Holdings or Real Estate LLC issued after the Effective Date.

(e) The issuance of the Reorganized SEBC Securities, SEBC Holdings Securities and Real Estate LLC Securities pursuant to distributions under the Plan shall be deemed authorized as of the Effective Date without further act or action by any Person, except as may be required by the Reorganized SEBC Charter, the Reorganized SEBC By-laws, the SEBC Holdings Charter, SEBC Holdings Partnership Agreement, Real Estate LLC Charter, Real Estate LLC Agreement, or applicable law, regulation, order or rule; and all documents evidencing same shall be executed and delivered as provided for in the Plan or the Plan Supplement.

(f) Pursuant to Section 1145 of the Bankruptcy Code, the issuance, offer, or sale of the SEBC Holdings Securities and the Reorganized SEBC Series K Junior Preferred Stock shall not be subject to section 5 of the Securities Act of 1933 (the "Securities Act") or any State or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security.

(g) Pursuant to Section 4(2) of the Securities Act, the issuance, offer, or sale of the Reorganized SEBC Senior Preferred Stock, Reorganized SEBC Series J Junior Preferred Stock, and Reorganized SEBC Common Stock shall not be subject to section 5 of the Securities Act of 1933 or any State or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security.

(h) Upon issuance, all SEBC Holdings Common Units will be subject to restrictions on transfer through the SEBC Holdings Restriction Release Date, as set

forth in the SEBC Holdings Partnership Agreement, and all Reorganized SEBC Common Stock will be subject to restrictions on transfer through the Restriction Release Date (as set forth and defined in the Reorganized SEBC Charter).

5.10 General Partner of SEBC Holdings

On the Effective Date, a limited liability company owned, controlled and managed by [to be identified in Disclosure Statement or by way of Plan modification to be filed on or before date of Disclosure Statement hearing]**,** shall be appointed as sole, non-equity general partner of SEBC Holdings to conduct, direct and manage all activities of SEBC Holdings in accordance with the SEBC Holdings Partnership Agreement. The designation of the general partner of SEBC Holdings shall be disclosed in a filing made with the Bankruptcy Court no later than ten (10) days before the Confirmation Hearing.

5.11 Directors of Reorganized SEBC

On the Effective Date, there shall be a new board of directors of Reorganized SEBC composed of 5 directors, which shall include 3 individuals designated by the Trustee and 2 individuals designated by Investor. The initial directors shall serve from the Effective Date until their successors are duly elected or qualified or until earlier removed or replaced in accordance with the Reorganized SEBC Charter or the Reorganized SEBC By-laws. The designation of the 5 directors shall be disclosed in a filing made with the Bankruptcy Court no later than ten (10) days before the Confirmation Hearing.

5.12 Management of Real Estate LLC

On the Effective Date, a manager shall be appointed for Real Estate LLC, to conduct, direct and manage all activities of Real Estate LLC in accordance with the Real Estate LLC Charter. The designation of the manager of Real Estate LLC shall be disclosed in a filing made with the Bankruptcy Court no later than ten (10) days before the Confirmation Hearing. The manager of Real Estate LLC may be the same Person as the SEBC Holdings General Partner.

5.13 Revesting of Assets; Release of Liens

Except as otherwise provided herein, the property of the Debtor's Estate, including but not limited to all intangible property such as trademarks (expressly including that certain mark registered with the United States Patent and Trademark Office under Registration Number 2251567, together with the goodwill of the business in which the mark is used, or with that part of the good will of the business connected with the use of and symbolized by the mark), copyrights, trade names and other intellectual property, together with any property of the Debtor that is not property of its Estate and that is not specifically disposed of pursuant to the Plan, shall vest in Reorganized SEBC on the Effective Date. Thereafter, Reorganized SEBC may operate its business and may use, acquire, and dispose of such property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Court. As of the Effective Date, all such property of Reorganized SEBC shall be free and clear of all Liens,

Claims, and Interests, except as specifically provided in the Plan or the Confirmation Order and except for the charging lien of the Indenture Trustees to the extent the Indenture Trustee Fees and Expenses are not paid pursuant to the Plan.

5.14 Payment of SCS Annual Fee

The SCS Annual Fee is deemed to be an Allowed Administrative Claim, but shall not be paid from Available Cash. As of the Effective Date, Reorganized SEBC will be authorized and directed to pay the SCS Annual Fee as it becomes due, without further notice, hearing, or order of the Bankruptcy Court.

5.15 Restructuring Transactions

(a) The Trustee has previously taken such action as necessary to cause the Successor Agent to terminate the existence of the SEBNA Receivership by dissolution and to upstream all Cash in the SEBNA Receivership to the Estate. The SEBNA Receivership has been dissolved and the Successor Agent has been relieved of all duties in respect of the SEBNA Receivership, as authorized by the United States District Court for the Southern District of Florida in the SEBNA District Court Proceeding. The SEBNA Receivership having been closed shall therefore be free from any and all liabilities as of the Effective Date and shall not be subject to any obligations imposed upon SEBC Holdings or Reorganized SEBC by the Plan or otherwise.

(b) The Trustee and Reorganized SEBC, as the case may be, are authorized, in their discretion, on, prior to, or after the Effective Date, to terminate the existence of the Other SEBC Subsidiaries by dissolution, merger into an affiliated company, or other mechanism permitted by applicable law, and to upstream to the Estate or Reorganized SEBC, as applicable, all Cash of the Other SEBC Subsidiaries. The foregoing terminated corporate entities shall be free from any and all liabilities as of the Effective Date and shall not be subject to any obligations imposed upon SEBC Holdings or Reorganized SEBC by the Plan or otherwise.

(c) On, as of, or after the Effective Date, with the consent of the Reorganized SEBC Board, Reorganized SEBC may enter into such transactions and may take such actions as may be necessary or appropriate, in accordance with any applicable state law, to effect a corporate or operational restructuring of its business, to otherwise simplify its corporate or operational structure, to achieve corporate or operational efficiencies, or to otherwise improve financial results; *provided, however,* that such transactions or actions are not otherwise inconsistent with the Plan, the distributions to be made under the Plan, the Reorganized SEBC Charter, the Reorganized SEBC By-laws, or the Transaction. Such transactions or actions may include such mergers, consolidations, restructurings, dispositions, liquidations, closures, or dissolutions, as may be determined by Reorganized SEBC to be necessary or appropriate.

5.16 Effectuating Documents; Further Transactions

The Trustee, as authorized agent for Reorganized SEBC through the Closing Date, or any appropriate officer of Reorganized SEBC, shall be deemed authorized to

execute, deliver, file, or record such contracts, instruments, certificates or articles of formation or incorporation (including amendments and restatements thereof), releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, including but not limited to such documents as may be necessary to create and/or consummate the Transaction with the Investor, SEBC Holdings and Real Estate LLC.

5.17 Exemption From Certain Transfer Taxes

Pursuant to former Section 1146(c) of the Bankruptcy Code, (a) the issuance, transfer or exchange of any securities, instruments, or documents; (b) the creation of any lien, mortgage, deed of trust, or other security interest; or (c) the making or assignment of any lease or sublease, or the making, delivery, filing, or recording of any deed or other instrument of transfer under, pursuant to, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with the Plan, shall not be taxed under any law imposing a stamp tax, documentary tax, real estate transfer tax, sales or use tax, intangible tax, recording or filing fee, privilege tax, or other similar tax or fee. Such exemption specifically applies, without limitation, to all documents necessary to evidence and implement the provisions of and the distributions to be made under the Plan, including the Reorganized SEBC Charter, Reorganized SEBC By-laws, and the Transaction.

5.18 Corporate Action

On the Effective Date, the adoption and filing of the Reorganized SEBC Charter and Reorganized SEBC Bylaws, the SEBC Holdings Charter and SEBC Holdings Partnership Agreement, and the Real Estate LLC Charter and Real Estate LLC Agreement; the appointment of directors and officers of Reorganized SEBC, the SEBC Holdings General Partner, and the manager of Real Estate LLC; and all actions contemplated hereby, shall be deemed authorized and approved in all respects pursuant to the Plan. All matters provided for herein involving the corporate structure of the Debtor, Reorganized SEBC, SEBC Holdings and/or Real Estate LLC and any corporate action required by the Debtor, Reorganized SEBC, SEBC Holdings or Real Estate LLC in connection with the Plan, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the stockholders, directors or managers of the Debtor, Reorganized SEBC, SEBC Holdings and/or Real Estate LLC. On the Effective Date, the appropriate officers, directors or managers of Reorganized SEBC, SEBC Holdings and Real Estate LLC are authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan in the name of and on behalf of Reorganized SEBC, SEBC Holdings and Real Estate LLC, respectively, without the need for any required approvals, authorizations, or consents, except for any express consents required under the Plan.

5.19 Reorganized SEBC's Obligations Under Plan

From and after the Effective Date, Reorganized SEBC shall:

(a) take all steps and execute all instruments and documents necessary to effectuate the Plan;

(b) make decisions regarding the retention, engagement, payment, and replacement of its professionals, employees and consultants;

(c) pay to SCS the SCS Structuring Fee and the SCS Annual Fee;

(d) exercise such other powers as necessary or prudent to carry out the provisions of the Plan;

(e) file appropriate tax returns;

(f) file quarterly financial reports as required by the Office of the United States Trustee until the Bankruptcy Case is closed; and

(g) take such other action as may be necessary or appropriate to administer or close the Bankruptcy Case.

5.20 SEBC Holdings' Obligations Under Plan

From and after the Effective Date, SEBC Holdings shall:

(a) take all steps and execute all instruments and documents necessary to effectuate the Plan;

(b) make decisions regarding the retention, engagement, payment, and replacement of its professionals, employees and consultants;

(c) exercise such other powers as necessary or prudent to carry out the provisions of the Plan; and

(d) file appropriate tax returns.

5.21 Trustee's Authority Under the Plan

The Trustee shall be authorized to act as a duly authorized agent for Reorganized SEBC, SEBC Holdings and Real Estate LLC for purposes of implementing the Plan and the Transaction; and to execute on behalf of Reorganized SEBC, SEBC Holdings and Real Estate LLC all documents reasonably necessary to effectuate the Plan and the Transaction; and to bind Reorganized SEBC, SEBC Holdings and Real Estate LLC thereto.

5.22 Operations Between Confirmation Date and Effective Date

The Debtor shall continue to operate under control of the Trustee during the period from the Confirmation Date through and until the Effective Date.

ARTICLE VI
PROVISIONS GOVERNING DISTRIBUTIONS

6.1 Distributions for Allowed Claims and Interests

(a) Except as otherwise provided herein or as ordered by the Bankruptcy Court, all distributions to Holders of Allowed Claims and Interests on the Distribution Date shall be made on or as soon as practicable after the Distribution Date; *provided*, *however*, all distributions to Holders of Interests shall be deemed to have been made on the Distribution Date, regardless of whether such distributions are claimed by the Holders on such date.

(b) Distributions made after the Effective Date shall be deemed to have been made on the Effective Date.

6.2 Interest on Claims

No Postpetition Interest shall accrue or be allowed on any Claim after the Postpetition Interest Calculation Date.

6.3 Appointment of Disbursing Agent

(a) On or before the Effective Date, the Trustee shall designate the Person to serve as the Disbursing Agent under the Plan on terms and conditions mutually agreeable to the Trustee and such Person.

(b) The Disbursing Agent shall make all Distributions of Cash required to be made to Holders of Allowed Claims under the Plan, and such other Distributions to Holders of Allowed Claims and Interests as are delegated to the Disbursing Agent by the Trustee, except with respect to Noteholder Claims.

(c) The Indenture Trustees or their designated agents shall make all Distributions to Holders of Noteholder Claims in accordance with the terms of the Indentures, subject to the terms of the Plan, or shall have the right to delegate the making of such Distributions to the Disbursing Agent or the Transfer Agent/Registrar in accordance with Section 6.4(d) of the Plan, but only with the express written consent of the Disbursing Agent or Transfer Agent/Registrar, as applicable.

(d) The Disbursing Agent and Indenture Trustees, as applicable, may also employ a European sub-agent to make Distributions pursuant to subsections (b) and (c) above, of Cash, SEBC Holdings Securities and Reorganized SEBC Series K Junior Preferred Stock issued to Holders of EuroNotes.

(e) Except as provided in subparagraphs (b), (c), and (d), or unless otherwise provided herein, the Trustee shall make all Distributions required under the Plan unless the Trustee, in his sole discretion, delegates the responsibility for any distribution to the Disbursing Agent.

(f) If the Disbursing Agent is an independent third party designated to serve in such capacity, such Disbursing Agent shall receive, without further approval from the Bankruptcy Court, reasonable compensation for distribution services rendered pursuant to the Plan and reimbursement of reasonable out of pocket expenses incurred in connection with such services from Reorganized SEBC. No Disbursing Agent shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

6.4 Appointment of Transfer Agent/Registrar

(a) On or before the Effective Date, the Trustee shall designate the Person to serve as the Transfer Agent/Registrar under the Plan on terms and conditions mutually agreeable to the Trustee and such Person.

(b) The Transfer Agent/Registrar shall make all Distributions of SEBC Holdings Securities required to be made to Holders of Allowed Claims (except as provided in subsection (d) below) and Interests under the Plan, and such other distributions to Holders of Allowed Claims as are delegated to the Transfer Agent/Registrar by the Trustee.

(c) The Transfer Agent/Registrar shall issue the new certificates representing the number of SEBC Holdings Securities into which Interests previously represented by Series A Certificates, Series E Certificates, and Old SEBC Common Stock Certificates, as applicable, shall have been converted, pursuant to Sections 3.3(a), 3.3(b), and 3.4 of the Plan, in accordance with the procedures set forth in Section 6.7(b) of the Plan.

(d) The Indenture Trustees shall make all Distributions required to be made to Holders of Noteholder Claims; provided, however, that the Indenture Trustees shall have the right to delegate the making of such Distributions to the Disbursing Agent or the Transfer Agent/Registrar, but only with the express written consent of the Disbursing Agent or Transfer Agent/Registrar, as applicable.

(e) The Transfer Agent/Registrar shall register the ownership and transfer of all SEBC Holdings Securities and all Reorganized SEBC Securities issued under the Plan.

(f) The Transfer/Agent Registrar shall receive, without further approval from the Bankruptcy Court, reasonable compensation for distribution services rendered pursuant to the Plan and reimbursement of reasonable out of pocket expenses incurred in connection with such services from Reorganized SEBC or SEBC Holdings, as appropriate. No Transfer/Agent Registrar shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

6.5 Fractional Distributions

No fractional shares of Reorganized SEBC Securities or SEBC Holdings Securities (other than SEBC Holdings Common Units) shall be issued or distributed under the Plan. Each Person entitled to receive Reorganized SEBC Securities or SEBC Holdings Securities shall receive the total number of whole shares of Reorganized SEBC Securities or SEBC Holdings Securities, as applicable, to which such Person is entitled. Whenever any Distribution to a particular Person would otherwise call for Distribution of a fraction of shares of Reorganized SEBC Securities or SEBC Holdings Securities (other than SEBC Holdings Common Units), the actual Distribution of shares shall be rounded to the next higher or lower whole number as follows: (a) fractions one-half (1/2) or greater shall be rounded to the next higher whole number and (b) fractions of less than one-half (1/2) shall be rounded to the next lower whole number. Upon the allocation of all of the whole shares authorized under the Plan, all remaining fractional portions of the entitlements shall be cancelled and shall be of no further force and effect.

6.6 De Minimis Distributions and Payments

Notwithstanding anything to the contrary contained in the Plan, neither Reorganized SEBC nor the Trustee shall be required to distribute, and shall not distribute, property to the Holder of any Allowed Claim or Allowed Interest (other than a Holder of an Allowed Interest in Class 6) if the amount of property to be distributed or paid on account of such Claim or Interest is less than $100. Any Holder of an Allowed Claim or Interest on account of which the amount of property to be distributed is less than $100 shall have such Claim or Interest discharged and shall be forever barred from asserting such Claim or Interest against the Debtor, Reorganized SEBC, SEBC Holdings, Real Estate LLC, or any of their respective property. Any property not distributed pursuant to this provision shall be the property of Reorganized SEBC, free of any restrictions thereon.

6.7 Delivery of Distributions/Exchange of Equity Certificates

(a) Distributions to Holders of Allowed Claims

Except as otherwise set forth herein, distributions to Holders of Allowed Claims shall be made (i) to the addresses set forth on the Proofs of Claim filed by such Holders, (ii) to the addresses reflected in the Schedules if no Proof of Claim has been filed, (iii) to the addresses set forth in any written notices of address change delivered to the Trustee, the Disbursing Agent or the Transfer Agent/Registrar, as applicable, after the date of any related Proof of Claim or after the date of the Schedules if no Proof of Claim was filed, or (iv) in the case of the Holders of Senior Notes or Subordinated Notes, distributions shall be sent to the Indenture Trustees or as directed by the Indenture Trustees.

(b) Exchange of Certificates from Holders of Allowed Interests

Except as otherwise set forth herein, new certificates representing the number of SEBC Holdings Securities into which Interests previously represented by Series A Certificates, Series E Certificates, and Old SEBC Common Stock Certificates shall have been converted pursuant to Section 3.3(a), 3.3(b), and 3.4 of the Plan shall be delivered to the address directed by such Holder upon presentation to the Transfer Agent/Registrar of a Series A Certificate, Series E Certificate, or Old SEBC Common Stock Certificate, and a properly completed letter of transmittal including, if appropriate, a lost certificate affidavit and indemnity bond, or such other documentation as may be required by the Transfer Agent/Registrar in accordance with established practice, in connection with book entry delivery.

(c) Undeliverable and Unclaimed Distributions other than to Holders of Allowed Class 6 Interests

Unless otherwise agreed between the Trustee and the Disbursing Agent, Transfer Agent/Registrar, or Indenture Trustees, amounts of Cash in respect of unclaimed or undeliverable Distributions made by the Disbursing Agent, Transfer Agent/Registrar, or Indenture Trustees shall be turned over to and held by SEBC Holdings and held in trust until such Cash Distributions are claimed, at which time the applicable amounts shall be returned to the Disbursing Agent, Transfer Agent/Registrar, or Indenture Trustees for Distribution pursuant to the Plan and amounts of unclaimed or undeliverable Distributions in the form of SEBC Holdings Securities shall remain unissued until claimed, at which time the applicable amounts of such SEBC Holdings Securities shall be issued by SEBC Holdings for Distribution by the Disbursing Agent, Transfer Agent/Registrar or Indenture Trustees for Distribution pursuant to the Plan. No interest shall accrue after the Effective Date with respect to any unclaimed or undeliverable Distribution. All claims for unclaimed or undeliverable Distributions must be made no later than the second anniversary of the Distribution Date, after which date all unclaimed property shall be redistributed/issued Pro Rata to other Holders in the same Class and the claims of any Holder or successor to such Holder with respect to such unclaimed or undeliverable property shall be discharged and forever barred, notwithstanding any federal or state escheat laws to the contrary; provided, however, that if in the discretion of the Disbursing Agent, Transfer Agent/Registrar, or Indenture Trustees, as applicable, the amount of such redistribution is insufficient to justify the cost of making such redistribution, then the redistribution shall not be made and the total amount of property that otherwise would have been redistributed shall be donated to a charity qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, chosen by the Disbursing Agent, Transfer Agent/Registrar, or Indenture Trustees, as applicable.

(d) Unclaimed Distributions to Holders of Allowed Class 6 Interests

After the SEBC Holdings Restriction Release Date, all new certificates representing the number of SEBC Holdings Common Units into which Allowed Class 6 Interests previously represented by Old SEBC Common Stock Certificates shall have

been converted pursuant to Section 3.4 of the Plan that have not been redeemed in the manner set forth in subsection (b) above shall be donated to a charity qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, chosen by the Transfer Agent/Registrar, such charity shall be deemed to be the owner of the SEBC Holdings Common Units represented by such certificates, and any claim by any Holder of Allowed Class 6 Interests to such new certificates shall be extinguished and forever barred.

(e) No Duty to Locate

Other than providing any notice required by the Bankruptcy Rules or an order of the Bankruptcy Court, and notwithstanding anything to the contrary herein, none of the Trustee, Reorganized SEBC, SEBC Holdings, the Disbursing Agent, the Transfer Agent/Registrar, or any Indenture Trustee (except as otherwise required in any Indenture) shall be required to attempt to locate any Holder of a Claim or Interest for purposes of making any Distribution under the Plan.

(f) Surrender of Canceled Notes

(i) Generally

Except as set forth in Section 6.7(g) of the Plan, as a condition precedent to receiving any Distribution under the Plan on account of an Allowed Claim evidenced by any Notes canceled pursuant to Section 5.8(a) of the Plan, the Holder of such Claim shall tender such Note to the applicable Indenture Trustee. Any Distributions pursuant to the Plan on account of any Claim evidenced by such Note shall, pending such surrender, be treated as an undeliverable Distribution in accordance with Section 6.7(c) of the Plan. All payments to Holders of Noteholder Claims shall only be made after such surrender, or in the event such certificate is lost, stolen, mutilated or destroyed, upon the Holder's compliance with the requirements set forth Section 6.7(g) of the Plan. Upon surrender of such Notes certificates, the Indenture Trustees shall cancel and destroy such Notes. As soon as practicable after surrender of the Notes certificates, the Indenture Trustees shall distribute to the Holders thereof such Holder's pro rata share of the Distribution, but subject to the rights of the Indenture Trustees to assert their charging liens to the extent their Indenture Trustee Fees and Expenses are not paid pursuant to the Plan.

(ii) Failure to Surrender Canceled Notes

If any Holder of an Allowed Claim evidenced by Notes canceled pursuant to Section 5.8(a) of the Plan, fails to surrender such Note or comply with the provisions of Section 6.7(f)(i) of the Plan within two years after the Effective Date, its Claim for a Distribution under the Plan on account of such Note shall be discharged, and such Holder shall be forever barred from asserting such Claim against Reorganized SEBC or its property. In such case, any property held on account of such Claim shall be disposed of pursuant to the provisions set forth in Section 6.7(c) of the Plan.

(g) Lost, Stolen, Mutilated or Destroyed Notes

Any Holder of an Allowed Claim evidenced by Notes canceled pursuant to Section 5.8(a) of the Plan that has been lost, stolen, mutilated or destroyed, shall, in lieu of surrendering such Note: (i) deliver to the applicable Indenture Trustee (x) an affidavit of loss reasonably satisfactory to the Indenture Trustee setting forth the unavailability of such Note and (y) such additional security or indemnity as may reasonably be requested by the applicable Indenture Trustee to hold such Indenture Trustee harmless from any damages, liabilities, or costs incurred in treating such Person as a Holder of an Allowed Claim and (ii) satisfy any other requirement under the Indentures or any other relevant document. Upon compliance with this Section 6.7(g) by a Holder of an Allowed Claim evidenced by such Note, such Holder shall, for all purposes under the Plan, be deemed to have surrendered such Note.

6.8 Application of Distribution Record Date

At the close of business on the Distribution Record Date, all claims registers, transfer ledgers, and interests registers for all Class 1, 2A, 2D, 2E, and 3 Claims, and Class 4 and 5 Interests shall be closed, and there shall be no further changes in the record Holders of such Claims or Interests. Except as otherwise provided herein, Reorganized SEBC, the Disbursing Agent, the Transfer Agent/Registrar, the Indenture Trustees, and each of their respective agents, successors, and assigns shall have no obligation to recognize any transfer of Class 1, 2A, 2D, 2E, and 3 Claims, and Class 4 and 5 Interests, occurring after the Distribution Record Date, and shall be entitled instead to recognize and deal for all purposes hereunder with only those record Holders stated on the claims registers, transfer ledgers and interests registers as of the close of business on the Distribution Record Date.

6.9 Withholding, Payment, and Reporting Requirements

In connection with the Plan and all distributions hereunder, the Disbursing Agent or the Transfer Agent/Registrar, as applicable, shall, to the extent applicable, comply with all tax withholding, payment, and reporting requirements imposed by any federal, state, provincial, local, or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding, payment, and reporting requirements. The Disbursing Agent or the Transfer Agent/Registrar, as applicable, shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding, payment, and reporting requirements. Notwithstanding any other provision of the Plan, each Holder of an Allowed Claim or an Allowed Interest that is to receive a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such Distribution.

6.10 No Distribution in Excess of Allowed Amounts

Except as provided for in or consistent with the Global Settlement Order, notwithstanding anything to the contrary herein, no Holder of an Allowed Claim shall

receive in respect of such Claim any Distribution of a value as of the Effective Date in excess of the Allowed amount of such Claim.

ARTICLE VII
CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

7.1 Conditions to Confirmation

The following are conditions precedent to the occurrence of the Confirmation Date, each of which must be satisfied or waived in accordance with Section 7.3 of the Plan:

(a) an order finding that the Disclosure Statement contains adequate information pursuant to Section 1125 of the Bankruptcy Code shall have been entered; and

(b) the proposed Confirmation Order shall be in form and substance reasonably satisfactory to Investor.

7.2 Conditions to Effective Date

The following conditions precedent must be satisfied or waived on or before the Effective Date in accordance with Section 7.3 of the Plan:

(a) the Confirmation Order shall have been entered in form and substance reasonably satisfactory to Investor and shall, among other things:

(i) provide that the Trustee, Reorganized SEBC, SEBC Holdings, Real Estate LLC and the Disbursing Agent are authorized and directed to take all actions necessary or appropriate to enter into, implement, and consummate the contracts, instruments, releases, and other agreements or documents created in connection with the Plan;

(ii) approve and authorize the Transaction;

(iii) authorize the issuance of the Reorganized SEBC Securities, the SEBC Holdings Securities and the Real Estate LLC Securities;

(iv) authorize the Trustee to act as a duly authorized agent for Reorganized SEBC for purposes of implementing the Plan and the Transaction; to execute on behalf of Reorganized SEBC, SEBC Holdings and Real Estate LLC all transaction documents and any other documents reasonably necessary to effectuate the Plan and the Transaction; and to bind Reorganized SEBC, SEBC Holdings and Real Estate LLC thereto; and

(v) provide that notwithstanding Rule 3020(e) of the Bankruptcy Rules, the Confirmation Order shall be immediately effective, subject to the terms and conditions of the Plan;

(b) the Confirmation Order shall be a Final Order; and

(c) all conditions to the occurrence of the Closing Date, other than the occurrence of the Effective Date, shall have occurred or been waived in accordance with the terms of Master Subscription Agreement.

7.3 Waiver of Conditions

Each of the conditions set forth in Section 7.2, with the express exception of the conditions contained in Sections 7.2(a)(i), (a)(ii), (a)(iii), (a)(iv) and (b), may be waived in whole or in part by the Trustee without any notice to parties-in-interest or the Bankruptcy Court and without a hearing; *provided*, *however*, that such waiver shall be subject to any consent of Investor required under the Master Subscription Agreement.

ARTICLE VIII
RETENTION OF JURISDICTION

8.1 Scope of Retention of Jurisdiction

Under Sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, and except as otherwise ordered by the Bankruptcy Court, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Bankruptcy Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

(a) allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured, or unsecured status of, any Claim not otherwise Allowed under the Plan, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance or priority of Claims;

(b) hear and determine all applications for compensation and reimbursement of expenses of the Trustee and Professionals under the Plan or under Sections 327, 328, 330, 331 and 503(b) of the Bankruptcy Code; *provided*, *however,* that payment of the fees and expenses of the retained Professionals of Reorganized SEBC, SEBC Holdings, and Real Estate LLC incurred from and after the Effective Date shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(c) effectuate performance of and payments under the provisions of the Plan and enforce remedies upon any default under the Plan;

(d) hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Bankruptcy Case;

(e) enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan, and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement, or the Confirmation Order;

(f) consider any modifications of the Plan, cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(g) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person with the implementation, consummation, or enforcement of the Plan or the Confirmation Order;

(h) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(i) hear and determine any matters arising in connection with or relating to the interpretation, implementation, consummation, or enforcement of the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Plan Supplement, the Disclosure Statement, or the Confirmation Order *provided*, *however*, that any dispute arising under or in connection with the Master Subscription Agreement or any document related thereto shall be dealt with in accordance with the provisions of the governing documents;

(j) enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Bankruptcy Case (whether or not the Bankruptcy Case has been closed), including without limitation the Global Settlement Order;

(k) hear and determine matters concerning state, local, and federal taxes in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code;

(l) hear and determine all disputes involving the existence, nature, or scope of the Debtor's discharge;

(m) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code; and

(n) enter a final decree closing the Bankruptcy Case.

8.2 Failure of the Bankruptcy Court to Exercise Jurisdiction

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Bankruptcy Case, including the matters set forth in Section 8.1 of the Plan, the provisions of this Article VIII shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

ARTICLE IX
MISCELLANEOUS PROVISIONS

9.1 Administrative Claims

All requests for payment of an Administrative Claim (other than as set forth in Sections 3.1, 9.2, 9.3, 9.4, 9.5 or this Section 9.1 of the Plan) must be made by application filed with the Bankruptcy Court and served on counsel for the Trustee on or before the Administrative Claims Bar Date. In the event that the Trustee objects to an Administrative Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim. To the extent any asserted Administrative Claim, the amount of which is deducted from Available Cash to compute Net Cash, is disallowed, Cash in the amount of such disallowed Administrative Claim (or any portion thereof that is disallowed) shall be transferred to SEBC Holdings, whereupon such amount shall be subject to a mandatory dividend payable to holders of SEBC Holdings Junior Preferred Units on or before the next quarterly dividend date for SEBC Holdings after the date by which all such disputed Administrative Claims are finally resolved.

9.2 Professional Fee Claims

(a) Unless otherwise ordered by the Bankruptcy Court, all final requests for payment of Professional Fee Claims pursuant to Sections 327, 328, 330, 331, or 503(b) of the Bankruptcy Code must be made by application filed with the Bankruptcy Court and served on necessary parties in interest on or before the Administrative Claims Bar Date. All such timely filed and served applications shall be heard on the date of the Confirmation Hearing. Any such applications may contain a good faith estimate of additional Professional Fee Claims to be incurred through and including the Effective Date. Objections to such applications must be filed and served on the Trustee, his counsel, counsel for MLE, the requesting Professional, the Fee Auditor Warren H. Smith, and such other parties in interest as the Bankruptcy Court may direct, within such time as may be provided under applicable Rules of the Bankruptcy Court or fixed by Order of the Bankruptcy Court.

(b) Reorganized SEBC, SEBC Holdings, and Real Estate LLC may, without application to or approval by the Bankruptcy Court, retain professionals and pay reasonable professional fees and expenses in connection with services rendered to it after the Effective Date.

9.3 Indenture Trustee Fees and Expenses

(a) To the extent the Indenture Trustee Fees and Expenses are paid in Cash in full by the Trustee, the Disbursing Agent, or Reorganized SEBC, distributions received by Noteholders pursuant to the Plan shall not be reduced on account of the fees and expenses of the Indenture Trustee.

(b) Within twenty (20) days after the issuance of the Confirmation Order, the Indenture Trustees shall serve on the Trustee reasonably substantiating documents in support of the Indenture Trustee Fees and Expenses incurred to such date by the Indenture Trustees, whether incurred before or after the Petition Date and/or the Confirmation Date, together with a detailed, reasonable estimate of any fees and expenses to be incurred through the Effective Date. Such estimate may include, without limitation, projected fees and expenses relating to surrender and cancellation of the Notes and making distributions to Noteholders under the Plan. On or as soon as reasonably practicable after the Effective Date, the Trustee or Reorganized SEBC shall pay in Cash the undisputed amount of the Indenture Trustee Fees and Expenses without the need for the Indenture Trustees to file applications for the allowance thereof with the Bankruptcy Court, pursuant to Sections 3.2(a) and (b) of the Plan. If, before the Effective Date, the Trustee objects in writing to all or a portion of the Indenture Trustee Fees and Expenses, (a) the Trustee shall pay the undisputed portion of the Indenture Trustee Fees and Expenses as provided above and (b) such Indenture Trustee may, in its sole discretion, either (i) submit the disputed portion of the Indenture Trustee Expense to the Bankruptcy Court for resolution or (ii) exercise its rights under the Indentures to ensure full payment of the Indenture Trustee Fees and Expenses. The allowance of the disputed portion of the Indenture Trustee Fees and Expenses shall be determined under a "reasonableness" standard. In connection with such allowance, the Indenture Trustees shall not be required to file fee applications or comply with guidelines and rules applicable to fee applications, and shall not be subject to Sections 330 or 503(b) of the Bankruptcy Code. Nothing in the Plan or the Confirmation Order shall be deemed to impair, waive, or discharge any rights of the Indenture Trustees with respect to the payment of any portion of the Indenture Trustee Fees and Expenses not paid by the Trustee.

(c) Reorganized SEBC shall pay, without further order of the Bankruptcy Court, the reasonable direct out-of-pocket costs and expenses, including the reasonable attorneys' fees and expenses, incurred by the Indenture Trustees after the Effective Date in connection with making distributions under the Plan.

9.4 Payment of Statutory Fees; Filing of Quarterly Reports

(a) All fees payable pursuant to Section 1930 of Title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on or before the Effective Date. All such fees that arise after the Effective Date shall be paid by Reorganized SEBC. The obligation of Reorganized SEBC to pay quarterly fees to the Office of the United States Trustee pursuant to Section 1930 of Title 28 of the United States Code shall continue until the Bankruptcy Case is closed.

(b) The obligation of Reorganized SEBC to file quarterly financial reports as required by the Office of the United States Trustee shall continue until the Bankruptcy Case is closed.

9.5 Payment of SCS Structuring Fee

The SCS Structuring Fee is deemed to be an Allowed Administrative Claim, but shall not be paid from Available Cash. Reorganized SEBC shall pay the SCS Structuring Fee on or before the first quarterly dividend payment date for Reorganized SEBC after the Effective Date.

9.6 Modifications and Amendments

(a) The Trustee may alter, amend, or modify the Plan or any exhibits thereto under Section 1127(a) of the Bankruptcy Code at any time before the Confirmation Date with the express written consent of Investor (which consent shall not be unreasonably withheld, delayed, or conditioned); provided, however, that such modification shall not adversely affect the treatment of Classes 1, 2 or 3 under the Plan. The Trustee shall provide parties in interest with notice of such amendments or modifications as may be required by the Bankruptcy Code and Rules or order of the Bankruptcy Court.

(b) After the Confirmation Date and before substantial consummation (as defined in Section 1101(2) of the Bankruptcy Code) of the Plan, the Trustee, Reorganized SEBC, SEBC Holdings or Real Estate LLC, as the case may be, may file a motion or seek relief in the Bankruptcy Court under Section 1127(b) of the Bankruptcy Code, to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement approved with respect to the Plan, or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims or Interests under the Plan; provided, however, that prior notice of such proceedings shall be served on parties in interest in accordance with the Bankruptcy Code and Rules or order of the Bankruptcy Court.

(c) A Holder of an Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified, or clarified, if the proposed alteration, amendment, modification, or clarification does not materially and adversely change the treatment of the Interest of such Holder. In the event of any dispute as to whether such proposed alteration, amendment, modification, or clarification materially and adversely changes the treatment of the Interest of any such Holder, the Trustee, Reorganized SEBC, SEBC Holdings or Real Estate LLC, as the case may be, shall bear the burden of demonstrating that such proposed alteration, amendment, modification, or clarification does not materially adversely change the treatment of the Interest of such Holder.

9.7 Severability of Plan Provisions

If, before Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the

request of the Trustee, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted; provided, however, that such alteration or interpretation shall not adversely affect the treatment of Classes 1, 2, or 3 under the Plan. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

9.8 Successors and Assigns and Binding Effect

The rights, benefits, and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, personal representative, successor, or assign of such entity, including, but not limited to, Reorganized SEBC, SEBC Holdings, Real Estate LLC, and all other parties-in-interest in the Bankruptcy Case.

9.9 Compromises and Settlements

From and after the Effective Date, Reorganized SEBC, SEBC Holdings, and Real Estate LLC may compromise and settle various Claims filed in the Bankruptcy Case, and any other claims and causes of action that it may have against other Persons ("Third Party Actions"), without any further approval by the Bankruptcy Court. Until the Effective Date occurs, the Trustee expressly reserves the right to compromise and settle Claims and Third Party Actions, subject to the approval of the Bankruptcy Court upon notice and opportunity for hearing pursuant to Bankruptcy Rule 9019.

9.10 Satisfaction of Subordination Rights

All Claims against the Debtor and all rights and claims between or among the Holders of Claims relating in any manner whatsoever to any claimed subordination rights shall be deemed satisfied by the distributions under, described in, contemplated by, and/or implemented in the Global Settlement Order and Section 3.2 of the Plan. Distributions under, described in, contemplated by, and/or implemented by the Plan to the various Classes of Claims hereunder shall not be subject to levy, garnishment, attachment, or like legal process by any Holder of a Claim by reason of any claimed subordination rights or otherwise, so that each Holder of a Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan.

9.11 Discharge of the Debtor

(a) Except as otherwise provided herein or in the Confirmation Order, all consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims of any nature whatsoever

against, and all Interests of any nature whatsoever in, the Debtor or any of its assets or properties and, regardless of whether any property shall have been abandoned by order of the Bankruptcy Court, retained, or distributed pursuant to the Plan on account of such Claims, upon the Effective Date, the Debtor shall (i) be deemed discharged and released under Section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in Section 502 of the Bankruptcy Code, whether or not (A) a Proof of Claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code, (B) a Claim based upon such debt is Allowed under Section 502 of the Bankruptcy Code, (C) a Claim based upon such debt is or has been disallowed by order of the Bankruptcy Court, or (D) the Holder of a Claim based upon such debt accepted the Plan, and (ii) terminate all Interests.

(b) As of the Effective Date, except as provided in the Plan or the Confirmation Order or under the terms of the documents evidencing and orders approving the Transaction, all Persons shall be precluded from asserting against the Debtor, Reorganized SEBC, SEBC Holdings, or Real Estate LLC any other or further claims, debts, rights, causes of action, claims for relief, liabilities, or equity interests relating to the Debtor based upon any act, omission, transaction, occurrence, or other activity of any nature that occurred before the Effective Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination of discharge of all such Claims and other debts and liabilities against the Debtor and termination of all Interests, pursuant to Sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor at any time, to the extent that such judgment relates to a discharged Claim or terminated Interest.

9.12 Discharge of Trustee

As of the Effective Date, except as provided in the Plan or the Confirmation Order, the Trustee shall be discharged and relieved of all duties and obligations with respect to the Debtor, the Jacksonville Property Subsidiaries, the Other SEBC Subsidiaries, any and all other Affiliates and subsidiaries of the Debtor, the SEBNA Receivership, and any and all Affiliates and subsidiaries of the SEBNA Receivership.

9.13 Injunction

(a) **Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, may hold, or allege that they hold, a Claim or other debt or liability that is discharged or an Interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions against the Debtor, Reorganized SEBC, SEBC Holdings, Real Estate LLC, the Indenture Trustees, and their respective subsidiaries or Affiliates or their property, on account of any such discharged Claims, debts, or liabilities or terminated Interests or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or**

recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtor, Reorganized SEBC, SEBC Holdings, or Real Estate LLC, the Indenture Trustees and their respective subsidiaries or Affiliates or their property; or (v) commencing or continuing any action, in each such case in any manner, in any place, or against any Person that does not comply with or is inconsistent with the provisions of the Plan.

(b) **Without limiting the effect of the foregoing provisions of this Section 9.13 upon any Person, by accepting Distributions pursuant to the Plan, each Holder of an Allowed Claim or Allowed Interest receiving Distributions pursuant to the Plan shall be deemed to have specifically consented to the injunctions set forth in this Section 9.13.**

9.14 Exculpation and Limitation of Liability

(a) **None of the Trustee, the Indenture Trustees, the Ad Hoc Committee, Reorganized SEBC, SEBC Holdings, Real Estate LLC, the Legal Representative, Investor, Disbursing Agent, Transfer Agent/Registrar, their respective subsidiaries, or any of their respective present or former members, officers, directors, employees, advisors, Professionals, or agents, shall have or incur any liability to any Holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, advisors, attorneys, or Affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Bankruptcy Case (including without limitation the negotiation, drafting, execution and implementation of the Global Settlement Order), the formulation, negotiation, or implementation of the Plan, the solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the property to be distributed under the Plan, except for acts or omissions which are the result of fraud, gross negligence, or willful misconduct; provided, however, that nothing contained in the foregoing paragraph shall limit, modify, or otherwise affect the ability of any Person to enforce its rights under the Plan or any agreements or other documents provided for, in, or otherwise contemplated by the Plan. The foregoing is not intended to limit or otherwise restrict or affect any defense of qualified immunity that may be available under applicable law.**

(b) **Notwithstanding any other provision of the Plan, no Holder of a Claim or an Interest, no other party in interest, none of their respective agents, employees, representatives, advisors, attorneys, or Affiliates, and none of their respective successors or assigns shall have any right of action against the Trustee, the Debtor, Reorganized SEBC, SEBC Holdings, Real Estate LLC, the Legal Representative, the Indenture Trustees, the Ad Hoc Committee, Investor, Disbursing Agent, the Transfer Agent/Registrar, any of the Debtor's or Reorganized SEBC's subsidiaries or Affiliates, or of their respective present or**

former members, officers, directors, employees, advisors, Professionals, or agents, for any act or omission in connection with, relating to, or arising out of, the Bankruptcy Case (including without limitation the negotiation, drafting, execution and implementation of the Global Settlement Order), the formulation, negotiation, or implementation of the Plan, solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the consummation of the Plan, the administration of the Plan, or the property to be distributed under the Plan, except for acts or omissions which are the result of fraud, gross negligence, or willful misconduct; provided, however, that nothing contained in the foregoing paragraph shall limit, modify, or otherwise affect the ability of any Person to enforce its rights under the Plan or any agreements or other documents provided for, in, or otherwise contemplated by the Plan.

9.15 Term of Injunctions or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays provided for in the Bankruptcy Case under Sections 105 or 362 of the Bankruptcy Code or otherwise, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date.

9.16 Revocation, Withdrawal, or Non-Consummation

The Trustee reserves the right to revoke or withdraw the Plan at any time before the Confirmation Date and to file subsequent plans of reorganization. If the Trustee revokes or withdraws the Plan, or if Confirmation or the Effective Date does not occur, then (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims) and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims against, or any Interests in the Debtor or other claims by or against the Debtor or any other Person, (ii) prejudice in any manner the rights of the Debtor, the Trustee, or any Person in any further proceedings involving the Debtor, or (iii) constitute an admission of any sort by the Debtor, the Trustee, or any other Person.

9.17 Plan Supplement

The Plan Supplement shall be filed with the Clerk of the Bankruptcy Court at least ten (10) days before the Confirmation Hearing or by such later date as may be established by order of the Bankruptcy Court. Upon such filing, all documents included in the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal business hours. Holders of Claims or Interests may obtain a copy of any document included in the Plan Supplement upon written request to the Trustee in accordance with Section 9.18 of the Plan or on the www.sebcglobalsettlement.com website.

9.18 Notices

Any notice, request, or demand required or permitted to be made or provided under the Plan shall be (a) in writing; (b) served by (i) certified mail, return receipt requested, (ii) hand delivery, (iii) overnight delivery service, (iv) first class mail, (v) facsimile transmission, or (vi) email transmission; and (c) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission or email transmission, when received and telephonically confirmed, addressed as follows:

SOUTHEAST BANKING CORPORATION
c/o Jeffrey H. Beck, Chapter 11 Trustee
J Beck & Associates, Inc.
595 S. Federal Highway, Suite 600
Boca Raton, Florida 33432
Telephone: (561) 544-2534
Facsimile: (561) 948-4796
Email: jbeck@becktrustee.com

with a copy to the Trustee's counsel:

Mark D. Bloom, Esq.
GREENBERG TRAURIG, P.A.
1221 Brickell Avenue
Miami, Florida 33131
Telephone: (305) 579-0500
Facsimile: (305) 579-0717
Email: bloomm@gtlaw.com

and a copy to MLE's counsel:

Debra A. Dandeneau, Esq.
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: debra.dandeneau@weil.com

9.19 Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Rule 9006(a) of the Bankruptcy Rules shall apply.

9.20 Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Florida shall govern

the construction and implementation of the Plan and (except as may be provided otherwise in any such agreements, documents, or instruments) any agreements, documents, and instruments executed in connection with the Plan, without giving effect to the principles of conflicts of law thereof.

Dated: December 9, 2008 SOUTHEAST BANKING CORPORATION

By: _____
Name: Jeffrey H. Beck
Title: Chapter 11 Trustee

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EXHIBITS

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

Capitalized terms used but not defined in the following Exhibits, shall have the respective meanings assigned thereto in such Plan.

EXHIBIT A

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

REORGANIZED SEBC CLASS A COMMON STOCK

Summary of Terms

Issue:	Class A Common Stock, par value $0.001 per share (the "Reorganized SEBC Class A Common Stock")
Issuer:	SEBC Financial Corporation (the "Reorganized SEBC")
Authorized Shares:	TBD
Initial Issuance:	TBD but shall equal 60 percent of the outstanding Reorganized SEBC Common Stock.
Ranking:	The Reorganized SEBC Class A Common Stock shall, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank on a parity with the Reorganized SEBC Class B Common Stock and Reorganized SEBC Class C Common Stock and junior to the Reorganized SEBC Senior Preferred Stock, Reorganized SEBC Series J Junior Preferred Stock and the Reorganized SEBC Series K Junior Preferred Stock (collectively, the "Preferred Stock").
Dividends:	Payable at the discretion of the board of directors of Reorganized SEBC (the "Board") and subject to the rights of the holders of the Preferred Stock. No cash dividend may be declared and paid on any Reorganized SEBC Common Stock unless a cash dividend in an equal per share amount is simultaneously declared and paid on the other classes of Reorganized SEBC Common Stock. Dividends or other distributions payable in stock of Reorganized SEBC, including distributions pursuant to stock splits or divisions of stock of Reorganized SEBC, shall be made in the same proportion with respect to each class of Reorganized SEBC Common Stock, but no class shall receive shares of another class.
Voting Rights:	One vote per share; except as otherwise provided in the Reorganized SEBC Charter, or as required by law, the holders of all classes of Reorganized SEBC Common Stock shall vote together as a single class.
Transfer Restrictions:	From and after the date of filing of the Reorganized SEBC Charter and until the Restriction Release Date (as defined in the Reorganized SEBC Charter), any attempted sale, transfer, exchange, assignment, conveyance, or other disposition for value ("Transfer") of any Reorganized SEBC Class A Common Stock (i) to any person (including a group of persons making a coordinated acquisition) who (A) after giving effect to such purported Transfer would become an

	owner of at least 4.75% of Reorganized SEBC Common Stock (including indirect ownership as determined under applicable Treasury Regulations under the Internal Revenue Code ("Indirect Ownership")) or (B) prior to giving effect to such purported Transfer held at least 4.75% of Reorganized SEBC Common Stock (including Indirect Ownership) and whose ownership percentage subsequent to such Transfer would increase, or (ii) by any person who at the time is an owner of at least 4.75% of Reorganized SEBC Common Stock (including Indirect Ownership), will be void ab initio unless (x) either the transferor or the transferee receives the prior unanimous written consent of the Board to such Transfer on twenty (20) days' prior written notice or (y) such Transfer is by certain Institutional Shareholders (as defined in the Reorganized SEBC Charter) to a person whose percentage ownership of Reorganized SEBC Common Stock (including Indirect Ownership) after such Transfer solely reflects securities acquired from such Institutional Shareholders.
Registration:	The Reorganized SEBC Class A Common Stock will be distributed pursuant to the Plan without registration under the Securities Act of 1933, as amended (the "Securities Act"), and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 4(2) of the Securities Act and equivalent state exemptions. Any subsequent sale, exchange, transfer or other disposition by such persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

EXHIBIT B

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

REORGANIZED SEBC CLASS B COMMON STOCK

Summary of Terms

Issue:	Class B Common Stock, par value $0.001 per share (the "Reorganized SEBC Class B Common Stock")
Issuer:	SEBC Financial Corporation (the "Issuer")
Authorized Shares:	TBD
Initial Issuance:	TBD but shall equal 20 percent of the outstanding Reorganized SEBC Common Stock.
Ranking:	The Reorganized SEBC Class B Common Stock shall, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank on a parity with the Reorganized SEBC Class A and Reorganized SEBC Class C Common Stock and junior to the Preferred Stock.
Dividends:	Payable at the discretion of the Board and subject to the rights of the holders of the Preferred Stock. No cash dividend may be declared and paid on any Reorganized SEBC Common Stock unless a cash dividend in an equal per share amount is simultaneously declared and paid on the other classes of Reorganized SEBC Common Stock. Dividends or other distributions payable in stock of Reorganized SEBC, including distributions pursuant to stock splits or divisions of stock of Reorganized SEBC, shall be made in the same proportion with respect to each class of Reorganized SEBC Common Stock, but no class shall receive shares of another class.
Voting Rights:	One vote per share; except as otherwise provided in the Reorganized SEBC Charter, or as required by law, the holders of all classes of Reorganized SEBC Common Stock shall vote together as a single class.
Transfer Restrictions:	From and after the date of filing of the Reorganized SEBC Charter and until the Restriction Release Date, any Transfer of any Reorganized SEBC Class B Common Stock (i) to any person (including a group of persons making a coordinated acquisition) who (A) after giving effect to such purported Transfer would become an owner of at least 4.75% of Reorganized SEBC Common Stock (including Indirect Ownership) or (B) prior to giving effect to such purported Transfer held at least 4.75% of Reorganized SEBC Common Stock (including Indirect Ownership) and whose ownership percentage subsequent to such Transfer would increase, or (ii) by any person who at the time is an owner of at least 4.75% of

	Reorganized SEBC Common Stock (including Indirect Ownership), will be void ab initio unless (x) either the transferor or the transferee receives the prior unanimous written consent of the Board to such Transfer on twenty (20) days' prior written notice or (y) such Transfer is by certain Institutional Shareholders to a person whose percentage ownership of Reorganized SEBC Common Stock (including Indirect Ownership) after such Transfer solely reflects securities acquired from such Institutional Shareholders.
Registration:	The Reorganized SEBC Class B Common Stock will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 4(2) of the Securities Act and equivalent state exemptions. Any subsequent sale, exchange, transfer or other disposition by such persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

EXHIBIT C

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

REORGANIZED SEBC CLASS C COMMON STOCK

Summary of Terms

Issue:	Class C Common Stock, par value $0.001 per share (the "Reorganized SEBC Class C Common Stock")
Issuer:	SEBC Financial Corporation (the "Issuer")
Authorized Shares:	TBD
Initial Issuance:	TBD but shall equal 20 percent of the outstanding Reorganized SEBC Common Stock.
Ranking:	The Reorganized SEBC Class C Common Stock shall, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank on a parity with the Reorganized SEBC Class A and Reorganized SEBC Class C Common Stock and junior to the Preferred Stock.
Dividends:	Payable at the discretion of the Board and subject to the rights of the holders of the Preferred Stock. No cash dividend may be declared and paid on any Reorganized SEBC Common Stock unless a cash dividend in an equal per share amount is simultaneously declared and paid on the other classes of Reorganized SEBC Common Stock. Dividends or other distributions payable in stock of Reorganized SEBC, including distributions pursuant to stock splits or divisions of stock of Reorganized SEBC, shall be made in the same proportion with respect to each class of Reorganized SEBC Common Stock, but no class shall receive shares of another class.
Voting Rights:	One vote per share; except as otherwise provided in the Reorganized SEBC Charter, or as required by law, the holders of all classes of Reorganized SEBC Common Stock shall vote together as a single class.
Transfer Restrictions:	From and after the date of filing of the Reorganized SEBC Charter and until the Restriction Release Date, any Transfer of any Reorganized SEBC Class C Common Stock (i) to any person (including a group of persons making a coordinated acquisition) who (A) after giving effect to such purported Transfer would become an owner of at least 4.75% of Reorganized SEBC Common Stock (including Indirect Ownership) or (B) prior to giving effect to such purported Transfer held at least 4.75% of Reorganized SEBC Common Stock (including Indirect Ownership) and whose ownership percentage subsequent to such Transfer would increase, or (ii) by

	any person who at the time is an owner of at least 4.75% of Reorganized SEBC Common Stock (including Indirect Ownership), will be void ab initio unless (x) either the transferor or the transferee receives the prior unanimous written consent of the Board to such Transfer on twenty (20) days' prior written notice or (y) such Transfer is by certain Institutional Shareholders to a person whose percentage ownership of Reorganized SEBC Common Stock (including Indirect Ownership) after such Transfer solely reflects securities acquired from such Institutional Shareholders.
Registration:	The Reorganized SEBC Class C Common Stock will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 4(2) of the Securities Act and equivalent state exemptions. Any subsequent sale, exchange, transfer or other disposition by such persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

EXHIBIT D

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

REORGANIZED SEBC SERIES A SENIOR PREFERRED STOCK

Summary of Terms

Issue:	Series A Senior Preferred Stock, par value $0.001 per share (the "Reorganized SEBC Series A Senior Preferred Stock")
Issuer:	Reorganized SEBC
Authorized Shares:	TBD
Initial Issuance:	TBD
Ranking:	The Reorganized SEBC Series A Senior Preferred Stock shall, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank senior to the Reorganized SEBC Series B Senior Preferred Stock, the Reorganized SEBC Series J Junior Preferred Stock, the Reorganized SEBC Series K Junior Preferred Stock and the Reorganized SEBC Common Stock.
Dividends:	The holder of each share of Reorganized SEBC Series A Senior Preferred Stock shall be entitled to receive, subject to declaration by the Board, a quarterly cash dividend in an amount equal to the amount that would accrue on the face amount ($1.00) of such Reorganized SEBC Series A Senior Preferred Stock during the quarterly dividend period at the Series A Senior Quarterly Dividend Rate (as defined in the Reorganized SEBC Charter) then in effect. The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits to do so, will accumulate until paid. Notwithstanding anything in the Reorganized SEBC Charter to the contrary, no dividend shall be paid on the Series A Senior Preferred Stock unless, immediately after making such payment and giving effect thereto, the market value of certain of Reorganized SEBC's investments equals or exceeds the sum of (i) the consolidated liabilities of Reorganized SEBC and its subsidiaries plus (ii) the redemption price for all Reorganized SEBC Series A Senior Preferred Stock outstanding at such time. The Series A Senior Quarterly Dividend Rate will be adjusted for certain changes in tax law or Reorganized SEBC's tax characteristics that affect the after-tax yield on the Reorganized SEBC Series A Senior Preferred Stock.
Liquidation Preferences:	Upon the voluntary or involuntary liquidation, dissolution or winding up of Reorganized SEBC, each holder of Reorganized SEBC Series

A Senior Preferred Stock will be entitled to receive out of the assets of Reorganized SEBC available for distribution to its stockholders an amount in cash, before any distribution of assets is made to the holders of Reorganized SEBC Series B Senior Preferred Stock, Reorganized SEBC Series J and Reorganized SEBC Series K Junior Preferred Stock or Reorganized SEBC Common Stock, equal to the Series A Senior Liquidation Price, calculated as set forth in the Reorganized SEBC Charter, for each of such holder's shares of Reorganized SEBC Series A Senior Preferred Stock. If the available assets of Reorganized SEBC are insufficient to pay the amount of the Series A Senior Liquidation Price in full on each share of Reorganized SEBC Series A Senior Preferred Stock, then such available assets will be applied pro rata among all shares of Reorganized SEBC Series A Senior Preferred Stock.

On or after the first anniversary of the date of acquisition by any holder of any Reorganized SEBC Series A Senior Preferred Stock from MLE and for so long as any shares of Reorganized SEBC Series A Senior Preferred Stock are outstanding, such holder or any of its transferees (other than MLE or any of its Affiliates) shall have the right to cause Reorganized SEBC to liquidate (the "Series A Liquidation Right"); provided, however, that Reorganized SEBC shall have the right, within 45 days after the receipt of such a demand for liquidation, to redeem the shares of Reorganized SEBC Series A Senior Preferred Stock owned by such holder in whole and not in part, in lieu of liquidation.

Redemption:

Holders' Elective Redemption: Upon the occurrence of certain events, including, but not limited to, Reorganized SEBC's failure to provide its audited annual consolidated financial statements, breach of any covenant in the Reorganized SEBC Charter or Master Subscription Agreement, any change in the Internal Revenue Code that reduces the dividends received deduction applicable to dividends on the Reorganized SEBC Senior Preferred Stock and Reorganized SEBC Series J Junior Preferred Stock below certain levels, a Change in Law, or a Change in Tax Law (as such terms are defined in the Reorganized SEBC Charter), holders holding more than 50% of the Reorganized SEBC Series A Senior Preferred Stock shall have the right to cause Reorganized SEBC to redeem the Reorganized SEBC Series A Senior Preferred Stock, in whole or in part.

Corporation Optional Redemption: Reorganized SEBC may redeem the Reorganized SEBC Series A Senior Preferred Stock, by resolution of its Board, (i) in whole and not in part (A) on or after the fifth anniversary of the first date on which Reorganized SEBC issued shares of Preferred Stock (the "Date of Original Issue"), or (B) within 45 days after receiving the requisite notice exercising the Series B Liquidation Right (as defined in Exhibit E) or the Series J Liquidation Right (as defined Exhibit F), or (ii) in part with respect to the shares of Reorganized SEBC Series A Senior Preferred Stock of a holder exercising the Series A Liquidation Right, within 45 days after receiving the requisite notice exercising such Series A Liquidation Right.

Scheduled Redemption: The Reorganized SEBC Series A Senior Preferred Stock shall be redeemed, in whole and not in part, on the

	Scheduled Redemption Date in 2016. Upon any redemption, Reorganized SEBC shall pay each holder of Reorganized SEBC Series A Senior Preferred Stock the Series A Senior Redemption Price for each share of Reorganized SEBC Series A Senior Preferred Stock owned by such holder to be redeemed, in cash out of funds legally available therefor.
Voting Rights:	The Reorganized SEBC Series A Senior Preferred Stock shall have no voting rights, and shall have no right to participate in the management of Reorganized SEBC, except as expressly required by applicable law; provided, however, that neither Reorganized SEBC nor any of its subsidiaries may take certain corporate actions, including, but not limited to, instituting proceedings to be adjudicated bankrupt or insolvent, consolidating or merging with another entity except in certain circumstances, disposing of all or substantially all of its assets, issuing shares of Reorganized SEBC Common Stock, or authorizing additional classes or series of stock, without the affirmative vote of the holders of more than 80% of the Reorganized SEBC Series A Senior Preferred Stock. Upon the occurrence of certain specified events, including, but not limited to, the institution by Reorganized SEBC of bankruptcy proceedings, the failure of Reorganized SEBC to maintain a required liquidity reserve and the failure of Reorganized SEBC to make required dividend or redemption payments, the authorized number of directors of the Board shall be automatically increased by the smallest even number divisible by three and that shall constitute a majority of the Board and one-third of such new directors shall be elected by holders holding more than 50% of the Reorganized SEBC Series A Senior Preferred Stock. Such directors shall have the limited right to cure the event that triggered their election, including causing a redemption of the Preferred Stock, and shall serve for corresponding limited terms.
Transfer Restrictions:	Series A Senior Preferred Stock may only be sold or otherwise transferred to a person who is a “qualified institutional buyer” within the meaning of Rule 144A of the Securities Act (a “QIB”).
Registration:	The Reorganized SEBC Series A Senior Preferred Stock will be distributed pursuant to the Plan without registration under the Securities, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 4(2) of the Securities Act and equivalent state exemptions. Any subsequent sale, exchange, transfer or other disposition by such persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

EXHIBIT E

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

REORGANIZED SEBC SERIES B SENIOR PREFERRED STOCK

Summary of Terms

Issue:	Series B Senior Preferred Stock, par value $0.001 per share (the "Reorganized SEBC Series B Senior Preferred Stock")
Issuer:	Reorganized SEBC
Authorized Shares:	TBD
Initial Issuance:	TBD
Ranking:	The Reorganized SEBC Series B Senior Preferred Stock shall, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank senior to the Reorganized SEBC Series J Junior Preferred Stock, the Reorganized SEBC Series K Junior Preferred Stock and the Reorganized SEBC Common Stock and junior to the Reorganized SEBC Series A Senior Preferred Stock.
Dividends:	The holder of each share of Reorganized SEBC Series B Senior Preferred Stock shall be entitled to receive, subject to declaration by the Board, a quarterly cash dividend in an amount equal to the amount that would accrue on the face amount ($1.00) of such Reorganized SEBC Series B Senior Preferred Stock during the quarterly dividend period at the Series B Senior Quarterly Dividend Rate (as defined in the Reorganized SEBC Charter) then in effect; provided, however, that no dividends shall be paid on the Reorganized SEBC Series B Senior Preferred Stock until all accrued but unpaid dividends shall have been, or contemporaneously be, paid on the Reorganized SEBC Series A Senior Preferred Stock. The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits to do so, will accumulate until paid. Notwithstanding anything in the Reorganized SEBC Charter to the contrary, no dividend shall be paid on the Reorganized SEBC Series B Senior Preferred Stock unless, immediately after making such payment and giving effect thereto, the market value of certain of Reorganized SEBC's investments equals or exceeds the sum of (i) the consolidated liabilities of Reorganized SEBC and its subsidiaries plus (ii) the aggregate redemption price for all Reorganized SEBC Series A Preferred Stock and Reorganized SEBC Series B Senior Preferred Stock outstanding at such time. The Series B Senior Quarterly Dividend Rate will be adjusted for certain changes in tax

	law or Reorganized SEBC's tax characteristics that affect the after-tax yield on the Reorganized SEBC Series B Senior Preferred Stock.
Liquidation Preferences:	Upon the voluntary or involuntary liquidation, dissolution or winding up of Reorganized SEBC, each holder of Reorganized SEBC Series B Senior Preferred Stock will be entitled to receive out of the assets of Reorganized SEBC available for distribution to its stockholders an amount in cash, after any distribution of assets is made to the holders of Reorganized SEBC Series A Senior Preferred Stock but before any distribution of assets is made to the holders of Reorganized SEBC Series J and Reorganized SEBC Series K Junior Preferred Stock or Reorganized SEBC Common Stock, equal to the Series B Senior Liquidation Price, calculated as set forth in the Reorganized SEBC Charter, for each of such holder's shares of Reorganized SEBC Series B Senior Preferred Stock. If the available assets of Reorganized SEBC are insufficient to pay the amount of the Series B Senior Liquidation Price in full on each share of Reorganized SEBC Series B Senior Preferred Stock, then such available assets will be applied pro rata among all shares of Reorganized SEBC Series B Senior Preferred Stock. On or before the first anniversary of Date of Original Issue, holders holding more than 50% of the Reorganized SEBC Series B Senior Preferred Stock shall have the right to cause Reorganized SEBC to liquidate if MLE has not sold at least $250,000,000 face amount of Reorganized SEBC Series A Senior Preferred Stock or Reorganized SEBC Series B Senior Preferred Stock (or a combination thereof) (the "Series B Liquidation Right"); provided, however, that Reorganized SEBC shall have the right, within 45 days after the receipt of such a demand for liquidation, to redeem the Reorganized SEBC Series A Senior Preferred Stock, Reorganized SEBC Series B Senior Preferred Stock, Reorganized SEBC Series J Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock, in whole and not in part, in lieu of such liquidation.
Redemption:	*Holders' Elective Redemption*: Upon the occurrence of certain events, including, but not limited to, Reorganized SEBC's failure to provide its audited annual consolidated financial statements, breach of any covenant in the Reorganized SEBC Charter or Master Subscription Agreement, any change in the Internal Revenue Code that reduces the dividends received deduction applicable to dividends on the Reorganized SEBC Senior Preferred Stock or Reorganized SEBC Series J Junior Preferred Stock below certain levels, a Change in Law, or a Change in Tax Law, holders holding more than 50% of the Series B Senior Preferred Stock shall have the right to cause Reorganized SEBC to redeem the Reorganized SEBC Series B Senior Preferred Stock, in whole or in part, as well as the shares of Reorganized SEBC Common Stock held by such holders of Reorganized SEBC Series B Senior Preferred Stock, in whole or in part; provided, however, that such rights are subject to the right of holders holding more than 50% of the Reorganized SEBC Series A Senior Preferred Stock to direct Reorganized SEBC to first redeem the Reorganized SEBC Series A Senior Preferred Stock. *Corporation Optional Redemption*: Reorganized SEBC may redeem the Reorganized SEBC Series B Senior Preferred Stock, in whole

	and not in part, as well as the shares of Reorganized SEBC Common Stock held by such holders of Reorganized SEBC Series B Senior Preferred Stock, by resolution of the Board (i) on or after the fifth anniversary of the Date of Original Issue or (ii) within 45 days after receiving the requisite notice exercising the Series B Liquidation Right or the Series J Liquidation Right (as defined Exhibit F); provided, however, that Reorganized SEBC shall not exercise this option unless it shall have redeemed or contemporaneously redeems, in whole and not in part, all of the outstanding shares of Reorganized SEBC Series A Senior Preferred Stock. *Scheduled Redemption*: The Reorganized SEBC Series B Senior Preferred Stock, as well as the shares of Reorganized SEBC Common Stock of Reorganized SEBC held by such holders of Reorganized SEBC Series B Senior Preferred Stock, shall be redeemed, in whole and not in part, on the Scheduled Redemption Date in 2016; provided, however, that Reorganized SEBC shall not redeem the Reorganized SEBC Series B Senior Preferred Stock on the Scheduled Redemption Date unless it shall have redeemed, in whole and not in part, all of the outstanding shares of Reorganized SEBC Series A Senior Preferred Stock. Upon any redemption, Reorganized SEBC shall pay each holder of Reorganized SEBC Series B Senior Preferred Stock the Series B Senior Redemption Price for each share of Reorganized SEBC Series B Senior Preferred Stock owned by such holder to be redeemed, and the Common Stock Redemption Price (as defined in the Reorganized SEBC Charter) for each share of Reorganized SEBC Common Stock owned by such holder to be redeemed, in cash out of funds legally available therefor. For Holders' Elective Redemption and Scheduled Redemption, if there are insufficient funds to redeem the total number of shares of Reorganized SEBC Series B Senior Preferred Stock and Reorganized SEBC Common Stock to be redeemed on such date, funds will first be used to redeem the maximum number of shares of Reorganized SEBC Series B Senior Preferred Stock pro rata and second to redeem the maximum possible number of shares of Reorganized SEBC Common Stock. At any time thereafter when additional funds are legally available for the redemption of Reorganized SEBC Series B Senior Preferred Stock or Reorganized SEBC Common Stock, such funds will be used to redeem such stock on the same basis.
Voting Rights:	The Reorganized SEBC Series B Senior Preferred Stock shall have no voting rights, and shall have no right to participate in the management of Reorganized SEBC, except as expressly required by applicable law; provided, however, that neither Reorganized SEBC nor any of its subsidiaries may take certain corporate actions, including, but not limited to, instituting proceedings to be adjudicated bankrupt or insolvent, consolidating or merging with another entity except in certain circumstances, disposing of all or substantially all of its assets, issuing shares of Reorganized SEBC Common Stock, or authorizing additional classes or series of stock, without the affirmative vote of the holders of more than 80% of the Reorganized SEBC Series B Senior Preferred Stock. Upon the occurrence of

	certain specified events, including, but not limited to, the institution by Reorganized SEBC of bankruptcy proceedings, the failure of Reorganized SEBC to maintain a required liquidity reserve and the failure of Reorganized SEBC to make required dividend or redemption payments, the authorized number of directors of the Board shall be automatically increased by the smallest even number divisible by three and that shall constitute a majority of the Board and, depending on the triggering event, one-third or one-half of such new directors shall be elected by holders holding more than 50% of the Reorganized SEBC Series B Senior Preferred Stock. Such directors shall have the limited right to cure the event that triggered their election, including causing a redemption of the Preferred Stock, and shall serve for corresponding limited terms.
Transfer Restrictions:	Reorganized SEBC Series B Senior Preferred Stock may only be sold or otherwise transferred to a person who is a QIB.
Registration:	The Reorganized SEBC Series B Senior Preferred Stock will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 4(2) of the Securities Act and equivalent state exemptions. Any subsequent sale, exchange, transfer or other disposition by such persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

EXHIBIT F

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

REORGANIZED SEBC SERIES J JUNIOR CUMULATIVE PREFERRED STOCK

Summary of Terms

Issue:	Series J Junior Cumulative Preferred Stock, par value $0.001 per share (the "Reorganized SEBC Series J Junior Preferred Stock")
Issuer:	Reorganized SEBC
Authorized Shares:	TBD
Initial Issuance:	TBD
Ranking:	The Reorganized SEBC Series J Junior Preferred Stock shall, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank senior to the Reorganized SEBC Common Stock, on a parity with the Reorganized SEBC Series K Junior Preferred Stock and junior to the Reorganized SEBC Senior Preferred Stock.
Dividends:	The holder of each share of Reorganized SEBC Series J Junior Preferred Stock shall be entitled to receive, subject to declaration by the Board, a quarterly cash dividend in an amount equal to the amount that would accrue on the face amount ($1.00) of such Reorganized SEBC Series J Junior Preferred Stock during the quarterly dividend period at the Series J Junior Quarterly Dividend Rate (as defined in the Reorganized SEBC Charter) then in effect; provided, however, that no dividends shall be paid on the Reorganized SEBC Series J Junior Preferred Stock until all accrued but unpaid dividends shall have been, or contemporaneously be, paid on the Reorganized SEBC Series A Senior Preferred Stock and Reorganized SEBC Series B Senior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock. The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits to do so, will accumulate until paid. Notwithstanding anything in the Reorganized SEBC Charter to the contrary, no dividend shall be paid on the Reorganized SEBC Series J Junior Preferred Stock unless, immediately after making such payment and giving effect thereto, the market value of certain of Reorganized SEBC's investments equals or exceeds the sum of (i) the consolidated liabilities of Reorganized SEBC and its subsidiaries plus (ii) the aggregate redemption price for all Reorganized SEBC Series A Senior Preferred Stock and Series B Senior Preferred Stock and all Reorganized SEBC Series J Junior Preferred Stock and

	Reorganized SEBC Series K Junior Preferred Stock outstanding at such time. The Series J Junior Quarterly Dividend Rate will be adjusted for certain changes in tax law or Reorganized SEBC's tax characteristics that affect the after-tax yield on the Reorganized SEBC Series J Junior Preferred Stock.
Liquidation Preferences:	Upon the voluntary or involuntary liquidation, dissolution or winding up of Reorganized SEBC, each holder of Reorganized SEBC Series J Junior Preferred Stock will be entitled to receive out of the assets of Reorganized SEBC available for distribution to its stockholders an amount in cash, after any distribution of assets is made, or contemporaneously is made, to the holders of Reorganized SEBC Series A Senior Preferred Stock and Series B Senior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock, but before any distribution of assets is made to the holders of Reorganized SEBC Common Stock, equal to the Series J Junior Liquidation Price, calculated as set forth in the Reorganized SEBC Charter, for each of such holder's shares of Reorganized SEBC Series J Junior Preferred Stock. If the available assets of Reorganized SEBC are insufficient to pay the amount of the Series J Junior Liquidation Price and the Series K Junior Liquidation Price in full on each share of Reorganized SEBC Series J Junior Preferred Stock and each share of Reorganized SEBC Series K Junior Preferred Stock, respectively, then such available assets will be applied pro rata among all shares of Reorganized SEBC Series J Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock. On or before the first anniversary of the Date of Original Issue, holders holding more than 50% of the Reorganized SEBC Series J Junior Preferred Stock shall have the right to cause Reorganized SEBC to liquidate if MLE has not sold at least $250,000,000 face amount of Reorganized SEBC Series A Senior Preferred Stock or Reorganized SEBC Series B Senior Preferred Stock (or a combination thereof) (the "Series J Liquidation Right"); provided, however, that Reorganized SEBC shall have the right, within 45 days after the receipt of such a demand for liquidation, to redeem the Reorganized SEBC Series A Senior Preferred Stock , Reorganized SEBC Series B Senior Preferred Stock, Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock, in whole and not in part, in lieu of such liquidation.
Redemption:	*Holders' Elective Redemption*: Upon the occurrence of certain events, including, but not limited to, Reorganized SEBC's failure to provide its audited annual consolidated financial statements, breach of any covenant in the Reorganized SEBC Charter or Master Subscription Agreement, any change in the Internal Revenue Code that reduces the dividends received deduction applicable to dividends on the Reorganized SEBC Senior Preferred Stock and Reorganized SEBC Series J Junior Preferred Stock below certain levels, a Change in Law, or a Change in Tax Law, holders holding more than 50% of the Reorganized SEBC Series J Junior Preferred Stock shall have the right to cause Reorganized SEBC to redeem the Reorganized SEBC Series J Junior Preferred Stock, in whole and not in part, as well as the shares of Reorganized SEBC Common Stock held by such holders of Reorganized SEBC Series J Junior Preferred Stock, in whole and not in part; provided, however, that such rights are subject

to the right of holders holding more than 50% of each of the Reorganized SEBC Series A Senior Preferred Stock and the Reorganized SEBC Series B Senior Preferred Stock to direct Reorganized SEBC to first redeem the Reorganized SEBC Series A Senior Preferred Stock and Reorganized SEBC Series B Senior Preferred Stock, as applicable, and subject to the obligation of Reorganized SEBC to redeem the Reorganized SEBC Series K Junior Preferred Stock on a pari passu basis with the Reorganized SEBC Series J Junior Preferred Stock.

