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SECRETARY OF THE
TALLAHASSEE

Merger



DREW J. BREAKSPEAR
Commissioner

INTEROFFICE COMMUNICATION

DATE: December 5, 2014

TO: Lynn Schoffstall, Department of State
Division of Corporations - Bureau of Commercial Recordings

FROM: Matthew Kirchharr, Division of Financial Institutions

SUBJECT: Establish Coral Gables Interim Bank, Merger of Coral Gables Interim Bank into Bank of Coral Gables, LLC and the Merger of Bank of Coral Gables, LLC into First American Bank

Please file the attached "Articles of Incorporation" for Coral Gables Interim Bank (an original and 1 copy) and "Articles of Merger" (an original and 1 copy) for the merger of Coral Gables Interim Bank into Bank of Coral Gables, using 4:00 PM on December 5, 2014, as the effective time and date for the merger. Subsequently, please file the "Articles of Merger" (an original and 1 copy) for the merger of the Bank of Coral Gables into First American Bank.

Please file the documents in the following order:

1. File the Articles of Incorporation for Coral Gables Interim Bank
2. File the Articles of Merger for the merger of Coral Gables Interim Bank into Bank of Coral Gables, LLC to be effective at 4:00 PM.
3. File the Articles of Merger for the merger of Bank of Coral Gables, LLC into First American Bank.

Please make the following distribution of certified copies of these

(1) One copy to: Office of Financial Regulation
Division of Financial Institutions
200 East Gaines Street
Tallahassee, Florida 32399-0371

(1) One copy to: Mr. Dennis R. Wendte, Partner
Barrack, Ferrazzano, et. Al.
200 W. Madison Street, Ste. 3900
Chicago, IL 60606

Attached are checks in the amount of \$120.00, \$97.50, and \$83.50 applicable fees. If there is an over-payment or under-payment of fees, please call Dennis R. Wendte, Esquire at (312) 984-3100.

Attachments

14 DEC -5 PM 3:31

OFFICE OF FINANCIAL REGULATION

CERTIFICATE OF MERGER

WHEREAS, Section 658.41, Florida Statutes, provides for the merger of financial institutions; and

WHEREAS, I am satisfied that the terms of the Articles and Plan of Merger and Merger Agreement between the financial institutions described below comply with Section 658.43(3), Florida Statutes, and that the other regulatory conditions of the Office have been met,

NOW, THEREFORE, I, Robert D. Hayes, as Director of the Division of Financial Institutions, Office of Financial Regulation, do hereby issue this Certificate authorizing consummation of the merger of the following constituent financial institutions:

Coral Gables Interim Bank
Coral Gables, Miami-Dade County, Florida

Bank of Coral Gables, LLC
Coral Gables, Miami-Dade County, Florida

Charter # 1172

under the charter of: Bank of Coral Gables, LLC
under the title of: Bank of Coral Gables, LLC
under State Charter No: 1172

And, I further authorize Bank of Coral Gables, LLC to continue the transaction of a general banking business with main offices at 2295 Galiano Street, Coral Gables, Miami-Dade County, Florida, and with branch offices as authorized by law.

Signed and Sealed this 5th day
of December, 2014.

Robert D. Hayes
Robert D. Hayes, Director
Division of Financial Institutions

14 DEC -5 PM 4:00
TALLAHASSEE, FL
SECRETARY OF FINANCE

OFFICE OF FINANCIAL REGULATION



Having been approved by the Commissioner of the Office of Financial Regulation on December 5, 2014, to merge Coral Gables Interim Bank, Coral Gables, Miami-Dade County, Florida, and Bank of Coral Gables, LLC, Coral Gables, Miami-Dade, Florida, and being satisfied that the conditions of approval have been met, I approve for filing with the Florida Department of State, the attached "Plan of Merger and Merger Agreement," which contains the Articles of Incorporation of Bank of Coral Gables, LLC (the resulting bank), so that, effective 4:00 PM EDT on December 5, 2014, they shall read as stated herein.

Signed on this 5 day
of December, 2014.

A handwritten signature in black ink, reading 'Robert D. Hayes', is written over a horizontal line.

Robert D. Hayes, Director
Division of Financial Institutions

COVER LETTER

TO: Amendment Section
Division of Corporations

SUBJECT: Bank of Coral Gables, LLC

Name of Surviving Party

The enclosed Certificate of Merger and fee(s) are submitted for filing.

Please return all correspondence concerning this matter to:

Cindy C. Wang, Financial Services Paralegal

Contact Person

Barack Ferrazzano Kirschbaum & Nagelberg LLP

Firm/Company

200 W. Madison Street, Suite 3900

Address

Chicago, Illinois 60606

City, State and Zip Code

cindy.wang@bfkn.com

E-mail address: (to be used for future annual report notification)

For further information concerning this matter, please call:

Cindy C. Wang at (312) 984-3225

Name of Contact Person

Area Code

Daytime Telephone Number

I Certified copy (optional) \$30.00

STREET ADDRESS:

Amendment Section
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, FL 32301

MAILING ADDRESS:

Amendment Section
Division of Corporations
P. O. Box 6327
Tallahassee, FL 32314

FILED
14 DEC -5 PM 4:00
SECRETARY OF STATE
TALLAHASSEE, FL

**Articles of Merger
For
Florida Limited Liability Company**

The following Articles of Merger is submitted to merge the following Florida Limited Liability Company(ies) in accordance with s. 605.1025, Florida Statutes.

FIRST: The exact name, form/entity type, and jurisdiction for each merging party are as follows:

<u>Name</u>	<u>Jurisdiction</u>	<u>Form/Entity Type</u>
Bank of Coral Gables, LLC	Florida	LLC Bank
Coral Gables Interim Bank	Florida	State Bank P14-97891

SECOND: The exact name, form/entity type, and jurisdiction of the surviving party are as follows:

<u>Name</u>	<u>Jurisdiction</u>	<u>Form/Entity Type</u>
Bank of Coral Gables, LLC	Florida	LLC Bank L06-278

THIRD: The merger was approved by each domestic merging entity that is a limited liability company in accordance with ss.605.1021-605.1026; by each other merging entity in accordance with the laws of its jurisdiction; and by each member of such limited liability company who as a result of the merger will have interest holder liability under s.605.1023(1)(b).

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

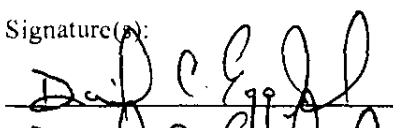
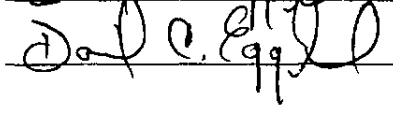
FOURTH: Please check one of the boxes that apply to surviving entity: (if applicable)

- ☒ This entity exists before the merger and is a domestic filing entity, the amendment, if any to its public organic record are attached.
- ☐ This entity is created by the merger and is a domestic filing entity, the public organic record is attached.
- ☐ This entity is created by the merger and is a domestic limited liability limited partnership or a domestic limited liability partnership, its statement of qualification is attached.
- ☐ This entity is a foreign entity that does not have a certificate of authority to transact business in this state. The mailing address to which the department may send any process served pursuant to s. 605.0117 and Chapter 48, Florida Statutes is:

FIFTH: This entity agrees to pay any members with appraisal rights the amount, to which members are entitled under ss.605.1006 and 605.1061-605.1072, F.S.

SIXTH: If other than the date of filing, the delayed effective date of the merger, which cannot be prior to nor more than 90 days after the date this document is filed by the Florida Department of State:

SEVENTH: Signature(s) for Each Party:

Name of Entity/Organization:	Signature(s):	Typed or Printed Name of Individual:
Bank of Coral Gables, LLC		Daniel C. Eggland
Coral Gables Interim Bank		Daniel C. Eggland
_____	_____	_____
_____	_____	_____

Corporations:	Chairman, Vice Chairman, President or Officer (If no directors selected, signature of incorporator.)
General partnerships:	Signature of a general partner or authorized person
Florida Limited Partnerships:	Signatures of all general partners
Non-Florida Limited Partnerships:	Signature of a general partner
Limited Liability Companies:	Signature of an authorized person

Fees:	For each Limited Liability Company:	\$25.00	For each Corporation:	\$35.00
	For each Limited Partnership:	\$52.50	For each General Partnership:	\$25.00
	For each Other Business Entity:	\$25.00	Certified Copy (optional):	\$30.00

FILED
14 DEC -5 PM 4:00
TALLAHASSEE

AGREEMENT AND PLAN OF MERGER
AMONG
FIRST AMERICAN BANK CORPORATION,
CORAL GABLES INTERIM BANK
AND
BANK OF CORAL GABLES, LLC

AS OF APRIL 30, 2014

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APPENDICES

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SCHEDULES

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EXHIBITS

EXHIBIT A	Form of Legal Opinion
EXHIBIT B	Form of Paying Agent Agreement
EXHIBIT C	Form of Voting Agreement

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "**Agreement**") is entered into as of April 30, 2014 (the "**Agreement Date**"), by and among **FIRST AMERICAN BANK CORPORATION**, a Delaware corporation ("**Acquiror**"), **CORAL GABLES INTERIM BANK**, an interim Florida chartered non-member commercial bank in formation with its anticipated main office to be located at 2295 Galiano Street, Coral Gables, county of Miami-Dade, in the State of Florida ("**Acquiror Bank**"), and **BANK OF CORAL GABLES, LLC**, a Florida chartered non-member commercial bank with its main office located at 2295 Galiano Street, Coral Gables, county of Miami-Dade, in the State of Florida (the "**Bank**").

RECITALS

- A. Acquiror is forming and will be the sole shareholder of Acquiror Bank.
- B. As of December 31, 2013, the Bank had capital stock outstanding of \$4,260,000, divided into 2,434,518 shares of issued and outstanding common stock, \$1.75 par value per share, surplus of approximately \$18,036,000, retained earnings of approximately \$(15,623,000) and accumulated other comprehensive income (including a market value adjustment for available-for-sale securities) of approximately \$(217,000).
- C. The shareholders of the Bank are set forth on attached **Appendix A**.
- D. The parties to this Agreement desire to effect a merger of Acquiror Bank with and into the Bank (the "**Merger**") in accordance with this Agreement and the Florida Statutes, as amended (the "**Florida Statutes**"), with the Bank to be the surviving entity in the Merger (the "**Continuing Bank**").
- E. Each of Acquiror, as the sole incorporator of Acquiror Bank (the "**Incorporator**"), and the boards of directors of the Bank and Acquiror Bank, has approved this Agreement and the Merger upon the terms and subject to the conditions of this Agreement and in accordance with the Florida Statutes, approved and declared the advisability of this Agreement and have determined that consummation of the Merger in accordance with the terms of this Agreement is in the best interests of their respective entities and shareholders.
- F. As a result of the Merger and at the time of the consummation thereof, each outstanding share of the capital stock of the Bank, which is comprised of one class of common stock, \$1.75 par value per share (the "**Bank Stock**"), will be cancelled and converted solely into the right to receive cash in the amount and pursuant to the terms set forth in this Agreement.
- G. The parties to this Agreement desire to make certain representations, warranties and agreements in connection with the Merger and the other transactions contemplated by this Agreement and also agree to certain prescribed conditions to the Merger and the other transactions.

AGREEMENTS

In consideration of the foregoing premises, which are incorporated herein by this reference, and the mutual promises, covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

Article 1 DEFINITIONS

Section 1.1 Definitions. In addition to those terms defined throughout this Agreement, the following terms, when used herein, shall have the following meanings.

(a) “**Affiliate**” means, with respect to:

(i) a particular individual: (A) each other member of such individual’s Family; (B) any Person that is directly or indirectly controlled by such individual or one or more members of such individual’s Family; (C) any Person in which such individual or members of such individual’s Family hold (individually or in the aggregate) a Material Interest; and (D) any Person with respect to which such individual or one or more members of such individual’s Family serves as a director, officer, partner, executor or trustee (or in a similar capacity); and

(ii) a specified Person other than an individual: (A) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person; (B) any Person that holds a Material Interest in such specified Person; (C) each Person that serves as a director, officer, partner, executor or trustee of such specified Person (or in a similar capacity); (D) any Person in which such specified Person holds a Material Interest; (E) any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity); and (F) any Affiliate of any individual described in clauses (B) or (C) of this **Section 1.1(a)(ii)**.

(b) “**ALLL**” means the Bank’s allowance for loan and lease losses.

(c) “**Bank Loans**” has the meaning set forth in **Section 4.9**.

(d) “**Bank Stock**” has the meaning set forth in the recitals hereto.

(e) “**Breach**” means, with respect to a representation, warranty, covenant, obligation or other provision of this Agreement or any instrument delivered pursuant to this Agreement, any inaccuracy in or breach of, or any failure to perform or comply with, such representation, warranty, covenant, obligation or other provision.

(f) “**Business Day**” means any day except Saturday, Sunday and any day on which the Bank is authorized or required by law or other government action to close.

(g) “**Call Reports**” means the quarterly reports of income and condition filed by the Bank with Regulatory Authorities.

(h) “**Certificate**” means a stock certificate representing one or more shares of Bank Stock.

(i) “**Code**” means the Internal Revenue Code of 1986, as amended.

(j) “**Contemplated Transactions**” means all of the transactions contemplated by this Agreement, including: (i) the Merger; (ii) the performance by Acquiror, Acquiror Bank and the Bank of their respective covenants and obligations under this Agreement; and (iii) Acquiror’s payment of the Merger Consideration in exchange for shares of Bank Stock.

(k) **"Contract"** means any agreement, contract, obligation, promise or understanding (whether written or oral and whether express or implied) that is legally binding: (i) under which a Person has or may acquire any rights; (ii) under which such Person has or may become subject to any obligation or liability; or (iii) by which such Person or any of the assets owned or used by such Person is or may become bound.

(l) **"CRA"** means the Community Reinvestment Act, as amended.

(m) **"Dissenting Shares"** has the meaning set forth in **Section 2.7(f)**.

(n) **"Effective Time"** has the meaning set forth in **Section 2.3(b)**.

(o) **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

(p) **"ERISA Affiliate"** means each "person" (as defined in Section 3(9) of ERISA) that is treated as a single employer with the Bank for purposes of Section 414 of the Code.

(q) **"Family"** means with respect to an individual: (i) the individual; (ii) the individual's spouse and former spouses; (iii) any other natural person who is related to the individual or the individual's spouse within the second degree; and (iv) any other natural person who resides with such individual.

(r) **"FDIC"** means the Federal Deposit Insurance Corporation.

(s) **"Federal Reserve"** means the Board of Governors of the Federal Reserve System (or any of the Federal Reserve banks acting under delegated authority).

(t) **"First American Bank"** means First American Bank, an Illinois chartered non-member commercial bank with its main office located at 700 Busse Road, Elk Grove Village, county of Cook, in the State of Illinois.

(u) **"GAAP"** means generally accepted accounting principles in the United States.

(v) **"Incorporator"** has the meaning set forth in the recitals hereto.

(w) **"Knowledge"** with respect to:

(i) an individual means that such person will be deemed to have "Knowledge" of a particular fact or other matter if: (A) such individual is actually aware of such fact or other matter; or (B) a prudent individual could be expected to discover or otherwise become aware of such fact or other matter in the course of conducting a reasonably comprehensive investigation concerning the existence of such fact or other matter; and

(ii) a Person (other than an individual) means that such Person will be deemed to have "Knowledge" of a particular fact or other matter if any individual who is serving as a director or executive officer of such Person (or in any similar capacity) has Knowledge of such fact or other matter.

(x) **“Legal Requirement”** means any federal, state, local, municipal, foreign, international, multinational or other Order, constitution, law, ordinance, regulation, rule, policy statement, directive, statute or treaty.

(y) **“Material Adverse Effect”** with respect to a Person (other than an individual) means a material adverse effect (whether or not required to be accrued or disclosed under Accounting Standards Codification 450 (formerly known as Statement of Financial Accounting Standards No. 5)): (i) on the condition (financial or otherwise), properties, assets, liabilities, businesses or results of operations of such Person; or (ii) on the ability of such Person to perform its obligations under this Agreement on a timely basis; *provided, however*, that a Material Adverse Effect with respect to any Person that is a party hereto shall not include: (A) a change with respect to, or effect on, that Person and its subsidiaries resulting from a change in law, rule, regulation, GAAP or regulatory accounting principles, as such would apply to the financial statements of such Person; (B) a change with respect to, or effect on, that Person or any of its subsidiaries resulting from any other matter affecting depository institutions generally (including financial institutions and their holding companies), including changes in general economic conditions and changes in prevailing interest and deposit rates; or (C) actions or omissions of that Person as required hereunder and actions or omissions of such Person with the prior written consent of the other parties hereto.

