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Special Instructions to Filing Officer:

Merger $70.00
CC X 2 $17.50

Office Use Only

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EFFECTIVE DATE
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Merger

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DEC 20 2021
I ALBRITTON

SMITH MACKINNON, PA
ATTORNEYS AT LAW

JOHN P. GRELLER

301 EAST PINE STREET
SUITE 750
ORLANDO, FLORIDA 32801

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December 15, 2021

Via Federal Express

Jason Guevara
Division of Financial Institutions
Florida Office of Financial Regulation
200 East Gaines Street
Tallahassee, Florida 32399-0371

Re: Pilot Bank
Tampa, Florida

Dear Jason:

Enclosed are three copies of each of the following documents:

1. Articles of Merger of National Aircraft Finance Company ("NAFC") into Pilot Baneshares, Inc. ("PBI");

2. Restated Articles of Incorporation of Pilot Bank ***(the OFR needs to sign page 3 of each document)***;

3. Restated Articles of Incorporation of PBI ***(the OFR needs to sign page 3 of each document)***;

4. Articles of Merger between PBI and Pilot Bank; and

5. Articles of Merger between Pilot Bank and Lake Michigan Credit Union ("LMCU").

Please note that the Articles of Merger for NAFC and PBI are for the merger of NAFC as a subsidiary of PBI with and into PBI. The Restated Articles for Pilot Bank restate its articles to increase its authorized shares for the merger of PBI into Pilot Bank. The PBI Restated Articles convert PBI to a successor institution. The Articles of Merger for PBI and Pilot Bank are for the merger of PBI with and into Pilot Bank. Finally, the Articles of Merger between Pilot Bank and LMCU are for the merger of Pilot Bank with and into LMCU.

I have also enclosed a check in the amount of $367.50 payable to the Florida Secretary of State representing the following filing fees:

1. Articles of Merger between NAFC and PBI - $70.00 filing fee and $17.50 for two certified copies;

2. Restated Articles of Incorporation of Pilot Bank - $35.00 filing fee and $17.50 for two certified copies;

3. Restated Articles of Incorporation of PBI - $35.00 filing fee and $17.50 for two certified copies;

4. Articles of Merger between PBI and Pilot Bank - $70.00 filing fee and $17.50 for two certified copies; and

5. Articles of Merger between Pilot Bank and LMCU - $70.00 filing fee and $17.50 for two certified copies.

With regard to the two certified copies of each of the five foregoing documents, one set is for your files, and one set should be mailed to me.

Please do not file the documents with the Florida Secretary of State until I call you to let you know that we have received written approval from NCUA.

As you review the foregoing and the attached materials, please let me know if you have any questions or comments. As always, we very much appreciate your assistance.

Very truly yours,

John P. Greeley

JPG:br
Enclosures
Copy to: Roy N. Hellwege
Chief Executive Officer
Pilot Bank

EFFECTIVE DATE 12/21/2021

ARTICLES OF MERGER
OF
PILOT BANK
WITH AND INTO
LAKE MICHIGAN CREDIT UNION

2021 DEC 17 PM 2:34

Pursuant to the provisions of the Florida Financial Institutions Codes (the "Codes"), the Florida Business Corporation Act (the "Act") and applicable law, Lake Michigan Credit Union, a state chartered credit union organized under the laws of the State of Michigan, and Pilot Bank, a Florida banking corporation, do hereby adopt the following Articles of Merger for the purpose of merging Pilot Bank with and into Lake Michigan Credit Union:

FIRST: The names of the parties to the merger (the "Merger") contemplated by these Articles of Merger are Lake Michigan Credit Union and Pilot Bank. The surviving party in the Merger is Lake Michigan Credit Union.

SECOND: The Plan of Merger is set forth in the Agreement and Plan of Merger by and among Pilot Bancshares, Inc., Lake Michigan Credit Union, Pilot Bank and National Aircraft Finance Company dated as of June 16, 2021 (the "Merger Agreement"). A copy of the Merger Agreement is attached hereto as Exhibit A and made a part hereof by reference as if fully set forth herein.

THIRD: The Merger shall become effective at 11:59 p.m., Eastern Standard Time, on December 21, 2021, in accordance with the provisions of the Codes and the Act and applicable law.

FOURTH: The Merger Agreement was duly adopted and approved by the sole shareholder of Pilot Bank on June 16, 2021 in the manner required by the Act, the Codes and the articles of incorporation of Pilot Bank. There were no dissenting shareholders of Pilot Bank. The Merger Agreement was duly adopted and approved by the Board of Directors of Lake Michigan Credit Union on June 15, 2021, pursuant to the applicable provisions of Michigan law. No approval of the Merger Agreement was required by the members of Lake Michigan Credit Union.

FIFTH: The Merger Agreement was duly adopted and approved by Pilot Bank in accordance with the applicable provisions of the Codes and the Act. The Merger Agreement was duly adopted and approved by Lake Michigan Credit Union in accordance with the applicable laws of the State of Michigan and the participation of Lake Michigan Credit Union was duly authorized in accordance with the applicable laws of the State of Michigan.

IN WITNESS WHEREOF, the parties have caused these Articles of Merger to be executed by a duly authorized officer on December 13, 2021.

LAKE MICHIGAN CREDIT UNION

By: _____
As its: CEO

PILOT BANK

By: _____
Roy N. Hellwege
Chairman and Chief Executive Officer

EXHIBIT A

MERGER AGREEMENT

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

PILOT BANCSHARES, INC,

PILOT BANK,

NATIONAL AIRCRAFT FINANCE COMPANY

AND

LAKE MICHIGAN CREDIT UNION.

Dated as of June 16, 2021

EXHIBITS

AGREEMENT AND PLAN OF MERGER

This **AGREEMENT AND PLAN OF MERGER** (this "Agreement"), is entered into as of June 16, 2021 by and among **PILOT BANCSHARES, INC.**, a Florida corporation (the "Holdings"), its wholly owned subsidiary, **PILOT BANK**, a Florida state chartered commercial bank ("Seller"), **NATIONAL AIRCRAFT FINANCE COMPANY**, a Florida corporation ("NAFCO", together with Holdings and Seller, the "Selling Parties") and **LAKE MICHIGAN CREDIT UNION**, a Michigan state chartered credit union ("Buyer"). Buyer, Holdings, NAFCO, and Seller are referred to in this Agreement each as a "Party" and collectively as the "Parties."

RECITALS:

A. Prior to the consummation of the Merger (defined below), NAFCO will merge with and into Holdings (the "First Consolidating Merger") in accordance with the terms of this Agreement and applicable Law (including the FBCA and the FFIC), with Holdings as the surviving entity in the First Consolidating Merger;

B. After the consummation of the First Consolidating Merger, but prior to the consummation of the Merger, Holdings will file Restated Articles of Incorporation, Seller will file Restated Articles of Incorporation, and then Holdings will merge with and into Seller (the "Second Consolidating Merger") in accordance with the terms of this Agreement and applicable Law (including the FBCA and the FFIC), with Seller as the surviving entity in the Second Consolidating Merger;

C. After the consummation of the First Consolidating Merger and the Second Consolidating Merger, Seller will merge with and into Buyer (the "Merger", together with the First Consolidating Merger and the Second Consolidating Merger and the filing by Holdings of Restated Articles of Incorporation and the Bank of Restated Articles of Incorporation, the "Merger Transactions") in accordance with the terms of this Agreement and applicable Law (including the FBCA, the FFIC, and the Michigan Credit Union Act ("MCUA")), with Buyer as the surviving entity in the Merger (the "Surviving Entity");

D. The respective boards of directors of Buyer, Holdings, Seller and NAFCO have approved the Merger Transactions upon the terms and subject to the conditions of this Agreement and, in accordance with applicable Law (including the FBCA, the FFIC and the MCUA), approved and declared the advisability of this Agreement and determined that consummation of the Merger Transaction in accordance with the terms of this Agreement is in the best interests of their respective companies and shareholders;

E. The Parties intend that the Merger qualify as a "reorganization" under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and that this Agreement be and hereby is adopted as a "plan of reorganization" within the meaning of Section 1.368-2(g) of the Treasury regulations promulgated thereunder.

NOW THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, the Parties agree as follows:

ARTICLE 1

MERGERS

Section 1.1 Agreement to Merge. At the Effective Time, in accordance with this Agreement and the Florida Business Corporation Act ("FBCA") and the Florida Financial Institutions Codes ("FFIC"), Seller shall be merged with and into Buyer, the separate existence of Seller shall cease and Buyer shall continue as the Surviving Entity.

Section 1.2 Effective Time. As of the Closing, the Parties will cause articles of merger (the "Certificate of Merger") to be executed and filed with the Florida Secretary of State as provided in the FBCA and the FFIC. The Merger shall become effective on the date and time set forth in the Certificate of Merger or at such later time as the Parties shall agree and shall specify in the Certificate of Merger (the "Effective Time").

Section 1.3 Effect of the Merger. At and after the Effective Time:

(a) the Merger shall have the effects set forth in the FBCA and FFIC;

(b) the certificate of authorization and by-laws of the Buyer, as in effect immediately prior to the Effective Time, shall be the certificate of authorization and by-laws of the Surviving Entity until thereafter amended as provided therein or by applicable law; and

(c) the directors and officers of Buyer immediately prior to the Effective Time shall be the directors and officers of the Surviving Entity until their successors have been duly elected or appointed and qualified, or until their earlier death, resignation or removal in accordance with the certificate of authorization and the by-laws of the Surviving Entity.

Section 1.4 First and Second Consolidating Mergers; Restated Articles of Incorporation. Buyer and the Selling Parties shall take all action necessary or deemed appropriate by Buyer to cause:

(a) NAFCO and Holdings to enter into an agreement and plan of merger, in the form attached hereto as Exhibit A-1 (the "First Consolidating Merger Agreement"), pursuant to which the NAFCO and Holdings will consummate the First Consolidating Merger immediately prior to the consummation of the Second Consolidating Merger, with Holdings being the surviving entity thereof. The First Consolidating Merger will have the effect set forth in the First Consolidating Merger Agreement.

(b) Holdings shall file with the Florida Secretary of State the Holdings Restated Articles of Incorporation in the form of that attached hereto as Exhibit B-1 the Seller shall file with the Florida Secretary of State the Seller Restated Articles of Incorporation in the form of that attached hereto as Exhibit B-2.

(c) Holdings and Seller to enter into an agreement and plan of merger, in the form attached hereto as Exhibit A-2 (the "Second Consolidating Merger Agreement"), pursuant to which the Holdings and Seller will consummate the Second Consolidating Merger immediately after the consummation of the First Consolidating Merger, with Seller being the surviving entity thereof. As a part of the consummation of the Second Consolidating Merger, the Holdings shall amend and restate its articles of incorporation in the form attached hereto as Exhibit B to be consistent with the form of a "successor institution" under the FFIC. In connection with the Second Consolidating Merger, each share of Holdings common stock shall be converted into one share of Seller Common Stock (other than shares held by Holdings shareholders who perfect their dissenters' rights of appraisal as provided in Section 2.4(c) below).

Section 1.5 Closing; Closing Date. The consummation of the transactions contemplated by this Agreement shall take place at a closing (the "Closing") to be held on such date as the Parties mutually agree after the date on which all of the conditions set forth in Article 7 and Article 8 of this Agreement have been satisfied (other than those conditions that by their nature are to be satisfied or waived at the Closing, but subject to the satisfaction or waiver of those conditions). The date on which the Closing is to be held herein is called the "Closing Date." The Closing shall take place at 9:00 a.m., local time, on the Closing Date through mail or at the offices of Honigman LLP, 650 Trade Centre Way, Suite 200, Kalamazoo, MI 49002-0402, or at such other place and time upon which the Parties may agree.

ARTICLE 2

MERGER CONSIDERATION

Section 2.1 Consideration.

(a) Subject to the adjustments contemplated by Section 2.2 and this Section 2.1(a), the aggregate consideration (the "Merger Consideration") for the Seller Common Shares will be an amount equal to $96,592,868.75. To the extent that any Options are exercised prior to the Closing, then the Merger Consideration will be increased by an amount equal to $6.25 multiplied by the number of Options exercised.

(b) In accordance with the terms and subject to the conditions of the Option Surrender Agreements and this Agreement, at the Closing Buyer will pay each Optionholder an amount equal to (i) $6.25 less the exercise price of each Option held by such Optionholder, multiple by (ii) the number of Options held by such Optionholder (the "Option Consideration", together with the Merger Consideration, the "Aggregate Consideration").

Section 2.2 Closing Statement and Transaction Expenses Statement.

(a) Not less than five (5) Business Days prior to the Closing Date, Seller shall deliver to Buyer for its comment and approval a statement that sets forth (a) the name of each holder of Holdings' common stock who will own shares of Seller Common Stock upon consummation of the Second Consolidating Merger (subject to Holding' shareholders who

exercise dissenters' rights), (b) a detailed preliminary calculation of the Merger Consideration to be paid to each Holder at Closing pursuant to Section 2.3(a) of this Agreement, (c) a detailed preliminary calculation of the Option Consideration to be paid to each Optionholder at Closing pursuant to Section 2.3(b) of this Agreement and the Option Surrender Agreements, (d) a detailed preliminary calculation of the Seller's Minimum Equity expected as of Closing in the aggregate, and (e) the aggregate amount of each of the Transaction Expenses (as defined below), de-conversion fee and other fees expected at Closing.

(b) In the event that Seller's Minimum Equity as calculated pursuant to Section 2.2(a) is less than $54,200,000 ("Minimum Equity Value"), then the Merger Consideration shall be reduced on a dollar-for-dollar basis by the amount by which the Seller's Minimum Equity is less than the Minimum Equity Value. In the event that the Seller's Minimum Equity as calculated pursuant to Section 2.2(a) exceeds the Minimum Equity Value, there shall be no adjustment to the Merger Consideration.

(c) "Seller's Minimum Equity" means Seller's Book Value, *minus* (i) goodwill and any other intangible assets, *minus* (ii) any unrealized gains or losses in Seller's investment securities portfolio due to mark-to-market adjustments, *plus* (iii) the expenses incurred by Holdings and Seller in connection with the transactions (including legal, accounting, and investment banking fees, fees and expenses for the termination and de-conversion of the Seller's data processing agreement, accrued bonuses, change in control, severance and salary continuation agreement payments to be made by the Holdings and the Seller in connection with the Closing, and the insurance premiums contemplated by Section 5.10) ("Transaction Expenses"), to be capped at $4,500,000.00, *plus* (iv) the amount of the Seller Special Dividend. For the avoidance of doubt, in no event will any amounts payable to holders of options of Holdings or Seller be deemed to be Transaction Expenses.

(d) "Seller Book Value" means the total consolidated equity capital of Seller estimated as of the Closing Date, calculated in accordance with GAAP and in accordance with applicatory regulatory requirements. For the sake of clarity and avoidance of doubt, Seller Book Value is intended to equal such amount as would be reported as the "Total equity capital" on line 28 of Schedule RC – Balance Sheet of Seller's Call Reports (based on the current form of FFIEC Form 051) as of the Closing Date.

Section 2.3 Payment of Aggregate Consideration.

(a) Subject to the procedures set forth in Section 2.5, the Buyer shall pay and distribute (or cause to be paid and distributed) a portion of the Merger Consideration to each Holder of Seller Common Stock issued and outstanding at the Effective Time in an amount per share equal to the quotient of (a) the Merger Consideration divided by (b) the total number of shares of Seller Common Stock outstanding as of immediately prior to the Effective Time (the "Per Share Merger Consideration").

(b) In accordance with the terms and subject to the conditions of the Option Surrender Agreement and this Agreement, at the Closing each Optionholder shall surrender for cancellation all Options held by such Optionholder and each such Option shall be converted into the right to receive, subject to such Optionholder's compliance with the terms of the applicable

Option Surrender Agreement, the Option Consideration. At the Effective Time, each unexercised Option shall be, by virtue of the Merger and the consummation of the transactions contemplated by this Agreement and the Option Surrender Agreements, and without any action on the part of the Parties hereto, cancelled, terminated and shall no longer be exercisable by the former holder thereof for any of Holdings common stock or Seller Common Stock or any other equity interests in the Surviving Company. Notwithstanding any provision in this Agreement to the contrary, with respect to any payment required to be made pursuant to this Agreement to any Optionholder (in their capacity as such), such amount, net of any amounts required to be deducted or withheld from such Optionholder under any provision of applicable Law, shall be paid to such Optionholder by Buyer through its payroll system.

Section 2.4 Effect on Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of the Parties or the Holders:

(a) Subject to Section 2.3(a) and the other provisions of this Section 2.4, each share of Seller Common Stock issued and outstanding as of immediately prior to the Effective Time (other than shares of Seller Common Stock to be canceled pursuant to Section 2.4(b) and Dissenting Shares to the extent provided in Section 2.4(c), shall be converted into the right to receive, upon the surrender of the Certificate formerly representing such share of Seller Common Stock, an amount equal to the Per Share Merger Consideration. At the Effective Time, Seller shall be merged with and into Buyer and the separate existence of Seller shall cease and Seller and Buyer shall become a single entity, which shall be the Surviving Entity. At the Effective Time, each such share of Seller Common Stock shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each Holder of such Certificate shall cease to have any rights with respect thereto, except the right to receive the amounts described in this Section 2.4 to be paid in consideration therefor upon surrender of such Certificate in accordance with Section 2.5, without interest.

(b) Each share of Seller Common Stock held as treasury stock or otherwise held by the Seller (other than in a fiduciary capacity), if any, immediately prior to the Effective Time shall automatically be canceled and shall cease to exist and no payment shall be made with respect thereto.

(c) Shares of Seller Common Stock which are issued and outstanding immediately prior to the Effective Time and which are held by a Holder who has not voted such shares in favor of the Merger and who has properly demanded appraisal rights in the manner provided by the FBCA and the FFIC ("Dissenting Shares") shall not be converted into a right to receive a portion of the Merger Consideration unless and until the Effective Time has occurred and the Holder of such Dissenting Shares becomes ineligible for such appraisal rights. The Holders of Dissenting Shares shall be entitled only to such appraisal and the dissenters' rights as are granted by the FBCA and the FFIC (the "Dissenting Laws"). Each Holder of Dissenting Shares who becomes entitled to payment for such shares pursuant to the Dissenting Laws shall receive payment therefor from Buyer in accordance with the Dissenting Laws; *provided, however,* that (i) if any such Holder of Dissenting Shares shall have failed to establish entitlement to appraisal rights as provided in the Dissenting Laws, or (ii) if any such Holder of Dissenting Shares shall have effectively withdrawn demand for appraisal of such shares or lost the right to appraisal and payment for shares under the Dissenting Laws, such Holder of

Dissenting Shares shall forfeit the right to appraisal of such shares and each such Dissenting Share shall be treated as if it had been, as of the Effective Time, converted into a right to receive the Per Share Merger Consideration, without interest thereon, as provided in Section 2.4(a) of this Agreement.

Section 2.5 Exchange of Certificates. At the Effective Time, the Buyer shall deliver to a third party designated by Buyer and reasonably acceptable to Holdings (sometimes referred to herein as the "Paying Agent") sufficient cash for payment of the Merger Consideration pursuant to Section 2.3(a). Such cash is referred to in this Agreement as the "Conversion Fund." Buyer shall be solely responsible for the payment of any fees and expenses of the Paying Agent. The Conversion Fund shall be invested by the Paying Agent as directed by Buyer and any net profits resulting from, or interest or income produced by, such investments shall be payable as directed by Buyer.