Corporation Optional Redemption: Reorganized SEBC may redeem the Reorganized SEBC Series J Junior Preferred Stock, in whole and not in part, as well as the shares of Reorganized SEBC Common Stock held by such holders of Reorganized SEBC Series J Junior Preferred Stock, by resolution of the Board (i) on or after the fifth anniversary of the Date of Original Issue or (ii) within 45 days after receiving the requisite notice exercising the Series B Liquidation Right or the Series J Liquidation Right; provided, however, that Reorganized SEBC shall not exercise this option unless it shall have redeemed or contemporaneously redeems, in whole and not in part, all of the outstanding shares of Reorganized SEBC Series A Senior Preferred Stock, Reorganized SEBC Series B Senior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock.

Scheduled Redemption: The Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock, as well as the shares of Reorganized SEBC Common Stock held by such holders of Reorganized SEBC Series J Junior Preferred Stock, shall be redeemed, in whole and not in part, on the Scheduled Redemption Date in 2016; provided, however, that Reorganized SEBC shall not redeem the Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock and the Reorganized SEBC Common Stock held by such holders of Reorganized SEBC Series J Junior Preferred Stock on the Scheduled Redemption Date unless it shall have redeemed, in whole and not in part, all of the outstanding shares of Reorganized SEBC Series A Senior Preferred Stock and Reorganized SEBC Series B Senior Preferred Stock.

Upon any redemption, Reorganized SEBC shall pay each holder of Reorganized SEBC Series J Junior Preferred Stock the Series J Junior Redemption Price (as defined in the Reorganized SEBC Charter) for each share of Reorganized SEBC Series J Junior Preferred Stock owned by such holder to be redeemed, and the Common Stock Redemption Price for each share of Reorganized SEBC Common Stock owned by such holder to be redeemed, in cash out of funds legally available therefor.

For Holders' Elective Redemption and Scheduled Redemption, if there are insufficient funds to redeem the total number of shares of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock and Reorganized SEBC Common Stock to be redeemed on such date, funds will first be used to redeem the maximum number of shares of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock pro rata and second to redeem the maximum

	possible number of shares of Reorganized SEBC Common Stock. At any time thereafter when additional funds are legally available for the redemption of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock or Reorganized SEBC Common Stock, such funds will be used to redeem such stock on the same basis.
Voting Rights:	The Reorganized SEBC Series J Junior Preferred Stock shall have no voting rights, and shall have no right to participate in the management of Reorganized SEBC, except as expressly required by applicable law; provided, however, that neither Reorganized SEBC nor any of its subsidiaries may take certain corporate actions, including, but not limited to, instituting proceedings to be adjudicated bankrupt or insolvent, consolidating or merging with another entity except in certain circumstances, disposing of all or substantially all of its assets, issuing shares of Reorganized SEBC Common Stock, or authorizing additional classes or series of stock, without the affirmative vote of the holders of more than 80% of the Reorganized SEBC Series J Junior Preferred Stock. Upon the occurrence of certain specified events, including, but not limited to, the institution by Reorganized SEBC of bankruptcy proceedings, the failure of Reorganized SEBC to maintain a required liquidity reserve and the failure of Reorganized SEBC to make required dividend or redemption payments, the authorized number of directors of the Board shall be automatically increased by the smallest even number divisible by three and that shall constitute a majority of the Board and, depending on the triggering event, one-third of such new directors shall be elected by holders holding more than 50% of the Reorganized SEBC Series J Junior Preferred Stock or all of such directors shall be elected by holders holding more than 50% of the Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock, voting together as a class. Such directors shall have the limited right to cure the event that triggered their election, including causing a redemption of the Preferred Stock and shall serve for corresponding limited terms.
Transfer Restrictions:	Reorganized SEBC Series J Junior Preferred Stock may only be sold or otherwise transferred to a person who is a QIB.
Registration:	The Reorganized SEBC Series J Junior Preferred Stock will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 4(2) of the Securities Act and equivalent state exemptions. Any subsequent sale, exchange, transfer or other disposition by such persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

EXHIBIT G

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

REORGANIZED SEBC SERIES K JUNIOR CUMULATIVE PREFERRED STOCK

Summary of Terms

Issue:	Series K Junior Cumulative Preferred Stock, par value $0.001 per share (the "Reorganized SEBC Series K Junior Preferred Stock")
Issuer:	Reorganized SEBC
Authorized Shares:	TBD
Initial Issuance:	TBD
Ranking:	The Reorganized SEBC Series K Junior Preferred Stock shall, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank senior to the Reorganized SEBC Common Stock, on a parity with the Reorganized SEBC Series J Junior Preferred Stock and junior to the Reorganized SEBC Senior Preferred Stock.
Dividends:	The holder of each share of Reorganized SEBC Series K Junior Preferred Stock shall be entitled to receive, subject to declaration by the Board, a quarterly cash dividend in an amount equal to the amount that would accrue on the face amount ($1.00) of such Reorganized SEBC Series K Junior Preferred Stock during the quarterly dividend period at the Series K Junior Quarterly Dividend Rate (as defined in Reorganized SEBC Charter) then in effect; provided, however, that no dividends shall be paid on the Reorganized SEBC Series K Junior Preferred Stock until all accrued but unpaid dividends shall have been, or contemporaneously be, paid on the Reorganized SEBC Series A Senior Preferred Stock and Reorganized SEBC Series B Senior Preferred Stock and Reorganized SEBC Series J Junior Preferred Stock. The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits to do so, will accumulate until paid. Notwithstanding anything in the Reorganized SEBC Charter to the contrary, no dividend shall be paid on the Reorganized SEBC Series K Junior Preferred Stock unless, immediately after making such payment and giving effect thereto, the market value of certain of Reorganized SEBC's investments equals or exceeds the sum of (i) the consolidated liabilities of Reorganized SEBC and its subsidiaries plus (ii) the aggregate redemption price for all Reorganized SEBC Series A Senior Preferred Stock and Reorganized SEBC Series B Senior Preferred Stock and all Reorganized SEBC Series J Junior

	Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock outstanding at such time.
Liquidation Preferences:	Upon the voluntary or involuntary liquidation, dissolution or winding up of Reorganized SEBC, each holder of Reorganized SEBC Series K Junior Preferred Stock will be entitled to receive out of the assets of Reorganized SEBC available for distribution to its stockholders an amount in cash, after any distribution of assets is made, or contemporaneously is made, to the holders of Reorganized SEBC Series A Senior Preferred Stock, Reorganized SEBC Series B Senior Preferred Stock and, Reorganized SEBC Series J Junior Preferred Stock, but before any distribution of assets is made to the holders of Reorganized SEBC Common Stock, equal to the Series K Junior Liquidation Price, calculated as set forth in the Reorganized SEBC Charter, for each of such holder's shares of Reorganized SEBC Series K Junior Preferred Stock. If the available assets of Reorganized SEBC are insufficient to pay the amount of the Series J Junior Liquidation Price and the Series K Junior Liquidation Price in full on each share of Reorganized SEBC Series J Junior Preferred Stock and each share of Reorganized SEBC Series K Junior Preferred Stock, respectively, then such available assets will be applied pro rata among all shares of Series J and Series K Junior Preferred Stock.
Redemption:	*Corporation Optional Redemption*: Reorganized SEBC may redeem the Reorganized SEBC Series K Junior Preferred Stock, in whole and not in part, by resolution of its Board of Directors (i) on or after the fifth anniversary of the Date of Original Issue or (ii) within 45 days after receiving the requisite notice exercising the Series B Liquidation Right or the Series J Liquidation Right; provided, however, that Reorganized SEBC shall not exercise this option unless it shall have redeemed or contemporaneously redeems, in whole and not in part, all of the outstanding shares of Reorganized SEBC Series A Senior Preferred Stock, Reorganized SEBC Series B Senior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock. *Scheduled Redemption*: The Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock shall be redeemed, in whole and not in part, on the Scheduled Redemption Date in 2016; provided, however, that Reorganized SEBC shall not redeem the Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock on the Scheduled Redemption Date unless it shall have redeemed, in whole and not in part, all of the outstanding shares of Reorganized SEBC Series A Senior Preferred Stock and Reorganized SEBC Series B Senior Preferred Stock. If there are insufficient funds to redeem the total number of shares of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock to be redeemed on such date, funds will be applied pro rata among all shares of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock. *Additional Redemption*: Upon the occurrence of a Holders Election Redemption (as described in Exhibits D, E and F above) with regard to the Reorganized SEBC Series J Junior Preferred Stock,

	Reorganized SEBC shall, subject to the priority rights of the Reorganized SEBC Series A Senior Preferred Stock and the Reorganized SEBC Series B Senior Preferred Stock, redeem the Reorganized SEBC Series K Junior Preferred Stock on a pari passu basis with the Reorganized SEBC Series J Junior Preferred Stock. If there are insufficient funds to redeem the total number of shares of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock and Reorganized SEBC Common Stock held by the holders of Reorganized SEBC Series J Junior Preferred Stock to be redeemed on such date, funds will first be used to redeem the maximum number of shares of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock pro rata and second to redeem the maximum possible number of shares of Reorganized SEBC Common Stock. At any time thereafter when additional funds are legally available for the redemption of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock or Reorganized SEBC Common Stock, such funds will be used to redeem such stock on the same basis. Upon any redemption, Reorganized SEBC shall pay each holder of Reorganized SEBC Series J Junior Preferred Stock the Series K Junior Redemption Price for each share of Reorganized SEBC Series K Junior Preferred Stock owned by such holder to be redeemed, in cash out of funds legally available therefor.
Voting Rights:	The Reorganized SEBC Series K Junior Preferred Stock shall have no voting rights, and shall have no right to participate in the management of Reorganized SEBC, except as expressly required by applicable law; provided, however, that Reorganized SEBC may not take certain corporate actions, including, but not limited to, authorizing additional classes or series of stock which rank senior to the Reorganized SEBC Series K Junior Preferred Stock or amending its charter to adversely affect any of the rights, powers, preferences, privileges, terms or par value of the Reorganized SEBC Series K Junior Preferred Stock, without the affirmative vote of the holders of more than 80% of the Reorganized SEBC Series K Junior Preferred Stock. Upon failure of Reorganized SEBC to declare and pay in full the required quarterly dividends on two or more consecutive quarterly dividend payment dates or the failure of Reorganized SEBC to pay in full the aggregate Series K Junior Redemption Price when due, the authorized number of directors of the Board shall be automatically increased by the smallest even number divisible by three and that shall constitute a majority of the Board and such additional directors shall be elected by holders holding more than 50% of the Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock, voting together as a single class. Such directors shall have the limited right to cure the event that triggered their election, including causing the Preferred Stock to be redeemed, and shall serve for corresponding limited terms.
Transfer Restrictions:	Reorganized SEBC Series K Junior Preferred Stock may only be sold or otherwise transferred to a person who is a QIB, or an institutional “accredited investor” as defined in paragraphs (1), (2), (3) and (7) of Rule 501(a) of Regulation D under the Securities Act. In addition, a “holder of record” (as defined for purposes of Sections 12(g) and

	15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of shares of Reorganized SEBC Series K Junior Preferred Stock may not sell or otherwise transfer any of such shares "held of record" (as defined for purposes of Sections 12(g) and 15(d) of the Exchange Act) by such holder unless such sale or transfer is to a single holder of record and includes all shares of Reorganized SEBC Series K Junior Preferred Stock held of record by such holder immediately prior to any such sale or transfer.
Registration:	The Series K Junior Preferred Stock will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 1145 of the Bankruptcy Code. This exemption applies only to the distribution of such securities under the Plan and not to any subsequent sale, exchange, transfer or other disposition of such securities or any interest therein by persons who constitute "underwriters" or "issuers," as such terms are defined pursuant to Section 1145 of the Bankruptcy Code, and each such subsequent sale, exchange, transfer or other disposition by such persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

EXHIBIT H

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

SEBC HOLDINGS COMMON UNITS

Summary of Terms

Issue:	Common Units ("Common Units")
Issuer:	SEBC Holdings, LP ("SEBC Holdings" or the "Partnership")
Authorized Units:	N/A
Initial Issuance:	TBD but to be issued on the basis of an exchange of one Common Unit for one share of outstanding Common Stock of Debtor.
Ranking:	The Common Units shall rank junior to the Senior Preferred Units (as defined below) and the Junior Preferred Units (as defined below) of SEBC Holdings.
Dividends:	Only after all required distributions and redemptions of senior and Junior Preferred Units.
Voting Rights:	Limited voting rights applicable to approval of merger or potential removal of the general partner.
Transfer Restrictions:	From and after the Effective Date until the SEBC Holdings Restriction Release Date, any attempted Transfer of any Common Units (i) to any person (including a group of persons making a coordinated acquisition) who (A) after giving effect to such purported Transfer would become an owner of at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership), or (B) prior to giving effect to such purported Transfer held at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership) and whose ownership percentage subsequent to such Transfer would increase, or (ii) by any person who at the time is an owner of at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership), will be void ab initio. These restrictions will not apply to the Depository Trust Company as holder of any global units. In addition, restrictions on resale under the securities laws as described below in "Registration" will apply ("Securities Restrictions").
Registration:	The Common Units will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 1145 of the Bankruptcy Code. This exemption applies only to the distribution of such securities under the Plan and not to any

subsequent sale, exchange, transfer or other disposition of such securities or any interest therein by persons who constitute "underwriters" or "issuers," as such terms are defined pursuant to Section 1145 of the Bankruptcy Code, and each such subsequent sale, exchange, transfer or other disposition by such persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

EXHIBIT I

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

SEBC HOLDINGS SENIOR PREFERRED UNITS

Summary of Terms

Issue:	Senior Preferred Units ('Senior Preferred Units")
Issuer:	SEBC Holdings
Authorized Units:	TBD
Initial Issuance:	TBD
Ranking:	The Senior Preferred Units shall rank senior to the Junior Preferred Units and the Common Units.
Dividends:	Each Senior Preferred Unit shall be paid a distribution each fiscal quarter out of available cash of the Partnership an amount that accrues on $1.00, its face amount, based on a rate of to be determined in accordance with Master Subscription Agreement and the Plan. Any amount not paid, shall accrue at the same rate and shall be paid as soon as there is available cash to pay such amount in a following fiscal quarter. If there is additional available cash after payment of the required distribution and any accrued but unpaid distributions on both the senior and Junior Preferred Units, such additional available cash shall be distributed to the holders of the Senior Preferred Units until an amount equal to the face amount has been cumulatively paid thereon. Upon liquidation of the Partnership, the Senior Preferred Units shall be entitled to receive the face amount plus all accrued distributions. No distribution shall be paid on the Senior Preferred Units unless, immediately after making such payment and giving effect thereto, the market value of the Partnership's permitted investments and the Partnership's investment in Real Estate, LLC and the Reorganized SEBC Common Stock equals or exceeds the consolidated liabilities of the Partnership.
Redemption:	All of the Senior Preferred Units will be redeemed by the Partnership on the earliest to occur of (i) the scheduled redemption date which shall be seven years after issuance, (ii) the date available cash is distributed as described above in an amount equal to the face amount plus all quarterly distributions including any amount accrued thereon, (iii) any date for redemption set by the additional general partner appointed by the Senior Preferred Unit holders as described below to effect a cure event as described below, or (iv) upon the liquidation of the Partnership. The price at which such redemption shall be made shall equal any remaining face amount, distributions

and accruals thereon that have not already been distributed.

Voting Rights:

Without the affirmative vote of the limited partners holding 100% of the Senior Preferred Units, so long as there are any outstanding Senior Preferred Units, the Partnership shall not:

o institute voluntary bankruptcy proceedings or otherwise consent to such proceedings, consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Partnership or of a substantial part of the property of the Partnership, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take any corporate or other action in furtherance of any such action;

o consolidate or merge the Partnership or any subsidiary;

o voluntarily dissolve, liquidate or wind up the affairs of the Partnership or any subsidiary;

o issue Common Units;

o create, authorize or issue units of additional classes or series of units;

o own any assets other than specified investments or equity of subsidiaries;

o create, authorize, issue, incur or suffer to exist any indebtedness for borrowed money or other liability other than in the ordinary course of business in an aggregate amount not exceeding [$100,000];

o have any salaried employees;

o amend, alter or repeal any provision of the Partnership agreement or its certificate of limited partnership so as to adversely affect any of the rights, powers, preferences, privileges or terms of any Senior Preferred Unit or to modify any of the limitations provided to the holders of the Senior Preferred Units; or

o do anything that requires the affirmative vote of each class of voting securities of the Partnership;

provided, however, that notwithstanding the above, no vote of the Senior Preferred Units shall be required in connection with the sale, lease, conveyance or other disposition of the Partnership's equity interest in, or the assets of, Real Estate, LLC.

The same restrictions described above apply to any action the Partnership take with respect to any subsidiaries of the Partnership.

The holders of the Senior Preferred Units shall be entitled to appoint an additional general partner upon the occurrence of any of the following:

o if the Partnership institutes voluntary bankruptcy proceedings or otherwise consents to such proceedings, consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Partnership or of a substantial part of the property of the Partnership, or makes any assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, or take any corporate or other action in furtherance of any such action;

o any involuntary action described in the above clause;

o the failure of the Partnership to make a distribution of all available cash for any fiscal quarter on the applicable payment date; or

o the failure of the Partnership to pay in full the aggregate applicable redemption price on the Senior Preferred Units on the applicable redemption date.

Upon the appointment of the additional general partner, it shall have the power to cause the Partnership to either make the required payment or redeem the Senior Preferred Units, as applicable. The original general partner shall continue to operate the business of the Partnership. Once one of those actions are taken, the additional general partner shall no longer be a general partner of the Partnership.

As long as there are outstanding Senior Preferred Units, the Partnership shall not:

o engage in any business other than acquiring, holding, managing, selling and disposing of its permitted investments, its interest in Real Estate, LLC and its interest in Reorganized SEBC common stock;

o invest any available monies or funds of the Partnership other than in permitted investments;

o take any action that would cause it to be required to register as an investment company under the Investment Company Act;

o fail to ensure that any transaction entered into with any person (other than a wholly-owned subsidiary) is fair to each party, constitutes an exchange for fair consideration and for reasonably equivalent value, and is made in good faith and without any intent to hinder, delay or defraud creditors;

o take any action with respect to, and will not engage in transactions with, any person unless it determines in a reasonable fashion that such actions or transactions are in the best interests of the Partnership; and

o make any distribution or other payment on, or redeem or otherwise acquire, any of its Common Units except for payment of a quarterly distribution on all of its Common Units pursuant to the

	declaration of such quarterly distribution by the general partner.
Transfer Restrictions:	Securities Restrictions will apply. In addition, a holder of record of Senior Preferred Units may not sell or otherwise transfer any of such units held of record by such holder unless such sale or transfer is to a single holder of record and includes all Senior Preferred Units held of record by such holder immediately prior to any such sale or transfer.
Registration:	The Senior Preferred Units will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 1145 of the Bankruptcy Code. This exemption applies only to the distribution of such securities under the Plan and not to any subsequent sale, exchange, transfer or other disposition of such securities or any interest therein by persons who constitute "underwriters" or "issuers," as such terms are defined pursuant to Section 1145 of the Bankruptcy Code, and each such subsequent sale, exchange, transfer or other disposition by such persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

EXHIBIT J

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

SEBC HOLDINGS JUNIOR PREFERRED UNITS

Summary of Terms

Issue:	Junior Preferred Units ("Junior Preferred Units")
Issuer:	SEBC Holdings
Authorized Units:	TBD
Initial Issuance:	TBD
Ranking:	The Junior Preferred Units shall rank junior to the Senior Preferred Units of SEBC Holdings and senior to the Common Units of SEBC Holdings.
Dividends:	Each Junior Preferred Unit shall be paid a distribution each fiscal quarter out of available cash of the Partnership an amount that accrues on $1.00, its face amount, based on a rate to be determined in accordance with Master Subscription Agreement and the Plan. Any amount not paid, shall accrue at the same rate and shall be paid as soon as there is available cash to pay such amount in a following fiscal quarter. If there is additional available cash after payment of the required distribution and any accrued but unpaid distributions on both the senior and Junior Preferred Units and after redemption of all of the Senior Preferred Units, such additional available cash shall be distributed to the holders of the Junior Preferred Units until an amount equal to the face amount has been cumulatively paid thereon. Upon liquidation of the Partnership, the Junior Preferred Units shall be entitled to receive the face amount plus all accrued distributions, subject to prior payment of such amount on the Senior Preferred Units. No distribution shall be paid on the Junior Preferred Units unless, immediately after making such payment and giving effect thereto, the market value of the Partnership's permitted investments and the Partnership's investment in Real Estate, LLC and the Reorganized SEBC Common Stock equals or exceeds the sum of the redemption price on the Senior Preferred Units plus the consolidated liabilities of the Partnership.
Redemption:	All of the Junior Preferred Units will be redeemed by the Partnership on the earliest to occur of (i) the scheduled redemption date which shall be seven years after issuance, (ii) the date available cash is distributed as described above in an amount equal to the face amount plus all quarterly distributions including any amount accrued thereon, (iii) upon the liquidation of the Partnership. The price at

	which such redemption shall be made shall equal any remaining face amount, distributions and accruals thereon that have not already been distributed.
Voting Rights:	Without the affirmative vote of the limited partners holding 80% of the Junior Preferred Units, so long as there are any outstanding Junior Preferred Units, the Partnership shall not: o create, authorize or issue units of additional classes or series of units; o amend, alter or repeal any provision of the Partnership agreement or its certificate of limited partnership so as to adversely affect any of the rights, powers, preferences, privileges or terms of any Senior Preferred Unit or to modify any of the limitations provided to the holders of the Senior Preferred Units; or o do anything that requires the affirmative vote of each class of voting securities of the Partnership. As long as there are outstanding Junior Preferred Units, the Partnership shall not: o engage in any business other than acquiring, holding, managing, selling and disposing of its permitted investments, its interest in Real Estate, LLC and its interest in Reorganized SEBC common stock; o invest any available monies or funds of the Partnership other than in permitted investments; o take any action that would cause it to be required to register as an investment company under the Investment Company Act; o fail to ensure that any transaction entered into with any person (other than a wholly-owned subsidiary) is fair to each party, constitutes an exchange for fair consideration and for reasonably equivalent value, and is made in good faith and without any intent to hinder, delay or defraud creditors; o take any action with respect to, and will not engage in transactions with, any person unless it determines in a reasonable fashion that such actions or transactions are in the best interests of the Partnership; and o make any distribution or other payment on, or redeem or otherwise acquire, any of its Common Units except for payment of a quarterly distribution on all of its Common Units pursuant to the declaration of such quarterly distribution by the general partner.
Transfer Restrictions:	Securities Restrictions will apply.
Registration:	The Junior Preferred Units will be distributed pursuant to the Chapter 11 Plan of Reorganization of Reorganized SEBC (the “Plan”) without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the

offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 1145 of the Bankruptcy Code. This exemption applies only to the distribution of such securities under the Plan and not to any subsequent sale, exchange, transfer or other disposition of such securities or any interest therein by persons who constitute "underwriters" or "issuers," as such terms are defined pursuant to Section 1145 of the Bankruptcy Code, and each such subsequent sale, exchange, transfer or other disposition by such persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

EXHIBIT K

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

GLOBAL SETTLEMENT ORDER

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
(FORT LAUDERDALE DIVISION)

In re	)	
	)	Chapter 7
SOUTHEAST BANKING CORPORATION,	)	
	)	Case No. 91-14561-BKC-PGH
Debtor.	)	
	)	

ORDER APPROVING AND IMPLEMENTING GLOBAL SETTLEMENT OF ISSUES AFFECTING CALCULATION AND PAYMENT OF POST PETITION INTEREST AND ATTORNEYS' FEES AND RELATED PRIORITY AND SUBORDINATION ISSUES, AND PROCEDURE FOR INTERIM DISTRIBUTIONS OF POST PETITION INTEREST ON NEGATIVE NOTICE WITHOUT HEARING

THIS CAUSE came before the Court for hearing in Fort Lauderdale on Monday, November 3, 2003 at 1:00 p.m., upon the Trustee's Motion for Entry of Order Approving and Implementing Global Settlement of Issues Affecting Calculation and Payment of Post Petition Interest and Attorneys' Fees and Related Priority and Subordination Issues, and Procedure for Interim Distributions of Post Petition Interest on Negative Notice Without Hearing (C.P. 4216) (the "Settlement Motion"), filed by Jeffrey H. Beck, in his capacity as Chapter 7 Trustee (the "Trustee") for the estate of Southeast Banking Corporation (the "Debtor").

By way of the Settlement Motion, the Trustee seeks approval of a comprehensive global settlement of issues pending before this Court and an appeal to the District Court, as well as other issues that may arise between and among various parties in interest in this case.

The Court having read and considered the Settlement Motion and the Response and Limited Objection filed by Former Trustee William A. Brandt, Jr., (the "Brandt Objection"), heard the remarks and argument of counsel for the Trustee and other

parties in interest, and otherwise been duly advised in the premises, finds and determines as follows:[1]

A. The Court has jurisdiction over proceeding commenced by the filing of the Settlement Motion, pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O), and the statutory predicates for the requested relief are 11 U.S.C. §§ 105, 502, 503 and 726.

B. On or about March 25, 2002, the Trustee filed the "Motion to Fix Interest Rate, Determine Applicability of Contractual Subordination Provisions and Statutory Priority Scheme, Establish Method for Calculation and Payment of Post-Petition Interest Under 11 U.S.C. Section 726(A)(5), and Authorize Procedure for Interim Distributions of Post-Petition Interest on Negative Notice Without Hearing" (the "Postpetition Interest Motion"). Responses to the Postpetition Interest Motion were filed by Chase (in which Gabriel Capital joined); the Subordinated Indenture Trustees and the Ad Hoc Committee.

C. On or about January 25, 2001, Gabriel Capital (as defined below) filed the "Motion, and Memorandum of Law in Support Thereof, to Fix and Allow a Claim for Post-Petition Attorneys' Fees and Costs," in which Chase joined (the "Chase/Gabriel Motion"). Objections to the Chase/Gabriel Motion were filed on behalf of the Subordinated Indenture Trustees, the Trustee, and the Ad Hoc Committee.

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[1] All capitalized terms used but not otherwise defined in the findings and determinations set forth in paragraphs A through K below have the respective meanings ascribed to them in paragraph 1 of this Order.

D. On or about March 7, 2002, the Court issued its "Memorandum Decision and Order Denying Motion of Gabriel Capital, L.P. and The Chase Manhattan Bank to Fix and Allow a Claim for Post-Petition Attorneys' Fees and Costs" (the "Chase/Gabriel Order"). Chase and Gabriel have appealed from the Chase/Gabriel Order (the "Chase/Gabriel Appeal"), and such appeal has been perfected and is currently pending before the United States District Court for the Southern District of Florida (the "District Court").

E. Subsequent to the filing of the Chase/Gabriel Appeal, the Postpetition Interest Motion, and the various responses to said Motion, the Ad Hoc Committee, Gabriel, Chase and the Trustee agreed to the settlement of the various disputes which are the subject of the Chase/Gabriel Appeal, the Postpetition Interest Motion and the various responses to such Motion (such settlement being sometimes hereafter referred to as the "Global Settlement"), and Chase and the Subordinated Indenture Trustees determined not to object to such settlement. The terms of the Global Settlement are embodied in this Order, the entry and finality of which are conditions precedent to the effectiveness of the Global Settlement.

F. This Order, and the compromises embodied therein, represent the result of extensive, complex, difficult and prolonged negotiations involving, among others, the Trustee, Gabriel, and the Ad Hoc Committee. The parties desire to avoid the need for any further such negotiations regarding the relative rights of the holders of the Senior Notes (collectively, the "Senior Noteholders") and the holders of the Subordinated Notes (collectively, the "Subordinated Noteholders") relating to the subordination provisions of the Subordinated Indentures in the event of various future contingencies, including,

without limitation, any possible conversion of this case to a Chapter 11 case, and the Court agrees that it is appropriate for the parties to address such relative rights in the event of any such contingency, even if it may be remote, at this time. Accordingly, although no motion to convert this case to a Chapter 11 case has been filed or is pending, and although this Order in no way affects the right of any party in interest to file, support, or oppose any such motion, this Order also addresses certain potential issues that might arise in the event of a conversion to Chapter 11.

G. The provisions of this Order represent a comprehensive and integrated compromise of various issues relating to the Chase/Gabriel Appeal and the Postpetition Interest Motion, the terms of which compromise are mutually interdependent and nonseverable.

H. Notice of the proposed Global Settlement which is the subject of this Order and the proposed entry of this Order was given pursuant to this Court's Order Approving Procedures and Form of Notice, Etc., issued on July 30, 2003 (the "Notice Order") (C.P. 4237), as follows:

(1) by U.S. mail to the last known addresses of the 777 known Holders of the U.S. Notes, as defined hereinafter;

(2) by publication of the Court-approved form of Notice in the London Financial Times and the Luxembourg Wort; and

(3) by U.S. mail to all persons and entities having appeared of record in this case and requested notice of any proceedings herein.

As set forth in the foregoing notices, parties in interest were afforded forty-five (45) days from entry of the Notice Order within which to serve and file responses or

objections to the Settlement Motion, and advised of the date, time and place of the hearing before the Court.

Such notice and the opportunity to object to and be heard on the proposed Global Settlement and the entry of this Order are appropriate in the particular circumstance of this case, the Global Settlement and the related disputes; and such notice and opportunity for a hearing given to all parties in interest with respect to the Global Settlement and this Order are fair and reasonable and comply in all respects with all applicable requirements of the Local Rules of Bankruptcy Procedure, the Bankruptcy Code, the Bankruptcy Rules, and the United States Constitution.

I. By Order dated August 27, 2002, District Judge Donald Graham relinquished jurisdiction in the Chase/Gabriel Appeal for the sole and limited purpose of enabling this Court to conduct proceedings relating to consideration of the Settlement Motion, including the entry of the Notice Order.

J. The sole objection to the Settlement Motion is the Brandt Objection, which does not object to the terms of the proposed settlement but merely seeks to establish a sufficient reserve to pay all administrative claims, including compensation and reimbursement of any fees and expenses awarded to him by the Court.

K. The Global Settlement, the entirety of which is embodied in the adjudicative portion of this Order below, constitutes a full and final resolution of the Postpetition Interest Motion and the Responses thereto, the Chase/Gabriel Appeal, and all issues raised by any or all of the foregoing. Accordingly, it is

ORDERED, ADJUDGED and DECREED as follows:

1. Definitions. All capitalized terms used in this Order that are not otherwise defined in this Order shall have the meanings specified in the Postpetition Interest Motion. All capitalized terms used in the foregoing findings and determinations of this Order shall have the meanings set forth in such findings and determinations. In addition, as used herein, the following terms shall have the following meanings:

a. "Ad Hoc Committee" means the Ad Hoc Committee of Subordinated Noteholders formed in the Debtor's Chapter 7 case, which consists of the following entities: Elliott Associates, L.P.; Stonehill Investment Group and Mariner Investment Group, Inc., which entities collectively own the majority of the Subordinated Notes.

b. "Administrative Claim" means any claim of the type described in section 507(a)(1) of the Bankruptcy Code, but only to the extent that such claim is allowed or awarded by this Court and becomes due and payable.

c. "Base Senior Note Interest Distribution," as determined at the time of any Distribution under this Order, means the aggregate amount of the Postpetition Interest that would have been distributed to the Senior Indenture Trustee for the benefit of holders of Senior Notes, under such Distribution and all prior Distributions as their Pro Rata Interest Fraction of all such Distributions, as determined under the provisions of paragraphs 2 and 3 of this Order, before giving effect to the FDIC Subordination Provisions or the provisions of paragraphs 4 and 5 of this Order.

d. "Base Subordinated Notes Interest Distribution," as determined for any Distribution or Distributions under this Order, means the aggregate amount

of the Postpetition Interest that would have been distributed to the Subordinated Indenture Trustees, for the benefit of holders of Subordinated Notes, under such Distribution or Distributions, as their Pro Rata Interest Fraction of such Distribution or Distributions, as determined under the provisions of paragraphs 2 and 3 of this Order, before giving effect to the FDIC Subordination Provisions or the provisions of paragraphs 4 and 5 of this Order.

e. "BNY" means the Bank of New York, in its capacity as Indenture Trustee under the 1972 Indenture and the 1989 Indenture.

f. "Chapter 11-Attributable Distribution" means, in the event that (i) this Chapter 7 case is converted to a case under Chapter 11 of the Bankruptcy Code; and (ii) creditors receive any Distributions under a Chapter 11 Plan for the Debtor, a distribution representing all or part of the amount by which (x) the aggregate value of the Distributions received by holders of Qualified Claims under the confirmed plan (valued as of the Plan Effective Date) exceeds (y) the aggregate value of the remaining Distributions which they would have received (valued as of the Plan Effective Date) had the case remained a Chapter 7 case on the Plan Effective Date, taking into account, among other factors, all Chapter 11 Costs. By way of illustration only, and not limitation, if the confirmation of a Chapter 11 Plan resulted in the creation of $10,000,000 in additional distributable value over and above that which would have been available in the Chapter 7 case, but the Chapter 11 Costs aggregate $3,000,000, then (a) the Chapter 11 Attributable Distribution would total $7,000,000 of the $10,000,000 in additional value (the $10,000,000 in additional value less the $3,000,000 in Chapter 11

Costs), not the full $10,000,000 in additional value; and (b) the first $3,000,000 of the $10,000,000 in additional value would be distributed in accordance with paragraphs 2-4, inclusive, of this Order.

g. "Chapter 11 Costs" means, in the event that (i) the Debtor's Chapter 7 case is converted to a case under Chapter 11 of the Bankruptcy Code; and (ii) creditors receive any Distributions under a Chapter 11 Plan for the Debtor, all additional professional fees and expenses, other costs and other claims incurred in or in anticipation of the Chapter 11 case which would not have been incurred in the Chapter 7 case but for the conversion or possible conversion to Chapter 11, including, without limitation, expenditures made by the Debtor's estate or that constitute administrative expenses under §503(b) of the Bankruptcy Code or are required to be paid under §507(a)(1) or §1129(a)(9)(A) of the Bankruptcy Code, that were incurred or made from and after May 1, 2002, to investigate or evaluate matters relating to the use of the Debtor's net operating loss carry forwards, or that were incurred or made in anticipation of, to evaluate the potential benefits of, or subsequent to, or are otherwise related to, the conversion of this case to a case under Chapter 11 of the Bankruptcy Code or the confirmation of a Chapter 11 Plan.

h. "Chapter 11 Plan" means, in the event that this case may be converted to a case under Chapter 11, a plan of liquidation or reorganization for the Debtor confirmed by the Court under 11 U.S.C. § 1129.

i. "Chase" or "Senior Indenture Trustee" means JPMorgan Chase Bank f/k/a The Chase Manhattan Bank, as successor by merger to

Manufacturers Hanover Trust Co., in its capacity as the Indenture Trustee under the Senior Indenture. Any reference to a distribution or other payment being made "to the Senior Indenture Trustee" shall mean a distribution or payment "to the Senior Indenture Trustee, for the benefit of holders of Senior Notes."

j. "Chase/Gabriel Appeal" and "Chase/Gabriel Order" have the meanings set forth in paragraph D of this Order.

k. "Chase/Gabriel Motion" has the meaning set forth in paragraph C of this Order.

l. "Deemed Jacksonville Net Sale Proceeds" means, in the event that this Chapter 7 case is converted to a Chapter 11 case and a Qualified Plan is confirmed, the appraised value of the Jacksonville Property as of the Jacksonville Determination Date (as determined on or after the Jacksonville Determination Date by an appraiser selected jointly by the Ad Hoc Committee and Gabriel or, if they cannot agree on an appraiser, by an appraiser selected by the Trustee from four candidates, two of whom are submitted by each of the Ad Hoc Committee and Gabriel); in all cases: (i) such appraiser shall have been selected prior to the Jacksonville Determination Date, and (ii) if the Ad Hoc Committee or Gabriel fails to submit its two candidates on or before the 30th day prior to the Jacksonville Determination Date, such party shall be deemed to have waived its right to submit two candidates, and the Trustee shall select the appraiser from the two candidates submitted by the party that made a timely submission), less the cost of owning, maintaining, improving and developing the Jacksonville Property from the Plan Effective Date until the Jacksonville Determination Date, and less the

costs (such as brokerage commissions) that would be incurred in selling the Jacksonville Property on the Jacksonville Determination Date.

m. "Distribution" means each distribution to holders of Qualified Claims on account of Postpetition Interest made from and after the date of this Order, all of which Distributions shall be governed by the terms of this Order.

n. "FDIC Claim" means the proof of claim filed on behalf of American Pioneer Federal Savings Bank in receivership of Resolution Trust Corporation consisting of the "Proof of Claim of American Pioneer Federal Savings Bank in Receivership of Resolution Trust Corporation (10.64% Subordinated Note due 2001)," which claim is based upon the FDIC Subordinated Notes, and any claim asserted in such proof of claim, as such claim may be or may have been amended from time to time, and any other claim based on the FDIC Subordinated Notes.

o. "FDIC Notes Fraction" means that fraction which results from subtracting the Subordinated Notes Fraction from one.

p. "FDIC Notes Fraction Shortfall" has the meaning set forth in Paragraph 4(b)(iv) of this Order.

q. "FDIC Postpetition Interest Claim" means the amount of the Postpetition Interest on the FDIC Claim, calculated at the Legal Rate through May 31, 2002, in accordance with the provisions of paragraphs 2 and 3 of this Order, before giving effect to any other provisions of this Order or the FDIC Subordination Provisions, which amount would be $13,877,424 if the FDIC Claim were allowed in full.

r. "FDIC Subordinated Notes" means the following notes, copies of which are appended to the FDIC Claim:

(i) that certain note entitled "Southeast Banking Corporation 10.64% Subordinated Note due 2001," dated December 28, 1989, in the principal amount of $3.5 million, which is designated as "No. 1," purportedly issued by the Debtor; and

(ii) that certain note entitled "Southeast Banking Corporation 10.64% Subordinated Note due 2001," dated December 28, 1989, in the principal amount of $18.6 million, which is designated "No. 2," purportedly issued by the Debtor.

s. "FDIC Subordination Provisions" means any and all provisions of the FDIC Subordinated Notes or any related documents, or any other contractual provisions, which provide for the subordination of all or any portion of the FDIC Subordinated Notes or the FDIC Claim, including, without limitation, the provisions of Article Seven, entitled "Subordination of Securities" of each of the FDIC Subordinated Notes, as set forth in sections 701 through 705, inclusive, of each of the FDIC Subordinated Notes.

t. "Final Order" means an order entered by this Court (or any court of competent jurisdiction) as to which no appeal, petition for certiorari, or other proceeding for reargument or rehearing may be timely filed or is then pending or, in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, such order or judgment has been affirmed by the highest court to which such order or judgment was appealed, or certiorari, reargument, or

rehearing has been denied, and the time to take any further appeal, petition for certiorari, or move for reargument or rehearing shall have expired, excluding any motions, rehearings or other actions taken pursuant to or under Federal Rule of Civil Procedure 60(b) or Federal Rule of Bankruptcy Procedure 9024.

u. "48% Guarantee Reserve" has the meaning set forth in paragraph 4(b)(ii) of this Order.

v. "Gabriel" or "Gabriel Capital" means Gabriel Capital L.P., a Delaware limited partnership which owns, manages funds which own, and/or is the general partner of partnerships that own, a majority of the Senior Notes, and any entities affiliated with or under common control with Gabriel Capital.

w. "Indenture Trustees" means Chase and the Subordinated Indenture Trustees.

x. "Jacksonville Determination Date" means the date which is 18 months following the Plan Effective Date of a Qualified Plan.

y. "Jacksonville Property" means the interests currently owned by various non-debtor subsidiaries of the Debtor's estate in certain parcels of real property located in Jacksonville, Florida and more particularly described as follows: (i) the Southwest Quadrant Property, consisting of (x) a 20-acre parcel of vacant land owned by Southeast Properties, Inc. ("SEPI"), a non-debtor wholly owned subsidiary of the Debtor's estate, and (y) a 174-acre parcel owned 50% by SWQ Holdings, Inc. ("SWQ"), a non-debtor subsidiary wholly owned by the estate, and 50% by an unrelated joint venture in which the Debtor's estate has no interest, but in respect of which parcel SEPI and SWQ hold the right to receive

70% from the proceeds of any sale; and (ii) approximately 7.3 acres of vacant land owned by Second Pioneer Corporation, a non-debtor subsidiary wholly owned by the estate;

z. "Legal Interest" or "Legal Rate" means simple interest at the rate of 5.57% per annum, without compounding of any type.

aa. "Liquidating Trust" means the liquidating trust that will receive all property of the Debtor's estate and any interest earned thereon, other than any trade names, trademarks, customer lists and similar intellectual property and proprietary business information and the Retained Cash, and which also might not receive the Jacksonville Property (but would, in such event, receive the net proceeds and net income relating to the Jacksonville Property as provided herein and, if applicable, the note referred to in clause (v) of paragraph 1(mm) of this Order), under a Qualified Plan.

bb. "1972 Indenture" means the Indenture dated as of October 15, 1972, between the Debtor and Morgan Guaranty Trust Co. of New York, as Trustee, for $35 million in original principal amount of 4-3/4% Convertible Subordinated Debentures due 1997.

cc. "1984 Indenture" means that certain Indenture between the Debtor and Morgan Guaranty Trust Co. of New York, as Trustee, dated as of December 1, 1984, for $75 million in original principal amount of Floating Rate Subordinated Notes due 1996.

dd. "1985 Indenture" means that certain Indenture between the Debtor and Morgan Guaranty Trust Co. of New York, as Trustee, dated as of

November 1, 1985, for $75 million in original principal amount of Floating Rate Subordinated Capital Notes due 1997.

ee. "1987 Indenture" means that certain Indenture between the Debtor and Morgan Guaranty Trust Company of New York, dated as of April 1, 1987 for $50 million in original principal amount of 6½% Subordinated Capital Notes Due 1999.

ff. "1989 Indenture" means that certain Indenture between the Debtor and Irving Trust Co., as Trustee, dated as of March 15, 1989, for Subordinated Debt Securities.

gg. "Petition Date" means September 20, 1991.

hh. "Other Distributions" has the meaning set forth in clause (vii) of the definition of "Qualified Plan."

ii. "Plan Effective Date" means the effective date of a confirmed Chapter 11 plan for the Debtor, in the event that this Chapter 7 case is converted to a Chapter 11 case and a Chapter 11 plan for the Debtor is confirmed.

jj. "Postpetition Interest" means interest on any claim which accrues or is calculated for the period from and after the Petition Date.

kk. "Pro Rata Interest Fraction" means, as to each Qualified Claim, that fraction, the numerator of which is Postpetition Interest at the Legal Rate on such Qualified Claim calculated through May 31, 2002, and the denominator of which is the aggregate amount of all Postpetition Interest at the Legal Rate on all Qualified Claims calculated through May 31, 2002, in each case as calculated in accordance with the provisions of paragraphs 2 and 3 of this order.

ll. "Qualified Claim" means any claim of the type described in any of sections 726(a)(1)-(4), inclusive, of the Bankruptcy Code, which is entitled to the payment of interest from the Petition Date under section 726(a)(5) of the Bankruptcy Code.

mm. "Qualified Plan" means a Chapter 11 Plan for the Debtor which provides that:

(i) all property of the Debtor's estate (as defined in 11 U.S.C. § 541) and interest earned thereon, other than the Jacksonville Property (or the non-debtor subsidiaries which own the Jacksonville Property) (which may but need not be included in the Liquidating Trust), any trade names, trademarks, customer lists and similar intellectual property and proprietary business information and the Retained Cash will be transferred to the Liquidating Trust on the Plan Effective Date;

(ii) all costs of administration will be paid by the Liquidating Trust out of assets transferred to the Liquidating Trust under the preceding clause (i);

(iii) to the extent that the costs of administration paid by the Liquidating Trust under the preceding clause (ii) constitute Chapter 11 Costs, the Liquidating Trust shall be reimbursed as follows: there shall be transferred to the Liquidating Trust, out of any cash, securities or other property not transferred to the Liquidating Trust under the preceding clause (i) which is to be distributed to the holders of Qualified Claims under the Chapter 11 Plan ("Other Property"), an amount of cash and, to the extent that the Other Property includes insufficient

cash, non-cash assets, with a value (as determined, in the case of non-cash assets, in accordance with the provisions of paragraphs 5(e)-(h), inclusive, of this Order) equal to the amount of the Chapter 11 Costs paid by the Liquidating Trust. If any non-cash assets are to be included in the Other Property to be transferred to the Liquidating Trust under this clause (iii) and consist of more than one type of property (with the different types of property including, without limitation, different types of securities), the non-cash assets to be transferred to the Liquidating Trust from the Other Property under this clause (iii) shall include that percentage of each type of non-cash asset included in the Other Property which is equal to the percentage of the aggregate value of all of the non-cash assets comprising Other Property which is to be transferred to the Liquidating Trust.

(iv) if, rather than transferring the Jacksonville Property (or the non debtor subsidiaries which own the Jacksonville Property) to the Liquidating Trust, the Debtor instead retains the Jacksonville Property and such non-debtor subsidiaries after the effective date of the Chapter 11 Plan, and the Jacksonville Property is sold on or before the Jacksonville Determination Date (it being understood that the Jacksonville Property may be sold during the Chapter 7 case or during the Chapter 11 case and prior to the Plan Effective Date), then all net income earned from the Jacksonville Property until it is sold, and all net proceeds of the sale of the Jacksonville Property, after deducting the cost of owning, maintaining, improving and developing the property from the Plan Effective Date until it is sold, will be paid to the Liquidating Trust (unless the Ad Hoc Committee

and Gabriel agree that a plan which provides for a different distribution of such net proceeds and net income can qualify as a "Qualified Plan");

(v) if neither the Jacksonville Property nor any of the non-debtor subsidiaries which own the Jacksonville Property is transferred to the Liquidating Trust and the Jacksonville Property is not sold on or before the Jacksonville Determination Date, then all net income earned from the Jacksonville Property until the Jacksonville Determination Date will be paid to the Liquidating Trust (unless the Ad Hoc Committee and Gabriel agree that a plan which provides for a different distribution of such net income can qualify as a "Qualified Plan"), and the Reorganized Debtor will issue to the Liquidating Trust a nonrecourse interest-bearing note secured by the Jacksonville Property in a principal amount equal to the Deemed Jacksonville Net Sale Proceeds;

(vi) all Distributions from the Liquidating Trust shall be made to the holders of Qualified Claims in accordance with the provisions of paragraphs 1-4 of this Order, except that: (x) each creditor shall be deemed to have an allowed claim for Postpetition Interest calculated at the rate of 8% per annum, without compounding, through May 31, 2002; and (y) each creditor's share of each Distribution under the plan shall be determined based on a fraction which applies Postpetition Interest at the rate of 8% per annum, rather than at the rate of 5.57% per annum; and

(vii) all other Distributions of cash or other property to the holders of Qualified Claims that are not made from the Liquidating Trust ("Other Distributions") shall be made (x) in accordance with the provisions of paragraphs

1-4 of this Order, to the extent that such Other Distributions do not constitute Chapter 11-Attributable Distributions; and (y) in accordance with the provisions of paragraphs 1-3 and 5 of this Order, to the extent that such Other Distributions constitute Chapter 11-Attributable Distributions, in each case subject to the exceptions contained in subclauses (x) and (y) of the preceding clause (vi); and subject to the irrebuttable presumption that (i) that portion of such Other Distribution which is not a Chapter 11-Attributable Distribution shall be made from the cash included in such Other Distribution (to the extent that such cash is sufficient for that purpose), and shall be made from the non-cash assets included in such Other Distribution only to the extent that the cash included in such Other Distribution is insufficient for that purpose; and (ii) where such Other Distribution includes more than one type of non-cash property (with the different types of non-cash property including, without limitation, different types of securities), the percentage of each type of non-cash property that is deemed to be a Chapter 11-Attributable Distribution shall be the same as the percentage of the total amount of the non-cash property included in such Other Distribution that is determined to be a Chapter 11-Attributable Distribution.

For purposes of applying the foregoing, "net income" earned from the Jacksonville Property shall be computed in accordance with generally accepted accounting principles, and the expenses deducted in determining such net income shall include, without limitation, any interest actually paid on account of debt incurred to finance the cost of owning, maintaining, improving or developing the Jacksonville Property. The "net proceeds" of any sale of the

Jacksonville Property shall be computed by deducting from the gross proceeds of any such sale, any direct costs of sale (including, without limitation, any brokerage commissions) and any costs of owning, maintaining, improving or developing the Jacksonville Property that have not been deducted in computing net income from the Jacksonville Property.

nn. "Reallocated FDIC Distribution" means any distribution (or portion thereof) which would have been made or would be made on account of the FDIC Claim, the FDIC Subordinated Notes or any Postpetition Interest thereon, whether under the terms of this Order, under the terms of any prior order of this Court, or otherwise, in the absence of the FDIC Subordination Provisions, but which is required to be paid over or distributed to the Senior Indenture Trustee, for the benefit of holders of the Senior Notes, or to the holders of Senior Notes, pursuant to the terms of the FDIC Subordination Provisions or the documents underlying the FDIC Claim, or pursuant to agreement between the holder of the FDIC Claim and the Ad Hoc Committee.

oo. "Retained Cash" means, in the event that a Qualified Plan for the Debtor is confirmed, such amount of cash of the Debtor's estate that is held by the estate as of the Plan Effective Date and that does not represent the proceeds of exit financing under such Qualified Plan or other funds that are borrowed under such Qualified Plan, as may be determined by agreement of the Trustee, Gabriel Capital and the Ad Hoc Committee or, absent such agreement, by a Final Order of the Court, to be reasonably necessary for the Reorganized Debtor's

business operations that is not otherwise provided for and that will not be transferred to the Liquidating Trust on the Plan Effective Date.

pp. "Senior Indenture" means the Indenture, dated as of March 1, 1983, between the Debtor and Manufacturers Hanover Trust Co., as Trustee.

qq. "Senior Notes" means the Notes issued under the Senior Indenture.

rr. **[INTENTIONALLY OMITTED]**

ss. "Senior Note Shortfall" means, with respect to each Distribution, the difference between (y) $12,907,043 and (x) the Base Senior Note Interest Distribution.

tt. "Subordinated Indentures" means, collectively, the 1972 Indenture, the 1984 Indenture, the 1985 Indenture, the 1987 Indenture, and the 1989 Indenture.

uu. "Subordinated Indenture Trustees" means, collectively, BNY and U.S. Bank. Any reference to a distribution or other payment being made "to the Subordinated Indenture Trustees" shall mean a distribution or payment "to the Subordinated Indenture Trustees, for the benefit of holders of Subordinated Notes."

vv. "Subordinated Notes" means the notes issued by the Debtor under each of the Subordinated Indentures.

ww. "Subordinated Notes Fraction" means that fraction, the numerator of which is the Subordinated Notes Postpetition Interest Claim, and the denominator of which is the sum of the Subordinated Notes Postpetition Interest Claim and the FDIC Postpetition Interest Claim.

xx. "Subordinated Notes Fraction Shortfall" has the meaning set forth in Paragraph 4(b)(iii) of this Order.

yy. "Subordinated Notes Postpetition Interest Claim" means the aggregate amount of the Postpetition Interest on the Subordinated Note Claims, calculated at the Legal Rate through May 31, 2002, in accordance with the provisions of paragraphs 2 and 3 of this Order, which aggregate amount is $105,864,234.

zz. "U.S. Bank" means U.S. Bank National Association, in its capacity as successor Indenture Trustee under the 1984 Indenture, the 1985 Indenture, and the 1989 Indenture.

aaa. "U.S. Notes" means the Subordinated Notes issued pursuant to the 1972 Indenture, the 1987 Indenture, and the 1989 Indenture.

Unless otherwise indicated, all references to "paragraphs" herein are to paragraphs of this Order.

2. Computation and Distribution of Postpetition Interest on Qualified Claims.

a. Except as otherwise provided in paragraphs 4, 5, 6 and 7 of this Order, and subject to the effect and enforcement of the FDIC Subordination Provisions, each Distribution with respect to Postpetition Interest on Qualified Claims shall be made ratably to the holders of Qualified Claims, as follows: Each holder of a Qualified Claim shall (subject to the foregoing exceptions) receive its Pro Rata Interest Fraction of each such Distribution. For purposes of calculating the Pro Rata Interest Fraction for each Qualified Claim, Postpetition Interest on each Qualified Claim shall be calculated based on a 365-day year only on the unpaid balance of each Qualified Claim after giving effect

to: (i) the receipt of each interim distribution made by the Trustee on account of allowed claims prior to the date of this Order; and (ii) the receipt of each redirection of each such distribution under principles of subordination or subrogation. In the case of any Administrative Claim, the calculation of interest shall be made by applying the Legal Rate to the unpaid balance of such claim only for the period from and after the date upon which the Administrative Claim is allowed or awarded by a Final Order of the Court, and Postpetition Interest shall not accrue or be calculated for any period prior to such date. Accordingly, and without limiting the foregoing, the calculation of Postpetition Interest on each Qualified Claim shall be made by applying the Legal Rate to the full allowed amount of the Qualified Claim for the number of days from the Petition Date (in the case of all claims other than Administrative Claims) or from the date the claim is allowed and awarded by Final Order of the Court (in the case of Administrative Claims) up to the first payment on that Qualified Claim, and then applying the Legal Rate to the remaining unpaid balance for the number of days up to the second payment on such Qualified Claim, and continuing in the same manner on the successive unpaid balance (or balances) of the Qualified Claim until the allowed amount of the Qualified Claim has been paid in full.

b. In calculating the payment of Postpetition Interest to holders of Senior Notes and Subordinated Notes, principal reductions for the First, Second and Sixth Interim Distributions (as defined and described in the Postpetition Interest Motion and Settlement Motion) will be taken as of the dates shown on checks paid by the Trustee to the Indenture Trustees, and principal reductions for the Third, Fourth and Fifth Interim Distributions (also as defined and described in the Postpetition Interest

Motion and Settlement Motion) will be taken as of the date of the first batch of payments made to individual bondholders for each such Interim Distribution. By way of illustration of the foregoing, and not limitation, Postpetition Interest on the Senior Notes shall cease to accrue as of the date shown on the check paid by the Trustee to the Senior Indenture Trustee under the Second Interim Distribution (as defined and described in the Postpetition Interest Motion and Settlement Motion).

c. Notwithstanding anything to the contrary contained in this Order, except as otherwise specifically ordered by this Court, each Distribution on account of Qualified Claims under the Subordinated Notes or the Subordinated Indentures shall be made to the applicable Subordinated Indenture Trustee, and distributed in accordance with the terms of the applicable Subordinated Indenture (but without reference to the subordination provisions of the Subordinated Indentures), and each Distribution with respect to Qualified Claims under the Senior Notes or the Senior Note Indenture shall be made to the Senior Indenture Trustee, and distributed in accordance with and subject to the terms of the Senior Indenture.

3. Calculations With Respect to Previously Contingent, Disputed, or Unliquidated Claims. With respect to contingent, disputed or unliquidated claims which were settled by the Trustee and the claimant, Postpetition Interest for purposes of applying the Pro Rata Interest Fraction shall be computed as follows: Qualified Claims which were settled by allowance at a negotiated amount shall be entitled to Postpetition Interest using, as the numerator of the Pro Rata Interest Fraction for such Qualified Claim, Postpetition Interest at the Legal Rate on the settlement amount from the Petition Date through date of payment of the settlement amount; provided, however, that in

those instances where the settlement involved the payment of a lump sum to the claimant in full and complete satisfaction of the claim, the Postpetition Interest on such claim shall be deemed to be zero, such claim shall not be deemed a Qualified Claim; and no further distribution of any kind shall be made on such claim. Prior to the first Distribution on account of Postpetition Interest pursuant to the terms of this Order, the Trustee shall file and serve a motion or notice setting forth the intended treatment of each settled claim for purposes of determining whether any Postpetition Interest shall be distributed thereon.

4. Reallocation of Distributions from Subordinated Notes to Senior Notes.

a. Except with respect to any Chapter 11-Attributable Distribution, which shall be governed by paragraph 5 of this Order, after calculating the ratable distribution of Postpetition Interest that would be made to holders of Qualified Claims as part of a Distribution in accordance with paragraphs 2 and 3 of this Order, there shall be paid over to the Senior Indenture Trustee, out of the Base Subordinated Note Interest Distribution that would otherwise have been made to the Subordinated Indenture Trustees out of such Distribution, the lesser of (a) the Base Subordinated Note Interest Distribution made to the Subordinated Indenture Trustees; and (b) that amount which, when added to the aggregate amount of all payments made to the Senior Indenture Trustee out of prior Distributions pursuant to the terms of this paragraph 4 out of amounts that otherwise would have been distributed to the Subordinated Indenture Trustees pursuant to paragraphs 2 and 3 of this Order, totals the Subordinated Notes Fraction of 48% of the Senior Note Shortfall. Such reallocated distributions shall be deemed paid to the Subordinated Indenture Trustees and from the Subordinated

Indenture Trustees to the Senior Indenture Trustee. Provided, however, that if, after giving effect to the Base Senior Note Interest Distribution to be made to the Senior Indenture Trustee as part of any Distribution, the aggregate amount of the payments made to the Senior Indenture Trustee pursuant to this paragraph 4(a) out of amounts that otherwise would have been distributed to the Subordinated Indenture Trustees pursuant to paragraphs 2 and 3 of this Order exceeds the Subordinated Notes Fraction of 48% of the Senior Note Shortfall, such excess shall be paid over to the Subordinated Indenture Trustees from amounts that would otherwise have been paid to the Senior Indenture Trustee as part of such pending Distribution. This reallocation to the Subordinated Indenture Trustees of amounts that would otherwise have been distributed to the Senior Indenture Trustee shall continue in each subsequent Distribution so that, after giving effect to each subsequent Distribution, the aggregate amount of the Base Subordinated Notes Interest Distributions that has been reallocated to the Senior Indenture Trustee under this paragraph 4 shall at no time exceed the Subordinated Notes Fraction of 48% of the Senior Note Shortfall.

b. Notwithstanding anything to the contrary contained in this Order:

(i) Until such time as the allowed amount of the FDIC Claim is determined by a Final Order, the Subordinated Notes Fraction shall be deemed to be .884105, and the FDIC Notes Fraction shall be deemed to be .115895;

(ii) Until such time as a Final Order or Final Orders of this Court or settlement or settlements determining the allowed amount of the FDIC Claim and resolving the enforcement of the FDIC Subordination Provisions have been entered, so that the Subordinated Notes Fraction Shortfall and the FDIC Notes

Fraction Shortfall can be finally determined, and except with respect to any Chapter 11-Attributable Distribution (which shall be governed by paragraph 5 of this Order), the Trustee shall withhold from amounts that would otherwise have been distributed to the Subordinated Indenture Trustees out of each Distribution, and reserve in an interest bearing escrow (the "48% Guarantee Reserve") an amount equal to the lesser of (a) that portion of the Base Subordinated Notes Interest Distribution (if any) that would otherwise have been distributed to the Subordinated Indenture Trustees out of such Distribution after giving effect to the reallocation required by paragraph 4(a) of this Order; and (b) that amount which, when added to all prior payments made to the 48% Guarantee Reserve out of prior Distributions pursuant to the terms of this paragraph 4(b)(ii), totals the FDIC Notes Fraction of 48% of the Senior Note Shortfall. Provided, however, that (x) in no event shall the amount withheld from amounts that would otherwise have been distributed to the Subordinated Indenture Trustees as part of any Distribution, and added to the 48% Guarantee Reserve, exceed the amount necessary to cause the aggregate amount in the 48% Guarantee Reserve to equal the FDIC Notes Fraction of 48% of the Senior Note Shortfall, calculated after giving effect to such Distribution; and (y) In the event that, after giving effect to the Base Senior Note Interest Distribution to be made to the Senior Indenture Trustee as part of any Distribution, the aggregate amount of the payments deposited into the 48% Guarantee Reserve pursuant to this paragraph 4(b)(ii) out of amounts that otherwise would have been distributed to the Subordinated Indenture Trustee pursuant to paragraphs 2 and 3 of this Order exceeds the

FDIC Notes Fraction of 48% of the Senior Note Shortfall, such excess shall be paid over to the Subordinated Indenture Trustees from the 48% Guarantee Reserve, and no further payments shall be made into the 48% Guarantee Reserve. The payment to the Subordinated Indenture Trustees of amounts in the 48% Guarantee Reserve, as provided for in the foregoing proviso, shall continue in each subsequent Distribution so that, after giving effect to each subsequent Distribution, the aggregate amount remaining in the 48% Guarantee Reserve shall at no time exceed the FDIC Notes Fraction of 48% of the Senior Note Shortfall, calculated after giving effect to the latest pending Distribution.