(z) **“Material Interest”** means the direct or indirect beneficial ownership (as currently defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of voting securities or other voting interests representing at least ten percent (10%) of the outstanding voting power of a Person or equity securities or other equity interests representing at least ten percent (10%) of the outstanding equity securities or equity interests in a Person.

(aa) **“Merger Consideration”** means an amount in cash equal to Seven Million Four Hundred Ninety-Eight Thousand Three Hundred Fifteen Dollars (\$7,498,315), adjusted at the Closing as follows: (i) increased by the amount of the Bank’s net income, or decreased by the amount of the Bank’s loss, from December 31, 2013, through Closing, as calculated in accordance with GAAP, which amount shall exclude payments made pursuant to **Section 6.16** of this Agreement and the payments for the termination of the Contracts set forth on **Schedule 1.1(aa)** in connection with Closing; (ii) decreased by the amount of any distributions made to the Shareholders after December 31, 2013, through the Closing; (iii) decreased by the aggregate amount of any increases made by the Bank at any time after December 31, 2013, through the Closing, in the specific reserves in the Bank’s ALLL, and decreased by any additional adjustment pursuant to **Section 6.18**, but only to the extent any of the decreases described in this clause (iii) are not otherwise already reflected in the calculation of the Bank’s net income or net loss pursuant to clause (i) of this **Section 1.1(aa)**; and (iv) increased by the amount of any loan originated and written off by the Bank prior to December 31, 2013 that is recovered by the Bank after December 31, 2013 and prior to Closing, provided that such amount has not already been included in the calculation of net income or loss pursuant to **Section 1.1(aa)(i)**.

(bb) **“New Acquiror Shareholders”** has the meaning set forth in **Section 9.12**.

(cc) **“OFR”** means the Office of Financial Regulation of the state of Florida.

(dd) **“OREO”** means real estate owned by the Bank and designated as “other real estate owned.”

(ee) **“Order”** means any award, decision, injunction, judgment, order, ruling, extraordinary supervisory letter, policy statement, memorandum of understanding, resolution, agreement,

directive, subpoena or verdict entered, issued, made, rendered or required by any court, administrative or other governmental agency, including any Regulatory Authority, or by any arbitrator.

(ff) **"Ordinary Course of Business"** shall include any action taken by a Person only if such action:

(i) is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person;

(ii) is not required to be authorized by the board of directors of such Person (or by any Person or group of Persons exercising similar authority), other than loan approvals for customers of a financial institution; and

(iii) is similar in nature and magnitude to actions customarily taken, without any authorization by the board of directors (or by any Person or group of Persons exercising similar authority), other than loan approvals for customers of a financial institution, in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person.

(gg) **"Outstanding Bank Stock"** means the total number of shares of Bank Stock that is issued and outstanding as of the Effective Time.

(hh) **"Paying Agent"** shall have the meaning set forth in **Section 3.2(a)**.

(ii) **"Per Share Price"** means the quotient of the Merger Consideration divided by the Outstanding Bank Stock.

(jj) **"Person"** means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union or other entity or any Regulatory Authority.

(kk) **"Proceeding"** means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any judicial or governmental authority, including a Regulatory Authority, or arbitrator.

(ll) **"Proxy Statement"** means the proxy statement to be used by the Bank in connection with the solicitation by its board of directors of proxies for use at the meeting of the Shareholders to be convened for the purpose of voting on this Agreement and the Merger, all pursuant to **Section 6.13**.

(mm) **"Reasonable Best Efforts"** means the efforts that a prudent Person desirous of achieving a result would use in similar circumstances to ensure that such result is achieved as expeditiously as possible; *provided, however*, that an obligation to use Reasonable Best Efforts under this Agreement does not require the Person subject to that obligation to: (i) take actions that would result in a materially adverse change in the benefits to such Person of this Agreement and the Contemplated Transactions; or (ii) incur any substantial cost not otherwise required.

(nn) **"Regulatory Authority"** means any federal, state or local governmental body, agency, court or authority that, under applicable Legal Requirements: (i) has supervisory, judicial, administrative, police, enforcement, taxing or other power or authority over Acquiror, Acquiror Bank or the Bank; (ii) is required to approve, or give its consent to, the Contemplated Transactions; or (iii) with

which a filing must be made in connection therewith, including the Federal Reserve, the OFR and the FDIC.

(oo) **"Remediation Cost"** shall have the meaning set forth in **Section 6.6(b)**.

(pp) **"Representative"** means with respect to a particular Person, any director, officer, manager, employee, agent, consultant, advisor or other representative of such Person, including legal counsel, accountants and financial advisors.

(qq) **"Shareholders"** mean the holders of record of the issued and outstanding Bank Stock.

(rr) **"Tangible Shareholders' Equity"** means the total consolidated common tangible shareholders' equity of the Bank as of the Closing Date, calculated in accordance with GAAP and including the recognition of or accrual for all expenses paid or incurred, or projected to be paid or incurred, by the Bank in connection with this Agreement and the Contemplated Transactions, any Remediation Cost and all Transactional Expenses (excluding payments made pursuant to **Section 6.16** of this Agreement and the payments for the termination of the Contracts set forth on **Schedule 1.1 (aa)** in connection with Closing). The calculation of Tangible Shareholders' Equity shall be delivered to Acquiror, accompanied by appropriate supporting detail, no later than the close of business on the fifth (5th) Business Day preceding the Closing Date, and such calculation shall be subject to verification and approval by Acquiror and its independent auditors, which approval shall not be unreasonably withheld.

(ss) **"Tax"** means any tax (including any income, gross receipts, capital gains, value-added, sales use, property, gift, estate, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, capital stock franchise, withholding, social security, unemployment, disability, transfer, estimated or any other tax), levy, assessment, tariff, duty (including any customs duty), deficiency or other fee, and any related charge or amount (including any fine, penalty, interest or addition to tax), imposed, assessed or collected by or under the authority of any Regulatory Authority or payable pursuant to any tax-sharing agreement or any other Contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency or fee.

(tt) **"Tax Return"** means any return (including any informational return), report, statement, schedule, notice, form or other document or information filed with or submitted to, or required to be filed with or submitted to, any Regulatory Authority in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Legal Requirement relating to any Tax.

(uu) **"Threatened"** means a claim, Proceeding, dispute, action or other matter for which any demand or statement has been made (orally or in writing) or any notice has been given (orally or in writing), or if any other event has occurred or any other circumstances exist, that would lead a prudent Person to conclude that such a claim, Proceeding, dispute, action or other matter is likely to be asserted, commenced, taken or otherwise pursued in the future.

(vv) **"Transactional Expenses"** means all transaction costs of the Bank necessary to consummate, or incurred or accrued (or required to be accrued in accordance with GAAP) in connection with, the Contemplated Transactions, including: (i) the aggregate fees and expenses of attorneys, accountants, consultants, brokers, finders, financial advisors and other professional advisors incurred by the Bank in connection with this Agreement and the Contemplated Transactions; (ii) the cost of preparing, printing and mailing the Proxy Statement to the Shareholders and any other costs and expenses incurred in connection with obtaining Shareholder approval; (iii) any amounts paid or payable to any director,

officer or employee of the Bank under any Contract, benefit plan or employment practice of the Bank; (iv) all costs and expenses associated with the preparation, completion and filing of all necessary Tax Returns as a result of the Contemplated Transactions, including all necessary Tax reporting forms required to be sent to Shareholders; and (v) all other payroll and non-payroll related costs and expenses in each case incurred or accrued, or to be incurred or accrued, by the Bank through the Effective Time (as defined in **Section 2.3(b)**) in connection with this Agreement and the Contemplated Transactions.

(ww) **"Willful Breach"** means a knowing or intentional Breach, made with intent or knowledge, by a party of any representation, warranty, covenant, obligation or other provision of this Agreement.

Section 1.2 Principles of Construction.

(a) In this Agreement, unless otherwise stated or the context otherwise requires, the following uses apply: (i) actions permitted under this Agreement may be taken at any time and from time to time in the actor's reasonable discretion; (ii) references to a statute shall refer to the statute and any successor statute, and to all regulations promulgated under or implementing the statute or successor, as in effect at the relevant time; (iii) in computing periods from a specified date to a later specified date, the words "from" and "commencing on" (and the like) mean "from and including," and the words "to," "until" and "ending on" (and the like) mean "to, but excluding"; (iv) references to a governmental or quasi-governmental agency, authority or instrumentality shall also refer to a regulatory body that succeeds to the functions of the agency, authority or instrumentality; (v) indications of time of day mean Chicago, Illinois, time; (vi) "including" means "including, but not limited to"; (vii) all references to sections, schedules and exhibits are to sections, schedules and exhibits in or to this Agreement unless otherwise specified; (viii) all words used in this Agreement will be construed to be of such gender or number as the circumstances require; (ix) the captions and headings of articles, sections, schedules and exhibits appearing in or attached to this Agreement have been inserted solely for convenience of reference and shall not be considered a part of this Agreement nor shall any of them affect the meaning or interpretation of this Agreement or any of its provisions; and (x) any reference to a document or set of documents in this Agreement, and the rights and obligations of the parties under any such documents, shall mean such document or documents as amended from time to time, and any and all modifications, extensions, renewals, substitutions or replacements thereof.

(b) Unless otherwise specified herein, all references in this Agreement to schedules are to the disclosure schedules of the Bank delivered to Acquiror and Acquiror Bank before the Agreement Date (the **"Schedules"**). The disclosures in the Schedules, and those in any supplement thereto, shall relate to the representations and warranties in the Section of the Agreement to which they expressly relate and also to any other representation or warranty in this Agreement so long as it is reasonably clear from the context that the disclosure in such other Schedule is also applicable to the Section of this Agreement in question. If there is any inconsistency between the statements in the body of this Agreement and those in the Schedules (other than an exception expressly set forth as such in the Schedules with respect to a specifically identified representation or warranty), the statements in the body of this Agreement will control.

(c) All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

(d) With regard to each and every term and condition of this Agreement and any and all agreements and instruments subject to the terms hereof, the parties hereto understand and agree that the same have or has been mutually negotiated, prepared and drafted, and that if at any time the parties hereto desire or are required to interpret or construe any such term or condition or any agreement or

instrument subject hereto, no consideration shall be given to the issue of which party hereto actually prepared, drafted or requested any term or condition of this Agreement or any agreement or instrument subject hereto.

Article 2 **The Merger**

Section 2.1 The Merger. Provided that this Agreement shall not have been terminated in accordance with its express terms, upon the terms and subject to the conditions of this Agreement and in accordance with applicable Legal Requirements, including the receipt of all requisite regulatory approvals, at the Effective Time, Acquiror Bank shall be merged with and into the Bank pursuant to the provisions of, and with the effects provided in, the Florida Statutes, the separate existence of Acquiror Bank shall thereupon cease, and the Bank shall continue as the surviving entity in the Merger. As a result of the Merger, at the Effective Time, other than the Dissenting Shares, each share of Bank Stock issued and outstanding immediately prior to the Effective Time will be converted into the right to receive the Merger Consideration.

Section 2.2 Effects of Merger. As of the Effective Time, the corporate existence of Acquiror Bank and the Bank shall be merged into and continued in the Continuing Bank, and the Continuing Bank shall be deemed to be the same business and corporate entity as Acquiror Bank and the Bank with all the property, rights, powers, duties and obligations of Acquiror Bank and the Bank. The Continuing Bank shall be liable for all liabilities of Acquiror Bank and the Bank and all rights, franchises and interests of Acquiror Bank and the Bank, respectively, in and to every species of property (real, personal and mixed) and choses in action shall be deemed to be transferred to and vested in the Continuing Bank without any deed or other transfer, and the Continuing Bank, without any order or other action on the part of any court or otherwise, shall hold and enjoy the same and all rights of property, franchises and interests, including appointments, designations and nominations, and all other rights and interests as trustee, executor, administrator, registrar or transfer agent of stocks and bonds, guardian, conservator, assignee, receiver, and in every other fiduciary capacity, in the same manner and to the same extent as was held or enjoyed by Acquiror Bank and the Bank, respectively, at the Effective Time.

Section 2.3 Closing; Effective Time.

(a) Provided that this Agreement shall not have been terminated in accordance with its express terms, the closing of the Merger (the "**Closing**") shall occur on a date that is mutually agreed by the parties; *provided, however*, that if the parties fail to agree, the Closing shall occur on the date that is ten (10) Business Days after the last to occur of: (i) the receipt of the last necessary regulatory approval for the Merger and the expiration of the last of any required waiting period with respect to the necessary regulatory approvals; and (ii) the satisfaction or waiver in writing of all of the conditions set forth set forth in **Article 9** and **Article 10**; *provided, further*, however, that if based upon the foregoing, the Closing would occur prior to the tenth (10th) Business Day of any month, then such Closing shall be delayed until, and shall occur on, such tenth (10th) Business Day (the "**Closing Date**"). The Closing shall occur through the mail, electronically, or at a time and place that is mutually acceptable to Acquiror, Acquiror Bank and the Bank, or if they fail to agree, at 10:00 a.m. on the Closing Date at the offices of Acquiror, located at 1650 Louis Avenue, Elk Grove Village, Illinois. Subject to the provisions of **Article 11**, failure to consummate the Contemplated Transactions on the date and time and at the place determined pursuant to this **Section 2.3(a)** will not result in the termination of this Agreement and will not relieve any party of any obligation under this Agreement.

(b) In contemplation of the Closing, the parties agree to take all such actions required in order to facilitate the issuance of a certificate of merger by the OFR on or as soon as administratively

feasible following the Closing Date. The Merger shall be effective upon the time set forth in such certificate of merger, but no earlier than the Closing Date (the "Effective Time").

Section 2.4 Name, Charter, Bylaws, Directors, Executive Officers and Offices of the Continuing Bank. From and after the Effective Time, and until thereafter amended, changed or further revised after due authorization:

- (a) the name of the Continuing Bank shall be "Bank of Coral Gables";
- (b) the articles of incorporation of the Continuing Bank shall be in the form attached as **Exhibit 2.4(b)**;
- (c) the bylaws of the Bank, as in effect immediately prior to the Effective Time, shall be the bylaws of the Continuing Bank;
- (d) the name and address of each director of the Continuing Bank who is to serve until the next meeting of the stockholders at which directors are elected shall be as set forth on **Exhibit 2.4(d)**;
- (e) the name and address of each executive officer of the Continuing Bank shall be as set forth on **Exhibit 2.4(e)**;
- (f) the main office and place of business of the Continuing Bank shall be that of the Bank, namely, 2295 Galiano Street, Coral Gables, county of Miami-Dade, in the State of Florida; and
- (g) the Continuing Bank shall have no branch offices or trust service offices.

Section 2.5 Directors and Officers of the Continuing Bank. Subject to the provisions of **Section 7.5**, the board of directors and the officers of the Continuing Bank, upon the Effective Time, shall consist of the board of directors and the officers of Acquiror Bank.

Section 2.6 Acquiror's and Acquiror Bank's Deliveries at Closing. At the Closing, Acquiror and Acquiror Bank, as the case may be, shall deliver the following items to the Bank:

- (a) evidence of payment by Acquiror to Paying Agent of an amount of cash equal to the Merger Consideration;
- (b) copies of resolutions of the board of directors of Acquiror Bank approving this Agreement and the consummation of the Contemplated Transactions, certified as of the Closing Date by the Secretary of Acquiror Bank;
- (c) copies of resolutions of the Incorporator authorizing and approving this Agreement and the consummation of the Contemplated Transactions, certified as of the Closing Date by the Incorporator;
- (d) certificates executed by the President of Acquiror and Acquiror Bank, dated the Closing Date, stating that: (i) all of the representations and warranties of Acquiror and Acquiror Bank, as the case may be, set forth in this Agreement are true and correct in all material respects with the same force and effect as if all of such representations and warranties were made at the Closing; and (ii) Acquiror and Acquiror Bank, as the case may be, has performed or complied in all material respects with all of the covenants and obligations to be performed or complied with by it under the terms of this

Agreement on or prior to the Closing; *provided, however*, that to the extent any representations and warranties, or performance and compliance with any covenants and obligations, are subject in this Agreement to a standard of knowledge, materiality, Material Adverse Effect or similar standard, such representations and warranties shall be true and correct in all respects, and Acquiror and Acquiror Bank shall have performed and complied in all respects with such covenants and obligations, in each case to the extent of the knowledge, materiality, Material Adverse Effect or similar standard set forth herein; and

- (e) such other documents as the Bank or its counsel shall reasonably request.

All of such items shall be reasonably satisfactory in form and substance to the Bank and its counsel.