(a) As soon as is reasonably practicable, but in no event later than five (5) Business Days after the Closing Date, the Buyer shall cause the Paying Agent to mail to each Holder of record of a certificate or certificates that immediately prior to the Effective Time represented issued and outstanding shares of Seller Common Stock (the "Certificates"), a letter of transmittal ("Letter of Transmittal") (which shall specify that delivery shall be effected, and risk of loss and title to Certificates shall pass, only upon delivery of such Certificates to the Paying Agent), and instructions for use in effecting the surrender of the Certificates pursuant to this Agreement.

(b) Prior to receiving any portion of the Merger Consideration, each Holder shall have delivered to the Paying Agent (i) a properly completed and duly executed Letter of Transmittal and (ii) the Certificates held of record by such Holder. Upon proper surrender of a Certificate to the Paying Agent, together with such Letter of Transmittal, duly executed, the Holder of such Certificate shall be entitled to receive promptly from the Paying Agent in exchange therefor the payment in cash of the Per Share Merger Consideration into which the shares represented by such Certificate shall have been converted pursuant to Section 2.4(a), and the Certificate so surrendered shall be canceled. Until surrendered as contemplated by this Section 2.5, each Certificate shall be deemed as of the Effective Time of the Merger to represent only the right to receive, upon surrender of such Certificate in accordance with this Section 2.5(b), the consideration into which the shares represented by such Certificate shall have been converted pursuant to Section 2.4(a).

(c) After the Effective Time, there shall be no transfers on the stock transfer books of Seller of the shares of Seller Common Stock that were issued and outstanding immediately prior to the Effective Time.

(d) If, after the Effective Time, Certificates are presented to the Surviving Entity for any reason, they shall be canceled and exchanged for the consideration to which the shares represented by such Certificate are entitled pursuant to this Article 2.

(e) Buyer or Seller (as appropriate) shall be entitled to deduct and withhold from consideration otherwise payable pursuant to this Agreement to any Holder such amounts as are required to be deducted and withheld with respect to the making of such payment under the

Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Holder in respect of which such deduction and withholding was made.

(f) In the event 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, if required by Buyer or the Paying Agent, the posting by such person of a bond in customary amount as indemnity against any claim that may be made against it with respect to such Certificate, the Paying Agent will pay in exchange for such lost, stolen or destroyed Certificate the Per Share Merger Consideration deliverable in respect of such shares of Seller Common Stock represented by such Certificate.

(g) Any portion of the Conversion Fund that remains unclaimed by the Holders for six (6) months after the Effective Time shall be paid to Buyer, or its successors in interest. Any Holder who has not theretofore complied with this Section 2.5 shall thereafter look only to Buyer, or its successors in interest, for the payment of the Per Share Merger Consideration. Notwithstanding the foregoing, none of Buyer, Selling Parties, the Paying Agent or any other person shall be liable to any former holder of shares of Seller Common Stock for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar laws.

Section 2.6 Payment of Transaction Expenses. On the Closing Date, Seller shall fully pay or cause to be paid all Transaction Expense, to the extent not paid prior to the Closing Date, and shall furnish Buyer with appropriate evidence that full payment has been made.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES CONCERNING THE SELLING PARTIES

On or prior to the date hereof, the Selling Parties has delivered to Buyer a schedule ("Disclosure Schedule") setting forth, among other things, items the disclosure of which is necessary or appropriate either (i) in response to an express disclosure requirement contained in a provision hereof or (ii) as an exception to one or more representations or warranties contained in this Article 3 or to one or more of the Selling Parties covenants contained in Article 5. Any information set forth in any one section of the Disclosure Schedule shall be deemed to apply to each other applicable section or subsection of the Disclosure Schedule if its relevance to the information called for in such section or subsection is reasonably apparent on its face.

As of the date hereof and as of the Closing Date, the Selling Parties jointly and severally represent and warrant to Buyer as follows:

Section 3.1 Organization and Authority; Capitalization.

(a) Seller is a Florida chartered banking corporation, validly existing, and in good standing (to the extent applicable) under the laws of the State of Florida with full power and authority to carry on its business as now being conducted and to own and operate the properties which it owns and/or operates. Holdings is a Florida corporation, validly existing, and

in good standing (to the extent applicable) under the laws of the State of Florida with full power and authority to carry on its business as now being conducted and to own and operate the properties which it owns and/or operates. NAFCO is a Florida corporation, validly existing, and in good standing (to the extent applicable) under the laws of the State of Florida with full power and authority to carry on its business as now being conducted and to own and operate the properties which it owns and/or operates. The execution, delivery, and performance by each Selling Party of this Agreement is within its corporate power and has been duly authorized by all necessary corporate action on its part, subject to the approvals referred to in Section 3.2(iv). This Agreement has been duly executed and delivered by each Selling Party and constitutes the valid and legally binding obligation of it, enforceable against it in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium or similar laws affecting or relating to creditors' rights generally and subject to general principles of equity (the "General Exceptions").

(b) The authorized capital stock of Seller consists of 550,000 shares of common stock, par value $5.00 per share, of which 378,225 shares are issued and outstanding as of the date of this Agreement, with no shares of preferred stock authorized or issued and outstanding as of the date of this Agreement. The authorized capital stock of the Seller will consist at the Closing of 2,000,000 shares of common stock, par value $5.00 per share, and no shares of preferred stock. The issued and outstanding shares of common stock of Seller have been duly and validly authorized and issued and are fully paid and non-assessable and owned by the Holdings. Except as disclosed in Schedule 3.1(b) of the Disclosure Schedule, there are no options, agreements, Contracts, or other rights in existence to purchase or acquire any shares of capital stock of Seller, whether now or hereafter authorized or issued. None of the issued and outstanding shares Seller Common Stock are, nor as of the Closing Date will be, subject to any claim of right that would prevent or delay the consummation of any transaction contemplated hereby.

(c) The authorized capital stock of Holdings consists of, and will consist of at the Closing, (i) 20,000,000 shares of common stock, par value $0.10 per share, of which 15,454,859 shares are issued and outstanding as of the date of this Agreement, and (ii) 2,000,000 shares of preferred stock authorized, par value $0.10 per share, none of which are issued and outstanding as of the date of this Agreement. The issued and outstanding shares of common stock of Holdings have been duly and validly authorized and issued and are fully paid and non-assessable. Except as disclosed in Schedule 3.1(c) of the Disclosure Schedules, there are no options, agreements, Contracts, or other rights in existence to purchase or acquire any shares of capital stock of Holdings, whether now or hereafter authorized or issued. None of the issued and outstanding shares of Holdings' stock are, nor as of the Closing Date will be, subject to any claim of right that would prevent or delay the consummation of any transaction contemplated hereby.

(d) The authorized capital stock of NAFCO consists of, and will consist of at the Closing, 10,000 shares of common stock, par value $0.01 per share, of which 10 shares are issued and outstanding as of the date of this Agreement, with no shares of preferred stock authorized or issued and outstanding as of the date of this Agreement. The issued and outstanding shares of common stock of NAFCO have been duly and validly authorized and issued and are fully paid and non-assessable and owned by Seller. Except as disclosed in

Schedule 3.1(d) of the Disclosure Schedules, there are no options, agreements, Contracts, or other rights in existence to purchase or acquire any shares of capital stock of NAFCO, whether now or hereafter authorized or issued. None of the issued and outstanding shares NAFCO are, nor as of the Closing Date will be, subject to any claim of right that would prevent or delay the consummation of any transaction contemplated hereby..

(e) None of the equity securities of any Selling Party have been issued in violation of any federal or state securities laws or any other legal requirement. Except as disclosed in Schedule 3.1(e) of the Disclosure Schedule, no equity securities of any Selling Party have been purchased, redeemed or otherwise acquired, directly or indirectly, by any Person, and no dividends or other distributions payable in any equity securities of any Selling Party have been declared, set aside, made or paid to any Person. None of the shares of authorized common stock of any Selling Party are, nor on the Closing Date will be, subject to any claim of right inconsistent with this Agreement.

(f) No Selling Party owns or holds the right to acquire any stock, partnership interest or joint venture interest or other equity ownership interest in any other corporation, organization or entity.

Section 3.2 Conflicts; Consents; Defaults. Except as set forth in the Schedule 3.2 of the Disclosure Schedule, neither the execution nor delivery of this Agreement by any Selling Party nor the consummation of the transactions will (i) conflict with, result in the breach of, constitute a default under or accelerate the performance required by, any order, Law, regulation, contract, instrument or commitment to which any Selling Party is a party or by which it is bound which would reasonably be expected to have a Material Adverse Effect, (ii) violate the charter or organizational documents of any Selling Party, (iii) require any consent, approval, authorization or filing under any Law, regulation, judgment, order, writ, decree, permit, license or agreement to which any Selling Party is a party or by which it is bound, or (iv) require the consent or approval of any other party to any material contract, instrument or commitment to which any Selling Party is a party, in each case other than any required approvals of or notices as to this Agreement and the transactions by the FDIC, FOFR, DIFS, and National Credit Union Administration ("NCUA") (the "Regulators"), the Holdings, and the shareholders of the Holdings.

Section 3.3 Financial Information. Except as set forth in Schedule 3.3 of the Disclosure Schedule, (a) the audited consolidated balance sheets of the Selling Parties as of December 31, 2020 and as of December 31, 2019, and the related audited income statements, stockholders equity and cash flows for the years then ended ("Audited Financial Statements") with the notes thereto, and (b) the unaudited consolidated balance sheet of the Selling Parties as of May 31, 2021 (the "Interim Financial Statements", together with the Audited Financial Statements, the "Seller Financial Statements"), copies of which have been made available to Buyer, have been prepared in all material respects in accordance with GAAP applied on a consistent basis through the period involved, except as may be disclosed therein (subject to, in the case of the Interim Financial Statements, the absence of footnotes thereto and subject to normal, recurring year-end adjustments), are based on the books and records of the Selling Parties (which books and records are accurate and complete in all material respects) and fairly present, in all material respects, the consolidated results of operations and cash flows of the

Selling Parties, as of the dates and for the periods indicated, in accordance with GAAP.

Section 3.4 Absence of Changes. Except as set forth in Schedule 3.4 of the Disclosure Schedule, no events or transactions have occurred since January 1, 2017, which have resulted in a Material Adverse Effect to the Selling Parties, individually or in the aggregate.

Section 3.5 Title to Real Estate. Except as may be disclosed on Schedule 3.5 of the Disclosure Schedule, each Selling Party has good, marketable and insurable title, free and clear of all Encumbrances (except taxes which are a lien but not yet payable and utility easements, rights-of-way, and other restrictions and Encumbrances which are not material to the Seller or the Real Estate) (the "Permitted Encumbrances") to the Real Estate. Seller represents and warrants that, except as set forth in Schedule 3.5 of the Disclosure Schedule:

(a) the real estate, and all improvements, buildings and fixtures thereon owned by any Selling Party ("Real Estate") complies in all material respects with all applicable private agreements, zoning requirements and other governmental laws and regulations relating thereto, and, to Seller's knowledge, none of the Real Estate or any portion thereof is the subject of any official complaint or notice by any Governmental Authority of violation of any applicable zoning ordinance or building code, and there is no zoning ordinance, building code, use or occupancy restriction with respect to any such building, structure or improvement which will or reasonably could materially interfere with the use of any of the Real Estate;

(b) to Seller's knowledge, there are no condemnation proceedings pending or threatened with respect to the Real Estate;

(c) the Real Estate, including the mechanical, electrical, plumbing, HVAC and other major building systems servicing the improvements on the Real Estate, is in generally good condition for its intended purpose, ordinary wear and tear excepted, and has been maintained in accordance with reasonable and prudent business practices applicable to like facilities;

(d) to Seller's knowledge, all utilities currently servicing the Real Estate are installed, connected and operating, with all charges paid in full in all material respects. The Real Estate is served by all utilities reasonably required to operate the business of the Selling Parties in accordance with past practices and there are no inadequacies in any material respect with respect to such utilities, and, to Sellers' knowledge, no fact or condition exists which would result in the termination or restriction of the future access from the Real Estate to any presently existing highways or roads adjoining or situated on the Real Estate or to any sewer or other utility facility servicing, adjoining or situated on the Real Estate.

(e) all permanent certificates of occupancy and all other material permits, consents and certificates required by all governmental authorities having jurisdiction and the requisite certificates of the local board of fire underwriters (or other body exercising similar functions) have been issued for, and in connection with the operation of, the Real Estate, have been paid for, and are in full force and effect; there are no agreements, consent orders, decrees, judgments, licenses, permits, conditions or other directives, issued by any Governmental

Authority or court which restrict the future use, or require any change in the present use, or operations of the Real Estate.

(f) there is no option to purchase, right of first offer, right of first refusal or other provision granting any person any right to acquire all or any portion of the Real Estate. No Selling Party owes, nor will any Selling Party owe in the future, any brokerage commissions or finder's fees with respect to the Real Estate. No Selling Party has collaterally assigned or granted any other security interest in the Real Estate or any leases, nor subleased, licensed or otherwise granted any person the right to use or occupy such Real Estate or any portion thereof.

Section 3.6 Title to Assets. The Selling Parties have good and valid title to, or a valid and enforceable leasehold interest in, all buildings, machinery, equipment, and other assets used in or necessary for the conduct of their respective businesses as presently conducted and as presently proposed to be conducted, free and clear of all Encumbrances (other than Permitted Encumbrances). Each such tangible asset has been used and maintained in all material respects in accordance with applicable Law, normal industry practice and is in good operating condition and repair (subject to normal wear and tear that are not material in nature or cost), and is suitable for the purposes for which it presently is used and presently is proposed to be used. All buildings and improvements located on or at property owned or leased by any Selling Party are in good condition and repair in all material respects, ordinary wear and tear excepted, and are useable in the ordinary course of business.

Section 3.7 Loans.

(a) The applicable Selling Party is the sole owner and holder of each Loan and all servicing rights relating thereto. Except as set forth on Schedule 3.7(a) of the Disclosure Schedules, no Loan is assigned or pledged (other than to the FHLB), and the applicable Selling Party has good and marketable title thereto. The applicable Selling Party has the full right, subject to no interest or participation of, or agreement with, any other party (other than to the FHLB), to sell and assign any Loan to any Person, free and clear of any right, claim or interest of any Person (other than to the FHLB), and such sale and assignment would not impair the enforceability of that Loan.

(b) Except for any Unfunded Commitment, the full principal amount of the Loan has been advanced to the Loan Debtor, either by payment direct to him, her or it, or by payment made at his, her, or its direction, and there is no requirement for future advances thereunder.

(c) To the Seller's knowledge, each of the Loan Documents is genuine, and each is the legal, valid and binding obligation of the maker thereof, subject to the General Exceptions. To the knowledge of Seller, all parties to the Loan Documents had legal capacity to enter into the Loan Documents, and the Loan Documents have been duly and properly executed by such parties.

(d) All Laws and regulations affecting the origination by a Selling Party, and a Selling Party's administration and servicing, of the Loans prior to the Closing Date, including without limitation, truth-in-lending, real estate settlement procedures, consumer credit

protection, equal credit opportunity and disclosure Laws, have been complied with in all material respects. Without limiting the generality of the foregoing, the applicable Selling Party has timely provided all disclosures, notices, estimates, statements and other documents required to be provided to the obligor or guarantor, including third party pledger, with Loan Debtor under applicable Law and has documented receipt of such disclosures, estimates, statements and other documents as required by Law and Seller's loan origination policies and procedures, except where the failure to do so would not be material to any Selling Party.

(e) To Seller's knowledge, the Loan Debtor has no rights of rescission, setoff, counterclaims, or defenses to the Loan Documents, except such defenses arising by virtue of General Exceptions.

(f) Except as set forth on Schedule 3.7(f) of the Disclosure Schedules, (i) no Loan is in default, nor, to Seller's knowledge, is there any event applicable to a Loan where with the giving of notice or the passage of time, would constitute a default; and (ii) no Loan is classified as substandard, doubtful, or loss or is on non-accrual status.

(g) No Selling Party has modified such Loan in any material respect or waived any material provision of or default under such Loan or the related Loan Documents, except in accordance with its customary loan administration policies and procedures. Any such modification or waiver is in writing and is contained in the loan file.

(h) Selling Parties have taken all actions to cause each Loan secured by personal property to be perfected by a security interest having first priority or such other priority as is required by the relevant loan approval report for such Loan; and to the Seller's knowledge, the collateral for each such Loan is owned by the Loan Debtor.

(i) To the Seller's knowledge, the Loan Debtor is the owner of all collateral for such Loan, free and clear of any Encumbrance except for the security interest in favor of the applicable Selling Party and any other Encumbrance expressly permitted under the relevant loan approval request or Loan Documents.

(j) Except as set forth in Section 3.7(j) of the Disclosure Schedule:

(i) Each Aircraft Loan represents a bona fide sale or finance of the airplane described therein to the airplane purchaser or owner for the amount set forth therein;

(ii) The airplane described in the aircraft loan documentation has been delivered to and accepted by the aircraft purchaser and such acceptance shall not have been revoked;

(iii) The security interest created by the Aircraft Loan is a valid first lien perfected in Oklahoma City with the FAA and all action has been taken to afford first priority status;

(iv) The down payment relating to such Aircraft Loan has been paid in full by the airplane purchaser in cash and/or trade as shown in such Aircraft Loan documentation, and no part of the down payment consisted of notes or postdated checks;

(v) The statements made by the aircraft purchaser or owner and the information submitted by the aircraft purchaser or owner in connection with the Aircraft Loan are true and complete to Seller Party's knowledge; and

(vi) Each Aircraft Loan complies, in all material respects, with all applicable provisions of laws and regulation which are applicable to the transaction represented by the Aircraft Loan.

Section 3.8 Residential and Commercial Mortgage Loans and Certain Business Loans. With respect to each Residential Mortgage Loan, Commercial Mortgage and Business Loan that is secured in whole or part by a Mortgage:

(a) The Mortgage is a valid first lien on the Mortgaged Property securing the related Loan (or a subordinate lien if expressly permitted under the relevant Loan Documents), and the Mortgaged Property is free and clear of all Encumbrances having priority over the first lien (or subordinate lien, if applicable) of the Mortgage, except for liens that are not material in amount, liens for real estate taxes and special assessments not yet due and payable, easements and restrictions of record, and, in the case of a Home Equity Loan or a Mortgage securing a guarantee of a Business Loan, the permitted lien of the senior mortgage or deed of trust.

(b) The Mortgage contains customary provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security provided thereby, including, (i) in the case of a Mortgage designated as a deed of trust, by trustee's sale, and (ii) otherwise by judicial foreclosure.

(c) Except as set forth in the Loan file, all of which actions were taken in the ordinary course of business, no Selling Party has (i) satisfied, canceled, or subordinated the Loan in whole or in part; (ii) released the Mortgaged Property, in whole or in part, from the lien of the Loan; or (iii) executed any instrument of release, cancellation, modification, or satisfaction.

(d) To Seller's knowledge, all taxes, government assessments, insurance premiums, and municipal charges, and leasehold payments which previously became due and owing have been paid, or an escrow payment has been established in an amount sufficient to pay for every such item which remains unpaid. Except as set forth in the Loan file, if applicable, no Selling Party has advanced funds, or induced, solicited, or knowingly received any advance of funds by a party other than the Loan Debtor.

(e) To Seller's knowledge, there is no proceeding pending for the total or partial condemnation of the Mortgaged Property and the Mortgaged Property is undamaged by waste, earth movement, fire, flood, windstorm, earthquake, or other casualty.

(f) To Seller's knowledge, the Mortgaged Property is free and clear of all mechanics' liens or liens in the nature thereof, and no rights are outstanding that under Law

could give rise to any such lien.

(g) To Seller's knowledge, all of the improvements which are included for the purpose of determining the appraised value of the Mortgaged Property lie wholly within the boundaries and building restriction lines of the Mortgaged Property, and no improvements on adjoining properties encroach upon the Mortgaged Property, except as allowed by the Seller's underwriting guidelines.