(iii) In the event that, following the entry of a Final Order or settlement determining the allowed amount of the FDIC Claim, the result of calculating the Subordinated Notes Fraction based on such finally allowed amount is that the Subordinated Notes Fraction is greater than .884105, then the amount by which (x) the aggregate amount that would have been paid over to the Senior Indenture Trustee from all prior Distributions pursuant to paragraph 4(a) of this Order, had such greater amount of the Subordinated Notes Fraction been used to calculate the amount to be paid over to the Senior Indenture Trustee pursuant to said paragraph 4(a) exceeds (y) the amount which has, in fact, been paid over to the Senior Indenture Trustee from all prior Distributions pursuant to paragraph 4(a) of this Order (the "Subordinated Notes Fraction Shortfall"), shall be paid to the Senior Indenture Trustee out of the 48% Guarantee Reserve and shall be deemed to have been paid to the Subordinated Indenture Trustees and from the Subordinated Indenture Trustees to the Senior Indenture Trustee;

(iv) In the event that, as a result of any Final Order or settlement resolving the enforcement of the FDIC Subordination Provisions, the aggregate amount of the Reallocated FDIC Distribution will be less than the FDIC Notes Fraction of 48% of the Senior Note Shortfall (as determined following the entry of a Final Order determining the allowed amount of the FDIC Claim), the amount of any such deficiency (the "FDIC Notes Fraction Shortfall") shall be paid to the Senior Indenture Trustee out of the 48% Guarantee Reserve and shall be deemed to have been paid to the Subordinated Indenture Trustees and from the Subordinated Indenture Trustees to the Senior Indenture Trustee;

(v) Following (x) the entry of a Final Order or Final Orders of this Court or a settlement or settlements resolving both the allowed amount of the FDIC Claim and the enforcement of the FDIC Subordination Provisions, and (y) the payment out of the 48% Guarantee Reserve of the amounts required to be paid under the foregoing clauses (iii) and (iv), the Trustee shall promptly distribute any funds remaining in the 48% Guarantee Reserve (including, without limitation, any interest earned thereon) to the Subordinated Indenture Trustees, for the benefit of holders of the Subordinated Notes.

(vi) Notwithstanding anything to the contrary contained in this Order, the aggregate amount paid to the Senior Indenture Trustee out of the 48% Guarantee Reserve pursuant to clauses (iii) and (iv) above shall not exceed the amount which remains after subtracting: (y) the sum of (i) the amount distributed to the Senior Indenture Trustee from the Reallocated FDIC Distribution under clause (i) of Paragraph 7(a) of this Order; and (ii) the amount paid over to the

Senior Indenture Trustee out of the Base Subordinated Note Interest Distribution that would otherwise have been made to the Subordinated Indenture Trustees pursuant to Paragraph 4(a) of this Order, from (x) 48% of the Senior Note Shortfall.

(vii) Notwithstanding anything to the contrary contained in this Order, in the event that, after giving effect to the Base Senior Note Interest Distribution to be made to the Senior Indenture Trustee as part of a Distribution, the sum of (x) the aggregate amount of the payments made to the Senior Indenture Trustee pursuant to Paragraph 4(a) out of amounts that otherwise would have been distributed to the Subordinated Indenture Trustees pursuant to paragraphs 2 and 3 of this Order, plus (y) the amount distributed to the Senior Indenture Trustee from the Reallocated FDIC Distribution under clause (i) of Paragraph 7(a); plus (z) the aggregate amount paid to the Senior Indenture Trustee out of the 48% Guarantee Reserve pursuant to clauses (iii) and (iv) of Paragraph 4(b), exceeds 48% of the Senior Note Shortfall, such excess shall be paid over to the Subordinated Indenture Trustees from amounts that would otherwise have been paid to the Senior Indenture Trustee as part of such pending Distribution. This reallocation to the Subordinated Indenture Trustees of amounts that would otherwise have been distributed to the Senior Indenture Trustee shall continue in each subsequent Distribution so that, after giving effect to each subsequent Distribution, the sum of: (I) the aggregate amount of the payments made to the Senior Indenture Trustee pursuant to Paragraph 4(a) out of amounts that otherwise would have been distributed to the Subordinated Indenture Trustees

pursuant to Paragraphs 2 and 3 of this Order; plus (II) the amount distributed to the Senior Indenture Trustee from the Reallocated FDIC Distribution under clause (i) of Paragraph 7(a); plus (III) the aggregate amount paid to the Senior Indenture Trustee out of the 48% Guarantee Reserve pursuant to clauses (iii) and (iv) of Paragraph 4(b), shall not exceed 48% of the Senior Note Shortfall.

5. Provisions In The Event Of Conversion to Chapter 11 Case and Reallocation of Chapter 11-Attributable Distributions Otherwise Payable to Subordinated Indenture Trustees. This paragraph 5 of this Order is intended to address the contingency that a party might, in the future, file a motion to convert this Chapter 7 case to a Chapter 11 case and that such motion might be granted. However, notwithstanding anything herein to the contrary, nothing contained in this Order is intended or shall be construed to require any party to file or support, or to prevent any party from opposing, a motion to convert this Chapter 7 case to a Chapter 11 case, or to affect, limit or modify the ability of the Court to grant or deny any such motion. If and only if the Debtor's Chapter 7 case is converted to a case under Chapter 11 of the Bankruptcy Code, the following provisions shall apply in such Chapter 11 case for the Debtor:

a. The allowed claim of each creditor in such Chapter 11 case shall include an amount equal to the difference between: (i) the Postpetition Interest on the amount of such creditor's allowed claim in the Chapter 7 case, calculated at the rate of eight percent (8%) per annum (rather than at the rate of 5.57% per annum), without compounding, through May 31, 2002, and (ii) the distribution made to such creditor for Postpetition Interest under all of the terms of this Order prior to the date upon which this

case is converted from a Chapter 7 case to a Chapter 11 case. Each creditor's share of each Distribution under the plan of reorganization in such Chapter 11 case shall be determined on the basis of a fraction which uses interest at the rate of 8% per annum, rather than at the rate of 5.57% per annum, as the rate of Postpetition Interest.

b. In the event that any Distribution is made in such Chapter 11 case which is, in whole or in part, a Chapter 11-Attributable Distribution, only that portion of such Distribution which is not a Chapter 11-Attributable Distribution shall be subject to paragraph 4 of this Order, and that portion of such Distribution which is a Chapter 11-Attributable Distribution shall be subject to the provisions of this paragraph.

c. With respect to any Chapter 11-Attributable Distribution, there shall be paid to the Senior Indenture Trustee, out of the Base Subordinated Notes Interest Distribution that would otherwise have been made to the Subordinated Indenture Trustees out of such Chapter 11-Attributable Distribution, the lesser of: (x) the amount which results from subtracting (i) the Pro Rata Interest Fraction of such Chapter 11-Attributable Distribution that would be distributed to the Senior Indenture Trustee based on a pro rata distribution, as determined under the provisions of paragraphs 2 and 3 of this Order, from (ii) fifty percent (50%) of the aggregate amount of the Pro Rata Interest Fractions of the Chapter 11-Attributable Distribution of the Senior Noteholders and the Subordinated Noteholders that would be distributed to their respective Indenture Trustees for their benefit based on a pro rata distribution, as determined under the provisions of paragraphs 2 and 3 of this Order; and (y) the amount which, when added to the sum of (i) the value of all prior Distributions to the Senior Indenture Trustee out of any Chapter 11-Attributable Distributions (including both those calculated in accordance

with paragraphs 2 and 3 and those resulting from reallocations under this paragraph 5(c)) plus (ii) the value of the Senior Noteholders' Pro Rata Interest Fraction of a pending Chapter 11-Attributable Distribution, produces a value of $16 million in the aggregate. Such reallocated distributions shall be deemed to have been paid to the Subordinated Indenture Trustees and from the Subordinated Indenture Trustees to the Senior Indenture Trustee.

d. In no event shall the sum of: (x) the Pro Rata Interest Fraction of all Chapter 11-Attributable Distributions that would have been distributed to the Senior Indenture Trustee, as determined under the provisions of paragraphs 2 and 3 of this Order, plus (y) the amounts that are reallocated from the Subordinated Indenture Trustees to the Senior Indenture Trustees pursuant to paragraph 5(c) out of the Base Subordinated Notes Interest Distributions that would otherwise have been made to the Subordinated Indenture Trustees out of all such Chapter 11-Attributable Distributions, have a value in excess of $16 million in the aggregate. In the event of any such excess, the amount of such excess shall be repaid to the Subordinated Indenture Trustees, out of the next Distribution that would otherwise be made to the Senior Indenture Trustee pursuant to any provision of this Order. At such time as the total value of the Distributions made to the Senior Indenture Trustee out of Chapter 11-Attributable Distributions (whether on account of the pro-rata distribution calculated in accordance with paragraphs 2 and 3 or the reallocation provisions of paragraph 5(c)) reaches $16 million, no further amounts will be distributed to the Senior Indenture Trustee from Chapter 11-Attributable Distributions, and any such Distributions that would otherwise

have been made to the Senior Indenture Trustee under paragraphs 2 and 3 of this Order will be made instead to the Subordinated Indenture Trustees.

e. For purposes of applying the provisions of paragraphs 5(a)-(d) and clause (iii) of paragraph 1(mm) of this Order: (i) All non-cash Distributions and the rights to Distributions under a confirmed Chapter 11 plan for the Debtor shall be valued as of the Plan Effective Date; (ii) in the case of a Qualified Plan, the amount and/or value of the Chapter 11-Attributable Distributions will be deemed to equal the value of all cash and non-cash Distributions other than interests in or Distributions (whether cash or non-cash) from the Liquidating Trust and minus (x) the amount of the Retained Cash; and (y) the Chapter 11 Costs; (iii) that portion of the non-cash Distribution under any Qualified Plan (including without limitation any securities of the Reorganized Debtor) which has a value equal to the amount of the Retained Cash shall be distributed in accordance with paragraphs 2, 3 and 4 of this Order and shall not constitute a Chapter 11-Attributable Distribution, and any interests in or Distributions from the Liquidating Trust shall be distributed in accordance with paragraphs 2, 3 and 4 of this Order, in each case as the provisions of paragraphs 2 and 3 are modified in a Chapter 11 case by the provisions of paragraph 5(a) of this Order; and (iv) the determination of Chapter 11-Attributable Distributions in the event that a Chapter 11 plan for the Debtor other than a Qualified Plan is confirmed shall be made in a manner designed to approximate as closely as possible the principles underlying the determination of the Chapter 11-Attributable Distribution in connection with a Qualified Plan under the provisions of the foregoing clauses (i)-(iii).

f. For purposes of applying the provisions of paragraphs 5(a)-(e) and clause (iii) of paragraph 1(mm) of this Order, any non-cash Distributions will be valued as of the Plan Effective Date, either: (i) by agreement of Gabriel Capital and the Ad Hoc Committee, if there is no successful objection to such agreement by any party in interest following negative notice under Local Rule 9013-1(D), which notice shall specify, without limitation, the nature of the non-cash Distribution under the confirmed Chapter 11 plan, the agreed-upon value of such non-cash Distribution and the calculation of the Chapter 11-Attributable Distribution under such confirmed plan resulting from such valuation; or (ii) absent such agreement of Gabriel Capital and the Ad Hoc Committee, or in the event that a party in interest objects to such agreement and the objection is sustained by the Court, in accordance with the dispute resolutions procedure described in subparagraphs (g) and (h) below.

g. For purposes of applying the provisions of paragraphs 5(a)-(e) and clause (iii) of paragraph 1(mm) of this Order, in the event that a Qualified Plan is confirmed and clause (ii) or (iii) of paragraph 5(e) of this Order applies, any non-cash Distribution (such as, without limitation, any equity securities or any debt or debt securities) shall be valued at fair market value as of one business day after the Plan Effective Date, taking into account, without limitation, relevant market indications for such securities (such as actual trades, bids to purchase and offers to sell) ("Market Indications") or, if necessary to take into account such Market Indications, as soon after the Plan Effective Date as practicable, but in no event as of a date which is later than seven (7) days after the Effective Date, by one of the following independent third parties, at the expense of the Debtor's estate (which shall constitute a Chapter 11 Cost),

in the following order of preference: (x) CIBC; (y) Kroll Zolfo Cooper; and (z) Houlihan Lokey Howard & Zukin. In the event that none of such independent third parties is willing or able to undertake such a valuation, then such a valuation shall be performed by another independent third party which is mutually acceptable to the Ad Hoc Committee and Gabriel Capital or, in the event that the Ad Hoc Committee and Gabriel Capital cannot agree upon such other independent third party, by an independent third party who is selected jointly by an independent third party selected by Gabriel Capital and an independent third party selected by the Ad Hoc Committee.

h. For purposes of applying the provisions of paragraphs 5(a)-(e) and clause (iii) of paragraph 1(mm) of this Order, in the event that a Chapter 11 plan for the Debtor other than a Qualified Plan is confirmed, clause (iv) of paragraph 5(e) will apply, and any dispute as to the value of the non-cash Distribution and/or the amount of the Chapter 11-Attributable Distribution shall be resolved by binding arbitration among Gabriel Capital, the Ad Hoc Committee, the Senior Indenture Trustee, the Subordinated Indenture Trustees and any party in interest who successfully objects to any agreement between Gabriel and the Ad Hoc Committee (if such objecting party in interest elects to participate in such binding arbitration). Arbitration proceedings shall be administered by the American Arbitration Association ("AAA") or such other administrator as the parties shall mutually agree upon in accordance with the AAA Commercial Arbitration Rules. All disputes submitted to arbitration shall be resolved in accordance with the Federal Arbitration Act (Title 9 of the United States Code). The arbitration shall be conducted at a location in New York selected by the AAA or other administrator. If there is any inconsistency between the terms of this Order and any such rules, the terms and

procedures set forth herein shall control. All discovery activities shall be expressly limited to matters directly relevant to the dispute being arbitrated. The arbitrator's determination shall be subject to enforcement by this Court.

i. The Ad Hoc Committee (and its individual members) shall not, without the consent of Gabriel Capital, and Gabriel Capital shall not, without the consent of a majority of the Ad Hoc Committee (measured by principal amount of holdings of Subordinated Notes), support, vote for, or solicit acceptances of any Chapter 11 plan that is not a Qualified Plan; provided, however, that the foregoing prohibition shall not limit Gabriel Capital or any member of the Ad Hoc Committee in the exercise of its fiduciary duty in its capacity as a member of an official creditors' committee in a Chapter 11 case in voting to have the Committee propose, support, or solicit acceptances for a particular plan. Accordingly, Gabriel Capital and any member of the Ad Hoc Committee may, solely in its capacity as a member of an official creditors' committee in a Chapter 11 case, vote to have the committee oppose a Qualified Plan or support a Chapter 11 plan which is not a Qualified Plan; however, regardless of how Gabriel Capital or any member of the Ad Hoc Committee votes in its capacity as a member of an official creditors' committee, neither Gabriel Capital, nor any member of the Ad Hoc Committee, nor any of their respective counsel, may in any way propose, support, solicit acceptances or vote for a plan which is not a Qualified Plan.

6. No Further Claims Against Subordinated Noteholders. Except as expressly provided in paragraphs 4 and 5 of this Order with respect to the reallocation to the Senior Indenture Trustee of certain distributions that would otherwise be made to the Subordinated Indenture Trustees, and in paragraph 7 of this Order with respect to

Reallocated FDIC Distributions: (a) neither the Senior Indenture Trustee, the holders of Senior Notes, nor any other party shall have any other or further rights against the Subordinated Indenture Trustees or the holders of Subordinated Notes under, on account of or with respect to any contractual subordination provisions contained in the Subordinated Indentures or the Subordinated Notes or any other contractual subordination rights against the Subordinated Indenture Trustees or the holders of Subordinated Notes on any grounds whatsoever, whether in law, equity, or otherwise; (b) neither the Subordinated Indenture Trustees, the holders of Subordinated Notes, nor any other party shall have any other or further rights against the Senior Indenture Trustee or the holders of Senior Notes under, on account of or with respect to any contractual subordination provisions contained in the Subordinated Indentures or the Subordinated Notes or any other contractual rights against the Senior Indenture Trustee or the holders of the Senior Notes on any grounds whatsoever, whether in law, equity, or otherwise; (c) all distributions to the Subordinated Indenture Trustees or to the holders of Subordinated Notes shall not be subject to levy, garnishment, attachment, other legal process, reallocation or redirection by the Senior Indenture Trustee, the holders of Senior Notes or any other party by reason of claimed contractual subordination rights or any other rights; (d) all distributions to the Senior Indenture Trustee or to the holders of Senior Notes shall not be subject to levy, garnishment, attachment, other legal process, reallocation or redirection by the Subordinated Indenture Trustees, the holders of Subordinated Notes or any other party by reason of claimed contractual subordination rights or any other rights; and (e) any and all rights arising or alleged to arise on account of or with respect to any contractual subordination

provisions contained in the Subordinated Indentures or the Subordinated Notes shall be deemed waived and of no further force or effect.

7. Distribution of Reallocated FDIC Distributions.

a. The Senior Indenture Trustee shall allocate and distribute each Reallocated FDIC Distribution to which the Senior Indenture Trustee or the holders of Senior Notes are entitled as follows: (i) an amount equal to the lesser of (x) the amount of such Reallocated FDIC Distribution and (y) the FDIC Notes Fraction of 48% of the Senior Note Shortfall shall be retained by the Senior Indenture Trustee for distribution to the holders of Senior Notes; and (ii) any amount of such Reallocated FDIC Distribution in excess of the amounts allocated under clause (i) shall be paid over by the Senior Indenture Trustee to the Subordinated Indenture Trustees; and the Senior Indenture Trustee shall be deemed to have accomplished such distribution by directing the Trustee to retain the amount of any Reallocated FDIC Distribution covered by clause (ii) that otherwise would have been paid over to the Senior Indenture Trustee, and distributing such funds instead to the Subordinated Indenture Trustees, for distribution to the holders of Subordinated Notes in accordance with the terms of the Subordinated Indentures, without giving effect to any subordination provisions contained therein or any of the provisions of Paragraphs 4 and 5 of this Order.

b. The Ad Hoc Committee shall have the sole and exclusive control over the enforcement of the FDIC Subordination Provisions, the commencement or prosecution of any related litigation, and the settlement of any claims under the FDIC Subordination Provisions, and shall have the sole and exclusive power to enforce, prosecute, litigate and settle such claims, in its sole discretion, either (a) in its own

name, or (b) on behalf of and in the name of the Senior Indenture Trustee; provided, however, that (i) if the Ad Hoc Committee elects to prosecute such claims in its own name, then (x) the Ad Hoc Committee shall have all of the right, power, standing and authority to prosecute such claims as the Senior Indenture Trustee would have had in its capacity as indenture trustee under the Senior Indenture to enforce, prosecute, litigate and settle such claims, and (y) any action or proceeding commenced by the Ad Hoc Committee to prosecute or enforce such claims shall be treated in all respects as if it had been commenced and prosecuted in the name of the Senior Indenture Trustee; and (ii) if the Ad Hoc Committee elects to prosecute such claims on behalf of and in the name of the Senior Indenture Trustee, then (x) the Ad Hoc Committee shall have all of the same rights and privileges to direct the Senior Indenture Trustee with respect to the prosecution of any such claims as Gabriel would have had under the Senior Indenture, and (y) the Senior Indenture Trustee and its counsel shall have the right to review and comment on all of the relevant documentation relating thereto as to any matters in such documentation that could adversely affect the Senior Indenture Trustee. Notwithstanding any election by the Ad Hoc Committee to enforce, prosecute, litigate or settle such claims in its own name, or on behalf of and in the name of the Senior Indenture Trustee, as the case may be, the Ad Hoc Committee may, at any time, elect to change to such other alternative, in its sole and absolute discretion.

c. The Subordinated Indenture Trustees shall retain counsel designated by the Ad Hoc Committee who is acceptable to the Subordinated Indenture Trustees ("Special Counsel") to represent the Ad Hoc Committee and the Senior Indenture Trustee in connection with the matter described in paragraph 7(b) and shall

withhold from amounts distributed to the Subordinated Indenture Trustees other than under paragraph 9 an amount agreed upon by the Ad Hoc Committee and the Subordinated Indenture Trustees and utilize such funds to establish a special reserve fund (the "Special Reserve"), from which any fees and expenses of the foregoing Special Counsel shall be paid. The Subordinated Indenture Trustees shall have no obligation to pay fees and expenses to such Special Counsel, other than out of funds held in the Special Reserve. The attorneys' fees and expenses of such Special Counsel in the enforcement, prosecution, litigation and settlement of all claims under the FDIC Subordination Provisions shall constitute expenses under the Subordinated Indentures.

8. Reservation of Rights Regarding FDIC Claims. Nothing contained in this Order, and no previous failure or omission of any party in interest to raise any issue, objection or defense with respect to the allowance or subordination of the FDIC Claims or any distribution thereon (including, without limitation, in response to the Postpetition Interest Motion), shall in any way prevent any party in interest from, or prejudice any party in interest with respect to, objecting to any of the FDIC Claims, seeking to enforce any FDIC Subordination Provision, or otherwise seeking to subordinate the FDIC Claims, and all parties shall be deemed to have preserved any and all rights to object to the allowance of the FDIC Claims or to seek to enforce any contractual subordination provision pertaining to the FDIC Claims. Until such time as this Court enters a Final Order determining the scope and effect of the FDIC Subordination Provisions, or the holder of the FDIC Claims and the Ad Hoc Committee (or the Senior Indenture Trustee, at the direction of the Ad Hoc Committee) agree in writing upon a settlement of any subordination claims arising out of the FDIC Subordination Provisions, any distributions

which the Trustee would otherwise make or have made with respect to the FDIC Claims, whether under the terms of this Order, any prior order of the Court, or otherwise, shall be retained by the Trustee in a segregated account and not distributed. The amounts so retained shall be distributed only in accordance with a Final Order of this Court or settlement approved by Final Order of this Court, as described in the prior sentence.

9. Limited Allowance of Claims for Indenture Trustee Fees and Expenses. In full and complete satisfaction of any claim of any of the Indenture Trustees for attorneys' fees and expenses and indenture trustee fees and expenses under any of the Subordinated Indentures or the Senior Indenture, as applicable, for the period from the Petition Date through and including July 31, 2002, the Indenture Trustees shall be allowed only the following claims:

a. Chase shall have an allowed claim in the amount of $972,039.09 for attorneys' fees and expenses under the Senior Indenture for the period through and including July 31, 2002.

b. BNY shall have an allowed claim in the amount of $1,923,771.22 for attorneys' fees and expenses under the 1972 Indenture and the 1989 Indenture for the period through July 31, 2002.

c. U.S. Bank shall have an allowed claim in the amount of $1,914,214.93 for attorneys' fees and expenses under the 1984 Indenture, the 1985 Indenture, and the 1987 Indenture for the period through July 31, 2002.

The payment of the claims allowed pursuant to this paragraph 9 shall be made by the Trustee to Chase, BNY and U.S. Bank, respectively, on behalf of the Debtor within 10

days from the date upon which this Order becomes a Final Order. As part of the compromises embodied in this Order: (i) any claim of the Indenture Trustees for their respective Indenture Trustee fees and expenses (other than attorneys' fees and expenses) under the Subordinated Indentures or Senior Indenture, as applicable, which the Court has been advised aggregate in excess of $1 million, shall be disallowed (without prejudice to any right of an Indenture Trustee to recover such amounts from distributions to be made to holders of debt securities issued under the applicable indenture); and (ii) notwithstanding anything to the contrary contained in this Order, no Postpetition Interest shall be paid on any of the claims which are being allowed pursuant to this paragraph 9. The disallowance of the Indenture Trustee fees and expenses in the preceding sentence is as a result of the compromises reflected herein, and does not evidence a finding by the Court as to the reasonableness or legitimacy, or lack thereof, of such fees and expenses.

10. Reimbursement of Attorneys' Fees and Expenses Incurred by Ad Hoc Committee. In full and complete satisfaction of any claim which the Ad Hoc Committee might assert against any distributions payable to the holders of Subordinated Notes or against the estate to recover any fees and expenses incurred by the Ad Hoc Committee from the Petition Date through July 31, 2002, whether asserted in this Chapter 7 case or in the event that the case is converted to a case under Chapter 11, the estate shall reimburse the Ad Hoc Committee for attorneys' fees and expenses in the aggregate amount of $852,520 within ten days following the date upon which this Order becomes a Final Order; and the Ad Hoc Committee and its individual members shall assert no further claim against any person, entity or fund for any attorneys' fees or expenses

incurred by the Ad Hoc Committee for the period from the Petition Date through and including July 31, 2002.

11. Dismissal Of Chase/Gabriel Appeal. Within ten days following the entry of this Order, or, at the option of Chase and Gabriel, within five days of the date upon which this Order becomes a Final Order, Chase and Gabriel shall file a pleading with the United States District Court for the Southern District of Florida withdrawing the Chase/Gabriel Appeal, with prejudice. Gabriel specifically waives any claim to, and shall not attempt to recover, any attorneys' fees and expenses incurred in connection with this Chapter 7 case (or any Chapter 11 case to which it is converted) against the estate or any creditor; provided, however, that in the event that this case is converted to a case under Chapter 11 of the Bankruptcy Code, and a plan of reorganization for the Debtor is confirmed in such Chapter 11 case, then (and only in such event) nothing contained in this Order or the Chase/Gabriel Order shall affect any right of Gabriel to seek the allowance of an administrative expense for fees and expenses incurred subsequent to July 31, 2002 for a "substantial contribution" under section 503(b)(3)(D) and section 503(b)(4) of the Bankruptcy Code, provided that such claim of Gabriel shall not exceed $100,000 in the aggregate and that the services for which such claim may be asserted shall be limited to services which enhance the aggregate overall distribution to creditors in a Chapter 11 case, and provided further, that nothing in this Order shall limit Gabriel from seeking reimbursement of expenses, other than attorneys fees and expenses, as a member of an official committee appointed pursuant to section 1102 of the Bankruptcy Code; and the payment of any such expenses as a member of such

official committee shall not be counted nor applied against the $100,000 substantial contribution claim limit of this paragraph.

12. Right of Other Creditors to Seek Allowance Of Claim For Attorneys' Fees. Except as specifically set forth in paragraphs 9, 10, 11, 12 and 13 of this Order, nothing contained in this Order shall affect the right (if any) of any creditor to seek the allowance of a claim against, or recovery from, the Debtor's estate with respect to attorneys' fees and expenses of that creditor incurred prior to July 31, 2002, or the right of any party in interest to object to any such claim or request for payment. Notwithstanding the forgoing: (i) unless this Chapter 7 case is converted to a case under Chapter 11 of the Bankruptcy Code, no creditor shall be allowed or paid from the Debtor's estate any claim for attorneys' fees or expenses incurred subsequent to July 31, 2002; and (ii) any claim or request for payment from the estate of attorneys' fees and expenses incurred by any creditor for the period prior to July 31, 2002, shall be filed with the Court and served on the Trustee prior to the thirtieth (30th) day following the entry of this Order, or be forever barred and unrecoverable from the Debtor's estate; provided, however, that the limitation contained in the foregoing clauses (i) and (ii) shall not apply with respect to any creditor whose proof of claim is currently the subject of an unresolved objection to claim, or as to whose claim the Trustee subsequently files an objection, until such claim is resolved by a Final Order of this Court. Upon the entry of a Final Order of this Court adjudicating such objection, the provisions of clauses (i) and (ii) of the preceding sentence shall apply to such creditor, with the following modifications: the 30-day period described in clause (i) shall run from the date upon which the order resolving such objection becomes a Final Order, and the reference to "July 31, 2002" in clause (ii)

shall be replaced with a reference to the last day of the month in which such order becomes a Final Order.

13. Limitation On Assertion Of Claims for Post-July 31, 2002 Fees And Expenses By The Ad Hoc Committee And The Indenture Trustees. Unless this Chapter 7 case is converted to a case under Chapter 11 of the Bankruptcy Code, the Ad Hoc Committee and the Indenture Trustees shall not be allowed or paid any amounts from the Debtor's estate on account of fees and expenses incurred subsequent to July 31, 2002; provided, however, that in the event that this case is converted to a case under Chapter 11 of the Bankruptcy Code, and a plan of reorganization for the Debtor is confirmed in such Chapter 11 case, then (and only in such event) nothing contained in this Order or the Chase/Gabriel Order shall affect any right of the Ad Hoc Committee or any of the Indenture Trustees to seek the allowance of a claim or administrative expense against, or recovery from, the Debtor's estate with respect to attorneys fees and expenses incurred after July 31, 2002, or the right of any party in interest to object to any such claim or request for payment. Accordingly, if a Chapter 11 Plan for the Debtor is confirmed, the Indenture Trustees, the Ad Hoc Committee and other creditors (but in the case of Gabriel, subject to the limitations in Paragraph 11) may seek the allowance of a claim (including, without limitation, a claim for administrative expense) against the Debtor's estate to recover attorneys fees and costs incurred after July 31, 2002, on any appropriate grounds. In addition, in light of the fact that the Chase/Gabriel Appeal is being voluntarily withdrawn pursuant to this settlement, without an opportunity for a full adjudication on the merits of the issues raised in that appeal, if and only if this Chapter 7 case is converted to a Chapter 11

case and a plan of reorganization for the Debtor is confirmed, then the Chase/Gabriel Order shall in no way preclude any Indenture Trustee or the Ad Hoc Committee from seeking the allowance or recovery of any attorneys fees and expenses incurred after July 31, 2002, whether under principles of *res judicata*, collateral estoppel or law of the case, but shall be fully preclusive as against Gabriel, except as provided in Paragraph 11.

14. Distributions To Be Made On Negative Notice. Any interim or final Distribution with respect to Postpetition Interest under the terms of this Order, including, without limitation, any Distribution with respect to any Reallocated FDIC Distribution pursuant to paragraph 7, shall be made by the Trustee on negative notice under Local Rule 9013-1(D), without the necessity of an individual hearing on each such Distribution in the absence of any objection. Such notice shall specify, without limitation: (i) the amount of the Base Subordinated Note Interest Distribution that would otherwise have been made to the holders of Subordinated Notes if distribution were calculated solely in accordance with the provisions of paragraphs 2 and 3 of this Order; (ii) the amount of such Base Subordinated Note Interest Distribution that will be reallocated and distributed to the Senior Indenture Trustee, for the benefit of holders of the Senior Notes, and shall be deemed to have been paid to the Subordinated Indenture Trustees and from the Subordinated Indenture Trustees to the Senior Indenture Trustee, pursuant to the provisions of paragraphs 4 and 5 of this Order, along with the underlying calculations; (iii) amounts allocated to the 48% Guarantee Reserve; and (iv) such other and further information as shall be reasonably necessary to advise the Court and

holders of Qualified Claims of the amount, timing and terms of the proposed Distribution.

15. Successors and Assigns. This Order shall be binding on all creditors, including, without limitation, the Senior Indenture Trustee, the Subordinated Indenture Trustees, all holders of Senior Notes and Subordinated Notes, the Trustee and each of their respective successors, assigns and transferees (including, without limitation, any person or entity who receives a "transfer" of any claim, as "transfer" is defined in 11 U.S.C. § 101(54)).

16. Continued Effect In Chapter 11. The provisions of this Order shall continue to be binding in the event of a conversion of this case to a case under Chapter 11 of the Bankruptcy Code, and any distributions in any such Chapter 11 case shall conform in all respects to the requirements and provisions of this Order.

17. In connection with the settlement embodied in this Order, Chase and the Subordinated Indenture Trustees have each (i) fulfulled their fiduciary responsibilities under their respective Indentures and under applicable law and (ii) have used the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

18. Waiver Of Any Otherwise Applicable Ten-Day Stay. To the extent, if any, that the ten-day stay of Rule 6004(g) of the Federal Rules of Bankruptcy Procedure or any other rule providing for an automatic stay of this Order might otherwise be applicable, no such stay shall apply to this Order, and this Order shall be effective and enforceable and, in the event that the Trustee, in his sole discretion, files with the Court a written waiver of the requirement that this Order become a Final Order in paragraphs

9 and 10 of this Order, shall be complied with by the parties immediately upon its entry. In the event of such a waiver by the Trustee, any requirement for a "Final Order" contained in paragraph E of this Order shall be deemed to be deleted, and the time for making the payments required under paragraphs 9 and 10 of this Order shall be 10 days from the date upon which this Order is entered, rather than the date upon which this Order becomes a Final Order.

19. Retention of Jurisdiction. This Court retains exclusive jurisdiction throughout the duration of this case to construe, interpret, modify (but, in the case of any modification, only with the consent of each of Gabriel Capital, the Ad Hoc Committee and the Trustee, and the non-objection of the Indenture Trustees, but not otherwise) and enforce the terms of this Order.

ORDERED in the Southern District of Florida, this 3rd day of Nov, 2003.

PAUL HYMAN

HONORABLE PAUL G. HYMAN, JR.
UNITED STATES BANKRUPTCY JUDGE

Copies furnished to:
Mark D. Bloom, Esq.
Jeffrey H. Beck, Trustee

(Attorney Bloom is directed to serve conformed copies of this Order upon all parties in interest, immediately upon receipt thereof and to file a Certificate of Service with the Court confirming same.)

\\MIA-SRV01\668932v06\10764.012300

EXHIBIT L

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

MASTER SUBSCRIPTION AGREEMENT

EXECUTION VERSION

MASTER SUBSCRIPTION AGREEMENT

Dated as of November 19, 2008

between

JEFFREY H. BECK, AS CHAPTER 11 TRUSTEE FOR

THE ESTATE OF SOUTHEAST BANKING CORPORATION,

and

MODENA 2004-1 LLC

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MASTER SUBSCRIPTION AGREEMENT

THIS MASTER SUBSCRIPTION AGREEMENT (this "**Agreement**"), dated as of November 19, 2008, is between Jeffrey H. Beck, not individually but solely in his capacity as the duly qualified and appointed Chapter 11 Trustee (the "**Trustee**") for the bankruptcy estate (the "**Estate**") of Southeast Banking Corporation, a Florida corporation ("**SEBC**"), and Modena 2004-1 LLC, a Delaware limited liability company ("**Investor**").

W I T N E S S E T H:

WHEREAS, SEBC filed a petition (the "**Petition**") in the United States Bankruptcy Court for the Southern District of Florida (the "**Bankruptcy Court**") under Chapter 7 of the Bankruptcy Code (as defined below) on September 20, 1991, and the bankruptcy case commenced thereby was converted to a case under Chapter 11 of the Bankruptcy Code on September 17, 2007;

WHEREAS, the Trustee is the duly qualified and appointed Chapter 11 Trustee for the Estate;

WHEREAS, the Trustee believes that it is in the best interests of the Estate, SEBC, its creditors, and its equity holders to recapitalize SEBC in a transaction with Investor and SEBC Holdings, LP pursuant to which Reorganized SEBC (as defined below) would sell to Investor shares of preferred stock and common stock and, with the proceeds of such stock sale, Reorganized SEBC would purchase securities in Investment Vehicle (as defined below);

WHEREAS, concurrently with the consummation of the transactions contemplated hereby, Reorganized SEBC and its Subsidiaries will enter into a series of transactions with SEBC Holdings, LP and SEBC Real Estate, LLC, all as described in the Plan (as defined below);

WHEREAS, Investor is willing to purchase such preferred stock and common stock;

WHEREAS, the Trustee has caused the preparation of a Chapter 11 Plan of Reorganization, a substantially final draft of which has been provided to Investor and to which this Agreement is attached as an exhibit (as such Chapter 11 Plan of Reorganization may be amended from time to time with the consent of Investor (not to be unreasonably withheld, delayed or conditioned), the "**Plan**"), by which the Trustee intends to seek from the Bankruptcy Court approval of and authority to implement this Agreement and the Transactions (as defined below);

WHEREAS, the Trustee has caused the preparation of a Disclosure Statement with respect to the Chapter 11 Plan of Reorganization (as amended or supplemented from time to time, the "**Disclosure Statement**"), which describes this Agreement, the Transactions, and the Plan; and

WHEREAS, the Trustee, having previously consulted with representatives of bondholders and equity holders of SEBC, will file the Plan and the Disclosure Statement with the Bankruptcy Court as soon as practicable after the execution of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows

ARTICLE 1

CERTAIN DEFINITIONS

Section 1.01. *Definitions*. The following terms shall have the following meanings for all purposes of this Agreement:

"**Administrative Expense**" means any cost or expense of administration in the Case under Section 503 of the Bankruptcy Code, including, without express or implied limitation, any actual and necessary costs and expenses of preserving the estate of SEBC, any expenses of professionals under Sections 330 and 331 of the Bankruptcy Code, any actual and necessary costs and expenses of operating the businesses of SEBC, any indebtedness or obligations incurred or assumed by the Trustee on behalf of SEBC and its estate in connection with the conduct of SEBC's business or for the acquisition or lease of property or the rendition of services, any allowed compensation or reimbursement of expenses under Section 503(b)(2)-(5) of the Bankruptcy Code, and any fees or charges assessed against the estate of SEBC under 28 U.S.C. § 1930.

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Affiliated Group**" means an affiliated group within the meaning of Section 1504 of the Tax Code.

"**Aggregate Purchase Price**" shall have the meaning set forth in Section 2.04 of this Agreement.

"**Alternative Transaction**" means a method of effectuating the reorganization or recapitalization of SEBC by means of a transaction other than the Transactions contemplated by this Agreement that includes an investment in SEBC by a party other than Investor or any of its Affiliates, whether in a single transaction or series of related transactions, in an aggregate amount of not less than $500,000,000.

"**Articles of Incorporation**" means the Second Amended and Restated Articles of Incorporation of Reorganized SEBC (including all exhibits thereto) as it will be filed with the Secretary of State of the State of Florida, substantially in the form of Exhibit A hereto.

"**Bankruptcy Code**" means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as in effect on September 20, 1991 or as thereafter amended to the extent the amendment is applicable to the Case.

"**Bankruptcy Court**" shall have the meaning set forth in the recitals to this Agreement.

"**Break-Up Fee**" means a fee in an amount equal to $1,500,000 to be paid by the Estate to Investor in accordance with the provisions of Section 6.15 hereof.

"**Break-Up Fee Motion**" means the motion, in form and substance reasonably acceptable to Investor and the Trustee, to be filed by the Trustee with the Bankruptcy Court seeking approval of the Break-Up Fee.

"**Break-Up Fee Order**" means the order, in form and substance reasonably acceptable to Investor, entered by the Bankruptcy Court with respect to the Break-Up Fee Motion.

"**Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York, New York, and Miami, Florida.

"**Case**" means the case of SEBC pending in the Bankruptcy Court as **In re Southeast Banking Corporation, Debtor**, Case No. 91-14561-BKC-PGH, which was commenced as a case under Chapter 7 of the Bankruptcy Code on September 20, 1991 and was converted to a case under Chapter 11 of the Bankruptcy Code on September 17, 2007.

"**Class A Common Stock**" means the Class A Common Stock, par value $0.001 per share, of Reorganized SEBC.

"**Class B Common Stock**" means the Class B Common Stock, par value $0.001 per share, of Reorganized SEBC.

"**Class C Common Stock**" means the Class C Common Stock, par value $0.001 per share, of Reorganized SEBC.

"**Closing**" has the meaning set forth in Section 2.04 hereof.

"**Closing Date**" means April 30, 2009 or such earlier date after the Confirmation Date as may be mutually agreed by Investor and the Trustee.

"**Common Stock**" means the Class B Common Stock and the Class C Common Stock.

"**Confirmation**" means entry of the Confirmation Order by the Bankruptcy Court.

"**Confirmation Date**" means the date of entry by the clerk of the Bankruptcy Court of the Confirmation Order.

"**Confirmation Hearing**" means the hearing to consider Confirmation of the Plan under Section 1128 of the Bankruptcy Code.

"**Confirmation Order**" means an order of the Bankruptcy Court confirming the Plan in accordance with the provisions of the Bankruptcy Code, which order is in form and substance reasonably satisfactory to Investor.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "**Controlling**" and "**Controlled**" have meanings correlative thereto.

"**Disclosure Statement**" shall have the meaning set forth in the recitals to this Agreement.

"**dollars**" or "**$**" refers to lawful money of the United States of America.

"**Eligible Swap Counterparty**" means (i) any Affiliate of Merrill Lynch & Co., Inc. (and its successors and assigns) that is guaranteed by Merrill Lynch & Co., Inc. (and its successors and assigns) and (ii) any other counterparty that (x) has a short-term debt rating, or its obligations under the Permitted Swap Agreement have been fully and unconditionally guaranteed by a guarantor with a short-term debt rating, of at least "P-1" by Moody's and at least "A-1" by S&P and a long-term senior unsecured debt rating, or its obligations under the Permitted Swap Agreement have been fully and unconditionally guaranteed by a guarantor with a long-term senior unsecured debt rating, of at least "Aa3" by Moody's and "AA-" by S&P or (y) if the shares of preferred stock of the Corporation shall be rated by any of Moody's, S&P or Fitch, would permit Moody's, S&P or Fitch (as the case may be) to confirm that their respective ratings assigned to such shares would not be reduced or withdrawn as a result of such counterparty being an Eligible Swap Counterparty under a Permitted Swap Agreement.

"**Environmental Laws**" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority occurring or existing prior to the Closing Date relating in any way to the management, release or threatened release of any Hazardous Material or to health and safety matters.

"**Environmental Liability**" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), applicable to Reorganized SEBC or any SEBC Entity directly or

indirectly resulting from or based upon (a) violation of any Environmental Law occurring or existing prior to the Closing Date, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials occurring or existing prior to the Closing Date, (c) exposure to any Hazardous Materials occurring or existing prior to the Closing Date, (d) the release or threatened release of any Hazardous Materials into the environment occurring or existing prior to the Closing Date, or (e) any contract, agreement or other consensual arrangement existing prior to the Closing Date pursuant to which liability is assumed by or imposed upon Reorganized SEBC or any SEBC Entity with respect to any of the foregoing.

"**Estate**" shall have the meaning set forth in the preamble to this Agreement.

"**Final Order**" means an order or judgment, the operation or effect of which has not been stayed, reversed or amended, and as to which order or judgment (or any revision, modification or amendment thereof) the time to appeal or seek review or rehearing or leave to appeal has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, such order or judgment does not remain subject to any stay pending appeal, review or rehearing.

"**Fitch**" means Fitch Ratings and any successor to its ratings business.

"**GAAP**" means generally accepted accounting principles in the United States of America.

"**Governmental Authority**" means the government of the United States of America, any other nation, any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"**Hazardous Materials**" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, and infectious or medical wastes.

"**Holder**" means Investor, any Person that purchases Senior Preferred Stock, Series J Junior Preferred Stock or Common Stock from Investor and the successors and assigns of any of the foregoing as holder of Senior Preferred Stock, Series J Junior Preferred Stock or Common Stock, from time to time, provided that the transfer to such Person is not prohibited by the Articles of Incorporation.

"**HSR Act**" means the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended.

"**Investment Company Act**" means the Investment Company Act of 1940, as amended.

"**Investment Vehicle**" means a newly formed special purpose vehicle to be established to acquire the Investment Vehicle Initial Investments on or after the Closing Date.

"**Investment Vehicle Initial Investments**" means not less than $1,650,000,000 face value in fixed income instruments to be determined by Investor prior to the Closing Date to be acquired by Investment Vehicle from an Affiliate of Investor.

"**Investment Vehicle Senior Securities**" means that certain preferred equity to be issued by Investment Vehicle to Reorganized SEBC on or after the Closing Date.

"**Investor**" shall have the meaning set forth in the preamble to this Agreement; provided, however, that if Investor assigns its rights or obligations under this Agreement to another entity in accordance with Section 6.08 hereof, then Investor shall include any such assignee.

"**Lien**" has the meaning set forth in 11 U.S.C. § 101(37), and includes, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"**Material Adverse Effect**" means, as to Reorganized SEBC, a material adverse effect on (a) the business, assets, operations, tax attributes, prospects or condition, financial or otherwise, of Reorganized SEBC and the SEBC Entities, taken as a whole, assuming the consummation of the Transactions, (b) the ability of Reorganized SEBC and the SEBC Entities to perform any of their obligations under this Agreement or any Transaction Document such that a condition precedent to the Transactions would not be satisfied, or (c) the rights of or benefits (other than those which are of *de minimis* value) available to Investor under this Agreement or any Transaction Document, other than any event, change, circumstance or effect relating (i) to the United States economy in general, (ii) in general to the capital markets in the United States, (iii) to the announcement of this Agreement or any of the transactions contemplated hereunder, the fulfillment of the parties' obligations hereunder or the consummation of the transactions contemplated by this Agreement, or (iv) to any outbreak or escalation of hostilities or act of terrorism involving the United States or any declaration of war by the United States.

"**ML Material Adverse Effect**" means, as to Investor, a material adverse effect on (a) the business, assets, operations, tax attributes, prospects or condition, financial or otherwise, of Investor, (b) the ability, either legal or financial, of Investor or any of its Affiliates to perform any of its or any such Affiliate's obligations under this Agreement or any Transaction Document to which it or any such Affiliate is party such that a condition precedent to the Transactions would not be satisfied, or (c) the rights of or benefits (other than those which are of *de minimis* value) available to Reorganized SEBC

under this Agreement or any Transaction Document, other than any event, change, circumstance or effect relating (i) to the United States economy in general, (ii) in general to the capital markets in the United States, (iii) to the announcement of this Agreement or any of the transactions contemplated hereunder, the fulfillment of the parties' obligations hereunder or the consummation of the transactions contemplated by this Agreement, or (iv) to any outbreak or escalation of hostilities or act of terrorism involving the United States or any declaration of war by the United States.

"**Moody's**" means Moody's Investors Service, Inc. and any successor to its ratings business.

"**NOL Carryovers**" means net operating loss carryovers as determined under Section 172 of the Tax Code.

"**Other Taxes**" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any Transaction Document, and specifically includes "**a stamp tax or similar tax**" as those terms are used in Section 1146(c) of the Bankruptcy Code.

"**Permitted Swap Agreement**" shall have the meaning set forth in the Articles of Incorporation, including the Schedule thereto and the Confirmation therefor, in each case in a form to be mutually agreed by Investor and the Trustee.

"**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"**Petition**" shall have the meaning set forth in the recitals to this Agreement.

"**Plan**" shall have the meaning set forth in the recitals to this Agreement.

"**Reimbursement Fee**" means a fee in an amount equal to $500,000 to be paid by Investor to the Estate. in accordance with the provisions of Section 2.02 hereof, which amount may be repaid to Investor in accordance with the provisions of Section 6.17 hereof.

"**Related Parties**" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"**Reorganized SEBC**" means SEBC (to be known as SEBC Financial Corporation upon the effectiveness of the Articles of Incorporation) in which the property of SEBC will vest pursuant to Section 1141(b) of the Bankruptcy Code upon the Effective Date (as defined in the Plan).

"**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., and any successor to its ratings business.

"**SEBC**" shall have the meaning set forth in the preamble to this Agreement.

"**SEBC Break-Up Fee**" means a fee in an amount equal to $1,000,000 to be paid by Investor to the Estate in accordance with the provisions of Section 6.16 hereof.

"**SEBC Entity**" means each of SEBC, Reorganized SEBC, Southeast Properties, Inc. (and the LLC into which it will be converted at or prior to the Closing), SWQ Holdings, Inc. (and the LLC into which it will be converted at or prior to the Closing), First Pioneer Corporation (and the LLC into which it will be converted at or prior to the Closing) and Second Pioneer Corporation (and the LLC into which it will be converted at or prior to the Closing).

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

"**Securities Purchase Agreement**" means the agreement pursuant to which Investor shall purchase, in accordance with the Plan, not less than an aggregate of $6,500,000 face amount of senior preferred units of SEBC Holdings, LP and Series K Junior Preferred Stock, to be in a form mutually acceptable to Investor and the Trustee and entered into by the applicable parties on or prior to the Closing Date.

"**Senior Preferred Stock**" means the Series A Senior Preferred Stock and the Series B Senior Preferred Stock.

"**Series A Senior Preferred Stock**" means the Series A Senior Preferred Stock, par value $0.001 per share, of Reorganized SEBC with the terms set forth in the Articles of Incorporation, the dividends of which shall be calculated in accordance with the methodology set forth in the Disclosure Statement.

"**Series B Senior Preferred Stock**" means the Series B Senior Preferred Stock, par value $0.001 per share, of Reorganized SEBC with the terms set forth in the Articles of Incorporation, the dividends of which shall be calculated in accordance with the methodology set forth in the Disclosure Statement.

"**Series J Junior Preferred Stock**" means the Series J Junior Cumulative Preferred Stock, par value $0.001 per share, of Reorganized SEBC with the terms set forth in the Articles of Incorporation, the dividends of which shall be calculated in accordance with the methodology set forth in the Disclosure Statement.

"**Series K Junior Preferred Stock**" means the Series K Junior Cumulative Preferred Stock, par value $0.001 per share, of Reorganized SEBC with the terms set forth in the Articles of Incorporation, the dividends of which shall be calculated in accordance with the methodology set forth in the Disclosure Statement.

"**Servicer**" means a major financial institution and its permitted successors or assigns under the Servicing Agreement.

"**Servicing Agreement**" means the Servicing Agreement between Reorganized SEBC and the Servicer in a form to be mutually agreed by Investor and the Trustee.

"**SRLY**" has the meaning set forth in Section 4.01(l)(iii) hereof.

"**Subsidiary**" means, with respect to any Person (the "**Parent**") at any specified date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the Parent in the Parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held, or (b) that is, as of such date, otherwise Controlled, by the Parent or one or more Subsidiaries of the Parent or by the Parent and one or more Subsidiaries of the Parent.

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

"**Taxes**" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority and any interest, additions to tax or penalties applicable thereto.

"**Transaction Documents**" means this Agreement, the Plan, the Articles of Incorporation, the Servicing Agreement, the Securities Purchase Agreement and the Permitted Swap Agreement, including the schedule and confirmation thereto.

"**Transactions**" means all transactions contemplated by the Plan, including the execution and delivery of this Agreement and each Transaction Document and the performance by each party of its obligations hereunder and thereunder.

"**Trustee**" shall have the meaning set forth in the preamble to this Agreement.

Section 1.02. *Rules of Construction.* Unless otherwise expressly indicated, all references herein to Sections or other subdivisions refer to the corresponding sections and other subdivisions of this Agreement. The terms "**hereof**," "**herein**," "**hereby**," "**hereto**," "**hereunder**," "**hereinafter**" and "**herewith**" refer to this Agreement.

ARTICLE 2

TRANSACTIONS

Section 2.01. *Effectiveness of this Agreement.* With the exception of Section 2.02, Section 5.02, Section 5.03 and ARTICLE 6 (other than Section 6.15 and Section

6.16 thereof) of this Agreement, which Sections and Article (other than as aforesaid) shall be effective upon the execution hereof, and Section 4.02, Section 6.15 and Section 6.16 of this Agreement, which Sections shall become effective immediately upon entry of the Break-Up Fee Order, subject to Section 6.12 of this Agreement, this Agreement shall become effective upon Confirmation.

Section 2.02. *Payment of Reimbursement Fee.* Within ten (10) Business Days after the execution of this Agreement and subject to Investor's satisfactory completion of its ordinary course compliance obligations under the Patriot Act (as defined below), Investor shall pay the Reimbursement Fee to the Estate in immediately available funds. The Trustee shall cause the Estate to hold such funds in a separate account until the earlier of the repayment of such Reimbursement Fee to Investor in accordance with the provisions of Section 6.17 hereof and the Closing Date.

Section 2.03. *Calculation of Values Prior to the Closing.* The following values, as described more fully in Section 2.04 below, shall be calculated two (2) Business Days prior to the Closing Date and shall be subject to adjustment for (i) the five-year swap rate, (ii) the credit spread for the Investment Vehicle Senior Securities relative to LIBOR, (iii) occurrence of the Closing Date earlier than April 30, 2009, (iv) federal and state taxes and (v) fees and expenses directly attributable to the Transactions:

(a) the Aggregate Purchase Price (as defined below);

(b) the aggregate purchase price of the Class B Common Stock and Class C Common Stock and the aggregate face value of the Series A Senior Preferred Stock, Series B Senior Preferred Stock, Series J Junior Preferred Stock and Series K Junior Preferred Stock; and

(c) the face value of the Investment Vehicle Senior Securities.

Such calculations and adjustments shall be mutually acceptable to Investor and the Trustee.

Section 2.04. *Transactions at the Closing.*

(a) Subject to the terms and conditions of this Agreement and satisfaction of the conditions precedent set forth herein, the closing of the Transactions and delivery of the agreements and documents and other acts set forth below (the "**Closing**") shall be deemed to take place simultaneously at the offices of Greenberg Traurig, P.A., 1221 Brickell Avenue, Miami, Florida, in each case on the Closing Date:

(i) the Trustee shall cause the Articles of Incorporation to be filed with the Secretary of State of the State of Florida;

(ii) Reorganized SEBC and the Servicer will enter into the Servicing Agreement;

(iii) Reorganized SEBC and the Eligible Swap Counterparty will enter into the Permitted Swap Agreement and the schedule thereto;

(iv) Subject to adjustment pursuant to Section 2.03 hereof, Investor will transfer $10,000,000, $611,000,000 and $1,018,000,000 to Reorganized SEBC in respect of the shares of Common Stock, Series J Junior Preferred Stock and Senior Preferred Stock to be issued and sold pursuant to this Agreement, respectively (the "**Aggregate Purchase Price**");

(v) Subject to adjustment pursuant to Section 2.03 hereof, Reorganized SEBC will issue 5,000,000 shares of Class B Common Stock, 5,000,000 shares of Class C Common Stock, 300,000,000 shares of Series A Senior Preferred Stock, 718,000,000 shares of Series B Senior Preferred Stock and 611,000,000 shares of Series J Junior Preferred Stock to Investor or an Affiliate thereof designated thereby;

(vi) The Aggregate Purchase Price, together with the available cash of Reorganized SEBC, shall be used by Reorganized SEBC as follows:

(A) $21,000,000 (x) plus the amount that Net Cash (as defined in Section 3.02(f)) exceeds $8,000,000 or (y) minus the amount that Net Cash is less than $8,000,000 shall be paid to creditors of the Estate in accordance with Section 3.2 of the Plan;

(B) Subject to adjustment pursuant to Section 2.03 hereof, $1,625,600,000 shall be used to purchase the Investment Vehicle Senior Securities on the Closing Date;

(C) a loan in an aggregate principal amount to be determined based on a good-faith projection of first-year operating expenses of SEBC Holdings, LP, but in no case to exceed $600,000, shall be made to SEBC Holdings, LP for a 3-year term, such loan to be paid in full at the end of the 3-year period, pursuant to the terms of a loan agreement, to be in a form mutually acceptable to Investor and the Trustee and entered into by the applicable parties on or prior to the Closing Date; and

(D) the balance shall be used for general corporate purposes of Reorganized SEBC, subject to any limitations set forth in the Articles of Incorporation;

(vii) Reorganized SEBC will consummate the other transactions contemplated by the Plan, including, without limitation, the formation and capitalization of SEBC Holdings, LP and SEBC Real Estate, LLC, the issuance of shares of Class A Common Stock to SEBC Holdings, LP representing 60% of the outstanding Reorganized SEBC common stock (after giving effect to the

Transactions), the issuance of Series K Junior Preferred Stock and senior preferred and junior preferred units of SEBC Holdings, LP to creditors of the Estate, the exchange of the currently outstanding shares of preferred stock of SEBC for junior preferred units of SEBC Holdings, LP and the exchange of the currently outstanding shares of common stock of SEBC for common units of SEBC Holdings, LP, in each case as contemplated by the Plan;

(viii) Reorganized SEBC and the Eligible Swap Counterparty will execute and deliver the confirmation to the Permitted Swap Agreement; and

(ix) Investor will purchase, pursuant to the Securities Purchase Agreement and in accordance with the Plan, not less than an aggregate of $6,500,000 face amount of senior preferred units of SEBC Holdings, LP and Series K Junior Preferred Stock.

(b) Upon issuance of the Common Stock, the Series J Junior Preferred Stock and the Senior Preferred Stock on the Closing Date, Reorganized SEBC will deliver, at the Closing, to Investor physical share certificates representing the shares of Common Stock, Series J Junior Preferred Stock and Senior Preferred Stock issued to Investor registered in the name of Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the designee of Investor or another Affiliate thereof designated thereby.

(c) Upon completion of the Closing, the Trustee shall file a notice with the Bankruptcy Court stating that the Closing has occurred, and that the directors and officers of Reorganized SEBC named in the Disclosure Statement have assumed their positions as such.

ARTICLE 3

CONDITIONS TO CLOSING

Section 3.01. *Conditions to the Obligations of the Trustee*. The obligations of the Trustee set forth in ARTICLE 2 hereof are subject to the satisfaction of the following conditions precedent (unless waived by the Trustee):

(a) The Confirmation Order having been entered and having become a Final Order.

(b) The Trustee having received from Investor a counterpart of each Transaction Document to which it is a party signed on behalf of each party thereto other than the Trustee.

(c) At the time of the Closing, (i) the representations and warranties of Investor in this Agreement being true, accurate and correct at, and as if made on and by reference to the facts and circumstances prevailing on, such time (except with respect to representations made as to a specific date, which shall be true, accurate and correct as of

such date); (ii) Investor not being in default in any material respect in the performance of any of its obligations or agreements hereunder or under any Transaction Document; and (iii) Investor simultaneously performing its obligations under ARTICLE 2.

(d) The Trustee having received (i) a certificate, dated the Closing Date and signed by an authorized signatory of Investor, confirming compliance with the conditions set forth in Section 3.01(c), and (ii) certifying resolutions adopted by Investor with respect to the Transactions and the Transaction Documents, the incumbency of the persons executing the Transaction Documents on behalf of Investor and such other matters as the Trustee may reasonably request.

Section 3.02. *Conditions to the Obligations of Investor*. The obligations of Investor set forth in ARTICLE 2 hereof are subject to the satisfaction of the following conditions precedent (unless waived by Investor):

(a) The Confirmation Order having been entered and having become a Final Order.

(b) Without limiting the requirement that the form and substance of the Confirmation Order be reasonably satisfactory to Investor, the Confirmation Order containing in substance the following findings of fact, conclusions of law and decretal provisions:

(i) Authorization; Enforceability. The Trustee is authorized to act as a duly authorized agent for Reorganized SEBC for purposes of implementing the Plan, this Agreement and the Transactions; to execute on behalf of Reorganized SEBC all Transaction Documents and any other documents reasonably necessary to effectuate the Plan, this Agreement and the Transactions; and to bind Reorganized SEBC thereto.

(ii) Exemption from Other Taxes. This Agreement and all of the Transactions shall be exempt from all Other Taxes other than those not exceeding an aggregate of $50,000.

(c) Investor having received:

(i) counterparts of each Transaction Document signed on behalf of each party thereto other than Investor;

(ii) a certificate executed by the Trustee on, and dated as of, the Closing Date confirming compliance with the conditions set forth in Section 3.02(d);

(iii) an opinion of Greenberg Traurig, P.A., counsel to SEBC, dated the Closing Date and addressed to Investor, in form and substance reasonably satisfactory to Investor, to the effect set forth in Exhibit B hereto;

(iv) such documents and certificates as Investor or its counsel may reasonably request relating to the organization, existence and good standing of each SEBC Entity, the authorization of the Transactions and any other legal matters relating to each SEBC Entity, this Agreement and the Transactions, all in form and substance reasonably satisfactory to Investor and its counsel;

(v) a certified copy of the Confirmation Order; and

(vi) a copy of the docket of the Case from and after the Confirmation Date reflecting no appeals from, requests for reconsideration, or other requests to vacate or modify the Confirmation Order, accompanied by a certification of counsel to the Trustee that such copy is a complete, true and correct copy of such docket.

(d) At the time of the Closing, (i) the representations and warranties of the Trustee in this Agreement being true, accurate and correct at, and as if made on and by reference to the facts and circumstances prevailing on, such time (except with respect to representations made as to a specific date, which shall be true, accurate and correct as of such date), (ii) the Trustee not being in default in any material respect in the performance of any of his obligations or agreements hereunder or under any Transaction Document, (iii) the Trustee simultaneously performing his obligations under ARTICLE 2, and (iv) Reorganized SEBC simultaneously performing its obligations under ARTICLE 2.

(e) The Bankruptcy Court having established one or more deadlines for the filing of Administrative Expenses against the Estate (including, without limitation, a deadline for the filing of final fee applications by professionals or claims for substantial contribution), and such deadlines having passed.

(f) SEBC having Available Cash (as defined in the Plan) immediately prior to the Closing in an amount at least equal to $5,000,000, after deducting from cash on hand all allowed but unpaid Administrative Expenses and the total amount of all asserted but not yet allowed Administrative Expenses, to the extent such Administrative Expenses shall not have been disallowed by a Final Order of the Bankruptcy Court ("**Net Cash**"); provided, however, that the SCS Annual Fee (as defined in the Plan) and the SCS Structuring Fee (as defined in the Plan) shall not be deducted from the calculation of Net Cash.

(g) Between the date hereof and the Closing Date, there shall have been no change in applicable investment company law or facts in respect of the Transactions that in either case would cause the advice rendered by counsel to Investor in accordance with Section 4.02(i) hereof to be inaccurate or invalid in any material respect.

(h) Between the date hereof and the Closing Date, there shall have been no change in applicable tax law or facts in respect of the Transactions that in either

case would cause the advice rendered by counsel to Investor in accordance with Section 4.02(j) hereof to be inaccurate or invalid in any material respect.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

Section 4.01. *Representations and Warranties of the Trustee*. The Trustee, on behalf of SEBC and Reorganized SEBC, represents and warrants, and agrees that immediately prior to the Closing:

(a) Organization; Powers. Except as set forth on Schedule 4.01(a) to this Agreement, each SEBC Entity is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

(b) Authorization; Enforceability. The Trustee is authorized to act as a duly authorized agent for Reorganized SEBC for purposes of implementing the Plan, this Agreement and the Transactions; to execute on behalf of Reorganized SEBC all Transaction Documents and any other documents reasonably necessary to effectuate the Plan, this Agreement and the Transactions; and to bind Reorganized SEBC thereto. Each Transaction Document to which the Trustee or Reorganized SEBC is a party will be duly executed and delivered by the Trustee, and will constitute a legal, valid and binding agreement of the Trustee, as such, SEBC and Reorganized SEBC, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(c) Governmental Approvals; No Conflicts. The Transactions (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and those the absence of which could not reasonably be expected to have a Material Adverse Effect, (ii) assuming the filing of the Articles of Incorporation with the Secretary of State of the State of Florida, will not violate any applicable law or regulation or the charter, bylaws or other organizational documents of any SEBC Entity or any order of any Governmental Authority, (iii) will not violate or result in a default or event of default under any indenture, agreement or other instrument binding upon any SEBC Entity or their respective assets, which would have a Material Adverse Effect on Reorganized SEBC, and (iv) will not result in the creation or imposition of any Lien on any material asset of any SEBC Entity.

(d) Disclosure Statement. The information regarding each SEBC Entity set forth in the Disclosure Statement did not as of the date of such Disclosure

Statement, and does not as of the Closing Date, contain a material misstatement of fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) Litigation. Except as set forth on Schedule 4.01(e) to this Agreement, there are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to its knowledge, threatened against or affecting any SEBC Entity that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(f) Environmental Matters. Except as set forth on Schedule 4.01(f) to this Agreement and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Trustee nor any SEBC Entity knows of any basis for any Environmental Liability which in any case would have a Material Adverse Effect.

(g) Compliance with Laws and Agreements. Each SEBC Entity is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(h) Subsidiaries. Schedule 4.01(h) to this Agreement sets forth a true and correct description of the ownership of the SEBC Entities.

(i) No Registration under Securities Act. It is not necessary in connection with the issuance and sale of the Senior Preferred Stock, the Series J Junior Preferred Stock and the Common Stock pursuant to this Agreement to register such Senior Preferred Stock, Series J Junior Preferred Stock and Common Stock under the Securities Act.

(j) No Registration under Investment Company Act. Without giving effect to the Transactions, SEBC is not required to register as an "**investment company**" or an entity "**controlled**" by an "**investment company**" within the meaning of the Investment Company Act and the rules and regulations of the Securities and Exchange Commission (the "**SEC**") thereunder.

(k) Tax Matters Generally.

(i) Except as set forth on Schedule 4.01(k)(i) to this Agreement, each SEBC Entity has filed or caused to be filed all material Tax returns and reports required to have been filed, and has paid or caused to be paid all Taxes required to have been paid, by it and all such Tax returns were correct and complete in all material respects.

(ii) Except as disclosed on Schedule 4.01(k)(ii) to this Agreement, (A) no Governmental Authority has threatened any material assessment, deficiency, adjustment, dispute or claim concerning any Tax return or any Tax liability of any SEBC Entity or any member of any Affiliated Group of which any SEBC Entity is or was the common parent corporation; (B) there is no asserted material unpaid assessment, deficiency or adjustment concerning any Tax return or Tax liability of any SEBC Entity or any member of any Affiliated Group of which any SEBC Entity is or was the common parent corporation; and (C) none of the Tax returns of any SEBC Entity or any member of any Affiliated Group of which any SEBC Entity is or was the common parent corporation is now under or, to the Trustee's knowledge, has been selected for audit or examination by any Taxing authority or other governmental unit, and there are no suits, actions, proceedings or investigations pending or, to the Trustee's knowledge, threatened against any SEBC Entity or any member of any Affiliated Group of which any SEBC Entity is or was the common parent corporation with respect to any material amount of Taxes.

(l) NOL Carryovers.

(i) Reorganized SEBC and the Holders are not, and will not be, obligated to compensate any other Person (including, without limitation, any Affiliate of SEBC or Reorganized SEBC or such Affiliate's representative or estate) for Reorganized SEBC's use of the NOL Carryovers.

(ii) Immediately prior to the Closing, SEBC will have available NOL Carryovers in amounts not less than and expiry dates not earlier than as shown on Schedule 4.01(l)(ii) to this Agreement.

(iii) There are no material limitations or restrictions, including but not limited to any limitations imposed by Section 382 of the Tax Code or any Separate Return Limitation Year ("**SRLY**") restriction under the consolidated return regulations of the Tax Code, as a result of the issuance of the Common Stock to Investor or any prior direct or indirect changes in the equity interests of SEBC (determined without regard to the Senior Preferred Stock, the Series J Junior Preferred Stock and the Series K Junior Preferred Stock) on the availability or the use of any NOL Carryovers, and the Trustee is not aware of any state of facts currently existing or contemplated that would give rise to any such limitation or restriction.

(m) Books and Records. In all material respects, the SEBC Entities have consistently maintained all records required by Treasury Regulations Sections 1.382-2T(a)(2) and 1.1502-94(d) in respect of their NOL Carryovers.