Section 2.7 The Bank's Deliveries at Closing. At the Closing, the Bank shall deliver the following items to Acquiror or Acquiror Bank:

- (a) a certificate of good standing for the Bank issued by the Florida Secretary of State dated not more than five (5) Business Days prior to the Closing Date;
- (b) a copy of the articles of incorporation of the Bank certified by the Florida Secretary of State not more than five (5) Business Days prior to the Closing Date;
- (c) a certificate of the Secretary or any Assistant Secretary of the Bank dated the Closing Date certifying a copy of the bylaws of the Bank and stating that there have been no further amendments to the articles of incorporation of the Bank delivered pursuant to this **Section 2.7**;
- (d) copies of resolutions of the Shareholders and the board of directors of the Bank authorizing and approving this Agreement and the Contemplated Transactions, certified as of the Closing Date by the Secretary or any Assistant Secretary of the Bank;
- (e) a list of the Shareholders as of the Closing Date, including addresses, the number of shares of Bank Stock owned by each and the Certificate numbers representing such shares, certified by the Secretary or any Assistant Secretary of the Bank;
- (f) a list of the Shareholders, if any, that have notified the Bank in writing of their intent to exercise their right to dissent to the Merger as of the Business Day immediately preceding the Closing Date, setting forth the name of such Shareholders, the number of shares of Bank Stock held by such Shareholders ("**Dissenting Shares**") and the Certificate number(s) representing the shares of Bank Stock held by such Shareholders;
- (g) a resignation effective as of the Closing Date from each of the directors, and from any officers of the Bank that may be requested by Acquiror Bank, from such individual's position, as the case may be, as a director and an officer of the Bank;
- (h) a legal opinion of counsel to the Bank, dated the Closing Date, in the form attached to this Agreement as **Exhibit A**;
- (i) a certificate executed by the President and the Secretary or any Assistant Secretary of the Bank dated the Closing Date stating that: (i) all of the representations and warranties of the Bank set forth in this Agreement are true and correct in all material respects with the same force and effect as if all of such representations and warranties were made at the Closing; and (ii) the Bank has performed or complied in all material respects with all of the covenants and obligations to be performed or complied with by it under the terms of this Agreement on or prior to the Closing; *provided, however*,

that to the extent any representations and warranties, or performance and compliance with any covenants and obligations, are subject in this Agreement to a standard of Knowledge, materiality, Material Adverse Effect or similar standard, such representations and warranties shall be true and correct in all respects, and the Bank shall have performed and complied in all respects with such covenants and obligations, in each case to the extent of the Knowledge, materiality, Material Adverse Effect or similar standard set forth herein; and

(j) such other documents as Acquiror, Acquiror Bank or their counsel shall reasonably request.

All of such items shall be reasonably satisfactory in form and substance to Acquiror, Acquiror Bank and their counsel.

Section 2.8 Absence of Control. Subject to any specific provisions of this Agreement, it is the intent of the parties to this Agreement that neither Acquiror nor Acquiror Bank by reason of this Agreement or such parties' continuing due diligence shall be deemed (until consummation of the Contemplated Transactions) to control, directly or indirectly, any other party and shall not exercise, or be deemed to exercise, directly or indirectly, a controlling influence over the management or policies of any such other party.

Section 2.9 Dissenters' Rights. Any Shareholder who has properly exercised his, her or its rights as a dissenter pursuant to Section 658.44 of the Florida Statutes shall be entitled to receive the fair value of the shares of Bank Stock held by him, her or it pursuant to such provision, and upon such payment, the shares shall be cancelled.

Section 2.10 Alternative Structure. Notwithstanding anything to the contrary in this Agreement, Acquiror or Acquiror Bank may specify, for any reasonable business, Tax or regulatory purpose, that, before the Effective Time, Acquiror, Acquiror Bank and the Bank shall enter into transactions other than those described in this Agreement to effect the purposes of this Agreement, including the merger of the Bank with any Affiliate of Acquiror, and the parties to this Agreement shall take all action necessary and appropriate to effect, or cause to be effected, such transactions; *provided, however,* that no such proposed change to the structure of the Contemplated Transactions shall delay the Closing Date (if such a date has already been firmly established) by more than thirty (30) Business Days (subject to **Section 11.1(j)**) or adversely affect the economic benefits or the form of consideration to be received by the Shareholders.

Section 2.11 Second Bank Merger. The parties understand that it is the present intention of Acquiror after the Effective Time to effect a merger of the Continuing Bank with and into First American Bank, with First American Bank as the resulting bank from such merger (the "**Second Bank Merger**"). Acquiror and the Bank agree to cooperate and to take such steps as may be necessary to obtain all requisite regulatory, corporate and other approvals of the Second Bank Merger, subject to the consummation of, and to be effective as soon as practicable after, the Merger. The name of the resulting bank after the Second Bank Merger will be "First American Bank." In furtherance of such agreement, each of Acquiror and the Bank agrees:

(a) respectively, to call a meeting of the board of directors of the Bank and to use good faith Reasonable Best Efforts to obtain approval of the Second Bank Merger and, if requested by Acquiror, to submit the same to its shareholders for approval; and

(b) to take, or cause to be taken, all steps necessary to consummate the Second Bank Merger at the Effective Time or such other later time as may be chosen by Acquiror.

The Second Bank Merger shall be accomplished pursuant to a merger agreement containing such terms and conditions as are ordinary and customary for similar types of affiliated bank merger transactions. Notwithstanding anything contained in this Agreement to the contrary: (x) the Second Bank Merger will be effective no earlier than the Effective Time (and in any event after the Merger); and (y) none of the actions of Acquiror or First American Bank in connection with the Second Bank Merger will unreasonably interfere with any of the operations of the Bank prior to the Effective Time.

Article 3

Conversion of Securities in the Merger

Section 3.1 Manner of Merger. At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of Bank Stock or any of the shares of the capital stock of Acquiror Bank:

(a) Subject to the provisions of this **Article 3**, each share of Bank Stock (whether or not subject to restriction) issued and outstanding immediately prior to the Effective Time (other than Dissenting Shares, shares of Bank Stock beneficially owned by Acquiror Bank and shares of Bank Stock held in the Bank's treasury) will be converted into and constitute, as provided in this Agreement, the right to receive for each such share of Bank Stock cash, without interest, in an amount equal to the Per Share Price.

(b) From and after the Effective Time, shares of Bank Stock shall be no longer outstanding and shall automatically cease to exist, and holders of Certificates formerly representing shares of Bank Stock issued and outstanding immediately prior to the Effective Time will cease to be, and will have no rights as shareholders, other than the right to receive the Merger Consideration (or as to Dissenting Shares, such rights as provided by the Florida Statutes). After the Effective Time, there will be no transfers of shares of Bank Stock on the stock transfer books of the Bank or the Continuing Bank, and shares of Bank Stock presented to Acquiror or the Continuing Bank for any reason will be canceled and exchanged in accordance with this **Article 3**. Notwithstanding anything contained in this **Section 3.1(b)** to the contrary, at the Effective Time and by virtue of the Merger, each share of Bank Stock held in the Bank's treasury will cease to exist, and no cash or any other consideration will be issued or paid in exchange therefor.

(c) Each of the shares of the capital stock of Acquiror Bank shall be converted into 768,005 shares of common stock, par value of \$10.00 per share, of the Continuing Bank, all of which shares will be owned by Acquiror.

(d) The Continuing Bank will have capital stock of \$7,680,050, divided into 768,005 shares of common stock, par value of \$10.00 per share. As of December 31, 2013, the pro forma common stock, surplus, undivided profits and capital reserves, and other accumulated income accounts of the Continuing Bank will be as set forth on the pro forma financial statement attached hereto as **Appendix B**.

Section 3.2 Payment for Shares.

(a) The parties to this Agreement agree that First American Bank shall serve, pursuant to the terms of a paying agent agreement in the form of **Exhibit B**, as the paying agent for purposes of this Agreement (the "**Paying Agent**"). At the Effective Time, the parties shall deliver or cause to be delivered to the Paying Agent a certified copy of a list of the Shareholders.

(b) Within three (3) Business Days after the Effective Time, Acquiror shall cause the Paying Agent to mail to each Person who is identified at the Closing by the Bank as a holder of record of issued and outstanding Bank Stock, a letter of transmittal and instructions (all in such form as may be reasonably acceptable to the Bank and its counsel) for use in effecting on or after the Effective Time the surrender of Certificates which, immediately prior to the Effective Time, represented such shares (the "**Letter of Transmittal**").

(c) Upon surrender to the Paying Agent of such Certificates, together with such Letter of Transmittal, duly executed and completed in accordance with the instructions thereto, the Paying Agent shall within three (3) Business Days thereafter cause to be paid to the Persons entitled thereto a check or, if appropriate instructions are provided, a wire in the amount to which such Persons are entitled, after giving effect to any required Tax withholdings.

(d) If payment is to be made to a Person other than the registered holder of Certificates surrendered, it shall be a condition of any such payment that the Certificates so surrendered shall be properly endorsed or otherwise executed in proper form for transfer and that the Person requesting such payment shall pay any transfer or other taxes required by reason of the payment to a Person other than the registered holder of Certificates surrendered, or establish to the satisfaction of Acquiror or the Paying Agent that any such Tax has been paid or is not applicable.

(e) One hundred eighty (180) days following the Effective Time, the Paying Agent shall deliver to Acquiror a certified list of the names and addresses of all former registered holders of Bank Stock who have not then surrendered their Certificates to receive the Merger Consideration to which they are entitled, and Acquiror shall be entitled at its election to cause the Paying Agent to deliver to it any funds (including any interest received with respect thereto) made available to the Paying Agent which have not been disbursed to holders of certificates formerly representing Bank Stock and outstanding at the Effective Time. Upon the delivery of such funds to Acquiror, such holders shall be entitled to look to Acquiror only as general creditors thereof with respect to the cash payable upon due surrender of their Certificates.

(f) Except as otherwise provided herein or in the Letter of Transmittal, Acquiror shall pay all charges and expenses in connection with the payment of the Merger Consideration in exchange for Bank Stock.

(g) The Merger Consideration paid pursuant to this **Article 3** shall constitute and represent full satisfaction of all rights pertaining to such shares of Bank Stock.

(h) If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed, and the posting by such Person of a bond in such reasonable amount as Acquiror or the Paying Agent may direct as indemnity against any claim that may be made against it with respect to such Certificate, Acquiror or the Paying Agent shall, in exchange for such lost, stolen or destroyed Certificate, pay or cause to be paid the consideration deliverable in respect of the shares formerly represented by such Certificate pursuant to this **Article 3**.

Article 4

Representations and Warranties of the Bank

The Bank hereby represents and warrants to Acquiror and Acquiror Bank that the following are true and correct as of the Agreement Date, and will be true and correct as of the Effective Time:

Section 4.1 Bank Organization. The Bank is a non-member commercial bank duly organized, validly existing and in good standing under the laws of the State of Florida. The Bank has full power and authority, corporate and otherwise, to own, operate and lease its properties as presently owned, operated and leased, and to carry on its business as it is now being conducted, and is duly qualified to do business and is in good standing in each jurisdiction in which the nature of the business conducted or the properties or assets owned or leased by it makes such qualification necessary. Copies of the charter and bylaws of the Bank and all amendments thereto are set forth on **Schedule 4.1** and are complete and correct. The Bank's main office is located at 2295 Galiano Street, Coral Gables, county of Miami-Dade, in the State of Florida, and it has no branch offices or trust service offices.

Section 4.2 Authorization; Enforceability. The Bank has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by the Bank, and the consummation by the Bank of its obligations under this Agreement, has been authorized by all necessary corporate action, subject to approval by the Shareholders, and this Agreement constitutes a legal, valid and binding obligation of the Bank enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and subject to general principles of equity.

Section 4.3 No Conflict. Except as set forth on **Schedule 4.3**, neither the execution nor delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time): (a) contravene, conflict with or result in a violation of any provision of the articles of incorporation or bylaws of the Bank as in effect on the Agreement Date, or any currently effective resolution adopted by the board of directors of the Bank or the Shareholders; (b) contravene, conflict with or result in a violation of, or give any Regulatory Authority or other Person the valid and enforceable right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which the Bank, or any of its assets that are owned or used by it, may be subject, except for any contravention, conflict or violation that is permissible by virtue of obtaining the regulatory approvals necessitated by the Contemplated Transactions, including such approvals under the Federal Deposit Insurance Act, as amended (the "**FDIA**"); (c) contravene, conflict with or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate or modify any material Contract to which the Bank is a party or by which any of its assets is bound; or (d) result in the creation of any lien, charge or encumbrance upon or with respect to any of the assets owned or used by the Bank; except, in the case of each of clauses (c) and (d), where any such contravention, conflict, violation, breach, lien, charge or encumbrance would not reasonably be expected to have a Material Adverse Effect on the Bank. Except for the regulatory approvals referred to in **Section 8.1** and the requisite approval of the Shareholders, the Bank is not and will not be required to give any notice to or obtain any consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

Section 4.4 Capitalization.

(a) The authorized capital stock of the Bank currently consists, and at the Closing will consist, exclusively of 8,505,000 shares of Bank Stock, 2,434,518 shares of which are validly issued and outstanding and fully paid and nonassessable. The Bank Stock is, and will be on the Closing Date, freely transferrable and subject to no claim of right except pursuant to this Agreement and except for any encumbrances placed by Shareholders on their own shares of Bank Stock.

(b) None of the shares of Bank Stock have been issued in violation of any federal or state securities laws or any other Legal Requirement. Except as disclosed in or permitted by this Agreement or as provided on **Schedule 4.4**, since December 31, 2010, no shares of Bank Stock have been purchased, redeemed or otherwise acquired, directly or indirectly, by the Bank, and no dividends or other distributions payable in any equity securities of the Bank have been declared, set aside, made or paid to the Shareholders. None of the shares of authorized capital stock of the Bank are, nor on the Closing will they be, subject to any claim of right inconsistent with this Agreement. There are, as of the Agreement Date, no outstanding subscriptions, Contracts, conversion privileges, options, warrants, calls or other rights obligating the Bank to issue, sell or otherwise dispose of, or to purchase, redeem or otherwise acquire, any shares of capital stock of the Bank, and except as provided in this **Section 4.4** or otherwise disclosed in this Agreement, the Bank is not a party to any Contract relating to the issuance, purchase, sale or transfer of any equity securities or other securities of the Bank. The Bank does not own or have any Contract to acquire any equity securities or other securities of any Person or any direct or indirect equity or ownership interest in any other business except as set forth on **Schedule 4.4**.

Section 4.5 Financial Statements and Reports. True, correct and complete copies of the following financial statements are included in **Schedule 4.5**:

(a) audited financial statements for the Bank for the year ended December 31, 2013;
and

(b) Call Report for the Bank as of and for the period ended December 31, 2013.

Taken together, the financial statements described in clauses (a) and (b) above (collectively, and including the notes thereto, the “**Financial Statements**”) are complete and correct in all material respects, have been prepared on a basis consistent with past accounting practices and as required by applicable Legal Requirements and fairly and accurately present the financial position, assets, liabilities and results of operations of the Bank as of the respective dates thereof, and for the periods referred to therein. The Financial Statements do not include any material assets or omit to state any material liabilities, absolute or contingent, or other facts, which inclusion or omission would render the Financial Statements misleading in any material respect as of the respective dates thereof and for the periods referred to therein.

Section 4.6 Books and Records. The books of account, minute books, stock record books and other records of the Bank are complete and correct in all material respects and have been maintained in accordance with the Bank’s business practices and all applicable Legal Requirements, including the maintenance of any adequate system of internal controls required by Legal Requirements. The minute books of the Bank contain accurate and complete records in all material respects of all meetings held of, and corporate action taken by, its Shareholders, board of directors and committees of the board of directors. At the Closing, all of those books and records will be in the possession of the Bank.

Section 4.7 Title to Properties. The Bank has good and marketable title to all assets and properties, whether real or personal, tangible or intangible, that it purports to own, including all real property carried by the Bank as OREO and all available preliminary reports of title and ALTA surveys to

the real property owned by the Bank are included in **Schedule 4.7**. Except as set forth on **Schedule 4.7**, the ownership interests of the Bank in such assets and properties (excluding OREO) are not subject to any valid liens, mortgages, security interests, encumbrances or charges of any kind except: (a) as noted in the most recent Financial Statements; (b) statutory liens for Taxes not yet delinquent or being contested in good faith by appropriate Proceedings and for which appropriate reserves have been established and reflected on the Financial Statements; (c) pledges or liens required to be granted in connection with the acceptance of government deposits, granted in connection with repurchase or reverse repurchase agreements, or otherwise incurred in the Ordinary Course of Business; and (d) minor defects and irregularities in title and encumbrances that do not materially impair the use thereof for the purposes for which they are held (all of such exceptions in clauses (a) through (d) are collectively referred to as the "**Permitted Exceptions**"). Except where any failure would not reasonably be expected to have a Material Adverse Effect on the Bank, all buildings and structures owned by the Bank lie wholly within the boundaries of the real property owned or validly leased by it and do not encroach upon the property of, or otherwise conflict with the property rights of, any other Person.