(h) The Loan meets, or is exempt from, applicable state or federal laws, regulations and other requirements pertaining to usury, and the Loan is not usurious.

(i) Each Loan for which private mortgage insurance was required by Seller under its underwriting guidelines is insured by what Seller believes to be a reputable private mortgage insurance company and each such insurance policy is in full force and effect; and all premiums due thereunder have been paid.

(j) No claims have been made under any lender's title insurance policy respecting any of the Mortgaged Property, and no Selling Party has done, by act or omission, anything which would materially impair the coverage of any such lender's title insurance policy.

(k) To Seller's knowledge, there is in force for each Loan, a hazard insurance policy, including, to the extent required by applicable law, flood insurance, meeting the specifications of FNMA/FHLMC in the case of a Residential Mortgage Loan (other than Home Equity Loans and business purpose Residential Mortgage Loans). To Seller's knowledge, all such insurance policies contain a standard mortgagee clause naming the applicable Selling Party and its successors and assigns as mortgagee, and all premiums thereon have been paid. The Mortgage obligates the Loan Debtor thereunder to maintain the hazard insurance policy at the Loan Debtor's cost and expense and, on the Loan Debtor's failure to do so, authorizes the holder of the Mortgage to obtain and maintain such insurance at such Loan Debtor's cost and expense, and to seek reimbursement therefor from the Loan Debtor. No Selling Party has engaged in, and has no knowledge of the Loan Debtor's having engaged in, any act or omission which would materially impair the coverage of any such policy, the benefits of the endorsement provided for therein, or the validity and binding effect of either.

(l) As to each Residential Mortgage Loan, the Mortgaged Property consists of a one-to four-family (including condominium or PUD projects that meet FNMA/FHLMC guidelines as warranted by Seller), owner-occupied primary residence, second home, or investment property.

(m) The Loan was originated and underwritten in the ordinary course of the applicable Selling Party's business and by an authorized employee of such Selling Party.

(n) Neither (i) the information presented as factual concerning the income, employment, credit standing, purchase price and other terms of sale, payment history or source of funds submitted to any Selling Party for the purpose of making the Loan, nor (ii) the information presented as factual in the appraisal with respect to the Mortgaged Property, contained, to Seller's knowledge, any material omission or misstatement or other material discrepancy at the time the information was obtained by such Selling Party.

(o) All appraisals have been ordered, performed and rendered in accordance with the requirements of the underwriting guidelines of the applicable Selling Party and in compliance, in all material respects, with all laws and regulations then in effect relating and applicable to the origination of loans, which requirements include, without limitation, requirements as to appraiser independence, appraiser competency and training, appraiser licensing and certification, and the content and form of appraisals.

(p) To Seller's knowledge, no Mortgaged Property is in violation of any Environmental Law.

Section 3.9 Auto Receivables. Except as set forth on Schedule 3.9 of the Disclosure Schedule:

(a) Each Auto Receivable represents a bona fide sale or finance of the vehicle described therein to the vehicle purchaser or owner for the amount set forth therein;

(b) To Seller's knowledge, the vehicle described in the Auto Receivable has been delivered to and accepted by the vehicle purchaser and such acceptance shall not have been revoked;

(c) The security interest created by the Auto Receivable is a valid first lien in the motor vehicle covered by the Auto Receivable and all action has been taken to create and perfect such lien in such vehicle within such time following the date of the Auto Receivable as will afford first priority status;

(d) To Seller's knowledge, the down payment relating to such Auto Receivable has been paid in full by the vehicle purchaser in cash and/or trade as shown in such Auto Receivable, and no part of the down payment consisted of notes or postdated checks;

(e) The statements made by the vehicle purchaser or owner and the information submitted by the vehicle purchaser or owner in connection with the Auto Receivable are true and complete to Seller's knowledge;

(f) Each Auto Receivable complies, in all material respects, with all applicable provisions of laws and regulation which are applicable to the transaction represented by the Auto Receivable; and

(g) To Seller's knowledge, there are no circumstances or conditions with respect to any Auto Receivable, the related vehicle, the vehicle purchaser or owner, or vehicle purchaser's or owner's credit standing that can be expected to materially adversely affect Seller's security interest in such Auto Receivable.

Section 3.10 SBA Matters; COVID-19 Loans.

(a) At all times while any Selling Party has been originating and servicing SBA Loans, that Selling Party has had a validly issued and effective SBA License. No Selling Party has rreceived any notice threatening to suspend or revoke such Selling Party's SBA

License. Each applicable Selling Party is in material compliance with the SBA's Standard Operating Procedures (the "SOP").

(b) To Seller's knowledge, (i) all PPP Loans and SBA Loans that constitute Loans were issued in accordance with applicable Law, regulations, SBA underwriting standards and SBA guidance regarding the SBA's interpretation of the PPP (including, in each case, the SOP), and (ii) all PPP Loans that constitute Loans and are eligible for forgiveness by the SBA in accordance with the provisions of applicable Law and regulations, including the SOP, the CARES Act, the PPP, and the regulations and guidance promulgated thereunder or applicable thereto.

(c) To Seller's knowledge, all COVID-19 Loans and SBA Loans that constitute Loans were issued in accordance with applicable Laws and regulations.

Section 3.11 Unsecured Loans. Except as set forth on Schedule 3.11 of the Disclosure Schedule, no Unsecured Loan has been charged-off since January 1, 2020.

Section 3.12 Allowance. Except as set forth on Schedule 3.12 of the Disclosure Schedule, the Allowance shown on the Interim Financial Statements with respect to the Loans is adequate in the judgment of management and consistent with applicable regulatory standards and GAAP to provide for possible losses on items for which reserve were made.

Section 3.13 Investments. Except for investments pledged to secure FHLB advances or public deposits or as otherwise set forth in the Schedule 3.13 of the Disclosure Schedule, none of the investments reflected in the Interim Financial Statements, and none of the investments made by Seller since the date of the Interim Financial Statements are subject to any restriction, whether contractual or statutory, which materially impairs the ability of the Selling Parties to dispose freely of such investment at any time and each of such investments complies with regulatory requirements concerning such investment(s).

Section 3.14 Deposits.

(a) Selling Parties have made available to Buyer a true and complete copy of the account forms for all Deposits offered by the Selling Parties. Except as listed on Schedule 3.14(a) of the Disclosure Schedule, all the accounts related to the Deposits are in material compliance with all applicable Laws, orders and regulations and were originated in material compliance with all applicable Law orders and regulations.

(b) Schedule 3.14(b) of the Disclosure Schedule is a true and correct schedule of the Deposits prepared as of the date indicated thereon (which shall be updated through the Closing Date), listing by category and the amount of such deposits, together with the amount of Accrued Interest thereon. All Deposits are insured to the fullest extent permissible by the FDIA. Subject to the receipt of all requisite regulatory approvals, Selling Parties have and will have at the Closing Date all rights and full authority to transfer and assign the Deposits without restriction. As of the date hereof, with respect to the Deposits:

(1) Subject to items returned without payment in full ("Return Items") and immaterial bookkeeping errors, all interest accrued or accruing on the Deposits has been

properly credited thereto, and properly reflected on the Selling Parties' books of account, and no Selling Party is in default in the payment of any thereof;

(2) Subject to Return Items and immaterial bookkeeping errors, Selling Parties have timely paid and performed all of its obligations and liabilities in all material respects relating to the Deposits as and when the same have become due and payable;

(3) Subject to immaterial bookkeeping errors, Selling Parties have administered all of the Deposits in accordance with applicable fiduciary duties and with good and sound financial practices and procedures, and has properly made all appropriate credits and debits thereto; and

(4) Except as described on Schedule 3.14(b)(4) of the Disclosure Schedule, none of the Deposits are subject to any Encumbrances or any legal restraint or other legal process (including any deposit account control agreements executed in favor of secured parties), other than Loans, customary court orders, levies, and garnishments affecting the depositors.

Section 3.15 Contracts. Schedule 3.15 of the Disclosure Schedule lists or describes the following:

(a) Each Loan and credit agreement, conditional sales contract, indenture or other title retention agreement or security agreement relating to money borrowed by any Selling Party;

(b) Each guaranty by any Selling Party of any obligation for the borrowing of money or otherwise (excluding any endorsements and guarantees in the ordinary course of business and letters of credit issued by Seller in the ordinary course of its business) or any warranty or indemnification agreement;

(c) Each lease or license with respect to personal property involving an annual amount in excess of $15,000.00;

(d) Each employment or consulting agreement or arrangement with respect to employees and consultants of any Selling Party;

(e) Each agreement or contract (A) relating to the licensing of any Intellectual Property Right other than standard non-exclusive off-the-shelf software licenses for commercially available, unmodified software under standard shrink wrap agreements and for an annual, aggregate fee, royalty, or other consideration for such license is no more than $10,000.00 and used solely for the Seller Parties' internal use, (B) affecting any Selling Parties' ability to use, disclose or enforce any Intellectual Property Right (including concurrent use agreements, settlement agreements, and covenant not to sue agreements), or (C) any agreements related to the development or co-development of Seller Intellectual Property; and

(f) Each agreement, Loan, contract, lease, guaranty, letter of credit, line of credit or commitment of any Selling Party not referred to elsewhere in this Section which (i) involves payment by any Selling Party (other than as disbursement of Loan proceeds to

customers) of more than $25,000.00 annually or $50,000.00 in the aggregate over its remaining term unless, in the latter case, such is terminable within one (1) year without premium or penalty; (ii) involves payments based on profits of any Selling Party; (iii) relates to the future purchase of goods or services in excess of the requirements of its respective business at current levels or for normal operating purposes; (iv) were made outside the ordinary course of business; or (v) is material to the business or operations of any Selling Party.

(g) Final and complete copies of each document, plan, contract or instrument listed and described on Schedule 3.15 of the Disclosure Schedule have been made available to Buyer (collectively, the "Specified Contracts"). All material terms and provisions of each oral Specified Contract are described on Schedule 3.15 of the Disclosure Schedule. No Selling Party is in default in any material respect, nor has any event occurred (including as a result of COVID-19 or the COVID-19 Measures) that with the giving of notice or the passage of time or both would constitute a default in any material respect by any Selling Party or which would give rise to any right of notice, modification, acceleration, payment, cancellation or termination of or, or by another party under, or in any manner release any party thereto from any obligation under, any Specified Contract and, to Seller's knowledge, no other party is in default in any material respect, nor has any event occurred which with the giving of notice or the passage of time or both would constitute a default by any other party or which would give rise to any right of notice, modification, acceleration, payment, cancellation or termination of or by any Selling Party under, or in any manner release any party thereto from any obligation under any such Specified Contract. There are no renegotiations or outstanding rights to negotiate any amounts to be paid or payable to or by any Selling Party under any Specified Contract required to be set forth on Schedule 3.15 of the Disclosure Schedule other than with respect to non-material amounts in the ordinary course of business, and no Person has made a written demand for such negotiations.

Section 3.16 Intellectual Property.

(a) Schedule 3.16(a) of the Disclosure Schedule contains a complete and accurate description and list of all (i) patents, registered trademarks, registered copyrights, and applications for any of the foregoing that are owned by or on behalf of, held by, or filed in the name of, the Selling Parties, (ii) Internet domain names registered or held by or on behalf of the Selling Parties, and (iii) any unregistered Intellectual Property Rights, including Software and trademarks owned by any Selling Party that are material to the conduct of the Selling Parties' business. No loss or expiration of any Intellectual Property Right owned by any Selling Party is threatened, pending or to Seller's knowledge reasonably foreseeable (other than the expiration of any registered Intellectual Property Rights at the end of their respective statutory terms). Each of the registered Intellectual Property Rights (or applications therefor) set forth (or required to be set forth) on Schedule 3.16(a) of the Disclosure Schedule is subsisting and in full force and effect and is valid and enforceable and to Seller's knowledge none of the registrations or applications are subject to any challenge, opposition, nullity proceeding or interference or threats to commence the same.

(b) The Selling Parties (i) exclusively owns and possesses all right, title and interest in and to the Intellectual Property Rights set forth (or required to be set forth) on Schedule 3.16(a) of the Disclosure Schedule and (ii) owns and possesses all right, title and

interest in and to, or has the right to use pursuant to a valid and enforceable license set forth on Schedule 3.16(a), of the Disclosure Schedules all Intellectual Property Rights necessary for the operation of its business as presently conducted and as presently proposed to be conducted (the Intellectual Property Rights in clause (i) and (ii) of this Section 3.16(b), collectively, the "Seller Intellectual Property") in each case in clause (i) and (ii) of this Section 3.16(b), free and clear of all Encumbrances.

(c) The Seller Parties have taken all commercially reasonably necessary steps to maintain and protect the Seller Intellectual Property. All Confidential Information and trade secrets owned or controlled by the Selling Parties are only disclosed to Persons who have executed an agreement with a Selling Party that limits the use and disclosure of such trade secrets and Confidential Information and all such confidentiality agreements are, in each case, valid and are enforceable in accordance with their terms and, to the knowledge of the Seller, no Person is in breach of any such agreement.

(d) All Seller Systems (whether or not outsourced) (i) are free from any material defect, bug, virus or programming, design or documentation error or corruptant or other software routines or hardware components that permit unauthorized access or the unauthorized disablement or erasure of such, (ii) are fully functional and operate and run in a reasonable and efficient business manner and (iii) are sufficient for the current and currently contemplated needs of the business of the Selling Parties including as to capacity and ability to meet current peak volumes and anticipated volumes in a timely manner, and there have been no material failures, breakdowns, outages, or unavailability of any of the foregoing Software or Systems in prior twenty-four (24) months. Selling Parties have taken all commercially reasonable steps to safeguard the internal and external integrity and security of the Software and Systems owned or used by or for the Selling Parties and the data that such Software and Systems contain (including the data of its customers).

(e) Without limiting the generality of any representation or warranty herein, (i) Selling Parties currently maintain, and have maintained for the twenty-four (24) months prior to the date hereof, a plan with respect to business continuity and disaster recovery activities that is current and consistent with best industry standards, and (ii) none of the Seller Systems (as a whole or with respect to any portion thereof) have experienced failures, breakdowns, outages, bugs, continued substandard performance, or other adverse events in the past twelve (12) months that have caused or could reasonably be expected to result in the substantial disruption or interruption in or to the use of such Seller Systems (as a whole or with respect to any portion thereof).

(f) With respect to data collection, use, privacy, protection, and security, Selling Parties have complied with all applicable laws, all additional or higher leading industry standards or requirements (including PCI-DSS and PA-DSS), and Selling Parties' internal policies and privacy policies, and no notices have been received by nor any claims, charges, or complaints have been made against any Selling Party by any Governmental Authority or other person alleging a violation of any such laws or industry standards. No Selling Party has experienced any incident in which Seller Data was or, to the Knowledge of Seller, may have been stolen or improperly accessed, including any breach of security or any notices or complaints from any person regarding any such information. Selling Parties have never failed a

privacy or data security audit conducted by any of its customers nor lost any customers as a result of any such privacy or data security audit.

(g) There are not, and there have been no claims made against any Selling Party with respect to the validity, infringement, use, ownership, or enforceability of any Intellectual Property Right owned or used by any Selling Party and, to the Seller's knowledge, there is no basis for any such claim, (ii) no Selling Party has received any notices of, or has knowledge of any facts which indicate a likelihood of, any infringement, misappropriation, or violation by, or conflict with, any third party with respect to any Intellectual Property Rights (including any demand or request that any Selling Party license any rights from a third party), (iii) the conduct of the Selling Parties' business has not infringed, misappropriated, violated, or conflicted with, and the continued conduct of Selling Parties' business does not and will not infringe, misappropriate, violate, or conflict with, any Intellectual Property Rights of other Persons, (iv) no third party has made any written claim asserting that any Intellectual Property Rights owned or held by any Selling Party should be transferred to or placed under the control of a third party, nor has any third party made a request or demand that any such transfer be made by any Selling Party other than in an arm's length transaction and in exchange for full and fair market value, and (v) to Seller's knowledge, the Intellectual Property Rights owned by or exclusively licensed to any Selling Party have not been infringed, misappropriated, violated, or conflicted with by other Persons.

(h) Except as set forth on Schedule 3.16(h) of the Disclosure Schedule, the transactions contemplated by this Agreement will not have an adverse effect on the Selling Parties' right, title or interest in and to the Seller Intellectual Property and, following Closing, all Seller Intellectual Property shall be owned or available for use from a third party by Buyer on terms and conditions identical to those under which they were owned or available for use by the Selling Parties prior to the consummation of this transaction

Section 3.17 Tax Matters. Except as set forth in the Disclosure Schedule, Seller has filed with the appropriate governmental agencies all federal, state and local income, franchise, excise, sales, use, real and personal property and other tax returns and reports required to be filed by it. Seller is not (a) aware that it is delinquent in the payment of any taxes shown on such returns or reports or on any assessments received by it for such taxes; (b) aware of any pending or threatened examination for income taxes for any year by the Internal Revenue Service (the "IRS") or any state tax agency; (c) subject to any agreement extending the period for assessment or collection of any federal or state tax; or (d) a party to any action or proceeding with, nor has any claim been asserted against it by, any Regulators, any court, and any other administrative agency or commission or other federal, state or local Governmental Authority or instrumentality, including any subdivision thereof for assessment or collection of taxes. To Seller's knowledge, Seller is not the subject of any threatened action or proceeding by any Governmental Authority for assessment or collection of taxes. The reserve for income taxes in the audited financial statements of Seller for the year ended December 31, 2020, is, in the opinion of management of Seller, adequate to cover all of the income tax liabilities of Seller (including, without limitation, income taxes and franchise fees) as of such date in accordance with GAAP.

Section 3.18 Employee Matters.

(a) No Selling Party is a party to any collective bargaining agreement or agreement with any union. No labor strike, material dispute by employees or contractors as a group, slowdown or stoppage is pending or, to the Seller's knowledge, threatened against any Selling Party, and no such strike, dispute, slowdown or stoppage has occurred since December 31, 2019. No labor union currently represents or has given any Selling Party notice that it intends to organize any employees or contractors of any Selling Party. Since December 31, 2019, there has been no pending, and to the Seller's knowledge there has not been any threatened, application for certification or representation question concerning any employees of any Selling Party. To the Seller's knowledge, no labor union or labor organization is organizing or seeking to organize any employees of any Selling party and no such organizing activities have occurred since December 31, 2019.

(b) Schedule 3.18(b) of the Disclosure Schedule sets forth the title, work or office location, start date, annual salary or hourly wage (as applicable), overtime exemption status, and accrued but unused vacation and sick time of all employees of the Selling Parties, and status (active or no statutory or employer-approved leave). To the Seller's knowledge, no employee of any Selling Party intends to terminate his or her employment with any Selling Party because of the consummation of the transactions contemplated by this Agreement or within six months following the Closing Date.

(c) Since December 31, 2019, all employees of the Selling Parties have been properly classified as exempt or non-exempt from the minimum wage and overtime requirements of the Fair Labor Standards Act and applicable state Law, and all independent contractors of the Selling Parties have been properly classified as independent contractors. Since December 31, 2019, no Selling Party has incurred and, to the knowledge of the Seller, no circumstances exist under which any Selling Party would be reasonably be expected to incur, any material liability arising from the failure to pay wages (including but not limited to overtime wages, accrued and unused vacation or paid leave, and commissions), or the misclassification of employees as consultants or independent contractors.