Section 4.02. *Representations and Warranties of Investor*. Investor represents and warrants, and agrees that at the time of the approval by the Bankruptcy Court of the Break-Up Fee Motion and immediately prior to the Closing:

(a) Organization; Powers. It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) Authorization; Enforceability. The Transactions are within its limited liability company powers and have been duly authorized by all necessary limited liability company and, if required, member action. Each Transaction Document to which it is a party has been duly executed and delivered by it and constitutes its legal, valid and binding agreement, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(c) Governmental Approvals; No Conflicts. The Transactions (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and those the absence of which could not reasonably be expected to have a ML Material Adverse Effect, (ii) will not violate any applicable law or regulation or its charter, bylaws or other organizational documents or any order of any Governmental Authority, (iii) will not violate or result in a default or event of default under any indenture, agreement or other instrument binding upon it or its assets, or give rise to a right thereunder to require any payment to be made by it, which would have a ML Material Adverse Effect and (iv) will not result in the creation or imposition of any Lien on any of its assets.

(d) Disclosure Statement. The information regarding Investor and any of its Affiliates set forth in the Disclosure Statement did not as of the date of such Disclosure Statement, and does not as of the Closing Date, contain a material misstatement of fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) Litigation. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to its knowledge, threatened against or affecting it that involve this Agreement, the Transaction Documents or the Transactions or the ability of Investor to fulfill its obligations under or with respect to any thereof.

(f) Compliance with Laws and Agreements. Investor is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its

property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a ML Material Adverse Effect.

(g) Legal Status. Investor (i) is a "**qualified institutional buyer**" as defined in Rule 144A under the Securities Act; (ii) is not an entity that will have invested more than 40% of its assets in the Common Stock, the Series J Junior Preferred Stock and the Senior Preferred Stock; (iii) was not formed for the purpose of investing in the Common Stock, the Series J Junior Preferred Stock or the Senior Preferred Stock; (iv) will provide notice of applicable transfer restrictions to any subsequent transferee; (v) is purchasing for its own account or for the accounts of one or more other persons each of whom meets all of the requirements of clauses (i) through (v); and (vi) is able to bear the economic risk of an investment in the Common Stock, the Series J Junior Preferred Stock and the Senior Preferred Stock and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of acquiring the Common Stock, the Series J Junior Preferred Stock and the Senior Preferred Stock.

(h) No Registration under Securities Act. Investor understands and expressly acknowledges that neither the Common Stock, the Series J Junior Preferred Stock nor the Senior Preferred Stock has been registered under the Securities Act and that neither the Common Stock, the Series J Junior Preferred Stock nor the Senior Preferred Stock may be reoffered, resold or otherwise pledged, hypothecated or transferred unless so registered or an applicable exemption from the registration requirements of the Securities Act is available.

(i) Investment Company Act Matters. Investor has received advice as to certain Investment Company Act matters with respect to the Transactions, in substance satisfactory to Investor, from Davis Polk & Wardwell, counsel to Investor.

(j) Tax Matters. Investor has received advice as to certain tax matters with respect to the Transactions, in substance satisfactory to Investor, from Weil, Gotshal & Manges LLP, counsel to Investor.

(k) Eligible Investments. Investor confirms that the Common Stock, the Series J Junior Preferred Stock and the Senior Preferred Stock are eligible investments of Investor under applicable law and neither the purchase of the Common Stock, the Series J Junior Preferred Stock or the Senior Preferred Stock hereunder nor the execution or delivery of this Agreement (i) will conflict with, result in a breach of, or constitute a default under, the constitutive documents of Investor, or the terms of any other agreement or instrument to which Investor or any of its Subsidiaries is a party or bound, or (ii) will contravene any law applicable to Investor, or, to its knowledge, any order or decree of any court or government agency (other than any contravention that does not have a ML Material Adverse Effect).

(l) Independent Decision. Investor represents that it has made its own independent decision to enter into this Agreement and purchase the Common Stock, the

Series J Junior Preferred Stock and the Senior Preferred Stock hereunder and as to whether this Agreement and the purchase of the Common Stock, the Series J Junior Preferred Stock and the Senior Preferred Stock hereunder is appropriate or proper for it based on its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of or on behalf of the Trustee as investment advice or as a recommendation to enter into this Agreement or purchase the Common Stock, the Series J Junior Preferred Stock or the Senior Preferred Stock hereunder, it being understood that information and explanations related to the terms and conditions of this Agreement, the Articles of Incorporation, the Common Stock, the Series J Junior Preferred Stock or the Senior Preferred Stock shall not be considered investment advice or a recommendation to enter into this Agreement or purchase the Common Stock, the Series J Junior Preferred Stock or the Senior Preferred Stock hereunder. No communication (written or oral) received from or on behalf of the Trustee shall be deemed to be an assurance or guarantee as to the expected results of any investment in the Common Stock, the Series J Junior Preferred Stock or the Senior Preferred Stock nor shall any such communication be deemed to be a representation or warranty upon which Investor is relying or is entitled to rely.

(m) Financial Resources. Investor has, or at the Closing will have, sufficient financial resources to fund the payment of the Aggregate Purchase Price and any other amounts payable by Investor at or prior to the Closing.

ARTICLE 5

COVENANTS

Section 5.01. *Voting Rights Events.*

(a) Following the Closing, if an event shall occur which causes the voting rights of the Senior Preferred Stock or the Series J Junior Preferred Stock to become effective (a "**Voting Rights Event**"), then (i) to the extent applicable, each of Reorganized SEBC and Investor shall use its commercially reasonable efforts to make an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the Voting Rights Event as promptly as practicable and in any event within ten (10) Business Days after the date thereof and any other required submissions under the HSR Act which either of them determines should be made, in each case with respect to such event, and to take all other actions necessary to cause the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable and (ii) Investor and Reorganized SEBC shall cooperate with one another (A) in promptly determining whether any filings are required to be or should be made or consents, approvals, permits or authorizations are required to be or should be obtained under any other federal, state or foreign law or regulation or whether any consents, approvals or waivers are required to be or should be obtained from other parties to loan agreements or other contracts or instruments material to Reorganized SEBC's business in connection with the Voting Rights Event, (B) in promptly making any such filings, furnishing information required in connection therewith and seeking to obtain timely any such

consents, permits, authorizations, approvals or waivers, and (C) in keeping the other party reasonably informed, including by providing the other party with a copy of any communication received by such party from, or given by such party to, the Federal Trade Commission (the "**FTC**"), the Antitrust Division of the Department of Justice (the "**DOJ**") or any other U.S. or foreign Governmental Entity, of any communication received or given in connection with any proceeding by a private party, in each case regarding the Voting Rights Event. If any objections are asserted with respect to the Voting Rights Event under any antitrust law or if any suit is instituted (or threatened to be instituted) by the FTC, the DOJ or any other applicable Governmental Authority or any private party challenging the voting rights of the Senior Preferred Stock or the Series J Junior Preferred Stock as violative of any antitrust law or which would otherwise prevent, materially impede or materially delay the effectiveness of such rights, then each of the parties shall use its commercially reasonable efforts to resolve any such objections or suits so as to permit such rights to be effective; provided, however, that in no event shall either party be obligated to agree, as a condition for resolving any such matter, to dispose of or hold separate any of its properties or other assets, or the properties or other assets or to subject itself to any material restriction on the operation of its business.

(b) In the event that any administrative or judicial action or proceeding is instituted (or threatened to be instituted) by a Governmental Authority or private party challenging the Transactions, or any of the Transaction Documents, each of the parties shall cooperate fully with each other and use its commercially reasonable efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement.

Section 5.02. *Public Announcements*. Each of the parties shall consult with the other before issuing any press release or otherwise making any public statements (including scheduling a press conference or conference call with investors or analysts) with respect to this Agreement or Transactions and shall not issue any such press release or make any such public statement without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that a party may, without the prior consent of the other party, issue such press release or make such public statement as may be required by law or regulation, as required by the Bankruptcy Court or the applicable rules of the New York Stock Exchange (in the case of Investor) and the SEC.

Section 5.03. *Court Filings*. Not less than two (2) Business Days prior to filing any motion, pleading or order with the Bankruptcy Court relating to the Transactions, the Break-Up Fee Motion or the Plan, the Trustee shall furnish to Investor and counsel for Investor a copy thereof. The Trustee shall not permit the Plan to be amended without the express written consent of Investor (which consent shall not be unreasonably withheld, delayed or conditioned).

Section 5.04. *Administrative Expenses.* Reorganized SEBC shall make adequate reserves for and promptly pay when due all Administrative Expenses not paid by the Estate prior to the Closing.

Section 5.05. *Reimbursement for Expenses.* SEBC understands and acknowledges that Investor and the Trustee have incurred expenses on behalf of SEBC in connection with the Transactions contemplated by this Agreement. Reorganized SEBC shall (i) reimburse Investor for legal expenses in an aggregate amount not to exceed $900,000 and (ii) pay to the Disbursing Agent (as defined in the Plan) other expenses in an aggregate amount not to exceed $300,000. The aggregate amount of such expenses shall be paid in four quarterly installments of $300,000 for a period of one year after the Closing Date on a Quarterly Dividend Payment Date (as defined in the Articles of Incorporation), commencing on the first Quarterly Dividend Payment Date after the Closing Date, the first such installment to be paid to the Disbursing Agent and the subsequent installments to be paid to Investor.

Section 5.06. *Limitations on Series K Holders.* The Trustee shall issue Series K Junior Preferred Stock (i) in satisfaction of claims only to those creditors of the Estate that have furnished a completed questionnaire representing to their status as an institutional "**accredited investor**" as defined in paragraphs (1), (2), (3) and (7) of Rule 501(a) of Regulation D under the Securities Act, and(ii) subject to such other terms, conditions, limitations and restrictions as may be set forth in the Plan.

Section 5.07. *Purchase of Securities.* Investor shall purchase, pursuant to the Securities Purchase Agreement and in accordance with the Plan, not less than an aggregate of $6,500,000 face amount of senior preferred units of SEBC Holdings, LP and Series K Junior Preferred Stock.

ARTICLE 6

MISCELLANEOUS

Section 6.01. *Notices.*

(a) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Trustee, to him at J Beck & Associates, Inc., 595 South Federal Highway, Suite 600, Boca Raton, Florida 33432, Attention of Jeffrey H. Beck, Trustee (Telecopy No. 561-948-4796);

(ii) if to Reorganized SEBC, to it at such address to be provided at or prior to the Closing, with a copy to Servicer; and

(iii) if to Investor, to it at 4 World Financial Center, New York, New York 10080, Attention of Officers of Modena 2004-1 LLC (Telecopy No. 212-738-1306).

(b) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Section 6.02. *Severability*. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect.

Section 6.03. *Counterparts; Integration*. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. This Agreement and the Transaction Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be as effective as delivery of a manually executed counterpart of this Agreement.

Section 6.04. *Representations, Warranties and Agreements to Survive Delivery*. The respective representations, warranties and agreements of the parties contained in this Agreement or made by or on behalf of the parties pursuant to this Agreement or any certificate delivered pursuant hereto shall remain operative and in full force and effect until the third anniversary of the Closing Date other than the representations and warranties made in Section 4.01(k), Section 4.01(l) and Section 4.01(m), which shall survive until the expiration of the applicable statute of limitations.

Section 6.05. *Governing Law; Jurisdiction; Consent to Service of Process*.

(a) This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

(b) Until the Closing is consummated, each party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Bankruptcy Court and, after such consummation, subject to any retained jurisdiction of the Bankruptcy Court, each of Reorganized SEBC and Investor hereby submits, for itself and its property, to the non-exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York and, in all cases, any appellate court from any of such courts, in any action or proceeding arising out of or relating to this Agreement or any Transaction Document, or for recognition or enforcement of any judgment, and each of the Trustee, Reorganized SEBC and Investor hereby irrevocably and unconditionally

agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each of the Trustee, Reorganized SEBC and Investor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the Trustee, Reorganized SEBC and Investor hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court referred to in paragraph (b) of this Section.

(d) Each of the Trustee, Reorganized SEBC and Investor irrevocably consents to service of process in the manner provided for notices in Section 6.01. Nothing in this Agreement will affect the right of any of them to serve process in any other manner permitted by law.

Section 6.06. *Waiver of Jury Trial.* **EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

Section 6.07. *Waivers; Amendments.*

(a) No failure or delay by the Trustee, Reorganized SEBC or Investor in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Trustee, Reorganized SEBC and Investor hereunder are cumulative and are not exclusive of any rights or remedies that it would otherwise have. No waiver of any provision of this Agreement or any Transaction Document or consent to any departure by a SEBC Entity or Investor therefrom shall in any event be effective unless the same shall

be permitted by subsection (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(b) No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by the Trustee (before Closing) or Reorganized SEBC (after Closing) and Investor, and, if such amendment is material, approved by the Bankruptcy Court.

Section 6.08. *Successors and Assigns; Third Party Beneficiaries*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto (including, after the Closing Date, Reorganized SEBC, which shall be deemed upon the Closing Date to be a party hereto as if it had executed this Agreement in its own capacity) and their respective successors and assigns permitted hereby, except that: (i) the Trustee may not assign or otherwise transfer any of his rights or obligations hereunder without the prior written consent of Investor, such consent not to be unreasonably withheld; (ii) prior to the Closing, Investor may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Trustee, such consent not to be unreasonably withheld; provided, however, that the Trustee's consent shall not be required if the assignee or transferee is an Affiliate of Investor and Investor provides to the Trustee not less than five (5) Business Days' notice of such assignment or transfer; and (iii) after the Closing, Investor may only assign its rights and obligations hereunder to the extent the assignee is simultaneously acquiring Series A Senior Preferred Stock, Series B Senior Preferred Stock, Series J Junior Preferred Stock or Common Stock in a transaction not prohibited by the Articles of Incorporation. Any attempted assignment or transfer not in compliance with this Section 6.08 shall be null and void. Any assignment or transfer by Investor shall not relieve Investor of its obligations hereunder. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, each Related Party of each of the foregoing) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 6.09. *Headings*. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 6.10. *USA Patriot Act*. Investor, to the extent that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001)) (the "**Patriot Act**"), hereby notifies each SEBC Entity that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies such SEBC Entity, which information includes the name and address of such SEBC Entity and other information that will allow Investor to identify such SEBC Entity in accordance with the Patriot Act.

Section 6.11. *No Recourse*. No past, present or future trustee (including the Trustee), director, officer, employee, incorporator, member, partner, stockholder, affiliate, agent, attorney or representative of any SEBC Entity shall have any liability for any obligations or liabilities of the Trustee, SEBC, or Reorganized SEBC under this Agreement of or for any claim based on, in respect of, or by reason of, this Agreement or the Transactions.

Section 6.12. *Termination*. This Agreement may be terminated and the Transactions may be abandoned:

(a) at any time before the conclusion of the Confirmation Hearing, by mutual written agreement of the Trustee and Investor;

(b) by either the Trustee or Investor:

(i) if any court of competent jurisdiction or any Governmental Authority shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Transactions as a matter of law; or

(ii) if the Confirmation Order is not entered on or before March 16, 2009, unless the failure of the Confirmation Order to be entered is the result of a material breach of this Agreement by the party seeking to terminate this Agreement;

(c) by Investor, if the Trustee breaches any of his representations or warranties herein or fails to perform any of his covenants, agreements or obligations under this Agreement such that, in any such case, the conditions precedent set forth in Section 3.02(d)(i) and Section 3.02(d)(ii) would not be satisfied, which breach has not been cured by the sooner of the 30th day following receipt by the Trustee of notice of breach or by the date specified in Section 6.12(b)(ii);

(d) by the Trustee, if:

(i) Investor breaches any of its representations or warranties herein or fails to perform any of its covenants, agreements or obligations under this Agreement such that, in any such case, the conditions precedent set forth in Section 3.01(c)(i) and Section 3.01(c)(ii) would not be satisfied, which breach has not been cured by the sooner of the 30th day following receipt by Investor of notice of breach or by the date specified in Section 6.12(b)(ii); or

(ii) prior to Confirmation, the Trustee determines, upon the advice of counsel, that a failure to terminate this Agreement would be inconsistent with his fiduciary duty owed to the Estate and the parties in interest in the Case;

(e) notwithstanding anything in the foregoing provisions of this Section 6.12 to the contrary, by Investor in its sole and absolute discretion by notice to the Trustee, upon any event, change, circumstance or effect relating (i) to the United States economy in general and to Investor, (ii) in general to the capital markets in the United States, (iii) to a general moratorium on commercial banking activities that shall have been declared by U.S. federal or New York State authorities, or (iv) to any outbreak or escalation of hostilities or act of terrorism involving the United States or any declaration of war by the United States, in each case that, in the judgment of Investor, is material and adverse and makes it impracticable or inadvisable to proceed with the Transactions on the terms and in the manner contemplated by this Agreement and the Plan, and such termination shall be deemed to cure any breach or failure to perform by Investor specified in Section 6.12(d)(i) hereof; or

(f) notwithstanding anything in the foregoing provisions of this Section 6.12 to the contrary, by Investor in its sole and absolute discretion by notice to the Trustee for any reason, or for no reason at all, without any liability whatsoever of any party to any other party under this Agreement, and such termination shall be deemed to cure any breach or failure to perform by Investor specified in Section 6.12(d)(i) hereof.

Section 6.13. *Effect of Termination.* If this Agreement is so terminated and the Transactions are not consummated, this Agreement shall forthwith become void and shall have no further force or effect other than the provisions of Section 6.01, Section 6.05, Section 6.06, Section 6.09, Section 6.11, Section 6.12, Section 6.13, Section 6.15, Section 6.16 and Section 6.17; provided that nothing contained in this Section 6.13 shall relieve any party from liability for any material breach of any representation, warranty, covenant or agreement contained in this Agreement.

Section 6.14. *Approval of Break-Up Fee.* The Trustee and Investor each acknowledges and agrees that the other has expended considerable time and expense in connection with the structuring, drafting, and negotiation of this Agreement and the Transactions. In consideration therefor, contemporaneously with the filing of the Plan and the Disclosure Statement with the Bankruptcy Court, the Trustee shall file with and seek the approval of the Bankruptcy Court of the Break-Up Fee Motion on an expedited basis. The Break-Up Fee Motion will request entry by the Bankruptcy Court of the Break-Up Fee Order, which will approve and authorize the payment of the Break-Up Fee upon the occurrence of the conditions set forth in Section 6.15 hereof, and will deem the Break-Up Fee as administrative priority expenses of the Estate under Sections 503(b) and 507(a)(1) of the Bankruptcy Code.

Section 6.15. *Payment of Break-Up Fee.* SEBC shall pay to Investor, as liquidated damages and not as a penalty and as the sole and exclusive remedy, the Break-Up Fee in immediately available funds on the first (1st) Business Day after the earliest to occur of any of the following events:

(a) the Bankruptcy Court confirms prior to the first anniversary of the date of this Agreement a plan of reorganization with respect to SEBC that provides for the implementation of an Alternative Transaction;

(b) to the extent SEBC is no longer under the jurisdiction of the Bankruptcy Court (whether as a result of the dismissal of the Case or the consummation of a plan of reorganization with respect to SEBC), SEBC or SEBC as reorganized under a plan consummates an Alternative Transaction prior to the first anniversary of the date of this Agreement;

(c) the Trustee terminates this Agreement pursuant to Section 6.12(d)(ii) and an Alternative Transaction is consummated prior to the first anniversary of this Agreement; or

(d) the Trustee terminates this Agreement pursuant to Section 6.12(b)(ii) if the failure of the Confirmation Order to be entered is not the result of a material breach of this Agreement by Investor and an Alternative Transaction is consummated prior to the first anniversary of this Agreement;

provided, however, that notwithstanding the foregoing, and for the avoidance of doubt, no Break-Up Fee will be payable if this Agreement shall have been terminated (x) pursuant to (A) Section 6.12(a), (B) Section 6.12(b)(i), (C) Section 6.12(b)(ii) if the failure of the Confirmation Order to be entered is the result of a material breach by Investor of this Agreement, (D) Section 6.12(d)(i), (E) Section 6.12(e) or (F) Section 6.12(f), or (y) by Investor pursuant to Section 6.12(b)(ii) if the failure of the Confirmation Order to be entered is not the result of a material breach of this Agreement by the Trustee.

Section 6.16. *Payment of SEBC Break-Up Fee.* Investor shall pay to the Estate the SEBC Break-Up Fee in immediately available funds, as liquidated damages and not as a penalty and as the sole and exclusive remedy, on the first (1st) Business Day after the termination of this Agreement by the Trustee pursuant to Section 6.12(d)(i).

Section 6.17. *Repayment of Reimbursement Fee.* If this Agreement is terminated pursuant to Section 6.12(a), Section 6.12(b)(i), Section 6.12(b)(ii), Section 6.12(c), Section 6.12(d)(i) (provided that the SEBC Break-Up Fee shall have been or is simultaneously paid to the Estate) or Section 6.12(d)(ii), then on the first (1st) Business Day following such termination, the Estate shall repay the Reimbursement Fee to Investor, as liquidated damages and not as a penalty and as the sole and exclusive remedy, in immediately available funds.

Section 6.18. *Reasonable Efforts.* Upon the terms and subject to the conditions set forth in this Agreement, each of the Trustee, Investor and Reorganized SEBC agrees to use his or its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to fulfill all conditions applicable to such party pursuant to

this Agreement and to consummate and make effective, in the most expeditious manner practicable, the Transactions; provided, however, that nothing contained in this Agreement shall obligate the Trustee to take any action which if taken, or prohibit the Trustee from taking any action which if not taken, would be inconsistent with the exercise of the Trustee's fiduciary duty owed to the Estate and the parties in interest in the Case, all as determined by the Trustee, upon the advice of counsel.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized signatories as of the day and year first above written.

Jeffrey H. Beck, as Chapter 11 Trustee for the Estate of Southeast Banking Corporation, Debtor

By:
Name: Jeff H Beck, Trustee
Title: Trustee

MODENA 2004-1 LLC

By:
Name:
Title:

Disclosure Schedules

Capitalized terms used but not defined in these Disclosure Schedules shall have the same respective meanings as set forth in the Master Subscription Agreement to which these Disclosure Schedules are attached.

Schedule 4.01(a)

Organization of SEBC Entities

None.

Schedule 4.01(e)

Material Litigation

SEBC and its Subsidiaries, including the SEBC Entities, are the subject of the Chapter 11 bankruptcy case *In re Southeast Banking Corporation, Debtor*, pending in the United States Bankruptcy Court for the Southern District of Florida, West Palm Beach Division, Case No. 91-14561-BKC-PGH.

Southeast Bank, N.A., a wholly owned subsidiary of SEBC but not one of the SEBC Entities, is in receivership (the "Receivership") in the United States District Court for the Southern District of Florida. An action has been commenced by Jeffery H. Beck, in his capacity as the Successor Agent for the Receivership, docketed on August 13, 2008 in the United States District Court for the Southern District of Florida as Case No. 08-22286-CIV-COOKE, to terminate the Receivership. A final order was entered in this matter on October 31, 2008; however, an appeal of such order may be filed until November 30, 2008.

Schedule 4.01(f)

Environmental Matters

None.

Schedule 4.01(h)

Subsidiaries

1. SEBC is the subject of the Chapter 11 bankruptcy case *In re Southeast Banking Corporation, Debtor*, pending in the United States Bankruptcy Court for the Southern District of Florida, West Palm Beach Division, Case No. 91-14561-BKC-PGH. Although an indeterminate number of persons hold interests in SEBC, as of the Closing, SEBC is administered by the Chapter 11 Trustee (the "Trustee") for the bankruptcy estate of SEBC. Upon consummation of the Transactions, SEBC will be Reorganized SEBC.

2. Southeast Properties, Inc., a Florida corporation, is a wholly owned subsidiary of SEBC and, as such, is administered by the Trustee. Immediately prior to the Closing, Southeast Properties, Inc. will be converted into a limited liability company and transferred to SEBC Holdings, LP.

3. SWQ Holdings, Inc., a Florida corporation, is a wholly owned subsidiary of SEBC and, as such, is administered by the Trustee. Immediately prior to the Closing, SWQ Holdings, Inc. will be converted into a limited liability company and transferred to SEBC Holdings, LP.

4. First Pioneer Corporation, a Florida corporation, is a wholly owned subsidiary of SEBC and, as such, is administered by the Trustee. Immediately prior to the Closing, First Pioneer Corporation will be converted into a limited liability company and transferred to SEBC Holdings, LP.

5. Second Pioneer Corporation, a Florida corporation, is a wholly owned subsidiary of First Pioneer Corporation, a Florida corporation, which is a wholly owned subsidiary of SEBC. As such, Second Pioneer Corporation is administered by the Trustee. Immediately prior to the Closing, Second Pioneer Corporation will be converted into a limited liability company and transferred to SEBC Holdings, LP.

Schedule 4.01(k)(i)

Delinquent Tax Returns/Payments

None.

Schedule 4.01(k)(ii)

Tax Proceedings

None.

Schedule 4.01(l)(ii)

NOL Carryovers

Expiration Date	NOL Carryovers[1]
December 31, 2009	61,000,000
December 31, 2010	370,000,000
December 31, 2011	27,700,000
December 31, 2012	0
December 31, 2013	0
December 31, 2014	0
December 31, 2015	0
After December 31, 2018	120,000,000

[1] The NOLs are shown without reduction for any income earned after 2007.

Exhibit A to
Master Subscription Agreement

FORM OF ARTICLES OF INCORPORATION

SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

SEBC FINANCIAL CORPORATION
(formerly known as Southeast Banking Corporation)

Capitalized terms used but not defined herein shall have the respective meanings set forth in Exhibit A attached hereto.

ARTICLE I
NAME

The name of the corporation is hereby changed from Southeast Banking Corporation to SEBC Financial Corporation (the "Corporation").

ARTICLE II
PRINCIPAL OFFICE

The Corporation's mailing address and the address of the Corporation's principal office is _____.[1]

ARTICLE III
EXISTENCE

The Corporation is to have perpetual existence.

ARTICLE IV
PURPOSE

The Corporation may engage in any or all lawful activities or business permitted by a corporation under the laws of the State of Florida; provided, however, that so long as any shares of Series A Senior Preferred Stock, Series B Senior Preferred Stock, Series J Junior Preferred Stock or Series K Junior Preferred Stock (each as defined below) remain outstanding, the Corporation's activities and business shall be subject to the limitations set forth by the terms thereof.

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[1] To be determined prior to the filing of the Articles of Incorporation with the Secretary of State.

ARTICLE V
REGISTERED AGENT

The street address of the Corporation's registered office and the name of the registered agent at such office are:

_____

_____[2]

_____

ARTICLE VI
CAPITAL STOCK

Each issued share of Common Stock, par value $5.00 per share of the Corporation (the "Old Common Stock"), outstanding on the date immediately preceding the date of the filing of these Second Amended and Restated Articles of Incorporation (inclusive of the exhibits hereto, these "Articles of Incorporation") shall, upon such filing, be hereby deemed to be contributed to SEBC Holdings, LP, a Delaware limited partnership ("SEBC Holdings"), in exchange for (the "Common Stock Exchange") the right to receive one Common Unit (as defined in the Limited Partnership Agreement of SEBC Holdings (the "SEBC Holdings Agreement")), issued by SEBC Holdings, all in accordance with the Plan of Reorganization of Southeast Banking Corporation (the "Plan"). Effective upon the Common Stock Exchange, each share of Old Common Stock and each certificate theretofore representing shares of Old Common Stock (an "Old Common Certificate") shall be deemed cancelled and shall no longer represent any interest in the capital stock of the Corporation, and such certificates shall represent only the right to receive a new certificate representing the number of Common Units for which the Old Common Stock previously represented by the Old Common Certificate shall have been exchanged in accordance herewith and with the Plan.

Each issued share of Adjustable Rate Cumulative Preferred Stock, Series A, stated value $50.00 per share of the Corporation (the "Series A Preferred Stock"), outstanding on the date immediately preceding the date of the filing of these Articles of Incorporation shall, upon such filing, be hereby deemed to be contributed to SEBC Holdings in exchange for (the "Series A Exchange") _____[3] Junior Preferred Units (as defined in the SEBC Holdings Agreement), issued by SEBC Holdings, all in accordance with the Plan. Effective upon the Series A Exchange, each share of Series A Preferred Stock and each certificate theretofore representing shares of Series A Preferred Stock (a "Series A Certificate") shall be deemed cancelled and shall no longer represent any interest in the capital stock of the Corporation, and such certificates shall represent only the right to receive a new certificate representing the number of Junior Preferred Units for which the Series A Preferred Stock previously represented by the Series A Certificate shall have been exchanged in accordance herewith and with the Plan.

Each issued share of 8.75% Cumulative Convertible Preferred Stock, Series E, stated value $100.00 per share of the Corporation (the "Series E Preferred Stock"), outstanding on the date immediately preceding the date of the filing of these Articles of Incorporation shall, upon

[2] To be determined prior to the filing of the Articles of Incorporation with the Secretary of State.
[3] To be determined prior to the filing of the Articles of Incorporation with the Secretary of State.

such filing, be hereby deemed to be contributed to SEBC Holdings in exchange for (the "Series E Exchange") _____[4] Junior Preferred Units issued by SEBC Holdings, all in accordance with the Plan. Effective upon the Series E Exchange, each share of Series E Preferred Stock and each certificate theretofore representing shares of Series E Preferred Stock (a "Series E Certificate") shall be deemed cancelled and shall no longer represent any interest in the capital stock of the Corporation, and such certificates shall represent only the right to receive a new certificate representing the number of Junior Preferred Units for which the Series E Preferred Stock previously represented by the Series E Certificate shall have been exchanged in accordance herewith and with the Plan.

Each Holder of an Old Common Certificate, a Series A Certificate or a Series E Certificate (collectively, an "Old Certificate") may receive a new certificate representing the appropriate number of Common Units or Junior Preferred Units, as applicable, upon submission of such Old Certificate (or, with respect to a lost or destroyed Old Certificate, upon provision of such materials as may be required by the Corporation's Bylaws or pursuant to the Plan) to the Corporation or its duly appointed transfer agent or any applicable disbursement agent under the Plan, free of charge other than the payment of any transfer taxes that may be applicable by law.

After giving effect to such exchanges, the aggregate number of shares of all classes or series of capital stock which this Corporation shall have authority to issue is _____, consisting of (i) _____ shares of Class A Common Stock, par value $0.001 per share (the "Class A Common Stock"), (ii) _____ shares of Class B Common Stock, par value $0.001 per share (the "Class B Common Stock"), (iii) _____ shares of Class C Common Stock, par value $0.001 per share (the "Class C Common Stock" and, together with the Class A Common Stock and Class B Common Stock, the "Common Stock") and (iv) _____ shares of preferred stock, par value $0.001 per share (the "Preferred Stock"), of which _____ shares shall be designated "Series A Senior Preferred Stock" and shall have the terms set forth in Exhibit B hereto (the "Series A Senior Preferred Stock"), _____ shares shall be designated "Series B Senior Preferred Stock" and shall have the terms set forth in Exhibit C hereto (the "Series B Senior Preferred Stock"), _____ shares shall be designated "Series J Junior Preferred Stock" and shall have the terms set forth in Exhibit D hereto (the "Series J Junior Preferred Stock") and _____ shares shall be designated "Series K Junior Preferred Stock" and shall have the terms set forth in Exhibit E hereto (the "Series K Junior Preferred Stock").[5]

Following the initial issuance of the Common Stock and until the Restriction Release Date (as defined in Part C below), the Corporation shall not issue, redeem, purchase, reclassify, amend or in any way otherwise modify any shares of the Corporation's capital stock (any such event, a "Capital Stock Event") unless it shall have received a written opinion from a law firm of national standing (a "Favorable Opinion"), to the effect that such Capital Stock Event shall not adversely affect, for federal income tax purposes, the availability of the Corporation's net operating loss carryovers (within the meaning of Section 172 of the Internal Revenue Code of 1986, as amended) that were available immediately prior to such Capital Stock Event; provided, however, that no Favorable Opinion shall be required in connection with a redemption of the Series A Senior Preferred Stock, Series B Senior Preferred Stock, Series J Junior Preferred Stock

[4] To be determined prior to the filing of the Articles of Incorporation with the Secretary of State.
[5] Share amounts to be determined prior to the filing of the Articles of Incorporation with the Secretary of State.

or Series K Junior Preferred Stock (together with any associated Common Stock being contemporaneously redeemed) in accordance with their respective terms (any such redemption, a "Permitted Redemption").

The designations and the preferences, limitations and relative rights of the Preferred Stock and the Common Stock of the Corporation are as follows:

A. General Provisions Relating to the Preferred Stock.

1. In addition to the Series A Senior Preferred Stock, the Series B Senior Preferred Stock, the Series J Junior Preferred Stock and the Series K Junior Preferred Stock, the balance of the authorized shares of Preferred Stock may be issued from time to time in one or more classes or series, the shares of each class or series to have such designations and powers, preferences and rights and qualifications, limitations and restrictions thereof as are stated and expressed herein and in the resolution or resolutions providing for the issue of such class or series adopted by the Board of Directors of the Corporation (the "Board") as hereinafter prescribed.

2. Subject to the rights of holders of outstanding shares of Preferred Stock and the other provisions of this Article VI, authority is hereby expressly granted to and vested in the Board to authorize the issuance of one or more additional classes or series of the Preferred Stock from time to time, to determine and take necessary proceedings fully to effect the issuance and redemption of any such Preferred Stock, and, with respect to each additional class or series of the Preferred Stock, to fix and state by the resolution or resolutions from time to time adopted providing for the issuance thereof the following:

(a) whether or not the class or series is to have voting rights, full or limited, or is to be without voting rights;

(b) the number of shares to constitute the class or series and the designations thereof;

(c) the preferences and relative, participating, optional or other special rights, if any, and the qualifications, limitations or restrictions thereof, if any, with respect to any class or series;

(d) whether or not the shares of any class or series shall be redeemable and if redeemable the redemption price or prices, and the time or times at which and the terms and conditions upon which such shares shall be redeemable and the manner of redemption;

(e) whether or not the shares of a class or series shall be subject to the operation of retirement or sinking funds to be applied to the purchase or redemption of such shares for retirement, and if such retirement or sinking fund or funds be established, the annual amount thereof and the terms and provisions relative to the operation thereof;

(f) the dividend rate, whether dividends are payable in cash, stock of the Corporation, or other property, the conditions upon which and the times when such

dividends are payable, the preference to or the relation to the payment of the dividends payable on any other class or classes or series of stock, whether or not such dividend shall be cumulative or noncumulative, and if cumulative, the date or dates from which such dividends shall accumulate;

(g) the preferences, if any, and the amounts thereof which the holders of any class or series thereof shall be entitled to receive upon the voluntary or involuntary dissolution of, or upon any distribution of the assets of, the Corporation;

(h) whether or not the shares of any class or series shall be convertible into, or exchangeable for, the shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation and the conversion price or prices or ratio or ratios or the rate or rates at which such conversion or exchange may be made, with such adjustments, if any, as shall be stated and expressed or provided for in such resolution or resolutions; and

(i) such other special rights and protective provisions with respect to any class or series as the Board may deem advisable.

The shares of each class or series of the Preferred Stock may vary from the shares of any other series thereof in any or all of the foregoing respects. Subject to any restrictions set forth in the terms of a class or series of the Preferred Stock or applicable law, the Board may increase the number of shares of the Preferred Stock designated for any existing class or series by a resolution adding to such class or series authorized and unissued shares of the Preferred Stock not designated for any other class or series. Subject to any restrictions set forth in the terms of a class or series of the Preferred Stock or applicable law, the Board may decrease the number of shares of the Preferred Stock designated for any existing class or series by a resolution, subtracting from such series unissued shares of the Preferred Stock designated for such class or series, and the shares so subtracted shall become authorized, unissued and undesignated shares of the Preferred Stock.

B. Provisions Relating to the Common Stock.

1. Except as otherwise required by law, these Articles of Incorporation or as may be provided by the resolutions of the Board authorizing the issuance of any class or series of Preferred Stock, as hereinabove provided, all rights to vote and all voting power shall be vested exclusively in the holders of the Common Stock. At every meeting of the shareholders, every holder of Common Stock shall be entitled to one (1) vote in person or by proxy for each share of Common Stock outstanding in the name of such holder on the transfer books of the Corporation irrespective of the class of such Common Stock. Except as otherwise provided in these Articles of Incorporation or as required by law, the holders of Class A Common Stock, Class B Common Stock and Class C Common Stock shall vote together as a single class.

2. Subject to the rights of the holders of the Preferred Stock, the holders of the Common Stock shall be entitled to receive when, as and if declared by the Board, out of funds legally available therefor, dividends payable in cash, stock or otherwise, provided that no cash dividend shall be declared and paid on any class of Common Stock unless a cash dividend

in an equal per share amount is simultaneously declared and paid on the other classes of Common Stock. In the case of dividends or other distributions payable in stock of the Corporation, including distributions pursuant to stock splits or divisions of stock of the Corporation which occur after the initial issuance of shares of Class A Common Stock, Class B Common Stock and Class C Common Stock by the Corporation, such distributions or divisions shall be in the same proportion with respect to each class of Common Stock, but only shares of Class A Common Stock shall be distributed with respect to Class A Common Stock, only shares of Class B Common Stock shall be distributed with respect to Class B Common Stock and only shares of Class C Common Stock shall be distributed with respect to Class C Common Stock. In the case of any combination or reclassification of any class of Common Stock, the shares of the other classes of Common Stock shall also be combined or reclassified so that the relationship among the number of shares of Class A Common Stock, Class B Common Stock and Class C Common Stock outstanding immediately following such combination or reclassification shall be the same as the relationship among the Class A Common Stock, the Class B Common Stock and the Class C Common Stock immediately prior to such combination or reclassification.

3. Upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, and after the holders of the Preferred Stock shall have been paid in full the amounts to which they shall be entitled (if any) or a sum sufficient for such payment in full shall have been set aside, the remaining net assets of the Corporation shall be distributed pro rata to the holders of the Common Stock in accordance with their respective rights and interests to the exclusion of the holders of the Preferred Stock.

C. Restrictions On Transfer.

It is of fundamental importance to the financial success of the Corporation that certain tax attributes of the Corporation be preserved until the Restriction Release Date (as defined below). Accordingly, it is essential to, and in the best interests of, the shareholders of the Corporation that certain restrictions on the transfer or other disposition of shares of Common Stock be established as more fully set forth in this Part C of this Article VI.

1. Definitions. As used in this Part C of Article VI, the following capitalized terms shall have the following respective meanings (and any references to any portions of Treasury Regulation Section 1.382-2T shall include any successor provisions):

"Acquire" means the acquisition, directly or indirectly, of ownership of Corporation Securities by any means, including, without limitation, (i) the exercise of any rights under any option, warrant, convertible security, pledge or other security interest or similar right to acquire shares, (ii) the entering into of any swap, hedge or other arrangement that results in the acquisition of any of the economic consequences of ownership of Corporation Securities, or (iii) any other acquisition or transaction treated under the applicable rules under section 382 of the Code (as defined below) as a direct or indirect acquisition (including the acquisition of an ownership interest in a Substantial Holder), but shall not include the acquisition of any such rights unless, as a result, the acquiror would be considered an owner within the meaning of the tax laws. The terms "Acquires" and "Acquisition" shall have the same meaning.

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

"Corporation Securities" means (i) shares of Common Stock, (ii) any other interests that would be treated as "stock" of the Corporation pursuant to Treasury Regulation Section 1.382-2T(f)(18), and (iii) warrants, rights or options (including within the meaning of Treasury Regulation Section 1.382-4(d)(8)) to purchase Corporation Securities, but only to the extent such warrants, rights or options are treated as exercised pursuant to Treasury Regulation Section 1.382-4(d).

"Disposition" means, with respect to any Person other than the Corporation, the sale, transfer, exchange, assignment, liquidation, conveyance, pledge, or other disposition or transaction treated under the applicable rules under Section 382 of the Code as a direct or indirect disposition (including the disposition of an ownership interest in a Substantial Holder). A "Disposition" also shall include the creation or grant of an option (including an option within the meaning of Treasury Regulation Section 1.382-4(d)(9)) that is treated as exercised under Treasury Regulation Section 1.382-4.

"Effective Date" means the date of filing of these Articles of Incorporation.

"Institutional Shareholders" means Modena 2004-1 LLC and any of its successors or transferees.

"Percentage Stock Ownership" means percentage stock ownership as determined in accordance with Treasury Regulation Section 1.382-2T(g), (h) (without regard to the rule that treats stock of an entity as to which the constructive ownership rules apply as no longer owned by that entity), (j) and (k).

"Person" means an individual, corporation, estate, trust, association, limited liability company, partnership, joint venture or similar organization or "entity" within the meaning of Treasury Regulation Section 1.382-3 (including, without limitation, any group of Persons treated as a single entity under such regulation).

"Prohibited Transfer" means any purported Transfer of Corporation Securities to the extent that such Transfer is prohibited and/or void under this Part C of Article VI.

"Restriction Release Date" means any date selected by the Board after the redemption of all outstanding shares of the Series A Senior Preferred Stock, the Series B Senior Preferred Stock and the Series J Junior Preferred Stock if the Board in good faith determines that it is in the best interests of the Corporation and its stockholders for the ownership and transfer limitations set forth in this Part C of Article VI to expire.

"Substantial Holder" means a Person (including, without limitation, any group of Persons treated as a single "entity" within the meaning of Treasury Regulation Section 1.382-3) holding Corporation Securities, whether as of the Effective Date, after giving effect to the Plan, or thereafter, representing a Percentage Stock Ownership (including indirect ownership, as determined under applicable Treasury Regulations) in the Corporation of at least 4.75%.

"Tax Benefits" means the net operating loss carryovers, capital loss carryovers, general business credit carryovers, alternative minimum tax credit carryovers and foreign tax

credit carryovers, as well as any "net unrealized built-in loss" within the meaning of Section 382 of the Code, of the Corporation or any direct or indirect subsidiary thereof.

"Transfer" means any direct or indirect Acquisition or Disposition of Corporation Securities.

"Treasury Regulation" means a Treasury regulation promulgated under the Code.

2. Ownership Limitations.

(a) From and after the Effective Date and prior to the Restriction Release Date, no Person shall be permitted to make a Transfer, whether in a single transaction or series of related transactions, and any such purported Transfer will be *void ab initio*, (i) to the extent that after giving effect to such purported Transfer (A) the purported transferee or a Person related to the purported transferee would become a Substantial Holder, or (B) the Percentage Stock Ownership of a Person that, prior to giving effect to the purported Transfer, is a Substantial Holder would be increased or (ii) if such Person is a Substantial Holder and at the time has a Percentage Stock Ownership in the Corporation of more than 4.75% (treating any transactions occurring on the same day as a single transaction). The prior sentence is not intended to prevent the Corporation Securities from being DTC-eligible and shall not preclude the settlement of any transactions in the Corporation Securities entered into through the facilities of a national securities exchange, but such transaction, if prohibited by the prior sentence, shall nonetheless be a Prohibited Transfer.

(b) The restrictions set forth in Section 2(a) of this Part C shall not apply to (i) a proposed Transfer if the transferor or the transferee, upon providing at least twenty (20) days' prior written notice of such proposed Transfer to the Board, obtains the unanimous written consent to the proposed Transfer from the Board or (ii) any proposed Transfer by the Institutional Shareholders to a Person whose Percentage Stock Ownership in the Corporation after the Transfer solely reflects Corporation Securities Acquired from the Institutional Shareholders. As a condition to granting its consent, the Board may, in its discretion, require and/or obtain (at the expense of the transferor and/or transferee) such representations from the transferor and/or transferee, such opinions of counsel to be rendered by counsel selected by the Board, and such other advice, in each case as to such matters as the Board determines is appropriate. In evaluating any request for consent to a proposed Transfer, the Board shall treat (and any opinion of counsel shall assume that) the Corporation Securities owned (directly or indirectly) by the Institutional Shareholders as having been Acquired during the relevant testing period and not as previously owned, so as to result in the maximum change in the Percentage Stock Ownership of the Corporation. Accordingly, the Board shall not approve any proposed Transfer(s) that, together with such change in the Institutional Shareholders' Percentage Stock Ownership in the Corporation, results in, or is reasonably likely to result in, an "ownership change" of the Corporation within the meaning of section 382 of the Code, or otherwise jeopardizes the tax attributes of the Corporation.

(c) Notwithstanding anything to the contrary herein, prior to the Restriction Release Date, SEBC Holdings shall not Transfer the Corporation Securities owned by it. Accordingly, prior to the Restriction Release Date, SEBC Holdings shall not issue any security,

equity interest or other type of interest if the issuance of such interest would represent a change in the Percentage Stock Ownership of the Corporation Securities owned by SEBC Holdings.

3. Treatment of Excess Securities.

(a) No employee or agent of the Corporation shall record any Prohibited Transfer, and the purported transferee of a Prohibited Transfer (the "Purported Transferee") shall not be recognized as a stockholder of the Corporation for any purpose whatsoever in respect of the Corporation Securities which are the subject of the Prohibited Transfer (the "Excess Securities"). Until the Excess Securities are acquired by another Person in a Transfer that is not a Prohibited Transfer, the Purported Transferee shall not be entitled with respect to such Excess Securities to any rights of stockholders of the Corporation, including, without limitation, the right to vote such Excess Securities and to receive dividends or distributions, whether liquidating or otherwise, in respect thereof. Once the Excess Securities have been acquired in a Transfer that is in accordance with this Section 3 of this Part C and is not a Prohibited Transfer, such Corporation Securities shall cease to be Excess Securities.

(b) If the Board determines that a Prohibited Transfer has been recorded by an agent or employee of the Corporation, such recording and the Prohibited Transfer shall be void *ab initio* and have no legal effect and, upon written demand by the Corporation, the Purported Transferee shall transfer or cause to be transferred any certificate or other evidence of ownership of the Excess Securities within the Purported Transferee's possession or control, together with any dividends or other distributions that were received by the Purported Transferee from the Corporation with respect to the Excess Securities (the "Prohibited Distributions"), to an agent designated by the Board (the "Agent").

(A) In the case of a Prohibited Transfer described in Section 2(a)(i) of this Part C, the Agent shall thereupon sell to a buyer or buyers the Excess Securities transferred to it in one or more arm's-length transactions (including over a national securities exchange on which the Corporation Securities may be traded, if possible); provided, however, that the Agent, in its sole discretion, shall effect such sale or sales in an orderly fashion and shall not be required to effect any such sale within any specific time frame if, in the Agent's discretion, such sale or sales would disrupt the market for the Corporation Securities or otherwise would adversely affect the value of the Corporation Securities. If the Purported Transferee has resold the Excess Securities before receiving the Corporation's demand to surrender the Excess Securities to the Agent, the Purported Transferee shall be deemed to have sold the Excess Securities for the Agent, and shall be required to transfer to the Agent any Prohibited Distributions and proceeds of such sale, except to the extent that the Corporation grants written permission to the Purported Transferee to retain a portion of such sales proceeds not exceeding the amount that the Purported Transferee would have received from the Agent pursuant to Section 3(c) of this Part C if the Agent, rather than the Purported Transferee, had resold the Excess Securities; or

(B) In the case of a Prohibited Transfer described in Section 2(a)(ii) of this Part C, the transferor of such Prohibited Transfer (the "Purported Transferor") shall also deliver to the Agent the sales proceeds from the Prohibited Transfer (in the form

received, i.e., whether in cash or other property), and the Agent shall thereupon sell any non-cash consideration to a buyer or buyers in one or more arm's-length transactions (including over a national securities exchange, if possible). If the Purported Transferor is determinable (other than with respect to a market maker-executed transaction entered into through the facilities of a national securities exchange), the Agent shall, to the extent possible, return any net Prohibited Distributions to the Purported Transferor. If the Purported Transferor is not determinable, or to the extent the Excess Securities have been resold and thus cannot be returned to the Purported Transferor, the Agent shall distribute the proceeds as provided as in accordance with Section 3(c) hereof.

(c) The Agent shall apply any proceeds or any other amounts received by it by and in accordance with Section 3 of this Part C as follows:

(A) *first*, such amounts shall be paid to the Agent to the extent necessary to cover its costs and expenses incurred in connection with its duties hereunder;

(B) *second*, any remaining amounts shall be paid to the Purported Transferee, up to the amount paid by the Purported Transferee for the Excess Securities (or in the case of any Prohibited Transfer by gift, devise or inheritance or any other Prohibited Transfer without consideration, the fair market value, (1) calculated on the basis of the closing market price for the Corporation Securities on the day before the Prohibited Transfer, or (2) if the Corporation Securities are not listed or admitted to trading on any stock exchange but are traded in the over-the-counter market, calculated based upon the difference between the highest bid and lowest asked prices, as such prices are reported by the National Association of Securities Dealers through its NASDAQ system or any successor system on the day before the Prohibited Transfer or, if none, on the last preceding day for which such quotations exist, or (3) if the Corporation Securities are neither listed nor admitted to trading on any stock exchange nor traded in the over-the counter market, then as determined in good faith by the Board, which amount (or fair market value) shall be determined at the discretion of the Board); and

(C) *third*, any remaining amounts, subject to the limitations imposed by the following proviso, shall be paid to one or more organizations qualifying under Section 501(c)(3) of the Code (or any comparable successor provision) ("Section 501(c)(3)") selected by the Board; provided, however, that if the Excess Securities (including any Excess Securities arising from a previous Prohibited Transfer not sold by the Agent in a prior sale or sales) represent a 4.75% or greater Percentage Stock Ownership interest in the Corporation, then such remaining amounts shall be paid to two or more organizations qualifying under Section 501(c)(3) selected by the Board such that no organization qualifying under Section 501(c)(3) of the Code shall possess Percentage Stock Ownership in the Corporation in excess of 4.74%.

The recourse of any Purported Transferee in respect of any Prohibited Transfer shall be limited to the amount payable to the Purported Transferee pursuant to clause (B) above. Except as may be required by law, in no event shall the proceeds of any sale of Excess Securities pursuant to this Part C inure to the benefit of the Corporation.

(d) If the Purported Transferee or the Purported Transferor fails to surrender the Excess Securities (as applicable) or the proceeds of a sale thereof to the Agent within thirty (30) days from the date on which the Corporation makes a demand pursuant to Section (3)(b) of this Part C, then the Corporation shall use its best efforts to enforce the provisions hereof, including the institution of legal proceedings to compel the surrender.

4. Bylaws; Legends; Compliance.

(a) The Bylaws may make appropriate provisions to effectuate the requirements of this Part C.

(b) Until the Restriction Release Date, all certificates representing Corporation Securities issued after the filing of these Articles of Incorporation shall bear a conspicuous legend as follows:

> THE TRANSFER OF THE SECURITIES REPRESENTED HEREBY IS SUBJECT TO OWNERSHIP RESTRICTIONS PURSUANT TO THE SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION OF SEBC FINANCIAL CORPORATION. THE CORPORATION WILL FURNISH A COPY OF ITS SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION TO THE HOLDER OF RECORD OF THIS CERTIFICATE WITHOUT CHARGE UPON A WRITTEN REQUEST ADDRESSED TO THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS.

(c) The Corporation shall have the power to make appropriate notations upon its stock transfer records and instruct any transfer agent, registrar, securities intermediary or depository with respect to the requirements of this Part C for any uncertificated Corporation Securities or Corporation Securities held in an indirect holding system.

(d) The Board shall have the power to determine all matters necessary for determining compliance with this Part C, including, without limitation, determining (A) the identification of Substantial Holders, (B) whether a Transfer is a Prohibited Transfer, (C) the Percentage Stock Ownership of any Substantial Holder or other Person, (D) whether an instrument constitutes a Corporation Security, (E) the amount (or fair market value) due to a Purported Transferee pursuant to clause (B) of Section 3(c) of this Part C, and (F) any other matters which the Board determines to be relevant. The good faith determination of the Board on such matters shall be conclusive and binding for the purposes of this Part C.

(e) The Corporation is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Part C of Article VI without any requirement of the posting of a bond in connection therewith or any related appellate proceeding and each holder of Corporation Securities is deemed to have waived any right to require the posting of any such bond.

(f) No delay or failure on the part of the Corporation or the Board in exercising any right hereunder shall operate as a waiver of any right of the Corporation or the Board, as the case may be, except to the extent specifically waived in writing.

D. General Provisions.

1. Except as may be provided by the resolutions of the Board authorizing the issuance of any class or series of Preferred Stock, as hereinabove provided, cumulative voting by any shareholder is hereby expressly denied.

2. Except as may be expressly set forth hereinabove, no shareholder of the Corporation shall have, by reason of its holding shares of any class or series of stock of the Corporation, any preemptive or preferential rights to purchase or subscribe for any other shares of any class or series of the Corporation now or hereafter to be authorized, and any other equity securities, or any notes, debentures, warrants, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, now or hereafter to be authorized, whether or not the issuance of any such shares, or such notes, debentures, warrants, bonds or other securities, would adversely affect the dividend, voting or other rights of such shareholder.

3. The Corporation shall not issue any class of non-voting equity securities until and unless a majority of the Board determines that it is no longer in the best interests of the Corporation for such prohibition to be effective. The Corporation shall publicly disclose such determination within a reasonable time after any such determination.

ARTICLE VII
DIRECTORS

A. Number and Term of Directors. The Corporation's Board shall consist of at least one director, with the exact number to be fixed from time to time in the manner provided in the Corporation's Bylaws. No decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

B. Election of Members to the Board. At any election of members of the Board, (i) the holders of the Class A Common Stock, voting separately as a class, shall be entitled to elect three (3) directors; (ii) the holders of the Class B Common Stock, voting separately as a class, shall be entitled to elect one (1) director; and (iii) the holders of the Class C Common Stock, voting separately as a class, shall be entitled to elect one (1) director.

C. Director Vacancies; Removal. Whenever any vacancy on the Board shall occur due to death, resignation, retirement, disqualification, removal, or otherwise: (i) any vacancy of a director elected by the holders of the Class A Common Stock, voting separately as a class, shall be filled only by the vote of a majority of the remaining directors so elected by the Class A Common Stock or, if there are none, by a vote of the holders of the Class A Common Stock, voting separately as a class; (ii) any vacancy of a director elected by the holders of the Class B Common Stock, voting separately as a class, shall be filled by a vote of the holders of the Class B Common Stock, voting separately as a class; and (iii) any vacancy of a director elected by the holders of the Class C Common Stock, voting separately as a class, shall be filled by a vote of the holders of Class C Common Stock, voting separately as a class. Such vacancy or vacancies shall be filled for the balance of the unexpired term or terms, at which time a successor or successors shall be duly elected by the shareholders and qualified. Any director elected by the vote of the holders of the Class A Common Stock, voting separately as a class, may be removed

from office prior to the expiration of his or her term solely by the affirmative vote of two-thirds of the outstanding shares of the Class A Common Stock, voting separately as a class. Any director elected by the vote of the holders of the Class B Common Stock, voting separately as a class, may be removed from office prior to the expiration of his or her term solely by the affirmative vote of two-thirds of the outstanding shares of the Class B Common Stock, voting separately as a class. Any director elected by the vote of the holders of the Class C Common Stock, voting separately as a class, may be removed from office prior to the expiration of his or her term solely by the affirmative vote of two-thirds of the outstanding shares of the Class C Common Stock, voting separately as a class.

D. Preferred Stock. Subject to the provisions of these Articles of Incorporation, during any period when the holders of any series of Preferred Stock have the right to elect additional directors in accordance with the applicable provisions of such series, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for pursuant to such provisions; (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to such provisions, whichever occurs earlier, subject to his or her death, disqualification, resignation or removal; and (iii) any vacancies in such directorships shall be filled in accordance with the applicable provisions of such series. Except as otherwise provided by the terms of such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such series, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total and authorized number of directors of the Corporation shall be reduced accordingly.

E. Amendments. Notwithstanding anything contained in these Articles of Incorporation to the contrary, this Article VII shall not be altered, amended or repealed except by an affirmative vote of at least eighty percent (80%) of the outstanding shares of all capital stock entitled to vote for the election of directors.

ARTICLE VIII
INDEMNIFICATION

The Corporation shall indemnify and advance expenses to its officers and directors to the fullest extent permitted by law in existence either now or hereafter in effect.

ARTICLE IX
SHAREHOLDER MEETINGS

A. Call of Special Shareholders' Meeting. Except as otherwise required by law, the Corporation shall not be required to hold a special meeting of shareholders of the Corporation unless (in addition to any other requirements of law) (i) the holders of not less than twenty

percent (20%) of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver to the Corporation's Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held; or (ii) the meeting is called by the Board pursuant to a resolution approved by a majority of the entire Board. Only business within the purpose or purposes described in the special meeting notice required by Section 607.0705 of the Florida Business Corporation Act may be conducted at a special shareholders' meeting.

B. Amendments. Notwithstanding anything contained in these Articles of Incorporation to the contrary, this Article IX shall not be altered, amended or repealed except by an affirmative vote of at least eighty percent (80%) of the outstanding shares of all capital stock entitled to vote for the election of directors.

Attach Exhibits Here

EXHIBIT A

GLOSSARY

Unless the context or use indicates another or different meaning or intent, the following terms as used in these Articles of Incorporation of the Corporation shall have the following meanings, whether used in the singular or plural:

"**Additional Annual Gross-up Amount**" has the meaning set forth in Section 4(f) of Exhibits B, C or D, as applicable.

"**Additional Annual Gross-up Dividend**" has the meaning set forth in Section 4(f) of Exhibits B, C or D, as applicable.

"**Additional Directors**" has the meaning set forth in Section 7(d) of Exhibits B, C or D or Section 7(c) of Exhibit E, as applicable.

"**Affiliate**" means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) any officer, director, manager, general partner, member or trustee of such Person or (iii) any Person who is an officer, director, manager, general partner, member or trustee of any Person described in clauses (i) or (ii) of this sentence. For purposes of this definition, the terms "controlling," "controlled by" or "under common control with" shall mean 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 or interests, by contract or otherwise, or the power to elect at least 50% of the directors, managers, general partners, members or persons exercising similar authority with respect to such Person.

"**Agent Member**" means a member of, or participant in, the Securities Depository that will act on behalf of a Holder of the Corporation's preferred stock.

"**Annual Gross-up Amount**" has the meaning set forth in Section 4(e) of Exhibits B, C or D, as applicable.

"**Annual Gross-up Dividend**" has the meaning set forth in Section 4(e) of Exhibits B, C or D, as applicable.

"**Annual Gross-up Dividend Determination Date**" means the 15th calendar day (or, if such day is not a Business Day, the next succeeding Business Day) of the 9th calendar month immediately succeeding the last calendar day of each taxable year of the Corporation.

"**Articles of Incorporation**" means the Second Amended and Restated Articles of Incorporation inclusive of this Exhibit A and Exhibits B, C, D and E thereto, as amended and supplemented from time to time, of the Corporation on file with the Secretary of State of the State of Florida.

"**Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City and Miami, Florida.

"**Bylaws**" means the Bylaws, as amended and supplemented from time to time, of the Corporation.

"**Calculation Date**" means any of the following: (i) the Holders' Elective Redemption Date, (ii) a Corporation Optional Redemption Date, (iii) the Scheduled Redemption Date or (iv) the Liquidation Date.

"**Change in Law**" means any amendment to or change or any proposed change in U.S. law, or any regulations or rulings thereunder, of the related jurisdiction or any political subdivision thereof, or any amendment or proposed amendment to or change or proposed change in public announcement of any official, administrative or judicial interpretation, pronouncement or application of, or practice under, such laws (or such regulations or rulings) or any change or proposed change in the published practice or publication of any new practice of any accounting body relevant to accounting practices in such jurisdiction, or any change or proposed change in the official application, pronouncement or interpretation of, or any execution of or amendments to, any treaty or treaties to which such jurisdiction or political subdivision is a party, which in any such case occurs or is proposed or announced, as the case may be, after the Date of Original Issue that would have a material adverse effect on the Corporation's cash flows or ability to pay dividends or other distributions on or in respect of the Senior Preferred Stock, the Series J Junior Preferred Stock, the Series K Junior Preferred Stock and any other class or series of capital stock of the Corporation hereafter issued which is by its terms expressly on a parity with such classes of preferred stock with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of the Corporation, but in no event shall a Change in Law include a Change in Tax Law.

"**Change in Tax Law**" means the occurrence of any change in or amendment to the Code or the regulations promulgated thereunder or any judicial decision relating to, or change in the official application or interpretation of, the Code or the regulations promulgated thereunder that would have a material adverse effect on the Corporation's cash flows or ability to pay dividends or other distributions on or in respect of the Senior Preferred Stock, the Series J Junior Preferred Stock, the Series K Junior Preferred Stock and any other class or series of capital stock of the Corporation hereafter issued which is by its terms expressly on a parity with such classes of preferred stock with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of the Corporation.

"**Class A Common Stock**" means the Class A Common Stock of the Corporation, par value $0.001 per share.

"**Class B Common Stock**" means the Class B Common Stock of the Corporation, par value $0.001 per share.

"**Class C Common Stock**" means the Class C Common Stock of the Corporation, par value $0.001 per share.

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

"**Common Shares**" means, in respect of any Redemption Date to be determined, (i) the aggregate number of shares of Class B Common Stock and Class C Common Stock held of record on the second Business Day preceding such Redemption Date by Modena 2004-1 LLC or any of its Affiliates to the extent that such shares were acquired from the Corporation and not from a third party, or (ii) the number of shares of Class B Common Stock or Class C Common Stock held of record on the second Business Day preceding such Redemption Date by any Person that acquires such shares from Modena 2004-1 LLC or any of its Affiliates.

"**Common Stock**" means, collectively, the Class A Common Stock, the Class B Common Stock and the Class C Common Stock.

"**Common Stock Redemption Price**" means an aggregate price equal to the product of (i) the excess, if any, of the Market Value of the assets of the Corporation over the sum of (x) the consolidated liabilities of the Corporation and its Subsidiaries and (y) the aggregate of the Series A Senior Redemption Price (assuming the date of determination is a Series A Senior Redemption Date), the Series B Senior Redemption Price (assuming the date of determination is a Series B Senior Redemption Date), the Series J Junior Redemption Price (assuming the date of determination is a Series J Junior Redemption Date) and the Series K Junior Redemption Price (assuming the date of determination is a Series K Junior Redemption Date) for all outstanding shares of the Corporation's preferred stock, multiplied by (ii) a fraction, the numerator of which is the number of Common Shares being redeemed and the denominator of which is the aggregate number of all outstanding shares of Common Stock, all determined as of the second Business Day immediately preceding the applicable Redemption Date.

"**Compliance Certificate**" has the meaning set forth in Section 8(h) of Exhibits B, C, D or E, as applicable.

"**Corporation**" means SEBC Financial Corporation.

"**Corporation Optional Redemption Date**" means any Quarterly Dividend Payment Date designated by the Corporation in a Notice of Redemption given to the Holders of the Corporation's preferred stock on or after the fifth anniversary of the Date of Original Issue or pursuant to Section 5(c) of Exhibits B, C or D, as applicable.

"**Cure Event**" means (i) with respect to the event described in Section 7(d)(iii) of Exhibits B, C or D, as applicable, that gave rise to the election of the Additional Directors, the Corporation maintains the Liquidity Reserve in accordance with Section 8(e) of Exhibits B, C or D, as applicable, and (ii) with respect to the event described in Section 7(d)(iv) of Exhibits B, C or D or Section 7(c)(i) of Exhibit E, as applicable, that gave rise to the election of the Additional Directors, the Corporation declares and pays in full all unpaid Quarterly Dividends within 90 days after the occurrence of such event. No Cure Event shall exist for the events described in clauses (i), (ii) and (v) of Section 7(d) of Exhibits B, C or D or clause (ii) of Section 7(c) of Exhibit E.

"**Date of Original Issue**" means, with respect to shares of preferred stock of the Corporation, the first date on which the Corporation issues such shares.

"**Determination Date**" means two business days prior to the Date of Original Issue.

"**Disclosure Statement**" means the Disclosure Statement with respect to the Chapter 11 Plan of Reorganization of Southeast Banking Corporation, as amended, supplemented or modified from time to time.

"**Dividend Payment Date**" means each Quarterly Dividend Payment Date and any date fixed by the Board of Directors or a duly authorized committee thereof for the payment of a Retroactive DRD Adjustment Dividend, an Annual Gross-up Dividend or an Additional Annual Gross-up Dividend.

"**Dividends Received Deduction**" means the "dividends received deduction" set forth in Section 243(a) of the Code with respect to distributions on Senior Preferred Shares and Series J Junior Preferred Shares that are treated as dividends of the Corporation for U.S. federal income tax purposes; *provided* that if any Holder of Senior Preferred Shares or Series J Junior Preferred Shares holds 20% or more of the Common Stock, then the "dividends received deduction" shall be modified by Section 243(c) of the Code.

"**DRD Adjustment**" means, with respect to the occurrence of a DRD Adjustment Event, any increase or decrease, as the case may be, in the then-current Series A Senior Quarterly Dividend Rate, Series B Senior Quarterly Dividend Rate or Series J Junior Quarterly Dividend Rate, as applicable, necessary to give the Series A Senior Preferred Holders, the Series B Senior Preferred Holders or the Series J Junior Preferred Holders, as applicable, the same after-tax return as if such DRD Adjustment Event had not occurred. For the purpose of calculating the DRD Adjustment, the Series A Senior Quarterly Dividend Rate, the Series B Senior Quarterly Dividend Rate or the Series J Junior Quarterly Dividend Rate, as applicable, shall be adjusted to the new Series A Senior Quarterly Dividend Rate, Series B Senior Quarterly Dividend Rate or Series J Junior Quarterly Dividend Rate, as applicable, set forth on Schedules II, III or IV hereto, as applicable, based upon the new Dividends Received Deduction rate set forth on such Schedule that results from the Dividend Rate Adjustment Event that gave rise to such DRD Adjustment.

"**DRD Adjustment Event**" means, at any time after the date hereof, an amendment to the Code becomes effective that either: (i) reduces the Dividends Received Deduction or (ii) increases the Dividends Received Deduction. Any amendment to the Code that eliminates or has the effect of eliminating the Dividends Received Deduction (other than a replacement of the Dividends Received Deduction with a tax credit) shall be deemed to have reduced the Dividends Received Deduction to 0% and any amendment to the Code that excludes dividends from the gross income of the Senior Preferred Holders or the Series J Junior Preferred Holders, as applicable, shall be deemed to have increased the Dividends Received Deduction to 100%.

"**DRD Affected Dividend Payment Date**" has the meaning set forth in Section 4(d)(i) of Exhibits B, C or D, as applicable.

"**Eligible Holder**" means a Person who is a "qualified institutional buyer" within the meaning of Rule 144A of the Securities Act or, with respect to the Series K Junior Preferred Stock, an institutional "accredited investor" as defined in paragraphs (1), (2), (3) and (7) of Rule 501(a) of Regulation D under the Securities Act.

"**Eligible Portfolio Investment**" means an investment meeting the criteria set forth on Schedule V hereto.

"**Eligible Swap Counterparty**" means (i) any Affiliate of Merrill Lynch & Co., Inc. (and its successors and assigns) that is guaranteed by Merrill Lynch & Co., Inc. (and its successors and assigns) and (ii) any other counterparty that (x) has a short-term debt rating, or its obligations under the Permitted Swap Agreement have been fully and unconditionally guaranteed by a guarantor with a short-term debt rating, of at least "P-1" by Moody's and at least "A-1" by S&P and a long-term senior unsecured debt rating, or its obligations under the Permitted Swap Agreement have been fully and unconditionally guaranteed by a guarantor with a long-term senior unsecured debt rating, of at least "Aa3" by Moody's and "AA-" by S&P or (y) if the shares of preferred stock of the Corporation shall be rated by any of Moody's, S&P or Fitch, would permit Moody's, S&P or Fitch (as the case may be) to confirm that their respective ratings assigned to such shares would not be reduced or withdrawn as a result of such counterparty being an Eligible Swap Counterparty under a Permitted Swap Agreement.

"**Expected Investment Loss**" means, with respect to any Calculation Date, the amount set forth in the table below opposite the date on which such Calculation Date occurs:

Calculation Date occurring on:	Expected Investment Loss
[April 30], 2009 to [April 30], 2010	$[210,956]
[April 30], 2009 to [April 30], 2011	$[997,763]
[April 30], 2009 to [April 30], 2012	$[2,041,137]
[April 30], 2009 to [April 30], 2013	$[2,776,631]
[April 30], 2009 to [April 30], 2014	$[3,757,289]
[April 30], 2009 to [April 30], 2015	$[4,926,096]
[April 30], 2009 to [April 30], 2016	$[6,029,734]

provided that the Expected Investment Loss will be calculated in good faith on the Determination Date based on the then-existing market risk criteria of the Portfolio Investments using appropriate ratings agencies' default probability tables to be mutually agreed.

"**Face Amount**" means (i) with respect to each Series A Senior Preferred Share, $1.00; (ii) with respect to each Series B Senior Preferred Share, $1.00; (iii) with respect to each Series J Junior Preferred Share, $1.00; and (iv) with respect to each Series K Junior Preferred Share, $1.00.

"**Fitch**" means Fitch Ratings and any successor(s) thereto that provides credit ratings of the type referred to in the Articles of Incorporation.

"**GAAP**" means accounting principles generally accepted in the United States.

"**Gross-up Dividend Payment Notice**" has the meaning set forth in Section 4(g) of Exhibits B, C or D, as applicable.

"**Holder**" means a record holder as the same appears on the Stock Books of the Corporation.

"**Holders' Elective Redemption Date**" has the meaning set forth in Section 6(a) of Exhibits B, C or D, as applicable.

"**Holders' Elective Redemption Direction**" has the meaning set forth in Section 6(a) of Exhibits B, C or D, as applicable.

"**Holders' Elective Redemption Event**" means the occurrence of any of the following events:

(i) the Corporation fails to provide its audited annual consolidated financial statements within 180 days after the close of any of its fiscal years and such failure is not remedied within fifteen (15) Business Days after notice is given to the Corporation of such failure;

(ii) the Corporation fails to observe any covenant in these Articles of Incorporation or in Section 5.01(a) of the Master Subscription Agreement, except where the failure to so observe would not be material and adverse to both the Senior Preferred Holders and the Series J Junior Preferred Holders;

(iii) any representation or warranty of the Corporation set forth in Article 4 of the Master Subscription Agreement or in any certificate delivered by or on behalf of the Corporation under the Master Subscription Agreement shall be incorrect in any respect when made, with the effect that the conditions precedent to closing set forth in Section 3.02 of the Master Subscription Agreement would not have been satisfied (to the extent not waived at closing);

(iv) a DRD Adjustment Event occurs that (a) with respect to the Series A Senior Preferred Holders (and the Series B Senior Preferred Holders that do not own at least 20% of the Common Stock), reduces the Dividends Received Deduction to less than 60% (or, if the Dividends Received Deduction is replaced with a tax credit, such credit has, or is reduced to, a deduction equivalent value of less than 60%), or (b) with respect to the Series B Senior Preferred Holders that own at least 20% of the Common Stock and the Series J Junior Preferred Holders, reduces the Dividends Received Deduction to less than 70% (or, if the Dividends Received Deduction is replaced with a tax credit, such credit has, or is reduced to, a deduction equivalent value of less than 70%);

(v) the Corporation fails to replace a Permitted Swap Agreement as and when required by Section 8(g) of Exhibits B, C or D, as applicable; or

(vi) a Change in Law or a Change in Tax Law.

"**Investment Company Act**" means the Investment Company Act of 1940, as amended.

"**Investment Vehicle**" means a newly formed special purpose vehicle to be established to acquire the Investment Vehicle Initial Investments.

"**Investment Vehicle Initial Investments**" means not less than $1,650,000,000 face value in fixed income instruments to be determined by MLE prior to the Date of Original Issue to be acquired by Investment Vehicle from an Affiliate of Modena 2004-1 LLC.

"**IRS**" means the United States Internal Revenue Service or any successor thereof.

"**LIBOR**" means, for purposes of determining the Market Rate at any time, LIBOR as defined in the reference interest rate swap being used to determine such Market Rate or, if quotes are being obtained instead of using a specific interest rate swap, LIBOR as then customarily defined in the market for such interest rate swaps.

"**Liquidation Date**" has the meaning set forth in Section 5(a) of Exhibits B, C, D or E, as applicable.

"**Liquidity Reserve**" means, on any date, the sum of:

(i) an amount equal to the sum of (w) the product of the Series A Senior Quarterly Dividend Amount (assuming solely for purposes of calculating such amount for purposes of this definition no change after such date in the Series A Senior Quarterly Dividend Rate) for the Quarterly Dividend Payment Date immediately succeeding such date and the number of Series A Senior Preferred Shares outstanding on such date (and, if the Corporation fails to declare and pay in full a Quarterly Dividend equal to the Series A Senior Quarterly Dividend Amount on such Quarterly Dividend Payment Date, then the Liquidity Reserve shall be increased by the aggregate amount of such shortfall until paid to the Holders of the Series A Senior Preferred Shares), plus (x) the product of the Series B Senior Quarterly Dividend Amount (assuming solely for purposes of calculating such amount for purposes of this definition no change after such date in the Series B Senior Quarterly Dividend Rate) for the Quarterly Dividend Payment Date immediately succeeding such date and the number of Series B Senior Preferred Shares outstanding on such date (and, if the Corporation fails to declare and pay in full a Quarterly Dividend equal to the Series B Senior Quarterly Dividend Amount on such Quarterly Dividend Payment Date, then the Liquidity Reserve shall be increased by the aggregate amount of such shortfall until paid to the Holders of the Series B Senior Preferred Shares), plus (y) the product of the Series J Junior Quarterly Dividend Amount (assuming solely for purposes of calculating such amount for purposes of this definition no change after such date in the Series J Junior Quarterly Dividend Rate) for the Quarterly Dividend Payment Date immediately succeeding such date and the number of Series J Junior Preferred Shares outstanding on such date (and, if the Corporation fails to declare and pay in full a Quarterly Dividend equal to the Series J Junior Quarterly Dividend Amount on such Quarterly Dividend Payment Date, then the Liquidity Reserve shall be increased by the aggregate amount of such shortfall until paid to the Holders of the Series J Junior Preferred Shares), plus (z) the product of the Series K Junior Quarterly Dividend Amount (assuming solely for purposes of calculating such amount for purposes of this definition no change after such date in the Series K Junior Quarterly Dividend Rate) for the Quarterly Dividend Payment Date immediately succeeding such date and the number of Series K Junior Preferred Shares outstanding on such date (and, if the Corporation fails to declare and pay in full a Quarterly Dividend equal to the Series K Junior Quarterly

Dividend Amount on such Quarterly Dividend Payment Date, then the Liquidity Reserve shall be increased by the aggregate amount of such shortfall until paid to the Holders of the Series K Junior Preferred Shares); and

(ii) the aggregate Tax Reserve Amount as of such date.

"**Majority Holders**" means, at any time, the Majority Series A Senior Preferred Holders, the Majority Series B Senior Preferred Holders and the Majority Series J Junior Preferred Holders.

"**Majority Series A Senior Preferred Holders**" means, at any time, Holders holding more than 50% of the Series A Senior Preferred Shares.

"**Majority Series B Senior Preferred Holders**" means, at any time, Holders holding more than 50% of the Series B Senior Preferred Shares.

"**Majority Series J and Series K Junior Preferred Holders**" means, at any time, Holders holding more than 50% of the Series J Junior Preferred Shares plus the Series K Junior Preferred Shares.

"**Majority Series J Junior Preferred Holders**" means, at any time, Holders holding more than 50% of the Series J Junior Preferred Shares.

"**Market Rate**" means, at any Calculation Date, the fixed rate per annum quoted by dealers in the derivatives market in New York City for an interest rate swap with the Eligible Swap Counterparty beginning on such Calculation Date and terminating on the Scheduled Redemption Date, with fixed and floating payment dates on each Quarterly Dividend Payment Date and a floating rate of one month LIBOR plus [•]% per annum (to be established on the Determination Date).

"**Market Value**" means, as of any date of determination:

(i) with respect to cash, the amount of such cash on such date; and

(ii) with respect to any Portfolio Investment or Permitted Investment, the value of such Portfolio Investment or Permitted Investment (including accrued and unpaid interest or accrued discount, as the case may be) as determined by mutual agreement of the Corporation and the Majority Holders;

provided that in the case of clause (ii) above, if the Corporation and the Majority Holders are unable to agree on the value of any such Portfolio Investment or Permitted Investment within two (2) Business Days after a request by the Corporation to such Majority Holders or the agreed upon value would result in the applicable Expected Investment Loss to be exceeded, then the value of such Portfolio Investment or Permitted Investment shall be the average of the bid or valuation, if any, obtained by such Majority Holders from a buyer or investment bank, respectively, not affiliated with any Majority Holder and the bid or valuation, if any, obtained by the Corporation from a buyer or investment bank, respectively, not affiliated with the Corporation, in each case within three (3) Business Days after the failure of such Majority

Holders and the Corporation to agree on such value. The Majority Holders shall have the option, exercisable by written notice within five (5) Business Days after the value of any such Portfolio Investment or Permitted Investment is so determined, to purchase the foregoing from the Corporation at a purchase price equal to a value to which the Majority Holders shall mutually agree. Notwithstanding the foregoing or anything to the contrary set forth in Exhibits B, C or D, the SEBC Real Estate LLC Note shall be valued at $9 million unless a payment default thereunder shall exist.

"**Master Subscription Agreement**" means the Master Subscription Agreement, dated as of November 19, 2008, between Jeffrey H. Beck as the Chapter 11 Trustee for the bankruptcy estate of Southeast Banking Corporation, a Florida corporation, and Modena 2004-1 LLC.

"**MLE**" means Modena 2004-1 LLC, a Delaware limited liability company and indirect wholly owned subsidiary of Merrill Lynch & Co., Inc., and any of Modena 2004-1 LLC's Affiliates to which it validly assigns its rights under the Master Subscription Agreement and related documents.

"**Moody's**" means Moody's Investors Service, Inc. and any successor thereto that provides credit ratings of the type referred to in the Articles of Incorporation.

"**Net Portfolio Gain**" means, if the Net Portfolio Gain/Loss Amount as of the Series A Senior Redemption Date, Series B Senior Redemption Date or Series J Junior Redemption Date is a positive number, the amount of such Net Portfolio Gain/Loss Amount

plus

(i) the sum of all Swap Termination Amounts paid to the Corporation plus all Swap Termination Amounts owed to the Corporation on the Series A Senior Redemption Date, Series B Senior Redemption Date or Series J Junior Redemption Date, as applicable

minus

(ii) the sum of all Swap Termination Amounts paid by the Corporation plus all Swap Termination Amounts payable by the Corporation on the Series A Senior Redemption Date, Series B Senior Redemption Date or Series J Junior Redemption Date, as applicable.

"**Net Portfolio Gain/Loss Amount**" means, as of the Series J Junior Redemption Date, an amount equal to the sum of the following amounts (without duplication):

(i) the sum of all realized gains on the Portfolio Investments and Permitted Investments minus the sum of all realized losses on the Portfolio Investments and Permitted Investments

plus

(ii) the sum of all unrealized gains on the Portfolio Investments and Permitted Investments minus the sum of all unrealized losses on the Portfolio Investments and Permitted Investments.

The amount of the unrealized gain or unrealized loss on any Portfolio Investment or Permitted Investment shall be the excess or deficiency determined by reference to the Corporation's original acquisition cost of such Portfolio Investment or Permitted Investment, as the case may be, and the then-current Market Value of such Portfolio Investment or Permitted Investment, as the case may be, and without taking into account any realized or unrealized income or accrual of discount. For the avoidance of doubt, the Net Portfolio Gain/Loss Amount shall not include any current yield payments earned by the Corporation on the Portfolio Investments and Permitted Investments.

"**Net Portfolio Loss**" means, if the Net Portfolio Gain/Loss Amount as of the Series J Junior Redemption Date is a negative number, the absolute value of such Net Portfolio Gain/Loss Amount.

"**Notice of Redemption**" has the meaning set forth in Section 6(d) of Exhibits B, C, D or E, as applicable.

"**Obligor**" means the issuer or obligor on any Portfolio Investment or any Permitted Investment and the Eligible Swap Counterparty under each Permitted Swap Agreement.

"**Permitted Investments**" has the meaning set forth in Section 8(d) of Exhibits B, C, D or E, as applicable.

"**Permitted Swap Agreement**" means a swap or hedge agreement entered into by the Corporation with an Eligible Swap Counterparty in connection with the Corporation's acquisition of a Portfolio Investment bearing interest at a floating rate for the sole purpose of purchasing a committed series of fixed rate payments with the series of floating rate payments to be received by the Corporation on such Portfolio Investment and any replacement thereof meeting the foregoing criteria. Such swap or hedge agreement, among other things, shall entitle the Corporation to receive from the related Eligible Swap Counterparty fixed rate payments, shall obligate the Corporation to pay floating rate payments and may only be amended or supplemented from time to time with the consent of the Majority Holders in writing.

"**Permitted Swap Termination Date**" means the fifth anniversary of the Date of Original Issue.

"**Person**" means and includes an individual, a partnership, a limited liability company, a corporation, a trust, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

"**Portfolio Investment**" means the senior securities to be issued by Investment Vehicle to the Corporation and any subsequent Eligible Portfolio Investment, in each case that qualifies as "eligible assets" as such term is defined in Rule 3a-7(b)(1) under the Investment Company Act.

"**Quarterly Dividend**" has the meaning set forth in Section 4(a) of Exhibits B, C, D or E, as applicable.

"**Quarterly Dividend Payment Date**" means the [•] day (such day to be established on the Determination Date) of each March, June, September and December, beginning on the first such day after the Date of Original Issue (or, if any such day is not a Business Day, the immediately succeeding Business Day unless such succeeding Business Day falls in the immediately succeeding calendar month, in which case such Quarterly Dividend Payment Date shall be the next preceding Business Day).

"**Quarterly Dividend Period**" means the period from and including a Quarterly Dividend Payment Date (or, with respect to the first Quarterly Dividend Period, the Date of Original Issue) to but excluding the next succeeding Quarterly Dividend Payment Date.

"**Retroactive DRD Adjustment Dividend**" has the meaning set forth in Section 4(d)(i) of Exhibits B, C or D, as applicable.

"**Retroactive DRD Adjustment Dividend Payment Notice**" has the meaning set forth in Section 4(d)(i) of Exhibits B, C or D, as applicable.

"**Return of Capital Distribution**" has the meaning set forth in Section 4(e) of Exhibits B, C or D, as applicable.

"**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., and any successor thereto that provides credit ratings of the type referred to in the Articles of Incorporation.

"**Scheduled Redemption Date**" means [•], 2016 (to be established on the Determination Date).

"**SEBC Holdings, LP**" means SEBC Holdings, LP, a Delaware limited partnership.

"**SEBC Preferred Stock Quarterly Dividend Rate Calculation**" means for all classes of the Corporation's preferred stock (Series A Senior Preferred Stock, Series B Senior Preferred Stock, Series J Junior Preferred Stock and Series K Junior Preferred Stock), their respective quarterly dividend rates will be calculated using the methodology and assumptions expressed and implied in the revised proposal provided on November 19, 2008, recalculated as of the Determination Date, subject to market conditions and adjustment for federal and state taxes and fees and expenses directly attributable to the transactions contemplated by the Chapter 11 Plan of Reorganization and other factors prevailing on such date including, but not limited to, (i) the Market Rate as of the Determination Date, (ii) the coupon rate on the Portfolio Investment, (iii) expected losses on the Portfolio Investment, (iv) anticipated liabilities, (v) anticipated ongoing operating expenses and (vi) advisory fees. Illustrative results of the SEBC Preferred Stock Quarterly Dividend Rate Calculation applied to hypothetical assumptions are set forth on Schedule VI hereto.

"**SEBC Real Estate LLC Note**" means that Debenture, dated the Date of Original Issue, issued by SEBC Real Estate LLC to the Corporation in the original principal amount of $9 million.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securities Depository**" means The Depository Trust Company or any successor company or other entity selected by the Corporation as securities depository for the shares of preferred stock of the Corporation that agrees to follow the procedures required to be followed by such securities depository in connection with such shares.

"**Senior Preferred Holders**" means the Series A Senior Preferred Holders and the Series B Senior Preferred Holders.

"**Senior Preferred Shares**" means the Series A Senior Preferred Shares and the Series B Senior Preferred Shares.

"**Senior Preferred Stock**" means the Series A Senior Preferred Stock and the Series B Senior Preferred Stock.

"**Series A Senior Hypothetical Floating Rate**" means LIBOR plus [•]% as of the Date of Original Issue (to be established on the Determination Date).

"**Series A Senior Hypothetical Swap Agreement**" means, with respect to any Calculation Date, a fixed for floating interest rate swap beginning on the Date of Original Issue and terminating on the Permitted Swap Termination Date (the "Hypothetical Swap Period"), and having the following terms: (i) a notional amount equal to the aggregate Face Amount of all outstanding Series A Senior Preferred Shares as of two days prior to the Series A Senior Redemption Date, (ii) fixed and floating payments due on each Quarterly Dividend Payment Date during the Hypothetical Swap Period, (iii) a fixed rate equal to the Series A Senior Quarterly Dividend Rate as of the Date of Original Issue, (iv) a floating rate equal to the Series A Senior Hypothetical Floating Rate, (v) is governed by the 1992 form of ISDA Master Agreement (Multicurrency—Cross Border) published by the International Swaps and Derivatives Association, Inc. and (vi) includes a schedule to the master agreement referred to in the preceding clause (v) which provides for early termination of the Series A Senior Hypothetical Swap Agreement under all circumstances using "market quotation" and "second method" in which the fixed rate payer and the floating rate payer shall both be "affected parties."

"**Series A Senior Hypothetical Swap Payment Amount—Fixed Rate Payer**" means, with respect to any date of determination, an amount equal to the quotient obtained by dividing the early termination or liquidation payment, if any, that would be payable by the fixed rate payer under the Series A Senior Hypothetical Swap Agreement if such Series A Senior Hypothetical Swap Agreement were being terminated on the Business Day immediately preceding such date by the number of Series A Senior Preferred Shares outstanding two days prior to the Series A Senior Redemption Date.

"**Series A Senior Hypothetical Swap Payment Amount—Floating Rate Payer**" means, with respect to any date of determination, an amount equal to the quotient obtained by

dividing the early termination or liquidation payment, if any, that would be payable by the floating rate payer under the Series A Senior Hypothetical Swap Agreement if such Series A Senior Hypothetical Swap Agreement were being terminated on the Business Day immediately preceding such date by the number of Series A Senior Preferred Shares outstanding two days prior to the Series A Senior Redemption Date.

"**Series A Senior Liquidation Price**" means, for any Series A Senior Preferred Share as of the Liquidation Date, an amount equal to the Series A Senior Redemption Price for such Series A Senior Preferred Share.

"**Series A Senior Make-Whole Premium**" means, with respect to the Series A Senior Preferred Shares for which the Series A Senior Make-Whole Premium is being determined as of the Series A Senior Redemption Date, the amount derived from the following formula:

(i) the Series A Senior Hypothetical Swap Payment Amount—Fixed Rate Payer for such Calculation Date, multiplied by

(ii) the number of Series A Senior Preferred Shares being redeemed;

provided that the Series A Senior Make-Whole Premium shall equal the Net Portfolio Gain if the result obtained above exceeds the Net Portfolio Gain.

"**Series A Senior Preferred Holder**" means a record holder of Series A Senior Preferred Shares as the same appears on the Stock Books of the Corporation.

"**Series A Senior Preferred Share**" means a share of the Series A Senior Preferred Stock that has been issued pursuant to and subject to the Articles of Incorporation and that (i) has not been redeemed and cancelled or delivered to the Corporation for cancellation, (ii) is not owned by the Corporation or any Affiliate thereof and (iii) is not represented by a certificate in lieu of which a new certificate has been executed and delivered by the Corporation.

"**Series A Senior Preferred Stock**" means the Series A Senior Preferred Stock of the Corporation, par value $0.001 per share.

"**Series A Senior Quarterly Dividend Amount**" means, for each Series A Senior Preferred Share as of any Quarterly Dividend Payment Date, an amount equal to the amount that would accrue on the Face Amount of such Series A Senior Preferred Share during the Quarterly Dividend Period ending on such date at the Series A Senior Quarterly Dividend Rate in effect from time to time during such Quarterly Dividend Period calculated on the basis of a 360-day year of 30-day months.

"**Series A Senior Quarterly Dividend Rate**" means [•]% (to be established as set forth in the SEBC Preferred Stock Quarterly Dividend Rate Calculation); *provided* that the Series A Senior Quarterly Dividend Rate shall be adjusted upon, and effective as of, each occurrence of a DRD Adjustment Event by the resulting DRD Adjustment for periods thereafter.

"**Series A Senior Redemption Date**" means any of the following: (i) the Corporation Optional Redemption Date, (ii) the Holders' Elective Redemption Date, (iii) the Scheduled Redemption Date or (iv) the Liquidation Date, as the case may be.

"**Series A Senior Redemption Discount**" means, with respect to the Series A Senior Preferred Shares for which the Series A Senior Redemption Discount is being determined as of the Series A Senior Redemption Date, the amount derived from the following formula:

(i) the Series A Senior Hypothetical Swap Payment Amount—Floating Rate Payer for such Calculation Date, multiplied by

(ii) the number of Series A Senior Preferred Shares being redeemed.

"**Series A Senior Redemption Price**" means, with respect to each Series A Senior Preferred Share for which the Series A Senior Redemption Price is being determined as of the Series A Senior Redemption Date, the amount derived from the following formula:

$$FA + UP + \frac{(MW - RD)}{Nr}$$

where:

FA	=	Face Amount of a Series A Senior Preferred Share
UP	=	Series A Senior Unpaid Amount per Series A Senior Preferred Share
MW	=	Series A Senior Make-Whole Premium
RD	=	Series A Senior Redemption Discount
Nr	=	the number of Series A Senior Preferred Shares being redeemed

"**Series A Senior Unpaid Amount**" means, as of the Series A Senior Redemption Date, the sum of (i) all unpaid Series A Senior Quarterly Dividend Amounts for each Quarterly Dividend Payment Date occurring on or prior to the Series A Senior Redemption Date whether or not a Quarterly Dividend was declared for such Quarterly Dividend Payment Date, plus (ii) the amount of each Annual Gross-up Dividend, Additional Annual Gross-up Dividend and Retroactive DRD Adjustment Dividend that the Corporation could have declared but for the lack of sufficient legally available funds or earnings and profits, plus (iii) if the Series A Senior Redemption Date is not also a Quarterly Dividend Payment Date, an amount equal to the product of (x) the Series A Senior Quarterly Dividend Amount for the Quarterly Dividend Period in which the Series A Senior Redemption Date occurs and (y) the quotient obtained by dividing the number of days elapsed from and including the immediately preceding Quarterly Dividend Payment Date to but excluding the Series A Senior Redemption Date by 90, plus (iv) an amount equal to the dividends referred to in the second and third sentences of Section 4(b) of Exhibit B.

"**Series B Senior Hypothetical Floating Rate**" means LIBOR plus [•]% as of the Date of Original Issue (to be established on the Determination Date).

"**Series B Senior Hypothetical Swap Agreement**" means, with respect to any Calculation Date, a fixed for floating interest rate swap beginning on the Date of Original Issue and terminating on the Permitted Swap Termination Date (the "Hypothetical Swap Period"), and having the following terms: (i) a notional amount equal to the aggregate Face Amount of all outstanding Series B Senior Preferred Shares as of two days prior to the Series B Senior Redemption Date, (ii) fixed and floating payments due on each Quarterly Dividend Payment Date during the Hypothetical Swap Period, (iii) a fixed rate equal to the Series B Senior Quarterly Dividend Rate as of the Date of Original Issue, (iv) a floating rate equal to the Series B Senior Hypothetical Floating Rate, (v) is governed by the 1992 form of ISDA Master Agreement (Multicurrency—Cross Border) published by the International Swaps and Derivatives Association, Inc. and (vi) includes a schedule to the master agreement referred to in the preceding clause (v) which provides for early termination of the Series B Senior Hypothetical Swap Agreement under all circumstances using "market quotation" and "second method" in which the fixed rate payer and the floating rate payer shall both be "affected parties."

"**Series B Senior Hypothetical Swap Payment Amount—Fixed Rate Payer**" means, with respect to any date of determination, an amount equal to the quotient obtained by dividing the early termination or liquidation payment, if any, that would be payable by the fixed rate payer under the Series B Senior Hypothetical Swap Agreement if such Series B Senior Hypothetical Swap Agreement were being terminated on the Business Day immediately preceding such date by the number of Series B Senior Preferred Shares outstanding two days prior to the Series B Senior Redemption Date.

"**Series B Senior Hypothetical Swap Payment Amount—Floating Rate Payer**" means, with respect to any date of determination, an amount equal to the quotient obtained by dividing the early termination or liquidation payment, if any, that would be payable by the floating rate payer under the Series B Senior Hypothetical Swap Agreement if such Series B Senior Hypothetical Swap Agreement were being terminated on the Business Day immediately preceding such date by the number of Series B Senior Preferred Shares outstanding two days prior to the Series B Senior Redemption Date.

"**Series B Senior Liquidation Price**" means, for any Series B Senior Preferred Share as of the Liquidation Date, an amount equal to the Series B Senior Redemption Price for such Series B Senior Preferred Share.

"**Series B Senior Make-Whole Premium**" means, with respect to the Series B Senior Preferred Shares for which the Series B Senior Make-Whole Premium is being determined as of the Series B Senior Redemption Date, the amount derived from the following formula:

(i) the Series B Senior Hypothetical Swap Payment Amount—Fixed Rate Payer for such Calculation Date, multiplied by

(ii) the number of Series B Senior Preferred Shares being redeemed;

provided that the Series B Senior Make-Whole Premium shall equal the Net Portfolio Gain if the result obtained above exceeds the Net Portfolio Gain.

"**Series B Senior Preferred Holder**" means a record holder of Series B Senior Preferred Shares as the same appears on the Stock Books of the Corporation.

"**Series B Senior Preferred Share**" means a share of the Series B Senior Preferred Stock that has been issued pursuant to and subject to the Articles of Incorporation and that (i) has not been redeemed and cancelled or delivered to the Corporation for cancellation, (ii) is not owned by the Corporation or any Affiliate thereof and (iii) is not represented by a certificate in lieu of which a new certificate has been executed and delivered by the Corporation.

"**Series B Senior Preferred Stock**" means the Series B Senior Preferred Stock of the Corporation, par value $0.001 per share.

"**Series B Senior Quarterly Dividend Amount**" means, for each Series B Senior Preferred Share as of any Quarterly Dividend Payment Date, an amount equal to the amount that would accrue on the Face Amount of such Series B Senior Preferred Share during the Quarterly Dividend Period ending on such date at the Series B Senior Quarterly Dividend Rate in effect from time to time during such Quarterly Dividend Period calculated on the basis of a 360-day year of 30-day months.

"**Series B Senior Quarterly Dividend Rate**" means [•]% (to be established as set forth in the SEBC Preferred Stock Quarterly Dividend Rate Calculation); *provided* that the Series B Senior Quarterly Dividend Rate shall be adjusted upon, and effective as of, each occurrence of a DRD Adjustment Event by the resulting DRD Adjustment for periods thereafter.

"**Series B Senior Redemption Date**" means any of the following: (i) the Corporation Optional Redemption Date, (ii) the Holders' Elective Redemption Date, (iii) the Scheduled Redemption Date or (iv) the Liquidation Date, as the case may be.

"**Series B Senior Redemption Discount**" means, with respect to the Series B Senior Preferred Shares for which the Series B Senior Redemption Discount is being determined as of the Series B Senior Redemption Date, the amount derived from the following formula:

(i) the Series B Senior Hypothetical Swap Payment Amount—Floating Rate Payer for such Calculation Date, multiplied by

(ii) the number of Series B Senior Preferred Shares being redeemed.

"**Series B Senior Redemption Price**" means, with respect to each Series B Senior Preferred Share for which the Series B Senior Redemption Price is being determined as of the Series B Senior Redemption Date, the amount derived from the following formula:

$$FA + UP + \frac{(MW - RD)}{Nr}$$

where:

FA = Face Amount of a Series B Senior Preferred Share

UP = Series B Senior Unpaid Amount per Series B Senior Preferred Share

MW = Series B Senior Make-Whole Premium

RD = Series B Senior Redemption Discount

Nr = the number of Series B Senior Preferred Shares being redeemed

"**Series B Senior Unpaid Amount**" means, as of the Series B Senior Redemption Date, the sum of (i) all unpaid Series B Senior Quarterly Dividend Amounts for each Quarterly Dividend Payment Date occurring on or prior to the Series B Senior Redemption Date whether or not a Quarterly Dividend was declared for such Quarterly Dividend Payment Date, plus (ii) the amount of each Annual Gross-up Dividend, Additional Annual Gross-up Dividend and Retroactive DRD Adjustment Dividend that the Corporation could have declared but for the lack of sufficient legally available funds or earnings and profits, plus (iii) if the Series B Senior Redemption Date is not also a Quarterly Dividend Payment Date, an amount equal to the product of (x) the Series B Senior Quarterly Dividend Amount for the Quarterly Dividend Period in which the Series B Senior Redemption Date occurs and (y) the quotient obtained by dividing the number of days elapsed from and including the immediately preceding Quarterly Dividend Payment Date to but excluding the Series B Senior Redemption Date by 90, plus (iv) an amount equal to the dividends referred to in the second and third sentences of Section 4(b) of Exhibit C.

"**Series J Junior Hypothetical Floating Rate**" means LIBOR plus [•]% as of the Date of Original Issue (to be established on the Determination Date).

"**Series J Junior Hypothetical Swap Agreement**" means, with respect to any Calculation Date, a fixed for floating interest rate swap beginning on the Date of Original Issue and terminating on the Permitted Swap Termination Date (the "Hypothetical Swap Period"), and having the following terms: (i) a notional amount equal to the aggregate Face Amount of all outstanding Series J Junior Preferred Shares as of two days prior to the Series J Junior Redemption Date, (ii) fixed and floating payments due on each Quarterly Dividend Payment Date during the Hypothetical Swap Period, (iii) a fixed rate equal to the Series J Junior Quarterly Dividend Rate as of the Date of Original Issue, (iv) a floating rate equal to the Series J Junior Hypothetical Floating Rate, (v) is governed by the 1992 form of ISDA Master Agreement (Multicurrency—Cross Border) published by the International Swaps and Derivatives Association, Inc. and (vi) includes a schedule to the master agreement referred to in the preceding clause (v) which provides for early termination of the Series J Junior Hypothetical Swap Agreement under all circumstances using "market quotation" and "second method" in which the fixed rate payer and the floating rate payer shall both be "affected parties."

"**Series J Junior Hypothetical Swap Payment Amount—Fixed Rate Payer**" means, with respect to any date of determination, an amount equal to the quotient obtained by dividing the early termination or liquidation payment, if any, that would be payable by the fixed rate payer under the Series J Junior Hypothetical Swap Agreement if such Series J Junior Hypothetical Swap Agreement were being terminated on the Business Day immediately preceding such date by the number of Series J Junior Preferred Shares outstanding two days prior to the Series J Junior Redemption Date.

"**Series J Junior Hypothetical Swap Payment Amount—Floating Rate Payer**" means, with respect to any date of determination, an amount equal to the quotient obtained by dividing the early termination or liquidation payment, if any, that would be payable by the floating rate payer under the Series J Junior Hypothetical Swap Agreement if such Series J Junior Hypothetical Swap Agreement were being terminated on the Business Day immediately preceding such date by the number of Series J Junior Preferred Shares outstanding two days prior to the Series J Junior Redemption Date.

"**Series J Junior Liquidation Price**" means, for any Series J Junior Preferred Share as of the Liquidation Date, an amount equal to the Series J Junior Redemption Price for such Series J Junior Preferred Share.

"**Series J Junior Make-Whole Premium**" means, with respect to the Series J Junior Preferred Shares for which the Series J Junior Make-Whole Premium is being determined as of the Series J Junior Redemption Date, the amount derived from the following formula:

(i) the Series J Junior Hypothetical Swap Payment Amount—Fixed Rate Payer for such Calculation Date, multiplied by

(ii) the number of Series J Junior Preferred Shares being redeemed;

provided that the Series J Junior Make-Whole Premium shall equal the Net Portfolio Gain if the result obtained above exceeds the Net Portfolio Gain.

"**Series J Junior Preferred Holder**" means a record holder of Series J Junior Preferred Shares as the same appears on the Stock Books of the Corporation.

"**Series J Junior Preferred Share**" means a share of the Series J Junior Preferred Stock that has been issued pursuant to and subject to the Articles of Incorporation and that (i) has not been redeemed and cancelled or delivered to the Corporation for cancellation, (ii) is not owned by the Corporation or any Affiliate thereof and (iii) is not represented by a certificate in lieu of which a new certificate has been executed and delivered by the Corporation.

"**Series J Junior Preferred Stock**" means the Series J Junior Cumulative Preferred Stock of the Corporation, par value $0.001 per share.

"**Series J Junior Quarterly Dividend Amount**" means, for each Series J Junior Preferred Share as of any Quarterly Dividend Payment Date, an amount equal to the amount that would accrue on the Face Amount of such Series J Junior Preferred Share during the Quarterly Dividend Period ending on such date at the Series J Junior Quarterly Dividend Rate in effect from time to time during such Quarterly Dividend Period calculated on the basis of a 360-day year of 30-day months.

"**Series J Junior Quarterly Dividend Rate**" means [•]% (to be established as set forth in the SEBC Preferred Stock Quarterly Dividend Rate Calculation); *provided* that the Series J Junior Quarterly Dividend Rate shall be adjusted upon, and effective as of, each occurrence of a DRD Adjustment Event by the resulting DRD Adjustment for periods thereafter.

"**Series J Junior Redemption Date**" means any of the following: (i) the Corporation Optional Redemption Date, (ii) the Holders' Elective Redemption Date, (iii) the Scheduled Redemption Date or (iv) the Liquidation Date, as the case may be.

"**Series J Junior Redemption Discount**" means, with respect to each Series J Junior Preferred Share for which the Series J Junior Redemption Discount is being determined as of the Series J Junior Redemption Date, the amount derived from the following formula:

$$\frac{SP * (NPL - EIL)}{Nr}$$

where:

SP	=	0.99
NPL	=	Net Portfolio Loss for such Calculation Date
EIL	=	Expected Investment Loss for such Calculation Date
Nr	=	the number of Series J Junior Preferred Shares being redeemed on such Calculation Date

If the amount derived from the above formula results in a negative number, then the Series J Junior Redemption Discount as of such Calculation Date shall be zero. For the purpose of calculating the Series J Junior Redemption Discount, the Corporation shall calculate the Series J Junior Redemption Discount consistent with the hypothetical examples set forth on Schedule I hereto.

"**Series J Junior Redemption Price**" means, with respect to each Series J Junior Preferred Share for which the Series J Junior Redemption Price is being determined as of the Series J Junior Redemption Date, the amount derived from the following formula:

$$FA + UP + \frac{(MW - SD)}{Nr} - RD + SGRP$$

where:

FA	=	Face Amount of a Series J Junior Preferred Share
UP	=	Series J Junior Unpaid Amount per Series J Junior Preferred Share
MW	=	Series J Junior Make-Whole Premium
SD	=	Series J Junior Swap Discount
RD	=	Series J Junior Redemption Discount
SGRP	=	Special Gross-up Redemption Payment per Series J Junior

Preferred Share

Nr = the number of Series J Junior Preferred Shares being redeemed

"**Series J Junior Swap Discount**" means, with respect to the Series J Junior Preferred Shares for which the Series J Junior Swap Discount is being determined as of the Series J Junior Redemption Date, the amount derived from the following formula:

(i) the Series J Junior Hypothetical Swap Payment Amount—Floating Rate Payer for such Calculation Date, multiplied by

(ii) the number of Series J Junior Preferred Shares being redeemed.

"**Series J Junior Unpaid Amount**" means, as of the Series J Junior Redemption Date, the sum of (i) all unpaid Series J Junior Quarterly Dividend Amounts for each Quarterly Dividend Payment Date occurring on or prior to the Series J Junior Redemption Date whether or not a Quarterly Dividend was declared for such Quarterly Dividend Payment Date, plus (ii) the amount of each Annual Gross-up Dividend, Additional Annual Gross-up Dividend and Retroactive DRD Adjustment Dividend that the Corporation could have declared but for the lack of sufficient legally available funds or earnings and profits, plus (iii) if the Series J Junior Redemption Date is not also a Quarterly Dividend Payment Date, an amount equal to the product of (x) the Series J Junior Quarterly Dividend Amount for the Quarterly Dividend Period in which the Series J Junior Redemption Date occurs and (y) the quotient obtained by dividing the number of days elapsed from and including the immediately preceding Quarterly Dividend Payment Date to but excluding the Series J Junior Redemption Date by 90, plus (iv) an amount equal to the dividends referred to in the second and third sentences of Section 4(b) of Exhibit D.

"**Series K Junior Liquidation Price**" means, for each Series K Junior Preferred Share as of the Liquidation Date, an amount equal to the Face Amount of such Series K Junior Preferred Share plus the Series K Junior Unpaid Amount per Series K Junior Preferred Share.

"**Series K Junior Preferred Holder**" means a record holder of Series K Junior Preferred Shares as the same appears on the Stock Books of the Corporation.

"**Series K Junior Preferred Share**" means a share of the Series K Junior Preferred Stock that has been issued pursuant to and subject to the Articles of Incorporation and that (i) has not been redeemed and cancelled or delivered to the Corporation for cancellation, (ii) is not owned by the Corporation or any Affiliate thereof and (iii) is not represented by a certificate in lieu of which a new certificate has been executed and delivered by the Corporation.

"**Series K Junior Preferred Stock**" means the Series K Junior Cumulative Preferred Stock of the Corporation, par value $0.001 per share.

"**Series K Junior Quarterly Dividend Amount**" means, for each Series K Junior Preferred Share as of any Quarterly Dividend Payment Date, an amount equal to the amount that would accrue on the Face Amount of such Series K Junior Preferred Share during the Quarterly Dividend Period ending on such date at the Series K Junior Quarterly Dividend Rate in effect

from time to time during such Quarterly Dividend Period calculated on the basis of a 360-day year of 30-day months.

"**Series K Junior Quarterly Dividend Rate**" means [•]% (to be established as set forth in the SEBC Preferred Stock Quarterly Dividend Rate Calculation).

"**Series K Junior Redemption Date**" means the Corporation Optional Redemption Date, the Scheduled Redemption Date or the Liquidation Date, as the case may be.

"**Series K Junior Redemption Price**" means, with respect to each Series K Junior Preferred Share for which the Series K Junior Redemption Price is being determined as of the Series K Junior Redemption Date, the Series K Junior Liquidation Price.

"**Series K Junior Unpaid Amount**" means, as of the Series K Junior Redemption Date, the sum of (i) all unpaid Series K Junior Quarterly Dividend Amounts for each Quarterly Dividend Payment Date occurring on or prior to the Series K Junior Redemption Date whether or not a Quarterly Dividend was declared for such Quarterly Dividend Payment Date, plus (ii) if the Series K Junior Redemption Date is not also a Quarterly Dividend Payment Date, an amount equal to the product of (x) the Series K Junior Quarterly Dividend Amount for the Quarterly Dividend Period in which the Series K Junior Redemption Date occurs and (y) the quotient obtained by dividing the number of days elapsed from and including the immediately preceding Quarterly Dividend Payment Date to but excluding the Series K Junior Redemption Date by 90, plus (iii) an amount equal to the dividends referred to in the second and third sentences of Section 4(b) of Exhibit E.

"**Servicer**" means a major financial institution and its permitted successors or assigns under the Servicing Agreement or any entity providing the equivalent function under a replacement servicing agreement.

"**Servicing Agreement**" means the Servicing Agreement, dated as of [•], 2009, between the Corporation and the Servicer as from time to time supplemented or amended or any replacement thereof.

"**Special Gross-up Redemption Payment**" means, if the Series J Junior Unpaid Amount for a Series J Junior Preferred Share exceeds the Series J Junior Redemption Discount on the Series J Junior Redemption Date, an amount which, when taken together with the excess of the Series J Junior Unpaid Amount over the Series J Junior Redemption Discount on the Series J Junior Redemption Date, would cause the Holder of such Series J Junior Preferred Share to have a net yield in dollars (after giving effect to income tax consequences as provided below and treating the Special Gross-up Redemption Payment otherwise treated as a return of capital, as capital gain received upon the taxable sale or exchange of such Series J Junior Preferred Share) from the aggregate of both such excess and the Special Gross-up Redemption Payment to be equal to the net yield in dollars (after giving effect to income tax consequences as provided below) which would have been received by such Holder if the entire amount of such excess had instead been treated as a dividend for U.S. federal, New York State and New York City income tax purposes. Such Special Gross-up Redemption Payment shall be calculated using the maximum marginal U.S. federal, New York State and New York City corporate income tax rate

and Dividends Received Deduction percentage that was in effect for the Series J Junior Preferred Holder's taxable year in which the Series J Junior Redemption Date occurs, without consideration being given to the actual U.S. federal, state or local income tax situation of such Series J Junior Preferred Holder.

"**Specified Affiliate**" means any Person that owns directly or indirectly the Corporation.

"**Stock Books**" means the share transfer books of the Corporation maintained by or on behalf of the corporate secretary of the Corporation.

"**Subsidiary**" of the Corporation means any corporation, association, partnership or other business entity of which more than 50% of the total voting power is at the time owned or controlled, directly or indirectly, by (i) the Corporation, (ii) the Corporation and one or more Subsidiaries thereof, or (iii) one or more Subsidiaries of the Corporation.

"**Swap Payment Amount**" means, with respect to any Permitted Swap Agreement and for any period, the amount of all scheduled floating rate payments, if any, paid by the Corporation to the Eligible Swap Counterparty thereunder during such period (but excluding any Swap Termination Amounts paid by the Corporation).

"**Swap Receipt Amount**" means, with respect to any Permitted Swap Agreement and for any period, the amount of all scheduled fixed rate payments, if any, paid to the Corporation by the Eligible Swap Counterparty thereunder during such period (but excluding any Swap Termination Amounts paid by the Eligible Swap Counterparty).

"**Swap Termination Amount**" means, with respect to any Permitted Swap Agreement and for any period, the amount of all early termination or liquidation payments (including any partial reduction in the notional amount of any such Permitted Swap Agreement), if any, paid to or by the Corporation under such Permitted Swap Agreement during such period (but excluding any Swap Payment Amounts or Swap Receipt Amounts).

"**Tax Reserve Amount**" means, on any date of determination and with respect to each Tax Reserve Event that has occurred on or prior to such date and is continuing, the sum of the following with respect to each such Tax Reserve Event:

(i) an amount representing the U.S. federal, state and local income tax liability (including any liability for alternative minimum taxes), if any, that would be imposed upon the Corporation as a result of such Tax Reserve Event assuming that the related Tax Reserve Event—Proposed Changes were made to the Corporation's U.S. federal income tax return for the related taxable year; and

(ii) an amount representing the Annual Gross-up Dividend or the Additional Annual Gross-up Dividend, if any, that would exist if the Corporation's "earnings and profits" (within the meaning of Section 316 of the Code) are redetermined for the taxable year relating to the Tax Reserve Event—Proposed Changes assuming that (x) the related Tax Reserve Event—Proposed Changes were made to the Corporation's U.S. federal income tax return for the related taxable year and (y) the Corporation pays any tax liability described in clause (i) above;

provided that in determining the aggregate Tax Reserve Amount with respect to all Tax Reserve Events that have occurred on or prior to such date of determination and are still continuing as of such date, the determination of the Tax Reserve Amount for each such Tax Reserve Event shall take into consideration the effect of any Tax Reserve Events that have occurred prior to such Tax Reserve Event and are still continuing (assuming that the related Tax Reserve Event—Proposed Changes were made to the Corporation's U.S. federal income tax return for the related taxable year). Notwithstanding that a Tax Reserve Event shall no longer be continuing: (x) if the IRS or state taxing authority actually imposes the U.S. federal or state income tax liability described in clause (i) above or if another amount exists for which the Corporation has agreed or is required to pay the IRS or state taxing authority, in each case as a result of the related Tax Reserve Event—Proposed Changes, then the Tax Reserve Amount relating thereto shall continue to be included in the aggregate Tax Reserve Amount for any date of determination to the extent of such unpaid liability until such time as the Corporation satisfies such liability in full and (y) if an Annual Gross-up Dividend or Additional Annual Gross-up Dividend shall exist that relates to the Tax Reserve Event—Proposed Changes described in clause (ii) above, the Tax Reserve Amount described in clause (ii) above shall continue to be included in the aggregate Tax Reserve Amount for any date of determination until such time as the Corporation shall make payment of such Additional Annual Gross-up Dividend.

"**Tax Reserve Event**" means the receipt by the Corporation of "Form 4549—Income Tax Examination Changes" (or any similar, comparable or successor form) from the IRS, or the receipt of a similar corresponding statement from a state taxing authority, pursuant to which the IRS or the state taxing authority, as the case may be, proposes changes to the Corporation's U.S. federal, state or local income tax return for the taxable year under examination in such form. A Tax Reserve Event shall be deemed to be "continuing" from the period beginning on the date of receipt of such form by the Corporation and ending on the date a determination under Section 1313(a) of the Code or similar provision under state law, occurs with respect to whether the IRS' or state taxing authority's proposed changes to the Corporation's U.S. federal income tax return as described in such form are required to be made to the Corporation's U.S. federal or state income tax return.

"**Tax Reserve Event—Proposed Changes**" means, for each Tax Reserve Event, the proposed changes to the Corporation's U.S. federal, state or local income tax return referred to in the first sentence of the definition of "Tax Reserve Event."

"**Undeclared Dividend**" has the meaning set forth in Section 4(b) of Exhibits B, C, D or E, as applicable.

Schedule I to
Exhibit A

CALCULATION OF SERIES J JUNIOR REDEMPTION DISCOUNT

CASE I
Assumptions:

SP = .99, NPL = 10,000,000, EIL = 6,000,000, Nr = 611,000,000

Series J Junior Redemption Discount = $\frac{SP^{*}(NPL - EIL)}{Nr}$

$$RD = .00648118 = \frac{.99 * (10{,}000{,}000 - 6{,}000{,}000)}{611{,}000{,}000}$$

CASE II
Assumptions:

SP = .99, NPL = 4,000,000, EIL = 6,000,000, Nr = 611,000,000

Series J Junior Redemption Discount = $\frac{SP^{*}(NPL - EIL)}{Nr}$

$$RD = \frac{.99 * (4{,}000{,}000 - 6{,}000{,}000)}{611{,}000{,}000}$$

$$RD = -0.00324$$

$$RD = 0$$

Schedule II to
Exhibit A

CALCULATION OF DRD ADJUSTMENT[1]
Series A Senior Preferred Stock

New Dividends Received Deduction Rate	Series A Senior Quarterly Dividend Rate	New Dividends Received Deduction Rate	Series A Senior Quarterly Dividend Rate
100%		49%	
99%		48%	
98%		47%	
97%		46%	
96%		45%	
95%		44%	
94%		43%	
93%		42%	
92%		41%	
91%		40%	
90%		39%	
89%		38%	
88%		37%	
87%		36%	
86%		35%	
85%		34%	
84%		33%	
83%		32%	
82%		31%	
81%		30%	
80%		29%	
79%		28%	
78%		27%	
77%		26%	
76%		25%	
75%		24%	
74%		23%	
73%		22%	
72%		21%	
71%		20%	
70%		19%	
69%		18%	
68%		17%	
67%		16%	
66%		15%	

[1] Final rates to be provided at funding.

New Dividends Received Deduction Rate	Series A Senior Quarterly Dividend Rate	New Dividends Received Deduction Rate	Series A Senior Quarterly Dividend Rate
65%		14%	
64%		13%	
63%		12%	
62%		11%	
61%		10%	
60%		9%	
59%		8%	
58%		7%	
57%		6%	
56%		5%	
55%		4%	
54%		3%	
53%		2%	
52%		1%	
51%		0%	
50%			

Schedule III to
Exhibit A

CALCULATION OF DRD ADJUSTMENT[2]
Series B Senior Preferred Stock[3]

New Dividends Received Deduction Rate	Series B Senior Quarterly Dividend Rate	New Dividends Received Deduction Rate	Series B Senior Quarterly Dividend Rate
100%		49%	
99%		48%	
98%		47%	
97%		46%	
96%		45%	
95%		44%	
94%		43%	
93%		42%	
92%		41%	
91%		40%	
90%		39%	
89%		38%	
88%		37%	
87%		36%	
86%		35%	
85%		34%	
84%		33%	
83%		32%	
82%		31%	
81%		30%	
80%		29%	
79%		28%	
78%		27%	
77%		26%	
76%		25%	
75%		24%	
74%		23%	
73%		22%	
72%		21%	
71%		20%	
70%		19%	
69%		18%	
68%		17%	

[2] Final rates to be provided at funding.

[3] To include schedules for both 70% DRD and 80% DRD.

New Dividends Received Deduction Rate	Series B Senior Quarterly Dividend Rate	New Dividends Received Deduction Rate	Series B Senior Quarterly Dividend Rate
67%		16%	
66%		15%	
65%		14%	
64%		13%	
63%		12%	
62%		11%	
61%		10%	
60%		9%	
59%		8%	
58%		7%	
57%		6%	
56%		5%	
55%		4%	
54%		3%	
53%		2%	
52%		1%	
51%		0%	
50%			

Schedule IV to
Exhibit A

CALCULATION OF DRD ADJUSTMENT[4]
Series J Junior Preferred Stock

New Dividends Received Deduction Rate	Series J Junior Quarterly Dividend Rate	New Dividends Received Deduction Rate	Series J Junior Quarterly Dividend Rate
100%		49%	
99%		48%	
98%		47%	
97%		46%	
96%		45%	
95%		44%	
94%		43%	
93%		42%	
92%		41%	
91%		40%	
90%		39%	
89%		38%	
88%		37%	
87%		36%	
86%		35%	
85%		34%	
84%		33%	
83%		32%	
82%		31%	
81%		30%	
80%		29%	
79%		28%	
78%		27%	
77%		26%	
76%		25%	
75%		24%	
74%		23%	
73%		22%	
72%		21%	
71%		20%	
70%		19%	
69%		18%	
68%		17%	
67%		16%	
66%		15%	

[4] Final rates to be provided at funding.

New Dividends Received Deduction Rate	Series J Junior Quarterly Dividend Rate	New Dividends Received Deduction Rate	Series J Junior Quarterly Dividend Rate
65%		14%	
64%		13%	
63%		12%	
62%		11%	
61%		10%	
60%		9%	
59%		8%	
58%		7%	
57%		6%	
56%		5%	
55%		4%	
54%		3%	
53%		2%	
52%		1%	
51%		0%	
50%			

Schedule V to
Exhibit A

CRITERIA FOR ELIGIBLE PORTFOLIO INVESTMENTS

1. The remaining term to final maturity of an Eligible Portfolio Investment shall not extend beyond the Scheduled Redemption Date.

2. An Eligible Portfolio Investment must be purchased at par or a discount and must pay interest, to the extent possible, on dates and in amounts not less than an aggregate amount that is sufficient for the Corporation to have enough income to pay Quarterly Dividends in full on the Quarterly Dividend Payment Dates either with the then existing Permitted Swap Agreement or another Permitted Swap Agreement or without a Permitted Swap Agreement if none is needed.

3. An Eligible Portfolio Investment must constitute a financial asset, either fixed or revolving, that by its terms converts into cash within a finite time period and, therefore, qualifies as an "eligible asset" as such term is defined in Rule 3a-7(b)(1) under the Investment Company Act.

Schedule VI to
Exhibit A

SEBC PREFERRED STOCK
QUARTERLY DIVIDEND RATE CALCULATION

Based on the following assumptions and the SEBC Preferred Stock Quarterly Dividend Rate Calculation, the following rates result for the Series A Senior Preferred Stock, Series B Senior Preferred Stock, Series J Junior Preferred Stock and Series K Junior Preferred Stock:

Assumptions:

i. Market Rate: [3.60%]

ii. Coupon Rate on Assets: [5.60%]

iii. Expected Losses on Portfolio Investments per year:[$0.8mm]

iv. Anticipated Liabilities per year: [$10.5mm]

v. Anticipated Operating Expenses per year: [$0.9mm]

vi. Advisory Fees per year: [$1.5mm]

SEBC Preferred Stock Rates:

i. Series A Senior Preferred Stock: [4.60%]

ii. Series B Senior Preferred Stock: [4.45%]

iii. Series J Junior Preferred Stock: [4.65%]

iv. Series K Junior Preferred Stock: [4.45%]

EXHIBIT B

SERIES A SENIOR PREFERRED STOCK OF SEBC FINANCIAL CORPORATION

Section 1. *Designation, Amount, Series and Rank.* From the authorized Preferred Stock of SEBC Financial Corporation (the "**Corporation**"), there shall be a series of Preferred Stock designated as the "Series A Senior Preferred Stock," par value $0.001 per share (the "**Series A Senior Preferred Stock**"), and the number of shares constituting such series shall be [•]. The Series A Senior Preferred Stock shall, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of the Corporation, rank (a) senior to the Series B Senior Preferred Stock, the Series J Junior Preferred Stock, the Series K Junior Preferred Stock, the Common Stock, and all other classes or series of capital stock of the Corporation hereafter issued which are not by their terms expressly senior to or on a parity with the Series A Senior Preferred Stock; (b) on a parity with all classes or series of capital stock of the Corporation hereafter issued which are by their terms expressly on a parity with the Series A Senior Preferred Stock; and (c) junior to all classes or series of capital stock of the Corporation hereafter issued which are by their terms expressly senior to the Series A Senior Preferred Stock.

Section 2. *Definitions.* Capitalized terms used but not defined in this Exhibit B shall have the respective meanings set forth in the Articles of Incorporation or in Exhibit A to the Articles of Incorporation.

Section 3. *Series A Senior Preferred Shares; Distributions.*

(a) The Series A Senior Preferred Shares shall be represented by one or more certificates registered in the Stock Books in the names of the Holders of the Series A Senior Preferred Shares.

(b) No fractional Series A Senior Preferred Shares shall be issued.

(c) Notwithstanding anything in the Articles of Incorporation to the contrary, the Corporation shall have no right to make distributions or payments in respect of the Series A Senior Preferred Shares unless such distributions or payments are made solely from one or more of the following sources:

(i) interest and other distributions and payments received by the Corporation on or in respect of the Portfolio Investments or the Permitted Investments purchased by the Corporation from time to time;

(ii) all proceeds received by the Corporation from the maturity, redemption, repayment, prepayment, sale, exchange or other disposition of Portfolio Investments or Permitted Investments (including those in which the Liquidity Reserve is invested from time to time); and

(iii) all other assets or property of the Corporation including, without limitation, the stock of any Subsidiary and the proceeds of any disposition thereof.

Section 4. *Dividends.*

(a) Subject to Section 3(c) hereof, each Series A Senior Preferred Holder shall be entitled to receive, subject to declaration thereof by the Board of Directors or a duly authorized committee thereof, out of funds legally available therefor, a cash dividend (a "**Quarterly Dividend**") on each Quarterly Dividend Payment Date for the Quarterly Dividend Period then ending in an amount equal to the Series A Senior Quarterly Dividend Amount for such Quarterly Dividend Period.

(b) The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits (such amount or shortfall, as the case may be, being an "**Undeclared Dividend**"), will accumulate until paid. Additional dividends will accumulate on the amount of any Undeclared Dividend at the rate per annum equal to the Series A Senior Quarterly Dividend Rate, compounded quarterly, from and including the Dividend Payment Date that would have been applicable to such Undeclared Dividend had it been declared to but excluding the date paid. Additional dividends will accumulate on the amount of any declared dividend that is not paid on the applicable Dividend Payment Date for any reason at the rate per annum equal to the Series A Senior Quarterly Dividend Rate, compounded quarterly, from and including such Dividend Payment Date to but excluding the date paid.

(c) The record date for the determination of the Series A Senior Preferred Holders entitled to receive payment of a dividend and the date of such payment will be the date fixed by the Corporation's Board of Directors or a duly authorized committee thereof, which record date will be no more than fifteen (15) days prior to the Dividend Payment Date fixed for the payment thereof. The Corporation shall provide written notice of the record date for, the amount of, and the Dividend Payment Date fixed for payment of, each dividend to the Series A Senior Preferred Holders promptly after each such date and amount is fixed. So long as the Series A Senior Preferred Shares are held of record by the nominee of the Securities Depository, dividends will be paid to the nominee of the Securities Depository on each Dividend Payment Date for the Series A Senior Preferred Shares. The Securities Depository will credit the accounts of Agent Members acting as such for Series A Senior Preferred Holders in accordance with its normal procedures, which provide for payment in same-day funds. Each Agent Member will be responsible for holding or disbursing such payments to the Series A Senior Preferred Holder for which it is so acting in accordance with the instructions of such Holder. Series A Senior Preferred Holders will not be entitled to any dividends on Series A Senior Preferred Shares, whether payable in cash or property, in excess of the dividends provided herein. All dividends will be paid *pro rata* with respect to the Series A Senior Preferred Shares to the Series A Senior Preferred Holders entitled thereto. Notwithstanding anything in the Articles of Incorporation to the contrary, no dividend shall be paid unless, immediately after making such payment and giving effect thereto, the Market Value of the Portfolio Investments and the Permitted Investments equals or exceeds the sum of (i) the consolidated liabilities of the Corporation and its Subsidiaries at such time *plus* (ii) the Series A Senior Redemption Price (assuming the

date of determination is a Series A Senior Redemption Date) for all Series A Senior Preferred Shares outstanding at such time.

(d) (i) If any DRD Adjustment Event that reduces the Dividends Received Deduction applies with retroactive effect to dividends previously paid on the Series A Senior Preferred Shares (each date on which the Corporation previously paid dividends, a "**DRD Affected Dividend Payment Date**"), the Series A Senior Preferred Holders shall be entitled to receive, subject to declaration by the Board of Directors or a duly authorized committee thereof out of funds legally available therefor, an additional cash dividend (a "**Retroactive DRD Adjustment Dividend**") on the Series A Senior Preferred Shares on or before the last day of the Quarterly Dividend Period next succeeding the Quarterly Dividend Period in which the Corporation provides a Retroactive DRD Adjustment Dividend Payment Notice to the Series A Senior Preferred Holders in an amount equal (A) in the case of a Quarterly Dividend, to the excess (if any) of (x) the sum of the Quarterly Dividends that would have been paid by the Corporation on each DRD Affected Dividend Payment Date if Quarterly Dividends equal to the Series A Senior Quarterly Dividend Amount for the Quarterly Dividend Period ending on such DRD Affected Dividend Payment Date had been declared and paid in full on such date (assuming that the applicable Series A Senior Quarterly Dividend Rate used in determining such Series A Senior Quarterly Dividend Amount had been adjusted for such DRD Adjustment Event as described in the definition of Series A Senior Quarterly Dividend Rate) over (y) the sum of the Quarterly Dividends paid by the Corporation on each DRD Affected Dividend Payment Date and (B) in the case of Annual Gross-up Dividends or Additional Annual Gross-up Dividends, to the excess (if any) of (x) the Annual Gross-up Dividends or Additional Annual Gross-up Dividends adjusted for the effect of such DRD Adjustment Event over (y) the Annual Gross-up Dividends or Additional Annual Gross-up Dividends paid by the Corporation on each DRD Affected Dividend Payment Date. The Corporation shall make only one payment of Retroactive DRD Adjustment Dividends in connection with each DRD Adjustment Event. Upon the occurrence of any DRD Adjustment Event, the Board of Directors or a duly authorized committee thereof shall, within ten (10) Business Days after such DRD Adjustment Event occurs, determine whether to declare any Retroactive DRD Adjustment Dividend and, if so, the Corporation shall promptly provide written notice of the amount and date of payment thereof to the Series A Senior Preferred Holders (such notice, the "**Retroactive DRD Adjustment Dividend Payment Notice**").

(ii) If any DRD Adjustment Event that increases the Dividends Received Deduction applies with retroactive effect to Quarterly Dividends, Annual Gross-up Dividends or Additional Annual Gross-up Dividends previously paid on the Series A Senior Preferred Shares, then each Series A Senior Preferred Holder that received any such dividend subject to such retroactive DRD Adjustment Event shall pay to the Corporation an amount equal to the excess of the dividend actually received over the amount of dividend that would have been received had the amount of such dividend been adjusted at the time of payment to reflect such DRD Adjustment Event. Such Series A Senior Preferred Holder shall pay such excess not less than 10 Business Days after receipt of the Corporation's written demand therefor, which demand shall include a

reasonably detailed computation of such excess and which computation shall be binding in the absence of manifest error. In lieu of requiring such payment, the Corporation may elect to reduce one or more subsequent Quarterly Dividends on the Series A Senior Preferred Shares by an aggregate amount equal to the payment that the Series A Senior Preferred Holders would otherwise have been required to pay pursuant to this Section 4(d)(ii).

(e) Without duplication, if any dividends paid by the Corporation during any taxable year (including without limitation, an Annual Gross-up Dividend paid during such taxable year) constitutes (in whole or in part) a return of capital for U.S. federal income tax purposes or is treated as a gain from the sale or exchange of the Series A Senior Preferred Shares pursuant to Section 301(c)(2) or (3) of the Code as a result of an insufficiency of "**earnings and profits**" (within the meaning of Section 316 of the Code) of the Corporation (such dividends (or portions thereof) so constituting a return of capital or being treated as a gain from the sale or exchange of the Series A Senior Preferred Shares, collectively, a "**Return of Capital Distribution**"), each Series A Senior Preferred Holder shall be entitled to receive, subject to declaration by the Board of Directors or a duly authorized committee thereof out of funds legally available therefor, an additional dividend (an "**Annual Gross-up Dividend**") on or before the last day of the Quarterly Dividend Period next succeeding the Quarterly Dividend Period in which the Corporation provides the Gross-up Dividend Payment Notice to the Series A Senior Preferred Holders in an amount (an "**Annual Gross-up Amount**") that, when taken together with the aggregate Return of Capital Distributions paid to the Series A Senior Preferred Holder thereof in respect of such Series A Senior Preferred Shares for such taxable year of the Corporation, would cause such Holder's net yield in dollars (after giving effect to income tax consequences as provided below and treating the portion of such Return of Capital Distributions otherwise treated as a return of capital as capital gain received upon the taxable sale or exchange of such Series A Senior Preferred Shares) from the Return of Capital Distributions to be equal to the net yield in dollars (after giving effect to income tax consequences as provided below) which would have been received by such Holder if the entire amount of the aggregate Return of Capital Distributions had instead been treated as a dividend for U.S. federal income tax purposes. In determining the Annual Gross-up Amount for any Holder's Series A Senior Preferred Shares: (i) such Annual Gross-up Amount shall be calculated using the applicable maximum marginal U.S. federal, New York State and New York City corporate income tax rate and, where applicable, the applicable Dividends Received Deduction percentage, without consideration being given to the actual U.S. federal, state or local income tax situation of any Series A Senior Preferred Holder (in each case with respect to the highest U.S. federal, New York State and New York City corporate income tax rate and the Dividends Received Deduction percentage that was in effect for the taxable year in which the Return of Capital Distribution was made) and (ii) the Corporation shall make a determination, based upon its U.S. federal income tax return for the related taxable year, of the distributions to such Holder that are to be treated as dividends for U.S. federal income tax purposes. Not later than each Annual Gross-up Dividend Determination Date, the Corporation shall determine if any Return of Capital Distributions exist.

(f) (i) If the amount of the Corporation's "**earnings and profits**" (within the meaning of Section 316 of the Code) for a taxable year is redetermined by the IRS or otherwise and, after giving effect to such redetermination, any previously determined Annual Gross-up Amount would have been greater (the excess of such greater amount over the previously determined Annual Gross-up Amount being referred to herein as the "**Additional Annual Gross-up Amount**") had it been computed using such redetermined amount, each Series A Senior Preferred Holder shall be entitled to receive, subject to declaration by the Board of Directors or a duly authorized committee thereof out of funds legally available therefor, an additional dividend (an "**Additional Annual Gross-up Dividend**") on or before the last day of the Quarterly Dividend Period next succeeding the Quarterly Dividend Period in which the Corporation provides the Gross-up Dividend Payment Notice to the Series A Senior Preferred Holders relating to such redetermination, in an amount equal to the Additional Annual Gross-up Amount for each of such Holder's Series A Senior Preferred Shares.

(ii) If any such redetermination of the Corporation's earnings and profits results in a determination that the Annual Gross-up Dividends or Additional Annual Gross-up Dividends previously paid on the Series A Senior Preferred Shares, after giving effect to such redetermination would have been less, then each Series A Senior Preferred Holder that received any such dividend shall pay to the Corporation an amount equal to the excess of the dividend actually received over the amount of dividend that would have been received had the amount of such dividend been adjusted at the time of payment to reflect such redetermination. Such Series A Senior Preferred Holder shall pay such excess not less than 10 Business Days after receipt of the Corporation's written demand therefor, which demand shall include a reasonably detailed computation of such excess and which computation shall be binding in the absence of manifest error. In lieu of requiring such payment, the Corporation may elect to reduce one or more subsequent Quarterly Dividends on the Series A Senior Preferred Shares by an aggregate amount equal to the payment that the Series A Senior Preferred Holders would otherwise have been required to pay pursuant to this Section 4(f)(ii).

(g) Not later than ten (10) Business Days after the date on which the Corporation has determined that any Annual Gross-up Amount or Additional Annual Gross-up Amount exists and an Annual Gross-up Dividend or Additional Annual Gross-up Dividend has been declared, the Corporation shall provide written notice to the Series A Senior Preferred Holders informing the Series A Senior Preferred Holders of the amount of such Annual Gross-up Dividends or Additional Annual Gross-up Dividends and the Dividend Payment Date fixed for payment thereof (such notice, a "**Gross-up Dividend Payment Notice**").