Section 4.8 Leasehold Interests. The Bank, as lessee, has the right under valid and existing leases to occupy, use, possess and control any and all of the property leased by it, including the branch offices through which the Bank currently conducts its business. True and correct copies of the leases to the Bank's branch offices are included in **Schedule 4.8**.

Section 4.9 Loans; Allowance for Loan and Lease Losses.

(a) Except as set forth on **Schedule 4.9**, each loan, loan agreement, note, financing lease or other borrowing agreement, any participation therein, and any guaranty, renewal or extension thereof reflected as an asset on any of the Financial Statements or reports filed with the Regulatory Authorities (collectively, "**Bank Loans**") is evidenced by documentation that is customary and legally sufficient in all material respects and constitutes, to the Knowledge of the Bank, the legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors rights generally or equitable principles or doctrines.

(b) All Bank Loans originated or purchased by the Bank were made or purchased in accordance with the policies of the board of directors of the Bank and in the Ordinary Course of Business of the Bank. Except as set forth on **Schedule 4.9**, the Bank's interest in all Bank Loans is free and clear of any security interest, lien, encumbrance or other charge, and the Bank has complied in all material respects with all Legal Requirements relating to such Bank Loans.

(c) Except as disclosed on **Schedule 4.9**, the Bank is not a party to any Bank Loan: (i) under the terms of which the obligor is more than ninety (90) days delinquent in payment of principal or interest or in default of any other material provision as of the dates shown thereon or for which the Bank has discontinued the accrual of interest; (ii) that has been classified as "substandard," "doubtful," "loss," "other loans especially mentioned" or any comparable classifications by the Bank; (iii) that has been listed on any "watch list" or similar internal report of the Bank; (iv) that has been the subject of any notice from any obligor of adverse environmental conditions potentially affecting the value of any collateral for such Bank Loan; or (v) with respect to which the Bank is aware of potential violations of any Environmental Laws that may have occurred on the property serving as collateral for such Bank Loan or by any obligor of such Bank Loan.

(d) The Bank's ALLL reflected in the Financial Statements (including footnotes thereto) was determined on the basis of the Bank's continuing review and evaluation of the portfolio of

Bank Loans under the requirements of GAAP and Legal Requirements, was established in a manner consistent with the Bank's internal policies, and, in the reasonable judgment of the Bank, was adequate in all material respects under the requirements of GAAP and all Legal Requirements to provide for possible or specific losses, net of recoveries relating to Bank Loans previously charged-off, on outstanding Bank Loans. The Bank's ALLL as of December 31, 2013, was \$2,167,000.

(e) To the Knowledge of the Bank: (i) none of the Bank Loans is subject to any material offset or claim of offset; and (ii) the aggregate loan balances in excess of the ALLL are, based on past loan loss experience, collectible in accordance with their terms (except as limited above) and all uncollectible loans have been charged off.

Section 4.10 Undisclosed Liabilities; Adverse Changes. Except as set forth on **Schedule 4.10**, the Bank has no material liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise), except for liabilities or obligations reflected or reserved against in the Financial Statements and current liabilities incurred in the Ordinary Course of Business since the respective dates thereof. Except as set forth on **Schedule 4.10**, since the date of the latest Financial Statement, there has not been any change in the business, operations, properties, prospects, assets or condition of the Bank, and, to the Knowledge of the Bank, no event has occurred or circumstance exists, that has had or would reasonably be expected to have a Material Adverse Effect on the Bank.

Section 4.11 Taxes. Except as set forth on **Schedule 4.11**:

(a) The Bank has duly and timely filed all Tax Returns required to be filed by it on or before the Closing Date for all taxable or reporting periods ending on or before the Closing Date, and each such Tax Return is true, correct and complete in all material respects. The Bank has paid, or made adequate provision for the payment of, all Taxes (whether or not reflected in Tax Returns as filed or to be filed) due and payable by the Bank, or claimed to be due and payable by any Regulatory Authority, and is not delinquent in the payment of any Tax, except such Taxes as are being contested in good faith and as to which adequate reserves have been provided.

(b) There is no claim or assessment pending or, to the Knowledge of the Bank, Threatened against the Bank for any Taxes that it owes. No audit, examination or investigation related to Taxes paid or payable by the Bank is presently being conducted or, to the Knowledge of the Bank, Threatened by any Regulatory Authority. Except with respect to its 2013 Tax Return, the Bank is not the beneficiary of any extension of time within which to file any Tax Return, and there are no liens for Taxes (other than Taxes not yet due and payable) upon any of the Bank's assets.

(c) The Bank has delivered or made available to Acquiror and Acquiror Bank true, correct and complete copies of all Tax Returns filed with respect to the last three (3) fiscal years by the Bank and any Tax examination reports and statements of deficiencies assessed or agreed to for any such time period.

Section 4.12 Compliance with Legal Requirements. The Bank holds all licenses, certificates, permits, franchises and rights from all appropriate Regulatory Authorities necessary for the conduct of its business. Except as set forth on **Schedule 4.12**, the Bank is, and at all times since December 31, 2010, has been, in compliance with each Legal Requirement that is or was applicable to it or to the conduct or operation of its business or the ownership or use of any of their assets, except where the failure to comply would not reasonably be expected to have a Material Adverse Effect on the Bank. No event has occurred or circumstance exists that (with or without notice or lapse of time): (a) may constitute or result in a violation by the Bank of, or a failure on the part of the Bank to comply with, any Legal Requirement; or (b) may give rise to any obligation on the part of the Bank to undertake, or to bear

all or any portion of the cost of, any remedial action of any nature in connection with a failure to comply with any Legal Requirement; except, in either case, where the failure to comply or the violation would not have a Material Adverse Effect on the Bank. Except as set forth on **Schedule 4.12**, the Bank has not received, at any time since December 31, 2010, any notice or other communication (whether oral or written) from any Regulatory Authority or any other Person, nor does the Bank have any Knowledge regarding: (x) any actual, alleged, possible or potential violation of, or failure to comply with, any Legal Requirement; or (y) any actual, alleged, possible or potential obligation on the part of the Bank to undertake, or to bear all or any portion of the cost of, any remedial action of any nature in connection with a failure to comply with any Legal Requirement, except where any such violation, failure or obligation would not have a Material Adverse Effect on the Bank.

Section 4.13 Legal Proceedings; Orders.

(a) **Schedule 4.13** is a true and correct list of all Proceedings and Orders entered into, affecting or involving the Bank or any of its assets or businesses, or the Contemplated Transactions, since December 31, 2010, that have not been fully satisfied and terminated and that would reasonably be expected to have, a Material Adverse Effect on the Bank. No officer, director, agent or employee of the Bank is subject to any Order that prohibits such officer, director, agent or employee from engaging in or continuing any conduct, activity or practice relating to the business of the Bank as currently conducted.

(b) Except as set forth on **Schedule 4.13**, the Bank: (i) is not subject to any cease and desist or other Order or enforcement action issued by; (ii) is not a party to any written agreement, consent agreement or memorandum of understanding with; (iii) is not a party to any commitment letter or similar undertaking to; (iv) is not subject to any Order or directive by; (v) is not subject to any supervisory letter from; (vi) has been ordered to pay any civil money penalty, which has not been paid to; and (vii) has not adopted any policies, procedures or board resolutions at the request of, any Regulatory Authority that currently restricts in any material respect the conduct of its business, relates in any material manner to its capital adequacy, restricts its ability to pay dividends, or limits in any material manner its credit or risk management policies, its management or its business.

Section 4.14 Absence of Certain Changes and Events. Except as otherwise set forth in this Agreement or on **Schedule 4.14**, since December 31, 2012, the Bank has conducted its business only in the Ordinary Course of Business, and without limiting the foregoing with respect to each, since December 31, 2012, there has not been any:

(a) change in its authorized or issued capital stock; grant of any stock option or right to purchase shares of its capital stock; issuance of any security convertible into such capital stock or evidences of indebtedness (except in connection with customer deposits); grant of any registration rights; purchase, redemption, retirement or other acquisition by it of any shares of any such capital stock; or declaration or payment of any dividend or other distribution or payment in respect of shares of its capital stock, except as reflected on the Financial Statements;

(b) amendment to its articles of incorporation, charter or bylaws or adoption of any resolutions by its board of directors or Shareholders with respect to the same;

(c) payment or increase of any bonus, salary or other compensation to any of its Shareholders, directors, officers or employees, except for normal increases in the Ordinary Course of Business or in accordance with any then-existing Employee Benefit Plan (as defined in **Section 4.15(m)**) disclosed in the Schedules, or entry into any employment, consulting, non-competition, change in control, severance or similar Contract with any Shareholder, director, officer or employee, except for the Contemplated Transactions and except for any employment, consulting or similar agreement or

arrangement that is not terminable at will or upon thirty (30) days' notice or less, without penalty or premium;

(d) adoption, amendment (except for any amendment necessary to comply with any Legal Requirement) or termination of, or increase in the payments to or benefits under, any Employee Benefit Plan;

(e) damage to or destruction or loss of any of its assets or property, whether or not covered by insurance and where the resulting diminution in value individually or in the aggregate is greater than Two Thousand Five Hundred Dollars (\$2,500);

(f) entry into, termination or extension of, or receipt of notice of termination of any joint venture or similar agreement pursuant to any Contract or any similar transaction;

(g) except for this Agreement, entry into any new, or modification, amendment, renewal or extension (through action or inaction) of the terms of any existing, lease, Contract or license that has a term of more than one year or that involves the payment by the Bank of more than Ten Thousand Dollars (\$10,000) in the aggregate;

(h) Bank Loan or commitment to make any Bank Loan other than in the Ordinary Course of Business;

(i) Bank Loan or commitment to make, renew, extend the term or increase the amount of any Bank Loan to any Person if such Bank Loan or any other Bank Loans to such Person or an Affiliate of such Person is on the "watch list" or similar internal report of the Bank, or has been classified by the Bank or any Regulatory Authority as "substandard," "doubtful," "loss," or "other loans specially mentioned" or listed as a "potential problem loan";

(j) incurrence by it of any obligation or liability (fixed or contingent) other than in the Ordinary Course of Business;

(k) sale (other than any sale in the Ordinary Course of Business), lease or other disposition of any of its assets or properties, or mortgage, pledge or imposition of any lien or other encumbrance upon any of its material assets or properties, except: (i) for Permitted Exceptions; or (ii) as otherwise incurred in the Ordinary Course of Business;

(l) cancellation or waiver by it of any claims or rights with a value in excess of Five Thousand Dollars (\$5,000);

(m) any investment by it of a capital nature (e.g., construction of a structure or an addition to an existing structure on Bank Real Estate) exceeding Ten Thousand Dollars (\$10,000) or aggregate investments of a capital nature exceeding Twenty Thousand Dollars (\$20,000);

(n) except for the Contemplated Transactions, merger or consolidation with or into any other Person, or acquisition of any stock, equity interest or business of any other Person;

(o) transaction for the borrowing or loaning of monies, or any increase in any outstanding indebtedness, other than in the Ordinary Course of Business;

(p) material change in any policies and practices with respect to liquidity management and cash flow planning, marketing, deposit origination, lending, budgeting, profit and Tax

planning, accounting or any other material aspect of its business or operations, except for such changes as may be required in the opinion of the management of the Bank, as applicable, to respond to then-current market or economic conditions or as may be required by any Regulatory Authorities;

(q) filing of any applications for additional branches, opening of any new office or branch, closing of any current office or branch, or relocation of operations from existing locations;

(r) discharge or satisfaction of any material lien or encumbrance on its assets or repayment of any material indebtedness for borrowed money, except for obligations incurred and repaid in the Ordinary Course of Business;

(s) entry into any Contract or agreement to buy, sell, exchange or otherwise deal in any assets or series of assets, including any investment securities, in a single transaction in excess of Ten Thousand Dollars (\$10,000) in aggregate value;

(t) purchase or other acquisition of any investments, direct or indirect, in any derivative securities, financial futures or commodities or entry into any interest rate swap, floors and option agreements, or other similar interest rate management agreements;

(u) hiring of any employee with an annual salary in excess of Twenty Thousand Dollars (\$20,000), except for employees at will who are hired to replace employees who have resigned or whose employment has otherwise been terminated; or

(v) agreement, whether oral or written, by it to do any of the foregoing.

Section 4.15 Properties, Contracts and Employee Benefit Plans. Except for Contracts evidencing Bank Loans made by the Bank in the Ordinary Course of Business, **Schedule 4.15** lists or describes the following with respect to the Bank:

(a) all interests in real property owned by it, including OREO (the "**Bank Real Estate**"), and the principal buildings and structures located thereon, together with the address of such real estate, and each lease of real property to which it is a party, identifying the parties thereto, the annual rental payable, the expiration date thereof and a brief description of the property covered, and in each case of either owned or leased real property, the proper identification, if applicable, of each such property as a branch or main office or other office;

(b) all loan and credit agreements, conditional sales Contracts or other title retention agreements or security agreements relating to money borrowed by it, exclusive of deposit agreements with customers of the Bank entered into in the Ordinary Course of Business, agreements for the purchase of federal funds and repurchase agreements;

(c) each Contract that involves performance of services or delivery of goods or materials by it of an amount or value in excess of Five Thousand Dollars (\$5,000);

(d) each Contract that was not entered into in the Ordinary Course of Business and that involves expenditures or receipts of it in excess of Five Thousand Dollars (\$5,000);

(e) each Contract not referred to elsewhere in this **Section 4.15** that: (i) relates to the future purchase of goods or services that materially exceeds the requirements of its business at current levels or for normal operating purposes; or (ii) has a Material Adverse Effect on the Bank;

(f) each lease, rental, license, installment and conditional sale agreement and other Contract affecting the ownership of, leasing of, title to or use of, any personal property, except personal property leases and installment and conditional sales agreements having aggregate payments of less than Five Thousand Dollars (\$5,000);

(g) each licensing agreement or other Contract with respect to patents, trademarks, copyrights, or other intellectual property (collectively, "**Intellectual Property Assets**"), including agreements with current or former employees, consultants or contractors regarding the appropriation or the nondisclosure of any of its Intellectual Property Assets;

(h) each collective bargaining agreement and other Contract to or with any labor union or other employee representative of a group of employees;

(i) each joint venture, partnership and other Contract (however named) involving a sharing of profits, losses, costs or liabilities by it with any other Person;

(j) each Contract containing covenants that in any way purport to restrict, in any material respect, the business activity of the Bank or limit, in any material respect, the ability of the Bank to engage in any line of business or to compete with any Person;

(k) each Contract providing for payments to or by any Person based on sales, purchases or profits, other than direct payments for goods;

(l) the name and annual salary of each director and executive officer of the Bank, and the profit sharing, bonus or other form of compensation (other than salary) paid or payable by the Bank to or for the benefit of each such Person in question for the year ended December 31, 2010, and for the current year, and any employment agreement, consulting agreement, non-competition, severance or change in control agreement or similar arrangement or plan with respect to each such Person;

(m) each "employee benefit plan" (as defined in Section 3(3) of ERISA), compensation, employment, profit sharing, group insurance, hospitalization, stock option and other equity and equity-like, pension, retirement, bonus, severance, change in control, deferred compensation, stock bonus, stock purchase, employee stock ownership and other employee welfare and benefit agreement, plan or arrangement, and each related trust or other agreement with any custodian or any trustee for funds held thereunder, for which the Bank has or may have any liability, including by reason of having an ERISA Affiliate (collectively, "**Employee Benefit Plans**");

(n) the name of each Person who is or would be entitled pursuant to any Contract or Employee Benefit Plan to receive any payment from the Bank as a result of the consummation of the Contemplated Transactions (including any payment that is or would be due as a result of any actual or constructive termination of a Person's employment or position following such consummation) and the maximum amount of such payment;

(o) each Contract entered into other than in the Ordinary Course of Business that contains or provides for an express undertaking by the Bank to be responsible for consequential damages;

(p) each Contract for capital expenditures in excess of Ten Thousand Dollars (\$10,000);

(q) each warranty, guaranty or other similar undertaking with respect to contractual performance extended by the Bank other than in the Ordinary Course of Business; and

(r) each amendment, supplement and modification in respect of any of the foregoing.

Copies of each document, plan or Contract listed and described on **Schedule 4.15** are attached to such Schedule.