(d) Except as set forth on Schedule 3.18(d) of the Disclosure Schedule, since December 31, 2019, there has not been any litigation, charge, petition, or complaint, including any action by a Governmental Authority, relating to, any written allegation of or relating to, or to the Seller's knowledge, any unwritten allegation of or relating to, unfair labor practices, discrimination, retaliation, sexual harassment, other unlawful harassment, sexual misconduct, violation of any other Law with respect to employment, or breach of any Selling Party's policy relating to the foregoing, in each case involving any current or former employee, director, officer or independent contractor (in relation to his or her work for a Selling Party) of any Selling Party, nor has there been any settlement or similar out-of-court or pre-litigation arrangement relating to any such matters, nor, to the Seller's knowledge, has any such litigation, charge, petition, complaint, settlement or other arrangement been threatened. To the Seller's knowledge, there are no consensual or non-consensual sexual relationships between any legal or beneficial owner, officer or supervisor-level employee of any Selling Party, on the one hand, and any direct report or other subordinate of any of the foregoing individuals, on the other hand. To the Seller's knowledge, there has been no internal complaint or report of discrimination or harassment (including sexual harassment) made by an employee of any Selling Party during the twelve months prior to the Closing Date.

(e) Except as set forth on Schedule 3.18(e) of the Disclosure Schedule, (i) since December 31, 2019, the Selling Parties have been in material compliance with all applicable Laws respecting employment and employment practices, terms and conditions of employment and wages and hours, including, without limitation, any such laws respecting employment discrimination and occupational safety and health requirements, and no Selling Party is engaged in any unfair labor practice.

(f) No employee, officer, or director of any Selling Party is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality, non-competition, or proprietary rights agreement, between such employee, officer or director and any other Person that in any way adversely affects or will affect the performance of his or her duties as an employee, officer or director of any Selling Party, before the Closing Date, or Buyer, after the Closing Date. Except as set forth on Schedule 3.18(f) of the Disclosure Schedule, all written or oral employment Contracts with employees of the Selling Parties are terminable "at will" without payment of severance or other benefits.

(g) The Selling Parties have properly completed a Form I-9 to verify the identity and work authorization for each of their employees and Seller has no knowledge that any employee or contractor of any Selling Party is not authorized to work in the United States. Since December 31, 2019, no Selling Party has been investigated, audited or fined by any Governmental Authority to enforce or otherwise in connection with any immigration laws. No employee of any Selling Party is employed under an H-1B, L-1A or L-1B visa, or any other employer-petitioned non-immigrant U.S. work authorization. No Selling Party is petitioning for employment-based lawful permanent residence status on behalf of any employee of any Selling Party or has filed any Application for Alien Employment Certification (ETA Form 9089), or any Form I-140 (Immigrant Petition for Alien Workers) that remains pending.

Section 3.19 Benefit Plans.

(a) Schedule 3.19(a) of the Disclosure Schedules contains a list of each benefit, retirement, nonqualified deferred compensation, employment, consulting, compensation, incentive, bonus, stock option, restricted stock, stock appreciation right, phantom equity, equity based, change in control, severance, retention, vacation, paid time off, health, welfare, post-retirement welfare (retiree medical and retiree life), flexible spending, cafeteria and fringe-benefit arrangement, agreement, plan, policy and program, whether or not subject to ERISA, whether qualified or nonqualified, whether fully-insured or self-insured, whether funded or unfunded, or whether or not reduced to writing, in effect and covering one or more employees, former employees of any Selling Party, current or former officers, directors, managers, consultants or independent contractors of any Selling Party or the beneficiaries or dependents of any such Persons, and is established, operated, administered, maintained, sponsored, funded, contributed to, or required to be contributed to by any Selling Party or any ERISA Affiliate, or under which any Selling Party or any ERISA Affiliate has any Liability whether current or contingent (each, a "Benefit Plan"). With respect to each Benefit Plan, the Selling Parties have made available to Buyer, to the extent applicable, accurate and complete copies of: (i) the current plan and trust documents, with all amendments thereto (or for each Benefit Plan that is not written, a description of the material terms thereof); (ii) the most recent summary plan description and all related summaries of material modifications thereto; (iii) the most recent

determination or opinion letter received from the applicable Governmental Authority; (iv) the three (3) most recent annual reports (Form 5500-series, with all applicable schedules and attachments); (v) all related insurance Contracts (or summaries thereof), other funding arrangements and administrative services Contracts; (vi) the most recent trust account statement, (vii) the three (3) most recent coverage and nondiscrimination testing reports) (viii) Form 1094-C and Form 1095-C for each year that a Selling Party has been an applicable large employer as defined under the Patient Protection and Affordable Care Act and all regulations and guidance issued thereunder (the "ACA") and (ix) any non-routine communications from any Governmental Authority, including the IRS, Department of Labor and Pension Benefit Guaranty Corporation. No Selling Party is obligated to establish a new Benefit Plan, or to amend any Benefit Plan to increase the amount of benefits provided thereunder, or to amend any Benefit Plan to change eligibility rules for such Benefit Plan.

(b) Except as set forth in Schedule 3.19(b) of the Disclosure Schedule, each Benefit Plan and related trust has been established, maintained, operated, administered and funded in accordance with the terms of each such Benefit Plan and complies in form and operation with all applicable Laws (including ERISA and/ the Code). Each Benefit Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service, or with respect to a pre-approved plan, can rely on an opinion letter from the Internal Revenue Service to the pre-approved plan sponsor, to the effect that such Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income Taxes under Sections 401(a) and 501(a), respectively, of the Code, and, nothing has occurred that could adversely affect the qualified status of such Benefit Plan. Except as set forth in Schedule 3.20(b) of the Disclosure Schedule, all benefits, contributions and premiums required by and due under the terms of each Benefit Plan or applicable Law have been timely paid in accordance with the terms of such Benefit Plan, the terms of all applicable Laws and GAAP. No Benefit Plan has any unfunded Liabilities that have not been accrued or otherwise adequately reserved to the extent required by GAAP. All Form 5500s, Forms 1094-C and 1095-C and other similar reports, returns or documents have been filed or distributed with respect to any Benefit Plan in accordance with applicable Laws. With respect to any Benefit Plan, no event has occurred or is reasonably expected to occur that has resulted in or could subject any Selling Party to a Tax under Section 4971 of the Code or the assets of any Selling Party to an Encumbrance under Section 430(k) of the Code. Each Selling Party is and, at all times, has been in compliance with the applicable provisions of the ACA, and no Selling Party nor any Benefit Plan has incurred (and nothing has occurred, and no condition or circumstances exists, that could subject any Selling Party or any Benefit Plan to) any assessable payment, Tax or penalty under Sections 4980D or 4980H of the Code or any other provision of the ACA. Each Selling Party has, or has arranged to have, maintained all records reasonably necessary to demonstrate compliance with the ACA. The requirements of COBRA have been met with respect to each applicable Benefit Plan.

(c) Except as set forth in Schedule 3.19(c) of the Disclosure Schedules, no Benefit Plan is, and no Selling Party nor any ERISA Affiliate has any current or contingent Liability with respect to, any employee benefit plan that: (i) is subject to Title IV or the minimum funding standards of Section 302 of ERISA or Section 412 of the Code; (ii) is a "multi-employer plan" (as defined in Section 3(37) of ERISA), (iii) a multiple employer welfare arrangement (as defined in Section 3(40) of ERISA, or (iv) a multiple employer plan (as

described in Section 413(c) of the Code). There is no Encumbrance pursuant to Sections 303(k) or 4068 of ERISA or Section 430(k) of the Code in favor of, or enforceable by the Pension Benefit Guaranty Corporation or any other entity with respect to any of the assets of any Selling Party. No Selling Party has any Liability or potential Liability under ERISA or the Code solely by reason of being treated as a single employer under Section 414 of the Code with any trade, business or entity. No Selling Party nor any of their respective ERISA Affiliates: (i) has withdrawn from any pension plan under circumstances resulting (or expected to result) in a Liability to the Pension Benefit Guaranty Corporation; or (ii) has engaged in any transaction which would give rise to a Liability of a Selling Party or Buyer under Section 4069 or Section 4212(c) of ERISA.

(d) Except as set forth in Schedule 3.19(d) of the Disclosure Schedules, and other than as required under Section 4980B of the Code or other applicable Law, no Benefit Plan provides benefits or coverage in the nature of health, life or disability insurance following retirement or other termination of employment (other than death benefits when termination occurs upon death) and no Selling Party nor any ERISA Affiliate has any Liability or obligation thereto.

(e) Except as set forth in Schedule 3.19(e) of the Disclosure Schedules: (i) there is no pending or, to Seller's Knowledge, threatened action relating to a Benefit Plan and there is no basis for any such action; (ii) no Benefit Plan has within the six (6) years prior to the date hereof been the subject of an examination or audit by a Governmental Authority, (iii) there have been no prohibited transactions (as defined by ERISA and the Code) with respect to any Benefit Plan; and (iv) no fiduciary (as defined by Section 3(21) of ERISA) has any Liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any Benefit Plan. No Selling Party has engaged in a transaction that could give rise to a civil penalty under Sections 490 or 502(i) of ERISA.

(f) Except as set forth in Schedule 3.19(f) of the Disclosure Schedules, neither the execution and delivery of this Agreement nor the consummation of any of the transactions contemplated hereby will (either alone or in combination with any other event): (i) result in the payment to any current or former employee, director, office, manager, consultant or independent contractor of any money or other property; (ii) accelerate the vesting of or provide any additional rights or benefits (including funding of compensation or benefits through a trust or otherwise) to any current or former employee, director, office, manager, consultant or independent contractor; or (iii) limit or restrict the ability of Buyer or its Affiliates to merge, amend or terminate any Benefit Plan, in each case, as a result of the execution of this Agreement. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby (either alone or in combination with any other event) will result in "excess parachute payments" within the meaning of Section 280G(b) of the Code. No Selling Party has any Liability or obligation to "gross up" any Person for any Liability under Sections 409A or 4999 of the Code.

(g) Each Benefit Plan that is a nonqualified deferred compensation plan within the meaning of Section 409A of the Code has been operated and maintained in operational and documentary compliance with Section 409A of the Code and applicable

guidance thereunder. No payment to be made under any Benefit Plan is, or to the Seller's Knowledge, will be, subject to the penalties of Sections 409A(a)(1) or 4999 of the Code.

(h) Except as required by any Law, no provision or condition exists that would prevent any Selling Party or Buyer from terminating or amending any Benefit Plan at any time for any reason.

(i) Each Selling Party has, for purposes of each Benefit Plan, correctly classified those individuals performing services for the Selling Parties or any ERISA Affiliate as common law employees, leased employees, independent contractors or agents.

(j) Nothing has occurred with respect to any Benefit Plan that has subjected or could subject any Selling Party, or with respect to any period on or after the Closing Date, the Buyer or any of their ERISA Affiliates (including a Selling Party), to a civil action, penalty, surcharge or Tax under applicable Law.

Section 3.20 Environmental Matters.

(a) As used in this Agreement, "Environmental Laws" means all local, state and federal environmental, health and safety laws and regulations in all jurisdictions in which any Selling Party has done business or owned, leased or operated property, including, without limitation, the Federal Resource Conservation and Recovery Act, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Federal Clean Water Act, the Federal Clean Air Act, and the Federal Occupational Safety and Health Act.

(b) Except as may be disclosed on Schedule 3.20(b) of the Disclosure Schedule, each Selling Party is and has been in compliance in all material respects with all Environmental Laws. Except as may be disclosed on Schedule 3.20(b) of the Disclosure Schedule, no activity or condition exists, and no event has occurred, at or upon the Real Estate, or to the knowledge of Seller any other real estate owned, as such real estate is classified on the books of Seller ("OREO"), that violates any Environmental Law or that would obligate (or potentially obligate) any Selling Party to report such activity, condition or event to any Governmental Authority, or to conduct response actions with respect to the environmental condition of any of the Real Estate, or any OREO. Except as may be disclosed on Schedule 3.20(b) of the Disclosure Schedule, no Selling Party has received any written notice from any Person that any Selling Party is or was in violation of any Environmental Law or that any Selling Party is responsible (or potentially responsible) for the cleanup or other remediation of any pollutants, contaminants, or hazardous or toxic wastes, substances or materials at, on or beneath any such property. Except as may be disclosed on Schedule 3.20(b) of the Disclosure Schedule, no Selling Party is participating, or has participated, in the management of either any Mortgaged Property or any borrower in a manner that has given rise to or would give rise to material liabilities pursuant to any Environmental Laws.

Section 3.21 No Undisclosed Liabilities. Seller does not have any material liability, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due (and, to the Knowledge of Seller, there is no past or present fact, situation, circumstance, condition or other basis for any

present or future action, suit or proceeding, hearing, charge, complaint, claim or demand against Seller giving rise to any such liability) required in accordance with GAAP to be reflected in an audited balance sheet of Seller or the notes thereto (including as a result of COVID-19 and the COVID-19 Measures), except (i) for liabilities set forth or reserved against in the Seller Financial Statements, (ii) for liabilities occurring in the ordinary course of business of Seller since the date of the Interim Financial Statements, (iii) liabilities relating to the transactions contemplated by this Agreement, and (iv) as may be disclosed on Schedule 3.21 of the Disclosure Schedule.

Section 3.22 Litigation. Except as set forth on Schedule 3.22 of the Disclosure Schedule, there is no action, suit, proceeding or investigation pending against Seller or to the knowledge of Seller threatened against Seller, before any court or arbitrator or any Governmental Authority, agency, or official involving a monetary claim for $25,000.00 or more or equitable relief (*i.e.*, specific performance or injunctive relief).

Section 3.23 Performance of Obligations. Seller has performed in all material respects all obligations required to be performed by it to date under the Contracts, the Deposits, and the Loan Documents, and Seller is not in material default under, and, to Seller's knowledge, no event has occurred which, with the lapse of time or action by a third party, could result in a material default under, any such agreements or arrangements.

Section 3.24 Compliance with Law. Each Selling Party has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business in all material respects and has conducted its business in compliance in all material respects with all applicable federal, state and local statutes, Laws, regulations, ordinances, rules, judgments, orders or decrees applicable thereto or to the employees conducting such businesses.

Section 3.25 Brokerage. Except as set forth on Schedule 3.25 of the Disclosure Schedule, there are no existing claims or agreements for brokerage commissions, finders' fees, or similar compensation in connection with the transactions contemplated by this Agreement payable by any Selling Party.

Section 3.26 Interim Events. Except as set forth on Schedule 3.26 of the Disclosure Schedule, since January 1, 2021, no Selling Party has (i) paid or declared any dividend or made any other distribution to its shareholders, (ii) except as would result in material liability to a Selling Party, had any material business interruptions or material liabilities arising out of, resulting from or related to COVID-19 or COVID-19 Measures, including (a) the material failure of a Selling Party's employees, agents and service providers to timely perform services, (b) any material labor shortages, (c) material reductions in customer/client demand, (d) any claim of force majeure by a Selling Party or a counterparty to any Specified Contract, (e) materially reduced hours of operations or materially reduced aggregate labor hours, (f) material restrictions on uses of the Real Estate, or (g) the failure by any Selling Party to comply with any COVID-19 Measures in any material respects; or (iii) taken any other action which if taken after the date of this Agreement would require the prior written consent of Buyer under Section 5.1.

Section 3.27 Records. The Records are and shall be sufficient to enable Buyer to conduct a banking business with respect thereto under the same standards as the Selling Parties

have heretofore conducted such business.

Section 3.28 Community Reinvestment Act. The applicable Selling Parties received a rating of "Satisfactory" in its most recent examination or interim review with respect to the Community Reinvestment Act. No Selling Party has been advised of any supervisory concerns regarding its compliance with the Community Reinvestment Act.

Section 3.29 Insurance. All material insurable properties owned or held by the Selling Parties are adequately insured by licensed insurers in such amounts and against fire and other risks insured against by extended coverage and public liability insurance, as the Selling Parties believe is customary with banks of similar size and location. Schedule 3.29 of the Disclosure Schedule sets forth, for each material policy of insurance maintained by the Selling Parties, the amount and type of insurance, the name of the insurer, the amount of the annual premium and with such policy is "claims made" or "occurrence based". All amounts due and payable under such insurance policies are fully paid, and all such insurance policies are in full force and effect. To Seller knowledge, no event has occurred which would give rise to any right of notice, modification, acceleration, payment, cancellation or termination thereunder, or in any manner release any party thereto from any obligation under any insurance policy maintained by or on behalf of any Selling Party.

Section 3.30 Regulatory Enforcement Matters. Except as disclosed on Schedule 3.30 of the Disclosure Schedule, no Selling Party is subject to, or has received any written notice or advice that it may become subject to, any order, agreement or memorandum of understanding with any federal or state agency charged with the supervision or regulation of banks or bank holding companies or engaged in the insurance of financial institution deposits or any other governmental agency having supervisory or regulatory authority with respect to such Selling Party.

Section 3.31 Regulatory Approvals. The information furnished or to be furnished by the Selling Parties for the purpose of enabling the Selling Parties or Buyer to complete and file all requisite regulatory applications is or will be true and complete in all material respects as of the date so furnished. There are no facts known to any Selling Party which the Selling Parties have disclosed to the Buyer in writing, which, insofar as the Selling Parties can now reasonably foresee, may have a Material Adverse Effect on the ability of Buyer or the Selling Parties to obtain all requisite regulatory approvals or to perform its obligations pursuant to this Agreement.

Section 3.32 Representations Regarding Financial Condition.

(a) The Selling Parties are not entering into this Agreement in an effort to hinder, delay or defraud their creditors.

(b) No Selling Party is insolvent.

(c) No Selling Party has any intention to file proceedings for bankruptcy, insolvency or any similar proceeding for the appointment of a receiver, conservator, trustee, or guardian with respect to its business or assets prior to the Closing.

Section 3.33 Full Disclosure. No representation or warranty contained in this Article 3

and no statement or information relating to any Selling Party contained in (i) this Agreement (including the Disclosure Schedules and Exhibits hereto), or (ii) in any certificate or document furnished or to be furnished by or on behalf of any Selling Party to Buyer pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements made herein or therein, in light of the circumstances in which they were made, not misleading.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES CONCERNING BUYER

Buyer represents and warrants to Seller as follows:

Section 4.1 Organization. Buyer is a Michigan state-chartered credit union (federally insured by the NCUA) duly organized, validly existing, and in good standing (to the extent applicable) under the laws of the State of Michigan with full power and authority to carry on its business as now being conducted and to own and operate the properties which it now owns and/or operates. The execution, delivery and performance by Buyer of this Agreement are within Buyer's power, have been duly authorized by all necessary corporation action.

Section 4.2 Authorization; No Violations. The execution and delivery of this Agreement and the performance of Buyer's obligations hereunder have been duly and validly authorized by the board of directors of Buyer, do not violate or conflict with Buyer's organizational documents or by-laws, any applicable Law, court order or decree to which Buyer is a party or subject, or by which Buyer is bound, and require no further corporate or member approval on the part of Buyer. The execution and delivery of this Agreement and the performance of Buyer's obligations hereunder do not and will not result in any default or give rise to any right of termination, cancellation or acceleration under any material note, bond, mortgage, indenture or other agreement by which Buyer or its respective properties are bound, which would reasonably be expected to have a Material Adverse Effect. This Agreement has been duly executed and delivered by Buyer and constitutes the valid and legally binding obligation of Buyer, enforceable against it in accordance with its terms, subject to the General Exceptions.

Section 4.3 Regulatory Approvals. The information furnished or to be furnished by Buyer for the purpose of enabling Seller or Buyer to complete and file all requisite regulatory applications is or will be true and complete in all materials respects as of the date so furnished. Except as set forth on the Schedule 4.3 of the Disclosure Schedule, there are no facts known to the Buyer which, insofar as Buyer can reasonably foresee, may have a Material Adverse Effect on Buyer's ability to obtain all requisite regulatory approvals or to perform its obligations pursuant to this Agreement.