(h) On each Dividend Payment Date on which dividends are paid to the Series A Senior Preferred Holders, the Corporation shall provide to each Series A Senior Preferred Holder a written statement setting forth the Corporation's estimate as to the portion of such payment constituting a dividend for U.S. federal income tax purposes. Not later than the 75th day after the end of each taxable year of the Corporation, the Corporation shall provide each Series A Senior Preferred Holder with a statement

setting forth the aggregate dividends paid to such Holder as a holder of record during such taxable year that constitute dividends for U.S. federal income tax purposes.

(i) Notwithstanding anything in the Articles of Incorporation to the contrary, if, after the date on which a Series A Senior Preferred Holder's shares have been redeemed or otherwise paid, a determination has been made that such Holder would have been entitled to receive dividends pursuant to Section 4(d), Section 4(e) or Section 4(f) hereof if such Holder's shares were still outstanding Series A Senior Preferred Shares, such Holder's shares shall be considered Series A Senior Preferred Shares solely for the purpose of receiving the amounts that such Holder shall be entitled to receive pursuant to Section 4(d), Section 4(e) or Section 4(f) hereof and, solely for the purpose of receiving such amounts pursuant to Section 4(d), Section 4(e) or Section 4(f) hereof, such Holder shall have all the rights and privileges that would be afforded such Holder under the Articles of Incorporation (including, without limitation, the voting rights under Section 7 hereof) if such Holder's shares were still Series A Senior Preferred Shares.

Section 5. *Liquidation Rights.*

(a) Subject to Section 3(c) hereof, upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, each Holder of Series A Senior Preferred Shares at such time will be entitled to receive out of the assets of the Corporation available for distribution to its stockholders an amount in cash, before any distribution of assets is made to the Holders of Series B Senior Preferred Stock, Series J Junior Preferred Stock or Series K Junior Preferred Stock or to the Holders of Common Stock, equal to the Series A Senior Liquidation Price for each of such Holder's Series A Senior Preferred Shares. The Series A Senior Liquidation Price for the Series A Senior Preferred Shares of each Series A Senior Preferred Holder shall be paid on the date established by the Board of Directors in connection with the approval of the liquidation, dissolution or winding up of the Corporation (the "**Liquidation Date**"). After the payment of the full amount of the Series A Senior Liquidation Price in respect of the Series A Senior Preferred Shares of the Holders entitled thereto and the other amounts provided in this paragraph, the Series A Senior Preferred Holders will have no right or claim to any of the remaining assets of the Corporation, except pursuant to Section 4(i) hereof.

(b) If, upon any such voluntary or involuntary dissolution, liquidation or winding up, the available assets of the Corporation are insufficient to pay the amount of the Series A Senior Liquidation Price in full on each Series A Senior Preferred Share, then such available assets will be applied *pro rata* (based upon the proportion that the amount available to pay such liquidation prices bears to the amount necessary to pay such liquidation prices in full) among all Series A Senior Preferred Shares toward payment of the Series A Senior Liquidation Price thereof. Unless and until payment in full of the Series A Senior Liquidation Price of each Series A Senior Preferred Share, upon the liquidation, dissolution or winding up of the Corporation, no dividends or distributions or other payments may be made to the Holders of any Series B Senior Preferred Stock, Series J Junior Preferred Stock or Series K Junior Preferred Stock or to

the Holders of any Common Stock, and no purchase, redemption or other acquisition for any consideration by the Corporation may be made in respect of the Series B Senior Preferred Stock, Series J Junior Preferred Stock, Series K Junior Preferred Stock or the Common Stock.

(c) If, on or after the first anniversary of the date of acquisition of the Series A Senior Preferred Shares from MLE and for so long as any Series A Senior Preferred Shares are outstanding, the Majority Series A Senior Preferred Holders shall provide written notice to the Corporation requiring the Corporation to liquidate pursuant to this Section 5, then the Corporation shall have the right, but not the obligation, within forty-five (45) days after the receipt of such notice, to provide a Notice of Redemption to the Holders of the Series A Senior Preferred Stock, which Notice of Redemption shall state that the next succeeding Quarterly Dividend Payment Date shall be deemed to be a Corporation Optional Redemption Date. If the Corporation shall provide such Notice of Redemption, then the Series A Senior Preferred Stock shall be subject to redemption, in whole and not in part, pursuant to Section 6(b) hereof. If the Corporation shall not provide such Notice of Redemption, then the Corporation shall promptly liquidate pursuant to Section 5 hereof. For the avoidance of doubt, this Section 5(c) shall not become operative until MLE ceases to be the beneficial owner of any Series A Senior Preferred Shares.

(d) None of the conversion of the Corporation into another entity, the merger or consolidation of the Corporation into or with any other entity, the merger or consolidation of any other entity with or into the Corporation or the sale of all or substantially all of the property or the business of the Corporation will be deemed to constitute a dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, for the purposes of this Section 5.

Section 6. *Redemption.*

(a) *Holders' Elective Redemption.* If any Holders' Elective Redemption Event shall have occurred, the Majority Series A Senior Preferred Holders may direct the Corporation to redeem the Series A Senior Preferred Shares, in whole or in part, on the Holders' Elective Redemption Date. Any such direction by the Majority Series A Senior Preferred Holders shall be in writing (the "**Holders' Elective Redemption Direction**"), shall be delivered to the Corporation in accordance with Section 7(k)(i) hereof and shall specify (i) a date (the "**Holders' Elective Redemption Date**") for redemption of the Series A Senior Preferred Shares, which date shall be a Quarterly Dividend Payment Date occurring not less than 90 days after the date on which the Holders' Elective Redemption Direction is delivered to the Corporation, (ii) the Holders' Elective Redemption Event and (iii) whether such redemption is to be in whole or in part (expressed as a percentage of Series A Senior Preferred Shares). The Corporation shall promptly forward a copy of such Holders' Elective Redemption Direction to each Series A Senior Preferred Holder together with a Notice of Redemption (as defined below). On the Holders' Elective Redemption Date, the Corporation shall pay each Series A Senior Preferred Holder the Series A Senior Redemption Price for each Series A Senior Preferred Share owned by such Holder to be

redeemed in cash out of funds legally available therefor and described in Section 3(c) hereof. A Holders' Elective Redemption Direction may be withdrawn at any time by the Majority Series A Senior Preferred Holders. Notwithstanding the foregoing, if any Holders' Elective Redemption Event shall have occurred and the Majority Series B Senior Preferred Holders and/or Majority Series J Junior Preferred Holders have directed the Corporation to redeem the Series B Senior Preferred Shares, in whole or in part, and/or Series J Junior Preferred Shares, in whole and not in part, as applicable, on the Holders' Elective Redemption Date with respect to the Series B Senior Preferred Shares and/or Series J Junior Preferred Shares, as applicable, then the Majority Series A Senior Preferred Holders shall have the right to direct the Corporation first to redeem the Series A Senior Preferred Shares. Any such direction by the Majority Series A Senior Preferred Holders shall be in writing and shall be delivered to the Corporation and the Majority Series B Senior Preferred Holders and/or Majority Series J Junior Preferred Holders, as applicable, no later than 15 days before the Holders' Elective Redemption Date with respect to the Series B Senior Preferred Shares and/or Series J Junior Preferred Shares, as applicable.

(b) *Corporation Optional Redemption.* The Series A Senior Preferred Shares will be subject to redemption, in whole and not in part, by resolution of the Board of Directors at the option of the Corporation on any Corporation Optional Redemption Date. On the Corporation Optional Redemption Date, the Corporation shall pay each Series A Senior Preferred Holder the Series A Senior Redemption Price in cash for each Series A Senior Preferred Share owned by such Holder to be redeemed out of funds legally available therefor and described in Section 3(c) hereof.

(c) *Scheduled Redemption.* The Series A Senior Preferred Shares shall be redeemed, in whole and not in part, upon the Scheduled Redemption Date. On the Scheduled Redemption Date, the Corporation shall pay each Series A Senior Preferred Holder the Series A Senior Redemption Price in cash for each Series A Senior Preferred Share owned by such Holder out of funds legally available therefor and described in Section 3(c) hereof. If on the Scheduled Redemption Date such funds are insufficient to redeem the total number of Series A Senior Preferred Shares to be redeemed on such date, those funds which are legally available and described in Section 3(c) hereof will be applied *pro rata* (based upon the proportion that the amount available to pay such redemption prices bears to the amount necessary to pay such redemption prices in full) among all Series A Senior Preferred Holders toward payment of the Series A Senior Redemption Price thereof.

(d) *Notice of Redemption.* Whenever Series A Senior Preferred Shares are to be redeemed, the Corporation shall mail a notice (a "**Notice of Redemption**") to the Series A Senior Preferred Holders not less than fifteen (15) calendar days nor more than forty-five (45) calendar days prior to the date fixed for redemption. A Notice of Redemption shall be addressed to each Series A Senior Preferred Holder at the address for such Holder appearing on the Stock Books. The Notice of Redemption shall state (i) the Series A Senior Redemption Date, (ii) an estimate of the Series A Senior Redemption Price, (iii) the aggregate number of Series A Senior Preferred Shares to be redeemed (it being understood that if a redemption pursuant to Section 6(a) is in part,

then the number of shares to be redeemed from each Series A Senior Preferred Holder shall be the same percentage specified in the Holders' Elective Redemption Direction), (iv) the place or places where Series A Senior Preferred Shares are to be surrendered for payment of the Series A Senior Redemption Price, (v) that no dividends on the Series A Senior Preferred Shares to be redeemed will be payable after the date fixed for redemption (unless the Corporation shall default in the payment of the Series A Senior Redemption Price), and (vi) the provision under this Section 6 under which redemption is made.

(e) *Surrender of Certificates; Effect.* On or after the Series A Senior Redemption Date, each Holder of Series A Senior Preferred Shares shall surrender the certificate or certificates for such Series A Senior Preferred Shares to the Corporation at the place designated in the Notice of Redemption, and against such surrender the Series A Senior Redemption Price of such Series A Senior Preferred Shares shall be paid to or on the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be canceled. If less than all the Series A Senior Preferred Shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed Series A Senior Preferred Shares. From and after the Series A Senior Redemption Date (unless the Corporation shall default in the payment in full of the Series A Senior Redemption Price), all dividends on the Series A Senior Preferred Shares so redeemed shall cease to accrue and all rights of the Series A Senior Preferred Holders thereof, except the right to receive the Senior A Senior Redemption Price of such shares upon the surrender of certificates representing the same and except as provided in Section 4(i) hereof, shall cease and terminate and such shares shall not thereafter be transferred on the Stock Books of the Corporation and shall not be deemed to be Series A Senior Preferred Shares for any purpose whatsoever.

(f) *Series A Senior Preferred Shares Retired.* Series A Senior Preferred Shares redeemed pursuant to the provisions of this Section 6 shall thereupon have the status of authorized but unissued shares of Preferred Stock without designation.

Section 7. *Voting Rights.*

(a) Holders of the Series A Senior Preferred Shares shall have no voting rights, either general or special, and shall have no right to participate in the management of the Corporation, except as expressly required by applicable law and as specified in this Section 7.

(b) Without the affirmative vote of the Holders of more than 80% of the Series A Senior Preferred Shares, so long as there are any Series A Senior Preferred Shares, the Corporation shall not:

(i) institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition or an answer or consent to a petition seeking reorganization or relief under any applicable federal, state or foreign law relating to bankruptcy, or

consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporation or of a substantial part of the property of the Corporation, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take any corporate or other action in furtherance of any such action;

(ii) consolidate or merge the Corporation or any Subsidiary with or into any other Person, or permit any other Person to consolidate with or merge into the Corporation or any Subsidiary, in either case pursuant to which the market value of the surviving or resulting entity exceeds the market value of the Corporation by more than 5%;

(iii) sell, lease, convey or otherwise dispose of all or substantially all of the assets of the Corporation (other than with respect to sales or disposals of Permitted Investments in connection with the payment of dividends or the redemption of Series A Senior Preferred Shares);

(iv) voluntarily dissolve, liquidate or wind up the affairs of the Corporation or any Subsidiary;

(v) issue shares of Common Stock to any Person;

(vi) create, authorize or issue shares of additional classes or series of stock;

(vii) own any assets other than (w) investments held by the Corporation on the date of filing of the Articles of Incorporation, (x) Portfolio Investments and Permitted Investments, (y) the common stock of the Subsidiaries (and the assets thereof owned on the date of filing of the Articles of Incorporation), and (z) securities issued by entities whose sole assets are cash, cash equivalents and real property (or securities issued by such entities);

(viii) create, authorize, issue, incur or suffer to exist any indebtedness for borrowed money or other liability other than in the ordinary course of business in an aggregate amount not exceeding $1,000,000;

(ix) have any salaried employees;

(x) amend, alter or repeal any provision of the Articles of Incorporation or the Bylaws, whether by merger, consolidation or otherwise, so as to adversely affect any of the rights, powers, preferences, privileges, terms or par value of any Series A Senior Preferred Share or to change the capital surplus of the Corporation in a manner adverse to the Holders of Series A Senior Preferred Shares or to modify any of the limitations set forth in this Section 7(b) or Section 8 hereof; or

(xi) do anything that requires the affirmative vote of each class of voting securities of the Corporation.

(c) Without the affirmative vote of the Holders of more than 80% of the Series A Senior Preferred Shares, so long as there are any Series A Senior Preferred Shares, the Corporation shall not permit any Subsidiary to:

(i) institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition or an answer or consent to a petition seeking reorganization or relief under any applicable federal, state or foreign law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Subsidiary or of a substantial part of the property of such Subsidiary, or make any assignment for the benefit of creditors, or admit in writing such Subsidiary's inability to pay its respective debts generally as they become due, or take any corporate or other action in furtherance of any such action;

(ii) consolidate or merge such Subsidiary with or into any other Person, or permit any other Person to consolidate with or merge into such Subsidiary;

(iii) sell, lease, convey or otherwise dispose of all or substantially all of the assets of such Subsidiary (other than with respect to sales or disposals of Portfolio Investments or Permitted Investments in connection with the payment of distributions on the Corporation's interest in such Subsidiary);

(iv) voluntarily dissolve, liquidate or wind up the affairs of such Subsidiary;

(v) if such Subsidiary is a limited liability company, admit or create additional members;

(vi) if such Subsidiary is a corporation, issue additional shares of common stock or create, authorize or issue shares of additional classes or series of stock;

(vii) own any assets other than (x) Portfolio Investments and Permitted Investments, (y) the common stock of the Subsidiaries and (z) the assets held on the date of filing of the Articles of Incorporation;

(viii) loan, distribute or transfer any monies or assets of such Subsidiary to any other Subsidiary;

(ix) create, authorize, issue, incur or suffer to exist any indebtedness for borrowed money or other liability;

(x) have any employees; or

(xi) make an election to become a "**disregarded entity**" for U.S. federal income tax purposes.

(d) Upon the occurrence of any of the following events, the authorized number of directors of the Board of Directors shall automatically be increased by the smallest even number divisible by three of new directors that shall constitute a majority of the Board of Directors, as so increased (such new directors, the "**Additional Directors**"), and (A) in the case of an event described in clauses (i), (ii) or (iii) below, each of the Majority Series A Senior Preferred Holders, the Majority Series B Senior Preferred Holders and the Majority Series J Junior Preferred Holders shall be entitled to elect one-third of the Additional Directors, and (B) in the case of an event described in clauses (iv) or (v) below, each of (x) the Majority Series A Senior Preferred Holders, (y) the Majority Series B Senior Preferred Holders and (z) voting together as a single class, the Majority Series J and Series K Junior Preferred Holders shall be entitled to elect one-third of the Additional Directors:

(i) the Corporation or any Specified Affiliate shall institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against any such Person, or file a petition or an answer or consent to a petition seeking reorganization or relief under any applicable federal, state or foreign law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of any such Person or of a substantial part of any such Person's property, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take any corporate or other action in furtherance of any such action;

(ii) the entry of a decree or order by a court having competent jurisdiction adjudging the Corporation or any Specified Affiliate bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of any such Person under any applicable federal, state or foreign law relating to bankruptcy, or appointing a receiver, liquidator, assignee, trustee, sequestrator or other similar official of any such Person or of a substantial part of any such Person's property, or ordering the winding up or liquidation of any such Person's affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(iii) failure of the Corporation to maintain the Liquidity Reserve in accordance with Section 8(e) hereof and such failure continues for ten (10) Business Days after any Series A Senior Preferred Holder gives written notice to the Corporation of such failure;

(iv) failure of the Corporation to declare and pay in full Quarterly Dividends equal to the applicable Series A Senior Quarterly Dividend Amount on two or more consecutive Quarterly Dividend Payment Dates; or

(v) failure of the Corporation to pay in full the Series A Senior Redemption Price of the Series A Senior Preferred Shares on the Series A Senior Redemption Date.

(e) As soon as reasonably practicable after the accrual of any right of the Series A Senior Preferred Holders to elect Additional Directors pursuant to Section 7(d) hereof and so long as the Series A Senior Preferred Holders shall not have taken the action described in Section 7(k)(ii) hereof, the Board of Directors shall call a special meeting of the Series A Senior Preferred Holders, the Series B Senior Preferred Holders, the Series J Junior Preferred Holders and, if applicable, the Series K Junior Preferred Holders by mailing to such Holders a notice of such special meeting to be held not less than five (5) Business Days nor more than thirty (30) calendar days after the date such notice is given. If the Board of Directors does not send such notice, any such special meeting may be called by any Series A Senior Preferred Holder, Series B Senior Preferred Holder, Series J Junior Preferred Holder or Series K Junior Preferred Holder on like notice. The record date for determining the Holders entitled to notice of, and to vote at, such meeting shall be the close of business on the Business Day immediately preceding the day on which such notice is mailed. At any such special meeting, the applicable Holders will be entitled to elect Additional Directors on a one-vote-per-Series A Senior Preferred Share-per-director basis, on a one-vote-per-Series B Senior Preferred Share-per-director basis, on a one-vote-per-Series J Junior Preferred Share-per-director basis or on a one-vote-per-Series K Junior Preferred Share-per-director basis, as the case may be. The Holders of 34% of each of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares and the Series J Junior Preferred Shares or, taken together as a single class, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares, as applicable, at the time present in person or by proxy will constitute a quorum for the election of the Additional Directors. Notice of all meetings at which the Series A Senior Preferred Holders, the Series B Senior Preferred Holders, the Series J Junior Preferred Holders and the Series K Junior Preferred Holders shall be entitled to vote will be given to such Holders at their addresses as they appear on the Stock Books. At any such meeting or adjournment thereof in the absence of a quorum, subject to the provisions of any applicable law, the Holders of a majority of each of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares and the Series J Junior Preferred Shares or, voting together as a single class, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares, as applicable, present in person or by proxy shall have the power to adjourn the meeting for the election of the Additional Directors, without notice other than an announcement at the meeting, until a quorum is present. If a Cure Event shall occur after the notice of a special meeting for the election of Additional Directors has been given but before such special meeting is held, the Corporation shall, as soon as practicable after the occurrence of such Cure Event, mail notice of such occurrence and a statement that no special meeting will be held to the Holders of record that would have been entitled to vote at such special meeting.

(f) The term of office of all persons who are directors of the Corporation at the time the Additional Directors are elected shall continue, notwithstanding such election. The Additional Directors, together with the incumbent directors elected by Holders of the shares of Common Stock, shall constitute the duly elected directors of the Corporation.

(g) The term of office of the Additional Directors shall terminate as follows: (i) in the case of the event described in Section 7(d)(iii) hereof that gave rise to the election of the Additional Directors, on the date that the Corporation establishes the Liquidity Reserve in accordance with Section 8(e) hereof, (ii) in the case of the event described in Section 7(d)(iv) hereof that gave rise to the election of the Additional Directors, on the date that the Corporation declares and pays in full all unpaid Quarterly Dividends and (iii) in the case of an event described in clauses (i), (ii) or (v) of Section 7(d) hereof that gave rise to the election of the Additional Directors, on the date that the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares have been redeemed in full by the Corporation in accordance with the next sentence. During the term of office of the Additional Directors, the Additional Directors shall have the limited right to cause either (i) a Cure Event to occur or (ii) the Corporation to redeem all of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares, to the extent of funds legally available therefor and described in Section 3(c) hereof, and to cause the redemption of any remaining Series A Senior Preferred Shares, Series B Senior Preferred Shares, Series J Junior Preferred Shares and Series K Junior Preferred Shares upon the availability of funds of the Corporation legally available therefor and described in Section 3(c) hereof, and the Additional Directors shall have the power, among other things, to realize and provide for the orderly disposition of the Portfolio Investments, the Permitted Investments, the Permitted Swap Agreements and the other assets of the Corporation and any Subsidiary insofar as is necessary to acquire adequate capital and sufficient cash to effect any redemption of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares.

(h) Upon the expiration of the term of the Additional Directors, the persons who shall have been elected by the Holders of Common Stock and who are incumbent shall constitute the directors of the Corporation, the number of directors of the Corporation shall be reduced to the number in effect prior to the automatic increase in the authorized number of directors pursuant to Section 7(d) hereof and the voting rights of the Series A Senior Preferred Holders, the Series B Senior Preferred Holders, the Series J Junior Preferred Holders and, if applicable, the Series K Junior Preferred Holders to elect directors shall cease.

(i) So long as the right of the Series A Senior Preferred Holders to elect the Additional Directors shall continue, the Additional Directors elected by such Holders shall (subject to the provisions of any applicable law) be subject to removal only by the vote of the Majority Series A Senior Preferred Holders. Any vacancy in the members of the Board of Directors elected by the Majority Series A Senior Preferred Holders occurring by reason of such removal or otherwise may be filled by vote of the Majority Series A Senior Preferred Holders, in each case voting in person or by proxy at a meeting of the Series A Senior Preferred Holders, and if not so filled such vacancy shall (subject to the provisions of any applicable law) be filled by a majority of the remaining directors (or the remaining director) elected by the Majority Series A Senior Preferred Holders.

(j) The Corporation shall not, so long as there are any Series A Senior Preferred Shares, appoint a successor Servicer unless such successor has been approved in writing by the Majority Series A Senior Preferred Holders (such approval not to be unreasonably withheld).

(k) Notwithstanding anything in the Articles of Incorporation or the Bylaws to the contrary:

(i) except as provided in clauses (ii) and (iii) below, any written notice, consent or approval required by the Articles of Incorporation to be delivered by the Series A Senior Preferred Holders in connection with the exercise of any right or benefit of the Series A Senior Preferred Holders shall be effective if the requisite percentage of Series A Senior Preferred Holders entitled to give any such notice, consent or approval have provided such notice, consent or approval, as the case may be, in writing to the Corporation;

(ii) the right to elect the Additional Directors pursuant to Section 7(d) hereof may be exercised without a special meeting of the Series A Senior Preferred Holders, without notice to such Holders and without a vote of such Holders if a consent or consents in writing, setting forth the appointment of the Additional Directors, shall be signed by the Series A Senior Preferred Holders having not less than the minimum number of votes that would be necessary to elect the Additional Directors at a meeting at which all the Series A Senior Preferred Holders entitled to vote thereon were present and voted and such consent or consents have been delivered to the Corporation;

(iii) with respect to the determination of the Market Value of any Permitted Investment or Portfolio Investment, such Market Value shall be deemed to be determined by mutual agreement of the Corporation and the Holders of more than 50% of each of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares and the Series J Junior Preferred Shares if the Corporation and such Holders have (x) orally agreed to such Market Value, (y) each of the Corporation and such Holders have confirmed such oral agreement in writing and (z) such agreement would not result in the applicable Expected Investment Loss to be exceeded; and

(iv) the Corporation shall treat any beneficial owner of Series A Senior Preferred Shares that has provided the notice described in Section 10 hereof as a Series A Senior Preferred Holder for all purposes hereunder in place of the Person listed as the Holder of such Series A Senior Preferred Shares on the Stock Books and such beneficial owner shall be entitled to any and all rights and benefits provided to the Series A Senior Preferred Holders as if such beneficial owner were a Series A Senior Preferred Holder.

(l) Notwithstanding anything in the Articles of Incorporation to the contrary, no shares held of record by the Corporation or any Affiliate thereof will be entitled to vote or be deemed Series A Senior Preferred Shares for the purpose of voting such

shares or determining the number of Series A Senior Preferred Shares required to constitute a quorum at a meeting of the Series A Senior Preferred Holders.

(m) The Securities Depository, while it or its nominee is the registered owner of any Series A Senior Preferred Shares, will not independently exercise any voting rights with respect thereto. Rather, in accordance with its normal procedures, the Securities Depository will extend such voting rights to the Agent Member whose account is credited with such Series A Senior Preferred Shares. Each such Agent Member will, in turn, extend such voting rights to the Series A Senior Preferred Holders for whom it is so acting in accordance with such Agent Member's normal procedures.

Section 8. *Portfolio Investments; Other Assets Owned by Corporation; Other Agreements of the Corporation.*

(a) The Corporation shall use the proceeds from the sale of the Senior Preferred Stock and the Series J Junior Preferred Stock plus the proceeds from the sale of the Common Shares pursuant to the Master Subscription Agreement in accordance with the use of proceeds set forth in the Master Subscription Agreement. Upon the maturity, redemption, repayment, prepayment, sale, exchange or other disposition of any Portfolio Investment prior to the Scheduled Redemption Date, the Corporation shall reinvest the proceeds it receives therefrom within twenty (20) Business Days in replacement Eligible Portfolio Investments with an aggregate principal amount equal to the principal amount of the Portfolio Investment that matured or was redeemed, prepaid, sold or otherwise disposed of. The Corporation shall invest in Permitted Investments any such proceeds not immediately used to purchase replacement Eligible Portfolio Investments until such purchase occurs.

(b) The Corporation shall enter into a Permitted Swap Agreement on the Date of Original Issue. If any Portfolio Investment matures or is prepaid, terminated, sold or otherwise disposed of prior to the Scheduled Redemption Date and no replacement Eligible Portfolio Investments are available for purchase by the Corporation with sufficient floating rate income to enable the Corporation to meet its obligations under the Permitted Swap Agreement then in effect and the counterparty thereto is unwilling to reduce the floating rate payments to which it is entitled and maintain the fixed rate payments in the same amount as before such event, then the Corporation will partially or fully, as the case may be, terminate such Permitted Swap Agreement and, if the replacement Eligible Portfolio Investments bear interest at a floating rate, enter into one or more replacement Permitted Swap Agreements so that the Corporation receives under all Permitted Swap Agreements in effect thereafter an aggregate amount of fixed rate payments on all Quarterly Dividend Payment Dates thereafter that is as close to the Quarterly Dividend Amounts for such dates as possible in return for the aggregate floating rate payments with respect to such dates under the Portfolio Investments outstanding thereafter.

(c) All income of the Corporation not needed to pay dividends on the Senior Preferred Stock, the Series J Junior Preferred Stock, the Series K Junior Preferred Stock or the Common Stock within 24 hours shall be invested by the Corporation in Permitted

Investments, none of which may have a maturity later than the Business Day immediately preceding the Dividend Payment Date immediately succeeding the date of investment.

(d) "**Permitted Investments**" shall mean one or more investments denominated in United States dollars that (i) constitute financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period and, therefore, qualify as "**eligible assets**" as that term is defined by sub-paragraph (b)(1) of Rule 3a-7 under the Investment Company Act and (ii) fall into one of the following categories:

(A) direct obligations of, and obligations fully guaranteed as to timely payment of principal and interest by, the United States of America or any agency or instrumentality of the United States of America;

(B) debt securities with a stated maturity bearing interest or sold at a discount whose issuer or obligor has a long-term unsecured debt rating of not less than "AAA" by S&P or "Aaa" by Moody's, but not including any mortgage-backed securities, asset-backed securities, collateralized debt obligations or any other type of structured finance securities;

(C) commercial paper issued by any corporation (including both noninterest-bearing discount obligations and interest-bearing obligations) and rated at least "A-1" by S&P and "P-1" by Moody's;

(D) time deposits in, certificates of deposit of, or bankers' acceptances issued by, any commercial bank incorporated under the laws of the United States or any state thereof or the District of Columbia, or any commercial bank organized outside the United States that is subject to U.S. regulatory supervision, in each case having at any date of determination combined capital and surplus of not less than $100,000,000 and having a long term unsecured debt rating of not less than "AAA" by S&P and "Aaa" by Moody's;

(E) the SEBC Real Estate LLC Note;

(F) loans to SEBC Holdings, LP such that, at any given time, the total amount of such loans is less than the lower of (i) $600,000 and (ii) 25% of the fair market value of SEBC Holdings, LP's total assets on an unconsolidated basis (exclusive of cash and U.S. government securities), and all such loans have a maturity date of [April 30, 2014] or earlier; and

(G) any other debt security or investment designated as a Permitted Investment by the Corporation that has been approved in writing by the Majority Holders;

provided that

(x) the Corporation shall not acquire a Permitted Investment if, after giving effect to such acquisition:

(1) the aggregate Market Value of the Permitted Investments described in clauses (B), (C) and (D) above representing the securities or obligations of any one corporation exceeds 25% of the aggregate Market Value of the Permitted Investments described in said clauses (B), (C) and (D) above; or

(2) the aggregate Market Value of the Permitted Investments described in clauses (B), (C) and (D) above representing the securities or obligations of any ten (10) issuers exceeds 50% of the aggregate Market Value of the Permitted Investments in said clauses (B), (C) and (D) above; and

(y) after giving effect to the acquisition of any Permitted Investment, the remaining term to final maturity of any individual Permitted Investment shall not extend beyond the Scheduled Redemption Date.

(e) After the first anniversary of the Date of Original Issue, for so long as there are any Series A Senior Preferred Shares outstanding, the Corporation shall maintain the Liquidity Reserve during each Quarterly Dividend Period in Permitted Investments maturing on or prior to the end of such Quarterly Dividend Period, and the Corporation shall take such action as necessary prior to such first anniversary to ensure that it shall be in compliance herewith; *provided, however*, that the Corporation's obligation to establish and maintain the Tax Reserve Amount shall commence on the Date of Original Issue.

(f) On each Quarterly Dividend Payment Date, the Corporation shall distribute or cause to be distributed (which distribution requirement may be satisfied through the posting of such report to a publicly available web site) to the Series A Senior Preferred Holders a report containing the following information for the Quarterly Dividend Period ending on such date:

(i) a brief description of each Portfolio Investment and each Permitted Investment held by the Corporation during such Quarterly Dividend Period and the outstanding principal amount thereof and identifying any such Portfolio Investment or Permitted Investment that was acquired by or delivered to the Corporation during such Quarterly Dividend Period;

(ii) the interest and other distributions and payments received by the Corporation during such Quarterly Dividend Period representing income or principal payments on the Portfolio Investments and Permitted Investments;

(iii) a description of any sales or other disposals of Portfolio Investments and of Permitted Investments during such Quarterly Dividend Period and the amount of gain or loss realized by the Corporation in connection with any such sale or disposal;

(iv) information concerning any payment or other defaults by the Obligors on any Portfolio Investments or any Permitted Investments held by the Corporation during such Quarterly Dividend Period; and

(v) a description of any Permitted Swap Agreement and any Swap Payment Amounts, Swap Receipt Amounts and Swap Termination Amounts received by the Corporation with respect thereto during such Quarterly Dividend Period.

(g) If an "**event of default**" or "**termination event**" shall occur under a Permitted Swap Agreement and, in connection therewith, the Eligible Swap Counterparty shall be the "**affected party**" and such Permitted Swap Agreement terminates prior to the Scheduled Redemption Date, the Corporation shall enter into a replacement Permitted Swap Agreement within twenty (20) Business Days thereafter with the same scheduled dates and amounts of fixed payments and floating payments as the terminated Permitted Swap Agreement.

(h) For so long as there are any Series A Senior Preferred Shares outstanding, the Corporation shall deliver a certificate (which delivery requirement may be satisfied through the posting of such certificate to a publicly available web site) to each Series A Senior Preferred Holder on each Quarterly Dividend Payment Date (a "**Compliance Certificate**") stating that no "**event of default**" or "**termination event**" has occurred under any Permitted Swap Agreement with respect to the Corporation or the Eligible Swap Counterparty thereunder.

Section 9. *Limitation on Business Activities.* For so long as there are any Series A Senior Preferred Shares outstanding:

(i) the Corporation shall be authorized to engage solely in the business of (A) acquiring, holding, selling and disposing of the Portfolio Investments and Permitted Investments, (B) entering into Permitted Swap Agreements from time to time and causing the Servicer to manage the Corporation's investments, Permitted Swap Agreements and the other assets and liabilities of the Corporation and (C) investing in SEBC Real Estate LLC, in each case in accordance with the provisions hereof and the Servicing Agreement, and, in connection with such business, the Corporation may engage in any lawful act or activity which is incidental thereto and necessary or desirable in connection with the foregoing;

(ii) the Corporation shall invest any available monies or funds of the Corporation solely in Permitted Investments;

(iii) at any time that the Corporation seeks to be exempt from registration as an investment company under the Investment Company Act by virtue of the exemption from

registration that is provided by Rule 3a-7 under the Investment Company Act, the Corporation shall (A) not acquire Portfolio Investments, Eligible Portfolio Investments or Permitted Investments or dispose of Portfolio Investments, Eligible Portfolio Investments or Permitted Investments for the primary purpose of recognizing gains or decreasing losses from market value changes and (B) in all respects, comply with the requirements of Rule 3a-7 under the Investment Company Act;

(iv) the Corporation shall not fail to ensure that any transaction entered into with any Person is fair to each party, constitutes an exchange for fair consideration and for reasonably equivalent value, and is made in good faith and without any intent to hinder, delay or defraud creditors;

(v) the Corporation shall not take any action with respect to, and will not engage in transactions with, any Person unless it determines in a reasonable fashion that such actions or transactions are in the best interests of the Corporation;

(vi) the Corporation shall comply with the covenants set forth in Article 5 of the Master Subscription Agreement; and

(vii) the Corporation shall not make any distribution or other payment on, or redeem or otherwise acquire, any shares of its Common Stock except for payment of a quarterly dividend on all shares of its Common Stock pursuant to the declaration of such quarterly dividend by unanimous vote of the Board of Directors.

Section 10. *Notices.* All communications and notices hereunder or with respect hereto, unless otherwise specified in the Articles of Incorporation or the Bylaws, shall be (i) in writing, (ii) hand-delivered or sent by overnight courier or telecopier or as an attachment to an email in a format then customarily used, (iii) addressed to the Corporation or a Series A Senior Preferred Holder at its street or email address or facsimile number specified below and (iv) effective as to a Person on receipt by such Person:

if to the Corporation: SEBC Financial Corporation

Address:

Phone:

Facsimile:

Email:

if to a Series A Senior Preferred Holder, at the address of such Series A Senior Preferred Holder set forth in the Stock Books. Any beneficial owner of Series A Senior Preferred Shares in book-entry form may provide notice to the Corporation of the identity of such beneficial owner and request the Corporation to provide all notices and other communications sent to Series A Senior Preferred Holders to also be sent to such beneficial owner at the address, facsimile number or email address provided by such beneficial owner.

Section 11. *Securities Depository Stock Certificate.* At the request of a Series A Senior Preferred Holder and upon receipt by the Corporation of the certificates representing the Series A Senior Preferred Shares of such Holder, the Corporation shall issue one or more certificates for such Series A Senior Preferred Shares, register such certificates in the name of Cede & Co. as the nominee of the Securities Depository and deliver such certificates to the Agent Member designated by such Holder in such request for deposit in its account with the Securities Depository on behalf of such Holder. Each such certificate shall bear a legend to the effect that such certificate is issued subject to the provisions restricting transfer of Series A Senior Preferred Shares contained in the Articles of Incorporation. The Securities Depository will maintain lists of its participants and the Series A Senior Preferred Shares held by each Agent Member whether as a Series A Senior Preferred Holder for its own account or as a nominee for another Series A Senior Preferred Holder.

Section 12. *Transfer Restrictions.*

(a) Series A Senior Preferred Shares may only be sold or otherwise transferred to a Person that is an Eligible Holder that is knowledgeable, sophisticated and experienced in business and financial matters and able and prepared to bear the economic risk of investing in and holding Series A Senior Preferred Shares. The Corporation shall have no obligation to recognize any sale, transfer or other disposition of any Series A Senior Preferred Share unless the purchaser or transferee thereof shall be an Eligible Holder. Any purchase or transfer of the Series A Senior Preferred Shares in violation of this Section 12 shall have no effect and the intended purchaser or transferee shall not be deemed to be a Series A Senior Preferred Holder for any purpose, including but not limited to, with respect to the receipt of dividends on, or other distributions in respect of, the Series A Senior Preferred Shares. The restrictions set forth in this Section 12 shall be subject in all respects to the provisions restricting transfer of Series A Senior Preferred Shares contained in the Articles of Incorporation.

(b) Each certificate representing the Series A Senior Preferred Shares shall bear a legend in substantially the following form:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR A BENEFICIAL INTEREST HEREIN, THE HOLDER AGREES THAT (1) IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY, EXCEPT TO A PERSON THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A ADOPTED UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, ALL IN COMPLIANCE WITH RULE 144A; (2) IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITY EVIDENCED HEREBY IS TRANSFERRED A NOTICE

SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; AND (3) IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY, FURNISH TO THE TRANSFER AGENT AND THE CORPORATION SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUESTED TO CONFIRM THAT SUCH TRANSFER IS BEING MADE IN ACCORDANCE WITH THIS LEGEND.

Section 13. *No Other Rights or Preferences.* Unless otherwise required by law, the Series A Senior Preferred Holders shall not have any rights or preferences other than those specifically set forth herein. The Series A Senior Preferred Holders shall have no preemptive rights.

EXHIBIT C

SERIES B SENIOR PREFERRED STOCK OF SEBC FINANCIAL CORPORATION

Section 1. *Designation, Amount, Series and Rank.* From the authorized Preferred Stock of SEBC Financial Corporation (the "**Corporation**"), there shall be a series of Preferred Stock designated as the "Series B Senior Preferred Stock," par value $0.001 per share (the "**Series B Senior Preferred Stock**"), and the number of shares constituting such series shall be [•]. The Series B Senior Preferred Stock shall, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of the Corporation, rank (a) senior to the Series J Junior Preferred Stock, the Series K Junior Preferred Stock, the Common Stock, and all other classes or series of capital stock of the Corporation hereafter issued which are not by their terms expressly senior to or on a parity with the Series B Senior Preferred Stock; (b) on a parity with all classes or series of capital stock of the Corporation hereafter issued which are by their terms expressly on a parity with the Series B Senior Preferred Stock; and (c) junior to the Series A Senior Preferred Stock, and to all other classes or series of capital stock of the Corporation hereafter issued which are by their terms expressly senior to the Series B Senior Preferred Stock.

Section 2. *Definitions.* Capitalized terms used but not defined in this Exhibit C shall have the respective meanings set forth in the Articles of Incorporation or in Exhibit A to the Articles of Incorporation.

Section 3. *Series B Senior Preferred Shares; Distributions.*

(a) The Series B Senior Preferred Shares shall be represented by one or more certificates registered in the Stock Books in the names of the Holders of the Series B Senior Preferred Shares.

(b) No fractional Series B Senior Preferred Shares shall be issued.

(c) Notwithstanding anything in the Articles of Incorporation to the contrary, the Corporation shall have no right to make distributions or payments in respect of the Series B Senior Preferred Shares unless (i) all required distributions have been, or contemporaneously are, made on the Series A Senior Preferred Shares and (ii) such distributions or payments are made solely from one or more of the following sources:

(i) interest and other distributions and payments received by the Corporation on or in respect of the Portfolio Investments or the Permitted Investments purchased by the Corporation from time to time;

(ii) all proceeds received by the Corporation from the maturity, redemption, repayment, prepayment, sale, exchange or other disposition of Portfolio Investments or Permitted Investments (including those in which the Liquidity Reserve is invested from time to time); and

(iii) all other assets or property of the Corporation including, without limitation, the stock of any Subsidiary and the proceeds of any disposition thereof.

Section 4. *Dividends.*

(a) Subject to Section 3(c) hereof, each Series B Senior Preferred Holder shall be entitled to receive, subject to declaration thereof by the Board of Directors or a duly authorized committee thereof, out of funds legally available therefor, a cash dividend (a "**Quarterly Dividend**") on each Quarterly Dividend Payment Date for the Quarterly Dividend Period then ending in an amount equal to the Series B Senior Quarterly Dividend Amount for such Quarterly Dividend Period. Notwithstanding anything in the Articles of Incorporation to the contrary, no dividends (including, without limitation, any Retroactive DRD Adjustment Dividends, Annual Gross-up Dividends and Additional Annual Gross-up Dividends) shall be paid to the Series B Senior Preferred Holders pursuant to this Section 4 unless and until there shall have been, or contemporaneously be, paid to each Holder of Series A Senior Preferred Stock all accrued and unpaid dividends (of any type) on such Series A Senior Preferred Stock.

(b) The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits (such amount or shortfall, as the case may be, being an "**Undeclared Dividend**"), will accumulate until paid. Additional dividends will accumulate on the amount of any Undeclared Dividend at the rate per annum equal to the Series B Senior Quarterly Dividend Rate, compounded quarterly, from and including the Dividend Payment Date that would have been applicable to such Undeclared Dividend had it been declared to but excluding the date paid. Additional dividends will accumulate on the amount of any declared dividend that is not paid on the applicable Dividend Payment Date for any reason at the rate per annum equal to the Series B Senior Quarterly Dividend Rate, compounded quarterly, from and including such Dividend Payment Date to but excluding the date paid.

(c) The record date for the determination of the Series B Senior Preferred Holders entitled to receive payment of a dividend and the date of such payment will be the date fixed by the Corporation's Board of Directors or a duly authorized committee thereof, which record date will be no more than fifteen (15) days prior to the Dividend Payment Date fixed for the payment thereof. The Corporation shall provide written notice of the record date for, the amount of, and the Dividend Payment Date fixed for payment of, each dividend to the Series B Senior Preferred Holders promptly after each such date and amount is fixed. So long as the Series B Senior Preferred Shares are held of record by the nominee of the Securities Depository, dividends will be paid to the nominee of the Securities Depository on each Dividend Payment Date for the Series B Senior Preferred Shares. The Securities Depository will credit the accounts of Agent Members acting as such for Series B Senior Preferred Holders in accordance with its normal procedures, which provide for payment in same-day funds. Each Agent Member will be responsible for holding or disbursing such payments to the Series B Senior Preferred Holder for which it is so acting in accordance with the instructions of such Holder. Series B Senior Preferred Holders will not be entitled to any dividends

on Series B Senior Preferred Shares, whether payable in cash or property, in excess of the dividends provided herein. All dividends will be paid *pro rata* with respect to the Series B Senior Preferred Shares to the Series B Senior Preferred Holders entitled thereto. Notwithstanding anything in the Articles of Incorporation to the contrary, no dividend shall be paid unless, immediately after making such payment and giving effect thereto, the Market Value of the Portfolio Investments and the Permitted Investments equals or exceeds the sum of (i) the consolidated liabilities of the Corporation and its Subsidiaries at such time *plus* (ii) the aggregate of the Series A Senior Redemption Price (assuming the date of determination is a Series A Senior Redemption Date) and the Series B Senior Redemption Price (assuming the date of determination is a Series B Senior Redemption Date) for all Senior Preferred Shares outstanding at such time.

(d) (i) If any DRD Adjustment Event that reduces the Dividends Received Deduction applies with retroactive effect to dividends previously paid on the Series B Senior Preferred Shares (each date on which the Corporation previously paid dividends, a "**DRD Affected Dividend Payment Date**"), the Series B Senior Preferred Holders shall be entitled to receive, subject to declaration by the Board of Directors or a duly authorized committee thereof out of funds legally available therefor, an additional cash dividend (a "**Retroactive DRD Adjustment Dividend**") on the Series B Senior Preferred Shares on or before the last day of the Quarterly Dividend Period next succeeding the Quarterly Dividend Period in which the Corporation provides a Retroactive DRD Adjustment Dividend Payment Notice to the Series B Senior Preferred Holders in an amount equal (A) in the case of a Quarterly Dividend, to the excess (if any) of (x) the sum of the Quarterly Dividends that would have been paid by the Corporation on each DRD Affected Dividend Payment Date if Quarterly Dividends equal to the Series B Senior Quarterly Dividend Amount for the Quarterly Dividend Period ending on such DRD Affected Dividend Payment Date had been declared and paid in full on such date (assuming that the applicable Series B Senior Quarterly Dividend Rate used in determining such Series B Senior Quarterly Dividend Amount had been adjusted for such DRD Adjustment Event as described in the definition of Series B Senior Quarterly Dividend Rate) over (y) the sum of the Quarterly Dividends paid by the Corporation on each DRD Affected Dividend Payment Date and (B) in the case of Annual Gross-up Dividends or Additional Annual Gross-up Dividends, to the excess (if any) of (x) the Annual Gross-up Dividends or Additional Annual Gross-up Dividends adjusted for the effect of such DRD Adjustment Event over (y) the Annual Gross-up Dividends or Additional Annual Gross-up Dividends paid by the Corporation on each DRD Affected Dividend Payment Date. The Corporation shall make only one payment of Retroactive DRD Adjustment Dividends in connection with each DRD Adjustment Event. Upon the occurrence of any DRD Adjustment Event, the Board of Directors or a duly authorized committee thereof shall, within ten (10) Business Days after such DRD Adjustment Event occurs, determine whether to declare any Retroactive DRD Adjustment Dividend and, if so, the Corporation shall promptly provide written notice of the amount and date of payment thereof to the Series B Senior Preferred Holders (such notice, the "**Retroactive DRD Adjustment Dividend Payment Notice**"). Notwithstanding the foregoing, unless and until payment in full of Retroactive DRD Adjustment Dividends is made to the Holders of Series A Senior

Preferred Shares, no Retroactive DRD Adjustment Dividends may be paid to the Holders of any Series B Senior Preferred Shares.

(ii) If any DRD Adjustment Event that increases the Dividends Received Deduction applies with retroactive effect to Quarterly Dividends, Annual Gross-up Dividends or Additional Annual Gross-up Dividends previously paid on the Series B Senior Preferred Shares, then each Series B Senior Preferred Holder that received any such dividend subject to such retroactive DRD Adjustment Event shall pay to the Corporation an amount equal to the excess of the dividend actually received over the amount of dividend that would have been received had the amount of such dividend been adjusted at the time of payment to reflect such DRD Adjustment Event. Such Series B Senior Preferred Holder shall pay such excess not less than 10 Business Days after receipt of the Corporation's written demand therefor, which demand shall include a reasonably detailed computation of such excess and which computation shall be binding in the absence of manifest error. In lieu of requiring such payment, the Corporation may elect to reduce one or more subsequent Quarterly Dividends on the Series B Senior Preferred Shares by an aggregate amount equal to the payment that the Series B Senior Preferred Holders would otherwise have been required to pay pursuant to this Section 4(d)(ii).

(e) Without duplication, if any dividends paid by the Corporation during any taxable year (including without limitation, an Annual Gross-up Dividend paid during such taxable year) constitutes (in whole or in part) a return of capital for U.S. federal income tax purposes or is treated as a gain from the sale or exchange of the Series B Senior Preferred Shares pursuant to Section 301(c)(2) or (3) of the Code as a result of an insufficiency of "**earnings and profits**" (within the meaning of Section 316 of the Code) of the Corporation (such dividends (or portions thereof) so constituting a return of capital or being treated as a gain from the sale or exchange of the Series B Senior Preferred Shares, collectively, a "**Return of Capital Distribution**"), each Series B Senior Preferred Holder shall be entitled to receive, subject to declaration by the Board of Directors or a duly authorized committee thereof out of funds legally available therefor, an additional dividend (an "**Annual Gross-up Dividend**") on or before the last day of the Quarterly Dividend Period next succeeding the Quarterly Dividend Period in which the Corporation provides the Gross-up Dividend Payment Notice to the Series B Senior Preferred Holders in an amount (an "**Annual Gross-up Amount**") that, when taken together with the aggregate Return of Capital Distributions paid to the Series B Senior Preferred Holder thereof in respect of such Series B Senior Preferred Shares for such taxable year of the Corporation, would cause such Holder's net yield in dollars (after giving effect to income tax consequences as provided below and treating the portion of such Return of Capital Distributions otherwise treated as a return of capital as capital gain received upon the taxable sale or exchange of such Series B Senior Preferred Shares) from the Return of Capital Distributions to be equal to the net yield in dollars (after giving effect to income tax consequences as provided below) which would have been received by such Holder if the entire amount of the aggregate Return of Capital Distributions had instead been treated as a dividend for U.S. federal income tax purposes. In determining the Annual Gross-up Amount for any Holder's Series B Senior Preferred Shares: (i) such Annual Gross-up Amount shall be calculated using the

applicable maximum marginal U.S. federal, New York State and New York City corporate income tax rate and, where applicable, the applicable Dividends Received Deduction percentage, without consideration being given to the actual U.S. federal, state or local income tax situation of any Series B Senior Preferred Holder (in each case with respect to the highest U.S. federal, New York State and New York City corporate income tax rate and the Dividends Received Deduction percentage that was in effect for the taxable year in which the Return of Capital Distribution was made) and (ii) the Corporation shall make a determination, based upon its U.S. federal income tax return for the related taxable year, of the distributions to such Holder that are to be treated as dividends for U.S. federal income tax purposes. Not later than each Annual Gross-up Dividend Determination Date, the Corporation shall determine if any Return of Capital Distributions exist. Notwithstanding the foregoing, unless and until payment in full of Annual Gross-up Dividends is made to the Holders of Series A Senior Preferred Shares, no Annual Gross-up Dividends may be paid to the Holders of any Series B Senior Preferred Shares.

(f) (i) If the amount of the Corporation's "**earnings and profits**" (within the meaning of Section 316 of the Code) for a taxable year is redetermined by the IRS or otherwise and, after giving effect to such redetermination, any previously determined Annual Gross-up Amount would have been greater (the excess of such greater amount over the previously determined Annual Gross-up Amount being referred to herein as the "**Additional Annual Gross-up Amount**") had it been computed using such redetermined amount, each Series B Senior Preferred Holder shall be entitled to receive, subject to declaration by the Board of Directors or a duly authorized committee thereof out of funds legally available therefor, an additional dividend (an "**Additional Annual Gross-up Dividend**") on or before the last day of the Quarterly Dividend Period next succeeding the Quarterly Dividend Period in which the Corporation provides the Gross-up Dividend Payment Notice to the Series B Senior Preferred Holders relating to such redetermination, in an amount equal to the Additional Annual Gross-up Amount for each of such Holder's Series B Senior Preferred Shares. Notwithstanding the foregoing, unless and until payment in full of Additional Annual Gross-up Dividends is made to the Holders of Series A Senior Preferred Shares, no Additional Annual Gross-up Dividends may be paid to the Holders of any Series B Senior Preferred Shares.

(ii) If any such redetermination of the Corporation's earnings and profits results in a determination that the Annual Gross-up Dividends or Additional Annual Gross-up Dividends previously paid on the Series B Senior Preferred Shares, after giving effect to such redetermination would have been less, then each Series B Senior Preferred Holder that received any such dividend shall pay to the Corporation an amount equal to the excess of the dividend actually received over the amount of dividend that would have been received had the amount of such dividend been adjusted at the time of payment to reflect such redetermination. Such Series B Senior Preferred Holder shall pay such excess not less than 10 Business Days after receipt of the Corporation's written demand therefor, which demand shall include a reasonably detailed computation of such excess and which computation shall be binding in the absence of manifest error. In lieu of requiring such payment, the Corporation may elect to reduce one or more subsequent Quarterly Dividends on the Series B Senior

Preferred Shares by an aggregate amount equal to the payment that the Series B Senior Preferred Holders would otherwise have been required to pay pursuant to this Section 4(f)(ii).

(g) Not later than ten (10) Business Days after the date on which the Corporation has determined that any Annual Gross-up Amount or Additional Annual Gross-up Amount exists and an Annual Gross-up Dividend or Additional Annual Gross-up Dividend has been declared, the Corporation shall provide written notice to the Series B Senior Preferred Holders informing the Series B Senior Preferred Holders of the amount of such Annual Gross-up Dividends or Additional Annual Gross-up Dividends and the Dividend Payment Date fixed for payment thereof (such notice, a "**Gross-up Dividend Payment Notice**").

(h) On each Dividend Payment Date on which dividends are paid to the Series B Senior Preferred Holders, the Corporation shall provide to each Series B Senior Preferred Holder a written statement setting forth the Corporation's estimate as to the portion of such payment constituting a dividend for U.S. federal income tax purposes. Not later than the 75th day after the end of each taxable year of the Corporation, the Corporation shall provide each Series B Senior Preferred Holder with a statement setting forth the aggregate dividends paid to such Holder as a holder of record during such taxable year that constitute dividends for U.S. federal income tax purposes.

(i) Notwithstanding anything in the Articles of Incorporation to the contrary, if, after the date on which a Series B Senior Preferred Holder's shares have been redeemed or otherwise paid, a determination has been made that such Holder would have been entitled to receive dividends pursuant to Section 4(d), Section 4(e) or Section 4(f) hereof if such Holder's shares were still outstanding Series B Senior Preferred Shares, such Holder's shares shall be considered Series B Senior Preferred Shares solely for the purpose of receiving the amounts that such Holder shall be entitled to receive pursuant to Section 4(d), Section 4(e) or Section 4(f) hereof and, solely for the purpose of receiving such amounts pursuant to Section 4(d), Section 4(e) or Section 4(f) hereof, such Holder shall have all the rights and privileges that would be afforded such Holder under the Articles of Incorporation (including, without limitation, the voting rights under Section 7 hereof) if such Holder's shares were still Series B Senior Preferred Shares.

Section 5. *Liquidation Rights.*

(a) Subject to Section 3(c) hereof, upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, each Holder of Series B Senior Preferred Shares at such time will be entitled to receive out of the assets of the Corporation available for distribution to its stockholders an amount in cash, after any distribution of assets due upon liquidation, dissolution or winding up of the Corporation has been, or contemporaneously is, made to the Holders of Series A Senior Preferred Stock but before any distribution of assets is made to the Holders of Series J Junior Preferred Stock or Series K Junior Preferred Stock or to the Holders of Common Stock, equal to the Series B Senior Liquidation Price for each of such Holder's Series B Senior

Preferred Shares. The Series B Senior Liquidation Price for the Series B Senior Preferred Shares of each Series B Senior Preferred Holder shall be paid on the date established by the Board of Directors in connection with the approval of the liquidation, dissolution or winding up of the Corporation (the "**Liquidation Date**"). After the payment of the full amount of the Series B Senior Liquidation Price in respect of the Series B Senior Preferred Shares of the Holders entitled thereto and the other amounts provided in this paragraph, the Series B Senior Preferred Holders will have no right or claim to any of the remaining assets of the Corporation, except pursuant to Section 4(i) hereof.

(b) If, upon any such voluntary or involuntary dissolution, liquidation or winding up, the available assets of the Corporation are insufficient to pay the amount of the Series B Senior Liquidation Price in full on each Series B Senior Preferred Share, then such available assets will be applied *pro rata* (based upon the proportion that the amount available to pay such liquidation prices bears to the amount necessary to pay such liquidation prices in full) among all Series B Senior Preferred Shares toward payment of the Series B Senior Liquidation Price thereof. Unless and until payment in full of the Series A Senior Liquidation Price of each Series A Senior Preferred Share and the Series B Senior Liquidation Price of each Series B Senior Preferred Share, upon the liquidation, dissolution or winding up of the Corporation, no dividends or distributions or other payments may be made to the Holders of any Series J Junior Preferred Stock or Series K Junior Preferred Stock or to the Holders of any Common Stock, and no purchase, redemption or other acquisition for any consideration by the Corporation may be made in respect of the Series J Junior Preferred Stock, Series K Junior Preferred Stock or the Common Stock.

(c) If, on or before the first anniversary of the Date of Original Issue, the Majority Series B Senior Preferred Holders shall provide written notice to the Corporation (x) stating that MLE has not sold at least $250,000,000 Face Amount of Series A Senior Preferred Shares or Series B Senior Preferred Shares (or a combination thereof) and (y) requiring the Corporation to liquidate pursuant to this Section 5, then the Corporation shall have the right, but not the obligation, within forty-five (45) days after the receipt of such notice, to provide a Notice of Redemption to the Holders of the Series A Senior Preferred Stock, the Series B Senior Preferred Stock, the Series J Junior Preferred Stock and the Series K Junior Preferred Stock, which Notice of Redemption shall state that the next succeeding Quarterly Dividend Payment Date shall be deemed to be a Corporation Optional Redemption Date. If the Corporation shall provide such Notice of Redemption, then the Series A Senior Preferred Stock, the Series B Senior Preferred Stock, the Series J Junior Preferred Stock and the Series K Junior Preferred Stock shall be subject to redemption, in whole and not in part, pursuant to Section 6(b) of Exhibits B, C and D and Section 6(a) of Exhibit E, respectively. If the Corporation shall not provide such Notice of Redemption, then the Corporation shall promptly liquidate pursuant to Section 5 of Exhibits B, C, D and E.

(d) None of the conversion of the Corporation into another entity, the merger or consolidation of the Corporation into or with any other entity, the merger or consolidation of any other entity with or into the Corporation or the sale of all or

substantially all of the property or the business of the Corporation will be deemed to constitute a dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, for the purposes of this Section 5.

Section 6. *Redemption.*

(a) *Holders' Elective Redemption.* If any Holders' Elective Redemption Event shall have occurred, the Majority Series B Senior Preferred Holders may direct the Corporation to redeem the Series B Senior Preferred Shares, in whole or in part, on the Holders' Elective Redemption Date, subject to the right of the Majority Series A Senior Preferred Holders to direct the Corporation first to redeem the Series A Senior Preferred Shares pursuant to written notice from such Majority Series A Senior Preferred Holders received by the Corporation and the Majority Series B Senior Preferred Holders no later than 15 days before the Holders' Elective Redemption Date (as defined below). Any such direction by the Majority Series B Senior Preferred Holders shall be in writing (the "**Holders' Elective Redemption Direction**"), shall be delivered to the Corporation and to the Series A Senior Preferred Holders in accordance with Section 7(k)(i) hereof and shall specify (i) a date (the "**Holders' Elective Redemption Date**") for redemption of the Series B Senior Preferred Shares, which date shall be a Quarterly Dividend Payment Date occurring not less than 90 days after the date on which the Holders' Elective Redemption Direction is delivered to the Corporation, (ii) the Holders' Elective Redemption Event and (iii) whether such redemption is to be in whole or in part (expressed as percentages of Series B Senior Preferred Shares and Common Shares, as applicable). If any Holders' Elective Redemption Event shall have occurred, the Majority Series B Senior Preferred Holders may also direct the Corporation, pursuant to the Holders' Elective Redemption Direction, to redeem on the Holders' Elective Redemption Date the Common Shares then owned by the Series B Senior Preferred Holders, in whole or in part. The Corporation shall promptly forward a copy of such Holders' Elective Redemption Direction to each Series B Senior Preferred Holder together with a Notice of Redemption (as defined below). If on the Holders' Elective Redemption Date the funds of the Corporation are insufficient to redeem the total number of Series B Senior Preferred Shares and Common Shares to be redeemed on such date, those funds which are legally available and described in Section 3(c) hereof will be used first to redeem the maximum possible number of Series B Senior Preferred Shares *pro rata* (based upon the proportion that the amount available to pay such redemption prices bears to the amount necessary to pay such redemption prices in full) among the Holders of the Series B Senior Preferred Shares to be redeemed and second to redeem the maximum possible number of Common Shares ratably among the Holders of the Common Shares to be redeemed. At any time thereafter when additional funds of the Corporation described in Section 3(c) hereof are legally available for the redemption of Series B Senior Preferred Shares or Common Shares, such funds will immediately be used to redeem first the balance of the Series B Senior Preferred Shares *pro rata* (based upon the proportion that the amount available to pay such redemption prices bears to the amount necessary to pay the remaining amount of such redemption prices in full) and second the balance of the Common Shares which the Corporation has not redeemed. On the Holders' Elective Redemption Date, the Corporation shall pay each Series B

Senior Preferred Holder, as applicable, (x) the Series B Senior Redemption Price for each Series B Senior Preferred Share owned by such Holder to be redeemed and (y) the Common Stock Redemption Price for each Common Share owned by such Holder to be redeemed, in each case, in cash out of funds legally available therefor and described in Section 3(c) hereof. A Holders' Elective Redemption Direction may be withdrawn at any time by the Majority Series B Senior Preferred Holders. Notwithstanding the foregoing, if any Holders' Elective Redemption Event shall have occurred and the Majority Series J Junior Preferred Holders have directed the Corporation to redeem the Series J Junior Preferred Shares, in whole and not in part, on the Holders' Elective Redemption Date with respect to the Series J Junior Preferred Shares, then the Majority Series B Senior Preferred Holders shall have the right to direct the Corporation first to redeem the Series B Senior Preferred Shares (subject to the prior or contemporaneous redemption of Series A Senior Preferred Shares as to which the Corporation is then obligated to redeem). Any such direction by the Majority Series B Senior Preferred Holders shall be in writing and shall be delivered to the Corporation and the Majority Series J Junior Preferred Holders no later than 15 days before the Holders' Elective Redemption Date with respect to the Series J Junior Preferred Shares. If the Corporation shall have timely received a notice of redemption from the Majority Series A Senior Preferred Holders, then it shall not redeem any Series B Senior Preferred Shares unless, prior thereto or contemporaneously therewith, such shares of Series A Senior Preferred Stock shall have been so redeemed.

(b) *Corporation Optional Redemption.* The Series B Senior Preferred Shares and the Common Shares owned by the Series B Senior Preferred Holders will be subject to redemption, in whole and not in part, by resolution of the Board of Directors at the option of the Corporation on any Corporation Optional Redemption Date. On the Corporation Optional Redemption Date, the Corporation shall pay each Series B Senior Preferred Holder the Series B Senior Redemption Price and the Common Stock Redemption Price, as applicable, in cash for each Series B Senior Preferred Share and Common Share, as applicable, owned by such Holder to be redeemed out of funds legally available therefor and described in Section 3(c) hereof. Notwithstanding the foregoing, (i) in no event shall the Corporation exercise its optional redemption pursuant to this Section 6(b) unless the Corporation shall have redeemed or contemporaneously redeems, in whole and not in part, all of the outstanding Series A Senior Preferred Shares, and (ii) in the event of the redemption of any Common Shares, such Common Shares shall be redeemed pro rata among the Series B Senior Preferred Holders owning Common Shares.

(c) *Scheduled Redemption.* The Series B Senior Preferred Shares and the Common Shares owned by the Series B Senior Preferred Holders shall be redeemed, in whole and not in part, upon the Scheduled Redemption Date. On the Scheduled Redemption Date, the Corporation shall pay each Series B Senior Preferred Holder, as applicable, (i) with respect to Series B Senior Preferred Shares held by such Holder, the Series B Senior Redemption Price and (ii) with respect to Common Shares held by such Holder, the Common Stock Redemption Price, in each case in cash for each Series B Senior Preferred Share and each Common Share, as applicable, owned by such Holder out of funds legally available therefor and described in Section 3(c) hereof. If on the

Scheduled Redemption Date such funds are insufficient to redeem the total number of Series B Senior Preferred Shares and Common Shares to be redeemed on such date, those funds which are legally available and described in Section 3(c) hereof will be used first to redeem the maximum possible number of Series B Senior Preferred Shares *pro rata* (based upon the proportion that the amount available to pay such redemption prices bears to the amount necessary to pay such redemption prices in full) among all the Holders of such shares to be redeemed and second to redeem the maximum possible number of Common Shares ratably among the Holders of the Common Shares to be redeemed. At any time thereafter when additional funds of the Corporation described in Section 3(c) hereof are legally available for the redemption of Series B Senior Preferred Shares or Common Shares, such funds will immediately be used to redeem first the balance of the Series B Senior Preferred Shares and second the balance of the Common Shares which the Corporation has not redeemed. Notwithstanding the foregoing, in no event shall the Corporation redeem the Series B Senior Preferred Shares or Common Shares on the Scheduled Redemption Date pursuant to this Section 6(c) unless the Corporation shall first have redeemed, in whole and not in part, all of the outstanding Series A Senior Preferred Shares.

(d) *Notice of Redemption.* Whenever Series B Senior Preferred Shares are to be redeemed, the Corporation shall mail a notice (a "**Notice of Redemption**") to the Series B Senior Preferred Holders not less than fifteen (15) calendar days nor more than forty-five (45) calendar days prior to the date fixed for redemption. A Notice of Redemption shall be addressed to each Series B Senior Preferred Holder at the address for such Holder appearing on the Stock Books. The Notice of Redemption shall state (i) the Series B Senior Redemption Date, (ii) estimates of the Series B Senior Redemption Price and the Common Stock Redemption Price, (iii) the aggregate number of Series B Senior Preferred Shares and Common Shares to be redeemed (it being understood that if a redemption pursuant to Section 6(a) is in part, then the number of shares to be redeemed from each Series B Senior Preferred Holder shall be the same percentages of Series B Senior Preferred Shares and Common Shares specified in the Holders' Elective Redemption Direction), (iv) the place or places where Series B Senior Preferred Shares and Common Shares are to be surrendered for payment of the Series B Senior Redemption Price and the Common Stock Redemption Price, as applicable, (v) that no dividends on the Series B Senior Preferred Shares or Common Shares to be redeemed will be payable after the date fixed for redemption (unless the Corporation shall default in the payment of the Series B Senior Redemption Price or the Common Stock Redemption Price), and (vi) the provision under this Section 6 under which redemption is made.

(e) *Surrender of Certificates; Effect.* On or after the Series B Senior Redemption Date, each Holder of Series B Senior Preferred Shares and/or Common Shares shall surrender the certificate or certificates for such Series B Senior Preferred Shares and/or Common Shares to the Corporation at the place designated in the Notice of Redemption, and against such surrender the Series B Senior Redemption Price and/or Common Stock Redemption Price, as applicable, of such Series B Senior Preferred Shares and/or Common Shares shall be paid to or on the order of the person whose name appears on such certificate or certificates as the owner thereof, and each

surrendered certificate shall be canceled. If less than all the Series B Senior Preferred Shares and/or Common Shares, as applicable, represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed Series B Senior Preferred Shares and/or Common Shares, as applicable. From and after the Series B Senior Redemption Date (unless the Corporation shall default in the payment in full of the Series B Senior Redemption Price or the Common Stock Redemption Price), all dividends on the shares so redeemed shall cease to accrue and all rights of the Holders thereof, except the right to receive the Senior B Senior Redemption Price or the Common Stock Redemption Price, as applicable, of such shares upon the surrender of certificates representing the same and except as provided in Section 4(i) hereof, shall cease and terminate and such shares shall not thereafter be transferred on the Stock Books of the Corporation and shall not be deemed to be Series B Senior Preferred Shares or Common Shares for any purpose whatsoever.