Section 4.16 No Defaults. Except as set forth on **Schedule 4.16**, each Contract identified or required to be identified on **Schedule 4.15** is in full force and effect and is valid and enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and subject to general principles of equity. The Bank is, and at all times since December 31, 2010, has been, in full compliance with all applicable terms and requirements of each Contract under which the Bank has or had any obligation or liability or by which the Bank or any asset owned or used by it is or was bound, except where the failure to be in full compliance would not reasonably be expected to have a Material Adverse Effect on the Bank. To the Knowledge of the Bank, each other Person that has or had any obligation or liability under any such Contract under which the Bank has or had any rights is, and at all times since December 31, 2010, has been, in full compliance with all applicable terms and requirements of such Contract, except where the failure to be in full compliance would not reasonably be expected to have a Material Adverse Effect on the Bank. No event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with or result in a material violation or breach of, or give the Bank or other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate or modify, any Contract. Except in the Ordinary Course of Business with respect to any Bank Loan, the Bank has not given to or received from any other Person, at any time since December 31, 2010, any notice or other communication (whether oral or written) regarding any actual, alleged, possible or potential violation or breach of, or default under, any Contract, that has not been terminated or satisfied prior to the Agreement Date. Other than in the Ordinary Course of Business in connection with workouts and restructured loans, there are no renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate, any material amounts paid or payable to the Bank under current or completed Contracts with any Person and no such Person has made written demand for such renegotiation.

Section 4.17 Insurance. **Schedule 4.17** lists the policies and material terms of insurance (including bankers' blanket bond and insurance providing benefits for employees) owned or held by the Bank on the Agreement Date. Each policy is in full force and effect (except for any expiring policy which is replaced by coverage at least as extensive). All premiums due on such policies have been paid in full.

Section 4.18 Compliance with Environmental Laws. There are no actions, suits, investigations, liabilities, inquiries, Proceedings or Orders involving the Bank or any of its assets that are pending or, to the Knowledge of the Bank, Threatened, nor to the Knowledge of the Bank is there any factual basis for any of the foregoing, as a result of any asserted failure of the Bank, or any predecessor thereof, to comply with any federal, state, county and municipal law, including any statute, regulation, rule, ordinance, Order, restriction and requirement, relating to underground storage tanks, petroleum products, air pollutants, mold, water pollutants or process waste water or otherwise relating to the environment or toxic or hazardous substances or to the manufacture, processing, distribution, use, recycling, generation, treatment, handling, storage, disposal or transport of any hazardous or toxic substances or petroleum products (including polychlorinated biphenyls, whether contained or uncontained, and asbestos-containing materials, whether friable or not), including, the Federal Solid Waste Disposal Act, the Hazardous and Solid Waste Amendments, the Federal Clean Air Act, the Federal Clean Water Act, the Occupational Health and Safety Act, the Federal Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Federal Comprehensive Environmental Response,

Compensation and Liability Act of 1980 and the Superfund Amendments and Reauthorization Act of 1986, all as amended, and regulations of the Environmental Protection Agency, the Nuclear Regulatory Agency and any state department of natural resources or state environmental protection agency now or at any time hereafter in effect (collectively, the “**Environmental Laws**”). No environmental clearances or other governmental approvals are required for the conduct of the business of the Bank or the consummation of the Contemplated Transactions. To the Knowledge of the Bank, it is not the owner of any interest in real estate on which any substances have been used, stored, deposited, treated, recycled or disposed of, which substances if known to be present on, at or under such property, would require clean-up, removal or some other remedial action under any Environmental Law.

Section 4.19 Employee Matters.

(a) **Schedule 4.19** includes copies of: (i) all documents that set forth the terms of each Employee Benefit Plan, including all plan documents, summary plan descriptions, and other summaries and descriptions furnished to participants and beneficiaries; (ii) the most recent IRS determination or opinion letter and any pending request for a determination or opinion letter with respect to any Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code; (iii) all personnel, payroll and employment manuals and policies; (iv) a written description of any Employee Benefit Plan that is not otherwise in writing; (v) all registration statements filed with respect to any Employee Benefit Plan; (vi) all insurance policies purchased by or to provide benefits under any Employee Benefit Plan; (vii) all reports submitted within three (3) years preceding the Agreement Date by third party administrators, actuaries, investment managers, trustees, consultants, or other independent contractors with respect to any Employee Benefit Plan; (viii) the Form 5500 filed in each of the most recent three (3) plan years with respect to each Employee Benefit Plan, including all schedules thereto and the opinions of independent accountants; (ix) all notices that were given by the Bank or an ERISA Affiliate or any Employee Benefit Plan to the Internal Revenue Service (the “**IRS**”) or any participant or beneficiary, pursuant to statute, within the three (3) years preceding the Agreement Date, including notices that are expressly mentioned elsewhere in this **Section 4.19**; (x) all correspondence from any governmental body regarding any Employee Benefit Plan within the three (3) years preceding the Agreement Date; and (xi) notice of any Employee Benefit Plan that meets or purports to meet the requirements of Section 401(a) of the Code.

(b) **Schedule 4.19** sets forth the financial cost of all obligations owed under any Employee Benefit Plan that is not subject to the disclosure and reporting requirements of ERISA.

(c) All Employee Benefit Plans comply in form and in operation in all material respects with all applicable requirements of the Code and ERISA and other applicable Legal Requirements, including the Consolidated Omnibus Budget Reconciliation Act of 1985, Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Health Insurance Portability and Accountability Act of 1996, and the American Jobs Creation Act of 2004, in each case as amended. All “employee pension benefit plans,” within the meaning of Section 3(2) of ERISA, maintained by the Bank and which are intended to meet the qualification requirements of Section 401(a) of the Code have met such requirements at all times and have been and continue to be tax exempt under Section 501(a) of the Code, and a favorable determination as to the qualification under the Code of each such plan and each amendment thereto has been made by the IRS. The Bank has not: (i) become subject to any disallowance of deductions under Sections 419 or 419A of the Code; (ii) incurred any liability for excise tax under Sections 4972, 4975, or 4976 of the Code or any liability or penalty under ERISA; or (iii) breached any of the duties or failed to perform any of the obligations imposed upon the fiduciaries or plan administrators under Title I of ERISA.

(d) The Bank would not have any liability or contingent liability (including the payment by the Bank of premiums for health care coverage for active employees or retirees) if any Employee Benefit Plan were terminated or if the Bank were to cease its participation therein. Neither the Bank nor any ERISA Affiliates or Persons acting on its behalf have made any written or oral promises or statements to employees or retirees who are now living which might reasonably have been construed by them as promising "lifetime" or other vested rights to benefits under any Employee Benefit Plan that cannot be unilaterally terminated or modified by the Bank or the applicable ERISA Affiliate at its discretion at any time without further obligation.

(e) On a timely basis, the Bank and the ERISA Affiliates have made all contributions or payments to or under each Employee Benefit Plan as required pursuant to each such Employee Benefit Plan, any collective bargaining agreements or other provision for reserves to meet contributions and payments under such Employee Benefit Plans which have not been made because they are not yet due.

(f) Except as set forth on **Schedule 4.19**, no Employee Benefit Plan has ever acquired or held any "employer security" or "employer real property" (each as defined in Section 407(d) of ERISA).

(g) Neither the Bank nor any ERISA Affiliate has any liability under any "multiemployer plan" (as defined in Section 3(37) of ERISA). No Employee Benefit Plan is or has been subject to Title IV of ERISA or Section 412 of the Code.

(h) Neither the Bank nor any ERISA Affiliate provides or is obligated to provide health or welfare benefits to any current or future retired or former employee other than any benefits required to be provided under such Act.

(i) There are no pending audits or investigations by any governmental agency involving the Employee Benefit Plans and no Threatened or pending claims (except for individual claims for benefits payable in the normal operation of the Employee Benefit Plans), suits or proceedings involving any Employee Benefit Plan, any fiduciary thereof or service provider thereto, nor is there any reasonable basis for any such claim, suit or proceeding.

(j) Since December 31, 2010, there has been no amendment to, announcement by the Bank or any ERISA Affiliate relating to, or change in employee participation or coverage under, any Employee Benefit Plan which would increase materially the expense of maintaining such Employee Benefit Plan above the level of the expense incurred therefor for the most recent fiscal year, except for increases directly resulting from an increase in the number of Persons employed by the Bank or promotions of existing employees in the ordinary course of business consistent with past practice.

(k) Each Employee Benefit Plan that is subject to Section 409A of the Code in whole or in part has been at all times administered to comply in all material respects with the requirements of Section 409A of the Code and has been amended to be in documentary compliance with all applicable provisions of Section 409A of the Code.

(l) No transaction prohibited by ERISA Section 406 and no "prohibited transaction" under Section 4975(c) of the Code has occurred with respect to any Employee Benefit Plan.

(m) There is no unfunded liability under any Employee Benefit Plan.

(n) Neither the Bank nor any ERISA Affiliate has ever established or contributed to, or had an obligation to contribute to, any "voluntary employees' beneficiary association" (as described in

Section 501(c)(9) of the Code), any organization or trust described in Sections 501(c)(17) or Section 501(c)(20) of the Code, or any welfare benefit fund as defined in Section 419(e) of the Code.

(o) The consummation of the Contemplated Transactions will not result in the payment, vesting or acceleration of any benefit under any Employee Benefit Plan or other Contract to which the Bank is a party.

(p) As of the Agreement Date, the Bank employs twenty-one (21) full-time employees and two (2) part-time employees.

(q) To the Knowledge of the Bank, no executive-level employee of the Bank intends to terminate employment with the Bank or is otherwise likely to become unavailable to continue as an executive-level employee, nor does the Bank have a present intention to terminate the employment of any of the foregoing.

(r) None of the employees of the Bank or any of its Affiliates is represented in his or her capacity as an employee of the Bank or any of its Affiliates by any labor organization and neither the Bank nor any of its Affiliates has recognized any labor organization nor has any labor organization been elected as the collective bargaining agent of any employees. Neither the Bank nor any of its Affiliates has experienced or been threatened with any strike, slow down, work stoppage or material grievance, claim of unfair labor practices, or other collective bargaining dispute within the past three (3) years. Neither the Bank nor any of its Affiliates has committed any unfair labor practice. To the Knowledge of the Bank, no organizational effort is presently being made or threatened by or on behalf of any labor union with respect to employees of the Bank or its Affiliates.

(s) The Bank and each of its Affiliates has complied, and is currently in compliance, in all respects, with all applicable foreign, federal, state and local laws relating to employment and the environment of labor, including those related to wages, hours, collective bargaining, withholding, collection and payment of social security, termination of employment, unemployment compensation and similar payroll taxes, equal pay, workers' compensation, occupational health and safety, immigration, payment of overtime and the classification of employees as overtime eligible and overtime exempt, fair labor standards, discrimination on the basis of race, age, sex, religion, color, national origin, disability and other classifications protected by federal, state and local laws.

Section 4.20 Regulatory Filings. The Bank has filed in a timely manner all required filings with all Regulatory Authorities, including the FDIC and the OFR. All such filings were accurate and complete in all material respects as of the dates of the filings, and no such filing has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

Section 4.21 Indemnification Claims. No action or failure to take action by any director or executive officer, or, to the Knowledge of the Bank, any employee or agent of the Bank has occurred that may give rise to a claim or a potential claim by any such Person for indemnification against the Bank under any Contract with, or the corporate indemnification provisions of, the Bank, or under any Legal Requirements.

Section 4.22 Insider Interests. Except as set forth on **Schedule 4.22**, no officer or director of the Bank, any member of the Family of any such Person and no entity that any such Person "controls" within the meaning of Regulation O promulgated by the Federal Reserve has any loan, deposit account or any other agreement with the Bank or any interest in any material property (whether real, personal or mixed or tangible or intangible) used in or pertaining to the business of the Bank.

Section 4.23 Brokerage Commissions. Except as set forth on **Schedule 4.23**, none of the Bank or any of its Representatives has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement or the Contemplated Transactions.

Section 4.24 Approval Delays. To the Knowledge of the Bank, there is no reason why the granting of any of the regulatory approvals referred to in **Section 8.1** would be denied or unduly delayed. The Bank's most recent CRA rating is "satisfactory" or better.

Section 4.25 Code Sections 280G, 409A and 4999. There is no payment that is owed or may become due to any director, officer, employee or agent of the Bank that will be non-deductible to the Bank (or, following the Merger, Acquiror, Acquiror Bank or the Continuing Bank) or subject to Tax under Sections 280G, 409A or 4999 of the Code, nor will the Bank (or, following the Merger, Acquiror Bank or the Continuing Bank) be required to "gross up" or otherwise compensate any such Person because of the imposition of any Tax, including any excise tax, on a payment to such Person. Except to the extent required under Section 601 *et seq.* of ERISA and Section 4980B of the Code, the Bank does not provide, nor is it required to provide, health or welfare benefits to any active employee following such employee's retirement or other termination of service.

Section 4.26 Disclosure. Neither any representation nor warranty of the Bank in, nor any Schedule to, this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading. No notice given pursuant to **Section 6.7** will contain any untrue statement or omit to state a material fact necessary to make the statements therein or in this Agreement, in light of the circumstances under which they were made, not misleading.

Article 5

Representations and Warranties of Acquiror and Acquiror Bank

Acquiror or Acquiror Bank, as the case may be, hereby represents and warrants to the Bank that the following are true and correct as of the Agreement Date, and will be true and correct as of the Effective Time:

Section 5.1 Acquiror Organization. Acquiror is a Delaware corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Acquiror has full power and authority, corporate and otherwise, to own, operate and lease its properties as presently owned, operated and leased, and to carry on its business as it is now being conducted, and is duly qualified to do business and in good standing in each jurisdiction in which the nature of the business conducted or the properties or assets owned or leased by it makes such qualification necessary.

Section 5.2 Acquiror Bank Organization. Acquiror Bank is a Florida-chartered, non-member bank in formation. Acquiror Bank's anticipated main office will be located at 2295 Galiano Street, Coral Gables, county of Miami-Dade, in the State of Florida, and it will have has no branch offices or trust service offices.

Section 5.3 Authorization; Enforceability. Each of Acquiror and Acquiror Bank has the requisite power and authority to enter into and, subject to receipt of the necessary regulatory approvals, perform its obligations under this Agreement. The Incorporator has approved the execution of and performance of Acquiror Bank's obligations under this Agreement. The execution, delivery and performance of this Agreement by Acquiror and Acquiror Bank and the consummation of each of their obligations under this Agreement, have been authorized by all necessary actions, and this Agreement

constitutes a legal, valid and binding obligation enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and subject to general principles of equity.

Section 5.4 No Conflict. Neither the execution nor delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time) contravene, conflict with or result in a violation of any provision of the certificate of incorporation, charter or bylaws, each as in effect on the Agreement Date, or any currently effective resolution adopted by the board of directors, shareholders or Incorporator, as appropriate, of, Acquiror or Acquiror Bank. Each of Acquiror and Acquiror Bank is not, or will not be, required to give any notice to or obtain any consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions except such approvals of the Federal Reserve, the OFR or the FDIC that are or may be required by law or regulation to consummate the Contemplated Transactions.

Section 5.5 Brokerage Commissions. None of Acquiror, Acquiror Bank or any of their Representatives has incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement or the Contemplated Transactions.

Section 5.6 Disclosure. Neither any representation nor warranty of Acquiror or Acquiror Bank in this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading. No notice given pursuant to **Section 7.1** will contain any untrue statement or omit to state a material fact necessary to make the statements therein, or in this Agreement, in light of the circumstances in which they were made, not misleading.

Section 5.7 Approval Delays. To the Knowledge of Acquiror and Acquiror Bank, there is no reason why the granting of any of the regulatory approvals referred to in **Section 8.1** would be denied or unduly delayed.

Article 6

Covenants of the Bank

Section 6.1 Access and Investigation.

(a) Acquiror, Acquiror Bank and their Representatives shall, at all times during normal business hours and with reasonable advance notice prior to the Closing, have full and continuing access to the facilities, operations, records and properties of the Bank in accordance with the provisions of this **Section 6.1**. Acquiror, Acquiror Bank and their Representatives may, prior to the Closing, make or cause to be made such reasonable investigation of the operations, records and properties of the Bank and of its financial and legal condition as Acquiror and Acquiror Bank shall deem necessary or advisable to familiarize itself with such records, properties and other matters; *provided, however*, that such access or investigation shall not interfere unnecessarily with the normal operations of the Bank. Upon request, the Bank will furnish Acquiror, Acquiror Bank or their Representatives attorneys' responses to auditors' requests for information regarding the Bank, and such financial and operating data and other information reasonably requested by Acquiror or Acquiror Bank (*provided*, with respect to attorneys, such disclosure would not result in the waiver by the Bank of any claim of attorney-client privilege), and will permit Acquiror, Acquiror Bank and their Representatives to discuss such information directly with any individual or firm performing auditing or accounting functions for the Bank, and such auditors and accountants shall be directed to furnish copies of any reports or financial information as developed to

Acquiror, Acquiror Bank or their Representatives. No investigation by Acquiror, Acquiror Bank or any of their Representatives shall affect the representations and warranties made by the Bank. This **Section 6.1** shall not require the disclosure of any information the disclosure of which to Acquiror or Acquiror Bank would be prohibited by any Legal Requirement.