Section 4.4 Licenses; Permits. Buyer holds all material licenses, certificates, permits, franchises and rights from all appropriate federal, state or other Governmental Authorities necessary for the conduct of their respective businesses as currently conducted and the ownership of their respective current assets. There is no pending, or to Buyer's Knowledge

threatened, litigation against Buyer and its subsidiaries seeking to challenge or prohibit the transactions contemplated by this Agreement.

Section 4.5 Financial Ability. As of the Effective Date, Buyer will have the financial ability to pay the Aggregate Consideration to consummate the transaction contemplated by this Agreement.

Section 4.6 Litigation. There is no action, suit, proceeding or investigation pending against Buyer, or to the knowledge of Buyer, threatened against or affecting Buyer, before any court or arbitrator or any governmental body, agency or official which alone or in the aggregate would, if adversely determined, adversely affect the ability of Buyer to perform its obligations under this Agreement, which in any manner questions the validity of this Agreement or which would be reasonably likely to have a Material Adverse Effect on the financial condition of Buyer. Buyer is not aware of any facts that would reasonably afford a basis for any such action, suit, proceeding or investigation.

Section 4.7 Financial Information. The audited consolidated balance sheet of Buyer as of December 31, 2020, and the related audited consolidated income statement for the year then ended, together with the notes thereto, and in the unaudited periodic financial statements of Buyer as of March 31, 2021 copies of which have been provided to Seller, have been prepared in accordance with GAAP and fairly present, in all material respects, the consolidated financial position and the consolidated results of operations and cash flows of Buyer as of the dates and for the periods indicated.

Section 4.8 Absence of Changes. Except as set forth in Schedule 4.8 of the Disclosure Schedule, no events or transactions have occurred since January 1, 2019, which have resulted in a Material Adverse Effect to the Buyer.

Section 4.9 Compliance with Law. The Buyer has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business in all material respects and has conducted its business in compliance in all material respects with all applicable federal, state and local statutes, Laws, regulations, ordinances, rules, judgments, orders or decrees applicable thereto or to the employees conducting such businesses.

Section 4.10 Regulatory Enforcement Matters. Except as disclosed on Schedule 4.10 of the Disclosure Schedule, the Buyer is not subject to, or has received any written notice or advice that it may become subject to, any order, agreement or memorandum of understanding with any federal or state agency charged with the supervision or regulation of credit union or credit union holding companies or engaged in the insurance of credit union deposits or any other governmental agency having supervisory or regulatory authority with respect to the Buyer.

Section 4.11 Regulatory Approvals. The information furnished or to be furnished by the Buyer for the purpose of enabling the Selling Parties or Buyer to complete and file all requisite regulatory applications is or will be true and complete in all material respects as of the date so furnished. There are no facts known to the Buyer, which, insofar as the Buyer can now reasonably foresee, may have a Material Adverse Effect on the ability of Buyer or the Selling Parties to obtain all requisite regulatory approvals or to perform its obligations pursuant to this

Agreement.

ARTICLE 5

AGREEMENTS AND COVENANTS

Section 5.1 Operation in Ordinary Course. From the date hereof to the Closing Date, each Selling Party shall: (a) not engage in any transaction affecting such Selling Party's locations, the Deposits, liabilities, or its assets except in the ordinary course of business, and shall operate and manage its business in the ordinary course consistent with past practices; (b) use commercially reasonable efforts to maintain such Selling Party's locations in a condition substantially the same as on the date of this Agreement, reasonable wear and use excepted; (c) maintain its books of accounts and records in the usual, regular and ordinary manner; (d) use reasonable best efforts to duly maintain compliance with all Laws, regulatory requirements and agreements to which it is subject or by which it is bound; and (e) provide Buyer with prompt written notice of any action, suit, proceeding, or investigation instituted or threatened against any Selling Party. Without limiting the generality of the foregoing, prior to the Closing Date, the Selling Parties shall not, unless required by any Regulator or with the prior written consent of Buyer, which consent shall not be unreasonably withheld, condition or delayed and provided, however, if consent is withheld, Buyer must notify Seller in writing within three (3) Business Days of the request or such an action shall be considered the equivalent of prior written consent (and if there is no objection by the Buyer during such three (3) Business Day period, then such consent shall be deemed to be granted):

(a) fail to maintain the fixed assets and Real Estate in their present state of repair, order and condition, reasonable wear and tear and casualty excepted;

(b) fail to maintain its financial books, accounts and records in accordance with GAAP;

(c) fail to charge off assets in accordance with GAAP;

(d) fail to comply, in all material respects, with all applicable Laws and regulations relating to its operations;

(e) authorize or enter into any contract or amend, modify or supplement any contract relating to or affecting its operations or involving any of the assets or liabilities which obligates any Selling Party to expend $20,000.00 or more;

(f) take any action, or enter into or authorize any transaction, other than in the ordinary course of business and consistent with past practice, relating to or affecting its operations or involving any of the assets or liabilities;

(g) knowingly and voluntarily doing any act which, or knowingly and voluntarily omitting to do any act the omission of which, likely would result in a breach of any material contract, commitment or obligation of any Selling Party;

(h) make any changes in its accounting systems, policies, principles or

practices relating to or affecting its operations or involving any of the assets or liabilities, except in accordance with GAAP and applicable Laws;

(i) enter into or renew any data processing service contract;

(j) engage or participate in any material transaction or incur or sustain any material obligation except in the ordinary course of business;

(k) make any new Loan, nor any extension of credit to any customer, in a single Loan over $3,000,000.00 or in a single Loan over $1,000,000.00 if the existing customer's aggregate loan relationship with Seller is greater than $3,000,000.00 (as determined prior to giving effect to the new Loan to be made) except after delivering to Buyer written notice, including a complete loan package for such Loan, in a form consistent with the Selling Parties' written policies and practice made available to Buyer, at least three (3) Business Day prior to the origination of such Loan, and such Loan shall be made in the ordinary course of business consistent with past practice, Selling Parties' current written loan policies and applicable rules and regulations of applicable Governmental Authorities with respect to the amount, term, security and quality of such borrower or borrower's credit.

(l) undertake any actions which are inconsistent with a program to use all reasonable efforts to maintain good relations with its employees and customers;

(m) transfer, assign, encumber, or otherwise dispose of, or enter into any contract, agreement, or understanding to transfer, assign, encumber, or otherwise dispose of, any of its assets except in the ordinary course of business and for the Seller Special Dividend;

(n) Except as set forth on Schedule 5.1(n) of the Disclosure Schedule, invest in any fixed assets or improvements in excess of $20,000.00 for any single item, or $100,000.00 in the aggregate, except for commitments previously disclosed to Buyer in writing, made on or before the date of this Agreement for replacements of furniture, furnishings and equipment, normal maintenance and refurbishing, purchased or made in the ordinary course of business and for emergency and casualty repairs and replacements;

(o) except as expressly provided for elsewhere in this Agreement or Schedule 5.1(o) of the Disclosure Schedule, pay incentive compensation or interim bonuses to employees;

(p) enter into any new employment agreements with employees of any Selling Party or any consulting or similar agreements with directors of any Selling Party; *provided, however*, that a Selling Party shall be permitted to engage the assistance of temporary or contract employees, to the extent such Selling Party deems necessary, to assist Selling Parties in the performance of its obligations under this Agreement, and such temporary or contract employees shall not be considered Former Seller Employees with respect to Article 6 of this Agreement, irrespective of whether Buyer offers such temporary or contract employees employment pursuant to Section 6.1(a) of this Agreement;

(q) fail to use its commercially reasonable efforts to preserve its present operations intact, keep available the services of its present officers and employees or to preserve its present relationships with Persons having business dealings with it;

(r) amend or modify any of its promotional, deposit account or practices other than amendments or modifications in the ordinary course of business or otherwise consistent with the provisions of this Agreement;

(s) fail to maintain deposit rates substantially in accord with past standards and practices;

(t) materially change or amend its schedules or policies relating to service charges or service fees;

(u) fail to comply in all material respects with any Contract;

(v) except in the ordinary course of business consistent with past practices and standards and in accordance with Selling Parties' written policies and procedures (including creation of deposit liabilities), (i) enter into repurchase agreements, (ii) enter into purchases or sales of federal funds, (iii) execute sales of certificates of deposit, (iv) borrow or agree to borrow any material amount of funds, or (v) directly or indirectly guarantee or agree to guarantee any material obligations of others except pursuant to outstanding letters of credit; *provided, however*, the no Selling Party shall take any additional FHLB advances other than overnight or other short-term (less than 90 days) advances, which shall not exceed 5% of the total assets of the Selling Parties in the aggregate;

(w) purchase or otherwise acquire any investment security for their own account except for obligations of the government of the United States or agencies of the United States or state or local governments having maturities of not more than five (5) years and which municipal obligations have been assigned a rating of "A" or better by Moody's Investors Service or by Standard and Poor's, or engage in any activity that would be inconsistent with the classification of investment securities as either "held to maturity" or 'available for sale";

(x) except as required by applicable Law or regulation: (i) implement or adopt any material change in its interest rate risk management and hedging policies, procedures or practices; (ii) fail to follow in all material respects its existing policies or practices with respect to managing its exposure to interest rate risk; or (iii) fail to use commercially reasonable means to avoid any material increase in its aggregate exposure to interest rate risk;

(y) voluntarily take any material action that would change any Selling Party's Loan loss reserves which is not in compliance with Selling Parties' past practices consistently applied and in compliance with GAAP.

(z) Except as contemplated by this Agreement (i) declare or pay any non-cash distributions on or make any other non-cash distributions in respect of any of any of the equity securities of any Selling Party, or split, combine or reclassify any of the any of the equity securities of any Selling Party or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any of equity securities of any Selling Party or repurchase or otherwise acquire, directly or indirectly, any of equity securities of any Selling Party, or (ii) cause or permit any Selling Party to issue, deliver or sell or authorize or propose the issuance, delivery or sale of, or purchase or propose the purchase of, any equity securities or securities convertible into, or subscriptions, rights, warrants or options to acquire equity securities or other

contracts of any character obligating it to issue any such equity securities or other convertible securities;

(aa) Except as set forth on Schedule 5.1(aa) of the Disclosure Schedule, (A) settle or compromise, or offer or propose to settle or compromise, (1) any proceeding involving or against any Selling Party, other than any settlement or compromise solely for monetary relief of not more than $25,000.00 individually or $50,000.00 in the aggregate and that does not involve any equitable relief or limitations on the conduct of any Selling Party and which does not include any findings of fact or admission of culpability or wrongdoing by Seller, or (2) any proceeding that relates to the transaction contemplated by this Agreement, or (B) institute any proceeding; or

(bb) make or change any material tax election, change an annual tax accounting period, file any amended tax return, enter into any closing agreement, waive or extend any statute of limitations with respect to taxes, settle or compromise any tax liability, claim, or assessments, or surrender any right to claim a refund of taxes except as required by Law; or

(cc) enter into any contract (conditional or otherwise) or resolve to do any of the foregoing.

Section 5.2 Access to Records and Information; Personnel; Customers.

(a) From and after the date of this Agreement and upon reasonable advance notice, the Selling Parties shall afford to the officers and authorized representatives of Buyer reasonable access during regular business hours to the office, properties, books, contracts, commitments and records of Selling Parties in order that Buyer may have full opportunity to make such investigations as it shall desire of the Selling Parties' business; *provided, however*, that Seller shall not be required to take any action: (i) that would provide access to or to disclose information where such access or disclosure would violate or prejudice the rights or business interests or confidences of any customer; (ii) that would result in the waiver by Seller of the privilege protecting communications between it and any of its counsel; (iii) subject to the requirements of Section 5.7, to provide access to or disclose information that relates to any Selling Party's negotiation or discussion of an Acquisition Proposal; or (iv) which would violate any Law or regulations. Subject to the foregoing, from and after the date of this Agreement, the officers of each Selling Party shall furnish Buyer with such additional financial and operating data and other information relating to the assets, properties and business of the Selling Parties as Buyer shall from time to time reasonably request. Selling Parties shall consent, upon reasonable advance notice, to the review by the officers and authorized representatives of Buyer of the reports and working papers of the Selling Parties' independent and third-party auditors (upon reasonable advance notice to and the consent of such auditors). Buyer will, and will direct all its agents, employees and advisors to maintain the confidentiality of all such information in accordance with Section 10.5.

(b) After the receipt of all required regulatory approvals, and the approval of this Agreement and the Merger Transactions by the shareholder of Holdings, Buyer may elect, at its own expense and to the extent permitted by applicable Law, to deliver information, brochures, bulletins, press releases, and other communications to depositors, borrowers and other customers

of the Selling Parties concerning the Merger Transactions and concerning the business and operations of Buyer; *provided, however*, Seller must consent to any such written communications before they are sent, which consent will not be unreasonably withheld, conditioned, or delayed. Communications may be sent prior to regulatory approvals only upon the consent of both Buyer and Seller.

(c) After the execution of the Agreement, the Selling Parties and Buyer shall begin working together on the system conversion process. The Selling Parties will provide access to the necessary data and information to allow for such conversion process to occur in accordance with Buyer's integration plans.

(d) On a monthly basis or as frequently as they are available following the date hereof and through the Closing Date, the Selling Parties shall provide information to Buyer in a format reasonably acceptable to Buyer concerning the status of the following matters:

(i) Any communication from or contacts by any Regulator concerning any regulatory matters affecting any Selling Party as to which such Regulator has jurisdiction, unless, such disclosure (i) would violate any Law or regulations, or (ii) the applicable Regulator objects to any such disclosure;

(ii) Current information on the quality and performance of the Loans including information on the status of any delinquencies, non-performing Loan, OREO, new Loans, information concerning refinancing and payments made on such Loans, and information indicating that any of the representations and warranties relating to the Loans in this Agreement are no longer accurate in all material respects.

Section 5.3 Meeting of Shareholders of the Holdings; Dissenters. Holdings shall call within sixty (60) days following the date of this Agreement, a meeting of its shareholders for the purpose of voting upon this Agreement and the Merger Transactions (the "Shareholders Meeting") (with the Shareholders Meeting to be held no later than thirty (30) days following the mailing of the proxy materials related thereto). Subject to Section 5.7, Holdings shall, through Holdings' board, recommend to its shareholders, except under circumstances in which Holdings' board determines, after consultation with outside legal counsel, that doing so is reasonably likely to result in a breach of its fiduciary duties under applicable Law, adoption of this Agreement and the Merger Transactions. Holdings shall prepare and mail to its shareholders in connection with the Shareholders Meeting a proxy statement reasonably acceptable to Buyer and Holding' board and in compliance with applicable Law (the "Proxy Statement"). In accordance with FBCA and the FFIC, in connection with the Shareholders Meeting, Holdings will notify its shareholders of record for purposes of the Shareholders Meeting of their appraisal rights under the Dissenting Laws in the Proxy Statement or otherwise. Holdings will give Buyer prompt written notice of any written notice or demands for appraisal for any Holdings common stock, any attempted withdrawals of such demands and any other notice given or instrument served relating to the exercise of dissenters' rights granted under the Dissenting Laws, including the name of each dissenting stockholder and the number of shares of Holdings common stock to which the dissent relates.

Section 5.4 Regulatory Filings. Buyer and Seller Parties shall use commercially

reasonable efforts to file within ten (10) days after the date hereof, all applications, filings, notices, consents, permits, requests, or registrations required to obtain authorizations of any Regulator necessary to consummate the Transaction. Buyer and the Selling Parties will use their reasonable and diligent efforts to obtain such authorizations from the Regulators and consents from third parties as promptly as practicable and will consult with one another with respect to the obtaining of all such authorizations and consents necessary or advisable to consummate the transactions contemplated by this Agreement, including the Merger Transactions. The Selling Parties and Buyer agree to use their reasonable and diligent efforts to cooperate in connection with obtaining such authorizations and consents. Each Party will keep the other Party apprised of the status of material matters relating to consummation of the transactions contemplated by this Agreement, including the Merger Transactions. Copies of applications and correspondence of each Party with its Regulators shall be promptly provided to the other party. Buyer and each Selling Party agrees, upon request, to furnish the other Party with all information concerning itself and its respective directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with any filing, notice or application made by or on behalf of Buyer or the Selling Parties to any third party or the Regulator.

Section 5.5 Reasonable Best Efforts. Subject to the terms and conditions of this Agreement, the Parties shall use reasonable best efforts to satisfy the various conditions to Closing and to consummate the transactions contemplated by this Agreement, including the Merger Transactions, as soon as reasonably practicable. None of the Parties will intentionally take or intentionally permit to be taken any action that would be in breach of the terms or provisions of this Agreement (including any action that would impair or impede the timely obtainment of the regulatory approvals referenced in Section 7.3 and Section 8.2) or that would cause any of the representations contained herein to be or become untrue.

Section 5.6 Business Relations and Publicity. Selling Parties shall use commercially reasonable efforts to preserve the reputation and relationship of the Selling Parties with suppliers, clients, customers, employees, and others having business relations with the Selling Parties. Buyer and the Selling Parties shall coordinate all publicity relating to the transactions contemplated by this Agreement and, except as otherwise required by applicable Law or with respect to employee information meetings conducted on a need-to-know basis, neither Party shall issue any press release, publicity statement or other public notice or communication, whether written or oral, relating to this Agreement or any of the transactions contemplated hereby without obtaining the prior consent of the other, which consent shall not be unreasonably withheld, conditioned or delayed. Nothing herein shall impose any restrictions or limitations on Buyer with respect to disclosures that are required by any state or federal securities Law.

Section 5.7 No Conduct Inconsistent with this Agreement.

(a) No Selling Party shall (and each Selling Party shall cause its respective Affiliates, officers, directors, managers, employees, agents, consultants, financial advisors, accountants, legal counsel and other representatives not to), directly or indirectly, (a) submit, solicit, initiate, encourage or discuss any proposal or offer from any Person (other than Buyer and its Affiliates in connection with the transactions contemplated hereby) or enter into any agreement or accept any offer relating to or consummate any (i) reorganization, liquidation, dissolution or recapitalization of any Selling Party or their businesses, (ii) merger or

consolidation involving any Selling Party or their businesses, (iii) purchase or sale of any assets or equity securities (or any rights to acquire, or securities convertible into or exchangeable for, any such equity securities) of any Selling Party, or (iv) similar transaction or business combination involving any Selling Party or their businesses or assets (each of the foregoing transactions described in clauses (i) through (iv), a "Acquisition Proposal") or (b) furnish any information with respect to, assist or participate in or facilitate in any other manner any effort or attempt by any Person (other than Buyer and its Affiliates) to do or seek to do any of the foregoing. If any of the foregoing provisions of this Section 5.7 are breached and the transactions contemplated hereby are not consummated for any reason, in addition to Buyer's other rights and remedies under this Agreement, the Selling Parties shall promptly reimburse Buyer and its Affiliates for all out of pocket fees and expenses incurred before or after the date of this Agreement by Buyer and its Affiliates related to the transactions contemplated hereby, including fees and expenses of legal counsel, accountants and other consultants and advisors retained by Buyer and its Affiliates in connection with the transactions contemplated hereby. The Selling Parties agree to notify Buyer within forty-eight (48) hours if any Person makes any proposal, offer, inquiry or contact with respect to an Acquisition Proposal. With respect to the Persons with whom discussions or negotiations have been terminated, the Selling Parties shall use their commercially reasonable efforts to obtain the return or destruction of, in accordance with the terms of an applicable confidentiality agreement, any confidential information previously furnished to any such Person by the Selling Parties or any of their respective representatives.