(f) *Series B Senior Preferred Shares Retired.* Series B Senior Preferred Shares redeemed pursuant to the provisions of this Section 6 shall thereupon have the status of authorized but unissued shares of Preferred Stock without designation.

Section 7. *Voting Rights.*

(a) Holders of the Series B Senior Preferred Shares shall have no voting rights, either general or special, and shall have no right to participate in the management of the Corporation, except as expressly required by applicable law and as specified in this Section 7.

(b) Without the affirmative vote of the Holders of more than 80% of the Series B Senior Preferred Shares, so long as there are any Series B Senior Preferred Shares, the Corporation shall not:

(i) institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition or an answer or consent to a petition seeking reorganization or relief under any applicable federal, state or foreign law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporation or of a substantial part of the property of the Corporation, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take any corporate or other action in furtherance of any such action;

(ii) consolidate or merge the Corporation or any Subsidiary with or into any other Person, or permit any other Person to consolidate with or merge into the Corporation or any Subsidiary, in either case pursuant to which the market value of the surviving or resulting entity exceeds the market value of the Corporation by more than 5%;

(iii) sell, lease, convey or otherwise dispose of all or substantially all of the assets of the Corporation (other than with respect to sales or disposals of

Permitted Investments in connection with the payment of dividends or the redemption of Series B Senior Preferred Shares);

(iv) voluntarily dissolve, liquidate or wind up the affairs of the Corporation or any Subsidiary;

(v) issue shares of Common Stock to any Person;

(vi) create, authorize or issue shares of additional classes or series of stock;

(vii) own any assets other than (w) investments held by the Corporation on the date of filing of the Articles of Incorporation, (x) Portfolio Investments and Permitted Investments, (y) the common stock of the Subsidiaries (and the assets thereof owned on the date of filing of the Articles of Incorporation), and (z) securities issued by entities whose sole assets are cash, cash equivalents and real property (or securities issued by such entities);

(viii) create, authorize, issue, incur or suffer to exist any indebtedness for borrowed money or other liability other than in the ordinary course of business in an aggregate amount not exceeding $1,000,000;

(ix) have any salaried employees;

(x) amend, alter or repeal any provision of the Articles of Incorporation or the Bylaws, whether by merger, consolidation or otherwise, so as to adversely affect any of the rights, powers, preferences, privileges, terms or par value of any Series B Senior Preferred Share or to change the capital surplus of the Corporation in a manner adverse to the Holders of Series B Senior Preferred Shares or to modify any of the limitations set forth in this Section 7(b) or Section 8 hereof; or

(xi) do anything that requires the affirmative vote of each class of voting securities of the Corporation.

(c) Without the affirmative vote of the Holders of more than 80% of the Series B Senior Preferred Shares, so long as there are any Series B Senior Preferred Shares, the Corporation shall not permit any Subsidiary to:

(i) institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition or an answer or consent to a petition seeking reorganization or relief under any applicable federal, state or foreign law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Subsidiary or of a substantial part of the property of such Subsidiary, or make any assignment for the benefit of creditors, or admit in writing such Subsidiary's inability to pay its respective debts generally as they

become due, or take any corporate or other action in furtherance of any such action;

(ii) consolidate or merge such Subsidiary with or into any other Person, or permit any other Person to consolidate with or merge into such Subsidiary;

(iii) sell, lease, convey or otherwise dispose of all or substantially all of the assets of such Subsidiary (other than with respect to sales or disposals of Portfolio Investments or Permitted Investments in connection with the payment of distributions on the Corporation's interest in such Subsidiary);

(iv) voluntarily dissolve, liquidate or wind up the affairs of such Subsidiary;

(v) if such Subsidiary is a limited liability company, admit or create additional members;

(vi) if such Subsidiary is a corporation, issue additional shares of common stock or create, authorize or issue shares of additional classes or series of stock;

(vii) own any assets other than (x) Portfolio Investments and Permitted Investments, (y) the common stock of the Subsidiaries and (z) the assets held on the date of filing of the Articles of Incorporation;

(viii) loan, distribute or transfer any monies or assets of such Subsidiary to any other Subsidiary;

(ix) create, authorize, issue, incur or suffer to exist any indebtedness for borrowed money or other liability;

(x) have any employees; or

(xi) make an election to become a "**disregarded entity**" for U.S. federal income tax purposes.

(d) Upon the occurrence of any of the following events, the authorized number of directors of the Board of Directors shall automatically be increased by the smallest even number divisible by three of new directors that shall constitute a majority of the Board of Directors, as so increased (such new directors, the "**Additional Directors**"), and (A) in the case of an event described in clauses (i), (ii) or (iii) below, each of the Majority Series A Senior Preferred Holders, the Majority Series B Senior Preferred Holders and the Majority Series J Junior Preferred Holders shall be entitled to elect one-third of the Additional Directors, and (B) in the case of an event described in clauses (iv) or (v) below, each of the Majority Series B Senior Preferred Holders and, voting together as a single class, the Majority Series J and Series K Junior Preferred Holders shall be entitled to elect one-half of the Additional Directors (*provided,*

however, that if at such time the Majority Series A Senior Preferred Holders have the right to elect Additional Directors, then the provisions of Section 7 of Exhibit B to the Articles of Incorporation shall apply):

(i) the Corporation or any Specified Affiliate shall institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against any such Person, or file a petition or an answer or consent to a petition seeking reorganization or relief under any applicable federal, state or foreign law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of any such Person or of a substantial part of any such Person's property, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take any corporate or other action in furtherance of any such action;

(ii) the entry of a decree or order by a court having competent jurisdiction adjudging the Corporation or any Specified Affiliate bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of any such Person under any applicable federal, state or foreign law relating to bankruptcy, or appointing a receiver, liquidator, assignee, trustee, sequestrator or other similar official of any such Person or of a substantial part of any such Person's property, or ordering the winding up or liquidation of any such Person's affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(iii) failure of the Corporation to maintain the Liquidity Reserve in accordance with Section 8(e) hereof and such failure continues for ten (10) Business Days after any Series B Senior Preferred Holder gives written notice to the Corporation of such failure;

(iv) failure of the Corporation to declare and pay in full Quarterly Dividends equal to the applicable Series B Senior Quarterly Dividend Amount on two or more consecutive Quarterly Dividend Payment Dates; or

(v) failure of the Corporation to pay in full the aggregate Series B Senior Redemption Price and/or the Common Stock Redemption Price, as applicable, of the Series B Senior Preferred Shares and the Common Shares, as applicable, on the Series B Senior Redemption Date.

(e) As soon as reasonably practicable after the accrual of any right of the Series B Senior Preferred Holders to elect Additional Directors pursuant to Section 7(d) hereof and so long as the Series B Senior Preferred Holders shall not have taken the action described in Section 7(k)(ii) hereof, the Board of Directors shall call a special meeting of the Series A Senior Preferred Holders, the Series B Senior Preferred Holders, the Series J Junior Preferred Holders and, if applicable, the Series K Junior Preferred Holders by mailing to such Holders a notice of such special meeting to be held not less than five (5) Business Days nor more than thirty (30) calendar days after

the date such notice is given. If the Board of Directors does not send such notice, any such special meeting may be called by any Series A Senior Preferred Holder, Series B Senior Preferred Holder, Series J Junior Preferred Holder or Series K Junior Preferred Holder on like notice. The record date for determining the Holders entitled to notice of, and to vote at, such meeting shall be the close of business on the Business Day immediately preceding the day on which such notice is mailed. At any such special meeting, the applicable Holders will be entitled to elect Additional Directors on a one-vote-per-Series A Senior Preferred Share-per-director basis, on a one-vote-per-Series B Senior Preferred Share-per-director basis, on a one-vote-per-Series J Junior Preferred Share-per-director basis or on a one-vote-per-Series K Junior Preferred Share-per-director basis, as the case may be. The Holders of 34% of each of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares and the Series J Junior Preferred Shares or, taken together as a single class, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares, as applicable, at the time present in person or by proxy will constitute a quorum for the election of the Additional Directors. Notice of all meetings at which the Series A Senior Preferred Holders, the Series B Senior Preferred Holders, the Series J Junior Preferred Holders and the Series K Junior Preferred Holders shall be entitled to vote will be given to such Holders at their addresses as they appear on the Stock Books. At any such meeting or adjournment thereof in the absence of a quorum, subject to the provisions of any applicable law, the Holders of a majority of each of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares and the Series J Junior Preferred Shares or, voting together as a single class, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares, as applicable, present in person or by proxy shall have the power to adjourn the meeting for the election of the Additional Directors, without notice other than an announcement at the meeting, until a quorum is present. If a Cure Event shall occur after the notice of a special meeting for the election of Additional Directors has been given but before such special meeting is held, the Corporation shall, as soon as practicable after the occurrence of such Cure Event, mail notice of such occurrence and a statement that no special meeting will be held to the Holders of record that would have been entitled to vote at such special meeting.

(f) The term of office of all persons who are directors of the Corporation at the time the Additional Directors are elected shall continue, notwithstanding such election. The Additional Directors, together with the incumbent directors elected by Holders of the shares of Common Stock, shall constitute the duly elected directors of the Corporation.

(g) The term of office of the Additional Directors shall terminate as follows: (i) in the case of the event described in Section 7(d)(iii) hereof that gave rise to the election of the Additional Directors, on the date that the Corporation establishes the Liquidity Reserve in accordance with Section 8(e) hereof, (ii) in the case of the event described in Section 7(d)(iv) hereof that gave rise to the election of the Additional Directors, on the date that the Corporation declares and pays in full all unpaid Quarterly Dividends and (iii) in the case of an event described in clauses (i), (ii) or (v) of Section 7(d) hereof that gave rise to the election of the Additional Directors, on the date that the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J

Junior Preferred Shares and the Series K Junior Preferred Shares have been redeemed in full by the Corporation in accordance with the next sentence. During the term of office of the Additional Directors, the Additional Directors shall have the limited right to cause either (i) a Cure Event to occur or (ii) the Corporation to redeem all of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J Junior Preferred Shares and the Series K Junior Preferred shares, to the extent of funds legally available therefor and described in Section 3(c) hereof, and to cause the redemption of any remaining Series A Senior Preferred Shares, Series B Senior Preferred Shares, Series J Junior Preferred Shares and Series K Junior Preferred Shares upon the availability of funds of the Corporation legally available therefor and described in Section 3(c) hereof, and the Additional Directors shall have the power, among other things, to realize and provide for the orderly disposition of the Portfolio Investments, the Permitted Investments, the Permitted Swap Agreements and the other assets of the Corporation and any Subsidiary insofar as is necessary to acquire adequate capital and sufficient cash to effect any redemption of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares.

(h) Upon the expiration of the term of the Additional Directors, the persons who shall have been elected by the Holders of Common Stock and who are incumbent shall constitute the directors of the Corporation, the number of directors of the Corporation shall be reduced to the number in effect prior to the automatic increase in the authorized number of directors pursuant to Section 7(d) hereof and the voting rights of the Series A Senior Preferred Holders, the Series B Senior Preferred Holders, the Series J Junior Preferred Holders and, if applicable, the Series K Junior Preferred Holders to elect directors shall cease.

(i) So long as the right of the Series B Senior Preferred Holders to elect the Additional Directors shall continue, the Additional Directors elected by such Holders shall (subject to the provisions of any applicable law) be subject to removal only by the vote of the Majority Series B Senior Preferred Holders. Any vacancy in the members of the Board of Directors elected by the Majority Series B Senior Preferred Holders occurring by reason of such removal or otherwise may be filled by vote of the Majority Series B Senior Preferred Holders, in each case voting in person or by proxy at a meeting of the Series B Senior Preferred Holders, and if not so filled such vacancy shall (subject to the provisions of any applicable law) be filled by a majority of the remaining directors (or the remaining director) elected by the Majority Series B Senior Preferred Holders.

(j) The Corporation shall not, so long as there are any Series B Senior Preferred Shares, appoint a successor Servicer unless such successor has been approved in writing by the Majority Series B Senior Preferred Holders (such approval not to be unreasonably withheld).

(k) Notwithstanding anything in the Articles of Incorporation or the Bylaws to the contrary:

(i) except as provided in clauses (ii) and (iii) below, any written notice, consent or approval required by the Articles of Incorporation to be delivered by the Series B Senior Preferred Holders in connection with the exercise of any right or benefit of the Series B Senior Preferred Holders shall be effective if the requisite percentage of Series B Senior Preferred Holders entitled to give any such notice, consent or approval have provided such notice, consent or approval, as the case may be, in writing to the Corporation;

(ii) the right to elect the Additional Directors pursuant to Section 7(d) hereof may be exercised without a special meeting of the Series B Senior Preferred Holders, without notice to such Holders and without a vote of such Holders if a consent or consents in writing, setting forth the appointment of the Additional Directors, shall be signed by the Series B Senior Preferred Holders having not less than the minimum number of votes that would be necessary to elect the Additional Directors at a meeting at which all the Series B Senior Preferred Holders entitled to vote thereon were present and voted and such consent or consents have been delivered to the Corporation;

(iii) with respect to the determination of the Market Value of any Permitted Investment or Portfolio Investment, such Market Value shall be deemed to be determined by mutual agreement of the Corporation and the Holders of more than 50% of each of the Series A Senior Preferred Shares ,the Series B Senior Preferred Shares and the Series J Junior Preferred Shares if the Corporation and such Holders have (x) orally agreed to such Market Value, (y) each of the Corporation and such Holders have confirmed such oral agreement in writing and (z) such agreement would not result in the applicable Expected Investment Loss to be exceeded; and

(iv) the Corporation shall treat any beneficial owner of Series B Senior Preferred Shares that has provided the notice described in Section 10 hereof as a Series B Senior Preferred Holder for all purposes hereunder in place of the Person listed as the Holder of such Series B Senior Preferred Shares on the Stock Books and such beneficial owner shall be entitled to any and all rights and benefits provided to the Series B Senior Preferred Holders as if such beneficial owner were a Series B Senior Preferred Holder.

(l) Notwithstanding anything in the Articles of Incorporation to the contrary, no shares held of record by the Corporation or any Affiliate thereof will be entitled to vote or be deemed Series B Senior Preferred Shares for the purpose of voting such shares or determining the number of Series B Senior Preferred Shares required to constitute a quorum at a meeting of the Series B Senior Preferred Holders.

(m) The Securities Depository, while it or its nominee is the registered owner of any Series B Senior Preferred Shares, will not independently exercise any voting rights with respect thereto. Rather, in accordance with its normal procedures, the Securities Depository will extend such voting rights to the Agent Member whose account is credited with such Series B Senior Preferred Shares. Each such Agent

Member will, in turn, extend such voting rights to the Series B Senior Preferred Holders for whom it is so acting in accordance with such Agent Member's normal procedures.

Section 8. *Portfolio Investments; Other Assets Owned by Corporation; Other Agreements of the Corporation.*

(a) The Corporation shall use the proceeds from the sale of the Senior Preferred Stock and the Series J Junior Preferred Stock plus the proceeds from the sale of the Common Shares pursuant to the Master Subscription Agreement in accordance with the use of proceeds set forth in the Master Subscription Agreement. Upon the maturity, redemption, repayment, prepayment, sale, exchange or other disposition of any Portfolio Investment, in each case prior to the Scheduled Redemption Date, the Corporation shall reinvest the proceeds it receives therefrom within twenty (20) Business Days in replacement Eligible Portfolio Investments with an aggregate principal amount equal to the principal amount of the Portfolio Investment that matured or was redeemed, prepaid, sold or otherwise disposed of. The Corporation shall invest in Permitted Investments any such proceeds not immediately used to purchase replacement Eligible Portfolio Investments until such purchase occurs.

(b) The Corporation shall enter into a Permitted Swap Agreement on the Date of Original Issue. If any Portfolio Investment matures or is prepaid, terminated, sold or otherwise disposed of prior to the Scheduled Redemption Date and no replacement Eligible Portfolio Investments are available for purchase by the Corporation with sufficient floating rate income to enable the Corporation to meet its obligations under the Permitted Swap Agreement then in effect and the counterparty thereto is unwilling to reduce the floating rate payments to which it is entitled and maintain the fixed rate payments in the same amount as before such event, then the Corporation will partially or fully, as the case may be, terminate such Permitted Swap Agreement and, if the replacement Eligible Portfolio Investments bear interest at a floating rate, enter into one or more replacement Permitted Swap Agreements so that the Corporation receives under all Permitted Swap Agreements in effect thereafter an aggregate amount of fixed rate payments on all Quarterly Dividend Payment Dates thereafter that is as close to the Quarterly Dividend Amounts for such dates as possible in return for the aggregate floating rate payments with respect to such dates under the Portfolio Investments outstanding thereafter.

(c) All income of the Corporation not needed to pay dividends on the Senior Preferred Stock, the Series J Junior Preferred Stock, the Series K Junior Preferred Stock or the Common Stock within 24 hours shall be invested by the Corporation in Permitted Investments, none of which may have a maturity later than the Business Day immediately preceding the Dividend Payment Date immediately succeeding the date of investment.

(d) "**Permitted Investments**" shall mean one or more investments denominated in United States dollars that (i) constitute financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period and, therefore,

qualify as "**eligible assets**" as that term is defined by sub-paragraph (b)(1) of Rule 3a-7 under the Investment Company Act and (ii) fall into one of the following categories:

(A) direct obligations of, and obligations fully guaranteed as to timely payment of principal and interest by, the United States of America or any agency or instrumentality of the United States of America;

(B) debt securities with a stated interest bearing interest or sold at a discount whose issuer or obligor has a long-term unsecured debt rating of not less than "AAA" by S&P or "Aaa" by Moody's, but not including any mortgage-backed securities, asset-backed securities, collateralized debt obligations or any other type of structured finance securities;

(C) commercial paper issued by any corporation (including both noninterest-bearing discount obligations and interest-bearing obligations) and rated at least "A-1" by S&P and "P-1" by Moody's;

(D) time deposits in, certificates of deposit of, or bankers' acceptances issued by, any commercial bank incorporated under the laws of the United States or any state thereof or the District of Columbia, or any commercial bank organized outside the United States that is subject to U.S. regulatory supervision, in each case having at any date of determination combined capital and surplus of not less than $100,000,000 and having a long term unsecured debt rating of not less than "AAA" by S&P and "Aaa" by Moody's;

(E) the SEBC Real Estate LLC Note;

(F) loans to SEBC Holdings, LP such that, at any given time, the total amount of such loans is less than the lower of (i) $600,000 and (ii) 25% of the fair market value of SEBC Holdings, LP's total assets on an unconsolidated basis (exclusive of cash and U.S. government securities), and all such loans have a maturity date of [April 30, 2014] or earlier; and

(G) any other debt security or investment designated as a Permitted Investment by the Corporation that has been approved in writing by the Majority Holders;

provided that

(x) the Corporation shall not acquire a Permitted Investment if, after giving effect to such acquisition:

(1) the aggregate Market Value of the Permitted Investments described in clauses (B), (C) and (D) above representing the securities or obligations of any one corporation exceeds 25% of the

aggregate Market Value of the Permitted Investments described in said clauses (B), (C) and (D) above; or

(2) the aggregate Market Value of the Permitted Investments described in clauses (B), (C) and (D) above representing the securities or obligations of any ten (10) issuers exceeds 50% of the aggregate Market Value of the Permitted Investments in said clauses (B), (C) and (D) above; and

(y) after giving effect to the acquisition of any Permitted Investment, the remaining term to final maturity of any individual Permitted Investment shall not extend beyond the Scheduled Redemption Date.

(e) After the first anniversary of the Date of Original Issue, for so long as there are any Series B Senior Preferred Shares outstanding, the Corporation shall maintain the Liquidity Reserve during each Quarterly Dividend Period in Permitted Investments maturing on or prior to the end of such Quarterly Dividend Period, and the Corporation shall take such action as necessary prior to such first anniversary to ensure that it shall be in compliance herewith; *provided, however*, that the Corporation's obligation to establish and maintain the Tax Reserve Amount shall commence on the Date of Original Issue.

(f) On each Quarterly Dividend Payment Date, the Corporation shall distribute or cause to be distributed (which distribution requirement may be satisfied through the posting of such report to a publicly available web site) to the Series B Senior Preferred Holders a report containing the following information for the Quarterly Dividend Period ending on such date:

(i) a brief description of each Portfolio Investment and each Permitted Investment held by the Corporation during such Quarterly Dividend Period and the outstanding principal amount thereof and identifying any such Portfolio Investment or Permitted Investment that was acquired by or delivered to the Corporation during such Quarterly Dividend Period;

(ii) the interest and other distributions and payments received by the Corporation during such Quarterly Dividend Period representing income or principal payments on the Portfolio Investments and Permitted Investments;

(iii) a description of any sales or other disposals of Portfolio Investments and of Permitted Investments during such Quarterly Dividend Period and the amount of gain or loss realized by the Corporation in connection with any such sale or disposal;

(iv) information concerning any payment or other defaults by the Obligors on any Portfolio Investments or any Permitted Investments held by the Corporation during such Quarterly Dividend Period; and

(v) a description of any Permitted Swap Agreement and any Swap Payment Amounts, Swap Receipt Amounts and Swap Termination Amounts received by the Corporation with respect thereto during such Quarterly Dividend Period.

(g) If an "**event of default**" or "**termination event**" shall occur under a Permitted Swap Agreement and, in connection therewith, the Eligible Swap Counterparty shall be the "**affected party**" and such Permitted Swap Agreement terminates prior to the Scheduled Redemption Date, the Corporation shall enter into a replacement Permitted Swap Agreement within twenty (20) Business Days thereafter with the same scheduled dates and amounts of fixed payments and floating payments as the terminated Permitted Swap Agreement.

(h) For so long as there are any Series B Senior Preferred Shares outstanding, the Corporation shall deliver a certificate (which delivery requirement may be satisfied through the posting of such certificate to a publicly available web site) to each Series B Senior Preferred Holder on each Quarterly Dividend Payment Date (a "**Compliance Certificate**") stating that no "**event of default**" or "**termination event**" has occurred under any Permitted Swap Agreement with respect to the Corporation or the Eligible Swap Counterparty thereunder.

Section 9. *Limitation on Business Activities.* For so long as there are any Series B Senior Preferred Shares outstanding:

(i) the Corporation shall be authorized to engage solely in the business of (A) acquiring, holding, selling and disposing of the Portfolio Investments and Permitted Investments, (B) entering into Permitted Swap Agreements from time to time and causing the Servicer to manage the Corporation's investments, Permitted Swap Agreements and the other assets and liabilities of the Corporation and (C) investing in SEBC Real Estate LLC, in each case in accordance with the provisions hereof and the Servicing Agreement, and, in connection with such business, the Corporation may engage in any lawful act or activity which is incidental thereto and necessary or desirable in connection with the foregoing;

(ii) the Corporation shall invest any available monies or funds of the Corporation solely in Permitted Investments;

(iii) at any time that the Corporation seeks to be exempt from registration as an investment company under the Investment Company Act by virtue of the exemption from registration that is provided by Rule 3a-7 under the Investment Company Act, the Corporation shall (A) not acquire Portfolio Investments, Eligible Portfolio Investments or Permitted Investments or dispose of Portfolio Investments, Eligible Portfolio Investments or Permitted Investments for the primary purpose of recognizing gains or decreasing losses from market value changes and (B) in all respects, comply with the requirements of Rule 3a-7 under the Investment Company Act;

(iv) the Corporation shall not fail to ensure that any transaction entered into with any Person is fair to each party, constitutes an exchange for fair consideration and for reasonably equivalent value, and is made in good faith and without any intent to hinder, delay or defraud creditors;

(v) the Corporation shall not take any action with respect to, and will not engage in transactions with, any Person unless it determines in a reasonable fashion that such actions or transactions are in the best interests of the Corporation;

(vi) the Corporation shall comply with the covenants set forth in Article 5 of the Master Subscription Agreement; and

(vii) the Corporation shall not make any distribution or other payment on, or redeem or otherwise acquire, any shares of its Common Stock except for payment of a quarterly dividend on all shares of its Common Stock pursuant to the declaration of such quarterly dividend by unanimous vote of the Board of Directors.

Section 10. *Notices.* All communications and notices hereunder or with respect hereto, unless otherwise specified in the Articles of Incorporation or the Bylaws, shall be (i) in writing, (ii) hand-delivered or sent by overnight courier or telecopier or as an attachment to an email in a format then customarily used, (iii) addressed to the Corporation or a Series B Senior Preferred Holder at its street or email address or facsimile number specified below and (iv) effective as to a Person on receipt by such Person:

if to the Corporation: SEBC Financial Corporation

Address:

Phone:

Facsimile:

Email:

if to a Series B Senior Preferred Holder, at the address of such Series B Senior Preferred Holder set forth in the Stock Books. Any beneficial owner of Series B Senior Preferred Shares in book-entry form may provide notice to the Corporation of the identity of such beneficial owner and request the Corporation to provide all notices and other communications sent to Series B Senior Preferred Holders to also be sent to such beneficial owner at the address, facsimile number or email address provided by such beneficial owner.

Section 11. *Securities Depository Stock Certificate.* At the request of a Series B Senior Preferred Holder and upon receipt by the Corporation of the certificates representing the Series B Senior Preferred Shares of such Holder, the Corporation shall issue one or more certificates for such Series B Senior Preferred Shares, register such certificates in the name of Cede & Co. as the nominee of the Securities Depository and deliver such certificates to the Agent Member designated by such Holder in such request for deposit in its account with the Securities Depository on behalf of such Holder. Each such certificate shall bear a legend to the effect that

such certificate is issued subject to the provisions restricting transfer of Series B Senior Preferred Shares contained in the Articles of Incorporation. The Securities Depository will maintain lists of its participants and the Series B Senior Preferred Shares held by each Agent Member whether as a Series B Senior Preferred Holder for its own account or as a nominee for another Series B Senior Preferred Holder.

Section 12. *Transfer Restrictions.*

(a) Series B Senior Preferred Shares may only be sold or otherwise transferred to a Person that is an Eligible Holder that is knowledgeable, sophisticated and experienced in business and financial matters and able and prepared to bear the economic risk of investing in and holding Series B Senior Preferred Shares. The Corporation shall have no obligation to recognize any sale, transfer or other disposition of any Series B Senior Preferred Share unless the purchaser or transferee thereof shall be an Eligible Holder. Any purchase or transfer of the Series B Senior Preferred Shares in violation of this Section 12 shall have no effect and the intended purchaser or transferee shall not be deemed to be a Series B Senior Preferred Holder for any purpose, including but not limited to, with respect to the receipt of dividends on, or other distributions in respect of, the Series B Senior Preferred Shares. The restrictions set forth in this Section 12 shall be subject in all respects to the provisions restricting transfer of Series B Senior Preferred Shares contained in the Articles of Incorporation.

(b) Each certificate representing the Series B Senior Preferred Shares shall bear a legend in substantially the following form:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR A BENEFICIAL INTEREST HEREIN, THE HOLDER AGREES THAT (1) IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY, EXCEPT TO A PERSON THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A ADOPTED UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, ALL IN COMPLIANCE WITH RULE 144A; (2) IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITY EVIDENCED HEREBY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; AND (3) IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY, FURNISH TO THE TRANSFER AGENT AND THE CORPORATION SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUESTED TO CONFIRM THAT SUCH TRANSFER IS BEING MADE IN ACCORDANCE WITH THIS LEGEND.

Section 13. *No Other Rights or Preferences.* Unless otherwise required by law, the Series B Senior Preferred Holders shall not have any rights or preferences other than those specifically set forth herein. The Series B Senior Preferred Holders shall have no preemptive rights.

EXHIBIT D

SERIES J JUNIOR CUMULATIVE PREFERRED STOCK OF SEBC FINANCIAL CORPORATION

Section 1. *Designation, Amount, Series and Rank.* From the authorized Preferred Stock of SEBC Financial Corporation (the "**Corporation**"), there shall be a series of Preferred Stock designated as the "Series J Junior Cumulative Preferred Stock," par value $0.001 per share (the "**Series J Junior Preferred Stock**"), and the number of shares constituting such series shall be [•]. The Series J Junior Preferred Stock shall, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of the Corporation, rank (a) senior to the Common Stock, and to all other classes or series of capital stock of the Corporation hereafter issued which are not by their terms expressly senior to or on a parity with the Series J Junior Preferred Stock; (b) on a parity with the Series K Junior Preferred Stock, and with all other classes or series of capital stock of the Corporation hereafter issued which are by their terms expressly on a parity with the Series J Junior Preferred Stock; and (c) junior to the Corporation's Senior Preferred Stock, and to all other classes or series of capital stock of the Corporation hereafter issued which are by their terms expressly senior to the Series J Junior Preferred Stock.

Section 2. *Definitions.* Capitalized terms used but not defined in this Exhibit D shall have the respective meanings set forth in the Articles of Incorporation or in Exhibit A to the Articles of Incorporation.

Section 3. *Series J Junior Preferred Shares; Distributions.*

(a) The Series J Junior Preferred Shares shall be represented by one or more certificates registered in the Stock Books in the names of the Holders of the Series J Junior Preferred Shares.

(b) No fractional Series J Junior Preferred Shares shall be issued.

(c) Notwithstanding anything in the Articles of Incorporation to the contrary, the Corporation shall have no right to make distributions or payments in respect of the Series J Junior Preferred Shares unless (i) all required distributions have been, or contemporaneously are, made on the Senior Preferred Stock and the Series K Junior Preferred Stock and (ii) such distributions or payments are made solely from one or more of the following sources:

(i) interest and other distributions and payments received by the Corporation on or in respect of the Portfolio Investments or the Permitted Investments purchased by the Corporation from time to time;

(ii) all proceeds received by the Corporation from the maturity, redemption, repayment, prepayment, sale, exchange or other disposition of Portfolio Investments or Permitted Investments (including those in which the Liquidity Reserve is invested from time to time); and

(iii) all other assets or property of the Corporation including, without limitation, the stock of any Subsidiary and the proceeds of any disposition thereof.

Section 4. *Dividends.*

(a) Subject to Section 3(c) hereof, each Series J Junior Preferred Holder shall be entitled to receive, subject to declaration thereof by the Board of Directors or a duly authorized committee thereof, out of funds legally available therefor, a cash dividend (a "**Quarterly Dividend**") on each Quarterly Dividend Payment Date for the Quarterly Dividend Period then ending in an amount equal to the Series J Junior Quarterly Dividend Amount for such Quarterly Dividend Period. Notwithstanding anything in the Articles of Incorporation to the contrary, no dividends (including, without limitation, any Retroactive DRD Adjustment Dividends, Annual Gross-up Dividends and Additional Annual Gross-up Dividends) shall be paid to the Series J Junior Preferred Holders pursuant to this Section 4 unless and until there shall have been, or contemporaneously be, paid to each Holder of Senior Preferred Stock and each Holder of Series K Junior Preferred Stock all accrued and unpaid dividends (of any type) on such Senior Preferred Stock or Series K Junior Preferred Stock, respectively.

(b) The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits (such amount or shortfall, as the case may be, being an "**Undeclared Dividend**"), will accumulate until paid. Additional dividends will accumulate on the amount of any Undeclared Dividend at the rate per annum equal to the Series J Junior Quarterly Dividend Rate, compounded quarterly, from and including the Dividend Payment Date that would have been applicable to such Undeclared Dividend had it been declared to but excluding the date paid. Additional dividends will accumulate on the amount of any declared dividend that is not paid on the applicable Dividend Payment Date for any reason at the rate per annum equal to the Series J Junior Quarterly Dividend Rate, compounded quarterly, from and including such Dividend Payment Date to but excluding the date paid.

(c) The record date for the determination of the Series J Junior Preferred Holders entitled to receive payment of a dividend and the date of such payment will be the date fixed by the Corporation's Board of Directors or a duly authorized committee thereof, which record date will be no more than fifteen (15) days prior to the Dividend Payment Date fixed for the payment thereof. The Corporation shall provide written notice of the record date for, the amount of, and the Dividend Payment Date fixed for payment of, each dividend to the Series J Junior Preferred Holders promptly after each such date and amount is fixed. So long as the Series J Junior Preferred Shares are held of record by the nominee of the Securities Depository, dividends will be paid to the nominee of the Securities Depository on each Dividend Payment Date for the Series J Junior Preferred Shares. The Securities Depository will credit the accounts of Agent Members acting as such for Series J Junior Preferred Holders in accordance with its normal procedures, which provide for payment in same-day funds. Each Agent Member will be responsible for holding or disbursing such payments to the Series J Junior Preferred Holder for which it is so acting in accordance with the instructions of

such Holder. Series J Junior Preferred Holders will not be entitled to any dividends on Series J Junior Preferred Shares, whether payable in cash or property, in excess of the dividends provided herein. All dividends will be paid *pro rata* with respect to the Series J Junior Preferred Shares to the Series J Junior Preferred Holders entitled thereto. Notwithstanding anything in the Articles of Incorporation to the contrary, no dividend shall be paid unless, immediately after making such payment and giving effect thereto, the Market Value of the Portfolio Investments and the Permitted Investments equals or exceeds the sum of (i) the consolidated liabilities of the Corporation and its Subsidiaries at such time *plus* (ii) the aggregate of the Series J Junior Redemption Price (assuming the date of determination is a Series J Junior Redemption Date), the Series K Junior Redemption Price (assuming the date of determination is a Series K Junior Redemption Date), the Series A Senior Redemption Price (assuming the date of determination is a Series A Senior Redemption Date) and the Series B Senior Redemption Price (assuming the date of determination is a Series B Senior Redemption Date) for all shares of the Corporation's preferred stock outstanding at such time.

(d) (i) If any DRD Adjustment Event that reduces the Dividends Received Deduction applies with retroactive effect to dividends previously paid on the Series J Junior Preferred Shares (each date on which the Corporation previously paid dividends, a "**DRD Affected Dividend Payment Date**"), the Series J Junior Preferred Holders shall be entitled to receive, subject to declaration by the Board of Directors or a duly authorized committee thereof out of funds legally available therefor, an additional cash dividend (a "**Retroactive DRD Adjustment Dividend**") on the Series J Junior Preferred Shares on or before the last day of the Quarterly Dividend Period next succeeding the Quarterly Dividend Period in which the Corporation provides a Retroactive DRD Adjustment Dividend Payment Notice to the Series J Junior Preferred Holders in an amount equal (A) in the case of a Quarterly Dividend, to the excess (if any) of (x) the sum of the Quarterly Dividends that would have been paid by the Corporation on each DRD Affected Dividend Payment Date if Quarterly Dividends equal to the Series J Junior Quarterly Dividend Amount for the Quarterly Dividend Period ending on such DRD Affected Dividend Payment Date had been declared and paid in full on such date (assuming that the applicable Series J Junior Quarterly Dividend Rate used in determining such Series J Junior Quarterly Dividend Amount had been adjusted for such DRD Adjustment Event as described in the definition of Series J Junior Quarterly Dividend Rate) over (y) the sum of the Quarterly Dividends paid by the Corporation on each DRD Affected Dividend Payment Date and (B) in the case of Annual Gross-up Dividends or Additional Annual Gross-up Dividends, to the excess (if any) of (x) the Annual Gross-up Dividends or Additional Annual Gross-up Dividends adjusted for the effect of such DRD Adjustment Event over (y) the Annual Gross-up Dividends or Additional Annual Gross-up Dividends paid by the Corporation on each DRD Affected Dividend Payment Date. The Corporation shall make only one payment of Retroactive DRD Adjustment Dividends in connection with each DRD Adjustment Event. Upon the occurrence of any DRD Adjustment Event, the Board of Directors or a duly authorized committee thereof shall, within ten (10) Business Days after such DRD Adjustment Event occurs,

determine whether to declare any Retroactive DRD Adjustment Dividend and, if so, the Corporation shall promptly provide written notice of the amount and date of payment thereof to the Series J Junior Preferred Holders (such notice, the "**Retroactive DRD Adjustment Dividend Payment Notice**"). Notwithstanding the foregoing, unless and until payment in full of Retroactive DRD Adjustment Dividends is made to the Holders of Senior Preferred Shares, no Retroactive DRD Adjustment Dividends may be paid to the Holders of any Series J Junior Preferred Shares.

(ii) If any DRD Adjustment Event that increases the Dividends Received Deduction applies with retroactive effect to Quarterly Dividends, Annual Gross-up Dividends or Additional Annual Gross-up Dividends previously paid on the Series J Junior Preferred Shares, then each Series J Junior Preferred Holder that received any such dividend subject to such retroactive DRD Adjustment Event shall pay to the Corporation an amount equal to the excess of the dividend actually received over the amount of dividend that would have been received had the amount of such dividend been adjusted at the time of payment to reflect such DRD Adjustment Event. Such Series J Junior Preferred Holder shall pay such excess not less than 10 Business Days after receipt of the Corporation's written demand therefor, which demand shall include a reasonably detailed computation of such excess and which computation shall be binding in the absence of manifest error. In lieu of requiring such payment, the Corporation may elect to reduce one or more subsequent Quarterly Dividends on the Series J Junior Preferred Shares by an aggregate amount equal to the payment that the Series J Junior Preferred Holders would otherwise have been required to pay pursuant to this Section 4(d)(ii).

(e) Without duplication, if any dividends paid by the Corporation during any taxable year (including without limitation, an Annual Gross-up Dividend paid during such taxable year) constitutes (in whole or in part) a return of capital for U.S. federal income tax purposes or is treated as a gain from the sale or exchange of the Series J Junior Preferred Shares pursuant to Section 301(c)(2) or (3) of the Code as a result of an insufficiency of "**earnings and profits**" (within the meaning of Section 316 of the Code) of the Corporation (such dividends (or portions thereof) so constituting a return of capital or being treated as a gain from the sale or exchange of the Series J Junior Preferred Shares, collectively, a "**Return of Capital Distribution**"), each Series J Junior Preferred Holder shall be entitled to receive, subject to declaration by the Board of Directors or a duly authorized committee thereof out of funds legally available therefor, an additional dividend (an "**Annual Gross-up Dividend**") on or before the last day of the Quarterly Dividend Period next succeeding the Quarterly Dividend Period in which the Corporation provides the Gross-up Dividend Payment Notice to the Series J Junior Preferred Holders in an amount (an "**Annual Gross-up Amount**") that, when taken together with the aggregate Return of Capital Distributions paid to the Series J Junior Preferred Holder thereof in respect of such Series J Junior Preferred Shares for such taxable year of the Corporation, would cause such Holder's net yield in dollars (after giving effect to income tax consequences as provided below and treating the portion of such Return of Capital Distributions otherwise treated as a return of capital as

capital gain received upon the taxable sale or exchange of such Series J Junior Preferred Shares) from the Return of Capital Distributions to be equal to the net yield in dollars (after giving effect to income tax consequences as provided below) which would have been received by such Holder if the entire amount of the aggregate Return of Capital Distributions had instead been treated as a dividend for U.S. federal income tax purposes. In determining the Annual Gross-up Amount for any Holder's Series J Junior Preferred Shares: (i) such Annual Gross-up Amount shall be calculated using the applicable maximum marginal U.S. federal, New York State and New York City corporate income tax rate and, where applicable, the applicable Dividends Received Deduction percentage, without consideration being given to the actual U.S. federal, state or local income tax situation of any Series J Junior Preferred Holder (in each case with respect to the highest U.S. federal, New York State and New York City corporate income tax rate and the Dividends Received Deduction percentage that was in effect for the taxable year in which the Return of Capital Distribution was made) and (ii) the Corporation shall make a determination, based upon its U.S. federal income tax return for the related taxable year, of the distributions to such Holder that are to be treated as dividends for U.S. federal income tax purposes. Not later than each Annual Gross-up Dividend Determination Date, the Corporation shall determine if any Return of Capital Distributions exist. Notwithstanding the foregoing, unless and until payment in full of Annual Gross-up Dividends is made to the Holders of Senior Preferred Shares, no Annual Gross-up Dividends may be paid to the Holders of any Series J Junior Preferred Shares.

(f) (i) If the amount of the Corporation's "**earnings and profits**" (within the meaning of Section 316 of the Code) for a taxable year is redetermined by the IRS or otherwise and, after giving effect to such redetermination, any previously determined Annual Gross-up Amount would have been greater (the excess of such greater amount over the previously determined Annual Gross-up Amount being referred to herein as the "**Additional Annual Gross-up Amount**") had it been computed using such redetermined amount, each Series J Junior Preferred Holder shall be entitled to receive, subject to declaration by the Board of Directors or a duly authorized committee thereof out of funds legally available therefor, an additional dividend (an "**Additional Annual Gross-up Dividend**") on or before the last day of the Quarterly Dividend Period next succeeding the Quarterly Dividend Period in which the Corporation provides the Gross-up Dividend Payment Notice to the Series J Junior Preferred Holders relating to such redetermination, in an amount equal to the Additional Annual Gross-up Amount for each of such Holder's Series J Junior Preferred Shares. Notwithstanding the foregoing, unless and until payment in full of Additional Annual Gross-up Dividends is made to the Holders of Senior Preferred Shares, no Additional Annual Gross-up Dividends may be paid to the Holders of any Series J Junior Preferred Shares.

(ii) If any such redetermination of the Corporation's earnings and profits results in a determination that the Annual Gross-up Dividends or Additional Annual Gross-up Dividends previously paid on the Series J Junior Preferred Shares, after giving effect to such redetermination would have been

less, then each Series J Junior Preferred Holder that received any such dividend shall pay to the Corporation an amount equal to the excess of the dividend actually received over the amount of dividend that would have been received had the amount of such dividend been adjusted at the time of payment to reflect such redetermination. Such Series J Junior Preferred Holder shall pay such excess not less than 10 Business Days after receipt of the Corporation's written demand therefor, which demand shall include a reasonably detailed computation of such excess and which computation shall be binding in the absence of manifest error. In lieu of requiring such payment, the Corporation may elect to reduce one or more subsequent Quarterly Dividends on the Series J Junior Preferred Shares by an aggregate amount equal to the payment that the Series J Junior Preferred Holders would otherwise have been required to pay pursuant to this Section 4(f)(ii).

(g) Not later than ten (10) Business Days after the date on which the Corporation has determined that any Annual Gross-up Amount or Additional Annual Gross-up Amount exists and an Annual Gross-up Dividend or Additional Annual Gross-up Dividend has been declared, the Corporation shall provide written notice to the Series J Junior Preferred Holders informing the Series J Junior Preferred Holders of the amount of such Annual Gross-up Dividends or Additional Annual Gross-up Dividends and the Dividend Payment Date fixed for payment thereof (such notice, a "**Gross-up Dividend Payment Notice**").

(h) On each Dividend Payment Date on which dividends are paid to the Series J Junior Preferred Holders, the Corporation shall provide to each Series J Junior Preferred Holder a written statement setting forth the Corporation's estimate as to the portion of such payment constituting a dividend for U.S. federal income tax purposes. Not later than the 75th day after the end of each taxable year of the Corporation, the Corporation shall provide each Series J Junior Preferred Holder with a statement setting forth the aggregate dividends paid to such Holder as a holder of record during such taxable year that constitute dividends for U.S. federal income tax purposes.

(i) Notwithstanding anything in the Articles of Incorporation to the contrary, if, after the date on which a Series J Junior Preferred Holder's shares have been redeemed or otherwise paid, a determination has been made that such Holder would have been entitled to receive dividends pursuant to Section 4(d), Section 4(e) or Section 4(f) hereof if such Holder's shares were still outstanding Series J Junior Preferred Shares, such Holder's shares shall be considered Series J Junior Preferred Shares solely for the purpose of receiving the amounts that such Holder shall be entitled to receive pursuant to Section 4(d), Section 4(e) or Section 4(f) hereof and, solely for the purpose of receiving such amounts pursuant to Section 4(d), Section 4(e) or Section 4(f) hereof, such Holder shall have all the rights and privileges that would be afforded such Holder under the Articles of Incorporation (including, without limitation, the voting rights under Section 7 hereof) if such Holder's shares were still Series J Junior Preferred Shares.

Section 5. *Liquidation Rights.*

(a) Subject to Section 3(c) hereof, upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, each Holder of Series J Junior Preferred Shares at such time will be entitled to receive out of the assets of the Corporation available for distribution to its stockholders an amount in cash, after any distribution of assets due upon liquidation, dissolution or winding up of the Corporation has been, or contemporaneously is, made to the Holders of Senior Preferred Stock and the Holders of Series K Junior Preferred Stock but before any distribution of assets is made to the Holders of Common Stock, equal to the Series J Junior Liquidation Price for each of such Holder's Series J Junior Preferred Shares. The Series J Junior Liquidation Price for the Series J Junior Preferred Shares of each Series J Junior Preferred Holder shall be paid on the date established by the Board of Directors in connection with the approval of the liquidation, dissolution or winding up of the Corporation (the "**Liquidation Date**"). After the payment of the full amount of the Series J Junior Liquidation Price in respect of the Series J Junior Preferred Shares of the Holders entitled thereto and the other amounts provided in this paragraph, the Series J Junior Preferred Holders will have no right or claim to any of the remaining assets of the Corporation, except pursuant to Section 4(i) hereof.

(b) If, upon any such voluntary or involuntary dissolution, liquidation or winding up, the available assets of the Corporation are insufficient to pay the amount of the Series J Junior Liquidation Price and the Series K Junior Liquidation Price in full on each Series J Junior Preferred Share and Series K Junior Preferred Share, respectively, then such available assets will be applied *pro rata* (based upon the proportion that the amount available to pay such liquidation prices bears to the amount necessary to pay such liquidation prices in full) among all Series J Junior Preferred Shares and Series K Junior Preferred Shares toward payment of the Series J Junior Liquidation Price and the Series K Junior Liquidation Price thereof. Unless and until payment in full of (i) the Series A Senior Liquidation Price of each Series A Senior Preferred Share, (ii) the Series B Senior Liquidation Price of each Series B Senior Preferred Share, (iii) the Series J Junior Liquidation Price of each Series J Junior Preferred Share and (iv) the Series K Junior Liquidation Price of each Series K Junior Preferred Share, upon the liquidation, dissolution or winding up of the Corporation, no dividends or distributions or other payments may be made to the Holders of any Common Stock, and no purchase, redemption or other acquisition for any consideration by the Corporation may be made in respect of the Common Stock.

(c) If, on or before the first anniversary of the Date of Original Issue, the Majority Series J Junior Preferred Holders shall provide written notice to the Corporation (x) stating that MLE has not sold at least $250,000,000 Face Amount of Series A Senior Preferred Shares or Series B Senior Preferred Shares (or a combination thereof) and (y) requiring the Corporation to liquidate pursuant to this Section 5, then the Corporation shall have the right, but not the obligation, within forty-five (45) days after the receipt of such notice, to provide a Notice of Redemption to the Holders of the Series A Senior Preferred Stock, the Series B Senior Preferred Stock, the Series J Junior Preferred Stock and the Series K Junior Preferred Stock, which Notice of Redemption

shall state that the next succeeding Quarterly Dividend Payment Date shall be deemed to be a Corporation Optional Redemption Date. If the Corporation shall provide such Notice of Redemption, then the Series A Senior Preferred Stock, the Series B Senior Preferred Stock, the Series J Junior Preferred Stock and the Series K Junior Preferred Stock shall be subject to redemption, in whole and not in part, pursuant to Section 6(b) of Exhibits B, C and D and Section 6(a) of Exhibit E, respectively. If the Corporation shall not provide such Notice of Redemption, then the Corporation shall promptly liquidate pursuant to Section 5 of Exhibits B, C, D and E.

(d) None of the conversion of the Corporation into another entity, the merger or consolidation of the Corporation into or with any other entity, the merger or consolidation of any other entity with or into the Corporation or the sale of all or substantially all of the property or the business of the Corporation will be deemed to constitute a dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, for the purposes of this Section 5.

Section 6. *Redemption.*

(a) *Holders' Elective Redemption.* If any Holders' Elective Redemption Event shall have occurred, the Majority Series J Junior Preferred Holders may direct the Corporation to redeem the Series J Junior Preferred Shares, in whole and not in part, on the Holders' Elective Redemption Date, subject to the right of the Majority Series A Senior Preferred Holders and Majority Series B Senior Preferred Holders to direct the Corporation first to redeem the Series A Senior Preferred Shares and Series B Senior Preferred Shares, as applicable, pursuant to notice from such Majority Series A Senior Preferred Holders and Majority Series B Senior Preferred Holders, as applicable, received by the Corporation and the Majority Series J Junior Preferred Holders no later than 15 days before the Holders' Elective Redemption Date (as defined below) and subject to the obligation of the Corporation to redeem Series K Junior Preferred Shares pursuant to Section 6(c) of Exhibit E to the Articles of Incorporation on a pari passu basis. Any such direction by the Majority Series J Junior Preferred Holders shall be in writing (the "**Holders' Elective Redemption Direction**"), shall be delivered to the Corporation and to the Senior Preferred Holders in accordance with Section 7(k)(i) hereof and shall specify (i) a date (the "**Holders' Elective Redemption Date**") for redemption of the Series J Junior Preferred Shares, which date shall be a Quarterly Dividend Payment Date occurring not less than 90 days after the date on which the Holders' Elective Redemption Direction is delivered to the Corporation, and (ii) the Holders' Elective Redemption Event. If any Holders' Elective Redemption Event shall have occurred, the Majority Series J Junior Preferred Holders may also direct the Corporation, pursuant to the Holders' Elective Redemption Direction, to redeem on the Holders' Elective Redemption Date the Common Shares then owned by the Series J Junior Preferred Holders, in whole and not in part. The Corporation shall promptly forward a copy of such Holders' Elective Redemption Direction to each Series J Junior Preferred Holder together with a Notice of Redemption (as defined below). If on the Holders' Elective Redemption Date the funds of the Corporation are insufficient to redeem the total number of Series J Junior Preferred Shares, Series K Junior Preferred Shares and Common Shares to be redeemed on such date, those funds which are legally

available and described in Section 3(c) hereof will be used first to redeem the maximum possible number of Series J Junior Preferred Shares and Series K Junior Preferred Shares *pro rata* (based upon the proportion that the amount available to pay such redemption prices bears to the amount necessary to pay such redemption prices in full) among the Holders of the Series J Junior Preferred Shares and Series K Junior Preferred Shares to be redeemed and second to redeem the maximum possible number of Common Shares ratably among the Holders of the Common Shares to be redeemed. At any time thereafter when additional funds of the Corporation described in Section 3(c) hereof are legally available for the redemption of Series J Junior Preferred Shares, Series K Junior Preferred Shares or Common Shares, such funds will immediately be used to redeem first the balance of the Series J Junior Preferred Shares and Series K Junior Preferred Shares *pro rata* (based upon the proportion that the amount available to pay such redemption prices bears to the amount necessary to pay the remaining amount of such redemption prices in full) and second the balance of the Common Shares which the Corporation has not redeemed. On the Holders' Elective Redemption Date, the Corporation shall pay each Holder, as applicable, and subject to the contemporaneous payment upon redemption of Series K Junior Preferred Shares in accordance with the terms thereof, (x) the Series J Junior Redemption Price for each Series J Junior Preferred Share owned by such Holder to be redeemed and (y) the Common Stock Redemption Price for each Common Share owned by such Holder to be redeemed, in each case in cash out of funds legally available therefor and described in Section 3(c) hereof. A Holders' Elective Redemption Direction may be withdrawn at any time by the Majority Series J Junior Preferred Holders. If the Corporation shall have timely received a notice of redemption from the Majority Series A Senior Preferred Holders and/or Majority Series B Senior Preferred Holders, then it shall not redeem any Series J Junior Preferred Shares unless, prior thereto or contemporaneously therewith, such shares of Senior Preferred Stock shall have been so redeemed.

(b) *Corporation Optional Redemption.* The Series J Junior Preferred Shares and the Common Shares owned by the Series J Junior Preferred Holders will be subject to redemption, in whole and not in part, by resolution of the Board of Directors at the option of the Corporation on any Corporation Optional Redemption Date. On the Corporation Optional Redemption Date, the Corporation shall pay each Holder the Series J Junior Redemption Price and the Common Stock Redemption Price, as applicable, in cash for each Series J Junior Preferred Share and Common Share, as applicable, owned by such Holder to be redeemed out of funds legally available therefor and described in Section 3(c) hereof. Notwithstanding the foregoing, (i) in no event shall the Corporation exercise its optional redemption pursuant to this Section 6(b) unless the Corporation shall have redeemed or contemporaneously redeems, in whole and not in part, all of the outstanding Senior Preferred Shares and Series K Junior Preferred Shares, and (ii) in the event of the redemption of any Common Shares, such Common Shares shall be redeemed pro rata among the Series J Junior Preferred Holders owning Common Shares.

(c) *Scheduled Redemption.* The Series J Junior Preferred Shares, the Series K Junior Preferred Shares and the Common Shares owned by the Series J Junior Preferred Holders shall be redeemed, in whole and not in part, upon the Scheduled

Redemption Date. On the Scheduled Redemption Date, the Corporation shall pay each Holder, as applicable, (i) with respect to the Series J Junior Preferred Shares held by such Holder, the Series J Junior Redemption Price and (ii) with respect to the Common Shares held by such Holder, the Common Stock Redemption Price, in each case in cash for each Series J Junior Preferred Share and each Common Share, as applicable, owned by such Holder out of funds legally available therefor and described in Section 3(c) hereof. If on the Scheduled Redemption Date such funds are insufficient to redeem the total number of Series J Junior Preferred Shares, Series K Junior Preferred Shares and Common Shares to be redeemed on such date, those funds which are legally available and described in Section 3(c) hereof will be used first to redeem the maximum possible number of Series J Junior Preferred Shares and Series K Junior Preferred Shares *pro rata* (based upon the proportion that the amount available to pay such redemption prices bears to the amount necessary to pay such redemption prices in full) among the Holders of such shares to be redeemed and second to redeem the maximum possible number of Common Shares ratably among the Holders of the Common Shares to be redeemed. At any time thereafter when additional funds of the Corporation described in Section 3(c) hereof are legally available for the redemption of Series J Junior Preferred Shares, Series K Junior Preferred Shares or Common Shares, such funds will immediately be used to redeem first the balance of the Series J Junior Preferred Shares and the Series K Junior Preferred Shares and second the balance of the Common Shares which the Corporation has not redeemed. Notwithstanding the foregoing, in no event shall the Corporation redeem the Series J Junior Preferred Shares, Series K Junior Preferred Shares or Common Shares on the Scheduled Redemption Date pursuant to this Section 6(b) unless the Corporation shall first have redeemed, in whole and not in part, all of the outstanding Senior Preferred Shares.

(d) *Notice of Redemption.* Whenever Series J Junior Preferred Shares and Series K Junior Preferred Shares are to be redeemed, the Corporation shall mail a notice (a "**Notice of Redemption**") to the Series J Junior Preferred Holders not less than fifteen (15) calendar days nor more than forty-five (45) calendar days prior to the date fixed for redemption. A Notice of Redemption shall be addressed to each Series J Junior Preferred Holder at the address for such Holder appearing on the Stock Books. The Notice of Redemption shall state (i) the Series J Junior Redemption Date, (ii) estimates of the Series J Junior Redemption Price and the Common Stock Redemption Price, (iii) the place or places where Series J Junior Preferred Shares and Common Shares are to be surrendered for payment of the Series J Junior Redemption Price and the Common Stock Redemption Price, as applicable, (iv) that no dividends on the Series J Junior Preferred Shares or Common Shares to be redeemed will be payable after the date fixed for redemption (unless the Corporation shall default in the payment of the Series J Junior Redemption Price or the Common Stock Redemption Price), and (v) the provision under this Section 6 under which redemption is made.

(e) *Surrender of Certificates; Effect.* On or after the Series J Junior Redemption Date, each Holder of Series J Junior Preferred Shares and/or Common Shares shall surrender the certificate or certificates for such Series J Junior Preferred Shares and/or Common Shares to the Corporation at the place designated in the Notice of Redemption, and against such surrender the Series J Junior Redemption Price and/or

Common Stock Redemption Price, as applicable, of such Series J Junior Preferred Shares and/or Common Shares shall be paid to or on the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be canceled. If less than all the Series J Junior Preferred Shares and/or Common Shares, as applicable, represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed Series J Junior Preferred Shares and/or Common Shares, as applicable. From and after the Series J Junior Redemption Date (unless the Corporation shall default in the payment in full of the Series J Junior Redemption Price or the Common Stock Redemption Price), all dividends on the shares so redeemed shall cease to accrue and all rights of the Holders thereof, except the right to receive the Series J Junior Redemption Price or the Common Stock Redemption Price, as applicable, of such shares upon the surrender of certificates representing the same and except as provided in Section 4(i) hereof, shall cease and terminate and such shares shall not thereafter be transferred on the Stock Books of the Corporation and shall not be deemed to be Series J Junior Preferred Shares or Common Shares for any purpose whatsoever.

(f) *Series J Junior Preferred Shares Retired.* Series J Junior Preferred Shares redeemed pursuant to the provisions of this Section 6 shall thereupon have the status of authorized but unissued shares of Preferred Stock without designation.

Section 7. *Voting Rights.*

(a) Holders of the Series J Junior Preferred Shares shall have no voting rights, either general or special, and shall have no right to participate in the management of the Corporation, except as expressly required by applicable law and as specified in this Section 7.

(b) Without the affirmative vote of the Holders of more than 80% of the Series J Junior Preferred Shares, so long as there are any Series J Junior Preferred Shares, the Corporation shall not:

(i) institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition or an answer or consent to a petition seeking reorganization or relief under any applicable federal, state or foreign law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporation or of a substantial part of the property of the Corporation, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take any corporate or other action in furtherance of any such action;

(ii) consolidate or merge the Corporation or any Subsidiary with or into any other Person, or permit any other Person to consolidate with or merge into the Corporation or any Subsidiary, in either case pursuant to which the market value of the surviving or resulting entity exceeds the market value of the Corporation by more than 5%;

(iii) sell, lease, convey or otherwise dispose of all or substantially all of the assets of the Corporation (other than with respect to sales or disposals of Permitted Investments in connection with the payment of dividends or the redemption of Series J Junior Preferred Shares);

(iv) voluntarily dissolve, liquidate or wind up the affairs of the Corporation or any Subsidiary;

(v) issue shares of Common Stock to any Person;

(vi) create, authorize or issue shares of additional classes or series of stock;

(vii) own any assets other than (w) investments held by the Corporation on the date of filing of the Articles of Incorporation, (x) Portfolio Investments and Permitted Investments, (y) the common stock of the Subsidiaries (and the assets thereof owned on the date of filing of the Articles of Incorporation), and (z) securities issued by entities whose sole assets are cash, cash equivalents and real property (or securities issued by such entities);

(viii) create, authorize, issue, incur or suffer to exist any indebtedness for borrowed money or other liability other than in the ordinary course of business in an aggregate amount not exceeding $1,000,000;

(ix) have any salaried employees;

(x) amend, alter or repeal any provision of the Articles of Incorporation or the Bylaws, whether by merger, consolidation or otherwise, so as to adversely affect any of the rights, powers, preferences, privileges, terms or par value of any Series J Junior Preferred Share or to change the capital surplus of the Corporation in a manner adverse to the Holders of Series J Junior Preferred Shares or to modify any of the limitations set forth in this Section 7(b) or Section 8 hereof; or

(xi) do anything that requires the affirmative vote of each class of voting securities of the Corporation.

(c) Without the affirmative vote of the Holders of more than 80% of the Series J Junior Preferred Shares, so long as there are any Series J Junior Preferred Shares, the Corporation shall not permit any Subsidiary to:

(i) institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition or an answer or consent to a petition seeking reorganization or relief under any applicable federal, state or foreign law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Subsidiary or of a substantial part of the property of such Subsidiary, or make any assignment for the benefit of

creditors, or admit in writing such Subsidiary's inability to pay its respective debts generally as they become due, or take any corporate or other action in furtherance of any such action;

(ii) consolidate or merge such Subsidiary with or into any other Person, or permit any other Person to consolidate with or merge into such Subsidiary;

(iii) sell, lease, convey or otherwise dispose of all or substantially all of the assets of such Subsidiary (other than with respect to sales or disposals of Portfolio Investments or Permitted Investments in connection with the payment of distributions on the Corporation's interest in such Subsidiary);

(iv) voluntarily dissolve, liquidate or wind up the affairs of such Subsidiary;

(v) if such Subsidiary is a limited liability company, admit or create additional members;

(vi) if such Subsidiary is a corporation, issue additional shares of common stock or create, authorize or issue shares of additional classes or series of stock;

(vii) own any assets other than (x) Portfolio Investments and Permitted Investments, (y) the common stock of the Subsidiaries and (z) the assets held on the date of filing of the Articles of Incorporation;

(viii) loan, distribute or transfer any monies or assets of such Subsidiary to any other Subsidiary;

(ix) create, authorize, issue, incur or suffer to exist any indebtedness for borrowed money or other liability;

(x) have any employees; or

(xi) make an election to become a "**disregarded entity**" for U.S. federal income tax purposes.

(d) Upon the occurrence of any of the following events, the authorized number of directors of the Board of Directors shall automatically be increased by the smallest even number divisible by three of new directors that shall constitute a majority of the Board of Directors, as so increased (such new directors, the "**Additional Directors**"), and (A) in the case of an event described in clauses (i), (ii) or (iii) below, each of the Majority Series A Senior Preferred Holders, the Majority Series B Senior Preferred Holders and the Majority Series J Junior Preferred Holders shall be entitled to elect one-third of the Additional Directors, and (B) in the case of an event described in clauses (iv) or (v) below, the Majority Series J and Series K Junior Preferred Holders, voting together as a single class, shall be entitled to elect all of the Additional Directors

(*provided, however*, that if at such time the Majority Series A Senior Preferred Holders have the right to elect Additional Directors, then the provisions of Section 7 of Exhibit B to the Articles of Incorporation shall apply, and if at such time the Majority Series B Senior Preferred Holders but not the Majority Series A Senior Preferred Holders have the right to elect Additional Directors, then the provisions of Section 7 of Exhibit C shall apply):

(i) the Corporation or any Specified Affiliate shall institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against any such Person, or file a petition or an answer or consent to a petition seeking reorganization or relief under any applicable federal, state or foreign law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of any such Person or of a substantial part of any such Person's property, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take any corporate or other action in furtherance of any such action;

(ii) the entry of a decree or order by a court having competent jurisdiction adjudging the Corporation or any Specified Affiliate bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of any such Person under any applicable federal, state or foreign law relating to bankruptcy, or appointing a receiver, liquidator, assignee, trustee, sequestrator or other similar official of any such Person or of a substantial part of any such Person's property, or ordering the winding up or liquidation of any such Person's affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(iii) failure of the Corporation to maintain the Liquidity Reserve in accordance with Section 8(e) hereof and such failure continues for ten (10) Business Days after any Series J Junior Preferred Holder gives written notice to the Corporation of such failure;

(iv) failure of the Corporation to declare and pay in full Quarterly Dividends equal to the applicable Series J Junior Quarterly Dividend Amount on two or more consecutive Quarterly Dividend Payment Dates; or

(v) failure of the Corporation to pay in full the aggregate Series J Junior Redemption Price and/or Common Stock Redemption Price, as applicable, of the Series J Junior Preferred Shares and the Common Shares, as applicable, on the Series J Junior Redemption Date.

(e) As soon as reasonably practicable after the accrual of any right of the Series J Junior Preferred Holders to elect Additional Directors pursuant to Section 7(d) hereof and so long as the Series J Junior Preferred Holders shall not have taken the action described in Section 7(k)(ii) hereof, the Board of Directors shall call a special meeting of the Series A Senior Preferred Holders, the Series B Senior Preferred

Holders, the Series J Junior Preferred Holders and, if applicable, the Series K Junior Preferred Holders by mailing to such Holders a notice of such special meeting to be held not less than five (5) Business Days nor more than thirty (30) calendar days after the date such notice is given. If the Board of Directors does not send such notice, any such special meeting may be called by any Series A Senior Preferred Holder, Series B Senior Preferred Holder, Series J Junior Preferred Holder or Series K Junior Preferred Holder on like notice. The record date for determining the Holders entitled to notice of, and to vote at, such meeting shall be the close of business on the Business Day immediately preceding the day on which such notice is mailed. At any such special meeting, the applicable Holders will be entitled to elect Additional Directors on a one-vote-per-Series A Senior Preferred Share-per-director basis, on a one-vote-per-Series B Senior Preferred Share-per-director basis, on a one-vote-per-Series J Junior Preferred Share-per-director basis or on a one-vote-per-Series K Junior Preferred Share-per-director basis, as the case may be. The Holders of 34% of each of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares and the Series J Junior Preferred Shares or, taken together as a single class, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares, as applicable, at the time present in person or by proxy will constitute a quorum for the election of the Additional Directors. Notice of all meetings at which the Series A Senior Preferred Holders, the Series B Senior Preferred Holders, the Series J Junior Preferred Holders and the Series K Junior Preferred Holders shall be entitled to vote will be given to such Holders at their addresses as they appear on the Stock Books. At any such meeting or adjournment thereof in the absence of a quorum, subject to the provisions of any applicable law, the Holders of a majority of each of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares and the Series J Junior Preferred Shares or, voting together as a single class, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares, as applicable, present in person or by proxy shall have the power to adjourn the meeting for the election of the Additional Directors, without notice other than an announcement at the meeting, until a quorum is present. If a Cure Event shall occur after the notice of a special meeting for the election of Additional Directors has been given but before such special meeting is held, the Corporation shall, as soon as practicable after the occurrence of such Cure Event, mail notice of such occurrence and a statement that no special meeting will be held to the Holders of record that would have been entitled to vote at such special meeting.

(f) The term of office of all persons who are directors of the Corporation at the time the Additional Directors are elected shall continue, notwithstanding such election. The Additional Directors, together with the incumbent directors elected by Holders of the shares of Common Stock, shall constitute the duly elected directors of the Corporation.

(g) The term of office of the Additional Directors shall terminate as follows: (i) in the case of the event described in Section 7(d)(iii) hereof that gave rise to the election of the Additional Directors, on the date that the Corporation establishes the Liquidity Reserve in accordance with Section 8(e) hereof, (ii) in the case of the event described in Section 7(d)(iv) hereof that gave rise to the election of the Additional Directors, on the date that the Corporation declares and pays in full all unpaid Quarterly

Dividends and (iii) in the case of an event described in clauses (i), (ii) or (v) of Section 7(d) hereof that gave rise to the election of the Additional Directors, on the date that the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares have been redeemed in full by the Corporation in accordance with the next sentence. During the term of office of the Additional Directors, the Additional Directors shall have the limited right to cause either (i) a Cure Event to occur or (ii) the Corporation to redeem all of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares, to the extent of funds legally available therefor and described in Section 3(c) hereof, and to cause the redemption of any remaining Series A Senior Preferred Shares, Series B Senior Preferred Shares, Series J Junior Preferred Shares and Series K Junior Preferred Shares upon the availability of funds of the Corporation legally available therefor and described in Section 3(c) hereof, and the Additional Directors shall have the power, among other things, to realize and provide for the orderly disposition of the Portfolio Investments, the Permitted Investments, the Permitted Swap Agreements and the other assets of the Corporation and any Subsidiary insofar as is necessary to acquire adequate capital and sufficient cash to effect any redemption of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares.