(b) The Bank shall give reasonable notice to Acquiror and Acquiror Bank of all meetings of the board of directors and committees of the board of directors of the Bank, including any meeting of the loan committee and asset liability management committee of the Bank and, if known, the agenda for or business to be discussed at such meeting. The Bank shall provide to Acquiror and Acquiror Bank, within a reasonable time prior to any such meeting, all information provided to the directors on all such boards or members of such committees in connection with all such meetings or otherwise provided to the directors or members, and shall provide any other financial reports or other analysis prepared for senior management of the Bank and, following such meeting, copies of any minutes or materials created as a result of such meeting. Notwithstanding anything to the contrary contained herein, the Bank shall not be required to provide any information which is privileged or is subject to any restriction on disclosure. All information obtained by Acquiror or Acquiror Bank in connection with these meetings shall be treated in confidence. Notwithstanding the foregoing, the Bank shall not be required to provide Acquiror or Acquiror Bank with any materials: (i) in violation of applicable law or orders, decrees or determinations of any Regulatory Agency; (ii) relating to this Agreement and the Contemplated Transactions; (iii) relating to an Acquisition Transaction (as defined in **Section 6.8(c)**); (iv) that the board of directors of the Bank reasonably believes would conflict with its fiduciary or regulatory requirements under applicable law; or (v) in any case where the Bank has been advised by counsel that Acquiror's or Acquiror Bank's receipt of such materials would result in a waiver of the Bank's attorney-client privilege.

Section 6.2 Operation of the Bank. Except with the prior written consent of Acquiror (which shall not be unreasonably withheld or conditioned), between the Agreement Date and the Closing, the Bank will:

(a) conduct its business only in the Ordinary Course of Business and in compliance with all Legal Requirements, and continue to make all normal expenditures and incur all regular expenses necessary to continue the Bank's business, consistent with past practice;

(b) use its Reasonable Best Efforts to preserve intact its current business organization, keep available the services of its current officers, employees and agents, and maintain the goodwill of its suppliers, customers, landlords, creditors, employees, agents and others who have business relationships with it, and, in connection therewith, permit representatives of Acquiror Bank to hold meetings or discussions with officers and employees of the Bank in connection with employment opportunities after the Effective Time with the Continuing Bank;

(c) confer with Acquiror and Acquiror Bank concerning operational matters of a material nature;

(d) enter into loan transactions only in accordance with sound credit practices and only on terms and conditions that are not materially more favorable than those available to the borrower from competitive sources in arm's-length transactions, and in connection therewith, from the Agreement Date to the Closing, shall not:

(i) enter into any new credit or new lending relationships in excess of One Hundred Thousand Dollars (\$100,000) with any Person and such Person's Borrowing Affiliate (as defined below), excluding commitments outstanding on the Agreement Date and the renewal of any existing credits; or

(ii) other than incident to a reasonable loan restructuring, extend additional credit to any Person and any director or officer of, or any owner of a Material Interest in, such Person (any of the foregoing with respect to a Person being referred to as a “**Borrowing Affiliate**”) if such Person or such Borrowing Affiliate is the obligor under any indebtedness to the Bank which constitutes a non-performing loan or against any part of such indebtedness the Bank has established loss reserves or any part of which has been charged-off by the Bank;

(e) consistent with past practice, maintain an allowance for possible loan and lease losses which is adequate in all material respects under the requirements of GAAP to provide for possible losses, net of recoveries relating to loans previously charged off, on loans outstanding (including accrued interest receivable), and charge-off any loans or leases that would be deemed uncollectible in accordance with GAAP or any Legal Requirements and place on non-accrual any loans or leases that are past due greater than ninety (90) days;

(f) maintain all of its assets necessary for the conduct of its business in good operating condition and repair, reasonable wear and tear and damage by fire or unavoidable casualty excepted, and maintain policies of insurance upon its assets and with respect to the conduct of its business in amounts and kinds comparable to that in effect on the Agreement Date and pay all premiums on such policies when due;

(g) not buy or sell any security held, or intended to be held, for investment not in accordance with the current investment policy of the Bank;

(h) not declare or pay any dividends or make any other similar distributions of cash or property to any of the Bank’s directors, officers, employees or Shareholders, other than regular salary or other earned compensation;

(i) file in a timely manner all required filings with all Regulatory Authorities and cause such filings to be true and correct in all material respects;

(j) record and carry on its books and records the net realizable value of other real estate owned, with such value to be supported by reasonable documentation of the same;

(k) maintain its books, accounts and records in the Ordinary Course of Business, on a basis consistent with prior years;

(l) materially comply with all Legal Requirements and Contracts; and

(m) report periodically to Acquiror and Acquiror Bank concerning the status of its business, operations and finances.

Acquiror shall respond to any request by the Bank in connection with the foregoing within five (5) Business Days of receiving such request and, if Acquiror does not object to such request within five (5) Business Days, Acquiror shall be deemed to have consented to the Bank’s request. Notwithstanding anything else contained in this Agreement to the contrary, any request made by the Bank pursuant to this **Section 6.2** must be made by facsimile transmission or overnight delivery.

Section 6.3 Negative Covenant. Except as otherwise expressly permitted by this Agreement, and in addition to the covenants in **Section 6.2**, between the Agreement Date and the Closing, the Bank will not, without the prior written consent of Acquiror Bank, take any affirmative action, or fail to take any reasonable action within its control, as a result of which any of the changes or events listed in

Section 4.14 is likely to occur. In addition, the Bank shall not take any actions outside its Ordinary Course of Business to increase income or Tangible Shareholders' Equity except through normal banking operations, consistent with past practice

Section 6.4 Subsequent Financial Statements. As soon as reasonably available after the Agreement Date, the Bank will deliver to Acquiror copies of: (a) monthly unaudited financial statements of the Bank that are provided to the management and directors of the Bank; (b) the Call Reports of the Bank for each quarterly or annual period completed after the Agreement Date; and (c) all other financial reports or statements submitted after the Agreement Date by the Bank to any Regulatory Authority, to the extent permitted by law (collectively, the "**Subsequent Financial Statements**"). Except as may be required by changes in any Legal Requirements effective after the Agreement Date, the Subsequent Financial Statements shall be prepared on a basis consistent with GAAP and shall fairly present in all material respects the financial condition and results of operations for the dates and periods presented. The Subsequent Financial Statements will not include any material assets or omit to state any material liabilities, absolute or contingent, or other facts, which inclusion or omission would render such Subsequent Financial Statements misleading in any material respect.

Section 6.5 Title to Real Estate; Surveys. If the Bank acquires any real property, including OREO, on or after the Agreement Date and receives, in the Ordinary Course of Business or otherwise, a preliminary report of title and ALTA survey to such real property, the Bank shall promptly provide Acquiror and Acquiror Bank with copies of such reports of title and ALTA surveys prior to Closing.

Section 6.6 Environmental Investigation.

(a) Acquiror and Acquiror Bank may, in their discretion, at any time following the Agreement Date, require the Bank to provide at the Bank's expense a Phase I environmental site assessment for any interest in real property, including OREO, acquired by the Bank after the Agreement Date (each a "**Phase I Report**") conducted by an independent professional consultant reasonably acceptable to Acquiror or to determine if any real property in which the Bank acquires any interest after the Agreement contains or gives evidence of any adverse environmental condition or any violations of Environmental Laws on any such property. If a Phase I Report discloses any violations or adverse environmental conditions, or reports a reasonable suspicion thereof, then the Bank shall promptly obtain a Phase II environmental report with respect to any affected property which report shall contain an estimate of the cost of any remediation or other follow-up work that may be necessary to address those violations or conditions in accordance with applicable laws and regulations (each a "**Phase II Report**," and collectively referred to with the associated Phase I Report, an "**Environmental Report**"). Acquiror and Acquiror Bank shall have no duty to act upon any information produced by an Environmental Report for the benefit of the Bank or any other Person, but shall provide such information to the Bank as soon as practicable after such information becomes available to Acquiror and Acquiror Bank.

(b) Upon receipt of the estimate of the costs of all follow-up work to an Environmental Report, Acquiror Bank and the Bank shall attempt to agree upon a course of action for remediation of any adverse environmental condition or violation suspected, found to exist, or that would tend to be indicated by an Environmental Report. The estimated total cost for completing all necessary work plans or removal or remediation actions is referred to collectively as the "**Remediation Cost**." If the aggregate Remediation Cost for the total parcels of property in which the Bank acquires an interest after the Agreement Date exceeds One Hundred Thousand Dollars (\$100,000), Acquiror and Acquiror Bank may, at their sole option, terminate this Agreement. In any event, the Remediation Cost shall be taken into account in calculating the Bank's net income or loss for purposes of **Section 1.1(aa)** and the Tangible Shareholders' Equity.

Section 6.7 Advice of Changes. Between the Agreement Date and the Closing Date, the Bank shall promptly notify Acquiror in writing if the Bank becomes aware of any fact or condition that causes or constitutes a Breach of any of the representations and warranties of the Bank as of the Agreement Date, or if the Bank becomes aware of the occurrence after the Agreement Date of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a Breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. If any such fact or condition would require any change in the Schedules if the Schedules were dated the date of the occurrence or discovery of any such fact or condition, the Bank will promptly deliver to Acquiror a supplement to the Schedules specifying such change. During the same period, the Bank will promptly notify Acquiror of the occurrence of any Breach of any covenant of the Bank in this Agreement or of the occurrence of any event that might reasonably be expected to make the satisfaction of the conditions in **Article 9** impossible or unlikely.

Section 6.8 Other Offers.

(a) Until such time, if any, as this Agreement is terminated pursuant to **Article 11**, the Bank will not directly or indirectly solicit, initiate or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any unsolicited inquiries or proposals from, any Person (other than Acquiror or Acquiror Bank) relating to any Acquisition Transaction (as defined below). Notwithstanding such foregoing restriction, the Bank may provide information at the request of, or enter into negotiations with, a third party with respect to an Acquisition Transaction if the board of directors of the Bank determines, in good faith, that the taking of such actions is reasonably necessary for it to comply with its fiduciary duties to its shareholders under applicable law, as advised by its counsel, and, *provided further*, that the Bank may not, in any event, provide to such third party any information which it has not provided (or does not simultaneously provide) to Acquiror and Acquiror Bank. The Bank shall promptly notify Acquiror and Acquiror Bank orally and in writing in the event it receives any such inquiry or proposal and shall provide reasonable detail of all relevant facts relating to such inquiries.

(b) Subject to **Section 11.1** and **Section 11.3**, if the board of directors of the Bank determines in good faith after consultation with its outside legal counsel and financial advisors that the failure to accept an Acquisition Transaction is inconsistent with its fiduciary obligations to the Shareholders under applicable law, the board of directors of the Bank may at any time change its recommendation to the Shareholders to approve this Agreement or terminate this Agreement to enter into a definitive agreement with respect to such Acquisition Transaction.

(c) “**Acquisition Transaction**” means with respect to the Bank any of the following: (i) a merger or consolidation, or any similar transaction (other than the Merger) of any Person with the Bank; (ii) a purchase, lease or other acquisition of all or substantially all the assets of the Bank; (iii) a purchase or other acquisition of “beneficial ownership” by any “person” or “group” (as such terms are defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) (including by way of merger, consolidation, share exchange or otherwise) that would cause such person or group to become the beneficial owner of securities representing twenty percent (20%) or more of the voting power of the Bank; (iv) a tender or exchange offer to acquire securities representing twenty percent (20%) or more of the voting power of the Bank; (v) a public proxy or consent solicitation made to the Shareholders seeking proxies in opposition to any proposal relating to any aspect of the Contemplated Transactions that has been recommended by the board of directors of the Bank; (vi) the filing of an application or notice with any Regulatory Authority (which application has been accepted for processing) seeking approval to engage in one or more of the transactions referenced in clauses (i) through (iv) above; or (vii) the making of a *bona fide* proposal to the Shareholders or the Bank, by public announcement or written

communication, that is or becomes the subject of public disclosure, to engage in one or more of the transactions referenced in clauses (i) through (v) above.

Section 6.9 Data and Item Processing Agreements. The Bank agrees to consult with Acquiror and Acquiror Bank prior to the entry by it by either action or inaction into any new, or any extension of any existing, data or item processing agreements. The Bank agrees to coordinate with Acquiror and Acquiror Bank the negotiation of any new or extension of any existing data or item processing agreement with the purpose of achieving the best possible economic and business result in light of the Merger, and the Bank further agrees to use its Reasonable Best Efforts to reduce to the extent possible the aggregate amount of any cancellation fees resulting from the termination or failure to renew by the Bank of any data or item processing agreements. For the sake of clarity, the parties hereto acknowledge and agree that any cancellation and data conversion fees due and owing as a result of the Contemplated Transactions shall be included in the Transactional Expenses.

Section 6.10 Accounting and Other Adjustments. The Bank agrees that it shall, upon receipt of a request from Acquiror or Acquiror Bank : (a) make any accounting adjustments or entries to its books of account and other financial records; (b) make additional provisions to any ALLL; (c) sell or transfer any investment securities held by it; (d) charge-off any loan or lease; (e) create any new reserve account or make additional provisions to any other existing reserve account; (f) make changes in any accounting method; (g) accelerate, defer or accrue any anticipated obligation, expense or income item; and (h) make any other adjustments that would affect the financial reporting of Acquiror or the Continuing Bank after the Effective Time; *provided, however*, that, unless otherwise specified in this Agreement, the Bank shall not be obligated to take any such requested action until immediately prior to the Closing; and *provided further*, that none of the actions taken by the Bank if taken solely in compliance with this **Section 6.10** will be taken into account in calculating the Bank's net income or loss or the Tangible Shareholders' Equity.

Section 6.11 Consents; Third Party Approvals. As soon as practicable after the Agreement Date, the Bank shall use its Reasonable Best Efforts to obtain the approvals listed on **Schedule 4.3**.

Section 6.12 Voting Agreements. Concurrently with the execution and delivery of this Agreement, the Bank shall enter into and deliver to Acquiror voting agreements in the form of **Exhibit C** executed by each of the directors of the Bank who own any Bank Stock.

Section 6.13 Shareholders' Meeting. The Bank shall cause a meeting of the Shareholders to be held for the purpose of acting upon the Merger and this Agreement. Such meeting shall be held at the earliest practicable date after the Agreement Date, provided that the Regulatory Authorities have accepted as informationally complete all applications filed by Acquiror and Acquiror Bank necessary to consummate the Contemplated Transactions. The Bank shall send to the Shareholders at least thirty (30) days prior to such meeting, notice of such meeting together with the Proxy Statement, which shall include: (a) a copy of this Agreement; (b) a statement that Dissenting Shareholders will be entitled to payment of the value of their Dissenting Shares if their Dissenting Shares are voted against the Merger, proper demand is made on the Continuing Bank and they comply with the applicable provisions of the Florida Statutes governing dissenting shares; and (c) a copy of the provisions of the Florida Statutes governing the rights of dissenting shareholders. Subject to **Section 6.8(b)**, the Bank and its board of directors shall recommend to the Shareholders the approval of the Merger and this Agreement and shall solicit proxies voting only in favor thereof from the Shareholders, and the Bank and its board of directors shall not withdraw, modify or change, in any manner adverse to Acquiror or Acquiror Bank, or publicly announce its intent to withdraw, modify or change, in any manner adverse to Acquiror or Acquiror Bank, such recommendation of this Agreement and the Merger. For the avoidance of doubt, the parties acknowledge that the failure of the Bank to cause a meeting of the Shareholders to be held for the

purposes set forth in this Agreement or otherwise to comply with the provisions of this **Section 6.13** shall be deemed to have a Material Adverse Effect on the Bank and on Acquiror's and Acquiror Bank's rights under this Agreement.

Section 6.14 Information Provided to Acquiror or Acquiror Bank. The Bank agrees that none of the information concerning the Bank that is provided or to be provided by the Bank to Acquiror or Acquiror Bank for inclusion in any documents to be filed with any Regulatory Authority in connection with the Contemplated Transactions will, at the respective times such documents are filed, be false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements therein not misleading. Notwithstanding the foregoing, the Bank shall have no responsibility for the truth or accuracy of any information with respect to Acquiror or Acquiror Bank or any of their respective Affiliates contained in any document submitted to, or other communication with, any Regulatory Authority.