(b) Notwithstanding the foregoing, in the event that the Holding' board determines in good faith and after consultation with outside legal counsel, that an Acquisition Proposal which was not solicited by or on behalf of any Selling Party and did not otherwise result from a breach of Section 5.7(a) constitutes or is reasonably likely to result in a Superior Proposal and that failure to pursue such Acquisition Proposal could result in a breach of its fiduciary duties under applicable Law, Holdings' board may, so long as Holdings complies at all times with its obligations under Section 5.7(b), (i) furnish information with respect to the Selling Parties to such person or entity making such Acquisition Proposal pursuant to a customary confidentiality agreement, (ii) participate in discussions or negotiations regarding such Acquisition Proposal, (iii) withdraw, modify or otherwise change in a manner adverse to Buyer, the Holdings' recommendation to its shareholders with respect to this Agreement and the Merger Transactions, and/or (iv) terminate this Agreement in order to concurrently enter into an agreement with respect to such Acquisition Proposal; *provided, however*, Holdings' board may not terminate this Agreement pursuant to this Section 5.7(b) unless and until (A) five (5) Business Days have elapsed following the delivery to Buyer of a written notice of such determination by Holdings board and during such five (5) business-day period, the Selling Parties otherwise cooperate with Buyer with the intent of enabling the Parties to engage in good faith negotiations so that the Merger Transactions and other transactions contemplated hereby may be effected, and (B) at the end of such five (5) business-day period Holdings' board continues, in good faith and after consultation with outside legal counsel, to believe the Acquisition Proposal at issue constitutes a Superior Proposal.

(c) In addition to the obligations of the Selling Parties set forth in Section 5.7(a) and Section 5.7(b), each Selling Party shall within forty-eight (48) hours advise Buyer orally and in writing of any request for information or of any Acquisition Proposal, the material

terms and conditions of such request or Acquisition Proposal and the identity of the person or entity making such request or Acquisition Proposal. Each Selling Party shall keep Buyer reasonably informed of the status and details (including amendments or proposed amendments) of any such request or Acquisition Proposal, including the status of any discussions or negotiations with respect to any Superior Proposal.

Section 5.8 Board and Committee Meeting Minutes. The Selling Parties shall provide Buyer with copies of minutes and consents from all of its board and committee meetings (if any) no later than seven days thereafter, except for any confidential discussion of this Agreement and the Transaction, or any other matters related to an Acquisition Proposal or any other matter that has been determined to be confidential, and except for information where such disclosure would violate or prejudice the rights of its customers, jeopardize the attorney-client privilege of the Selling Parties, relates to confidential Regulator examination material, or contravene any Law, rule, regulation, order, judgment, decree, fiduciary duty or binding agreement entered into prior to the date of this Agreement or in the ordinary course of business.

Section 5.9 Disclosure Schedules, Updates and Notifications.

(a) From and after the date hereof to the Effective Time, if any Party becomes aware of any facts, circumstances or of the occurrence or impending occurrence of any event that does or could reasonably be expected to cause one or more of such Party's representations and warranties contained in this Agreement to be or to become inaccurate, misleading, incomplete or untrue in any material respect as of the Closing Date, such Party shall promptly give detailed written notice thereof to the other Parties and use its commercially best efforts to change such facts or events to make such representations and warranties true, unless the same shall have been waived in writing by the other Party. In addition, from and after the date hereof to the Effective Time, and at and as of the Effective Time, each Party shall supplement or amend any of its representations and warranties which apply to the period after the date hereof by delivering monthly written updates ("Disclosure Schedule Updates") to the other Party with respect to any matter hereafter arising and not disclosed herein or in the Disclosure Schedules that would render any such representation or warranty after the date of this Agreement materially inaccurate or incomplete as a result of such matter arising. The Disclosure Schedule Updates shall be provided by each Party to the other Parties on or before the 25th day of each calendar month. A matter identified in a Disclosure Schedule Update that causes any warranty, representation or covenant to be breached shall not cure or be deemed to cure such breach.

(b) Seller's disclosure of a matter in the Disclosure Schedules, including, without limitation, the disclosure of a pending litigation matter, regulatory proceeding, governmental audit or investigation or potential environmental condition, shall not prevent any future adverse development that may occur with respect to such matter from being a breach of the warranties and representations contained in Article 3 or any covenant of any Selling Party contained in this Agreement.

(c) Buyer's disclosure of a matter in the Disclosure Schedules shall not prevent any future adverse development that may occur with respect to such matter from being a breach of the warranties and representations contained in Article 4 or any covenant of Buyer contained in this Agreement.

Section 5.10 Indemnification.

(a) For a period of six (6) years after the Closing Date, Buyer shall indemnify, defend and hold harmless the present and former directors, officers and employees of the Selling Parties, and all such directors, officers and employees of the Selling Parties and their subsidiaries serving as fiduciaries under any of the respective benefits plans of the Selling Parties (the "Indemnified Parties") to the fullest extent allowable under FBCA against all costs and expenses (including reasonable attorneys' fees, expenses and disbursements), judgments, fines, losses, claims, damages, settlements or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative (each, a "Claim"), arising out of or pertaining to the fact that the Indemnified Party is or was a director, officer, employee, or fiduciary of a Selling Party or their subsidiaries or any such benefit plan or is or was serving at the request of a Selling Party or its subsidiaries as a director, officer, manager, employee, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other business or non-profit enterprise (including any Benefit Plan), whether asserted or claimed prior to, at or after the Closing Date (including with respect to the consummation of the Transactions), and provide advancement of expenses to the Indemnified Parties (*provided, that*, the Indemnified Party to whom expenses are advanced provides an undertaking to repay advances if it shall be determined that such Indemnified Party is not entitled to be indemnified pursuant to the FBCA).

(b) Buyer shall (and the Selling Parties shall cooperate prior to the Closing Date) maintain in effect for a period of six (6) years after the Closing Date, a tail insurance policy based on the Selling Parties' existing directors' and officers' liability insurance policy (*provided, that*, Buyer may substitute therefor (i) policies with comparable coverage and amounts containing terms and conditions which are substantially no less advantageous or (ii) with the consent of Holdings (given prior to the Closing Date), any other policy with respect to claims arising from facts or events which occurred on or prior to the Closing Date and covering Persons who are currently covered by such insurance); *provided, that*, Buyer shall not be obligated to make premium payments for such six (6) year period in respect of such policy (or coverage replacing such policy) which exceeds, for the portion related to the Selling Parties' directors and officers, [300%] of the annual premium most recently paid by the Selling Parties (the "Maximum Amount"). If the amount of premium that is necessary to maintain or procure such insurance coverage exceeds the Maximum Amount, Buyer shall use its reasonable best efforts to maintain the most advantageous policies of director's and officer's liability insurance obtainable for a premium equal to the Maximum Amount or may request the Selling Parties to procure tail coverage, at Buyer's expense, at a single premium cost equal to the Maximum Amount.

(c) Any Indemnified Party wishing to claim indemnification under this Section 5.10 shall promptly notify Buyer upon learning of any Claim, provided that failure to so notify shall not affect the obligation of Buyer under this Section 5.10 unless, and only to the extent that, Buyer is actually and materially prejudiced in the defense of such Claim as a consequence. In the event of any such Claim (whether arising before or after the Closing), (i) Buyer shall have the right to assume the defense thereof and Buyer shall not be liable to such Indemnified Parties for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof, unless such

Indemnified Party is advised in writing by counsel that the defense of such Indemnified Party by Buyer would create an actual or potential conflict of interest (in which case, Buyer shall not be obligated to reimburse or indemnify any Indemnified Party for the expenses of more than one such separate counsel for all Indemnified Parties, in addition to one local counsel in the jurisdiction where defense of any Claim has been or is to be asserted), (ii) the Indemnified Parties will cooperate in the defense of any such matter, (iii) Buyer shall not be liable for any settlement effected without its prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), and Buyer shall not settle any Claim without such Indemnified Party's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), and (iv) Buyer shall have no obligation hereunder in the event that a federal or state banking agency or a court of competent jurisdiction shall determine that indemnification of an Indemnified Party in the manner contemplated hereby is prohibited by applicable Laws and regulations.

(d) If Buyer or any of its successors and assigns (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its property and assets to any individual, corporation or other entity, then, in each such case, proper provision shall be made so that the successors and assigns of Buyer and its Subsidiaries shall assume the obligations set forth in this Section 5.10.

(e) These rights shall survive the Closing and are intended to benefit, and shall be enforceable by, each Indemnified Party and his or her heirs, representatives or administrators. After the Closing, the obligations of Buyer under this Section 5.10 shall not be terminated or modified in such a manner as to adversely affect any Indemnified Party unless the affected Indemnified Party shall have consented in writing to such termination or modification. If any Indemnified Party makes any claim for indemnification or advancement of expenses under this Section 5.10 that is denied by Buyer, and a court of competent jurisdiction determines that the Indemnified Party is entitled to such indemnification or advancement of expense, then Buyer shall pay such Indemnified Party's costs and expenses, including legal fees and expenses, incurred in connection with enforcing such claim against Buyer. If any Indemnified Party makes any claim for indemnification or advancement of expenses under this Section 5.10 that is denied by Buyer, and a court of competent jurisdiction determines that the Indemnified Party is not entitled to such indemnification or advancement of expense, the Indemnified Party shall pay Buyer's costs and expenses, including legal fees and expenses, incurred in connection with defending such claim against the Indemnified Party.

(f) Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Selling Parties or any of their subsidiaries for any of their respective directors, officers or other employees, it being understood and agreed that the indemnification provided for in this Section 5.10 is not prior to or in substitution for any such claims under such policies.

Section 5.11 Financial Statements. Prior to the Closing Date, Holdings shall deliver to Buyer a monthly balance sheet and income statement of the Selling Parties as of the end of each month promptly after they become available. Such monthly financial statements shall be

prepared consistent with past practice and in conformity in all material respects with GAAP (excluding footnote disclosure and subject to normal, recurring year-end adjustments) applied on a basis consistent with the Seller Financial Statements described in Section 3.3.

Section 5.12 Benefit Plans. To the extent permitted by applicable Law, upon the written request of Buyer, the Selling Parties shall make such changes to the Benefit Plans and shall take such actions with respect to the Benefit Plans as may be necessary to amend or terminate any Benefit Plan on or before the Closing on terms reasonably acceptable to Buyer; *provided, however*, that no Selling Party shall be obligated to take any such required action that is irrevocable until immediately prior to the Effective Time. Specifically, and in accordance with applicable Laws and plan documents, prior to the Effective Time:

(a) Buyer will pay in cash at Closing to the holders of Options the amounts contemplated pursuant to Section 2.1(b); and

(b) All restricted shares of capital stock or other capital stock equivalents of Seller will be vested, forfeited, surrendered or terminated, and any related equity-based compensation or similar plans maintained by Seller with respect thereto or otherwise will have been terminated.

Section 5.13 Pre-Closing Adjustments. Each Selling Party agrees that it shall: (a) make any accounting adjustments or entries to its books of account and other financial records; (b) make or not make additional provisions to such Selling Party's allowance for Loan and lease losses; (c) sell or transfer any investment securities held by it; (d) charge-off any Loan; (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 which would affect the financial reporting of the Selling Parties, on a consolidated basis after the Effective Time, in any case as Buyer shall reasonably request; *provided, however*, that no Selling Party shall be obligated to take any such requested action until immediately prior to the Closing and at such time as Holdings shall have received reasonable assurances in writing that all conditions precedent to Buyer's obligations under this Agreement (except for the completion of actions to be taken at the Closing) have been satisfied, and no such adjustment which a Selling Party would not have been required to make but for the provisions of this Section 5.13 in and of itself shall result in a breach of any warranty or representation made herein, have any effect on the Seller's Minimum Equity, change the amount of the Merger Consideration to be paid to the Holders pursuant to Section 2.1(a), or delay the Closing or Buyer's receipt of the required regulatory contemplated by this Agreement.

Section 5.14 Tax Returns and Tax Filings. No Selling Party shall 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 Buyer or as otherwise required by applicable Law. Each Selling Party shall timely file all tax returns required to be filed prior to the Closing; *provided, however*, that each such tax return shall be delivered to Buyer for its review at least fifteen (15) Business Days prior to the anticipated date of filing of such tax return. Following the Effective Time, Buyer shall prepare (or cause to be prepared) and timely file (or cause to be timely filed) all tax returns for the Selling Parties for all periods ending on or before the Effective Time that

are required to be filed by the Selling Parties after the Effective Time. If any Party is permitted or required, under applicable federal, state or local income Tax Laws, to treat the Closing Date as the last day of a taxable period, then such day shall be treated as the last day of a taxable period.

Section 5.15 Title Insurance and Surveys. The Selling Parties shall make available to Buyer prior to the Closing Date copies of its most recent owner's closing title insurance policy, binder or abstract and surveys on each parcel of Real Estate, or such other evidence of title reasonably acceptable to Buyer. The Selling Parties shall also provide to Buyer, at Buyer's expense, updated title reports, abstracts or surveys on such Real Estate at the Closing, as Buyer shall reasonably request.

Section 5.16 Subordinated Debentures. Prior to consummation of the Second Consolidating Merger, Seller shall pay to Holdings a dividend (the "Seller Special Dividend") and Holdings shall use such proceeds to pay in full its outstanding $5.7 million of subordinated debentures (plus accrued interest) previously issued by Holdings.

ARTICLE 6

EMPLOYEE BENEFIT MATTERS

Section 6.1 Employees.

(a) Buyer shall offer substantially similar salaries, duties and benefits as are available to similarly situated employees of Buyer, to those employees of Seller and NAFCO who Buyer elects to hire and who satisfy Buyer's customary employment requirements, including pre-employment interviews, investigations and employment conditions, uniformly applied by Buyer and Buyer's employment needs. Buyer and Seller will establish a mutually acceptable process for the orderly interviewing of employees for employment by Buyer; the Selling Parties will give Buyer a reasonable opportunity to interview the employees.

(b) Buyer shall assume and honor all of Seller's obligations under the Consolidated Omnibus Reconciliation Act of 1985 or any applicable state Law to Former Seller Employees (as defined below) with respect to continuation of healthcare coverage following the Closing Date and Seller's obligations under the Health Insurance Portability and Accountability Act of 1996.

(c) Before Closing, with Seller's prior consent (which consent shall not be unreasonably withheld), Buyer may conduct such training and other programs as it may, in its reasonable discretion and at its sole expense, elect to provide for those employees who accept an offer of employment from Buyer; *provided, however*, that such training and other programs shall not interfere with or prevent the performance of the normal business operations of Seller in any material respects.

(d) Except as hereinafter provided, at the Closing Date, Buyer will amend or cause to be amended each employee benefit and welfare plan of Buyer in which those employees of Seller who become employees of Buyer on the Closing Date ("Former Seller Employees") are eligible to participate, to the extent necessary and allowable under applicable law, so that as of the Closing Date:

(i) such plans take into account only for purposes of eligibility to participate and vesting the service of such employees with Seller as if such service were with Buyer, except to the extent such crediting of service results in a duplication of benefits or for any purposes with respect to a defined benefit pension plan;

(ii) Former Seller Employees are not subject to any waiting periods or pre-existing condition limitations under the medical, dental and health plans of Buyer in which they are eligible to participate and may commence participation in such plans on the Closing Date and receive credit under such plans for expenses incurred by such Former Seller Employees and their covered dependents in the year that includes the Closing for purposes of any applicable co-payment, deductibles and annual out-of-pocket expense requirements under any such plans;

(iii) for purposes of determining the entitlement of Former Seller Employees to sick leave and vacation pay following the Closing Date, the service of such employees with Seller shall be treated as if such service were with Buyer;

(iv) Former Seller Employees are first eligible to participate and will commence participating in Buyer's qualified retirement plans on the first entry date coinciding with or following the Closing Date; and

(v) Former Seller Employees may elect to bring over unused PTO in an amount not to exceed an amount granted to such Former Seller Employee for a calendar year.

Section 6.2 Employment Contracts and Employee Benefit Plans. Buyer is not assuming, nor shall it have responsibility for the continuation of, any liabilities under or in connection with:

(a) any employment or consulting contract, collective bargaining agreement, supplemental employee retirement plan, plan or arrangement providing for insurance coverage or for deferred compensation, bonuses, or other forms of incentive compensation or post-retirement compensation or benefits, written or implied, which is entered into or maintained, as the case may be, by any Selling Party; or

(b) any Benefit Plan as maintained, administered, or contributed to by any Selling Party and covering any employees, other than the profit sharing plan.

Section 6.3 Other Employee Benefit Matters.

(a) If, within nine (9) months after the Closing Date, any Former Seller Employee who does not have an employment agreement with the Buyer is terminated by the Buyer because such Former Seller Employee's position is eliminated as a result of the business combination and who cannot be redeployed to other positions with Buyer in Hillsborough County, Florida, Polk County, Florida, or Pinellas County, Florida, then the Buyer shall pay severance to such Former Seller Employee in an amount equal to two weeks of base salary for each year of service of such Former Seller Employee's prior employment with Seller; *provided, however*, that in no event will the total amount of severance for any single Former Seller

Employee be less than eight (8) weeks of such base salary nor greater than fifty-two (52) weeks of such salary. In addition to severance, Buyer shall offer three (3) months of outplacement services and provide a pro-rated bonus for such year in which such termination occurs. For the avoidance of doubt, any Former Seller Employee who is terminated with "cause" as determined by Buyer or refuses a similarly situated re-assignment will not be eligible for severance, outplacement services or pro-rated bonus as described herein. Further, any severance to which a Former Seller Employee may be entitled in connection with a termination occurring more than nine (9) months after the Closing Date will be as set forth in the severance policies of the Buyer as then in effect.

(b) Notwithstanding the severance payments pursuant to Section 6.3(a), upon consummation of the Merger Transactions and after the Closing, the Parties mutually agree that Buyer will offer Former Seller Employees a stay bonus equal to the greater of Ten Thousand and 00/100 Dollars ($10,000.00) or Ten Percent (10%) of the Former Seller Employees' most recent annual salary, if, in Buyer's sole discretion, the Former Seller Employee's position is (i) redundant; (ii) eliminated after the Closing; and (iii) critical to transitioning the Selling Parties' operations into Buyer's operations.

(c) Schedule 6.3(c) of the Disclosure Schedule lists the change in control and salary continuation agreement payments that will be made by the Holdings and/or the Seller under the Seller Employment and Change in Control Agreements immediately prior to the Closing.

(d) Subject to Section 10.6, this Article 6 shall be binding upon and inure solely to the benefit of each of the Parties to this Agreement, and nothing in this Article 6, express or implied, shall confer upon any other Person (including any Former Seller Employee) any rights or remedies of any nature whatsoever under or by reason of this Article 6 and nothing herein shall prevent Buyer or any of its Affiliates from terminating any Former Seller Employee (which shall all be at will). Nothing contained herein, express or implied, shall be construed to establish, amend or modify any employee benefit plan, program, agreement or arrangement of Buyer or any of its Affiliates or limit Buyer of any of its Affiliates from amending, terminating or taking any other action with respect to any employee benefit plan, program, agreement or arrangement including any Benefit Plan. The Parties acknowledge and agree that the terms set forth in this Article 6 shall not create any right in any employee of any Selling Party or any other Person to any continued employment with Buyer or any of its Affiliates or compensation or benefits of any nature or kind whatsoever.

ARTICLE 7

CONDITIONS TO OBLIGATIONS OF BUYER

Section 7.1 Condition to the Obligations of Buyer. Unless waived by Buyer, all obligations of Buyer under this Agreement are subject to the fulfillment, on or before the Closing, of each of the following conditions:

(a) Covenants. Seller and Holdings (to the extent possible) shall have performed or complied, in all material respects, with all covenants, agreements, and obligations

contained in this Agreement and the other transaction documents to which it is a party to be performed or complied with at or prior to the Closing.

(b) Representations and Warranties. The representations and warranties of the Seller contained in Article 3 of this Agreement shall be true, correct and complete in all material respects on and as of the Closing Date (unless they speak to an earlier date) with the same force and effect as though made on and as of the Closing Date, except to the extent that inaccuracies in those representations and warranties do not have a Material Adverse Effect on Seller, in each case, without giving effect to any Disclosure Schedule Update.