(h) Upon the expiration of the term of the Additional Directors, the persons who shall have been elected by the Holders of Common Stock and who are incumbent shall constitute the directors of the Corporation, the number of directors of the Corporation shall be reduced to the number in effect prior to the automatic increase in the authorized number of directors pursuant to Section 7(d) hereof and the voting rights of the Series A Senior Preferred Holders, the Series B Senior Preferred Holders, the Series J Junior Preferred Holders and, if applicable, the Series K Junior Preferred Holders to elect directors shall cease.

(i) So long as the right of the Series J Junior Preferred Holders and, if applicable, the Series K Junior Preferred Holders to elect the Additional Directors shall continue, the Additional Directors elected by such Holders shall (subject to the provisions of any applicable law) be subject to removal only by the vote of the Majority Series J Junior Preferred Holders or, voting together as a single class, the Majority Series J and Series K Junior Preferred Holders, as applicable. Any vacancy in the members of the Board of Directors elected by the Majority Series J Junior Preferred Holders or, voting together as a single class, the Majority Series J and Series K Junior Preferred Holders occurring by reason of such removal or otherwise may be filled by vote of the Majority Series J Junior Preferred Holders or, voting together as a single class, the Majority Series J and Series K Junior Preferred Holders, as applicable, in each case voting in person or by proxy at a meeting of the Series J Junior Preferred Holders and, if applicable, the Series K Junior Preferred Holders, and if not so filled such vacancy shall (subject to the provisions of any applicable law) be filled by a majority of the remaining directors (or the remaining director) elected by the Majority Series J Junior Preferred Holders or, voting together as a single class, the Majority Series J and Series K Junior Preferred Holders, as applicable.

(j) The Corporation shall not, so long as there are any Series J Junior Preferred Shares, appoint a successor Servicer unless such successor has been approved in writing by the Majority Series J Junior Preferred Holders (such approval not to be unreasonably withheld).

(k) Notwithstanding anything in the Articles of Incorporation or the Bylaws to the contrary:

(i) except as provided in clauses (ii) and (iii) below, any written notice, consent or approval required by the Articles of Incorporation to be delivered by the Series J Junior Preferred Holders in connection with the exercise of any right or benefit of the Series J Junior Preferred Holders shall be effective if the requisite percentage of Series J Junior Preferred Holders entitled to give any such notice, consent or approval have provided such notice, consent or approval, as the case may be, in writing to the Corporation;

(ii) the right to elect the Additional Directors pursuant to Section 7(d) hereof may be exercised without a special meeting of the Series J Junior Preferred Holders and, if applicable, the Series K Junior Preferred Holders, without notice to such Holders and without a vote of such Holders if a consent or consents in writing, setting forth the appointment of the Additional Directors, shall be signed by the Series J Junior Preferred Holders or, voting together as a single class, the Series J Junior Preferred Holders and the Series K Junior Preferred Holders, as applicable, having not less than the minimum number of votes that would be necessary to elect the Additional Directors at a meeting at which all the Series J Junior Preferred Holders and, if applicable, the Series K Junior Preferred Holders entitled to vote thereon were present and voted and such consent or consents have been delivered to the Corporation;

(iii) with respect to the determination of the Market Value of any Permitted Investment or Portfolio Investment, such Market Value shall be deemed to be determined by mutual agreement of the Corporation and the Holders of more than 50% of each of the Series A Senior Preferred Shares ,the Series B Senior Preferred Shares and the Series J Junior Preferred Shares if the Corporation and such Holders have (x) orally agreed to such Market Value, (y) each of the Corporation and such Holders have confirmed such oral agreement in writing and (z) such agreement would not result in the applicable Expected Investment Loss to be exceeded; and

(iv) the Corporation shall treat any beneficial owner of Series J Junior Preferred Shares that has provided the notice described in Section 10 hereof as a Series J Junior Preferred Holder for all purposes hereunder in place of the Person listed as the Holder of such Series J Junior Preferred Shares on the Stock Books and such beneficial owner shall be entitled to any and all rights and benefits provided to the Series J Junior Preferred Holders as if such beneficial owner were a Series J Junior Preferred Holder.

(l) Notwithstanding anything in the Articles of Incorporation to the contrary, no shares held of record by the Corporation or any Affiliate thereof will be entitled to vote or be deemed Series J Junior Preferred Shares for the purpose of voting such shares or determining the number of Series J Junior Preferred Shares required to constitute a quorum at a meeting of the Series J Junior Preferred Holders.

(m) The Securities Depository, while it or its nominee is the registered owner of any Series J Junior Preferred Shares, will not independently exercise any voting rights with respect thereto. Rather, in accordance with its normal procedures, the Securities Depository will extend such voting rights to the Agent Member whose account is credited with such Series J Junior Preferred Shares. Each such Agent Member will, in turn, extend such voting rights to the Series J Junior Preferred Holders for whom it is so acting in accordance with such Agent Member's normal procedures.

Section 8. *Portfolio Investments; Other Assets Owned by Corporation; Other Agreements of the Corporation.*

(a) The Corporation shall use the proceeds from the sale of the Senior Preferred Stock and the Series J Junior Preferred Stock plus the proceeds from the sale of the Common Shares pursuant to the Master Subscription Agreement in accordance with the use of proceeds set forth in the Master Subscription Agreement. Upon the maturity, redemption, repayment, prepayment, sale, exchange or other disposition of any Portfolio Investment, in each case prior to the Scheduled Redemption Date, the Corporation shall reinvest the proceeds it receives therefrom within twenty (20) Business Days in replacement Eligible Portfolio Investments with an aggregate principal amount equal to the principal amount of the Portfolio Investment that matured or was redeemed, prepaid, sold or otherwise disposed of. The Corporation shall invest in Permitted Investments any such proceeds not immediately used to purchase replacement Eligible Portfolio Investments until such purchase occurs.

(b) The Corporation shall enter into a Permitted Swap Agreement on the Date of Original Issue. If any Portfolio Investment matures or is prepaid, terminated, sold or otherwise disposed of prior to the Scheduled Redemption Date and no replacement Eligible Portfolio Investments are available for purchase by the Corporation with sufficient floating rate income to enable the Corporation to meet its obligations under the Permitted Swap Agreement then in effect and the counterparty thereto is unwilling to reduce the floating rate payments to which it is entitled and maintain the fixed rate payments in the same amount as before such event, then the Corporation will partially or fully, as the case may be, terminate such Permitted Swap Agreement and, if the replacement Eligible Portfolio Investments bear interest at a floating rate, enter into one or more replacement Permitted Swap Agreements so that the Corporation receives under all Permitted Swap Agreements in effect thereafter an aggregate amount of fixed rate payments on all Quarterly Dividend Payment Dates thereafter that is as close to the Quarterly Dividend Amounts for such dates as possible in return for the aggregate floating rate payments with respect to such dates under the Portfolio Investments outstanding thereafter.

(c) All income of the Corporation not needed to pay dividends on the Senior Preferred Stock, the Series J Junior Preferred Stock, the Series K Junior Preferred Stock or the Common Stock within 24 hours shall be invested by the Corporation in Permitted Investments, none of which may have a maturity later than the Business Day immediately preceding the Dividend Payment Date immediately succeeding the date of investment.

(d) "**Permitted Investments**" shall mean one or more investments denominated in United States dollars that (i) constitute financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period and, therefore, qualify as "**eligible assets**" as that term is defined by sub-paragraph (b)(1) of Rule 3a-7 under the Investment Company Act and (ii) fall into one of the following categories:

(A) direct obligations of, and obligations fully guaranteed as to timely payment of principal and interest by, the United States of America or any agency or instrumentality of the United States of America;

(B) debt securities with a stated maturity bearing interest or sold at a discount whose issuer or obligor has a long-term unsecured debt rating of not less than "AAA" by S&P or "Aaa" by Moody's, but not including any mortgage-backed securities, asset-backed securities, collateralized debt obligations or any other type of structured finance securities;

(C) commercial paper issued by any corporation (including both noninterest-bearing discount obligations and interest-bearing obligations) and rated at least "A-1" by S&P and "P-1" by Moody's;

(D) time deposits in, certificates of deposit of, or bankers' acceptances issued by, any commercial bank incorporated under the laws of the United States or any state thereof or the District of Columbia, or any commercial bank organized outside the United States that is subject to U.S. regulatory supervision, in each case having at any date of determination combined capital and surplus of not less than $100,000,000 and having a long term unsecured debt rating of not less than "AAA" by S&P and "Aaa" by Moody's;

(E) the SEBC Real Estate LLC Note;

(F) loans to SEBC Holdings, LP such that, at any given time, the total amount of such loans is less than the lower of (i) $600,000 and (ii) 25% of the fair market value of SEBC Holdings, LP's total assets on an unconsolidated basis (exclusive of cash and U.S. government securities), and all such loans have a maturity date of [April 30, 2014] or earlier; and

(G) and any other debt security or investment designated as a Permitted Investment by the Corporation that has been approved in writing by the Majority Holders;

provided that

(x) the Corporation shall not acquire a Permitted Investment if, after giving effect to such acquisition:

(1) the aggregate Market Value of the Permitted Investments described in clauses (B), (C) and (D) above representing the securities or obligations of any one corporation exceeds 25% of the aggregate Market Value of the Permitted Investments described in said clauses (B), (C) and (D) above; or

(2) the aggregate Market Value of the Permitted Investments described in clauses (B), (C) and (D) above representing the securities or obligations of any ten (10) issuers exceeds 50% of the aggregate Market Value of the Permitted Investments in said clauses (B), (C) and (D) above; and

(y) after giving effect to the acquisition of any Permitted Investment, the remaining term to final maturity of any individual Permitted Investment shall not extend beyond the Scheduled Redemption Date.

(e) After the first anniversary of the Date of Original Issue, for so long as there are any Series J Junior Preferred Shares outstanding, the Corporation shall maintain the Liquidity Reserve during each Quarterly Dividend Period in Permitted Investments maturing on or prior to the end of such Quarterly Dividend Period, and the Corporation shall take such action as necessary prior to such first anniversary to ensure that it shall be in compliance herewith; *provided, however*, that the Corporation's obligation to establish and maintain the Tax Reserve Amount shall commence on the Date of Original Issue.

(f) On each Quarterly Dividend Payment Date, the Corporation shall distribute or cause to be distributed (which distribution requirement may be satisfied through the posting of such report to a publicly available web site) to the Series J Junior Preferred Holders a report containing the following information for the Quarterly Dividend Period ending on such date:

(i) a brief description of each Portfolio Investment and each Permitted Investment held by the Corporation during such Quarterly Dividend Period and the outstanding principal amount thereof and identifying any such Portfolio Investment or Permitted Investment that was acquired by or delivered to the Corporation during such Quarterly Dividend Period;

(ii) the interest and other distributions and payments received by the Corporation during such Quarterly Dividend Period representing income or principal payments on the Portfolio Investments and Permitted Investments;

(iii) a description of any sales or other disposals of Portfolio Investments and of Permitted Investments during such Quarterly Dividend Period and the amount of gain or loss realized by the Corporation in connection with any such sale or disposal;

(iv) information concerning any payment or other defaults by the Obligors on any Portfolio Investments or any Permitted Investments held by the Corporation during such Quarterly Dividend Period; and

(v) a description of any Permitted Swap Agreement and any Swap Payment Amounts, Swap Receipt Amounts and Swap Termination Amounts received by the Corporation with respect thereto during such Quarterly Dividend Period.

(g) If an "**event of default**" or "**termination event**" shall occur under a Permitted Swap Agreement and, in connection therewith, the Eligible Swap Counterparty shall be the "**affected party**" and such Permitted Swap Agreement terminates prior to the Scheduled Redemption Date, the Corporation shall enter into a replacement Permitted Swap Agreement within twenty (20) Business Days thereafter with the same scheduled dates and amounts of fixed payments and floating payments as the terminated Permitted Swap Agreement.

(h) For so long as there are any Series J Junior Preferred Shares outstanding, the Corporation shall deliver a certificate (which delivery requirement may be satisfied through the posting of such certificate to a publicly available web site) to each Series J Junior Preferred Holder on each Quarterly Dividend Payment Date (a "**Compliance Certificate**") stating that no "**event of default**" or "**termination event**" has occurred under any Permitted Swap Agreement with respect to the Corporation or the Eligible Swap Counterparty thereunder.

Section 9. *Limitation on Business Activities.* For so long as there are any Series J Junior Preferred Shares outstanding: .

(i) the Corporation shall be authorized to engage solely in the business of (A) acquiring, holding, selling and disposing of the Portfolio Investments and Permitted Investments, (B) entering into Permitted Swap Agreements from time to time and causing the Servicer to manage the Corporation's investments, Permitted Swap Agreements and the other assets and liabilities of the Corporation and (C) investing in SEBC Real Estate LLC, in each case in accordance with the provisions hereof and the Servicing Agreement, and, in connection with such business, the Corporation may engage in any lawful act or activity which is incidental thereto and necessary or desirable in connection with the foregoing;

(ii) the Corporation shall invest any available monies or funds of the Corporation solely in Permitted Investments;

(iii) at any time that the Corporation seeks to be exempt from registration as an investment company under the Investment Company Act by virtue of the exemption from registration that is provided by Rule 3a-7 under the Investment Company Act, the Corporation shall (A) not acquire Portfolio Investments, Eligible Portfolio Investments or Permitted Investments or dispose of Portfolio Investments, Eligible Portfolio Investments or Permitted Investments for the primary purpose of recognizing gains or decreasing losses from market value changes and (B) in all respects, comply with the requirements of Rule 3a-7 under the Investment Company Act;

(iv) the Corporation shall not fail to ensure that any transaction entered into with any Person is fair to each party, constitutes an exchange for fair consideration and for reasonably equivalent value, and is made in good faith and without any intent to hinder, delay or defraud creditors;

(v) the Corporation shall not take any action with respect to, and will not engage in transactions with, any Person unless it determines in a reasonable fashion that such actions or transactions are in the best interests of the Corporation;

(vi) the Corporation shall comply with the covenants set forth in Article 5 of the Master Subscription Agreement; and

(vii) the Corporation shall not make any distribution or other payment on, or redeem or otherwise acquire, any shares of its Common Stock except for payment of a quarterly dividend on all shares of its Common Stock pursuant to the declaration of such quarterly dividend by unanimous vote of the Board of Directors.

Section 10. *Notices.* All communications and notices hereunder or with respect hereto, unless otherwise specified in the Articles of Incorporation or the Bylaws, shall be (i) in writing, (ii) hand-delivered or sent by overnight courier or telecopier or as an attachment to an email in a format then customarily used, (iii) addressed to the Corporation or a Series J Junior Preferred Holder at its street or email address or facsimile number specified below and (iv) effective as to a Person on receipt by such Person:

if to the Corporation: SEBC Financial Corporation

Address:

Phone:

Facsimile:

Email:

if to a Series J Junior Preferred Holder, at the address of such Series J Junior Preferred Holder set forth in the Stock Books. Any beneficial owner of Series J Junior Preferred Shares in book-entry form may provide notice to the Corporation of the identity of such beneficial owner and request the Corporation to provide all notices and other communications sent to Series J Junior Preferred Holders to also be sent to such beneficial owner at the address, facsimile number or email address provided by such beneficial owner.

Section 11. *Securities Depository Stock Certificate*. At the request of a Series J Junior Preferred Holder and upon receipt by the Corporation of the certificates representing the Series J Junior Preferred Shares of such Holder, the Corporation shall issue one or more certificates for such Series J Junior Preferred Shares, register such certificates in the name of Cede & Co. as the nominee of the Securities Depository and deliver such certificates to the Agent Member designated by such Holder in such request for deposit in its account with the Securities Depository on behalf of such Holder. Each such certificate shall bear a legend to the effect that such certificate is issued subject to the provisions restricting transfer of Series J Junior Preferred Shares contained in the Articles of Incorporation. The Securities Depository will maintain lists of its participants and the Series J Junior Preferred Shares held by each Agent Member whether as a Series J Junior Preferred Holder for its own account or as a nominee for another Series J Junior Preferred Holder.

Section 12. *Transfer Restrictions.*

(a) Series J Junior Preferred Shares may only be sold or otherwise transferred to a Person that is an Eligible Holder that is knowledgeable, sophisticated and experienced in business and financial matters and able and prepared to bear the economic risk of investing in and holding Series J Junior Preferred Shares. The Corporation shall have no obligation to recognize any sale, transfer or other disposition of any Series J Junior Preferred Share unless the purchaser or transferee thereof shall be an Eligible Holder. Any purchase or transfer of the Series J Junior Preferred Shares in violation of this Section 12 shall have no effect and the intended purchaser or transferee shall not be deemed to be a Series J Junior Preferred Holder for any purpose, including but not limited to, with respect to the receipt of dividends on, or other distributions in respect of, the Series J Junior Preferred Shares. The restrictions set forth in this Section 12 shall be subject in all respects to the provisions restricting transfer of Series J Junior Preferred Shares contained in the Articles of Incorporation.

(b) Each certificate representing the Series J Junior Preferred Shares shall bear a legend in substantially the following form:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR A BENEFICIAL INTEREST HEREIN, THE HOLDER AGREES THAT (1) IT WILL NOT RESELL OR OTHERWISE

TRANSFER THE SECURITY EVIDENCED HEREBY, EXCEPT TO A PERSON THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A ADOPTED UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, ALL IN COMPLIANCE WITH RULE 144A; (2) IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITY EVIDENCED HEREBY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; AND (3) IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY, FURNISH TO THE TRANSFER AGENT AND THE CORPORATION SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUESTED TO CONFIRM THAT SUCH TRANSFER IS BEING MADE IN ACCORDANCE WITH THIS LEGEND.

Section 13. *No Other Rights or Preferences.* Unless otherwise required by law, the Series J Junior Preferred Holders shall not have any rights or preferences other than those specifically set forth herein. The Series J Junior Preferred Holders shall have no preemptive rights.

EXHIBIT E

SERIES K JUNIOR CUMULATIVE PREFERRED STOCK OF SEBC FINANCIAL CORPORATION

Section 1. *Designation, Amount, Series and Rank.* From the authorized Preferred Stock of SEBC Financial Corporation (the "**Corporation**"), there shall be a series of Preferred Stock designated as the "Series K Junior Cumulative Preferred Stock," par value $0.001 per share (the "**Series K Junior Preferred Stock**"), and the number of shares constituting such series shall be [•]. The Series K Junior Preferred Stock shall, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of the Corporation, rank (a) senior to the Common Stock, and to all other classes or series of capital stock of the Corporation hereafter issued which are not by their terms expressly senior to or on a parity with the Series K Junior Preferred Stock; (b) on a parity with the Series J Junior Preferred Stock, and with all other classes or series of capital stock of the Corporation hereafter issued which are by their terms expressly on a parity with the Series K Junior Preferred Stock; and (c) junior to the Senior Preferred Stock, and to all other classes or series of capital stock of the Corporation hereafter issued which are by their terms expressly senior to the Series K Junior Preferred Stock.

Section 2. *Definitions.* Capitalized terms used but not defined in this Exhibit E shall have the respective meanings set forth in the Articles of Incorporation or Exhibit A to the Articles of Incorporation.

Section 3. *Series K Junior Preferred Shares; Distributions.*

(a) The Series K Junior Preferred Shares shall be represented by one or more certificates registered in the Stock Books in the names of the Holders of the Series K Junior Preferred Shares.

(b) No fractional Series K Junior Preferred Shares shall be issued.

(c) Notwithstanding anything in the Articles of Incorporation to the contrary, the Corporation shall have no right to make distributions or payments in respect of the Series K Junior Preferred Shares unless (i) all required distributions have been, or contemporaneously are, made on the Senior Preferred Stock and the Series J Junior Preferred Stock and (ii) such distributions or payments are made solely from one or more of the following sources:

(i) interest and other distributions and payments received by the Corporation on or in respect of the Portfolio Investments or the Permitted Investments purchased by the Corporation from time to time;

(ii) all proceeds received by the Corporation from the maturity, redemption, repayment, prepayment, sale, exchange or other disposition of Portfolio Investments or Permitted Investments (including those in which the Liquidity Reserve is invested from time to time); and

(iii) all other assets or property of the Corporation including, without limitation, the stock of any Subsidiary and the proceeds of any disposition thereof.

Section 4. *Dividends.*

(a) Subject to Section 3(c) hereof, each Series K Junior Preferred Holder shall be entitled to receive, subject to declaration thereof by the Board of Directors or a duly authorized committee thereof, out of funds legally available therefor, a cash dividend (a "**Quarterly Dividend**") on each Quarterly Dividend Payment Date for the Quarterly Dividend Period then ending in an amount equal to the Series K Junior Quarterly Dividend Amount for such Quarterly Dividend Period. Notwithstanding anything in the Articles of Incorporation to the contrary, no dividends shall be paid to the Series K Junior Preferred Holders pursuant to this Section 4 unless and until there shall have been, or contemporaneously be, paid to each Holder of Senior Preferred Stock and each Holder of Series J Junior Preferred Stock all accrued and unpaid dividends (of any type) on such Senior Preferred Stock or Series J Junior Preferred Stock, respectively

(b) The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits (such amount or shortfall, as the case may be, being an "**Undeclared Dividend**"), will accumulate until paid. Additional dividends will accumulate on the amount of any Undeclared Dividend at the rate per annum equal to the Series K Junior Quarterly Dividend Rate, compounded quarterly, from and including the Dividend Payment Date that would have been applicable to such Undeclared Dividend had it been declared to but excluding the date paid. Additional dividends will accumulate on the amount of any declared dividend that is not paid on the applicable Dividend Payment Date for any reason at the rate per annum equal to the Series K Junior Quarterly Dividend Rate, compounded quarterly, from and including such Dividend Payment Date to but excluding the date paid.

(c) The record date for the determination of the Series K Junior Preferred Holders entitled to receive payment of a dividend and the date of such payment will be the date fixed by the Corporation's Board of Directors or a duly authorized committee thereof, which record date will be no more than fifteen (15) days prior to the Dividend Payment Date fixed for the payment thereof. The Corporation shall provide written notice of the record date for, the amount of, and the Dividend Payment Date fixed for payment of, each dividend to the Series K Junior Preferred Holders promptly after each such date and amount is fixed. So long as the Series K Junior Preferred Shares are held of record by the nominee of the Securities Depository, dividends will be paid to the nominee of the Securities Depository on each Dividend Payment Date for the Series K Junior Preferred Shares. The Securities Depository will credit the accounts of Agent Members acting as such for Series K Junior Preferred Holders in accordance with its normal procedures, which provide for payment in same-day funds. Each Agent Member will be responsible for holding or disbursing such payments to the Series K Junior Preferred Holder for which it is so acting in accordance with the instructions of such Holder. Series K Junior Preferred Holders will not be entitled to any dividends on Series K Junior Preferred Shares, whether payable in cash or property, in excess of the dividends provided herein. All dividends will be paid *pro rata* with respect to the Series K Junior Preferred Shares to the Series K Junior Preferred Holders entitled thereto. Notwithstanding anything in the Articles of Incorporation to

the contrary, no dividend shall be paid unless, immediately after making such payment and giving effect thereto, the Market Value of the Portfolio Investments and the Permitted Investments equals or exceeds the sum of (i) the consolidated liabilities of the Corporation and its Subsidiaries at such time *plus* (ii) the aggregate of the Series J Junior Redemption Price (assuming the date of determination is a Series J Junior Redemption Date), the Series K Junior Redemption Price (assuming the date of determination is a Series K Junior Redemption Date), the Series A Senior Redemption Price (assuming the date of determination is a Series A Senior Redemption Date) and the Series B Senior Redemption Price (assuming the date of determination is a Series B Senior Redemption Date) for all shares of the Corporation's preferred stock outstanding at such time.

(d) On each Dividend Payment Date on which dividends are paid to the Series K Junior Preferred Holders, the Corporation shall provide to each Series K Junior Preferred Holder a written statement setting forth the Corporation's estimate as to the portion of such payment constituting a dividend for U.S. federal income tax purposes. Not later than the 75th day after the end of each taxable year of the Corporation, the Corporation shall provide each Series K Junior Preferred Holder with a statement setting forth the aggregate dividends paid to such Holder as a holder of record during such taxable year that constitute dividends for U.S. federal income tax purposes.

Section 5. *Liquidation Rights.*

(a) Subject to Section 3(c) hereof, upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, each Holder of Series K Junior Preferred Shares at such time will be entitled to receive out of the assets of the Corporation available for distribution to its stockholders an amount in cash, after any distribution of assets due upon liquidation, dissolution or winding up of the Corporation has been, or contemporaneously is, made to the Holders of Senior Preferred Stock and the Holders of Series J Junior Preferred Stock but before any distribution of assets is made to the Holders of Common Stock, equal to the Series K Junior Liquidation Price for each of such Holder's Series K Junior Preferred Shares. The Series K Junior Liquidation Price for the Series K Junior Preferred Shares of each Series K Junior Preferred Holder shall be paid on the date established by the Board of Directors in connection with the approval of the liquidation, dissolution or winding up of the Corporation (the "**Liquidation Date**"). After the payment of the full amount of the Series K Junior Liquidation Price in respect of the Series K Junior Preferred Shares of the Holders entitled thereto and the other amounts provided in this paragraph, the Series K Junior Preferred Holders will have no right or claim to any of the remaining assets of the Corporation.

(b) If, upon any such voluntary or involuntary dissolution, liquidation or winding up, the available assets of the Corporation are insufficient to pay the amount of the Series J Junior Liquidation Price and the Series K Junior Liquidation Price in full on each Series J Junior Preferred Share and Series K Junior Preferred Share, respectively, then such available assets will be applied *pro rata* (based upon the proportion that the amount available to pay such liquidation prices bears to the amount necessary to pay such liquidation prices in full) among all Series J Junior Preferred Shares and Series K Junior Preferred Shares toward payment of the Series J Junior Liquidation Price and the Series K Junior Liquidation Price thereof. Unless and until payment in full of (i) the Series A Senior Liquidation Price of each Series A Senior Preferred

Share, (ii) the Series B Senior Liquidation Price of each Series B Senior Preferred Share, (iii) the Series J Junior Liquidation Price of each Series J Junior Preferred Share and (iv) the Series K Junior Liquidation price of each Series K Junior Preferred Share, upon the liquidation, dissolution or winding up of the Corporation, no dividends or distributions or other payments may be made to the Holders of any Common Stock, and no purchase, redemption or other acquisition for any consideration by the Corporation may be made in respect of the Common Stock.

(c) None of the conversion of the Corporation into another entity, the merger or consolidation of the Corporation into or with any other entity, the merger or consolidation of any other entity with or into the Corporation or the sale of all or substantially all of the property or the business of the Corporation will be deemed to constitute a dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, for the purposes of this Section 5.

Section 6. *Redemption.*

(a) *Corporation Optional Redemption.* The Series K Junior Preferred Shares will be subject to redemption, in whole and not in part, by resolution of the Board of Directors at the option of the Corporation on any Corporation Optional Redemption Date. On the Corporation Optional Redemption Date, the Corporation shall pay each Series K Junior Preferred Holder the Series K Junior Redemption Price in cash for each Series K Junior Preferred Share owned by such Holder out of funds legally available therefor and described in Section 3(c) hereof. Notwithstanding the foregoing, in no event shall the Corporation exercise its optional redemption pursuant to this Section 6(a) unless the Corporation shall have redeemed or contemporaneously redeems, in whole and not in part, all of the outstanding Senior Preferred Shares and Series J Junior Preferred Shares.

(b) *Scheduled Redemption.* The Series K Junior Preferred Shares (and the Series J Junior Preferred Shares) shall be redeemed, in whole and not in part, upon the Scheduled Redemption Date. On the Scheduled Redemption Date, the Corporation shall pay each Series K Junior Preferred Holder the Series K Junior Redemption Price in cash for each Series K Junior Preferred Share owned by such Holder out of funds legally available therefor and described in Section 3(c) hereof. If on the Scheduled Redemption Date such funds are insufficient to redeem the total number of Series J Junior Preferred Shares and Series K Junior Preferred Shares to be redeemed on such date, those funds which are legally available and described in Section 3(c) hereof will be applied *pro rata* (based upon the proportion that the amount available to pay such redemption prices bears to the amount necessary to pay such redemption prices in full) among all Series J Junior Preferred Shares and Series K Junior Preferred Shares toward payment of the Series J Junior Redemption Price and Series K Junior Redemption Price thereof. Notwithstanding the foregoing, in no event shall the Corporation redeem the Series J Junior Preferred Shares or Series K Junior Preferred Shares on the Scheduled Redemption Date pursuant to this Section 6(b) unless the Corporation shall first have redeemed, in whole and not in part, all of the outstanding Senior Preferred Shares.

(c) *Additional Redemption.* If the Corporation receives a Holders' Elective Redemption Direction with respect to any of the Series J Junior Preferred Shares, then not later than two Business Days following the receipt of such Holders' Elective Redemption Direction,

the Corporation shall provide a Notice of Redemption (as defined below) to the Holders of the Series K Junior Preferred Shares which shall state (in addition to the other requirements of Section 6(d) below) that such Holders' Elective Redemption Direction has been received. Contemporaneously with the redemption of such Series J Junior Preferred Shares on the Holders' Elective Redemption Date, the Corporation shall redeem the Series K Junior Preferred Shares. On the Holders' Elective Redemption Date, the Corporation shall pay to each Holder, subject to the contemporaneous payment upon redemption of Series J Junior Preferred Shares in accordance with the terms thereof, the Series K Junior Redemption Price for each Series K Junior Preferred Share owned by such Holder to be redeemed in cash out of funds legally available therefor and described in Section 3(c) hereof. If on the Holders' Elective Redemption Date the funds of the Corporation are insufficient to redeem the total number of Series J Junior Preferred Shares, Series K Junior Preferred Shares and Common Shares then owned by the Series J Junior Preferred Holders to be redeemed on such date, those funds which are legally available and described in Section 3(c) hereof will be used first to redeem the maximum possible number of Series J Junior Preferred Shares and Series K Junior Preferred Shares *pro rata* (based upon the proportion that the amount available to pay such redemption prices bears to the amount necessary to pay such redemption prices in full) among the Holders of such shares to be redeemed and second to redeem the maximum possible number of Common Shares ratably among the Holders of the Common Shares to be redeemed. At any time thereafter when additional funds of the Corporation described in Section 3(c) hereof are legally available for the redemption of Series J Junior Preferred Shares, Series K Junior Preferred Shares or Common Shares, such funds will immediately be used to redeem first the balance of the Series J Junior Preferred Shares and Series K Junior Preferred Shares *pro rata* (based upon the proportion that the amount available to pay such redemption prices bears to the amount necessary to pay the remaining amount of such redemption prices in full) and second the balance of the Common Shares which the Corporation has not redeemed. If the Holders' Elective Redemption Direction is withdrawn by the Majority Series J Junior Preferred Holders, then the obligation of the Corporation to redeem any Series K Junior Preferred Shares in connection therewith shall terminate as well. Notwithstanding the foregoing, the obligation of the Corporation to redeem any Series K Junior Preferred Shares shall be subject to the prior or contemporaneous redemption of shares of Senior Preferred Stock as to which the Corporation is then obligated to redeem.

(d) *Notice of Redemption.* Whenever Series K Junior Preferred Shares are to be redeemed, the Corporation shall mail a notice (a "**Notice of Redemption**") to the Series K Junior Preferred Holders not less than fifteen (15) calendar days nor more than forty-five (45) (ninety (90) in the case of a redemption pursuant to Section 6(c) above) calendar days prior to the date fixed for redemption. A Notice of Redemption shall be addressed to each Series K Junior Preferred Holder at the address for such Holder appearing on the Stock Books. The Notice of Redemption shall state (i) the Series K Junior Redemption Date or the Holders' Elective Redemption Date, as the case may be, (ii) an estimate of the Series K Junior Redemption Price, (iii) the aggregate number of Series K Junior Preferred Shares to be redeemed, (iv) the place or places where Series K Junior Preferred Shares are to be surrendered for payment of the Series K Junior Redemption Price and (v) that no dividends on the Series K Junior Preferred Shares to be redeemed will be payable after the date fixed for redemption (unless the Corporation shall default in the payment of the Series K Junior Redemption Price).

(e) *Surrender of Certificates; Effect.* On or after the Series K Junior Redemption Date, each Holder of Series K Junior Preferred Shares shall surrender the certificate or certificates for such Series K Junior Preferred Shares to the Corporation at the place designated in the Notice of Redemption, and against such surrender the Series K Junior Redemption Price of such Series K Junior Preferred Shares shall be paid to or on the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be canceled. If less than all the Series K Junior Preferred Shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed Series K Junior Preferred Shares. From and after the Series K Junior Redemption Date (unless the Corporation shall default in the payment in full of the Series K Junior Redemption Price), all dividends on the Series K Junior Preferred Shares so redeemed shall cease to accrue and all rights of the Series K Junior Preferred Holders thereof, except the right to receive the Series K Junior Redemption Price of such shares upon the surrender of certificates representing the same, shall cease and terminate and such shares shall not thereafter be transferred on the Stock Books of the Corporation and shall not be deemed to be Series K Junior Preferred Shares for any purpose whatsoever.

(f) *Series K Junior Preferred Shares Retired.* Series K Junior Preferred Shares redeemed pursuant to the provisions of this Section 6 shall thereupon have the status of authorized but unissued shares of Preferred Stock without designation.

Section 7. *Voting Rights.*

(a) Holders of the Series K Junior Preferred Shares shall have no voting rights, either general or special, and shall have no right to participate in the management of the Corporation, except as expressly required by applicable law and as specified in this Section 7.

(b) Without the affirmative vote of the Holders of more than 80% of the Series K Junior Preferred Shares, so long as there are any Series K Junior Preferred Shares, the Corporation shall not:

(i) create, authorize or issue shares of additional classes or series of capital stock ranking senior to or on a parity with the Series K Junior Preferred Shares with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of the Corporation;

(ii) amend, alter or repeal any provision of the Articles of Incorporation or the Bylaws, whether by merger, consolidation or otherwise, so as to adversely affect any of the rights, powers, preferences, privileges, terms or par value of any Series K Junior Preferred Share or to change the capital surplus of the Corporation in a manner adverse to the Holders of Series K Junior Preferred Shares or to modify any of the limitations set forth in this Section 7(b); or

(iii) do anything that requires the affirmative vote of each class of voting securities of the Corporation.

(c) Upon the occurrence of either of the following events, the authorized number of directors of the Board of Directors shall automatically be increased by the smallest even number

divisible by three of new directors that shall constitute a majority of the Board of Directors, as so increased (such new directors, the "**Additional Directors**"), and the Majority Series J and Series K Junior Preferred Holders, voting together as a single class, shall be entitled to elect all of the Additional Directors (*provided, however*, that if at such time the Majority Series A Senior Preferred Holders have the right to elect Additional Directors, then the provisions of Section 7 of Exhibit B to the Articles of Incorporation shall apply, and if at such time the Majority Series B Senior Preferred Holders but not the Majority Series A Senior Preferred Holders have the right to elect Additional Directors, then the provisions of Section 7 of Exhibit C shall apply):

(i) failure of the Corporation to declare and pay in full Quarterly Dividends equal to the applicable Series K Junior Quarterly Dividend Amount on two or more consecutive Quarterly Dividend Payment Dates; or

(ii) failure of the Corporation to pay in full the aggregate Series K Junior Redemption Price of the Series K Junior Preferred Shares on the Series K Junior Redemption Date.

(d) As soon as reasonably practicable after the accrual of any right of the Series K Junior Preferred Holders to elect Additional Directors pursuant to Section 7(c) hereof and so long as the Series K Junior Preferred Holders shall not have taken the action described in Section 7(i)(ii) hereof, the Board of Directors shall call a special meeting of the Series J Junior Preferred Holders and the Series K Junior Preferred Holders by mailing to such Holders a notice of such special meeting to be held not less than five (5) Business Days nor more than thirty (30) calendar days after the date such notice is given. If the Board of Directors does not send such notice, any such special meeting may be called by any Series J Junior Preferred Holder or Series K Junior Preferred Holder on like notice. The record date for determining the Holders entitled to notice of, and to vote at, such meeting shall be the close of business on the Business Day immediately preceding the day on which such notice is mailed. At any such special meeting, the applicable Holders will be entitled to elect Additional Directors on a one-vote-per-Series J Junior Preferred Share-per-director basis or on a one-vote-per-Series K Junior Preferred Share-per-director basis, as the case may be. The Holders of 34% of the Series J Junior Preferred Shares and the Series K Junior Preferred Shares, taken together as a single class, at the time present in person or by proxy will constitute a quorum for the election of the Additional Directors. Notice of all meetings at which the Series J Junior Preferred Holders and the Series K Junior Preferred Holders shall be entitled to vote will be given to such Holders at their addresses as they appear on the Stock Books. At any such meeting or adjournment thereof in the absence of a quorum, subject to the provisions of any applicable law, the Holders of a majority of the Series J Junior Preferred Shares and the Series K Junior Preferred Shares, voting together as a single class, present in person or by proxy shall have the power to adjourn the meeting for the election of the Additional Directors, without notice other than an announcement at the meeting, until a quorum is present. If a Cure Event shall occur after the notice of a special meeting for the election of Additional Directors has been given but before such special meeting is held, the Corporation shall, as soon as practicable after the occurrence of such Cure Event, mail notice of such occurrence and a statement that no special meeting will be held to the Holders of record that would have been entitled to vote at such special meeting.

(e) The term of office of all persons who are directors of the Corporation at the time the Additional Directors are elected shall continue, notwithstanding such election. The Additional Directors, together with the incumbent directors elected by Holders of the shares of Common Stock, shall constitute the duly elected directors of the Corporation.

(f) The term of office of the Additional Directors shall terminate as follows: (i) in the case of the event described in Section 7(c)(i) hereof that gave rise to the election of the Additional Directors, on the date that the Corporation declares and pays in full all unpaid Quarterly Dividends and (ii) in the case of the event described in Section 7(c)(ii) hereof that gave rise to the election of the Additional Directors, on the date that the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares have been redeemed in full by the Corporation in accordance with the next sentence. During the term of office of the Additional Directors, the Additional Directors shall have the limited right to cause either (i) a Cure Event to occur or (ii) the Corporation to redeem all of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares, to the extent of funds legally available therefor and described in Section 3(c) hereof, and to cause the redemption of any remaining Series A Senior Preferred Shares, Series B Senior Preferred Shares, Series J Junior Preferred Shares and Series K Junior Preferred Shares upon the availability of funds of the Corporation legally available therefor and described in Section 3(c) hereof, and the Additional Directors shall have the power, among other things, to realize and provide for the orderly disposition of the Portfolio Investments, the Permitted Investments, the Permitted Swap Agreements and the other assets of the Corporation and any Subsidiary insofar as is necessary to acquire adequate capital and sufficient cash to effect any redemption of the Series A Senior Preferred Shares, the Series B Senior Preferred Shares, the Series J Junior Preferred Shares and the Series K Junior Preferred Shares.

(g) Upon the expiration of the term of the Additional Directors, the persons who shall have been elected by the Holders of Common Stock and who are incumbent shall constitute the directors of the Corporation, the number of directors of the Corporation shall be reduced to the number in effect prior to the automatic increase in the authorized number of directors pursuant to Section 7(c) hereof and the voting rights of the Series J Junior Preferred Holders and the Series K Junior Preferred Holders to elect directors shall cease.

(h) So long as the right of the Series J Junior Preferred Holders and the Series K Junior Preferred Holders, voting together as a class, to elect the Additional Directors shall continue, the Additional Directors elected by such Holders shall (subject to the provisions of any applicable law) be subject to removal only by the vote of the Majority Series J and Series K Junior Preferred Holders, voting together as a single class. Any vacancy in the members of the Board of Directors elected by the Majority Series J and Series K Junior Preferred Holders, voting together as a single class, occurring by reason of such removal or otherwise may be filled by vote of the Majority Series J and Series K Junior Preferred Holders, voting together as a single class, in each case voting in person or by proxy at a meeting of the Series J Junior Preferred Holders and the Series K Junior Preferred Holders, and if not so filled such vacancy shall (subject to the provisions of any applicable law) be filled by a majority of the remaining directors (or the remaining director) elected by the Majority Series J and Series K Junior Preferred Holders, voting together as a single class.

(i) Notwithstanding anything in the Articles of Incorporation or the Bylaws to the contrary:

(i) except as provided in clause (ii) below, any written notice, consent or approval required by the Articles of Incorporation to be delivered by the Series K Junior Preferred Holders in connection with the exercise of any right or benefit of the Series K Junior Preferred Holders shall be effective if the requisite percentage of Series K Junior Preferred Holders entitled to give any such notice, consent or approval have provided such notice, consent or approval, as the case may be, in writing to the Corporation;

(ii) the right to elect the Additional Directors pursuant to Section 7(c) hereof may be exercised without a special meeting of the Series J Junior Preferred Holders and Series K Junior Preferred Holders, without notice to such Holders and without a vote of such Holders if a consent or consents in writing, setting forth the appointment of the Additional Directors, shall be signed by the Series J Junior Preferred Holders and Series K Junior Preferred Holders having not less than the minimum number of votes that would be necessary to elect the Additional Directors at a meeting at which all the Series J Junior Preferred Holders and Series K Junior Preferred Holders entitled to vote thereon were present and voted and such consent or consents have been delivered to the Corporation; and

(iii) the Corporation shall treat any beneficial owner of Series K Junior Preferred Shares that has provided the notice described in Section 10 hereof as a Series K Junior Preferred Holder for all purposes hereunder in place of the Person listed as the Holder of such Series K Junior Preferred Shares on the Stock Books and such beneficial owner shall be entitled to any and all rights and benefits provided to the Series K Junior Preferred Holders as if such beneficial owner were a Series K Junior Preferred Holder.

(j) Notwithstanding anything in the Articles of Incorporation to the contrary, no shares held of record by the Corporation or any Affiliate thereof will be entitled to vote or be deemed Series K Junior Preferred Shares for the purpose of voting such shares or determining the number of Series K Junior Preferred Shares required to constitute a quorum at a meeting of the Series K Junior Preferred Holders.

(k) The Securities Depository, while it or its nominee is the registered owner of any Series K Junior Preferred Shares, will not independently exercise any voting rights with respect thereto. Rather, in accordance with its normal procedures, the Securities Depository will extend such voting rights to the Agent Member whose account is credited with such Series K Junior Preferred Shares. Each such Agent Member will, in turn, extend such voting rights to the Series K Junior Preferred Holders for whom it is so acting in accordance with such Agent Member's normal procedures.

Section 8. *Portfolio Investments; Other Assets Owned by Corporation; Other Agreements of the Corporation.*

(a) The Corporation shall use the proceeds from the sale of the Senior Preferred Stock and the Series J Junior Preferred Stock plus the proceeds from the sale of the Common Shares

pursuant to the Master Subscription Agreement in accordance with the use of proceeds set forth in the Master Subscription Agreement. Upon the maturity, redemption, repayment, prepayment, sale, exchange or other disposition of any Portfolio Investment prior to the Scheduled Redemption Date, the Corporation shall reinvest the proceeds it receives therefrom within twenty (20) Business Days in replacement Eligible Portfolio Investments with an aggregate principal amount equal to the principal amount of the Portfolio Investment that matured or was redeemed, prepaid, sold or otherwise disposed of. The Corporation shall invest in Permitted Investments any such proceeds not immediately used to purchase replacement Eligible Portfolio Investments until such purchase occurs.

(b) The Corporation shall enter into a Permitted Swap Agreement on the Date of Original Issue. If any Portfolio Investment matures or is prepaid, terminated, sold or otherwise disposed of prior to the Scheduled Redemption Date and no replacement Eligible Portfolio Investments are available for purchase by the Corporation with sufficient floating rate income to enable the Corporation to meet its obligations under the Permitted Swap Agreement then in effect and the counterparty thereto is unwilling to reduce the floating rate payments to which it is entitled and maintain the fixed rate payments in the same amount as before such event, then the Corporation will partially or fully, as the case may be, terminate such Permitted Swap Agreement and, if the replacement Eligible Portfolio Investments bear interest at a floating rate, enter into one or more replacement Permitted Swap Agreements so that the Corporation receives under all Permitted Swap Agreements in effect thereafter an aggregate amount of fixed rate payments on all Quarterly Dividend Payment Dates thereafter that is as close to the Quarterly Dividend Amounts for such dates as possible in return for the aggregate floating rate payments with respect to such dates under the Portfolio Investments outstanding thereafter.

(c) All income of the Corporation not needed to pay dividends on the Senior Preferred Stock, the Series J Junior Preferred Stock, the Series K Junior Preferred Stock or the Common Stock within 24 hours shall be invested by the Corporation in Permitted Investments, none of which may have a maturity later than the Business Day immediately preceding the Dividend Payment Date immediately succeeding the date of investment.

(d) "**Permitted Investments**" shall mean one or more investments denominated in United States dollars that (i) constitute financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period and, therefore, qualify as "**eligible assets**" as that term is defined by sub-paragraph (b)(1) of Rule 3a-7 under the Investment Company Act and (ii) fall into one of the following categories:

(A) direct obligations of, and obligations fully guaranteed as to timely payment of principal and interest by, the United States of America or any agency or instrumentality of the United States of America;

(B) debt securities with a stated maturity bearing interest or sold at a discount whose issuer or obligor has a long-term unsecured debt rating of not less than "AAA" by S&P or "Aaa" by Moody's, but not including any mortgage-backed securities, asset-backed securities, collateralized debt obligations or any other type of structured finance securities;

(C) commercial paper issued by any corporation (including both noninterest-bearing discount obligations and interest-bearing obligations) and rated at least "A-1" by S&P and "P-1" by Moody's;

(D) time deposits in, certificates of deposit of, or bankers' acceptances issued by, any commercial bank incorporated under the laws of the United States or any state thereof or the District of Columbia, or any commercial bank organized outside the United States that is subject to U.S. regulatory supervision, in each case having at any date of determination combined capital and surplus of not less than $100,000,000 and having a long term unsecured debt rating of not less than "AAA" by S&P and "Aaa" by Moody's;

(E) the SEBC Real Estate LLC Note;

(F) loans to SEBC Holdings, LP such that, at any given time, the total amount of such loans is less than the lower of (i) $600,000 and (ii) 25% of the fair market value of SEBC Holdings, LP's total assets on an unconsolidated basis (exclusive of cash and U.S. government securities), and all such loans have a maturity date of [April 30, 2014] or earlier; and

(G) any other debt security or investment designated as a Permitted Investment by the Corporation that has been approved in writing by the Majority Holders;

provided that

(x) the Corporation shall not acquire a Permitted Investment if, after giving effect to such acquisition:

(1) the aggregate Market Value of the Permitted Investments described in clauses (B), (C) and (D) above representing the securities or obligations of any one corporation exceeds 25% of the aggregate Market Value of the Permitted Investments described in said clauses (B), (C) and (D) above; or

(2) the aggregate Market Value of the Permitted Investments described in clauses (B), (C) and (D) above representing the securities or obligations of any ten (10) issuers exceeds 50% of the aggregate Market Value of the Permitted Investments in said clauses (B), (C) and (D) above; and

(y) after giving effect to the acquisition of any Permitted Investment, the remaining term to final maturity of any individual Permitted Investment shall not extend beyond the Scheduled Redemption Date.

(e) After the first anniversary of the Date of Original Issue, for so long as there are any Series K Junior Preferred Shares outstanding, the Corporation shall maintain the Liquidity Reserve during each Quarterly Dividend Period in Permitted Investments maturing on or prior to the end of such Quarterly Dividend Period, and the Corporation shall take such action as necessary prior to such first anniversary to ensure that it shall be in compliance herewith;

provided, however, that the Corporation's obligation to establish and maintain the Tax Reserve Amount shall commence on the Date of Original Issue.

(f) On each Quarterly Dividend Payment Date, the Corporation shall distribute or cause to be distributed (which distribution requirement may be satisfied through the posting of such report to a publicly available web site) to the Series K Junior Preferred Holders a report containing the following information for the Quarterly Dividend Period ending on such date:

(i) a brief description of each Portfolio Investment and each Permitted Investment held by the Corporation during such Quarterly Dividend Period and the outstanding principal amount thereof and identifying any such Portfolio Investment or Permitted Investment that was acquired by or delivered to the Corporation during such Quarterly Dividend Period;

(ii) the interest and other distributions and payments received by the Corporation during such Quarterly Dividend Period representing income or principal payments on the Portfolio Investments and Permitted Investments;

(iii) a description of any sales or other disposals of Portfolio Investments and of Permitted Investments during such Quarterly Dividend Period and the amount of gain or loss realized by the Corporation in connection with any such sale or disposal;

(iv) information concerning any payment or other defaults by the Obligors on any Portfolio Investments or any Permitted Investments held by the Corporation during such Quarterly Dividend Period; and

(v) a description of any Permitted Swap Agreement and any Swap Payment Amounts, Swap Receipt Amounts and Swap Termination Amounts received by the Corporation with respect thereto during such Quarterly Dividend Period.

(g) If an "**event of default**" or "**termination event**" shall occur under a Permitted Swap Agreement and, in connection therewith, the Eligible Swap Counterparty shall be the "**affected party**" and such Permitted Swap Agreement terminates prior to the Scheduled Redemption Date, the Corporation shall enter into a replacement Permitted Swap Agreement within twenty (20) Business Days thereafter with the same scheduled dates and amounts of fixed payments and floating payments as the terminated Permitted Swap Agreement.

(h) For so long as there are any Series K Junior Preferred Shares outstanding, the Corporation shall deliver a certificate (which delivery requirement may be satisfied through the posting of such certificate to a publicly available web site) to each Series K Junior Preferred Holder on each Quarterly Dividend Payment Date (a "**Compliance Certificate**") stating that no "**event of default**" or "**termination event**" has occurred under any Permitted Swap Agreement with respect to the Corporation or the Eligible Swap Counterparty thereunder.

Section 9. *Limitation on Business Activities.* For so long as there are any Series K Junior Preferred Shares outstanding:

(i) the Corporation shall be authorized to engage solely in the business of (A) acquiring, holding, selling and disposing of the Portfolio Investments and Permitted Investments, (B) entering into Permitted Swap Agreements from time to time and causing the Servicer to manage the Corporation's investments, Permitted Swap Agreements and the other assets and liabilities of the Corporation and (C) investing in SEBC Real Estate LLC, in each case in accordance with the provisions hereof and the Servicing Agreement, and, in connection with such business, the Corporation may engage in any lawful act or activity which is incidental thereto and necessary or desirable in connection with the foregoing;

(ii) the Corporation shall invest any available monies or funds of the Corporation solely in Permitted Investments;

(iii) at any time that the Corporation seeks to be exempt from registration as an investment company under the Investment Company Act by virtue of the exemption from registration that is provided by Rule 3a-7 under the Investment Company Act, the Corporation shall (A) not acquire Portfolio Investments, Eligible Portfolio Investments or Permitted Investments or dispose of Portfolio Investments, Eligible Portfolio Investments or Permitted Investments for the primary purpose of recognizing gains or decreasing losses from market value changes and (B) in all respects, comply with the requirements of Rule 3a-7 under the Investment Company Act;

(iv) the Corporation shall not fail to ensure that any transaction entered into with any Person is fair to each party, constitutes an exchange for fair consideration and for reasonably equivalent value, and is made in good faith and without any intent to hinder, delay or defraud creditors;

(v) the Corporation shall not take any action with respect to, and will not engage in transactions with, any Person unless it determines in a reasonable fashion that such actions or transactions are in the best interests of the Corporation;

(vi) the Corporation shall comply with the covenants set forth in Article 5 of the Master Subscription Agreement; and

(vii) the Corporation shall not make any distribution or other payment on, or redeem or otherwise acquire, any shares of its Common Stock except for payment of a quarterly dividend on all shares of its Common Stock pursuant to the declaration of such quarterly dividend by unanimous vote of the Board of Directors.

Section 10. *Notices.* All communications and notices hereunder or with respect hereto, unless otherwise specified in the Articles of Incorporation or the Bylaws, shall be (i) in writing, (ii) hand-delivered or sent by overnight courier or telecopier or as an attachment to an email in a format then customarily used, (iii) addressed to the Corporation or a Series K Junior Preferred Holder at its street or email address or facsimile number specified below and (iv) effective as to a Person on receipt by such Person:

if to the Corporation: SEBC Financial Corporation

Address:

Phone:

Facsimile:

Email:

if to a Series K Junior Preferred Holder, at the address of such Series K Junior Preferred Holder set forth in the Stock Books. Any beneficial owner of Series K Junior Preferred Shares in book-entry form may provide notice to the Corporation of the identity of such beneficial owner and request the Corporation to provide all notices and other communications sent to Series K Junior Preferred Holders to also be sent to such beneficial owner at the address, facsimile number or email address provided by such beneficial owner.

Section 11. *Securities Depository Stock Certificate*. At the request of a Series K Junior Preferred Holder and upon receipt by the Corporation of the certificates representing the Series K Junior Preferred Shares of such Holder, the Corporation shall issue one or more certificates for such Series K Junior Preferred Shares, register such certificates in the name of Cede & Co. as the nominee of the Securities Depository and deliver such certificates to the Agent Member designated by such Holder in such request for deposit in its account with the Securities Depository on behalf of such Holder. Each such certificate shall bear a legend to the effect that such certificate is issued subject to the provisions restricting transfer of Series K Junior Preferred Shares contained in the Articles of Incorporation. The Securities Depository will maintain lists of its participants and the Series K Junior Preferred Shares held by each Agent Member whether as a Series K Junior Preferred Holder for its own account or as a nominee for another Series K Junior Preferred Holder.

Section 12. *Transfer Restrictions.*

(a) Series K Junior Preferred Shares may only be sold or otherwise transferred to a Person that is an Eligible Holder that is knowledgeable, sophisticated and experienced in business and financial matters and able and prepared to bear the economic risk of investing in and holding Series K Junior Preferred Shares. The Corporation shall have no obligation to recognize any sale, transfer or other disposition of any Series K Junior Preferred Share unless the purchaser or transferee thereof shall be an Eligible Holder. In addition, a "**holder of record**" (as defined for purposes of Sections 12(g) and 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) of Series K Junior Preferred Shares may not sell or otherwise transfer any Series K Junior Preferred Shares "**held of record**" (as defined for purposes of Sections 12(g) and 15(d) of the Exchange Act) by such holder unless such sale or transfer is to a single holder of record and includes all Series K Junior Preferred Shares held of record by such holder immediately prior to any such sale or transfer. Any purchase, sale or transfer of the Series K Junior Preferred Shares in violation of this Section 12 shall have no effect and the intended purchaser or transferee shall not be deemed to be a Series K Junior Preferred Holder for any purpose, including, but not limited to, with respect to the receipt of

dividends on, or other distributions in respect of, the Series K Junior Preferred Shares. The restrictions set forth in this Section 12 shall be subject in all respects to the provisions restricting transfer of Series K Junior Preferred Shares contained in the Articles of Incorporation.

(b) Each certificate representing the Series K Junior Preferred Shares shall bear a legend in substantially the following form:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR A BENEFICIAL INTEREST HEREIN, THE HOLDER AGREES THAT (1) IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITY EVIDENCED HEREBY, EXCEPT IN ITS ENTIRETY TO A PERSON THE SELLER REASONABLY BELIEVES IS AN INSTITUTIONAL ACCREDITED INVESTOR (AS DEFINED IN PARAGRAPHS (1), (2), (3) AND (7) OF RULE 501(A) OF REGULATION D ADOPTED UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER INSTITUTIONAL ACCREDITED INVESTOR AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, ALL IN COMPLIANCE WITH SUCH EXEMPTION; (2) IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITY EVIDENCED HEREBY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; AND (3) IT WILL, PRIOR TO ANY TRANSFER OF THIS SECURITY, FURNISH TO THE TRANSFER AGENT AND THE CORPORATION SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS MAY BE REQUESTED TO CONFIRM THAT SUCH TRANSFER IS BEING MADE IN ACCORDANCE WITH THIS LEGEND.

Section 13. *Amendment to Articles of Incorporation.* Any amendment or proposed amendment to the Articles of Incorporation that would have the effect of granting a liquidation right to the Holders of the Series A Senior Preferred Shares shall not be deemed to adversely affect the rights or interests of the Series K Junior Preferred Stock.

Section 14. *No Other Rights or Preferences.* Unless otherwise required by law, the Series K Junior Preferred Holders shall not have any rights or preferences other than those specifically set forth herein. The Series K Junior Preferred Holders shall have no preemptive rights.

Exhibit B to
Master Subscription Agreement

FORM OF OPINION OF GREENBERG TRAURIG, P.A.

1. Each SEBC Entity is a corporation or limited liability company validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite corporate or limited liability company power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Each SEBC Entity is duly qualified to transact business and is in good standing as a foreign corporation in each jurisdiction where such qualification is required.

2. The shares of common stock and preferred stock to be issued pursuant to the Agreement have been duly authorized and, when issued as contemplated by the Agreement, will be validly issued, fully paid and non-assessable and free of preemptive rights pursuant to law or in the Articles of Incorporation.

3. The Trustee, as SEBC's duly authorized agent, has all requisite power and authority to execute and deliver the Agreement and to perform his obligations thereunder. The Agreement has been duly and validly executed and delivered by the Trustee and (assuming the due authorization, execution and delivery thereof by Investor) constitutes the legal, valid and binding obligation of the Trustee, enforceable against him in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

4. The performance by Reorganized SEBC of its obligations under the Agreement will not conflict with, constitute a default under or violate (i) any of the terms, conditions or provisions of the Articles of Incorporation or bylaws of Reorganized SEBC, (ii) Florida or federal law or regulation, or (iii) any judgment, writ, injunction, decree, order or ruling of any court or governmental authority binding on Reorganized SEBC, other than conflicts, defaults or violations which could not reasonably be expected to have a Material Adverse Effect.

5. No consent, approval, waiver, license or authorization or other action by or filing with any Governmental Authority is required in connection with the consummation by Reorganized SEBC of the transactions contemplated by the Agreement or the performance by Reorganized SEBC of its obligations thereunder, other than those which have been made or those which if not obtained could not reasonably be expected to have a Material Adverse Effect.

6. Based solely upon the representations and warranties of Investor set forth in the Agreement, it is not necessary in connection with the offer, sale and delivery of the Senior Preferred Stock, the Series J Junior Preferred Stock and the Common Stock

to Investor pursuant to the Agreement to register such Senior Preferred Stock, Series J Junior Preferred Stock and Common Stock under the Securities Act of 1933, as amended.

EXHIBIT M

TO

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

CREDITOR QUESTIONNAIRE

SOUTHEAST BANKING CORPORATION
TRUSTEE'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION

CREDITOR QUESTIONNAIRE

INSTRUCTIONS:

The purpose of this Creditor Questionnaire (this "**Questionnaire**") is to provide information to Jeffrey H. Beck, as Chapter 11 Trustee (the "**Trustee**") for the Estate of Southeast Banking Corporation, Debtor (the "**Debtor**"), in connection with the Trustee's Chapter 11 Plan of Reorganization (the "**Plan**") for the resolution of the outstanding Claims against and Interests in the Debtor. All capitalized terms used but not defined in this Questionnaire shall have the same respective meanings as set forth in the Plan.

Each holder of Senior Notes, Subordinated Notes, and Allowed Class 3 Claims (a "**Holder**") must submit this Questionnaire, properly completed, in order to receive any Distribution under the Plan. The completed Questionnaire must be received by the Trustee no later than _____, 2009. The information provided by a Holder in this Questionnaire will be used to determine whether such Holder is a Qualified Creditor. Only Qualified Creditors will be eligible to receive, acquire, or hold Reorganized SEBC Series K Junior Preferred Stock. **An individual may not be a Qualified Creditor**.

Each Holder's answers will be kept strictly confidential at all times. However, the Trustee may provide this Questionnaire to such parties as it deems appropriate in order to facilitate the administration of the Plan and Distributions thereunder. Additional copies of this Questionnaire are available at www.sebcglobalsettlement.com.

IF THE HOLDER IS AN INDIVIDUAL, COMPLETE ONLY THIS INSTRUCTION PAGE

If the Holder is an entity, complete items 1, 2, 3 and 4 beginning on the following page.

Please return this Questionnaire to:

Karina Dominguez
Greenberg Traurig, P.A. Telephone: (305) 579-7743
1221 Brickell Avenue Facsimile: (305) 579-0717
Miami, FL 33131 Email: dominguezk@gtlaw.com

INDIVIDUAL HOLDER INFORMATION:

The undersigned hereby acknowledges, represents and warrants to the Trustee, Reorganized SEBC and their respective Affiliates as follows:

(i) The Holder is an individual and, therefore, is not a Qualified Creditor.

(ii) The information in this Questionnaire completed and executed by the undersigned is accurate and true in all respects. The undersigned agrees to provide to the Trustee and Reorganized SEBC such supporting documentation for any responses to this Questionnaire as either of them may reasonably request. Any information which the undersigned has heretofore furnished to the Trustee is correct and complete as of the date set forth below and if there should be any material change in such information it will immediately furnish such revised or corrected information to the Trustee.

Name (Please Print): _____ Address: _____

Signature: _____ _____

Date: _____ Phone Number: _____

ENTITY HOLDER INFORMATION:

If the Holder is an entity, complete items 1, 2, 3 and 4 beginning on this page.

A "**Qualified Creditor**" means either a QIB or an Institutional Accredited Investor. A "**QIB**" means a "qualified institutional buyer" as such term is defined in Rule 144A under the Securities Act of 1933, as amended (the "**Securities Act**"). An "**Institutional Accredited Investor**" means an "accredited investor" as such term is defined in paragraphs (1), (2), (3) and (7) of Rule 501(a) of Regulation D under the Securities Act.

If the appropriate answer is "None" or "Not Applicable", so state. Please print or type your answers to ALL questions. Attach additional sheets if necessary to complete your answers to an item.

1. Holder Information.

(i) Name: _____

(ii) Year of organization or incorporation: _____

(iii) Principal office address:

_____

_____

(iv) Telephone Number: _____

(v) Taxpayer Identification Number: _____

2. Institutional Accredited Investor: The Holder is an Institutional Accredited Investor because the Holder falls within at least one of the following categories (**check all appropriate lines**):

____ (i) a bank as defined in Section 3(a)(2) of the Securities Act or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;

____ (ii) a broker-dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**");

____ (iii) an insurance company as defined in Section 2(13) of the Securities Act;

____ (iv) an investment company registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") or a business development company as defined in Section 2(a)(48) of the Investment Company Act;

____ (v) a Small Business Investment Partnership licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended (the "**SBIA**");

____ (vi) a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, where such plan has total assets in excess of $5,000,000;

____ (vii) an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), where the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance Partnership, or registered investment

adviser, or an employee benefit plan that has total assets in excess of $5,000,000 or a self-directed plan the investment decisions of which are made solely by persons that are accredited investors;

____ (viii) a private business development partnership, as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**");

____ (ix) an organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000; or

____ (x) a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a "sophisticated" person, who has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment.

____ NONE OF THE ABOVE. The Holder is NOT an Institutional Accredited Investor.

3. Qualified Institutional Buyer[1]: The Holder is a QIB because the Holder falls within at least one of the following categories (**check all appropriate lines**):

____ (i) any of the following entities, acting for its own account or the accounts of other QIBs, that in the aggregate owns and invests on a discretionary basis at least $100 million in securities of issuers that are not affiliated with the entity:

____ (A) an insurance company as defined in Section 2(a)(13) of the Securities Act;

____ (B) an investment company registered under the Investment Company Act or any business development company as defined in Section 2(a)(48) of that act;

____ (C) a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the SBIA;

____ (D) a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;

____ (E) an employee benefit plan within the meaning of Title I of ERISA;

____ (F) a trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in sections 3(i)(D) or (E) of this Questionnaire, except trust funds that include as participants individual retirement accounts or H.R. 10 plans;

____ (G) a business development company as defined in Section 202(a)(22) of the Advisers Act;

____ (H) an organization described in Section 501(c)(3) of the Internal Revenue Code, corporation (other than a bank as defined in Section

[1] For explanations of certain terms used in Section 3, please see the accompanying Notes to Section 3, attached hereto as Exhibit M-1.

3(a)(2) of the Securities Act or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Securities Act or a foreign bank or savings and loan association or equivalent institution), partnership, or Massachusetts or similar business trust; or

____ (l) an investment adviser registered under the Advisers Act;

____ (ii) a dealer registered pursuant to Section 15 of the Exchange Act, acting for its own account or the accounts of other QIBs, that in the aggregate owns and invests on a discretionary basis at least $10 million of securities of issuers that are not affiliated with the dealer, provided, that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer;

____ (iii) a dealer registered pursuant to Section 15 of the Exchange Act acting in a riskless principal transaction on behalf of a QIB;

____ (iv) an investment company registered under the Investment Company Act, acting for its own account or for the accounts of other QIBs, that is part of a family of investment companies which own in the aggregate at least $100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies. Family of investment companies means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided that:

(A) Each series of a series company (as defined in Rule 18f-2 under the Investment Company Act) shall be deemed to be a separate investment company; and

(B) Investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor);

____ (v) an entity, all of the equity owners of which are QIBs, acting for its own account or the accounts of other QIBs; or

____ (vi) a bank as defined in Section 3(a)(2) of the Securities Act, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Securities Act, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other QIBs, that in the aggregate owns and invests on a discretionary basis at least $100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least $25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the Closing Date in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date for a foreign bank or savings and loan association or equivalent institution.

____ NONE OF THE ABOVE. The Holder is NOT a QIB.

4. Entity Holder Representations and Warranties.

The undersigned hereby acknowledges, represents and warrants to the Trustee, Reorganized SEBC and their respective Affiliates as follows:

(i) The information in this Questionnaire completed and executed by the undersigned is accurate and true in all respects and, if indicated above, the undersigned is an Institutional Accredited Investor or QIB.

(ii) The undersigned agrees to provide to the Trustee and Reorganized SEBC such supporting documentation for any responses to this Questionnaire as either of them may reasonably request. Any information which the undersigned has heretofore furnished to the Trustee is correct and complete as of the date set forth below and if there should be any material change in such information it will immediately furnish such revised or corrected information to the Trustee.

(iii) The Holder was not formed for the purpose of purchasing Senior Notes, Subordinated Notes, or Allowed Class 3 Claims, as applicable.

Dated: _____

_____
(Name of Entity - Please Print)

By: _____

Name: _____

Title: _____

Please return this Questionnaire to:

Karina Dominguez
Greenberg Traurig, P.A.
1221 Brickell Avenue
Miami, FL 33131
Telephone: (305) 579-7743
Facsimile: (305) 579-0717
Email: dominguezk@gtlaw.com

Exhibit M-1

Notes to Section 3

1. In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

2. The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published. In the latter event, the securities may be valued at market.

3. In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the direction of the entity, except that, unless the entity is a reporting company under section 13 or 15(d) of the Exchange Act, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

4. Riskless principal transaction means a transaction in which a dealer buys a security from any person and makes a simultaneous offsetting sale of such security to a QIB, including another dealer acting as riskless principal for a QIB.