Section 6.15 Amendment or Termination of Employee Benefit Plans. To the extent permitted by applicable Legal Requirements, upon the written request of Acquiror or Acquiror Bank, the Bank shall take such action as may be necessary to amend or terminate any Employee Benefit Plan on or before the Closing on terms reasonably acceptable to Acquiror or Acquiror Bank; *provided, however*, that the Bank shall not be obligated to take any such requested action that is irrevocable until immediately prior to the Closing.

Section 6.16 Insurance. Upon Acquiror's request, the Bank shall, prior to the Closing, cause to be acquired and maintained for a period of three (3) years under the Bank's existing director and officer liability insurance extended insurance coverage of acts or omissions occurring at or prior to the Effective Time with respect to those persons who are currently covered by such director and officer liability insurance (commonly referred to as "tail coverage") on terms with respect to such coverage and amount substantially similar to the terms and conditions of the Bank's director and officer liability insurance in effect as of the Agreement Date.

Section 6.17 Tax Returns and Tax Filings. The Bank shall not make any election inconsistent with prior Tax Returns or elections or settle or compromise any liability with respect to Taxes without prior written notice to Acquiror. The Bank shall timely file all Tax Returns required to be filed prior to the Closing; *provided, however*, that the portion of each such Tax Return relating to the Bank shall be delivered to Acquiror for its review at least fifteen (15) Business Days prior to the anticipated date of filing of such Tax Return.

Section 6.18 Adjustment for Anticipated Losses. If at any time between December 31, 2013, and the Closing, any of the Bank Loans becomes thirty (30) days or more past due, the Bank agrees to consult with Acquiror and Acquiror Bank to determine, in accordance with GAAP and standard practice in the financial services industry, whether any specific reserve in the ALLL for such loan should be created or increased to reflect any anticipated loss on such Bank Loan. Any creation or increase in such specific reserve shall be reflected in the calculation of the Merger Consideration.

Article 7

Acquiror's and Acquiror Bank's Covenants

Section 7.1 Advice of Changes. Between the Agreement Date and the Closing Date, Acquiror and Acquiror Bank shall promptly notify the Bank in writing if Acquiror or Acquiror Bank becomes aware of any fact or condition that causes or constitutes a Breach of any of its respective representations and warranties as of the Agreement Date, or if Acquiror or Acquiror Bank becomes aware of the occurrence after the Agreement Date of any fact or condition that would (except as expressly

contemplated by this Agreement) cause or constitute a Breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. During the same period, Acquiror or Acquiror Bank will promptly notify the Bank of the occurrence of any Breach of any of its respective covenants in this Agreement or of the occurrence of any event that might reasonably be expected to make the satisfaction of the conditions in **Article 10** impossible or unlikely.

Section 7.2 Actions by Acquiror Bank. Acquiror agrees to cause Acquiror Bank to take all actions required by it to be taken under this Agreement.

Section 7.3 Severance. Acquiror Bank agrees that any officers and employees of the Bank who, after the Effective Time, become employees of Acquiror Bank (a “**Continuing Employee**”) shall continue at the same salary level that was in effect for them immediately prior to the Effective Time. Acquiror Bank further agrees that if any officer or employee of the Bank is involuntarily terminated by Acquiror Bank, other than for good cause, within twelve (12) months after the Effective Time, Acquiror Bank will pay such terminated officer or employee, upon such officer’s or employee’s execution and delivery to Acquiror Bank of a release of claims, severance pay: (a) for any non-officer employee of the Bank, in an amount equal to two (2) weeks’ salary for each full year of service to the Bank, with a minimum payment equal to four (4) weeks of salary; and (b) for any officer of the Bank, an amount equal to three (3) weeks’ salary for each full year of service to the Bank, with a minimum payment equal to four (4) weeks of salary. Furthermore, Acquiror Bank agrees that any Continuing Employee who is involuntarily terminated within thirty (30) days prior to, or within ninety (90) days after, the data processing conversion from the Bank to Acquiror Bank will receive an additional stay bonus payment equal to ten percent (10%) of such employee’s annual salary which was in effect immediately prior to such termination of employment.

Section 7.4 Information Provided to the Bank. Acquiror and Acquiror Bank agree that none of the information concerning it that is provided or to be provided by Acquiror and Acquiror Bank the Bank for inclusion or that is included in any documents to be filed with any Regulatory Authority in connection with the Contemplated Transactions will, at the respective times such documents are filed, be false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements therein not misleading. Notwithstanding the foregoing, Acquiror and Acquiror Bank shall have no responsibility for the truth or accuracy of any information with respect to the Bank or any of their respective Affiliates contained in any document submitted to, or other communication with, any Regulatory Authority.

Section 7.5 Addition of Directors. Immediately after the Closing, and subject to any necessary regulatory approvals, Acquiror shall cause the addition to its board of directors and the board of directors of First American Bank of two individuals serving as directors of the Bank, which individuals shall be selected by the Bank and acceptable to Acquiror. Acquiror also agrees that, if such individuals are willing to serve, then Acquiror shall include such individuals as nominees to Acquiror’s board of directors in the proxy materials for the next annual meeting of shareholders immediately following the Closing and also shall appoint such individuals to the board of directors of First American Bank at the next annual meeting of the First American Bank following the Closing.

Section 7.6 Advisory Board. Immediately after the Closing, Acquiror shall cause First American Bank to create an advisory board comprised of directors of the Bank who become New Acquiror Shareholders. Such advisory board shall be structured to appropriately limit liability of the members thereof and will be focused on business development advice.

Section 7.7 Acquiror Financial Statements. As soon as reasonably available after the Agreement Date, Acquiror shall deliver to the Bank copies of the following financial statements:

- (a) audited consolidated financial statements as of December 31, 2013; and
- (b) unaudited monthly consolidated income statements and balance sheets.

Taken together, the financial statements described in clauses (a) and (b) above (collectively, and including the notes thereto, the “**Acquiror Financial Statements**”) are complete and correct in all material respects, have been prepared on a basis consistent with past accounting practices and as required by applicable Legal Requirements and fairly and accurately present the financial position, assets, liabilities and results of operations of Acquiror as of the respective dates thereof, and for the periods referred to therein. The Acquiror Financial Statements do not include any material assets or omit to state any material liabilities, absolute or contingent, or other facts, which inclusion or omission would render the Acquiror Financial Statements misleading in any material respect as of the respective dates thereof and for the periods referred to therein.

Section 7.8 Financial Ability. Acquiror or Acquiror Bank has, and on the Closing Date will have, sufficient funds to consummate the Contemplated Transactions on the Closing Date without the need to obtain a loan or debt financing in connection therewith.

Section 7.9 Indemnification. For a period of five (5) years from the Closing Date, either Acquiror or Acquiror Bank, as appropriate, shall assume on the Closing Date the Bank’s obligations to indemnify its present and former directors, officers and employees solely to the extent such indemnification obligations exist as of the Agreement Date and shall cause any entity which may acquire Acquiror or Acquiror Bank to assume any remaining indemnification obligations which Acquiror or Acquiror Bank may then have as a result of this **Section 7.9**.

Article 8

Mutual Covenants; Additional Agreements

Section 8.1 Regulatory Approvals. By no later than forty-five (45) days after the Agreement Date, Acquiror and Acquiror Bank shall make all appropriate filings with Regulatory Authorities for approval of the Contemplated Transactions, including the preparation of an application or any amendment thereto or any other required statements or documents filed or to be filed by any party with: (a) the Federal Reserve pursuant to the federal Bank Holding Company Act; (b) the FDIC pursuant to the FDIA; (c) the OFR pursuant to the Florida Statutes; and (d) any other Person or Regulatory Authority pursuant to any applicable Legal Requirement, for authority to consummate the Contemplated Transactions. The Bank will cooperate, in good faith, to assist Acquiror and Acquiror Bank in preparing and filing any required notices, applications or other information with Regulatory Authorities for the purpose of obtaining all necessary approvals of the Contemplated Transactions. Acquiror, Acquiror Bank and the Bank agree that Acquiror and Acquiror Bank’s counsel will have primary responsibility for the preparation of the necessary applications for regulatory approval of the Contemplated Transactions. Acquiror and Acquiror Bank shall promptly provide to the Bank copies of the non-confidential portions of all notices, applications or other information filed by them with the Regulatory Authorities for the purpose of obtaining all necessary approvals of the Contemplated Transactions and all non-confidential portions of any subsequent correspondence with the Regulatory Authorities concerning the receipt of such approvals.

Section 8.2 Necessary Approvals. Each of Acquiror, Acquiror Bank and the Bank agree fully and promptly to cooperate with each other and their respective counsels and accountants in connection with any steps to be taken as part of their obligations under this Agreement.

Section 8.3 Reasonable Best Efforts; Cooperation. Each of Acquiror, Acquiror Bank and the Bank agrees to exercise good faith and use its Reasonable Best Efforts to satisfy the various covenants and conditions to Closing in this Agreement, and to consummate the Contemplated Transactions as promptly as possible. None of Acquiror, Acquiror Bank or the Bank will intentionally take or intentionally permit to be taken any action that would be a Breach of the terms or provisions of this Agreement. Between the Agreement Date and the Closing, each of Acquiror, Acquiror Bank and the Bank will, and will cause all of their respective Affiliates and Representatives to, cooperate with respect to all filings that any party is required by Legal Requirements to make in connection with the Contemplated Transactions.

Article 9

Conditions Precedent to Obligations of Acquiror and Acquiror Bank

The obligations of Acquiror and Acquiror Bank to consummate the Contemplated Transactions and to take the other actions required to be taken by Acquiror and Acquiror Bank at the Closing are subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Acquiror or Acquiror Bank, in whole or in part):

Section 9.1 Accuracy of Representations and Warranties. All of the representations and warranties of the Bank set forth in this Agreement shall be true and correct with the same force and effect as if all of such representations and warranties were made at the Closing (*provided, however*, that to the extent such representations and warranties expressly relate to an earlier date, such representations shall be true and correct on and as of such earlier date), except for any untrue or incorrect representations or warranties that individually or in the aggregate do not have a Material Adverse Effect on the Bank or on Acquiror's or Acquiror Bank's rights under this Agreement.

Section 9.2 Performance of Covenants. The Bank shall have performed or complied with all of the covenants and obligations to be performed or complied with by it under the terms of this Agreement on or prior to the Closing, except where any non-performance or non-compliance would not have a Material Adverse Effect on the Bank or on Acquiror's or Acquiror Bank's rights under this Agreement.

Section 9.3 Documents Satisfactory. All proceedings, corporate or other, to be taken by the Bank in connection with the Contemplated Transactions, and all documents incident thereto, shall be reasonably satisfactory in form and substance to Acquiror and Acquiror Bank and their counsel, and the Bank shall have made available to Acquiror and Acquiror Bank for examination the originals or true and correct copies of all records and documents relating to the business and affairs of the Bank which Acquiror and Acquiror Bank may reasonably request in connection with said transactions.

Section 9.4 No Proceedings. Since the Agreement Date, there must not have been commenced or Threatened against the Bank any Proceeding that would reasonably be expected to have a Material Adverse Effect on the Bank or on Acquiror and Acquiror Bank's rights under this Agreement.

Section 9.5 Absence of Material Adverse Effects. From the Agreement Date to the Closing, there shall be and have been no change in the financial condition, assets or business of the Bank that has had or would reasonably be expected to have a Material Adverse Effect on the Bank or on Acquiror's or Acquiror Bank's rights under this Agreement.

Section 9.6 Consents and Approvals. Any consents or approvals required to be secured by any party by the terms of this Agreement, including the approval of the OFR, or otherwise reasonably necessary in the opinion of Acquiror and Acquiror Bank to consummate the Merger, including the approval of the Shareholders, shall have been obtained and shall be reasonably satisfactory to Acquiror and Acquiror Bank and all applicable waiting periods shall have expired.

Section 9.7 No Prohibition. The consummation of the Contemplated Transactions will not, directly or indirectly (with or without notice or lapse of time), materially contravene, or conflict with or result in a material violation of, or cause Acquiror or Acquiror Bank or any of their respective Affiliates to be required to make any material change in its operations as a result of: (a) any applicable Legal Requirement or Order; or (b) any Legal Requirement or Order that has been published, introduced or otherwise proposed by or before any Regulatory Authority.

Section 9.8 No Enforcement Actions. Since the Agreement Date, there must not have been issued or Threatened against the Bank any enforcement action, whether formal or informal, by the OFR, the FDIC or any other Regulatory Authority.

Section 9.9 Dissenting Shares. The number of Dissenting Shares shall not exceed five percent (5%) of the issued and outstanding Bank Stock.

Section 9.10 Payment of Expenses. All of the Transactional Expenses shall have been paid by the Bank, as applicable, prior to the Closing, including fees and expenses of attorneys, accountants and other advisers, and Acquiror and Acquiror Bank shall have received satisfactory proof that such Transactional Expenses have been paid.

Section 9.11 Target Capitalization. The issued and outstanding capital stock of the Bank shall consist exclusively of no more than 2,434,518 shares of Bank Stock. There shall be no outstanding options or warrants exercisable for shares of Bank Stock, and any options or warrants outstanding as of the Agreement Date shall have been terminated without liability to Acquiror or Acquiror Bank.

Section 9.12 Equity Investment in Acquiror. No more than twenty (20) Shareholders who are eligible to be shareholders of a corporation, after taking into account the rules of aggregation, which has elected to be treated as an "S corporation," as defined in Section 1361 of the Code, and who are also "Accredited Investors" as defined in Rule 501(a) of the Securities Act of 1933, as amended (the "New Acquiror Shareholders"), shall have entered into binding agreements to purchase concurrently with the Closing no less than Five Hundred Thousand Dollars (\$500,000), and no more than Three Million Dollars (\$3,000,000), of Acquiror's common stock, no par value, at a per share price of \$190.65 per share, with such per share price to be adjusted by Acquiror's per share earnings or loss, and any distributions to Acquiror's shareholders, from December 31, 2013, through the Closing. Acquiror shall deliver to the Bank and the New Acquiror Shareholders within sixty (60) days of the Agreement Date a private placement memorandum and such other documents that may be necessary to consummate the transactions contemplated by this Section 9.12.

Section 9.13 Required Minimum Tangible Shareholders' Equity. The Tangible Shareholders' Equity shall not be less than Five Million Dollars (\$5,000,000).

Article 10

Conditions Precedent to Obligations of the Bank

The obligations of the Bank to consummate the Contemplated Transactions and to take the other actions required to be taken by the Bank at the Closing are subject to the satisfaction, at or prior to the

Closing, of each of the following conditions (any of which may be waived by the Bank, in whole or in part):

Section 10.1 Accuracy of Representations and Warranties. All of the representations and warranties of each of Acquiror or Acquiror Bank set forth in this Agreement shall be true and correct with the same force and effect as if all of such representations and warranties were made at the Closing (*provided, however*, that to the extent such representations and warranties expressly relate to an earlier date, such representations shall be true and correct on and as of such earlier date), except for any untrue or incorrect representations or warranties that individually or in the aggregate do not have a Material Adverse Effect on Acquiror or Acquiror Bank or on the Bank's rights under this Agreement.

Section 10.2 Performance of Covenants. Acquiror and Acquiror Bank shall have performed or complied with all of the covenants and obligations to be performed or complied with by them under the terms of this Agreement on or prior to the Closing, except where any non-performance or non-compliance would not have a Material Adverse Effect on Acquiror or Acquiror Bank or on the Bank's rights under this Agreement.

Section 10.3 Documents Satisfactory. All proceedings, corporate or other, to be taken by Acquiror or Acquiror Bank in connection with the Contemplated Transactions, and all documents incident thereto, shall be reasonably satisfactory in form and substance to the Bank and its counsel.

Section 10.4 No Proceedings. Since the Agreement Date, there must not have been commenced or Threatened against Acquiror or Acquiror Bank or any of their respective Affiliates, any Proceeding that would reasonably be expected to have a Material Adverse Effect on Acquiror or Acquiror Bank or on the Bank's rights under this Agreement.

Section 10.5 Consents and Approvals. Any consents or approvals required to be secured by any party by the terms of this Agreement, including the approval of the OFR, or otherwise reasonably necessary to consummate the Merger, including the approval of the Shareholders, shall have been obtained and shall be reasonably satisfactory to the Bank, and all applicable waiting periods shall have expired.

Section 10.6 No Prohibition. The consummation of the Contemplated Transactions will not, directly or indirectly (with or without notice or lapse of time), materially contravene, or conflict with or result in a material violation of, or cause Acquiror or Acquiror Bank or any of their respective Affiliates to be required to make any material change in its operations as a result of: (a) any applicable Legal Requirement or Order; or (b) any Legal Requirement or Order that has been published, introduced or otherwise proposed by or before any Regulatory Authority.