(c) No Material Adverse Change. Between the date of this Agreement and the Closing, no Selling Party shall have experienced a Material Adverse Effect, without giving effect to any Disclosure Schedule Update.

Section 7.2 Documents. Buyer shall have received the following documents from the Selling Parties:

(a) An option surrender agreement in substantially the form attached hereto as Exhibit D (the "Option Surrender Agreement"), duly executed by each Optionholder and the applicable Selling Party;

(b) Resolutions of each Selling Party's board of directors, certified by its Secretary or Assistant Secretary, authorizing the execution and delivery of this Agreement and the consummation of the transaction contemplated by this Agreement and resolutions of each Selling Party's shareholders approving this Agreement and the consummation of the transactions contemplated by this Agreement;

(c) A certificate from the Secretary or Assistant Secretary of each Selling Party as to the incumbency and signatures of officers.

(d) A certificate signed by a duly authorized officer of each Selling Party stating the conditions set forth in Section 7.1(a), Section 7.1(b), and Section 7.1(c) of this Agreement have been fulfilled.

(e) An affidavit of non-foreign status as required by Section 1445 of the Internal Revenue Code of 1986, as amended, duly executed by each Selling Party.

(f) All third-party consents required for each Selling Party to consummate the Transaction.

(g) Such other documents or instruments as counsel for Buyer may reasonably require as necessary or desirable to consummation the transactions contemplated by this Agreement, including the Merger Transactions, all in form and substance reasonably satisfactory to counsel for Buyer.

Section 7.3 Regulatory and Other Approvals. Buyer shall have obtained, in accordance with the filings and requests set forth in Section 5.4, the approval of the Regulators and all other appropriate Governmental Authorities of the transactions contemplated by this

Agreement and the Merger Transactions; all required regulatory waiting periods shall have expired, and there shall be pending on the Closing Date no motion for rehearing or appeal from such approval or any suit or action seeking to enjoin the Merger Transactions or to obtain substantial damages in respect of such transaction.

Section 7.4 Approval of Merger and Delivery of Agreement. This Agreement, and the Merger Transactions shall have been approved by the shareholders of the Holdings in accordance with the Holdings' charter, by-laws and the FBCA and FFIC, and the proper officers of the applicable Selling Parties shall have executed and delivered to Buyer the Certificate of Merger, in the form prepared by Buyer, subject to the Selling Parties' review, and suitable for filing with the Florida Secretary of State, and shall have executed and delivered all such other certificates, statements or instruments as may be necessary or appropriate to effect such a filing. The Holders of not more than 5% of the shares of the Holdings' common stock shall have given written demand for appraisal rights in accordance with the FBCA and FFIC. The Consolidating Merger Agreement shall have been approved by Holdings' board and by Holdings' shareholders.

Section 7.5 No Litigation. No suit or other action shall have been instituted or threatened in writing seeking to enjoin the consummation of the Merger Transactions or to obtain other relief in connection with this Agreement or the transactions contemplated herein that Buyer believes, in good faith and with the written advice of outside counsel, makes it undesirable or inadvisable to consummate the Merger by reason of the probability that the proceeding would result in the issuance of an order enjoining the Merger Transaction or in a determination that any Selling Party has failed to comply with applicable legal requirements of a material nature in connection with the Merger Transactions or actions preparatory thereto or would have a Material Adverse Effect on the Selling Parties, individually or in the aggregate.

Section 7.6 Voting Agreement. On or prior to 5 p.m. EST on the day that is ten (10) Business Days following the date hereof, Buyer shall have received a Voting Agreement, in the form attached hereto as Exhibit E, executed by each member of the board of directors of each Selling Party.

Section 7.7 First and Second Consolidating Merger Agreements. The First Consolidating Merger Agreement and the Second Consolidating Merger Agreement shall have been duly authorized and approved by the parties thereto and the other terms and conditions of the First Consolidating Merger Agreement and the Second Consolidating Merger Agreement shall have been satisfied so as to permit the First Consolidating Merger and the Second Consolidating Merger to be consummated as contemplated thereby.

Section 7.8 Frustration of Closing. The Buyer may not rely on the failure of any conditions set forth in this Article 7 to be satisfied if such failure was caused by the Buyer's failure to act in good faith or use its commercially reasonable efforts under the circumstances to consummate the transactions contemplated by this Agreement.

ARTICLE 8

CONDITIONS TO THE OBLIGATIONS OF SELLING PARTIES

Section 8.1 Conditions to the Obligations of Seller. Unless the conditions are waived by Seller, all obligations of Seller's under this Agreement are subject to the fulfillment, on or before the Closing, of each of the following conditions:

(a) Performance. Buyer shall have performed or complied, in all material respects, with all covenants, agreements, and obligations contained in this Agreement and the other transaction documents to which it is a party to be performed or complied with at or prior to the Closing.

(b) Representations and Warranties. The representations and warranties of Buyer contained in Article 4 of this Agreement shall be true, correct and complete in all material respects on and as of the Closing Date (unless they speak to an earlier date) with the same force and effect as though made on and as of the Closing Date, except to the extent that inaccuracies in those representations and warranties do not have a Material Adverse Effect on Buyer, in each case, without giving effect to any Disclosure Schedule Update.

(c) Material Adverse Effect. Between the date of this Agreement and the Closing, Buyer shall not have experienced a Material Adverse Effect.

(d) Documents. Seller shall have received the following documents from Buyer:

(i) Resolutions of Buyer's board of directors, certified by its Secretary or Assistant Secretary, authorizing the execution and delivery of this Agreement and the consummation of the Merger Transactions to which Buyer is a party.

(ii) A certificate from the Secretary or Assistant Secretary of Buyer as to the incumbency and signatures of officers.

(iii) A certificate signed by a duly authorized officer of Buyer stating the conditions set forth in Section 8.1(a), Section 8.1(b), and Section 8.1(c) of this Agreement have been fulfilled.

(iv) Such other documents or instruments as counsel for Buyer may reasonably require as necessary or desirable to consummation the transactions contemplated by this Agreement, including the Merger Transactions, all in form and substance reasonably satisfactory to counsel for Buyer.

Section 8.2 Regulatory and Other Approvals. Seller shall have obtained in accordance with Section 5.4 the approval of all Regulators and all other appropriate Governmental Authorities of the transactions contemplated by this Agreement, including the Merger Transactions and all required regulatory waiting periods shall have expired, and there shall be pending on the Closing Date no motion for rehearing or appeal from such approval or any suit or action seeking to enjoin the Merger Transactions or to obtain substantial damages in respect of

such transaction.

Section 8.3 Delivery of Certificates. The proper officers of Buyer shall have executed and delivered to Seller the Certificate of Merger, in the form prepared by Buyer, subject to Seller's review, and suitable for filing with the Florida Secretary of State, and shall have executed and delivered all such other certificates, statements or instruments as may be necessary or appropriate to effect such a filing.

Section 8.4 No Litigation. No suit or other action shall have been instituted or threatened in writing seeking to enjoin the consummation of the Merger Transaction or to obtain other relief in connection with this Agreement or the transactions contemplated herein that Seller believes, in good faith and with the written advice of outside counsel, makes it undesirable or inadvisable to consummate the Merger by reason of the probability that the proceeding would result in the issuance of an order enjoining the Merger Transactions or in a determination that Buyer has failed to comply with applicable legal requirements of a material nature in connection with the Merger Transactions or actions preparatory thereto or would have a Material Adverse Effect on Buyer

Section 8.5 Shareholder Approval. Holdings shall have obtained the approval of the transactions contemplated by this Agreement, including the Merger Transactions, by its shareholders as contemplated by Section 5.3.

Section 8.6 Tax Opinion. Within ten (10) Business Days following the date of this Agreement, the Seller and Holdings shall have received a draft of a tax opinion from the accountants for the Seller and Holdings as to the income tax consequences of the Merger Transactions to the shareholders of Holding (and who will own shares of Seller common stock at the Effective Time) who own shares for investment purposes, and that (a) any shares held for investment purposes would be considered a capital asset under the Code Section 1221, (b) any such gain or loss would be considered a capital gain or loss, and (c) the only recognition of taxable income shall be in connection with the Merger (and not the First Consolidating Merger or the Second Consolidating Merger) and there shall have been no change in such tax opinion as of the Effective Time.

Section 8.7 First and Second Consolidating Merger Agreements. The First Consolidating Merger Agreement and the Second Consolidating Merger Agreement shall have been duly authorized and approved by the parties thereto any other terms and conditions of the First Consolidating Merger Agreement and the Second Consolidating Merger Agreement shall have been satisfied so as to permit the First Consolidating Merger and the Second Consolidating Merger to be consummated as contemplated thereby.

Section 8.8 Frustration of Closing. The Selling Parties may not rely on the failure of any conditions set forth in this Article 8 to be satisfied if such failure was caused by any Selling Party's failure to act in good faith or use its commercially reasonable efforts under the circumstances to consummate the transactions contemplated by this Agreement.

ARTICLE 9

NON-SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 9.1 Non-Survival. None of the representations, warranties, covenants and agreements in this Agreement shall survive the Effective Time, except for those covenants or agreements contained herein which by their terms apply in whole or in part after the Effective Time, including, but not limited to Article 1, Article 2, Section 5.10, Section 5.12, Article 6, Article 9, and Article 10. Subject to Section 10.3, nothing in this Agreement will limit a Party's ability to recovery losses or bring a claim based on intentional misrepresentation, willful misconduct or fraud of the other Party.

ARTICLE 10

GENERAL

Section 10.1 Expenses. Except as otherwise contemplated by this Agreement, all costs and expenses incurred in the consummation of this transaction, including any brokers' or finders' fees, shall be paid by the Party incurring such cost or expense. Notwithstanding the foregoing, in any action between the parties seeking enforcement of any of the terms and provisions of this Agreement or in connection with any of the property described herein, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, and reasonable attorneys' fees and expenses as determined by the court.

Section 10.2 Termination. This Agreement shall terminate and be of no further force or effect as between the Parties, except as to liability for a willful and material breach of any duty or obligation arising prior to the date of termination, upon the occurrence of any of the following conditions:

(a) By Seller or Buyer after the expiration of ten (10) Business Days after any Regulator shall have denied or refused to grant the approvals or consents required under this Agreement to be obtained pursuant to this Agreement, unless within said ten (10) Business Day period Buyer and Seller agree to submit or resubmit an application to, or appeal the decision of, the Regulator which denied or refused to grant approval thereof, provided that the Regulator does not state that such submission or resubmission will not cure the cause of the denial or refusal to grant the approval or consent required; *provided, that*, the denial or refusal of approval or consent required to be obtained is not the result of a breach of this Agreement by the Party seeking to terminate this Agreement.

(b) By the non-breaching party after, the expiration of twenty (20) Business Days from the date that a party hereto has given notice to the another party of such other party's material breach or misrepresentation of any obligation, warranty, representation, or covenant in this Agreement; *provided, however*, that no such termination shall take effect if within said twenty (20) Business Day period the party so notified shall have fully and completely corrected the grounds for termination as specified in such notice; *provided further, however*, that no such termination shall take effect if within thirty (30) Business Days of the failure by the notified

party to make such correction within said twenty (20) day period, the notifying party delivers to the notified party a written election not to terminate this Agreement notwithstanding such breach or misrepresentation, and any such election to proceed shall not waive such party's right to seek damages or other equitable relief;

(c) By the non-breaching Party after the expiration of twenty (20) Business Days from the date that the non-breaching Party has given notice to the other Party of such other Party's breach or misrepresentation of any warranty or representation in this Agreement, which breach or misrepresentation, individually or in the aggregate, has had or is reasonably expected to have a Material Adverse Effect; *provided, however,* that no such termination shall take effect if within said twenty (20) Business Day period the Party so notified shall have fully and completely corrected the grounds for termination as specified in such notice; *provided further, however*, that no such termination shall take effect upon the failure by the notified Party to make such correction within said twenty (20) day period if the notifying Party delivers to the notified Party a written election not to terminate this Agreement notwithstanding such breach or misrepresentation, and any such election to proceed shall not waive such Party's right to seek damages or other equitable relief;

(d) By Seller or Buyer if the Transactions contemplated herein, to which Buyer is a party, are not consummated by December 30, 2021, unless the date is extended by the mutual written agreement of the Parties, provided a Party that is then in breach of this Agreement shall not be entitled to exercise such right of termination;

(e) By Holdings if, without breaching Section 5.7, Holdings shall contemporaneously enter into a definitive agreement with a third party providing a Superior Proposal, as defined below; *provided, that* the right to terminate this Agreement under this Section 10.2 shall not be available to Holdings unless it delivers to Buyer (1) written notice of Seller's intention to terminate at least five (5) Business Days prior to termination and (2) the Termination Fee referred to in Section 10.3; or

(f) The mutual written consent of Buyer and Holdings to terminate.

Section 10.3 Liquidated Damages. If Seller terminates this Agreement pursuant to Section 10.2(e), then, within five (5) Business Days of such termination, Seller shall pay Buyer by wire transfer in immediately available funds, as agreed upon liquidated damages and not as a penalty, $3,994,795 (the "Termination Fee"). Notwithstanding anything to the contrary in this Agreement, in the circumstances in which the Termination Fee is or becomes payable pursuant to this Section 10.3, Buyer's sole and exclusive remedy (whether at law, in equity, in contract, in tort or otherwise) against the Seller Parties or any of its Affiliates with respect to the facts and circumstances giving rise to such payment obligation shall be payment of the Termination Fee, and upon payment in full of such amount, none of Buyer or any of its Affiliates shall have any rights or claims against the Seller Parties or any of its Affiliates (whether at law, in equity, in contract, in tort or otherwise) under or relating to this Agreement or the transactions contemplated hereby. The Seller Parties shall not be required to pay the Termination Fee on more than one occasion.

Section 10.4 Effect of Termination. In the event of termination of this Agreement by either Party pursuant to this Article 10, this Agreement shall be of no further force or effect, and neither Party shall have any liability to the other as a result of such termination, except that termination will not relive a Party from liability for any intentional misrepresentation, willful misconduct or fraud in connection with this Agreement and the transactions contemplated by this Agreement (except a termination by Buyer pursuant to Section 10.2(e)).

Section 10.5 Confidential Information. Buyer and Seller each covenant that (a) during the term of this Agreement and (b) in the event the transactions contemplated by this Agreement are not consummated, following the termination of this Agreement, each such Party will keep in strict confidence and return all documents containing any information concerning the properties, business, and assets of the other Parties that may have been obtained in the course of negotiations or examination of the affairs of each other Party either prior or subsequent to the execution of this Agreement (other than such information as shall be in the public domain or otherwise ascertainable from public or outside sources or was independently developed by such Party without reference to any confidential or proprietary information of the other party), except to the extent that disclosure is required by judicial process or governmental or regulatory authorities.

Section 10.6 Non-Assignment. Neither this Agreement nor any of the rights, interests or obligations of the Parties under this Agreement shall be assigned by any Party (whether by operation of law or otherwise) without the prior written consent of the other Party, *provided, that* Buyer may assign this Agreement and its obligations hereunder to a wholly-owned subsidiary or an affiliate of Buyer, without the prior written consent of any other Party, so long as Buyer continues to remain liable for the performance of all of its covenants and obligations set forth in this Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. This Agreement is not intended nor should it be construed to create any express or implied rights in any third parties, except for (i) the rights set forth in Section 5.10 which are intended to benefit each Indemnified Party and his or her heirs and representatives, (ii) the rights set forth in Section 5.12 and Article 6 of this Agreement, which are intended to benefit each Former Seller Employee and the individuals set forth therein, and (iii) if the Effective Time occurs, the right of the holders of Holdings common stock and Seller Common Stock to receive the Merger Consideration payable pursuant to this Agreement and the rights of the Optionholders to receive the Option Consideration payable pursuant to this Agreement.

Section 10.7 Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) if personally delivered, on the date of delivery, (b) if delivered by next-day courier service of national standing (with charges prepaid), on the Business Day following the date of delivery to such courier service for next day delivery, (c) if deposited in the United States mail, first class postage prepaid, on the third (3rd) Business Day following the date of such deposit, (d) if delivered by facsimile, provided the relevant transmission report indicates a full and successful transmission, (i) on the date of such transmission, if such transmission is completed at or prior to 5:00 p.m., local time of the recipient party, on the date of such transmission, and (ii) on the next Business Day following the date of transmission, if such transmission is completed after 5:00 p.m., local time of the recipient party, on the date of such

transmission, or (e) if delivered by electronic mail, provided the relevant computer record indicates a full and successful transmission, on the date of such transmission. Notices, demands and communications shall, unless another address is specified in writing pursuant to the provisions hereof, be sent to the address indicated below:

To the Selling Parties:

Roy N. Hellwege
Chairman and Chief Executive Officer
Pilot Bancshares
5140 East Fowler Avenue
Tampa, Florida 33612
Email: rhellwege@pilot.bank

With a copy to: (which will not constitute notice)

John P. Greeley
Smith Mackinnon, PA
301 East Pine Street
Suite 750
Orlando, Florida 32801
E-mail: jpg7300@aol.com

To Buyer:

Sandy Jelinski
Chief Executive Officer
Lake Michigan Credit Union
4027 Lake Dr. SE
Grand Rapids, Michigan 49546
Email: Sandra.jelinski@LMCU.org

With copy to: (which will not constitute notice)

Michael M. Bell, Esq.
Honigman LLP
650 Trade Centre Way
Suite 200
Kalamazoo, Michigan 49002
Email: mbell@honigman.com

Section 10.6 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if the signatures to each counterpart were upon the same instrument. This Agreement may be executed and accepted by facsimile or other electronic signature and any such signature shall be of the same force and effect as an original signature.

Section 10.7 Interpretation. The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole. Article, Section, Exhibit and Disclosure Schedule references are to the Articles, Sections, Exhibits and Disclosure Schedules of this Agreement unless otherwise specified. The table of contents and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. Whenever the words

"include," "includes," "including" or similar expressions are used in this Agreement, they will be understood to be followed by the words "without limitation." The words describing the singular shall include the plural and vice versa, and words denoting any gender shall include all genders and words denoting natural persons shall include corporations, partnerships and other entities and vice versa. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

Section 10.8 Entire Agreement. This Agreement, together with the Disclosure Schedules and Exhibits hereto, contains all of the agreements of the parties to it with respect to the matters contained herein, and no prior or contemporaneous agreement or understanding, oral or written, pertaining to any such matters shall be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

Section 10.9 Governing Law; Venue and Jurisdiction; Jury Trial Waiver. Subject to any applicable federal Law, this Agreement shall be governed in all respects by the Laws of the State of Florida, without giving effect to any conflict of laws rules thereof that would require the application of the Laws of any other jurisdiction. Each of the Parties irrevocably submits to the jurisdiction of the state courts located in Tampa, Florida and the federal court located in Tampa, Florida with respect to the interpretation and enforcement of the provisions of this Agreement and in respect of the Merger Transactions, and that such jurisdiction of such courts with respect thereto shall be exclusive, except solely to the extent that all such courts lawfully decline to exercise such jurisdiction. Each of the Parties hereby waives, and agrees not to assert, as a defense in any proceeding for the interpretation or enforcement hereof or in respect of any such transaction, that it is not subject to such jurisdiction. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE MERGER TRANSACTIONS OR EVENTS CONTEMPLATED HEREBY OR ANY COURSE OF CONDUCT; COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THE PARTIES HERETO EACH AGREE THAT ANY AND ALL SUCH CLAIMS AND CAUSES OF ACTION SHALL BE TRIED BY THE COURT WITHOUT A JURY. EACH OF THE PARTIES HERETO FURTHER WAIVES ANY RIGHT TO SEEK TO CONSOLIDATE ANY SUCH LEGAL PROCEEDING IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER LEGAL PROCEEDING IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED.