Section 10.7 Absence of Material Adverse Effects. From the Agreement Date to the Closing, there shall be and have been no change in the financial condition, assets or business of Acquiror or Acquiror Bank that has had or would reasonably be expected to have a Material Adverse Effect on Acquiror or the rights of Shareholders under this Agreement.

Article 11

Termination

Section 11.1 Reasons for Termination and Abandonment: This Agreement may, by prompt written notice given to the other parties prior to or at the Closing, be terminated:

- (a) by mutual consent of the parties;

(b) by Acquiror or Acquiror Bank if: (i) any of the conditions in **Article 9** has not been satisfied, or satisfaction of such a condition is or becomes impossible, as of the Closing; and (ii) such condition has not been waived in writing by Acquiror or Acquiror Bank on or before the Closing Date;

(c) by the Bank if: (i) any of the conditions in **Article 10** has not been satisfied, or satisfaction of such a condition is or becomes impossible, as of the Closing; (ii) such condition has not been waived in writing by the Bank on or before the Closing Date;

(d) by:

(i) Acquiror or Acquiror Bank if the Bank commits a Willful Breach of its obligations under this Agreement; or

(ii) the Bank if Acquiror or Acquiror Bank commits a Willful Breach of its obligations under this Agreement;

and in each instance such act or omission that constitutes a Willful Breach is not or cannot be cured within ten (10) Business Days after receipt by the breaching party of written demand for cure by the non-breaching party;

(e) by Acquiror or Acquiror Bank in accordance with the provisions of **Section 6.6(b)**;

(f) by Acquiror or Acquiror Bank if the board of directors of the Bank, pursuant to **Section 6.8** and in the exercise of its fiduciary duties, shall have failed to recommend in the Proxy Statement the approval of this Agreement, shall have withdrawn, modified or changed, in any manner adverse to Acquiror or Acquiror Bank, or publicly announced its intent to withdraw, modify or change, in any manner adverse to Acquiror or Acquiror Bank, such recommendation of this Agreement (provided that the Shareholders do not subsequently approve this Agreement) or shall have failed to call or convene the meeting of Shareholders referred to in, or if the Bank is otherwise in Breach of, **Section 6.13**;

(g) by Acquiror, Acquiror Bank or the Bank if: (i) the Bank's Shareholders' meeting referred to in **Section 6.13** (including any adjournments thereof) shall have been held and completed and the Shareholders shall have taken a final vote on a proposal to adopt this Agreement; and (ii) the required approval of the Shareholders contemplated by this Agreement shall not have been obtained; *provided, however*, that the right to terminate this Agreement under this **Section 11.1(g)** shall not be available to the Bank where the failure to obtain approval of the Shareholders shall have been caused by the action or failure to act of the Bank, and such action or failure to act constitutes a Breach by the Bank of any provision of this Agreement;

(h) by the Bank, without further action, if the Bank shall have in accordance with **Section 6.8** either: (i) terminated this Agreement; or (ii) entered into a definitive agreement (other than this Agreement or any amendment hereto) with respect to an Acquisition Transaction; *provided, however*, that such termination under this **Section 11.1(h)** shall not be effective until the Bank has made payment to Acquiror or Acquiror Bank of the amounts required to be paid pursuant to **Section 11.3**;

(i) by Acquiror or Acquiror Bank if: (i) the FDIC or OFR (or other Regulatory Authority) appoints, under any applicable federal, state or local banking law, a receiver or conservator for the Bank or for all or substantially all of the assets of the Bank; or (ii) the Bank files with the FDIC or

OFR (or other Regulatory Authority) a notice of voluntary liquidation or other similar action under any applicable federal, state or local banking law or other similar law; or

(j) by either Acquiror, Acquiror Bank or the Bank if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before the date that is nine (9) months after the Agreement Date, or such later date as the parties may agree in writing (the “**Termination Date**”); *provided, however*, that the party seeking to terminate this Agreement pursuant to this **Section 11.1(j)** has used its Reasonable Best Efforts to consummate the Merger prior to the Termination Date.

Section 11.2 Effect of Termination. Except as provided in **Section 12.4**, **Section 11.3** and **Section 11.4**, if this Agreement is terminated pursuant to **Section 11.1**, this Agreement shall forthwith become void, there shall be no liability under this Agreement on the part of Acquiror, Acquiror Bank or the Bank or any of their respective Representatives, and all rights and obligations of each party hereto shall cease; *provided, however*, that, subject to **Section 12.4**, **Section 11.3** and **Section 11.4**, nothing herein shall relieve any party from liability for the Breach of any of its representations and warranties or the Breach of any of its covenants or agreements set forth in this Agreement.

Section 11.3 Bank Termination Payment.

(a) If this Agreement is terminated:

(i) by Acquiror or Acquiror Bank pursuant to **Section 11.1(d)(i)**;

(ii) by Acquiror or Acquiror Bank pursuant to **Section 11.1(f)**;

(iii) by Acquiror or Acquiror Bank pursuant to **Section 11.1(g)** and, within six (6) months following the termination of this Agreement, an Acquisition Transaction is consummated (other than with Acquiror, Acquiror Bank or any of their Affiliates) or if the Bank enters into a Contract providing for an Acquisition Transaction (other than with Acquiror, Acquiror Bank or any of their Affiliates) (an “**Acquisition Transaction Termination**”); *provided, however*, that, solely for the purpose of this **Section 11.3(a)(iii)**, the Bank may sell additional capital stock to any Persons, except for bank holding companies, financial institutions and investment funds, following the termination of this Agreement pursuant to **Section 11.1(g)** so long as the gross proceeds from such offering do not exceed Three Million Dollars (\$3,000,000) and, solely under these circumstances, such capital raise shall be excluded from the definition of Acquisition Transaction Termination; or

(iv) by the Bank pursuant to **Section 11.1(h)**;

and provided that Acquiror and Acquiror Bank are in material compliance with all of their material obligations under this Agreement, then the Bank shall have the obligation to pay to Acquiror Bank an amount equal to Two Hundred Fifty Thousand Dollars (\$250,000), payable upon Acquiror or Acquiror Bank’s written demand, except that in the case of an Acquisition Transaction Termination such sum shall be payable within one (1) Business Day after the Bank enters into such Contract or such Acquisition Transaction is consummated, whichever is earlier.

(b) The sum payable by the Bank pursuant to this **Section 11.3** shall constitute liquidated damages and Acquiror’s and Acquiror Bank’s receipt thereof shall be Acquiror’s and Acquiror Bank’s sole and exclusive remedy under this Agreement for all Breaches of this Agreement by and the Bank or failure by the Shareholders to approve this Agreement.

Section 11.4 Acquiror and Acquiror Bank Termination Payment.

(a) If this Agreement is terminated by the Bank pursuant to **Section 11.1(d)(ii)** provided that the Bank is in material compliance with all of its material obligations under this Agreement, then Acquiror and Acquiror Bank shall pay or cause to be paid to the Bank an amount equal to Two Hundred Fifty Thousand Dollars (\$250,000), payable upon the Bank's written demand.

(b) The sum payable by Acquiror or Acquiror Bank pursuant to this **Section 11.4** shall constitute liquidated damages and the Bank's receipt thereof shall be the Bank's sole and exclusive remedy under this Agreement for all Breaches of this Agreement by Acquiror or Acquiror Bank.

**Article 12
Miscellaneous**

Section 12.1 Governing Law. All questions concerning the validity and effect of the Merger shall be governed by the Florida Statutes, and otherwise, the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal laws of the State of Illinois applicable to Contracts made and wholly to be performed in such state without regard to conflicts of laws.

Section 12.2 Jurisdiction and Service of Process. Any action or proceeding seeking to enforce, challenge or avoid any provision of, or based on any right arising out of, this Agreement shall be brought only in the courts of the State of Florida, County of Miami-Dade or, if it has or can acquire jurisdiction, in the United States District Court serving the County of Miami-Dade, and each of the parties consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to jurisdiction or venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

Section 12.3 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY OR DISPUTE THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE CONTEMPLATED TRANSACTIONS. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (A) 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; (B) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (C) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY; AND (D) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS OF THIS **Section 12.3**.

Section 12.4 Expenses.

(a) Except as otherwise expressly provided in this Agreement, each party to this Agreement will bear its own respective expenses incurred in connection with the preparation, execution and performance of this Agreement and the Contemplated Transactions. If any of the parties hereto files suit to enforce this **Section 12.4** or a suit seeking to recover costs and expenses or damages for Breach of this Agreement, the costs, fees, charges and expenses (including attorneys' fees and expenses) of the prevailing party in such litigation (and any related litigation) shall be borne by the non-prevailing party.

(b) Whether or not the Merger is approved, the parties to this Agreement shall pay expenses incurred by each of them, respectively, in connection with the transactions contemplated herein, and each of Acquiror Bank and the Bank shall pay its proportionate share of all examination expenses as may be incurred by the OFR in connection with the Merger.

Section 12.5 Assignments, Successors. No party may assign any of its rights under this Agreement to any other Person without the prior written consent of the other parties, which consent shall not be unreasonably withheld or delayed; *provided, however*, that Acquiror or Acquiror Bank may assign its rights under this Agreement to any Affiliate of Acquiror without the consent of the Bank so long as Acquiror Bank continues to guarantee the performance of all of covenants of it set forth in this Agreement. Subject to the preceding sentence, this Agreement and every representation, warranty, covenant, agreement and provision hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 12.6 Waiver. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law: (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other parties; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

Section 12.7 Modification. This Agreement may not be amended except by a written agreement signed by each of Acquiror, Acquiror Bank and the Bank. Without limiting the foregoing, Acquiror, Acquiror Bank and the Bank may by written agreement signed by each of them: (a) extend the time for the performance of any of the obligations or other acts of the parties hereto; (b) waive any inaccuracies in the representations or warranties contained in this Agreement or in any document delivered pursuant to this Agreement; and (c) waive compliance with or modify, amend or supplement any of the conditions, covenants, agreements, representations or warranties contained in this Agreement or waive or modify performance of any of the obligations of any of the parties hereto, which are for the benefit of the waiving party; *provided, however*, that no such modifications, amendment or supplement agreed to after authorization of this Agreement by the Shareholders shall affect the rights of the Shareholders in any manner that is materially adverse to them.

Section 12.8 Publicity. Prior to the Closing and except as required by law, the parties hereto will consult with each other before issuing any press releases or otherwise making any public statements with respect to this Agreement or the Merger and shall not issue any such press release or make any such public statement without the prior consent of the other parties, which consent shall not be unreasonably withheld. Prior to the mailing of the Proxy Statement to the Shareholders, each of the parties hereto shall keep this Agreement strictly confidential and not make any disclosure of this Agreement to any Person without the prior written consent of the other parties to this Agreement, unless required by applicable law or the terms of this Agreement, provided that the Bank may disclose this agreement to its employees and Shareholders. The Bank, Acquiror and Acquiror Bank will consult with each other concerning the means by which the Bank's and the Bank's employees, customers and suppliers and others having dealings with the Bank will be informed of the Merger.

Section 12.9 Confidentiality. Between the Agreement Date and the Closing, each of Acquiror, Acquiror Bank and the Bank will maintain in confidence, and will cause its respective Affiliates and Representatives to maintain in confidence, and not use to the detriment of any other party or any of its Affiliates any written, oral or other information obtained in confidence from any other party or any of its Affiliates in connection with this Agreement or the Contemplated Transactions, unless: (a) such information is already known to such party or to others not bound by a duty of confidentiality or such information becomes publicly available through no fault of such party; (b) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the Contemplated Transactions; or (c) the furnishing or use of such information is required by or necessary or appropriate in connection with any Proceedings. If the Contemplated Transactions are not consummated, each party will return or destroy as much of such written information as any other party may reasonably request.

Section 12.10 Notices. Except as required by **Section 6.2**, all notices, consents, waivers and other communications under this Agreement must be in writing (which shall include telecopier communication and electronic mail) and will be deemed to have been duly given if delivered by hand or by nationally recognized overnight delivery service (receipt requested), mailed by first class mail with postage prepaid, or telecopied or sent by electronic mail if confirmed immediately thereafter by also mailing a copy of any notice, request or other communication by mail as required in this **Section 12.10**:

if to Acquiror

or Acquiror Bank:

First American Bank Corporation
1650 Louis Avenue
Elk Grove Village, Illinois 60007
Attention: Donald A. Roubitchek
Executive Vice President and Chief Financial Officer
Telephone: (847) 586-2583
Telecopy: (847) 586-2583
E-mail: droubitchek@firstambank.com
Attention: Frederick Snow, Esq.
Executive Vice President and General Counsel
Telephone: (847) 586-2265
Facsimile: (847) 586-2265
E-mail: fsnow@firstambank.com

with a copy to:

Barack Ferrazzano Kirschbaum & Nagelberg, LLP
200 West Madison Street, Suite 3900
Chicago, Illinois 60606
Attention: Dennis R. Wendte, Esq.
Telephone: (312) 984-3188
Facsimile: (312) 984-3150
E-mail: dennis.wendte@bfkn.com

if to the Bank:

Bank of Coral Gables, LLC
2295 Galiano Street
Coral Gables, Florida 33134
Attention: Daniel C. Eggland
President and Chief Executive Officer
Telephone: (305) 777-1023
Facsimile: (305) 567-5400
E-mail: deggland@bcgfla.com

with a copy to: Smith Mackinnon, P.A.
255 South Orange Avenue
Suite 800 Citrus Center
Orlando, Florida 32801-3445
Attention: Jack Greeley, Esq.
Telephone: (407) 843 7300
Facsimile: (407) 843-2448
E-Mail: jpg7300@aol.com

or to such other Person or place as any party shall furnish to the other parties hereto in writing. Except as otherwise provided herein, all such notices, consents, waivers and other communications shall be effective: (a) if delivered by hand, when delivered; (b) if mailed in the manner provided in this **Section 12.10**, three (3) Business Days after deposit with the United States Postal Service; (c) if delivered by overnight express delivery service, on the next Business Day after deposit with such service; and (d) if by facsimile or electronic mail, on the next Business Day if also confirmed by mail in the manner provided in this **Section 12.10**.

Section 12.11 Entire Agreement. This Agreement and any documents executed by the parties pursuant to this Agreement and referred to herein constitute a complete and exclusive statement of the entire understanding and agreement of the parties hereto with respect to their subject matter and supersede all other prior agreements and understandings, written or oral, relating to such subject matter between the parties.

Section 12.12 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement unless the consummation of the Merger is adversely affected thereby.

Section 12.13 Further Assurances. The parties agree: (a) to furnish upon request to each other such further information; (b) to execute and deliver to each other such other documents; and (c) to do such other acts and things, as any party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

Section 12.14 Counterparts; Facsimile/PDF Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and accepted by facsimile or portable data file (pdf) signature and any such signature shall be of the same force and effect as an original signature.

Section 12.15 No Third Party Beneficiaries. Except for **Section 6.16**, **Section 7.3** and **Section 7.9**, this Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

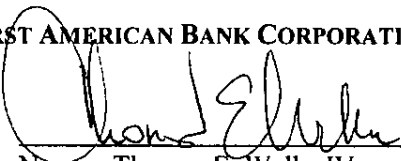
Section 12.16 Survival. Except for those obligations and covenants that are expressly contemplated by the terms of this Agreement to survive beyond the Closing Date, the other covenants, representations and warranties contained in this Agreement shall survive only until the Effective Time.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]

[SIGNATURE PAGE FOLLOWS]


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or representatives as of the day and year first written above.

FIRST AMERICAN BANK CORPORATION

By: 
Name: Thomas E. Wells, IV
Title: Chief Executive Officer

CORAL GABLES INTERIM BANK

By: First American Bank Corporation, as sole
Incorporator

By: 
Name: Thomas E. Wells, IV
Title: Chief Executive Officer

BANK OF CORAL GABLES, LLC

By: _____
Name: Daniel C. Eggland
Title: President and Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or representatives as of the day and year first written above.

FIRST AMERICAN BANK CORPORATION

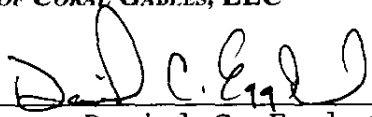
By: _____
Name: _____
Title: _____

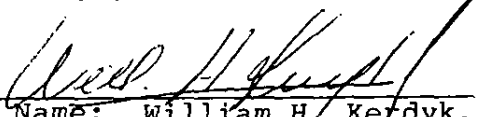
CORAL GABLES INTERIM BANK

By: First American Bank Corporation, as sole
Incorporator

By: _____
Name: _____
Title: _____

BANK OF CORAL GABLES, LLC

By: 
Name: Daniel C. Egglund
Title: President & CEO

By: 
Name: William H. Kerdyk, Jr.
Title: Chairman of the Board