Section 10.10 Severability. If any paragraph, section, sentence, clause, or phrase contained in this Agreement shall become illegal, null or void, or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void, or against public policy, the remaining paragraphs, sections, sentences, clauses, or phrases contained in this Agreement shall not be affected thereby.

Section 10.11 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 10.12 Time of the Essence. Whenever performance is required to be made by a party under a specific provision of this Agreement, time shall be of the essence.

Section 10.13 Force Majeure. No Party hereto shall be deemed to have breached this Agreement solely by reason of delay or failure in performance resulting primarily from a natural disaster or other act of God without the fault or negligence of either Party, including a pandemic or epidemic (including, without limitation, COVID-19). The parties hereto agree to cooperate in an attempt to overcome such a natural disaster or other act of God and consummate the Transaction.

Section 10.14 Exhibits; Disclosure Schedules. All information set forth in the Exhibits and Disclosure Schedules hereto shall be deemed a representation and warranty of the Selling Parties as to the accuracy and completeness of such information in all material respects.

Section 10.15 Knowledge. Whenever any statement in this Agreement or in any list, certificate or other document delivered to any party pursuant to this Agreement is made "to the knowledge" or "to the best knowledge" of a party, such knowledge shall mean facts and other information that any executive officer of such party actually knows after making a reasonable inquiry with respect to the particular fact or matter in question, including inquiry of such individual's direct reports.

Section 10.16 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any covenants in this Agreement were not performed in accordance with their specific terms or otherwise were materially breached. It is accordingly agreed that, without the necessity of proving actual damages or posting bond or other security, the parties shall be entitled to temporary and/or permanent injunction or injunctions to prevent breaches of such performance and to specific enforcement of the terms and provisions in addition to any other remedy to which they may be entitled, at Law or in equity.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have each executed this Agreement as of the date first written above.

BUYER

Lake Michigan Credit Union,
a Michigan state chartered credit union

By: _____
Name: SANDRA JEDINSKI
Title: CEO

HOLDINGS

Pilot Bancshares, Inc.,
a Florida corporation

By: _____
Name: _____
Title: _____

SELLER

Pilot Bank,
a Florida state chartered commercial bank

By: _____
Name: _____
Title: _____

NAFCO

National Aircraft Finance Company,
a Florida Corporation

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have each executed this Agreement as of the date first written above.

BUYER

Lake Michigan Credit Union,
a Michigan state chartered credit union

By: _____
Name: _____
Title: _____

HOLDINGS

Pilot Bancshares, Inc.,
a Florida corporation

By: _____
Name: _____
Title: CEO

SELLER

Pilot Bank,
a Florida state chartered commercial bank

By: _____
Name: _____
Title: CEO

NAFCO

National Aircraft Finance Company,
a Florida Corporation

By: _____
Name: _____
Title: Chairman

ANNEX A
DEFINITIONS

In addition to the terms defined elsewhere in this Agreement, as used herein, the following terms have the definitions indicated:

"Affiliate" means any Person, partnership, corporation, association or other legal entity directly or indirectly controlling, controlled by, or under common control with that Party. For the purposes of the definition of Affiliate, "control" (including, with correlative meanings, the terms "controlled by" or "under common control with"), as applied to any Person, means the possession, directly or indirectly, of (i) ownership, control or power to vote twenty-five percent (25%) or more of the outstanding shares of any class of voting securities of such Person; (ii) control, in any manner, over the election of a majority of the directors, trustees, general partners, or managing members (or individuals exercising similar functions) of such Person; or (iii) the ability to exercise a controlling influence over the management or policies of such Person.

"Agreement" has the meaning set forth in the Preamble.

"Aircraft Loan" means a closed-end installment Loan to finance new and used aircraft including fixed wing (single and twin-engine piston), turboprops jets, vintage, experimental and kits in process.

"Allowance" means the specific and general reserves applicable to the Loans as determined by Seller in accordance with applicable regulatory standards and GAAP.

"Auto Receivable" means a Loan (or installment payment obligation) arising from the purchase of, and secured by, an automobile, light-duty vehicle, all-terrain vehicle, boat or motorcycle.

"Bank Accounts" means cash in all of the Seller Parties' demand deposit accounts, including, without limitation, those for payroll and cashier's checks.

"Business Days" means any Monday, Tuesday, Wednesday, Thursday, or Friday that is not a federal holiday generally recognized by Michigan or Florida banks.

"Business Loan" means a term or revolving Loan to a commercial enterprise secured by personal property or a mixture of real and personal property or an unsecured term or revolving Loan to a commercial enterprise.

"Buyer" has the meaning set forth in the Preamble.

"Cash on Hand" means all petty cash, vault cash, ATM cash and teller cash.

"Certificate of Merger" has the meaning set forth in Section 1.2.

"Certificate" or "Certificates" has the meaning set forth in Section 2.5(a).

"Closing" has the meaning set forth in Section 1.5.

"Closing Date" has the meaning set forth in Section 1.5.

"Code" means the Internal Revenue Code of 1986.

"Confidential Information" means all information, in any form or medium, that relates to the business, products, financial position or condition, services or research or development of the Selling Parties or of its suppliers/vendors, distributors, customers, independent contractors or other business relations. Confidential Information shall not include any information that is or becomes generally known to and available for use by the public other than as a result of a Person's acts or omissions.

"Contracts" means the service and maintenance agreements, leases of personal and real property, and any other agreements, licenses and permits to which Seller is a party (including contracts relating to the Safe Deposit Boxes), whether written or oral.

"Conversion Fund" has the meaning set forth in Section 2.6.

"Commercial Mortgage Loan" means a Loan secured by commercial real estate.

"COVID-19" means SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), coronavirus disease 2019 or COVID-19.

"COVID-19 Loan" means a Loan issued in connection with a COVID-19 Measure, including any PPP Loan, any "Economic Stabilization Fund" loan, any "Provider Relief Fund" loan, any U.S. Department of Health & Human Services loan, any loan issued under the United States Federal Reserve's Main Street Lending Program, or any other similar loan.

"COVID-19 Measures" means any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down, closure, sequester or any other Law, order, directive, guideline or recommendation by any Governmental Authority in connection with or in response to COVID-19, including, but not limited to, the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the "CARES Act").

"Deposit" means a deposit or deposits as defined in Section 3(l)(1) of the Federal Deposit Insurance Act ("FDIA") as amended, 12 U.S.C. § 1813(l)(1), including without limitation the aggregate balances of all savings accounts with positive balances domiciled at the Branches, including accounts accessible by negotiable orders of withdrawal, other demand instruments, retirement accounts, and all other accounts and deposits, together with accrued interest thereon, if any.

"DIFS" means the State of Michigan's Department of Insurance and Financial Services.

"Disclosure Schedule" has the meaning set forth in Article 3.

"Disclosure Schedule Updates" has the meaning set forth in Section 5.9.

"Dissenting Shares" has the meaning set forth in Section 2.5(c).

"Dissenting Laws" has the meaning set forth in Section 2.5(c).

"Effective Time" has the meaning set forth in Section 1.2.

"Real Estate" has the meaning set forth in Section 3.5.

"Encumbrances" means all mortgages, claims, charges, liens, encumbrances, easements, restrictions, options, pledges, calls, commitments, security interests, conditional sales agreements, title retention agreements, leases, and other restrictions of any kind whatsoever.

"Environmental Laws" means all local, state and federal environmental, health and safety laws and regulations in all jurisdictions in which Seller has done business or owned, leased or operated property, including, without limitation, the Federal Resource Conservation and Recovery Act, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Federal Clean Water Act, the Federal Clean Air Act, and the Federal Occupational Safety and Health Act.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Contracts" has the meaning set forth in Section 2.2(d).

"FAA" means the Federal Aviation Administration.

"FBCA" means the Florida Business Corporation Act.

"FDIA" means the Federal Deposit Insurance Act, as amended.

"FDIC" means the Federal Deposit Insurance Corporation.

"FFIC" means the Florida Financial Institutions Code.

"FHLB" means Federal Home Loan Bank of Atlanta.

"FOFR" means the Florida Office of Financial Regulation.

"Former Seller Employee" has the meaning set forth in Section 6.1(d).

"GAAP" means, with respect to any Person, generally accepted accounting principles as consistently and historically applied.

"General Exceptions" has the meaning set forth in Section 3.1(a).

"Governmental Authority" means the Regulators, any court, and any other administrative agency or commission or other federal, state or local governmental authority or instrumentality, including any subdivision thereof.

"Hazardous Materials" means (i) pollutants, contaminants, pesticides, petroleum or petroleum products, radioactive substances, solid wastes or hazardous or extremely hazardous, special, dangerous, or toxic wastes, substances, chemicals or materials which are considered to be hazardous or toxic under any Environmental Law, including any "hazardous substance" as defined in or under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C., Sec. 9601, et seq., as amended and reauthorized, and any "hazardous waste" as defined in or under the Resource Conservation and Recovery Act, 42 U.S.C., Sec. 6902, et seq., and all amendments thereto and reauthorizations thereof, and (ii) any other pollutants, contaminants, hazardous, dangerous or toxic chemicals, materials, wastes or other substance, including any industrial process or pollution control waste or asbestos, which pose a risk to the health and safety of any Person.

"Holder" or "Holders" means holders of Seller Common Stock as of the Effective Time.

"Home Equity Loan" means a closed-end or revolving Residential Mortgage Loan secured by a Mortgage with no lower priority than a second mortgage priority on the applicable Mortgaged Property.

"Intellectual Property Rights" means any and all intellectual property and proprietary rights of every kind and description anywhere in the world, including the following (i) patents, patent applications, patent disclosures, invention disclosures and inventions (whether or not patentable and whether or not reduced to practice) and any reissue, continuation, continuation-in-part, division, revision, extension or reexamination thereof, (ii) Internet domain names, trademarks, service marks, trade dress, trade names, logos, slogans, Holdings names, trade names, phone numbers containing any of the foregoing, and corporate names (and all translations, adaptations, derivations and combinations of the foregoing), and registrations, applications for registration and renewals thereof together with all of the goodwill associated therewith, (iii) copyrights (registered or unregistered) and copyrightable works, and registrations, applications for registration and renewals thereof, (iv) rights in Software (in both source code and object code form) and documentation thereof, and (v) trade secrets and confidential information (including ideas, compositions, know how, processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, data and databases, personally identifiable information, financial and marketing plans and customer and supplier/vendor lists and information).

"IRS" means the Internal Revenue Service.

"Law" means all applicable laws, regulations, rules and orders of any Governmental Authority, including any common or customary law, constitution, code, ordinance, statute or other legislative measure and any regulation, rule, treaty, order, decree or judgment.

"Letter of Transmittal" has the meaning set forth in Section 2.5(a).

"Liquid Assets" means all bonds and other investment securities owned by Selling Parties on the Closing Date, together with accrued interest thereon, if any, and including any amounts due to or from brokers or custodians.

"Loan" means all the loans owned by a Selling Party, each of which is either an Account Loan, a Construction Loan, a Residential Mortgage Loan (including a Home Equity Loan), a Commercial Mortgage Loan, an Auto Receivable, a Business Loan, Loan, an SBA Loan (including a PPP Loan), a COVID-19 Loan, an Unsecured Loan, or an Aircraft Loan in each case, (x) net of the allowance maintained by the Selling Parties with respect to those loans and (y) any deferred fees or costs with respect to those loans, in each case, including (i) any unposted or in transit loan credits or debits, (ii) all retained rights of the Selling Parties to service previously originated and sold loans, and (iii) any loans that have been charged off in full against the Allowance prior to the Closing Date.

"Loan Debtor" or "Loan Debtors" means an obligor or guarantor, including a third party pledgor, with respect to the Loan Documents relating to a Loan.

"Loan Documents" means, with respect to each Loan, the constituent documents relating thereto, including, without limitation, the loan application, appraisal reports, title insurance policies, promissory notes, loan agreement, security agreements (including any intellectual property security agreements, pledge agreements and general security agreements), Mortgages, legal opinions, intercreditor agreements, original stock powers, stock certificates, assignments, guaranties, and all amendments, modifications, supplements or allonge to any of the foregoing.

"Material Adverse Effect" means any change, event, or effect that is both material and adverse to (x) the financial condition, results of operation, assets or business of a Party, or (y) the ability of a Party to perform its respective obligations under this Agreement, other than (i) the effects of any change attributable to or resulting from changes in political, economic or market conditions, Laws, regulations or accounting guidelines applicable to depository institutions generally or in general levels of interest rates, (ii) changed or proposed changes after the date hereof in applicable Law, (iii) any outbreak, escalation or worsening of hostilities, declared or undeclared acts of war, sabotage, military action or terrorism, (iv) changes or proposed changes after the date hereof in GAAP or authoritative interpretation thereof, (v) termination of relationships with the customers set forth on Annex A-1 (it being understood by the Parties that such Annex A-1 shall remain confidential among the Parties) and employee departures after announcement of this Agreement, (vi) the issuance or compliance with any directive or order of any Regulator, (vii) the impact of any epidemics, pandemics, disease outbreaks or other public health emergencies including, without limitation, COVID-19 or COVID-19 Measures, and (viii) any action taken with the other Party's express written consent or any failure to take any action prohibited by this Agreement without the other Party's express written consent because the other Party withheld, delayed or conditioned such consent. In the case of clauses (i), (ii), (iii), (iv), and (vii) above, such matters shall be taken into account in determining whether a Material Adverse Effect has occurred only to the extent that such conditions, events, changes, crisis, matters and

disasters, as applicable, disproportionately impacts a Party as compared to other industry participants in the industry in which the Party operates.

"Maximum Amount" has the meaning set forth in Section 5.10(b).

"MCUA" has the meaning set forth in the Recitals.

"Mortgage" means a mortgage, deed of trust, or similar instrument encumbering real property and, if applicable, fixtures (if applicable) and securing the obligations of a Loan Debtor with respect to a Loan.

"Mortgaged Property" means real property and fixtures (if applicable) encumbered by a Mortgage.

"NCUA" means the National Credit Union Administration.

"Option" or "Options" means an issued and outstanding option to acquire equity interests in Holdings.

"Optionholder" means a holder of one or more Options immediately prior to consummation of the Second Consolidating Merger, in such holder's capacity as the holder of any such Option.

"OREO" means other real estate owned, as such real estate is classified on the books of Seller.

"Party" or "Parties" has the meaning set forth in the Preamble.

"Paying Agent" has the meaning in Section 2.6.

"Person" means any individual, sole proprietorship, general partnership, limited partnership, corporation, limited liability company, joint venture, trust, unincorporated association, entity, or Governmental Authority.

"Per Share Merger Consideration" has the meaning set forth in Section 2.4.

"Permitted Encumbrances" has the meaning set forth in Section 3.5.

"PPP" means the SBA's Paycheck Protection Program created under the CARES Act.

"PPP Loan" means an SBA Loan issued to a Loan Debtor that is, or is intended to be eligible for forgiveness under the PPP.

"Proxy Statement" has the meaning set forth in Section 5.3.

"Records" means (i) all open records and original documents, located at the branches, relating to the Loans, any account domiciled at the branches through which any Selling Party accepts payments or deposits for credit or deposit to another account domiciled at the branches, Safe Deposit Boxes, the Bank Accounts, or the Deposits; and (ii) an account history of all accounts related to Deposits, Loans, Cash on Hand, Liquid Assets, the Bank Accounts, and Safe Deposit Boxes. Records includes but is not limited to signature cards, customer cards, customer statements, legal files, pending files, all open account agreements, Retirement Account agreements, safe deposit box records, and computer records.

"Regulators" has the meaning set forth in Section 3.2.

"Residential Mortgage Loan" means a Loan secured by a Mortgage on real property that is a one-to-four family, owner-occupied primary residence, second home, or investment property.

"Return Item" has the meaning set forth in Section 3.14(b)(1).

"Safe Deposit Boxes" means all right, title and interest of Seller in and to any safe deposit business conducted through one of Seller's branches as of the close of business on the Closing Date.

"SBA" means the United States Small Business Administration.

"SBA Loan" means a loan to a Loan Debtor that is guaranteed by the SBA.

"Seller" has the meaning set forth in the Preamble.

"Seller Common Stock" means each issued and outstanding share of common stock of Seller, $5.00 par value per share.

"Seller Data" means all personal, sensitive, or confidential information or data (whether data or information of Seller, its customers, or other persons and whether in electronic or any other form or medium) that is accessed, collected, used, processed, stored, shared, distributed, transferred, disclosed, destroyed, or disposed of by any of the Seller Systems.

"Seller Financial Statements" has the meaning set forth in Section 3.3.

"Seller Special Dividend" has the meaning set forth in Section 5.16.

"Seller Systems" means all Systems that are owned by any Selling Party or used by a Selling Party in the conduct of its business.

"Shareholders Meeting" has the meaning set forth in Section 5.3.

"Software" means, computer software, computer programs, applications, utilities, development tools, diagnostics, and embedded systems, in any form or medium, including source code, object code and executable code, and all databases and data used with, or used to develop,

any of the foregoing, together with all related user manuals, programmer documentation, text, diagrams, graphs, charts, and other documentation.

"SOP" has the meaning set forth in Section 3.10(a).

"Specified Contracts" has the meaning set forth in Section 3.15(g).

"Superior Proposal" means an Acquisition Proposal made by a third party after the date hereof which, in the good faith judgment of the board of director of Holdings, taking into account the various legal, financial and regulatory aspects of the proposal and the Person making such proposal, if consummated, is reasonably likely to result in a more favorable transaction than the transaction contemplated by this Agreement to Holdings and its shareholders and other relevant constituencies.

"Surviving Entity" has the meaning set forth in the Recitals.

"Systems" means computer hardware, firmware, databases, Software, systems, information technology infrastructure, and other similar or related items of automated, computerized and/or software systems, infrastructure, and telecommunication assets and equipment including, without limitation, websites and any other outsourced systems and processes.

"Unfunded Commitment" means the commitment entered into of a Selling Party to fund additional advances under any Loan, or under any new unfunded Loan commitment on or after the Closing Date.

"Unsecured Loan" means a loan which is not secured by assets of the Loan Debtor or Loan Debtors or any third party.

Exhibits Intentionally Omitted

COMPTROLLER OF FLORIDA

Charter canceled pursuant to institution merging with and into Lake Michigan Credit Union, effective December 21, 2021 11:59pm, EST.
Entity was originally chartered as The Terrance Bank of Florida. Subsequent name changes resulted in final name of Pilot Bank

Signature: _____

Jeremy W. Smith, Director,
Division of Financial Institutions

WHEREAS, SATISFACTORY EVIDENCE OF COMPLIANCE WITH ALL THE REQUIREMENTS OF THE LAWS OF THE STATE OF FLORIDA HAS BEEN PRESENTED TO ME, I, GERALD LEWIS, COMPTROLLER OF THE STATE OF FLORIDA AS COMMISSIONER OF BANKING, UNDER AND BY VIRTUE OF THE AUTHORITY VESTED IN ME BY THE CONSTITUTION AND STATUTES OF THE STATE OF FLORIDA, DO HEREBY AUTHORIZE:

THE TERRACE BANK OF FLORIDA
TAMPA, FLORIDA

TO TRANSACT A GENERAL COMMERCIAL BANKING BUSINESS

946
CERTIFICATE NUMBER

OFFICE OF THE COMPTROLLER AND COMMISSIONER OF BANKING

GIVEN UNDER MY HAND AND SEAL OF OFFICE

this 4th day of September A.D. 19 87

Gerald Lewis

GERALD LEWIS
Comptroller of Florida and
Commissioner of Banking

ATTEST: