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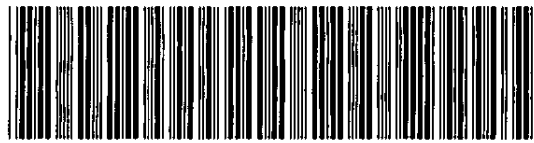
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DC

Merger

04/30/18



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April 26, 2018

Ms. Lyn Shoffstall, Chief
Bureau of Commercial Recording
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, Florida 32399

VIA OVERNIGHT COURIER

**Re: Articles of Merger with respect to the merger of:
FC Merger Subsidiary II, Inc., with and into HomeBancorp, Inc. (Step 1);
HomeBancorp, Inc. with and into First-Citizens Bank & Trust Company (Step 2);
and HomeBanc with and into First-Citizens Bank & Trust Company (Step 3)**

Dear Ms. Shoffstall:

As discussed in my recent electronic mail message and our previous telephone conversations, please find enclosed for filing the Articles of Merger with respect to the three related merger transactions captioned above, which are to become effective sequentially on the dates and at the times prescribed in the respective articles of merger for each such transaction, as outlined above.

Due to the crucial nature of the timing of these transactions in relation to each other, the parties also respectfully request that, in the absence of any subsequent contrary instructions, the enclosed articles also be filed in the order shown above before the close of business on Monday, April 30.

Please accept this letter as authorization to charge the amount of the applicable filing fees, the return of one certified copy of each of the enclosed articles of merger and any other costs to Shutts & Bowen's pre-paid account with the Division of Corporations. The firm's account number is: 120030000004.

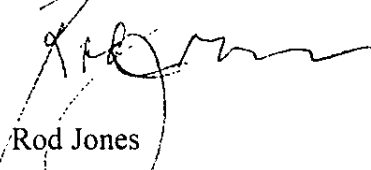
It would also be very helpful and much appreciated if you could return by electronic means a file-stamped copy of the articles of merger (without the associated plans of merger) for each of the three transactions as promptly as possible after filing has been completed so that confirmation of the filing can be provided contemporaneously to counsel for each of the parties.

Ms. Lyn Shoffstall
April 26, 2018
Page 2

Thank you for your assistance in this regard. Should you have questions concerning any aspect of the foregoing or the enclosures, please do not hesitate to call me.

Sincerely,

Shutts & Bowen LLP



Rod Jones

cc: E. Knox Proctor, Esq.
William R. Latham, Esq.
Bowman Brown, Esq.

ORLDOCS 16102542 2

**ARTICLES OF MERGER
OF
FC MERGER SUBSIDIARY II, INC.
WITH AND INTO
HOMEBANCORP, INC.**

FILED
18 APR 30 PM 2:44
SECRETARY OF STATE
TALLAHASSEE FLORIDA

Pursuant to the provisions of Section 607.1107 and Section 607.1105 of the Florida Business Corporation Act (the "Act"), FC Merger Subsidiary II, Inc., a North Carolina corporation, and HomeBancorp, Inc., a Florida corporation, do hereby adopt the following Articles of Merger for the purpose of merging FC Merger Subsidiary II, Inc., with and into HomeBancorp, Inc. (the "Merger"):

FIRST: The names of the corporations which are parties to the Merger are FC Merger Subsidiary II, Inc., and HomeBancorp, Inc. The surviving corporation in the Merger is HomeBancorp, Inc.

SECOND: The Plan of Merger is set forth in the Agreement and Plan of Merger by and among First-Citizens Bank & Trust Company, FC Merger Subsidiary II, Inc., and HomeBancorp, Inc., dated as of December 18, 2017 (the "Merger Agreement"). A copy of the Merger Agreement is attached hereto as Exhibit A and made a part hereof by this reference as if fully set forth herein.

THIRD: The Merger shall become effective at 11:59 p.m., Eastern Time, on April 30, 2018 in accordance with the provisions of the Act.

FOURTH: The Merger Agreement was adopted by the shareholders of HomeBancorp, Inc. pursuant to the applicable provisions of the Act on March 27, 2018. The Merger Agreement was adopted by the sole shareholder of FC Merger Subsidiary II, Inc., pursuant to the applicable provisions of the North Carolina General Statutes on December 15, 2017.

FIFTH: The address of HomeBancorp, Inc. is 101 East Kennedy Boulevard, Tampa, Florida 33602.

[Signatures appear on following pages]

IN WITNESS WHEREOF, the parties have caused these Articles of Merger to be executed as of the 27th day of April, 2018.

HOMEBANCORP, INC.

By: 
Jerry D. Campbell
Chairman and Chief Executive Officer

IN WITNESS WHEREOF, the parties have caused these Articles of Merger to be executed as of the 21st day of April, 2018.

FC MERGER SUBSIDIARY II, INC.

By: 

Craig L. Nix
President

EXHIBIT A

**AGREEMENT AND PLAN OF MERGER
BY AND AMONG
FIRST-CITIZENS BANK & TRUST COMPANY,
FC MERGER SUBSIDIARY II, INC.,
AND
HOMEBANCORP, INC.,
Dated as of December 18, 2017**

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Exhibit A - List of Signatories to Support Agreement

Exhibit B - Form of Support Agreement

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is made and entered into as of December 18, 2017, by and among **FIRST-CITIZENS BANK & TRUST COMPANY**, a North Carolina banking corporation ("Parent"), **FC MERGER SUBSIDIARY II, INC.**, a North Carolina corporation and wholly owned subsidiary of Parent ("Merger Sub"), and **HOME Bancorp, Inc.**, a Florida corporation ("Target").

Preamble

The respective boards of directors of Target, Parent and Merger Sub have approved this Agreement and declared that this Agreement and the transactions contemplated hereby are advisable and in the best interests of the Parties and their respective shareholders. This Agreement provides for the merger of Merger Sub with and into Target with Target as the surviving corporation. At the effective time of such Merger, the outstanding shares of capital stock of Target shall be converted into the right to receive cash, subject to the terms and conditions set forth herein. As an inducement for Parent to enter into this Agreement, each of the directors and officers and certain shareholders of Target as set forth on Exhibit A hereto have simultaneously herewith entered into a Support Agreement (each a "Support Agreement" and collectively, the "Support Agreements") in connection with the Merger, in the form of Exhibit B hereto. The transactions described in this Agreement are subject to the approvals of the shareholders of Target and applicable regulatory authorities and the satisfaction of certain other conditions described in this Agreement.

Capitalized terms used in this Agreement and not otherwise defined herein are defined in Section 10.1 of this Agreement.

NOW, THEREFORE, in consideration of the above and the mutual warranties, representations, covenants, and agreements set forth herein, the Parties agree as follows:

ARTICLE 1 TRANSACTIONS AND TERMS OF MERGER

1.1. Merger.

Subject to the terms and conditions of this Agreement, at the Effective Time, Merger Sub shall be merged with and into Target in accordance with the provisions of the Florida Business Corporation Act, as amended ("FBCA"), and the North Carolina Business Corporation Act, as amended ("NCBCA"), as applicable, with the effects set forth in the FBCA and the NCBCA, as applicable (the "Merger"), whereupon the separate existence of Merger Sub shall cease and Target shall continue as the surviving corporation (the "Surviving Corporation") and as a wholly owned subsidiary of Parent under the Laws of the State of Florida, and the Surviving Corporation shall succeed to and assume all the rights and obligations of Target and Merger Sub in accordance with the FBCA and the NCBCA, as applicable. The Merger shall be consummated pursuant to the terms of this Agreement, which has been approved and adopted by the respective boards of directors of Target, Parent and Merger Sub.

1.2. Time and Place of Closing.

The closing of the transactions contemplated hereby (the "Closing") will take place at 10:00 A.M., Eastern Time, on the date that the Effective Time occurs, or at such other date and time as the

Parties, acting through their authorized officers, may mutually agree in writing. The Closing shall be held at the offices of Parent located at 4300 Six Forks Road, Raleigh, N.C. 27609, unless another location is mutually agreed upon by the Parties. The Closing may take place by delivery of the documents to be delivered at the Closing by electronic transmission. All deliveries by one Party to another Party at the Closing shall be deemed to have occurred simultaneously and none shall be effective until and unless all have occurred.

1.3. Effective Time.

The Merger and other transactions contemplated by this Agreement shall become effective (the "Effective Time") on the date and at the time specified in the articles of merger to be filed with the Florida Department of State and the North Carolina Secretary of State. Subject to the terms and conditions hereof, unless otherwise mutually agreed upon in writing by the authorized officers of each Party, the Parties shall use commercially reasonable efforts to cause the Effective Time to occur on the third Business Day following satisfaction or waiver (subject to applicable Law) of the last to occur of the conditions set forth in ARTICLE 8 (other than those conditions that by their nature are to be satisfied or waived at the Closing). The date on which the Closing occurs is referred to in this Agreement as the "Closing Date."

1.4. Charter.

The articles of incorporation of Target in effect immediately prior to the Effective Time shall be the articles of incorporation of the Surviving Corporation until duly amended or repealed.

1.5. Bylaws.

The bylaws of Target in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation until duly amended or repealed.

1.6. Directors and Officers.

The directors of Merger Sub in office immediately prior to the Effective Time shall serve as the directors of the Surviving Corporation from and after the Effective Time in accordance with the bylaws of the Surviving Corporation. The officers of Merger Sub in office immediately prior to the Effective Time shall serve as the officers of the Surviving Corporation from and after the Effective Time in accordance with the bylaws of the Surviving Corporation.

1.7. Subsequent Transactions.

At times and in a manner to be determined by Parent at its sole discretion, following the Effective Time, Parent shall cause the Surviving Corporation and Target Bank each to be combined with Parent, in each case with Parent as the surviving entity, in one or more transactions (the "Subsequent Transactions") which shall be effected pursuant to and in accordance with the terms of one or more separate agreements to be entered into between Target, Target Bank and Parent.

1.8. Restructure of Transaction.

At any time prior to the filing of articles of merger with respect to the Merger, Parent shall have the right to revise the structure of the Merger, whether before or after receipt of the Target Shareholder Approval in such a manner as Parent shall determine is advisable in order to achieve tax benefits or for any other reason, including for its internal accounting purposes; provided, that Parent shall not have the

right, without the approval of Target and, if and to the extent required by applicable Law, the holders of Target Common Stock or Target Preferred Stock, to make any revision that (i) would change the amount (other than as described in Section 2.1(g)) or type of per share Merger Consideration to which the holders of shares of Target Common Stock or Target Preferred Stock are entitled to receive pursuant to this Agreement, (ii) would materially delay or jeopardize receipt of the Requisite Regulatory Approvals, (iii) have a material adverse economic impact on Target or the holders of Target Common Stock or Target Preferred Stock or (iv) would result in the Merger being treated as other than a qualified stock purchase within the meaning of Section 338 of the Internal Revenue Code. Parent may exercise this right of revision by giving written notice to Target in the manner provided in Section 10.8, which written notice shall include a proposed form of an amendment to this Agreement or a form of amended and restated agreement and plan of merger which, in either case, shall not be required to be executed by any Party, and shall include a certification by the chief financial officer of Parent that, to the Knowledge of Parent, such revision complies with the terms and conditions of this Section 1.8.

ARTICLE 2

MANNER OF CONVERTING SHARES

2.1. Conversion of Shares.

Subject to the provisions of this ARTICLE 2, at the Effective Time, by virtue of the Merger and without any action on the part of Parent, the Merger Sub, Target or the shareholders of any of the foregoing, the shares of Target and Merger Sub shall be converted as follows:

(a) Each share of capital stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding from and after the Effective Time.

(b) Each share of Target Common Stock or Target Preferred Stock issued and outstanding immediately prior to the Effective Time that is held by Target, any wholly owned Target Subsidiary, Parent, Merger Sub or any Parent Subsidiary (in each case other than shares held in any Employee Benefit Plans or related trust accounts or otherwise held in any fiduciary or agency capacity or as a result of debts previously contracted) (collectively, the "Canceled Shares") shall automatically be canceled and retired and shall cease to exist, and no payment shall be made with respect thereto.

(c) Each share of Target Common Stock issued and outstanding immediately prior to the Effective Time (excluding the Canceled Shares and Dissenting Shares), and each additional share of Target Common Stock held by the ESOP portion of the HomeBanc Employee Savings Plan (the "Target Savings Plan") that, immediately prior to the Effective Time, has not been allocated to the account of an ESOP participant and is treated on Target's accounting records as issued but not outstanding, shall be converted into the right to receive a cash payment equal to \$15.03 per share (the "Per Share Merger Consideration").

(d) Each share of Series C Preferred Stock issued and outstanding immediately prior to the Effective Time (excluding the Canceled Shares) shall be converted into the right to receive the Per Share Merger Consideration.

(e) All shares of Target Common Stock and Series C Preferred Stock, when so converted pursuant to Section 2.1(c) or Section 2.1(d) shall automatically be canceled and retired and shall cease to exist, and each holder of a certificate or book-entry share registered in the transfer books of Target that immediately prior to the Effective Time represented shares of Target Common Stock or Series C Preferred Stock shall cease to have any rights with respect to such Target Common Stock or such Series C

Preferred Stock (as applicable) other than the right to receive the Per Share Merger Consideration in accordance with ARTICLE 3.

(f) Each share of capital stock of Parent and its parent company outstanding immediately prior to the Effective Time will continue to be an identical outstanding share of Parent and its parent company's capital stock immediately after the Effective Time. No shares of capital stock of Parent or its parent company, and no shares, securities or obligations convertible into the capital stock of Parent or its parent company, will be issued or delivered to any shareholder of Target or otherwise under this Agreement.

(g) Without limiting the other provisions of this Agreement and subject to Sections 6.2(d) and (e), if at any time during the period between the date of this Agreement and the Effective Time, Target should split, combine or otherwise reclassify the shares of Target Common Stock or Series C Preferred Stock, or make a dividend or other distribution in shares of Target Common Stock or Series C Preferred Stock (including any dividend or other distribution of securities convertible into Target Common Stock or Series C Preferred Stock), or engage in a reclassification, reorganization, recapitalization or exchange or other like change, then (without limiting any other rights of Parent hereunder), the Per Share Merger Consideration shall be equitably and proportionately adjusted, if necessary and without duplication, to reflect fully the effect of any such change.

2.2. Treatment of Other Target Equity Securities.

Subject to the provisions of this ARTICLE 2, by virtue of the Merger and without any action on the part of Parent, Merger Sub, Target or any other person (except as set forth in Section 2.2(d)), the Parties agree as follows:

(a) At the Effective Time, each option granted by Target to purchase a share of Target Common Stock under a Target Stock Plan, whether vested or unvested, that has not expired or been terminated or forfeited, and remains outstanding and unexercised immediately prior to the Effective Time (a "Target Stock Option"), shall be canceled and converted into the right to receive a cash payment equal to the difference, if positive, between the Per Share Merger Consideration and the exercise price of the Target Stock Option (such difference the "Net Option Consideration"). Any Target Stock Option with an exercise price that equals or exceeds the Per Share Merger Consideration shall be canceled with no consideration being paid to the optionholder with respect to such Target Stock Option. Any option entitled to receive the Net Option Consideration in accordance with this Section 2.2(a) shall hereinafter be referred to as an "In-Money Option" and each holder of any In-Money Option shall hereinafter be referred to as an "In-Money Optionholder."

(b) At the Effective Time, each warrant granted by Target to purchase a share of Target Common Stock, whether vested or unvested, that is outstanding and unexercised immediately prior to the Effective Time (a "Target Warrant") shall be canceled and converted into the right to receive a cash payment equal to the difference, if positive, between the Per Share Merger Consideration and the exercise price of the Target Warrant (such difference the "Net Warrant Consideration"). Any Target Warrant with an exercise price that equals or exceeds the Per Share Merger Consideration shall be canceled with no consideration being paid to the warrant holder with respect to such Target Warrant. Any warrant entitled to receive the Net Warrant Consideration in accordance with this Section 2.2(b) shall hereinafter be referred to as an "In-Money Warrant" and each holder of any In-Money Warrant shall hereinafter be referred to as an "In-Money Warrant Holder."

(c) At the Effective Time, each award in respect of a share of Target Common Stock subject to vesting, repurchase or other lapse restriction granted under a Target Stock Plan that is outstanding

immediately prior to the Effective Time (a "Target Restricted Stock Award") shall fully vest and be canceled and converted automatically into the right to receive the Per Share Merger Consideration payable pursuant to Section 2.1(c) and treating the shares of Target Common Stock subject to such Target Restricted Stock Award in the same manner as all other shares of Target Common Stock for such purposes.

(d) At or prior to the Effective Time, Target, the board of directors of Target or its compensation committee, as applicable, shall adopt any resolutions and take any actions that are necessary or advisable to effectuate the provisions of this Section 2.2, including, if determined by the board of directors of Target or its compensation committee, providing holders of Target Stock Options with advance notice and the opportunity to exercise their Target Stock Options as of and contingent on the Closing.

2.3. Treatment of Target Savings Plan.

Any interest in shares of Target Common Stock that has been allocated to the accounts of participants under the Target Savings Plan is not a Target Stock Option for purposes of this Agreement. At the Effective Time, each such share of Target Common Stock held in the Target Savings Plan shall be converted into the right to receive the Per Share Merger Consideration in accordance with Section 2.1(c) and Section 7.7.

ARTICLE 3 EXCHANGE OF SHARES

3.1. Exchange Procedures.

(a) Deposit of Aggregate Merger Consideration. At or prior to the Effective Time, Parent shall deposit, or shall cause to be deposited, with an exchange agent reasonably acceptable to Target (the "Exchange Agent"), for the benefit of the holders of record of shares of Target Common Stock and Series C Preferred Stock issued and outstanding immediately prior to the Effective Time, In-Money Optionholders and In-Money Warrant Holders (collectively, the "Holders"), for exchange in accordance with this ARTICLE 3, immediately available funds equal to the sum of (i) the aggregate Per Share Merger Consideration payable pursuant to Section 2.1(c) and Section 2.1(d), (ii) the aggregate Net Option Consideration payable pursuant to Section 2.2(a), (iii) the aggregate Net Warrant Consideration payable pursuant to Section 2.2(b) and (iv) the aggregate amount of all dividends and distributions (if any) payable pursuant to Section 3.1(c) (such sum, the "Aggregate Merger Consideration") and Parent shall instruct the Exchange Agent to timely pay the Aggregate Merger Consideration to the Holders in accordance with this Agreement. Any funds deposited with the Exchange Agent pursuant to this Agreement shall hereinafter be referred to as the "Exchange Fund."

(b) Delivery of Aggregate Merger Consideration. As soon as reasonably practicable after the Effective Time and in any event not later than five Business Days following the Effective Time, the Exchange Agent shall mail to each Holder of record of a certificate or an instrument (a "Certificate") or a book-entry share (a "Book-Entry Share") that immediately prior to the Effective Time represented shares of Target Common Stock or Series C Preferred Stock, In-Money Options or In-Money Warrants notice advising such Holders of the effectiveness of the Merger, including appropriate transmittal materials specifying that delivery shall be effected, and risk of loss and title to the Certificates or Book-Entry Shares shall pass, only upon delivery of the Certificates or Book-Entry Shares and instructions for surrendering the Certificates or Book-Entry Shares to the Exchange Agent (such materials and instructions to include customary provisions with respect to delivery of an "agent's message" with respect to Book-Entry Shares). Upon proper surrender of a Certificate or Book-Entry Shares for exchange and

cancellation to the Exchange Agent, together with the appropriate transmittal materials, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may be required pursuant to such instructions, the Holder of such Certificate or Book-Entry Share shall be entitled to receive in exchange therefor the Per Share Merger Consideration with respect to the shares of Target Common Stock or Series C Preferred Stock, the Net Option Consideration with respect to the In-Money Options or the Net Warrant Consideration with respect to the In-Money Warrants, as applicable, formerly represented by such Certificate or Book-Entry Share and such Certificate or Book-Entry Share so surrendered shall forthwith be canceled. No interest will be paid or accrued for the benefit of Holders of the Certificates or Book-Entry Shares on the Per Share Merger Consideration, the Net Option Consideration or Net Warrant Consideration, as applicable, payable upon the surrender of the Certificates or Book-Entry Shares.

(c) Share Transfer Books. At the Effective Time, the share transfer books of Target shall be closed, and thereafter there shall be no further registration of transfers of shares of Target Common Stock or Series C Preferred Stock. From and after the Effective Time, Holders who held shares of Target Common Stock or Series C Preferred Stock, In-Money Options or In-Money Warrants immediately prior to the Effective Time shall cease to have rights with respect to such shares, In-Money Options or In-Money Warrants (as applicable), except as otherwise provided for herein. Until surrendered for exchange in accordance with the provisions of this Section 3.1, each Certificate or Book-Entry Share theretofore representing shares of Target Common Stock or Series C Preferred Stock (in each case, other than Cancelled Shares), In-Money Options or In-Money Warrants shall from and after the Effective Time represent for all purposes only the right to receive the consideration provided in ARTICLE 2 in exchange therefor, subject, however, to Parent's obligation to pay any dividends or make any other distributions with a record date prior to the Effective Time which have been declared or made by Target in respect of such shares of Target Common Stock or Series C Preferred Stock in accordance with the terms of this Agreement and which remain unpaid at the Effective Time. On or after the Effective Time, any Certificates or Book-Entry Shares presented to the Exchange Agent or the Surviving Corporation for any reason shall be canceled and exchanged for the Per Share Merger Consideration, the Net Option Consideration or the Net Warrant Consideration (as applicable).

(d) Termination of Exchange Fund. Any portion of the Exchange Fund which remains undistributed to the former Holders on the first anniversary of the Effective Time (including any interest and other income received with respect thereto) shall, at Parent's request, be delivered to Parent, and, following any such delivery, any former Holders who have not theretofore received any Per Share Merger Consideration, the Net Option Consideration or the Net Warrant Consideration (as applicable) to which they are entitled under this ARTICLE 3 shall thereafter look only to Parent and the Surviving Corporation for payment of their claims with respect thereto.

(e) No Liability. None of Parent, Target, Merger Sub, the Surviving Corporation or the Exchange Agent, or any employee, officer, director, agent or Affiliate of any of them, shall be liable to any Holder in respect of any cash that would have otherwise been payable in respect of any Certificate or Book-Entry Shares from the Exchange Fund but that is delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law. Any amounts remaining unclaimed by Holders immediately prior to the time at which such amounts would otherwise escheat to, or become property of, any Regulatory Authority shall, to the extent permitted by applicable Law, become the property of the Surviving Corporation or its successor in interest, free and clear of any claims or interest of any such Holders or their successors, assigns or personal representatives previously entitled thereto.

(f) Withholding Rights. Each and any of Parent, the Surviving Corporation or the Exchange Agent, as applicable, shall be entitled to deduct and withhold from the Per Share Merger Consideration, Net Option Consideration or Net Warrant Consideration payable to any Holder, and any other amounts or

property otherwise payable or distributable to any Person pursuant to this Agreement, such amounts or property (or portions thereof) as Parent, the Surviving Corporation or the Exchange Agent is required to deduct and withhold with respect to the making of such payment or distribution under the Internal Revenue Code, and the rules and regulations promulgated thereunder, or any provision of applicable Tax Law. To the extent that amounts are so deducted or withheld and paid over to the appropriate Regulatory Authority by Parent, the Surviving Corporation, or the Exchange Agent, as applicable, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made by Parent, the Surviving Corporation, or the Exchange Agent, as applicable.

(g) Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, then upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed, and compliance with conditions imposed by Parent, the Surviving Corporation and the Exchange Agent pursuant to applicable Law, including, in the case of a Certificate evidencing shares of Target Common Stock, Series C Preferred Stock, or In-Money Warrant, the requirement that the Person provide an indemnification agreement and surety bond (or other indemnification satisfactory to Parent, the Surviving Corporation and the Exchange Agent in their sole discretion) in such sum and on such terms as Parent, the Surviving Corporation and the Exchange Agent may direct against any claims made against Parent, the Surviving Corporation or the Exchange Agent with respect to the Certificate claimed to have been lost, destroyed or stolen, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Certificate the Per Share Merger Consideration, the Net Option Consideration or the Net Warrant Consideration (as applicable) to which the holder thereof is entitled pursuant to this ARTICLE 3.

(h) Rights of Former Target Shareholders. If any Certificates shall not have been surrendered prior to three years after the Effective Time (or immediately prior to or such earlier date on which the Per Share Merger Consideration, the Net Option Consideration or the Net Warrant Consideration (as applicable) would escheat to or become the property of any Regulatory Authority), any such Per Share Merger Consideration, the Net Option Consideration or the Net Warrant Consideration (as applicable) in respect thereof shall, to the extent permitted by applicable Law, become the property of Parent, free and clear of all claims or interest of any Person previously entitled thereto.

3.2. Dissenting Shareholders.

(a) Notwithstanding anything in this Agreement to the contrary, shares of Target Common Stock that are issued and outstanding immediately prior to the Effective Time and which are held by any Holder who is entitled to demand and properly demands appraisal of such shares of Target Common Stock pursuant to, and who complies in all respects with, the applicable provisions of the FBCA (the "Dissenting Shareholders"), shall not be converted into or be exchangeable for the right to receive any of the consideration as specified in ARTICLE 2 (the "Dissenting Shares"), but instead such Holder shall be entitled to payment of the fair value of such Dissenting Shares in accordance with the applicable provisions of the FBCA. At the Effective Time, all Dissenting Shares shall no longer be outstanding, shall automatically be canceled and retired and shall cease to exist, and each Holder of Dissenting Shares shall cease to have any rights with respect thereto, except the right to receive the fair value of such Dissenting Shares in accordance with the applicable provisions of the FBCA. Notwithstanding the foregoing, if any such Holder shall fail to perfect or otherwise shall waive, withdraw or lose the right to appraisal under the applicable provisions of the FBCA, or a court of competent jurisdiction shall determine that such Holder is not entitled to the relief provided by the applicable provisions of the FBCA, then the right of such Holder to be paid the fair value of such Holder's Dissenting Shares under the applicable provisions of the FBCA shall cease and such Dissenting Shares shall be deemed to have been converted at the Effective Time into, and shall have become, the right to receive the Per Share Merger

Consideration as provided in Section 2.1(c) of this Agreement and any dividends or distributions (if any) pursuant to Section 3.1(c).

(b) Target shall give to Parent prompt written notice (but in any event within 48 hours) of any demands for appraisal of any shares of Target Common Stock and any withdrawals of such demands, and Parent shall have the right to participate in and direct all negotiations and proceedings with respect to such demands. Target shall not, except with the prior written consent of Parent, voluntarily make any payment with respect to, or settle, or offer or agree to settle, any such demand for payment.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF TARGET

Except as Previously Disclosed, Target hereby represents and warrants to Parent as follows:

4.1. Organization, Standing, and Power.

(a) Status of Target. Target is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Florida and has all requisite power and authority, corporate and otherwise, to carry on its business as now conducted and to own, lease and operate its Assets. Target is duly qualified or licensed to transact business as a foreign corporation in good standing in the states of the United States and foreign jurisdictions where the character of its Assets or the nature or conduct of its business requires it to be so qualified or licensed, except for such failure to be so qualified or licensed has not had or would not be reasonably expected to have a Material Adverse Effect. Target is duly registered with the Board of Governors of the Federal Reserve System as a bank holding company under the BHC Act. True, complete and correct copies of the articles of incorporation of Target and the bylaws of Target, each as currently in effect, have been delivered or made available to Parent.

(b) Status of Target Bank. Target Bank is a direct, wholly owned Subsidiary of Target, is duly organized, validly existing and in good standing under the Laws of Florida, is authorized under the Laws of Florida to engage in its business and otherwise has all requisite power and authority, corporate and otherwise, to own or lease all of its properties and Assets and to conduct its business in the manner in which its business is now being conducted. Target Bank is in good standing in each jurisdiction in which its ownership of properties or conduct of business requires such qualification except where failure to be so qualified has not had and would not reasonably be expected to have a Material Adverse Effect. True, complete and correct copies of the articles of association and bylaws of Target Bank, each as currently in effect, have been delivered or made available to Parent.

4.2. Authority of Target; No Breach By Agreement.

(a) Authority. Target has the corporate power and authority necessary to execute, deliver, and, other than with respect to the Merger, perform this Agreement, and with respect to the Merger, upon the approval of this Agreement and the Merger by the affirmative vote of at least a majority of the outstanding Target Voting Common Stock in accordance with Section 7.1, and without any vote or approval of the Series C Preferred Stock (the "Target Shareholder Approval"), to perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated herein, including the Merger, have been duly and validly authorized and approved by all necessary corporate action in respect thereof on the part of Target, subject to the Target Shareholder Approval. Subject to the Target Shareholder Approval, and assuming the due authorization, execution and delivery by Parent and Merger Sub, this Agreement represents a legal, valid, and binding obligation of Target, enforceable against Target in accordance with its terms (except in all cases as such enforceability may be limited by

applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium, or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought). Holders of shares of Series C Preferred Stock will have no right to vote such shares with respect to the Merger or this Agreement at the Shareholders' Meeting, and the consummation of the Merger will not require any approval of such Holders with respect to their shares of Series C Preferred Stock. Holders of shares of Series C Preferred Stock will not be entitled to demand appraisal of such shares as Dissenting Shareholders pursuant to applicable provisions of the FBCA.

(b) No Conflicts. Neither the execution and delivery of this Agreement by Target, nor the consummation by Target of the transactions contemplated hereby, nor compliance by Target with any of the provisions hereof, will (i) conflict with or result in a breach of any provision of the articles of incorporation, bylaws or other governing instruments of Target, or articles of incorporation, bylaws or other governing instruments of Target Bank and any other Target Entity, (ii) constitute or result in a Default under, or require any Consent pursuant to, or result in the creation of any Lien on any Asset of any Target Entity under, any Contract or Permit of any Target Entity, or (iii) subject to receipt of the Requisite Regulatory Approvals, constitute or result in a Default under, or require any Consent pursuant to, any Law or Order applicable to any Target Entity or any of their respective material Assets.

(c) Consents. Other than in connection or compliance with the provisions of the Securities Laws, applicable state corporate and securities Laws, the FBCA, and the NCBCA, and applications for and the receipt of Requisite Regulatory Approvals, no notice to, filing with, or Consent of, any public body or authority or any third party is necessary for the consummation by Target of the Merger and the other transactions contemplated in this Agreement.

(d) Target Debt. Except as described in Section 4.2(d) of Target's Disclosure Memorandum, Target has no debt that is secured by Target Bank capital stock.

4.3. Capitalization of Target.

(a) Ownership. The authorized capital stock of Target consists of (i) 30,000,000 shares of Target Voting Common Stock, (ii) 5,000,000 shares of Target Non-Voting Common Stock and (iii) 10,000,000 shares of Target Preferred Stock, 7,398 of which are designated as Series A Preferred Stock, 20,000 of which are designated as Series B Preferred Stock and 1,372,043 of which are designated as Series C Preferred Stock. As of the date hereof, (i) 5,781,972 shares of Target Voting Common Stock are issued, of which 402,042 shares are issued but not outstanding, (ii) no shares of Target Non-Voting Common Stock, Series A Preferred Stock or Series B Preferred Stock are issued and outstanding or held by Target in its treasury, (iii) 1,372,043 shares of Target Series C Preferred Stock are issued and outstanding, (iv) no shares of Target Voting Common Stock are held by Target in its treasury, (v) 82,600 issued and outstanding shares of Target Voting Common Stock have been issued pursuant to and are covered by outstanding unvested Target Restricted Stock Awards, (vi) 1,734,391 shares of Target Voting Common Stock are reserved for issuance upon the exercise of outstanding Target Stock Options and Target Warrants and (vii) an aggregate of 539,448 shares of Target Voting Common Stock are held by the ESOP, of which 137,406 shares have been allocated to participants' accounts, and 402,042 shares are held as unallocated shares and are treated on Target's books as issued but not outstanding. Section 4.3(a) of Target's Disclosure Memorandum sets forth (A) a complete and accurate list as of the date hereof of (1) the holders of capital stock of Target, the number of shares of such capital stock, and the class or series of such shares held by each such holder and (2) the holders of Target Stock Options and the number of shares of capital stock subject to and the exercise price of each such Target Stock Option, and (B) the

maximum number of shares of capital stock of Target, for each class and series, that will be issued and outstanding as of the Effective Time.

(b) Other Rights or Obligations. All of the issued and outstanding shares of capital stock of Target have been duly authorized and validly issued and outstanding, and are fully paid and nonassessable and free of preemptive rights, with no personal liability attaching to the ownership thereof. None of the outstanding shares of capital stock of Target has been issued in violation of or subject to any preemptive rights.

(c) Outstanding Equity Rights. Other than Target Stock Options, Target Warrants and Target Restricted Stock Awards, in each case, issued prior to the date of this Agreement and as set forth in Section 4.3 of Target's Disclosure Memorandum, and the Target Common Stock and Target Preferred Stock described in subsection (a) above, and subject to the provision with respect to voting contained in the Target Savings Plan, there are no (i) existing Equity Rights with respect to the securities of Target or Target Bank, (ii) Contracts under which Target or Target Bank are or may become obligated to sell, issue or otherwise dispose of or redeem, purchase or otherwise acquire any securities of Target, (iii) shareholder agreements, voting trusts or other agreements, arrangements or understandings to which Target or Target Bank is a party, affecting the exercise of voting, ownership or transfer rights with respect to the capital stock of Target, or (iv) outstanding bonds, debentures, notes or other indebtedness having the right to vote on any matters on which the shareholders of Target may vote.

(d) Voting Debt. No bonds, debentures, notes or other indebtedness having the right to vote (or which are convertible into, or exchangeable for, securities having the right to vote) on any matters on which shareholders of Target may vote are issued or outstanding. There are no Contracts pursuant to which Target or any Target Subsidiaries is or could be required to register shares of Target's capital stock or other securities under the Securities Act or to issue, deliver, transfer or sell any shares of capital stock, Equity Rights or other securities of Target or any Target Subsidiaries. No Target Subsidiary owns any capital stock of Target.

4.4. Capitalization of Target Bank.

(a) Ownership. The authorized capital stock of Target Bank consists of 10,000,000 shares of common stock, par value \$5.00 per share (the "Target Bank Common Stock") and 4,000,000 shares of preferred stock, par value \$100.00 (the "Target Bank Preferred Stock"). 1,150,000 shares of Target Bank Common Stock and no shares of Target Bank Preferred Stock are outstanding as of the date of this Agreement. All of the outstanding shares of Target Bank Common Stock and Target Bank Preferred Stock are directly and beneficially owned and held by Target.

(b) Other Rights or Obligations. All of the issued and outstanding shares of capital stock of Target Bank are duly and validly issued and outstanding and are fully paid and nonassessable. None of the outstanding shares of capital stock of Target Bank has been issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities of the current or past shareholders of the Target Bank.

(c) Outstanding Equity Rights. There are no (i) outstanding Equity Rights with respect to the securities of Target Bank, (ii) Contracts under which Target or Target Bank are or may become obligated to sell, issue or otherwise dispose of or redeem, purchase or otherwise acquire any securities of Target Bank, (iii) shareholder agreements, voting trusts or other agreements, arrangements or understandings to which Target or Target Bank is a party, affecting the exercise of voting, ownership or transfer rights with respect to the capital stock of Target Bank, or (iv) outstanding bonds, debentures, notes or other indebtedness having the right to vote on any matters on which the shareholders of Target Bank may vote.

(d) Target Bank. Target Bank does not have any Subsidiaries nor own any equity interests in any other Person other than the entities set forth in Section 4.4(d) of Target's Disclosure Memorandum.

4.5. Target Subsidiaries.

(a) Target has no direct or indirect Subsidiaries nor own any equity interests in any other Person, other than Target Bank and the entities set forth in Section 4.4(d) of Target's Disclosure Memorandum. Target or Target Bank owns all of the issued and outstanding shares of capital stock (or other equity interests) of the Target Subsidiaries. No capital stock (or other equity interest) of a Target Subsidiary is or may become required to be issued (other than to another Target Entity) by reason of any Equity Rights, and there are no Contracts by which a Target Subsidiary is bound to issue (other than to another Target Entity) additional shares of its capital stock (or other equity interests) or Equity Rights or by which any Target Entity is or may be bound to transfer any shares of the capital stock (or other equity interests) of a Target Subsidiary (other than to another Target Entity). All of the shares of capital stock (or other equity interests) of each Target Subsidiary held by a Target Entity are fully paid under the Laws of the applicable jurisdiction of formation and are owned by the Target Entity free and clear of any Lien. Target Bank is an "insured depository institution" as defined in the Federal Deposit Insurance Act (the "FDIA") and applicable regulations thereunder, the deposits in which are insured by the Federal Deposit Insurance Corporation (the "FDIC") through the Deposit Insurance Fund to the maximum amount permitted by applicable Law and all premiums and assessments required to be paid in connection therewith have been paid when due. No proceedings for the revocation or termination of such deposit insurance are pending or, to the Knowledge of Target, threatened.

(b) Each Subsidiary of Target (other than the Target Bank) is duly organized, validly existing and in good standing under the Laws of the State of its organization, is authorized under applicable Laws to engage in its business and otherwise has all requisite power and authority, corporate and otherwise, to own or lease all of its Assets and to conduct its business in the manner in which its business is now being conducted.

4.6. Financial Matters.

(a) Financial Statements. Target has made available to Parent copies of the Target Financial Statements that are true, accurate and complete in all material respects. The Target Financial Statements (i) have been prepared from, and are in accordance with the books and records of the Target Entities, (ii) have been prepared in accordance with GAAP and regulatory accounting principles, in each case, consistently applied except as may be otherwise indicated in the notes thereto and except with respect to the interim financial statements for the omission of footnotes and (iii) fairly present in all material respects the financial condition of Target and Target Bank, as applicable of the respective dates set forth therein and the results of operations, shareholders' equity and cash flows of Target and Target Bank, as applicable, for the respective periods set forth therein, subject in the case of the interim Financial Statements to normal and recurring year-end adjustments. The consolidated financial statements of Target to be prepared after the date of this Agreement and prior to the Closing (A) will be true, accurate and complete in all material respects, (B) will have been prepared in accordance with GAAP and regulatory accounting principles, consistently applied except as may be otherwise indicated in the notes thereto and except with respect to interim financial statements for the omission of footnotes, and (C) will fairly present in all material respects the financial condition of Target as of the respective dates set forth therein and the results of operations, shareholders' equity and cash flows of Target for the respective periods set forth therein, subject in the case of interim financial statements to normal and recurring year-end adjustments. The Target Financial Statements as of and for each of the years ended December 31, 2016 and 2015 have been audited by Hacker, Johnson & Smith, PA, which serves as Target's independent registered public accounting firm, as evidenced by such firm's report included therein.

(b) Systems and Processes.

(i) Each of Target and Target Bank has devised and maintains a system of internal accounting controls over financial reporting which provides reasonable assurances regarding the reliability of financial reporting and the preparation of the Target Financial Statements for external purposes in accordance with GAAP, including policies and procedures that (A) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the Target Entities' transactions and dispositions of their assets in all material respects, (B) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of their financial statements in accordance with GAAP, and receipts and expenditures are made only in accordance with necessary authorizations of their respective managements and boards of directors, and (C) provide reasonable assurance regarding prevention or timely detection of any unauthorized acquisition, use or disposition of the Target Entities' Assets that could reasonably be expected to have a material adverse effect on Target's consolidated financial statements. Since December 31, 2015, neither Target nor its independent registered public accounting firm has identified any material weaknesses or significant deficiencies in Target and Target Bank's internal control over financial reporting.

(ii) Since December 31, 2012, (A) none of the Target Entities or, to the Knowledge of Target, any of their directors, officers, employees, auditors, accountants or Representatives, has received any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of any of the Target Entities, and (B) no attorney or auditor representing any of the Target Entities, whether or not employed by them, has reported to Target's board of directors or any committee thereof evidence of a material violation of securities laws, breach of fiduciary duty or similar violations by any of the Target Entities or any of their respective officers, directors, employees or agents.

4.7. Books and Records.

The books and records of Target and Target Bank have been and are being maintained in the Ordinary Course in accordance and compliance in all material respects with all applicable accounting requirements and Laws and are complete and accurate in all material respects to reflect their Assets, Liabilities, income, expense, and all transactions and dispositions of Assets with respect to any Target Entity.

Target's and Target Bank's respective corporate minute books are complete in all material respects and accurately reflect in all material respects all corporate actions taken by their respective shareholders, boards of directors, and all committees thereof.

4.8. Absence of Undisclosed Liabilities.

No Target Entity has incurred any material Liability since December 31, 2016, except for Liabilities (a) that increase in the Ordinary Course Target Bank's deposit Liabilities and unfunded commitments to make, issue or extend Loans entered into in accordance with its normal lending policies and practices and which, either individually or in the aggregate, do not exceed the lesser of amounts which are consistent with Target Bank's lending practices prior to the date of this Agreement or the maximum amounts permitted by applicable banking regulations, (b) incurred in connection with this Agreement and the transactions contemplated hereby, (c) accrued or reserved against in the consolidated balance sheet of Target as of September 30, 2017 included in the Target Financial Statements at and for the period ended September 30, 2017 or (d) as set forth in Section 4.8 of Target's Disclosure Memorandum.

4.9. Absence of Certain Changes or Events.

Since December 31, 2016, there has not been a Material Adverse Effect on Target and, to the Knowledge of Target, there has occurred no event or development, and there currently exists no condition or circumstance, which, individually or in the aggregate, and with the lapse of time or otherwise, would reasonably be expected to cause, create or result in a Material Adverse Effect on Target.

4.10. Tax Matters.

(a) Since December 31, 2012, each of the Target Entities has filed all Tax Returns that it was required to file under applicable Laws. All such Tax Returns (including all amendments, if any) were correct and complete in all material respects, all Taxes shown thereon as owing have been fully and timely paid, and none of the Target Entities is the beneficiary of any extension of time within which to file any Tax Return which has not been filed. No written claim has been made within the past six years by an authority in a jurisdiction where any of the Target Entities does not file Tax Returns that any of them is or may be subject to taxation by that jurisdiction. There are no liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of any of the Target Entities. No deficiency with respect to Taxes has been proposed, asserted or assessed in writing against any Target Entity that has not been fully paid or adequately reserved in the Target Financial Statements.

(b) Each of the Target Entities has withheld and paid all material Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, shareholder, or other third party.

(c) No federal, state, local, or foreign Tax Returns filed with respect to any of the Target Entities are, to the Knowledge of Target, the subject of an ongoing audit. Each of the Target Entities has disclosed on its respective federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Internal Revenue Code §6662, and none of the Target Entities, nor any officer (or employee responsible for Tax matters) of any of them, expects any authority to assess any additional Taxes for any period for which Tax Returns have been filed. To the Knowledge of Target, no foreign, federal, state, or local Tax audits or administrative or judicial Tax proceedings are pending or being conducted with respect to any of the Target Entities, and none of the Target Entities has received from any foreign, federal, state, or local Taxing authority (including jurisdictions where they have not filed Tax Returns) any (i) written notice indicating an intent to open an audit or other review or (ii) written notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any Taxing authority against any of the Target Entities.

(d) None of the Target Entities has (i) waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency, (ii) been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Internal Revenue Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Internal Revenue Code, or (iii) any liability for the Taxes of any Person under Reg. §1.1502-6 (other than the other members of the consolidated group of which Target is the common parent) (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

(e) The aggregate unpaid Taxes of the Target Entities (i) did not, as of the date of this Agreement, exceed the reserve for Tax liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) at September 30, 2017, set forth on the face of the statement of financial condition included in the Target Financial Statements, and (ii) do not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Target Entities in filing their Tax Returns. Since September 30, 2017, none of

the Target Entities has incurred any Liability for Taxes arising from extraordinary gains or losses, as that term is used in GAAP, outside the Ordinary Course.

(f) None of the Target Entities will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any:

(i) change in method of accounting for a taxable period ending on or prior to the Closing Date;

(ii) "closing agreement" as described in Section 7121 of the Internal Revenue Code (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date;

(iii) installment sale or open transaction disposition made on or prior to the Closing Date;

(iv) prepaid amount or deferred revenue received on or prior to the Closing Date; or

(v) any election made pursuant to Section 108(i) of the Internal Revenue Code on or before the Closing Date.

(g) Since December 31, 2012, none of the Target Entities has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 of the Internal Revenue Code.

(h) Each of the Target Entities currently is an accrual basis taxpayer.

(i) Since December 1, 2012, none of the Target Entities has submitted any private letter ruling request to the United States Internal Revenue Service ("IRS") or entered into any closing agreements or gain recognition agreements with respect to Taxes which were requested or executed during the period between December 1, 2012 and the date hereof.

(j) None of the Target Entities nor, to the Knowledge of Target, any other Person, has taken or proposes to take any action, and no event has occurred, that has resulted or may or could result in a loss of the ability of Target or Target Bank before the Merger, or the ability of Parent or the Surviving Corporation after the Merger, to utilize acquired tax benefits from the transaction, including federal and state net operating loss carryforwards and federal and state unrealized built in tax losses reflected in the Target Financial Statements, and all limitations under Section 382 of the Internal Revenue Code on the utilization of net operating loss carryforwards due to prior changes in ownership of Target have been accounted for accurately on Target's Tax Returns.

4.11. Real and Personal Property and Other Assets.

(a) Section 4.11 of Target's Disclosure Memorandum lists all Operating Properties and Participation Facilities, together with a true and complete copy of each ground or rental lease agreement as it may have been amended and is currently in effect ("Lease Agreement") pertaining to each such Operating Property or Participation Facility in which any of the Target Entities is the lessee with a leasehold interest, or is the lessor.

(i) With respect to each Operating Property and Participation Facility owned by a Target Entity, that Target Entity has good and marketable fee simple title to that property and owns the same free and clear of all mortgages, Liens, other than Permitted Liens.

(ii) With respect to any Operating Property or Participation Facility in which a Target Entity holds a leasehold interest pursuant to a Lease Agreement, (i) such Target Entity has unconditionally accepted occupancy of and currently is occupying such Operating Property or Participation Facility (as applicable); (ii) the lease term, commencement date, expiration date, renewal terms, current and future rent applicable to such Operating Property or Participation Facility (as applicable) and other terms of the Lease Agreement are as set forth in such Lease Agreement; (iii) such Lease Agreement is in full force and effect; (iv) the terms and conditions of such Lease Agreement will continue without modification notwithstanding the Merger; (v) the Merger will not constitute a transfer, sublease or assignment in violation of any term or condition of such Lease Agreement, require the approval or consent of the landlord under such Lease Agreement, or prevent the exercise of, or result in the loss of, any right or option, as set forth in such Lease Agreement, to renew or extend such Lease Agreement or to purchase such Operating Property or Participation Facility (as applicable); (vi) the Target Entity that is the lessee under such Lease Agreement has performed all of its material obligations (including the payment of rent) under such Lease Agreement, no material default by such Target Entity exists or has occurred under such Lease Agreement, and no action or failure to act has occurred that, upon the passage of time or otherwise, would reasonably be expected to become or result in a material default or event of default under the terms of such Lease Agreement (including any default that would permit the lessor to terminate or require the renegotiation of the terms of such Lease Agreement or would prevent the exercise of, or result in the loss of, any right or option, as set forth in such Lease Agreement, to renew or extend the Lease Agreement or to purchase that property); and (vii) to the Knowledge of Target, the lessor of such Operating Property or Participation Facility (as applicable) has performed all of its material obligations under such Lease Agreement, no material event of default by such lessor exists or has occurred under such Lease Agreement, and no action or failure to act has occurred that, upon the passage of time or otherwise, would reasonably be expected to become or result in a material default or event of default by the lessor under the terms of such Lease Agreement.

(iii) Each Operating Property and Participation Facility upon which a banking office of Target Bank is situated, or which otherwise is used by a Target Entity in connection with its business, (A) complies in all material respects with all applicable federal, state and local Laws, including those relating to zoning, building and use permits, and the Americans with Disabilities Act, and (B) may, under applicable zoning ordinances, be used for the purposes for which it currently is used as a matter of right rather than by grant of variance or as a conditional or nonconforming use.

(iv) With respect to each Operating Property and Participation Facility that currently is used by any of the Target Entities as an office, (i) the improvements and fixtures included in or on that property are, considered in the aggregate and in all material respects, in satisfactory condition and repair and are performing the functions and operations for which they were designed, and (ii) as of the date hereof, there does not exist any condition which materially and adversely affects the economic value or marketability of that property or materially detracts from, interferes with or restricts the present or future use of such Operating Property or Participation Facility (as applicable) or such improvements and fixtures for the purposes for which they currently are used.

(v) None of the Target Entities is a party to any Contract relating to the purchase, sale, rental, management, maintenance or servicing of any Operating Property or Participation Facility (excluding properties that secure Loans), or to the improvements or fixtures located thereon, that may not be terminated without penalty upon 30 days' notice.

(vi) There are no pending or, to the Knowledge of Target, threatened condemnation or eminent domain proceedings against any Operating Property or Participation Facility that is owned or leased by Target.

(b) All banking equipment, automated teller machines, data processing equipment, other equipment, vehicles, and other personal property owned and used by any of the Target Entities and material to the operation of their businesses are owned by the Target Entities free and clear of all Liens, other than Permitted Liens. To the Knowledge of Target, all personal property material to the business of each of the Target Entities is in satisfactory operating condition and repair.

(c) Each Target Entity has good and marketable title to all other Assets reflected in the most recent Target Financial Statements as being owned by such Target Entity or acquired (for ownership) by such Target Entity after the date thereof (except Assets sold or otherwise disposed of since the date thereof in the Ordinary Course), free and clear of all Liens, other than Permitted Liens.

4.12. Intellectual Property; Privacy.

(a) Each Target Entity owns or has a valid license to use (in each case, free and clear of any Liens) all of the material Intellectual Property necessary to carry on the business of such Target Entity, and the Merger and other transactions contemplated by this Agreement will not constitute a breach or violation of any Contract between any Target Entity and, or otherwise violate the rights of, any third party pertaining to any such Intellectual Property. Each Target Entity is the owner of or has a license to any material Intellectual Property sold or licensed to a third party by such Target Entity in connection with such Target Entity's business operations, and such Target Entity has the right to convey by sale or license any material Intellectual Property so conveyed. Except as described in Section 4.12(a) of Target's Disclosure Memorandum, no proceedings have been instituted, or are pending or, to the Knowledge of Target, threatened, which challenge the rights of any Target Entity with respect to Intellectual Property used, sold or licensed by such Target Entity in the course of its business. To the Knowledge of Target, the conduct of the business of the Target Entities and the use of any material Intellectual Property by the Target Entities does not infringe, misappropriate or otherwise violate the Intellectual Property rights of any other person. No Person has asserted to Target in writing that any Target Entity has infringed, misappropriated or otherwise violated the Intellectual Property rights of such person.

The Target Entities (i) are in compliance in all material respects with the requirements of the Gramm-Leach-Bliley Act of 1999, and the regulations promulgated thereunder, and with all other applicable Laws with respect to the (A) maintenance of the security and confidentiality of customer records and information; (B) protection against any threats or hazards to the security or integrity of such records; and (C) protection against unauthorized access to or use of such records or information, (ii) have complied in all material respects with their respective published privacy policies and internal privacy policies and guidelines, including with respect to the collection, storage, transmission, transfer, disclosure, destruction and use of personally identifiable information, and (iii) have taken commercially reasonable measures to ensure that all personally identifiable information in their respective possession or control is protected against loss, damage, and unauthorized access, use, modification, or other misuse. No data security breach has occurred that has resulted, or would reasonably be expected to result, in the loss, damage, or unauthorized access, use, modification, or other misuse of the individually identifiable

personal information of any of the Target Entities' customers, former customers or prospective customers that is in its respective possession or control ("IPI").

(b) No facts or circumstances exist which would cause the collection and use of IPI by any of the Target Entities, and the transfer of such IPI to Parent and the Surviving Corporation, as contemplated by this Agreement, not to materially comply with all applicable privacy policies, the Fair Credit Reporting Act of 1970, as amended, the Gramm-Leach-Bliley Act of 1999, and all other applicable state, federal and foreign privacy laws, and any requirement of a contract or industry standard relating to privacy and data security, in each case that are currently in effect.

4.13. Environmental Matters.

(a) Section 4.13 of Target's Disclosure Memorandum contains a list and copies of all material written reports, correspondence, notices and other information or materials, if any, which, to the Knowledge of Target, are in the possession of any of the Target Entities pertaining to environmental surveys or assessments of any Operating Properties or Participation Facilities and any improvements thereon, the presence or Release of any Hazardous Material on, under, affecting or otherwise involving, any Operating Properties or Participation Facilities, or any violation or alleged violation of Environmental Laws on, under, affecting or otherwise involving any Operating Properties or Participation Facilities.

(b) There has been no Release of any Hazardous Material by any Person on or from any Operating Properties or Participation Facilities which constitutes a material violation of any Environmental Laws, and there has been no removal, clean-up or remediation of any Hazardous Material from, on or relating to any of the Operating Properties or Participation Facilities.

(c) There is no Litigation pending or, to the Knowledge of Target, threatened before any court, governmental agency, or authority or other forum in which any Target Entity or any of its Operating Properties or Participation Facilities has been or, with respect to threatened Litigation, would reasonably be expected to be, named as a defendant (i) for alleged noncompliance (including by any predecessor) with or Liability under any Environmental Law or (ii) relating to the release, discharge, spillage, or disposal into the environment of any Hazardous Material, whether or not occurring at, on, under, adjacent to, or affecting (or potentially affecting) a site currently or formerly owned, leased, or operated by any Target Entity or any of its Operating Properties or Participation Facilities.

(d) None of the Target Entities has violated in any material respect any Environmental Laws relating to any Operating Properties or Participation Facilities and, to the Knowledge of Target, there has been no violation of any Environmental Laws relating to any Operating Properties or Participation Facilities by any other Person for whose Liability or obligation with respect to any particular matter or violation any of the Target Entities is or is reasonably likely to be responsible or liable.

4.14. Compliance with Laws.

Each Target Entity has in effect all Permits necessary for it to own, lease, or operate its material Assets and to carry on its business as now conducted. Since December 31, 2015, there has occurred no material Default under any such Permit and, to the Knowledge of Target, no suspension or cancellation of any such Permit is threatened. None of the Target Entities:

(a) is in Default under any of the provisions of its articles of incorporation or association or bylaws (or other governing instruments);

(b) is in Default in any material respect under any Laws, Orders, or Permits applicable to its business or employees conducting its business; or

(c) since December 31, 2015, has received any written notification or communication from any agency or department of federal, state, or local government or any Regulatory Authority or the staff thereof asserting that any Target Entity is not in compliance in any material respect with any Laws or Orders.

4.15. Community Reinvestment Act Performance.

Target Bank is an "insured depository institution" as defined in the FDIA and applicable regulations thereunder, is in compliance in all material respects with the applicable provisions of the Community Reinvestment Act of 1977 and the regulations promulgated thereunder and has received a Community Reinvestment Act rating of "satisfactory" or "outstanding" in its most recently completed examination, and Target has no Knowledge of the existence of any fact or circumstance or set of facts or circumstances which could reasonably be expected to result in Target Bank having its current rating lowered such that it is no longer "satisfactory" or "outstanding."

4.16. Foreign Corrupt Practices.

Since December 31, 2015, no Target Entity, or, to the Knowledge of Target, any director, officer, agent, employee or other Person acting on behalf of a Target Entity has, in the course of its actions for, or on behalf of, any Target Entity (a) used any funds of any Target Entity for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity, (b) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from funds of any Target Entity, (c) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, or any similar law, (d) made any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment to any person, private or public, regardless of form, whether in money, property or services, to obtain favorable treatment in securing business to obtain special concessions for any Target Entity, to pay for favorable treatment for business secured or to pay for special concessions already obtained for any Target Entity, (e) established or maintained any unlawful fund of monies or other Assets of any Target Entity, (f) made any fraudulent entry on the books or records of any Target Entity, or (g) violated or is in violation of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the Bank Secrecy Act, the USA PATRIOT ACT of 2001, the money laundering Laws of any jurisdiction, and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Regulatory Authority (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any Regulatory Authority or any arbitrator involving any Target Entity with respect to the Money Laundering Laws is pending or, to the Knowledge of Target, threatened.

4.17. Bank Secrecy Act; Patriot Act; Money Laundering.

Each of the Target Entities is operating in compliance in all material respects with the Bank Secrecy Act of 1970, as amended, and its implementing regulations (the "Bank Secrecy Act"), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, and the regulations promulgated thereunder (the "Patriot Act"), any order issued with respect to anti-money laundering by the US Department of the Treasury's Office of Foreign Assets Control, or any other applicable anti-money laundering Law. Target Bank's board of directors has adopted and Target Bank has implemented an anti-money laundering program that meets the requirements of Sections 352 and 326 of the Patriot Act, and none of the Target Entities has received any written notice or communication from any Regulatory Authority to the effect that such program has been

deemed ineffective, inadequate or noncompliant or that any of the Target Entities has violated any of the Laws or regulations set forth in this Section 4.17, in each case, in any material respect.

4.18. Labor Relations.

(a) No Target Entity is party to or currently negotiating any collective bargaining agreement or subject to any bargaining order, injunction or other Order relating to Target's relationship or dealings with its employees, any labor organization or any other employee representative. There is no strike, slowdown, lockout or other job action or labor dispute involving any Target Entity pending or, to the Knowledge of Target, threatened, and there have been no such actions or disputes since December 31, 2015. To the Knowledge of Target, since December 31, 2015, there has not been any attempt by any Target Entity employees or any labor organization or other employee representative to organize or certify a collective bargaining unit or to engage in any other union organization activity with respect to the workforce of any Target Entity.

(b) Section 4.18(b) of Target's Disclosure Memorandum separately sets forth all of Target's employees, including for each such employee: name, job title, current compensation, bonuses paid the prior fiscal year, and visa and green card application status.

(c) Each individual who renders services to any Target Entity is properly classified as having the status of an employee or independent contractor or other non-employee status. The Target Entities have no "leased employees" within the meaning of Section 414(n) of the Internal Revenue Code.

(d) The Target Entities have paid in full or accrued in accordance with GAAP as of the date of this Agreement, and will have paid in full or accrued in accordance with GAAP no later than the Closing Date, all salaries, bonuses, commissions, wages and other amounts for which they were obligated to pay to each of their employees and directors through the date of this Agreement or the Closing Date, as applicable, under Law or applicable agreements, plans, policies or practices (other than amounts payable in the normal course on the first payroll date following the Closing Date). Each of the Target Entities is and at all times has been in material compliance with all Law governing the employment of labor and labor practices, including all Laws relating to wages, hours, affirmative action, collective bargaining, discrimination, civil rights, safety and health, and workers' compensation.

(e) All of the Target Entities' employees are employed in the United States and are either United States citizens or are legally entitled to work in the United States.

(f) No employee of any of the Target Entities has accrued but unused vacation or other personal leave time (including sick leave) which is carried over from a prior year in excess of 80 hours.

(g) There is no action, suit or proceeding by any Person pending or, to the Knowledge of Target, threatened against any of the Target Entities (or any of their officers, directors or employees), involving employment discrimination, harassment, wrongful discharge or other claims involving their employment practices, and, to the Knowledge of Target, no facts or circumstances exist which reasonably could be expected to result in such action, suit or proceeding.

4.19. Employee Benefit Plans.

(a) Target has made available to Parent prior to the execution of this Agreement, true and correct copies of each Employee Benefit Plan currently adopted, maintained by, sponsored in whole or in part by, or contributed to by any Target Entity or ERISA Affiliate thereof for the benefit of employees, retirees, dependents, spouses, directors, independent contractors, or other beneficiaries or under which

employees, retirees, former employees, dependents, spouses, or other beneficiaries are eligible to participate or with respect to which Target or any ERISA Affiliate has or may have any obligation or Liability (collectively, the “Target Benefit Plans”) that is material. Any of the Target Benefit Plans which is an “employee pension benefit plan,” as that term is defined in ERISA Section 3(2), is referred to herein as a “Target ERISA Plan.” Section 4.19(a) of Target’s Disclosure Memorandum has a complete and accurate list of all material Target Benefit Plans. No Target Benefit Plan is subject to any Laws other than those of the United States or any state, county, or municipality in the United States. Target has made available to Parent prior to the execution of this Agreement for each Target Benefit Plan, to the extent applicable, (i) the current determination letter, opinion letter, or advisory letter issued by the IRS with respect to any Target ERISA Plan that is intended to be qualified under Section 401(a) of the Internal Revenue Code, (ii) the most recent annual reports on Form 5500 filed with respect to a Target Benefit Plan, (iii) the most recent summary plan descriptions and any material modifications thereto, and (iv) any other material agreements that insure or implement such Target Benefit Plans, including, with respect to the ESOP, the agreement between Target and the ESOP Trustees and the agreement between Target, the ESOP Trustees and the ESOP Financial Advisor.

(b) Each Target Benefit Plan is and has been maintained in material compliance with the terms of such Target Benefit Plan, and in material compliance with the applicable requirements of the Internal Revenue Code, ERISA, and any other applicable Laws. Each Target Benefit Plan that is intended to be qualified under Section 401(a) of the Internal Revenue Code is so qualified and has received a favorable determination letter, opinion letter, or advisory letter from the IRS. To the Knowledge of Target, nothing has occurred and no circumstance exists that could adversely affect the qualified status of any such Target Benefit Plan.

(c) There are no threatened or pending claims or disputes under the terms of, or in connection with, the Target Benefit Plans other than claims for benefits in the Ordinary Course and no action, proceeding, prosecution, inquiry, hearing or investigation has been commenced with respect to any Target Benefit Plan.

(d) Neither Target nor any ERISA Affiliate has at any time within the six years prior to the date hereof been a party to or maintained, sponsored, contributed to or has been obligated to contribute to, or had any liability with respect to: (i) any plan subject to Title IV of ERISA; (ii) a “multiemployer plan” (as defined in ERISA Section 3(37) and 4001(a)(3)); or (iii) any voluntary employees’ beneficiary association (within the meaning of Section 501(c)(9) of the Internal Revenue Code).

(e) Except as set forth in Section 4.19(e) of Target’s Disclosure Memorandum, no Target Entity has any Liability or obligation to provide postretirement health, medical or life insurance benefits to any Target Entity’s employees or former employees, officers, or directors, or any dependent or beneficiary thereof, except as otherwise required under state or federal benefits continuation Laws and for which the covered individual pays the full cost of coverage.

(f) All contributions required to be made to any Target Benefit Plan by applicable Law have been timely made or, to the extent not required to be made or paid on or before the date hereof, have been fully reflected on the books and records of Target.

(g) Except as explicitly contemplated herein, or as set forth in Section 4.19(g) of Target’s Disclosure Memorandum, (i) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) result in, cause the vesting, exercisability or delivery of, or increase in the amount or value of, any payment, right or other benefit to any employee, officer, director or other service provider of any Target Entity, and (ii) no amount paid or payable (whether in cash, in property, or in the form of benefits) by the Target

Entities in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) will be an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code. Neither the Target nor any Target Entity has any indemnity or gross-up obligation for any Taxes imposed under Section 4999 of the Internal Revenue Code.

(h) Since January 1, 2005, each of the Target Entities' employment contracts, Target Benefit Plans and other compensatory arrangements that are "deferred compensation plans" within the meaning of Section 409A of the Internal Revenue Code, including each award thereunder, have been operated in good faith compliance in all material respects with the applicable provisions of Section 409A of the Internal Revenue Code and all regulations and guidance issued thereunder (collectively, "Section 409A") and, since December 31, 2008, has been in documentary compliance in all material respects with the applicable provisions of Section 409A. None of the Target Entities have been required to report to any government entity or authority any corrections made or Taxes due as a result of a failure to comply with Section 409A or have any indemnity or gross-up obligation for any Taxes, interest or penalty imposed or accelerated under Section 409A, and nothing has occurred, whether by action or failure to act, or is reasonably expected or intended to occur, that would subject an individual having rights under any such employment contract, Target Benefit Plan or other compensatory arrangement to accelerated Tax as a result of Section 409A or a Tax imposed under Section 409A. For any employment contract, Target Benefit Plan or other compensatory arrangement that is not intended to be subject to Section 409A because it is not a nonqualified deferred compensation plan under Treasury Regulations 1.409A-1(a)(2) through 1.409A-1(a)(5), or due to the application of Treasury Regulations section 1.409A-1(b), all the conditions required to retain such treatment remain in effect or such contract, plan or arrangements meets the requirements of Section 409A such that no additional tax is due under Section 409A.

(i) Except as set forth in Section 4.19(i) of Target's Disclosure Memorandum, (i) there is no loan outstanding between the ESOP and any other Person, other than participant loans in accordance with the Target Savings Plan's participant loan policies; (ii) the ESOP has at all times been primarily invested in "employer securities" as defined in Section 409(l) of the Internal Revenue Code, and has never acquired or held any employer security that was not a "qualifying employer security" as defined in Section 407(d)(5) of ERISA; (iii) neither Target nor any Subsidiary has been subject to any unpaid Tax imposed by Sections 4978 and 4979A of the Internal Revenue Code; (iv) none of the current or former ESOP Trustees nor the Target, nor, to the Target's Knowledge, any other "fiduciary" (as defined in Section 3(21) of ERISA) of the Target Savings Plan has engaged in any non-exempt "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Internal Revenue Code) with respect to the Target Savings Plan; and (v) any transaction to which the Target Savings Plan was at any time a party involving the purchase, sale or exchange of any security complied with the applicable requirements of ERISA and the Internal Revenue Code, including Section 3(18) of ERISA. To Target's Knowledge, the ESOP Trustees have complied in all material respects with all of the responsibilities and duties imposed on the ESOP Trustees in connection with the transactions contemplated by this Agreement, including but not limited to the ESOP Trustees' fiduciary obligations under ERISA.

(j) To the Knowledge of Target, no payments or benefits provided for in any of the employment contracts or Target Benefit Plans to be or to become payable or provided to any officer or employee of any of the Target Entities as a result of or in connection with the Merger is or will be prohibited by any Regulatory Authority or pursuant to any Law.

4.20. Material Contracts.

Except as otherwise reflected in the Target Financial Statements or as set forth in Section 4.20 of Target's Disclosure Memorandum, none of the Target Entities, nor any of their respective Assets,

businesses, or operations, is a party to, or is bound by, any Contract, (a) that is an employment, severance, termination, severance, consulting or retirement Contract or other compensatory Contract providing for aggregate payments to any Person in any calendar year in excess of \$100,000, (b) relating to the borrowing of money by any Target Entity or the guarantee by any Target Entity of any such obligation (other than Contracts evidencing deposit liabilities, purchases of federal funds, fully secured repurchase agreements, and advance and loans from the Federal Home Loan Bank, and trade payables) in excess of \$500,000, (c) which materially prohibits or restricts any Target Entity (or, following consummation of the transactions contemplated by this Agreement, Parent or the Surviving Corporation) from engaging in any business activities or the solicitation of customers in any geographic area, line of business or otherwise in competition with any other Person, (d) relating to the purchase or sale of any goods or services by a Target Entity (other than Contracts entered into in the Ordinary Course and involving payments under any individual Contract not in excess of \$100,000 over its remaining term or involving Loans, borrowings or guarantees originated or purchased by any Target Entity in the Ordinary Course), (e) which obligates any Target Entity to conduct business with any third party on an exclusive or preferential basis, or requires referrals of business or any Target Entity to make available investment opportunities to any Person on a priority or exclusive basis, (f) which limits the payment of dividends by any Target Entity, (g) pursuant to which any Target Entity has agreed with any third parties to become a member of, manage or control a joint venture, partnership, limited liability company or other similar entity, (h) pursuant to which any Target Entity has agreed with any third party to a change of control transaction such as an acquisition, divestiture or merger or contains a put, call or similar right involving the purchase or sale of any equity interests or Assets of any Person and which contains representations, covenants, indemnities or other obligations (including indemnification, "earn-out" or other contingent obligations) that are still in effect, (j) which relates to Intellectual Property of Target (except for shrink-wrap, click-through or similar non-exclusive licenses for off-the-shelf or generally commercially available software), (k) between any Target Entity, on the one hand, and (i) any officer or director of any Target Entity, or (ii) to the Knowledge of Target, any (x) record or beneficial owner of five percent or more of the voting securities of Target, (y) Affiliate or family member of any such officer, director or record or beneficial owner or (z) any other Affiliate of Target, on the other hand, except those of a type available to employees of any Target Entity generally, (l) that provides for payments to be made by any Target Entity upon a change in control thereof, (m) that may not be canceled by Parent, Target or any of their respective Subsidiaries without payment of a penalty or termination fee equal to or greater than \$100,000 (assuming such Contract was terminated on the Closing Date), (n) containing any standstill or similar agreement pursuant to which Target has agreed not to acquire Assets or equity interests of another Person, (o) that provides for indemnification by any Target Entity of any Person, except for non-material Contracts entered into in the Ordinary Course, (p) with or to a labor union or guild (including any collective bargaining agreement), or (q) that grants any "most favored nation" right, right of first refusal, right of first offer or similar right with respect to any material Assets, or rights of any Target Entity, taken as a whole. Each Contract of the type described in this Section 4.20, whether or not set forth in Target's Disclosure Memorandum together with all Contracts referred to in Sections 4.12(a) and 4.19(a) are referred to herein as the "Target Contracts." With respect to each Target Contract: (i) such Target Contract is legal, valid and binding on Target or a Target Subsidiary and is in full force and effect and is enforceable in accordance with its terms; (ii) no Target Entity is in material Default thereunder; (iii) no Target Entity has repudiated or waived any material provision of any such Target Contract; and (iv) no other party to any such Target Contract is, to the Knowledge of Target, in material Default or has repudiated or waived any material provision thereunder. All of the Target Contracts have been Previously Disclosed as set forth in Section 4.20 of Target's Disclosure Memorandum

To the Knowledge of Target, none of the officers or employees of any of the Target Entities are parties to any Contracts which prohibit or materially restrict them from engaging in their assigned business activities as officers or employees of such Target Entity.

4.21. Agreements with Regulatory Authorities.

No Target Entity is subject to any cease-and-desist or other Order or enforcement action issued by, or is a party to any written agreement, consent agreement or memorandum of understanding with, or is a party to any commitment letter, safety and soundness compliance plan, or similar undertaking to, or is subject to any investigation, Order or directive by, or has been ordered to pay any civil money penalty by, or has been a recipient of any supervisory letter from, or has adopted any policies, procedures or board resolutions at the request or suggestion of any Regulatory Authority that currently restricts in any material respect the conduct of its business or that in any material manner relates to its capital adequacy, its ability to pay dividends, its credit or risk management policies, its compliance with Law, its management or its business (each, whether or not set forth in Target's Disclosure Memorandum, a "Target Regulatory Agreement"), nor has any Target Entity been advised in writing or, to Target's Knowledge, orally, since December 31, 2015, by any Regulatory Authority that it intends to issue, initiate, order or request any such investigation or Target Regulatory Agreement.

4.22. Investment Securities.

(a) Each of the Target Entities has good title in all material respects to all securities and commodities owned by it, beneficially or of record, free and clear of any Lien, except to the extent such securities or commodities have been sold under Contracts to repurchase, are held in any fiduciary or agency capacity, or are pledged in the Ordinary Course to secure obligations of any Target Entity for borrowings from the Federal Reserve Banks or Federal Home Loan Banks or to secure public funds deposits, in each case in the Ordinary Course. All such securities and commodities are valued on the books of Target in accordance with GAAP in all material respects and there is no permanent impairment of any such securities or commodities that is not recognized in accordance with GAAP in the Target Financial Statements, and, since September 30, 2017, there has been no material deterioration or adverse change in the quality, or any material decrease in the value, of Target's and Target Bank's securities portfolios as a whole. With respect to all repurchase Contracts under which Target or Target Bank has purchased securities under agreement to resell, it has a valid, perfected lien or security interest in the securities securing the repurchase Contract, and the value of the purchased securities securing each such repurchase Contract equals or exceeds the amount of the debt owed to it which is secured by such collateral.

(b) The Target Entities employ, to the extent applicable, investment, securities, risk management and other policies, practices and procedures that Target believes are prudent and reasonable in the context of their respective businesses, and the Target Entities have, since December 31, 2015, been in compliance with such policies, practices and procedures in all material respects.

4.23. Derivative Instruments and Transactions.

All Derivative Transactions whether entered into for the account of any Target Entity or for the account of a customer of any Target Entity (a) were entered into in the Ordinary Course and in accordance with applicable rules, regulations and policies of all applicable Regulatory Authorities, (b) are legal, valid and binding obligations of the Target Entity party thereto and, to the Knowledge of Target, each of the counterparties thereto, and (c) are in full force and effect and enforceable in accordance with their terms. The Target Entities and, to the Knowledge of Target, the counterparties to all such Derivative Transactions, have duly performed, in all material respects, their obligations thereunder to the extent that such obligations to perform have accrued. To the Knowledge of Target, there are no material breaches, violations or Defaults or allegations or assertions of such by any party pursuant to any such Derivative Transactions. The financial position of the Target Entities on a consolidated basis under or with respect

to each such Derivative Transaction has been reflected in the books and records of Target and such Subsidiaries in accordance with GAAP.

4.24. Legal Proceedings.

There is no Litigation pending, or, to the Knowledge of Target, threatened against any Target Entity, or against any current or former director, officer or employee of a Target Entity in their capacities as such or any Employee Benefit Plan of any Target Entity, or against any Asset of any Target Entity, nor are there any Orders outstanding against any Target Entity, in each case, that has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on Target. Section 4.24 of Target's Disclosure Memorandum sets forth a list of all material Litigation and Orders as of the date of this Agreement to which any Target Entity is a party.

4.25. Statements True and Correct.

None of the information supplied or to be supplied by any Target Entity or any Affiliate thereof for inclusion in the Proxy Statement to be mailed or delivered to Target's shareholders in connection with the Shareholders' Meeting, and any applications or other documents to be filed by any Target Entity or any Affiliate thereof with any Regulatory Authority in connection with the transactions contemplated hereby, will, at the respective time such documents are filed, and with respect to the Proxy Statement, when first mailed or delivered to the shareholders of Target, be false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or, in the case of the Proxy Statement or any amendment thereof or supplement thereto, at the time of the Shareholders' Meeting, be false or misleading with respect to any material fact, or omit to state any material fact, in light of the circumstances under which they were made, necessary to correct any statement in any earlier communication with respect to the solicitation of any proxy for the Shareholders' Meeting.

4.26. State Takeover Statutes and Takeover Provisions.

Target has taken all action required to be taken by it in order to exempt this Agreement and the transactions contemplated hereby from, and this Agreement and the transactions contemplated hereby are exempt from, the requirements of any "moratorium," "fair price," "affiliate transaction," "business combination," "control share acquisition" or similar provision of any state anti-takeover Law (collectively, "Takeover Laws"). No Target Entity is the beneficial owner (directly or indirectly) of more than 10% of the outstanding capital stock of Parent entitled to vote in the election of Parent's directors.

4.27. Regulatory Matters.

No Target Entity or, to the Knowledge of Target, any Affiliate thereof has taken or agreed to take any action, and Target does not have any Knowledge of any agreement, plan or other circumstance, that is reasonably likely to materially impede or delay receipt of any of the Requisite Regulatory Approvals.

4.28. Opinion of Financial Advisor.

The board of directors of Target has received the opinion of Keefe, Bruyette & Woods, Inc., which, if initially rendered verbally, has been or will be confirmed by a written opinion, dated the same date, to the effect that, as of such date, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Per Share Merger Consideration to be paid to the holders of Target Common Stock in the Merger is fair, from a financial point of view, to such holders.

4.29. Loan Matters.

(a) Except as such disclosure may be limited by any applicable Law, Section 4.29(a) of Target's Disclosure Memorandum sets forth a true, correct and complete list of (i) any Loan in which Target or any Target Subsidiary is a creditor which as of September 30, 2017, had an outstanding balance of \$50,000 or more and under the terms of which the obligor was, as of November 30, 2017, over 90 days or more delinquent in payment of principal or interest and (ii) any Loan of the Target Entities that, as of September 30, 2017 had an outstanding balance of \$50,000 or more and were carried in a nonaccrual status or classified by Target as "Other Loans Specially Mentioned," "Special Mention," "Substandard," "Doubtful," "Loss," "Classified," "Criticized," "Credit Risk Assets," "Concerned Loans," "Watch List" or words of similar import, together with the principal amount of and accrued and unpaid interest on each such Loan and the aggregate principal amount of and accrued and unpaid interest on such Loans as of such date.

(b) Each Loan currently outstanding (i) is evidenced by notes, agreements or other evidences of indebtedness that are true, genuine and what they purport to be, (ii) to the extent secured, has been secured by valid Liens which have been perfected and have the priority reflected in the related Loan files, (iii) is a legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium, or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought), and (iv) are owned by Target Bank free and clear of all Liens or collection rights of any other Person, except for Liens granted to the Federal Home Loan Banks to secure advances to Target Bank in the Ordinary Course or other Permitted Liens. The notes or other credit or security documents with respect to each such outstanding Loan were in compliance in all material respects with all applicable Laws at the time of origination or purchase by a Target Entity and are complete and correct in all material respects.

(c) Each outstanding Loan (including Loans held for resale to investors) was solicited and originated, and is and has been administered and, where applicable, serviced, and the relevant Loan files are being maintained, in all material respects in accordance with the relevant notes or other credit or security documents, Target's written underwriting standards (and, in the case of Loans held for resale to investors, the underwriting standards, if any, of the applicable investors) and with all applicable requirements of Laws.

(d) (i) Section 4.29(d) of Target's Disclosure Memorandum sets forth a list of all Loans as of the date hereof by Target to any directors, executive officers and principal shareholders (as such terms are defined in Regulation O of the Federal Reserve Board (12 C.F.R. Part 215)) of any Target Entity and (ii) all such Loans are and were originated in compliance in all material respects with all applicable Laws.

(e) No Target Entity is currently nor has it ever been since December 31, 2015, subject to any material fine, suspension, settlement or other Contract or other administrative agreement or sanction by, or any reduction in any loan purchase commitment from, any Regulatory Authority relating to the origination, sale or servicing of mortgage or consumer Loans.

4.30. Deposits.

All of the deposits held by Target Bank (including the records and documentation pertaining to such deposits) have been established and are held in compliance in all material respects with (a) all applicable policies, practices and procedures of Target Bank and (b) all applicable Laws, including Money Laundering Laws and anti-terrorism or embargoed persons requirements. All of the deposits held

by Target Bank are insured to the maximum limit set by the FDIC, and the FDIC premium and all assessments have been fully paid, and no proceedings for the termination or revocation of such insurance are pending, or, to the Knowledge of Target, threatened.

4.31. Allowance for Loan and Lease Losses.

The allowance for loan and lease losses ("ALLL") reflected in the Target Financial Statements was, as of the date of each of the Target Financial Statements, (a) in compliance with Target's existing methodology for determining the adequacy of its ALLL and in compliance in all material respects with the standards established by the applicable Regulatory Authority, the Financial Accounting Standards Board and GAAP, and, (b) in the opinion of management of Target, (i) reasonable in view of the size and character of Target Bank's Loan portfolio, current economic conditions and other relevant factors, and (ii) adequate in all material respects to provide for losses relating to or the risk of loss inherent in Target Bank's Loan portfolio, foreclosed real properties, and potential losses related to Loans previously sold by Target Bank and current and future repurchases of sold Loans.

4.32. Insurance.

Target Entities are insured with reputable insurers against such risks and in such amounts as the management of Target reasonably has determined to be prudent and consistent with industry practice. Section 4.32 of Target's Disclosure Memorandum contains a true, correct and complete list of all insurance policies in force on the date hereof with respect to the business and Assets of the Target Entities (the "Policies"), true, correct and complete copies of which Policies have been provided to Parent prior to the date hereof. The Target Entities are in material compliance with their insurance Policies and are not in Default under any of the material terms thereof. Each such Policy is outstanding and in full force and effect and, except for Policies insuring against potential liabilities of officers, directors and employees of the Target Entities or as set forth in Section 4.32 of Target's Disclosure Memorandum, the Target Entities are the sole beneficiaries of such Policies. All premiums and other payments due under any such Policy have been paid, and all material claims thereunder have been filed in due and timely fashion. To Target's Knowledge, no Target Entity has received any written notice of cancellation or non-renewal of any such Policies, nor, to Target's Knowledge, is the termination of any such Policies threatened. There are no pending claims with respect to any Policy and, to the Knowledge of Target, there are no conditions, and there has occurred no event, that is reasonably likely to form the basis for a material claim against any Policy.

4.33. OFAC; Sanctions.

None of Target, any Target Entity or, to the Knowledge of Target, any director, officer, agent, employee, Affiliate or other Person acting on behalf of any Target Entity (a) engaged in any services (including financial services), transfers of goods, software, or technology, or any other business activity related to (i) Cuba, Iran, North Korea, Sudan, Syria or the Crimea region of Ukraine claimed by Russia ("Sanctioned Countries"), (ii) the government of any Sanctioned Country, (iii) any person, entity or organization located in, resident in, formed under the laws of, or owned or controlled by the government of, any Sanctioned Country, or (iv) any Person made subject of any sanctions administered or enforced by the United States Government, including, without limitation, the list of Specially Designated Nationals ("SDN List") of the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), or by the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "Sanctions"), (b) engaged in any transfers of goods, technologies or services (including financial services) that may assist the governments of Sanctioned Countries or facilitate money laundering or other activities proscribed by United States Law, (c) is a Person currently the subject of any Sanctions, or (d) is located, organized or resident in any Sanctioned Country.

4.34. Brokers and Finders.

Except for Keefe, Bruyette & Woods, Inc., neither Target nor any of its officers, directors, employees, or Affiliates has employed any broker or finder or incurred any Liability for any financial advisory fees, investment bankers' fees, brokerage fees, commissions, or finders' fees in connection with this Agreement or the transactions contemplated hereby.

4.35. Transactions with Affiliates.

Except as set forth in Section 4.35 of Target's Disclosure Memorandum, there are no Contracts, plans, arrangements or other transactions between any Target Entity, on the one hand, and (a) any officer or director of any Target Entity, (b) to Target's Knowledge, any (i) record or beneficial owner of five percent or more of the voting securities of Target or (ii) Affiliate or family member of any such officer, director or record or beneficial owner, or (c) any other Affiliate of Target, on the other hand, except those, in each case, of a type available to employees of Target Entities generally.

4.36. No Investment Adviser Subsidiary.

No Target Entity provides investment management, investment advisory, sub-advisory or any other services to any Person (including management and advice provided to separate accounts and participation in wrap fee programs) that requires it to register with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended.

4.37. No Broker-Dealer Subsidiary.

No Target Entity is a broker-dealer required to be registered under the Exchange Act with the SEC.

4.38. No Insurance Subsidiary.

No Target Entity conducts insurance operations that require a license from any national, state or local Regulatory Authority under any applicable Law.

4.39. Indemnification Obligations.

Except to the extent provided by their respective articles of incorporation or bylaws in effect on the date of this Agreement, or as otherwise required by applicable Law, and pursuant to Contracts listed in Section 4.20 of Target's Disclosure Memorandum, none of the Target Entities have any obligation to indemnify or hold harmless any of their current or former directors, officers, employees, agents or shareholders or any other Person, against or from any costs or expenses (including attorneys' fees), judgments, fines, civil penalties, amounts paid in settlement, losses, claims, damages or Liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative. Since December 31, 2013, no claim, demand or request for payment of indemnification has been made in writing or, to the Knowledge of Target, is threatened, against or with respect to any of the Target Entities.

4.40. Obstacles to Requisite Regulatory Approvals.

To the Knowledge of Target, as of the date of this Agreement, there exists no fact or condition pertaining to any of the Target Entities or their business or operations that would reasonably be expected

to prevent or materially impede or delay Parent or Target from obtaining all Requisite Regulatory Approvals.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Except as Previously Disclosed, Parent and Merger Sub, jointly and severally, hereby represent and warrant to Target as follows:

5.1. Organization, Standing, and Power.

(a) Parent. Parent is a North Carolina bank duly organized, validly existing, and in good standing under the Laws of the State of North Carolina, and has all requisite power and authority, corporate and otherwise, to carry on its business as now conducted and to own, lease and operate its material Assets. Parent is duly qualified or licensed to transact business as a foreign corporation in good standing in the states of the United States and foreign jurisdictions where the character of its Assets or the nature or conduct of its business requires it to be so qualified or licensed, except for such failure to be so qualified or licensed that has not had or would not be reasonably expect to have a Material Adverse Effect.

(b) Merger Sub. Merger Sub is a North Carolina corporation duly organized, validly existing, and in good standing under the Laws of the State of North Carolina. Parent owns beneficially and of record all of the outstanding capital stock of Merger Sub, free and clear of all Liens. Merger Sub has been formed solely for the purpose of engaging in the Merger and the other transactions contemplated by this Agreement, and immediately prior to the date hereof, Merger Sub will not have any Liabilities of any nature other than those incident to its formation and pursuant to the Merger, and prior to the Effective Time, will not have engaged in any other business activities other than those relating to the Merger and the other transactions contemplated by this Agreement.

5.2. Authority; No Breach By Agreement.

(a) Authority. Each of Parent and Merger Sub has all requisite power and authority, corporate or otherwise, necessary to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein, including the Merger, have been duly and validly authorized by all necessary corporate action in respect thereof on the part of Parent and Merger Sub. Assuming the due authorization, execution and delivery by Target, this Agreement represents a legal, valid, and binding obligation of Parent and Merger Sub, enforceable against Parent and Merger Sub in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium, or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(b) No Conflicts. Neither the execution and delivery of this Agreement by Parent or Merger Sub, nor the consummation by Parent or Merger Sub of the transactions contemplated hereby, nor compliance by Parent or Merger Sub with any of the provisions hereof, will (i) conflict with or result in a breach of any provision of Parent's or Merger Sub's articles of incorporation or association, bylaws or other comparable governing instruments, (ii) constitute or result in a Default under, or require any Consent pursuant to, or result in the creation of any Lien on any Asset of any Parent Entity under, any Contract or Permit of any Parent Entity, or (iii) subject to receipt of the Requisite Regulatory Approvals,

constitute or result in a Default under, or require any Consent pursuant to, any Law or Order applicable to any Parent Entity or any of their respective material Assets.

(c) Consents. Other than in connection or compliance with the provisions of applicable state corporate Laws, the FBCA, and the NCBCA, and applications for and the receipt of Requisite Regulatory Approvals, no notice to, filing with, or Consent of, any public body or authority is necessary for the consummation by Parent or Merger Sub of the Merger and the other transactions contemplated in this Agreement.

5.3. Financial Capacity.

Parent has, and at the Closing will have, sufficient immediately available funds to consummate the transactions contemplated hereby (including the Merger) and to pay the Aggregate Merger Consideration contemplated by this Agreement. Parent and Merger Sub acknowledge and agree that the performance of their respective obligations under this Agreement is not in any way contingent upon the availability of financing to Parent or Merger Sub.

5.4. Financial Statements.

Each of the Parent Financial Statements (including, in each case, any related notes) contained in the Parent SEC Reports, including any Parent SEC Reports filed after the date of this Agreement until the Effective Time, complied or will comply, as applicable, as to form in all material respects with the applicable published rules and regulations of the SEC with respect thereto, was prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes to such financial statements or, in the case of unaudited interim statements, as permitted by Form 10-Q of the SEC), and fairly presented in all material respects the consolidated financial position of Parent and its Subsidiaries as at the respective dates and the consolidated results of operations, shareholders' equity and cash flows for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not or are not expected to be material in amount or effect.

5.5. Absence of Certain Changes or Events.

Since December 31, 2016, there has not been a Material Adverse Effect on Parent.

5.6. Compliance with Laws.

Each Parent Entity has in effect all Permits necessary for it to own, lease or operate its material Assets and to carry on its business as now conducted. Since December 31, 2015, there has occurred no Default under any such Permit, and, to the Knowledge of Parent, no suspension or cancellation of such Permit is threatened. None of the Parent Entities:

(a) is in Default under its articles of incorporation or association or bylaws (or other governing instruments);

(b) is in Default in any material respect under any Laws, Orders or Permits applicable to its business or employees conducting its business; or

(c) since December 31, 2015, has received any notification or communication from any agency or department of federal, state, or local government or any Regulatory Authority or the staff thereof (i) asserting that any Parent Entity is not in compliance in any material respect with any Laws or

Orders, or (ii) requiring any Parent Entity to enter into or consent to the issuance of a cease and desist order, injunction, formal agreement, directive, commitment or memorandum of understanding, or to adopt any board resolution or similar undertaking, which restricts materially the conduct of its business.

5.7. Reports.

Since December 31, 2015, each Parent Entity has filed all material reports and statements, together with any amendments required to be made with respect thereto, including Call Reports, that it was required to file with Regulatory Authorities (other than the SEC). As of its respective date, each such report and document did not, in all material respects, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, in light of the circumstances under which they were made, or necessary to make the statements made therein not misleading.

5.8. Statements True and Correct.

None of the information supplied or to be supplied by any Parent Entity or any Affiliate thereof for inclusion in the Proxy Statement to be mailed or delivered to Target's shareholders in connection with the Shareholders' Meeting, and any applications or other documents to be filed by any Parent Entity or any Affiliate thereof with the SEC or any other Regulatory Authority in connection with the transactions contemplated hereby, will, at the respective time such documents are filed, and with respect to the Proxy Statement, when first mailed or delivered to the shareholders of Target, be false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or, in the case of the Proxy Statement or any amendment thereof or supplement thereto, at the time of the Shareholders' Meeting, be false or misleading with respect to any material fact, or omit to state any material fact, in light of the circumstances under which they were made, necessary to correct any statement in any earlier communication with respect to the solicitation of any proxy for the Shareholders' Meeting.

5.9. Regulatory Matters.

No Parent Entity or, to the Knowledge of Parent, any Affiliate thereof has taken or agreed to take any action, and Parent does not have any Knowledge of any agreement, plan or other circumstance, that is reasonably likely to materially impede or delay receipt of any of the Requisite Regulatory Approvals.

5.10. Brokers and Finders.

Neither Parent nor any of its officers, directors, employees, or Affiliates has employed any broker or finder or incurred any Liability for any financial advisory fees, investment bankers' fees, brokerage fees, commissions, or finders' fees in connection with this Agreement or the transactions contemplated hereby.

ARTICLE 6 CONDUCT OF BUSINESS PENDING CONSUMMATION

6.1. Affirmative Covenants of Target.

From the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement, unless the prior written consent of Parent shall have been obtained, which consent shall not be unreasonably withheld, delayed or conditioned, and except as otherwise expressly contemplated herein, as required by Law or as set forth in Section 6.1 of Target's Disclosure Memorandum, Target shall, and shall cause each of the Target Subsidiaries to:

- (a) operate its business only in the Ordinary Course, consistent with past practice;
- (b) use its reasonable best efforts to preserve intact its business (including its organization, Assets, goodwill and insurance coverage), and maintain its rights, authorizations, franchises, advantageous business relationships with customers, vendors, strategic partners, suppliers, distributors and others doing business with it, and the services of its officers and key employees, including by using its reasonable best efforts to:
 - (i) maintain all of its properties and equipment in customary and reasonable repair, order and condition, ordinary wear and tear excepted;
 - (ii) maintain its books of account and records in the Ordinary Course in accordance with applicable Law;
 - (iii) perform its agreements and comply with its obligations in all material respects under all Contracts to which it is a party, and give prompt written notice to Parent of any written claim or receipt of written notice from any other party thereto of any alleged material default or noncompliance thereunder (including any default which would give any other party to such a Contract the right to terminate the Contract or to require a renegotiation of the terms thereof);
 - (iv) comply in all material respects with all Laws applicable to it, to its properties, Assets or employees, and to the conduct of its business;
 - (v) continue to maintain federal deposit insurance for Target Bank's deposits;
 - (vi) continue to maintain in force all Policies described in Section 4.32 and not cancel, terminate, fail to renew, or materially modify any Policy, or allow any Policy to be cancelled or terminated, unless the cancelled or terminated Policy is replaced with a bond or policy providing coverage, or unless the Policy as materially modified provides coverage, that, in each case, is at least substantially equivalent to the Policy that is replaced or modified;
- (c) take no action that is intended to or which would reasonably be expected to adversely affect or delay (i) the receipt of any approvals of any Regulatory Authority required to consummate the transactions contemplated by this Agreement, (ii) the consummation of the transactions contemplated by this Agreement, or (iii) performance of its covenants and agreements in this Agreement;
- (d) within five Business Days following each meeting of the board of directors or of the executive committee of the board of directors, of either Target or Target Bank, deliver to Parent a copy of all written materials provided to their directors at or in advance of such meeting, including copies of all information and analyses provided to such directors regarding their respective financial conditions, results of operations, capital, liquidity, credit metrics and operations, and including meeting minutes (following their approval by the board of directors) and credit memoranda; provided, that Target shall not be obligated to and shall not provide to Parent any such information that is confidential or non-public supervisory information. In the event that the board of directors of Target does not meet during a calendar quarter or the board of directors of Target Bank does not meet during a calendar month, then Target will provide information comparable to the information described in this subsection (d) to Parent within 10 days following the end of such calendar quarter (in the case of Target) or such calendar month (in the case of Target Bank);

(e) except to the extent that substantially the same information is included in the information provided to Parent as described in Section 6.1(d), provide to Parent the following information at the same time information is provided pursuant to the preceding paragraph:

(i) a copy of Target's unaudited year-to-date consolidated income statement and an unaudited consolidated statement of condition, each as of the applicable month-end;

(ii) a copy of the report titled "Monthly Securities Portfolio Report" received from the Raymond James Financial, Inc. investment system for the applicable month, as routinely presented by Raymond James Financial, Inc. in its monthly reports) of, and unrealized gain or loss related to, each such security, and all securities purchased and sold, and gains and losses realized, during that month;

(iii) a copy of Target's and Target Bank's interest rate risk reports and managements' analysis of (1) their contingency funding plan and (2) liquidity, in each case as those reports and analyses are prepared by Target's and Target Bank's managements, but not less frequently than quarterly;

(iv) a listing of the aggregate dollar volume and number of Loans and Loan commitments made or issued by Target Bank during the applicable month, and, as those analyses are produced by Target's and Target Bank's managements, but no less frequently than quarterly, Target's and Target Bank's managements' analysis of their respective ALLL;

(v) lists of:

- (A) Loans that are past due as to principal or interest for more than 30 days;
- (B) Loans in nonaccrual status;
- (C) any new restructured Loans, including original terms, restructured terms and status;
- (D) classified, potential problem or "watch list" Loans, together with the outstanding balance and amount specifically allocated to the ALLL for each such Loan;
- (E) all Loans and other losses charged off during that month; and
- (F) additions during the applicable month to foreclosed real property or other real estate owned and all repossessed personal property;

(vi) lists of:

- (A) Loans held for sale, together with an aging schedule indicating the number of days each Loan has been held for sale;
- (B) sold Loans sold during the applicable month, broken down by investor; and
- (C) sold Loans that have been repurchased from investors or other purchasers during the applicable month; and

(vii) promptly following Parent's reasonable request, provide to Parent copies of such other information or reports about the Target Entities' financial condition, results of operations, prospects, businesses, assets, Loan portfolio, investments, properties, employees or operations as Target has historically collected or produced in the Ordinary Course of its business;

(f) make such appropriate accounting entries in its and Target Bank's books and records as Parent reasonably requests and that are appropriate or desirable in anticipation of the consummation of the Merger and which are not in violation of GAAP or applicable Law, including additional provisions to Target's ALLL or accruals or the creation of reserves for compensation, employee benefit and transaction-related expenses; provided, that notwithstanding any provision of this Agreement to the contrary, (i) except as otherwise agreed to by Parent and Target, Target shall not be required to make any such accounting entries until immediately prior to the Closing Date and only following receipt of written confirmation from Parent that it is not aware of any fact or circumstance that would prevent consummation of the Merger, and (ii) any such accounting entries made by Target at the direction of Parent and related to Parent's own accounting purposes or convenience (as opposed to entries relating to events, developments, changes or circumstances in Target's or Target Bank's business or operations that are, or should be, made by them under GAAP or otherwise in the Ordinary Course) may not, in and of themselves, either individually or in the aggregate with all other such entries, be used to evidence a Material Adverse Effect with respect to Target;

(g) make such appropriate accounting entries in their books and records and take such other actions as are necessary or appropriate to:

(i) charge-off any Loans on Target Bank's books, or any portions thereof, that are considered to be losses, or that should or are required to be charged off pursuant to applicable banking regulations, GAAP, or otherwise in accordance with Target Bank's Loan administration and charge-off policies and procedures; and

(ii) maintain Target Bank's ALLL in a manner, and provide funds to Target Bank's ALLL in amounts, consistent with its past practices and as required by applicable banking regulations, GAAP, and Target Bank's Loan policies and procedures;

(h) with respect to each Contract to which any of the Target Entities is a party and with respect to which Parent provides Target written notice after the date hereof, and at least 45 days prior to the Closing Date, that such Contract requires the Consent of any other contracting party in connection with or as a result of the Merger or other transactions contemplated herein and with respect to which Parent desires to receive an estoppel certificate from the other contracting party, use its commercially reasonable efforts to obtain, and cause each of the other Target Entities to obtain, and deliver to Parent, prior to the Closing Date, the written Consent and/or estoppel certificate of that other contracting party in a form and containing such terms as shall be reasonably satisfactory to Parent; and

(i) before Closing, take steps to ensure to Parent's reasonable satisfaction that no amount paid or payable (whether in cash, in property, or in the form of benefits) by the Target Entities, or by Parent or the Surviving Corporation on behalf of any of the Target Entities, in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event), including any items or amounts disclosed pursuant to Section 4.19(g) or any other section of Target's Disclosure Memorandum, will be an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code or will prevent the condition to Parent's obligations under Section 8.2(f) from being satisfied.

6.2. Negative Covenants of Target.

From the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement, unless the prior written consent of Parent shall have been obtained, which consent shall not be unreasonably withheld, delayed or conditioned and except as otherwise expressly contemplated herein, as required by applicable Law or as set forth in Section 6.2 of Target's Disclosure Memorandum, Target covenants and agrees that it will not do or agree or commit to do, or permit any of the Target Entities to do or agree or commit to do, any of the following:

(a) amend the articles of incorporation, bylaws or other governing instruments of any Target Entity;

(b) incur, assume, guarantee, endorse or otherwise as an accommodation become responsible for any additional debt obligation or other obligation for borrowed money (other than the creation of deposit liabilities, purchases of federal funds, borrowings from any Federal Home Loan Bank, sales of certificates of deposits or letters of credit, in each case incurred, in the Ordinary Course);

(c) (i) repurchase, redeem, or otherwise acquire or exchange (other than in accordance with the terms of this Agreement), directly or indirectly, any shares, or any securities convertible into or exchangeable or exercisable for any shares, of the capital stock of any Target Entity (except for the acceptance of outstanding shares of Target Common Stock (including shares issued upon exercise of Target Stock Options or Target Warrants in accordance with their terms) as payment for the exercise of Target Stock Options or Target Warrants or for withholding taxes incurred in connection with the exercise of Target Stock Options or Target Warrants or the vesting or settlement of Target Restricted Stock Awards and dividend equivalents thereon, in each case in the Ordinary Course and in accordance with the terms of the applicable award agreements in effect on the date hereof), or (ii) make, declare, pay or set aside for payment any dividend or set any record date for or declare or make any other distribution in respect of Target's capital stock or other equity interests (except for regular quarterly cash dividends by Target payable at times consistent with Target's dividend policy and practices in effect on the date of this Agreement at a rate not in excess of \$0.04 per share of Target Common Stock per calendar quarter, and at a rate not in excess of \$0.04 per share of Target's Series C Preferred Stock per calendar quarter and as required by the terms of the ESOP);

(d) issue, grant, sell, pledge, dispose of, encumber, authorize or propose the issuance of, enter into any Contract to issue, grant, sell, pledge, dispose of, encumber, or authorize or propose the issuance of, or otherwise permit to become outstanding, any additional shares of Target Common Stock or Series C Preferred Stock or any other capital stock or other equity interest of any Target Entity, or any stock appreciation rights, or any option, warrant, or other Equity Right of any Target Entity, other than as required by the terms of the ESOP or pursuant to the exercise of Target Stock Options in accordance with the terms of the applicable award agreements in effect on the date hereof;

(e) directly or indirectly adjust, split, combine or reclassify, or issue or authorize the issuance of any other securities in respect of or in substitution for shares of the capital stock or other equity interest of, any Target Entity, or sell, transfer, lease, mortgage, permit any Lien, or otherwise dispose of, discontinue or otherwise encumber (i) any shares of capital stock or other equity interests of any Target Entity (unless any such shares of capital stock or other equity interest are sold or otherwise transferred to Target or one of the Target Subsidiaries) or (ii) any Asset other than pursuant to Contracts in force at the date of the Agreement or sales of investment securities in the Ordinary Course;

(f) (i) except for purchases of investment securities in the Ordinary Course for Target's securities portfolio, purchase any securities or make any acquisition of or investment in, either by

purchase of stock or other securities or equity interests, contributions to capital, Asset transfers, purchase of any Assets (including any investments or commitments to invest in real estate or any real estate development project) or other business combination, or by formation of any joint venture or other business organization or by contributions to capital (other than by way of foreclosures or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith, in each case in the Ordinary Course), any Person other than Target Bank, or otherwise acquire direct or indirect control over any Person or (ii) enter into a plan of consolidation, merger, share exchange, share acquisition, reorganization or complete or partial liquidation with any Person (other than consolidations, mergers or reorganizations solely among wholly owned Target Subsidiaries), or a letter of intent, memorandum of understanding or agreement in principle with respect thereto;

(g) (i) grant any increase in compensation or benefits to the employees or officers of any Target Entity, except (A) for merit-based or promotion-based increases in annual base salary or wage rate for employees in the Ordinary Course that are consistent, both as to timing and amount, with Target's compensation structure, annual review and salary administration policies and procedures in effect on the date of this Agreement, and that do not exceed in the aggregate 3% of the aggregate cost of all employee annual base salaries and wages in effect as of the date hereof, or (B) as required by Law, (ii) pay any severance or termination pay or any bonus, in either case other than either pursuant to a Target Benefit Plan in effect on the date hereof or in the Ordinary Course, (iii) enter into, amend, or increase the benefits payable under any severance, change in control, retention, bonus guarantees, collective bargaining agreement or similar agreement or arrangement with employees or officers of any Target Entity, (iv) grant any increase in fees or other increases in compensation or other benefits to directors of any Target Entity, (v) fund any rabbi trust, (vi) terminate the employment or services of any officer or any employee whose annual base compensation is greater than \$100,000, other than for cause, or (vii) hire any officer, employee, independent contractor or consultant (who is a natural person) who has annual base compensation greater than \$100,000;

(h) enter into, amend or renew any employment Contract between any Target Entity and any Person having a salary thereunder in excess of \$100,000 per year (unless such amendment is required by Law), that the Target Entity does not have the unconditional right to terminate without Liability (other than Liability for services already rendered), at any time on or after the Effective Time;

(i) except as is necessary or advisable to maintain the tax qualified status, or as contemplated herein (including under Section 7.7 with respect to the Target Savings Plan), adopt or establish any plan, policy, program or arrangement that would be considered a Target Benefit Plan if such plan, policy, program or arrangement were in effect as of the date of this Agreement, or amend in any material respect any existing Target Benefit Plan, terminate or withdraw from, or amend, any Target Benefit Plan;

(j) make any material change in any accounting principles, practices or methods or systems of internal accounting controls, except as may be required to conform to changes in regulatory accounting requirements or GAAP;

(k) other than in the Ordinary Course following consultation with Parent, commence any Litigation, or settle, waive or release or agree or consent to the issuance of any Order in connection with any Litigation (i) involving any Liability of any Target Entity for money damages in excess of \$250,000 or that would impose any material restriction on the operations, business or Assets of any Target Entity or the Surviving Corporation or (ii) arising out of or relating to the transactions contemplated hereby;

(l) other than in the Ordinary Course following consultation with Parent or as otherwise permitted by this Agreement (i) enter into, renew, extend, or terminate any (A) Contract that calls for aggregate annual payments of \$100,000 or more or (B) Target Contract, except, in each case, for

Contracts that can be terminated on less than 30 days' notice with no prepayment penalty, Liability or other obligation, (ii) make any material amendment or modification to any Contract described in clause (i), or (iii) waive, release, compromise or assign any material rights or claims under any Contract described in clause (i);

(m) (i) enter into any new line of business or change in any material respect its lending, investment, risk and asset-liability management, interest rate, fee pricing or other material banking or operating policies (including any change in the maximum ratio or similar limits as a percentage of its capital exposure applicable with respect to its loan portfolio or any segment thereof) or (ii) change in any material respect its policies and practices with respect to underwriting, pricing, originating, acquiring, selling, servicing or buying or selling rights to service Loans except as required by Law or by rules or policies imposed by a Regulatory Authority;

(n) other than in the Ordinary Course, make, or commit to make, any material capital expenditures;

(o) except as required by Law or applicable Regulatory Authorities, make any material changes in its policies and practices with respect to (i) its hedging practices and policies or (ii) insurance policies including materially reducing the amount of insurance coverage currently in place or fail to renew or replace any existing insurance policies;

(p) cancel or release any material indebtedness owed to any Target Entity by any Person or any material claims or rights held by any Target Entity in their favor against or with respect to any Person, except for (i) sales of Loans and sales of investment securities, in each case in the Ordinary Course, (ii) as expressly required by the terms of any Contracts in force at the date of the Agreement, (iii) in good faith for fair value or (iv) the repayment of the ESOP Loan as contemplated by this Agreement;

(q) purchase, lease or otherwise acquire, or contract to purchase, lease or otherwise acquire, any real property, other than acquisitions of real property in the Ordinary Course in connection with the enforcement of a Lien securing Loan or by deed in lieu of a foreclosure;

(r) sell, lease or otherwise dispose of, or contract to sell, lease or otherwise dispose of, any real property, other than sales in arms' length transactions in the Ordinary Course of real property acquired by Target Bank in the Ordinary Course in connection with the enforcement of a Lien that secured a Loan or by deed in lieu of a foreclosure;

(s) purchase or lease (as lessee), or enter into or become bound by any Contract relating to the purchase, lease (as lessee) or other acquisition of, any equipment or any other fixed Asset (other than real property) having a purchase price, or involving aggregate lease payments, in excess of \$100,000 in the case of any such individual equipment or other fixed Asset, or \$250,000 in the aggregate for all such equipment and other fixed Assets, other than acquisitions of equipment or other fixed Assets in the Ordinary Course in connection with the enforcement of a Lien or security interest securing a Loan;

(t) sell or lease (as lessor), or enter into or become bound by any Contract or commitment relating to the sale, lease (as lessor) or other disposition of, any equipment or any other fixed or capital Asset (other than real property) having a book value or a fair market value, whichever is greater, of more than \$100,000 in the case of any individual item or asset, or \$250,000 in the aggregate for all such items or assets, other than the sale in arms' length transactions of equipment or other fixed assets acquired by Target Bank in the Ordinary Course in connection with the enforcement of a lien or security interest that secured a Loan;

(u) acquire, or make any application to open, relocate or close, any branch or other facility of any Target Entity;

(v) other than in the Ordinary Course following consultation with Parent, materially change or restructure its investment securities portfolio policy, its hedging practices or policies, or change its policies with respect to the classification or reporting of such portfolios, or invest in any mortgage-backed or mortgage related securities which would be considered "high-risk" securities under applicable regulatory pronouncements or change its interest rate exposure through purchases, sales or otherwise, or the manner in which its investment securities portfolios are classified or reported;

(w) other than in the Ordinary Course following consultation with Parent, alter materially its interest rate or fee pricing policies with respect to depository accounts of any Target Subsidiaries or waive any material fees with respect thereto;

(x) make, change or revoke any material Tax election, change any material method of Tax accounting, adopt or change any taxable year or period, file any amended material Tax Returns, agree to an extension or waiver of any statute of limitations with respect to the assessment or determination of Taxes, settle or compromise any material Tax liability of any Target Entity, enter into any closing agreement with respect to any material Tax or surrender any right to claim a material Tax refund;

(y) make or acquire any Loan or issue a commitment (including a letter of credit) or renew or extend an existing commitment for any Loan, or amend or modify in any material respect any Loan (including in any manner that would result in any additional extension of credit, principal forgiveness, or effect any uncompensated release of collateral, *i.e.*, at a value below the fair market value thereof as determined by Target), except for (i) Loans or commitments for Loans in compliance with the Target Bank's underwriting policy and related Loan policies in effect as of the date of this Agreement or (ii) amendments or modifications of any existing Loan in compliance with the Target Bank's underwriting policy and related Loan policies in effect as of the date of this Agreement, provided, that none of the Target Entities shall make any such Loan, or amend or modify in any material respect any Loan, in or having a principal amount in excess of \$1,000,000 without prior consultation with Parent;

(z) sell, assign, license or dispose of its rights to the corporate name of any of the Target Entities or any name similar thereto to any other Person, or sell, assign, license or dispose of any material Intellectual Property right or license to any other Person, or release, transfer or waive any license or right granted to them by any other Person to any Intellectual Property;

(aa) knowingly take any action that is reasonably likely to result in any of the conditions set forth in ARTICLE 8 not being satisfied, or materially impair its ability to perform its obligations under this Agreement or to consummate the transactions contemplated hereby; or

(bb) agree to take, make any commitment to take, or adopt any resolutions of Target's board of directors in support of, any of the actions prohibited by this Section 6.2.

6.3. Covenants of Parent.

From the date of this Agreement until the earlier of the Effective Time or the termination of this Agreement, unless the prior written consent of Target shall have been obtained, and except as otherwise expressly contemplated herein, as required by applicable Law or as set forth in Parent's Disclosure Memorandum, Parent covenants and agrees that it shall not do or agree or commit to do, or permit any of its Subsidiaries to do or agree or commit to do, any of the following without the prior written consent of Target, which consent shall not be unreasonably withheld, delayed or conditioned:

(a) knowingly take any action that is reasonably likely to result in any of the conditions set forth in ARTICLE 8 not being satisfied, or materially impair its ability to perform its obligations under this Agreement or to consummate the transactions contemplated hereby; or

(b) agree to take, make any commitment to take, or adopt any resolutions of Parent's board of directors in support of, any of the actions prohibited by this Section 6.3.

6.4. Reports.

Each Party and its Subsidiaries shall file all reports, including Call Reports, required to be filed by it with Regulatory Authorities between the date of this Agreement and the Effective Time and shall deliver to the other Parties copies of all such reports promptly after the same are filed. If financial statements are contained in any such reports filed with the SEC and with respect to the financial statements in the Call Reports, such financial statements will fairly present the consolidated financial position of the entity filing such statements as of the dates indicated and the consolidated results of operations, changes in shareholders' equity, and cash flows for the periods then ended in accordance with GAAP (subject in the case of interim financial statements to normal recurring year-end adjustments that are not material) or applicable regulatory accounting principles (with respect to the information contained in the Call Reports) consistently applied, except as may be otherwise indicated in the notes thereto and except for the omission of footnotes.

ARTICLE 7 ADDITIONAL AGREEMENTS

7.1. Proxy Statement; Shareholder Approval.

(a) Target shall promptly prepare and mail or deliver a proxy statement (including any amendments thereto, the "Proxy Statement") to its shareholders in connection with the Shareholders' Meeting, as promptly as reasonably practicable after the date of this Agreement, subject to full cooperation of Parent, Target and their respective advisors and accountants. Parent and Target agree to cooperate, and to cause their respective Subsidiaries to cooperate, with the other and its counsel and its accountants in the preparation of the Proxy Statement. The Proxy Statement shall, in all material respects, be in such form, and contain or be accompanied by such information regarding the Shareholders' Meeting, this Agreement, the Parties, the Merger and other matters described herein, as is required by all applicable Laws or which, under customary market practices, would be included in proxy materials in connection with voting at the Shareholders' Meeting, together with copies of the written opinion of Target's financial adviser described in Section 4.28 and, solely in the case of materials provided to participants in the ESOP in connection with the vote described in Section 7.1(e), the ESOP Fairness Opinion. Target will provide a copy of the Proxy Statement in preliminary form to Parent for its review and comment prior to its being printed and distributed to Target's shareholders. Each of Parent and Target agrees to furnish to the other all information concerning itself, its Subsidiaries, officers, directors and shareholders and such other matters as may be reasonably necessary or advisable or as may be reasonably requested in connection with the Proxy Statement or any other statement, filing, notice or application made by or on behalf of Parent, Target or their respective Subsidiaries to any Regulatory Authority in connection with the Merger and the other transactions contemplated by this Agreement.

(b) Target shall duly call, give notice of, establish a record date for, convene, solicit appointments of proxies for, and hold a shareholders' meeting (the "Shareholders' Meeting") and shall use its reasonable best efforts to convene such meeting as promptly as reasonably practicable after the date of this Agreement for the purpose of voting upon the approval of this Agreement and obtaining the Target Shareholder Approval and such other related matters as it deems appropriate. In connection with

the call and conduct of, and all other matters relating to, the Shareholders' Meeting (including the solicitation of appointments of proxies), Target will comply in all material respects with all provisions of applicable Law and with its articles of incorporation and bylaws. Target agrees to use commercially reasonable efforts to hold the Shareholders' Meeting on or before March 31, 2018. Target agrees that its obligations pursuant to this Section 7.1(b) shall not be affected by the commencement, proposal, disclosure or communication to Target of any Acquisition Proposal. Target shall (i) through its board of directors (which shall recommend and determine advisable the Merger and this Agreement), recommend to its shareholders the approval of this Agreement (the "Target Recommendation"), (ii) include such Target Recommendation in the Proxy Statement, and (iii) use its reasonable best efforts to obtain the Target Shareholder Approval. Subject to Section 7.2, neither the board of directors of Target nor any committee thereof shall withdraw, qualify or modify, or propose publicly to withdraw, qualify or modify, in a manner adverse to Parent, the Target Recommendation or take any action, or make any public statement, filing or release inconsistent with the Target Recommendation (any of the foregoing being a "Change in the Target Recommendation").

(c) Target shall adjourn or postpone the Shareholders' Meeting in order to permit the solicitation of additional appointments of proxies, if, as of the time for which such meeting is originally scheduled, there are insufficient shares of Target Voting Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting or, subject to Sections 7.2(c) and 9.1(f), to obtain the Target Shareholder Approval. Target shall only be required to adjourn or postpone the Shareholders' Meeting two times pursuant to this Section 7.1(c).

(d) Target shall deliver to Parent the ESOP Fairness Opinion, dated on or about the date of delivery, prior to the earlier of (i) 30 days after the date of this Agreement, or (ii) the vote of the Target Common Stock held in the ESOP Trust provided for in Section 7.1(e).

(e) Target shall cause the ESOP Trustees to conduct a vote of the Target Common Stock held in the ESOP Trust in accordance with the requirements of Section 409(e) of the Internal Revenue Code and all other applicable Laws, the terms of the Target Savings Plan and their ERISA fiduciary duties.

7.2. Acquisition Proposals.

(a) Subject to the other terms of this Section 7.2, at all times during the period commencing with the execution and delivery of this Agreement and continuing until the earlier to occur of the termination of this Agreement pursuant to ARTICLE 9 and the Effective Time, Target shall not, and shall cause Target Subsidiaries and its and their respective directors and officers not to, and shall use reasonable best efforts to cause its and their respective other Representatives not to, directly or indirectly, (i) solicit, initiate, knowingly encourage, or knowingly facilitate any inquiry or the making of any proposal or offer that constitutes, or could reasonably be expected to lead to, an Acquisition Proposal, (ii) other than with Parent, Merger Sub or their respective Representatives and other than, in response to an unsolicited Acquisition Proposal that did not result from a breach of this Section 7.2, solely to inform any Person of the provisions of this Section 7.2, enter into, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any Person any non-public information in connection with, any Acquisition Proposal or any inquiry, proposal or offer, whether received before or after the date of this Agreement, that could reasonably be expected to lead to an Acquisition Proposal, (iii) approve, execute, enter into, or propose to approve, execute or enter into, any Acquisition Agreement (other than an Acceptable Confidentiality Agreement entered into in the circumstances referred to in Section 7.2(c)) (A) relating to or that could reasonably be expected to lead to any Acquisition Proposal or (B) requiring it to abandon, terminate or fail to consummate the Merger and the other transactions contemplated by this Agreement (an "Alternative Acquisition Agreement") or (iv) grant any waiver or release under any

standstill, confidentiality or other similar agreement (except that if the board of directors of Target determines in good faith that the failure to grant any waiver or release would be reasonably likely to be inconsistent with the directors' fiduciary duties under applicable Law, Target may waive any such standstill provision in order to permit a third party to make an Acquisition Proposal).

(b) Notwithstanding anything to the contrary set forth in this Section 7.2 or elsewhere in this Agreement, prior to the receipt of the Target Shareholder Approval, the board of directors of Target (or a committee thereof) may, directly or indirectly through the Target's Representatives, (i) contact any Person (and its advisors) that has made an unsolicited, bona fide written Acquisition Proposal (which did not result from a breach of this Section 7.2) after the date of this Agreement solely for the purpose of clarifying the terms of such Acquisition Proposal, to the extent necessary and solely to determine whether such proposal constitutes, or could reasonably be expected to lead to, a Superior Proposal, and (ii) if the board of directors of Target shall have determined in good faith (after consultation with its financial advisor and outside legal counsel) that an unsolicited, bona fide written Acquisition Proposal (which did not result from a breach of this Section 7.2) received after the date of this Agreement either constitutes or could reasonably be expected to lead to a Superior Proposal and that the failure to engage in such discussions or negotiations would be reasonably likely to be inconsistent with the directors' fiduciary duties under applicable Law, only with respect to this clause (ii), (A) participate or engage in discussions or negotiations with any such Person regarding such Acquisition Proposal, and (B) furnish to any such Person that has made such an Acquisition Proposal any information relating to any Target Entity or afford to any such Person access to the business, properties, assets, books, records or other information, or to any personnel, of Target Entity, in each case under clause (A) and this clause (B) pursuant to, and subject to the prior execution of, an Acceptable Confidentiality Agreement. A copy of all such non-public information, and all other access described in the foregoing clause (B), not previously provided to Parent (or its Representatives) shall be provided to Parent as promptly as reasonably practicable, and in any event not more than three Business Days, after such information or access, as applicable, has been provided or made available to such Person (or its Representatives). Target shall notify Parent in writing promptly (but in no event later than three Business Days) after receipt of any Acquisition Proposal (or any inquiry, solicitation or communication that would reasonably be expected to lead to an Acquisition Proposal, or any request for nonpublic information relating to any Target Entity by any Person that informs any Target Entity that it is considering making, or has made, an Acquisition Proposal) and shall indicate the identity of the Person making the inquiry, solicitation, communication, Acquisition Proposal or request and the material terms and conditions of any such Acquisition Proposal (including a copy thereof if in writing and any related material documentation or material correspondence, including proposed agreements), and shall keep Parent reasonably informed, on a reasonably current basis, of the status (including any changes to the material terms and conditions thereof and material developments with respect thereto) of any such Acquisition Proposal, including by providing a copy of all material documentation or material correspondence relating thereto, no later than three Business Days after the receipt of the Acquisition Proposal or the occurrence of any such material developments, as applicable, including proposed agreements and any material change in its intentions as previously notified.

(c) Notwithstanding anything to the contrary set forth in this Section 7.2 or elsewhere in this Agreement, prior to the receipt of the Target Shareholder Approval, if any Target Entity receives an unsolicited, bona fide written Acquisition Proposal which did not result from a breach of this Section 7.2, was made after the date of this Agreement, and has not been withdrawn, that the board of directors of Target determines, after consultation with its financial advisor and outside legal counsel, constitutes a Superior Proposal and determines in good faith that the failure to take such action would be reasonably likely to be inconsistent with the directors' fiduciary duties under applicable Law, the board of directors of Target may (i) effect a Change in the Target Recommendation or (ii) subject to the payment of the Termination Fee to Parent, terminate this Agreement pursuant to Section 9.1(f) in order to enter into an Alternative Acquisition Agreement with respect to such Superior Proposal; provided, that the board of

directors of Target may not effect a Change in the Target Recommendation or terminate this Agreement pursuant to Section 9.1(f) and this Section 7.2(c) unless and until (A) Target shall have provided to Parent written notice advising Parent that the board of directors of Target intends to take such action (it being agreed that such notice and any amendment or update to such notice and the determination to so deliver such notice, in each case in and of itself, shall not constitute a Change in the Target Recommendation for purposes of this Agreement) (a "Recommendation Change Notice"), which Recommendation Change Notice shall include a copy of the proposed definitive agreements and other proposed transaction documentation between Target and the Person making such Superior Proposal, if any, and (B) (x) during the period of five Business Days immediately following the delivery by Target to Parent of such Recommendation Change Notice, if requested in writing by Parent, Target shall have engaged in good faith negotiations with Parent regarding any amendment to this Agreement proposed in writing by Parent and (y) the board of directors of Target shall have considered any adjustments to this Agreement (including a change to the price terms hereof) and the other agreements contemplated hereby that may be offered in writing by Parent during the five Business Day period immediately following the delivery by Target to Parent of such Recommendation Change Notice and the board of directors of Target shall have determined (after consultation with its financial advisor and outside legal counsel) that the Superior Proposal would continue to constitute a Superior Proposal and that the failure to effect a Change in the Target Recommendation in response to such Superior Proposal would still be reasonably likely to be inconsistent with the directors' fiduciary duties under applicable Law if such adjustments were to be given effect. Notwithstanding anything herein to the contrary, the provisions of this this Section 7.2(c) (including Target's obligations to provide notice and negotiate in good faith) shall also apply to every subsequent material amendment to any Acquisition Proposal, including any change to the amount or form of consideration contemplated by an Acquisition Proposal.

7.3. Consents of Regulatory Authorities.

(a) Parent and Target and their respective Subsidiaries shall cooperate and use their respective reasonable best efforts to prepare all documentation, to effect all applications, notices and filings and to obtain all permits, consents, approvals and authorizations of all third parties and Regulatory Authorities that are necessary or advisable to consummate the transactions contemplated by this Agreement (including the Merger and the Subsequent Transactions), and to comply with the terms and conditions of all such permits, consents, approvals and authorizations of all such third parties and Regulatory Authorities. Parent and Target shall cooperate and use their reasonable best efforts to resolve objections, if any, which may be asserted with respect to the Merger and other transactions contemplated by this Agreement under any applicable Law or Order.

(b) Each of Parent and Target shall have the right to review in advance, and to the extent practicable each will consult with the other, in each case subject to applicable Laws relating to the exchange of information, with respect to, all material written information submitted to any third party or Regulatory Authority in connection with the transactions contemplated by this Agreement. In exercising the foregoing right, each of Parent and Target agrees to act reasonably and as promptly as practicable. Each of Parent and Target agrees that it will consult with the other with respect to the obtaining of all material Permits and Consents of third parties and Regulatory Authorities necessary or advisable to consummate the transactions contemplated by this Agreement and each of Parent and Target will keep the other apprised of the status of material matters relating to completion of the transactions contemplated hereby, including advising the other or its Representative upon receiving any communication from a Regulatory Authority the Consent of which is required for the consummation of the Merger and the other transactions contemplated by this Agreement that causes such Party to believe that there is a reasonable likelihood that any required consent or approval from a Regulatory Authority will not be obtained or that the receipt of such consent or approval may be materially delayed (a "Regulatory Communication"). Upon the receipt of a Regulatory Communication, without limiting the scope of the

foregoing paragraphs, the receiving Party (as between Parent and Target) shall, to the extent permitted by applicable Law (i) promptly advise the other Party or its Representative of the receipt of such Regulatory Communication, (ii) provide the other Party or its Representative with a reasonable opportunity to participate in the preparation of any response thereto and the preparation of any other substantive submission or communication to any Regulatory Authority with respect to the transactions contemplated hereby and to review any such response, submission or communication prior to the filing or submission thereof (other than portions of materials to be filed or submitted in connection therewith that contain confidential or non-public supervisory information or competitively sensitive business or proprietary information), and (iii) if permitted by the applicable Regulatory Authority, provide the other Party or its Representative with the opportunity to participate in any meetings or substantive telephone conversations that the receiving Party or its Representatives may have from time to time with any Regulatory Authority with respect to the transactions contemplated by this Agreement to the extent such meetings or telephone conversations do not contain or involve confidential or non-public supervisory information or competitively sensitive business or proprietary information.

(c) Each Party agrees, upon request, subject to applicable Laws, to promptly furnish any other Party with all information concerning itself, its Subsidiaries, 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 such other Party or any of its Subsidiaries to any Regulatory Authority.

7.4. Investigation and Confidentiality.

(a) Following the date of this Agreement and up to and including the Effective Time, Parent and Target each will, within two Business Days, notify the other in writing of and provide to it such further information as it shall request regarding (i) any Material Adverse Effect with respect to the notifying Party, or any fact, change, condition or event known to such Party which is reasonably likely to result in any such Material Adverse Effect with respect to the notifying Party, (ii) any fact, change, condition or event known to such Party which has caused or is reasonably likely to cause any representation of the notifying party herein to be or become inaccurate in any material respect or the failure of any of the conditions to the other Party's obligations set forth in ARTICLE 8, and (iii) any event, fact, change or condition that to the Knowledge of the notifying Party may reasonably be expected to prevent or materially impede or delay either Party from obtaining any of the Requisite Regulatory Approvals.

(b) Prior to the Effective Time, Target shall (i) provide Parent and its Representatives access to all books, records and files, Contracts, properties, facilities, employees and Representatives of the Target Entities, and (ii) provide to Parent such information regarding, and permit Parent and its Representatives to make or cause to be made such investigations, including on-site investigations, of the business, operations and data processing systems, and properties of the Target Entities and of their respective financial and legal conditions as Parent reasonably requests, provided that any such on-site investigation shall be conducted by Parent at reasonable times and in such manner as will not interfere unreasonably with the Target Entities' normal operations. Neither Parent nor Target nor any of their respective Subsidiaries shall be required to provide access to or to disclose information where such access or disclosure would violate or prejudice the rights of Parent's or Target's, as the case may be, customers, jeopardize the attorney-client privilege of the institution in possession or control of such information (after giving due consideration to the existence of any common interest, joint defense or similar agreement between Parent and Target) or contravene any Law, fiduciary duty or binding Contract entered into prior to the date of this Agreement. Parent and Target will make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply. Target shall request, and shall cause each of the other Target Entities to request, any Consents of vendors, service

providers and other third parties that are necessary to give Parent access to, or to permit Target to provide information to Parent regarding, the Target Entities' business and operations and any Contracts of the Target Entities or their data processing systems.

(c) Each Party shall, and shall cause its advisers and agents to, maintain the confidentiality of all confidential information furnished to it by any other Party concerning its and its Subsidiaries' businesses, operations, and financial positions and shall not use such information for any purpose except in furtherance of the transactions contemplated by this Agreement. If this Agreement is terminated prior to the Effective Time, each Party shall promptly return or certify the destruction of all documents and copies thereof, and all work papers containing confidential information received from any other Party.

7.5. Press Releases.

The Parties agree that no press release or other public disclosure or communication (including communications to employees, agents and contractors of Target) related to this Agreement or the transactions contemplated hereby shall be issued by any Party (or its Representatives or Affiliates) without the prior written consent of the other Parties (which consent shall not be unreasonably withheld, delayed or conditioned); provided, that nothing in this Section 7.5 shall be deemed to prohibit any Party from making any press release or other public disclosure required by Law or the rules or regulations of any United States or non-United States securities exchange (or which, in the case of Parent, should in its judgment be made by it in accordance with good public disclosure practices under applicable stock exchange rules), in which case the Party required to make the release or disclosure shall use its reasonable best efforts to allow the other Parties reasonable time to comment on such release or disclosure in advance of the issuance thereof. The Parties have agreed upon the form of a joint press release announcing the execution of this Agreement.

7.6. Employee Benefits.

(a) For a period of one year following the Effective Time (the "Continuation Period"), or, in the case of a Covered Employee whose employment is sooner terminated, until that Covered Employee's date of termination, Parent shall provide each employee who is actively employed by a Target Entity on the Closing Date (each, a "Covered Employee"), (i) base salary or wage rate, as applicable, not less than that provided by the Target Entity immediately prior to Closing, (ii) severance benefits in accordance with the severance policy of Parent applicable to similarly situated employees (other than to any Covered Employee who is party to individual agreements or letters that entitle such person to a greater level of severance or termination benefits), and (iii) other employee benefits on terms and conditions which when taken as a whole are comparable to those provided by Parent to its similarly situated employees, provided, that, notwithstanding anything contained in this Agreement to the contrary, in no event shall any Covered Employee be or become eligible to participate in, or for benefits under, Parent's defined benefit pension plans (which have been frozen to new participants). Until such time as Parent shall cause the Covered Employees to participate in the applicable Employee Benefit Plans of Parent, the continued participation of the Covered Employees in the Target Benefit Plans, on continuing terms not less favorable than those in effect immediately prior to the Closing, shall be deemed to satisfy the foregoing clause (iii) (it being understood that participation in Parent's Employee Benefit Plans may commence at different times with respect to each of Parent's Employee Benefit Plans).

(b) For purposes of determining eligibility to participate and vesting under Parent's Employee Benefit Plans, and for purposes of determining a Covered Employee's entitlement to paid time off under Parent's vacation, sick leave and paid time off programs, the service of the Covered Employees with a Target Entity, or any successor, prior to the Effective Time shall be treated as service with a Parent Entity participating in such employee benefit plans, to the same extent that such service was recognized

by the Target Entities for purposes of a similar benefit plan; provided, that such recognition of service shall not (i) operate to duplicate any benefits of a Covered Employee with respect to the same period of service or (ii) apply for purposes of any retiree medical benefits or for any purpose under a defined benefit pension plan.

(c) With respect to any welfare plan maintained by Parent or its Affiliates in which Covered Employees are eligible to participate after the Effective Time, Parent shall, and shall cause its Affiliates to, waive all limitations as to preexisting conditions and exclusions with respect to participation and coverage requirements applicable to such employees to the extent such conditions and exclusions were satisfied or did not apply to such employees under the welfare plans of the Target Entity prior to the Effective Time. Following the Effective Time, Parent will ensure that all Covered Employees and their eligible dependents are offered health benefits by the Covered Employee's employer without any gap in coverage.

(d) Parent shall, or shall cause the Surviving Corporation to, pay out all amounts due to participants under the HomeBanc N.A. Supplemental Executive Retirement Plan (the "Target SERP") in accordance with the terms and conditions of the Target SERP and the applicable participant elections.

(e) Without limiting the generality of Section 10.14, the provisions of this Section 7.6 are solely for the benefit of the Parties to this Agreement, and no Covered Employee, current or former employee or any other individual associated therewith shall be regarded for any purpose as a third-party beneficiary of this Agreement. In no event shall the terms of this Agreement: (i) establish, amend, or modify any Target Benefit Plan or any "employee benefit plan" as defined in Section 3(3) of ERISA, or any other benefit plan, program, agreement or arrangement maintained or sponsored by Parent, Target or any of their respective Affiliates; (ii) alter or limit the ability of Parent or any Parent Subsidiaries (including, after the Closing Date, the Target Entities) to amend, modify or terminate any Target Benefit Plan, employment agreement or any other benefit or employment plan, program, agreement or arrangement after the Closing Date; or (iii) confer upon any current or former employee, officer, director or consultant, any right to employment or continued employment or continued service with the Surviving Corporation, Parent or any Parent Subsidiaries (including, following the Closing Date, the Target Entities) for any period of time, or constitute or create an employment agreement with any employee, or interfere with or restrict in any way the rights of the Surviving Corporation, Target, Parent or any Subsidiary or Affiliate thereof to discharge or terminate the services of any employee, officer, director or consultant of Target or any of its Subsidiaries or Affiliates at any time for any reason whatsoever, with or without cause.

7.7. Treatment of Target Savings Plan and Other Employee Benefit Plans.

(a) Prior to the Closing and effective as of the day immediately prior to and contingent upon the Closing, Target shall amend the Target Savings Plan to provide that (i) the ESOP shall continue to provide for benefit distributions in the form of cash, (ii) the ESOP shall accept no further contributions as of the Closing except for contributions that have been accrued on behalf of participants in the Target Savings Plan prior to the Closing Date, (iii) the ESOP shall provide for full vesting for all participants whose account balances had not previously been distributed in full, (iv) the aggregate Merger Consideration received by the ESOP Trustees with respect to the unallocated Target Common Stock held in the ESOP Trust shall first be applied to the full repayment of the exempt ESOP loan (the "ESOP Loan"), as described in Section 4975(d)(3) of the Internal Revenue Code, the proceeds of which were used to acquire the Target Common Stock, and thereafter to be proportionately allocated to participants in the ESOP in accordance with the terms of the ESOP and for the exclusive benefit of participants in the ESOP portion of the Target Savings Plan and (v) the Target Savings Plan shall be terminated (the "Target Savings Plan Amendment"). All cash that is allocated to participants in the ESOP in accordance with the

foregoing clause (iv) shall be invested as directed by the participant as among the investment options available under the 401(k) portion of the Target Savings Plan. As soon as reasonably practicable thereafter (but in no event later than 60 days after the Closing Date), Target shall submit an application to the IRS requesting a favorable determination with respect to the amendment and termination of the Target Savings Plan. As soon as practicable following the receipt of such determination letter, the trustees of the Target Savings Plan shall distribute (or cause to be rolled over to another qualified retirement plan or IRA, as directed by a participant) all account balances, and Parent shall permit the Covered Employees who remain employees of Parent or the Successor Corporation at the time of receipt of such determination to make rollover contributions of their account balances under the Target Savings Plan to a 401(k) plan maintained by the Parent or one of its Affiliates.

(b) Target shall take, or cause to be taken, such actions as shall be necessary to:

(i) adopt the Target Savings Plan Amendment prior to the Closing;

(ii) subject to the provisions of Section 7.6, and only to the extent that Covered Employees and their eligible dependents would not experience a gap in health benefits coverage, if so directed by Parent, terminate, in accordance with their respective terms and applicable Law, all medical, dental, health, disability and life insurance plans, and all other employee benefit plans, maintained by any of the Target Entities for the benefit of any of their current or former officers, employees, contractors or directors or any of their beneficiaries, effective immediately prior to the Effective Time; and

(iii) cause Target's board of directors or any committee thereof that administers each Target Stock Plan to terminate, effective at the Effective Time, all outstanding Target Stock Options to the extent that they shall not have been exercised prior to the Effective Time subject to the provisions of Section 2.2, and use commercially reasonable efforts to obtain from each holder of a Target Stock Option, and deliver to Parent prior to the Closing, a written acknowledgment, in a form reasonably satisfactory to Parent, to the effect that his or her Target Stock Option will be cancelled as of the Effective Time and treated in accordance with Section 2.2.

7.8. Indemnification.

(a) From and after the Effective Time, Parent and the Surviving Corporation (each, an "Indemnifying Party") shall indemnify, defend and hold harmless the present and former directors, officers or employees of the Target Entities (each, an "Indemnified Party") against all Liabilities arising out of actions or omissions arising out of the Indemnified Party's service or services as directors, officers or employees of Target or, at Target's request, of another corporation, partnership, joint venture, trust or other enterprise, occurring at or prior to the Effective Time (including the transactions contemplated by this Agreement) to the fullest extent required under state Law and by any Target Entity's governing documents as in effect on the date hereof, including provisions relating to advances of expenses incurred in the defense of any Litigation and whether or not any Parent Entity is insured against any such matter. In furtherance and not in limitation of the foregoing, (i) the Indemnifying Parties shall honor and fulfill in all respects the obligations of any Target Entity under any and all indemnification agreements between any Target Entity and any Indemnified Party as such agreements exist as of the date hereof (to the extent included in Section 4.20 of Target's Disclosure Memorandum) and (ii) in any case in which approval by an Indemnifying Party is required to effectuate any indemnification required hereunder, such Indemnifying Party shall direct, at the election of the Indemnified Party, that the determination of any such approval shall be made by independent counsel mutually agreed upon between such Indemnifying Party and the Indemnified Party.

(b) Parent shall maintain, or shall cause the Surviving Corporation for itself to maintain, in effect for a period of six years after the Effective Time Target's existing directors' and officers' liability insurance policy (provided that Parent or the Surviving Corporation (as applicable) may substitute therefor (i) policies of at least the same coverage and amounts containing terms and conditions which are substantially no less advantageous or (ii) with the consent of Target given prior to the Effective Time, any other policy) with respect to claims arising from facts or events which occurred prior to the Effective Time and covering persons who are currently covered by such insurance; provided, that neither Parent, nor the Surviving Corporation, shall be obligated to make aggregate premium payments for such six-year period in respect of such policy (or coverage replacing such policy) which exceed, for the portion related to Target's directors and officers, 200% of the annual premium payments currently paid on Target's current policy in effect as of the date of this Agreement (the "Maximum Amount"). If the amount of the premiums necessary to maintain or procure such insurance coverage exceeds the Maximum Amount, Parent or the Surviving Corporation (as applicable) shall use its reasonable best efforts to maintain the most advantageous policies of directors' and officers' liability insurance obtainable for a premium not exceeding the Maximum Amount. In lieu of the foregoing, Parent, or Target in consultation with Parent, may obtain on or prior to the Effective Time, a six-year "tail" prepaid policy providing equivalent coverage to that described in this Section 7.1(b) at a premium not to exceed the Maximum Amount. If the premium necessary to purchase such "tail" prepaid policy exceeds the Maximum Amount, Parent may purchase the most advantageous "tail" prepaid policy obtainable for a premium not exceeding the Maximum Amount, and in each case, Parent and the Surviving Corporation shall have no further obligations under this Section 7.1(b) other than to maintain such "tail" prepaid policy. If such extended coverage under Target's existing directors' and officers' liability insurance policy or another policy is not available for six years, Parent shall maintain or cause the Surviving Corporation to maintain such coverage for such lesser period as shall be available.

(c) If any Indemnifying Party or any successors or assigns shall consolidate with or merge into any other Person and shall not be the continuing or surviving Person of such consolidation or merger or if any Indemnifying Party (or any successors or assigns) shall transfer all or substantially all of its Assets to any Person, then and in each case, proper provision shall be made so that the successors and assigns of such Indemnifying Party shall assume the obligations set forth in this Section 7.8.

(d) The provisions of this Section 7.8 are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party and their respective heirs and Representatives.

7.9. Operating Functions.

Target and Target Bank shall reasonably cooperate with Parent in connection with planning for the efficient and orderly combination of the Parties and the continuing operation of Parent and Target Bank, and in preparing for the consolidation of appropriate operating and data processing functions to be effective at the Effective Time or such later date as Parent shall determine. Each of Target and Parent shall reasonably cooperate with the other in preparing to execute after the Effective Time conversion or consolidation of systems and business operations generally (including by requesting any Consents of vendors, service providers and other third parties that are necessary to give Parent access to, or to permit Target to provide information to Parent regarding, the business and operations and any Contracts of the Target Entities and their data processing systems, and entering into customary confidentiality, non-disclosure and similar agreements with such service providers or the other Party). Without limiting the foregoing, Target shall provide Parent with access to its and Target Bank's operations and data processing personnel and systems, together with office space and support services (and other reasonably requested support and assistance) in connection with the foregoing (provided that such access shall be at reasonable times and be conducted in such manner as will not interfere unreasonably with the Target Entities' normal operations), and senior officers of Target and Parent shall meet from time to time as Target or Parent may

reasonably request to review the financial and operational affairs of Target and Target Bank, and Target shall give due consideration to Parent's input on such matters, with the understanding that, notwithstanding any other provision contained in this Agreement, (a) Parent shall under no circumstance be permitted to exercise control of Target, Target Bank or any other Target Subsidiaries prior to the Effective Time, (b) neither Target nor any Target Bank shall be under any obligation to act in a manner that could reasonably be deemed to constitute anti-competitive behavior under federal or state antitrust Laws, and (c) neither Target nor Target Bank shall be required to agree to any material obligation that is not contingent upon the consummation of the Merger.

7.10. Shareholder Litigation.

Each of Parent and Target shall promptly notify each other in writing of any action, arbitration, audit, hearing, investigation, litigation, suit, subpoena or summons issued, commenced, brought, conducted or heard by or before, or otherwise involving, any Regulatory Authority or arbitrator pending or, to the Knowledge of Parent or Target, as applicable, threatened against Parent, Target or any of their respective Subsidiaries that (a) questions or would reasonably be expected to question the validity of this Agreement or the other agreements contemplated hereby or thereby or any actions taken or to be taken by Parent, Target or their respective Subsidiaries or their respective boards of directors with respect hereto or thereto or (b) seeks to enjoin or otherwise restrain the transactions contemplated hereby or thereby. Target shall give Parent every opportunity to participate in the defense or settlement of any shareholder litigation against Target or its directors relating to the transactions contemplated by this Agreement, and no such settlement shall be agreed to without each Party's prior written consent (such consent not to be unreasonably withheld or delayed).

7.11. Legal Conditions to Merger; Further Action.

Subject to Sections 7.1 and 7.3 of this Agreement, each of Parent and Target shall, and shall cause its Subsidiaries to, use their reasonable best efforts (a) to take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with all requirements that may be imposed on such party or its Subsidiaries with respect to the Merger by Law or under this Agreement and to satisfy all conditions precedent to consummation of the Merger that are within its control and, subject to the conditions set forth in ARTICLE 8 hereof, to consummate the transactions contemplated by this Agreement and (b) to obtain (and to cooperate with the other Party to obtain) any Consent or Order by, any Regulatory Authority and any other third party that is required to be obtained by Target or Parent or any of their respective Subsidiaries in connection with, or to effect, the Merger and the other transactions contemplated by this Agreement; provided, that Parent shall not be required to accept, agree to or comply with any condition imposed in connection with obtaining the Requisite Regulatory Approvals that would (i) have a Material Adverse Effect on Parent on a combined, consolidated basis following the Closing (taking into account the Merger), or (ii) be so material and adverse with respect to the economic benefits to Parent of the operations of Target taken as a whole that a purchaser acting reasonably in the circumstances and in good faith would not have entered into this Agreement had such purchaser known and reasonably assessed that such condition would be imposed (a "Materially Burdensome Condition"). In case at any time after the Effective Time any further action, including the execution and delivery of further instruments or other documents, is necessary or desirable to carry out the purposes of this Agreement (including the Subsequent Transactions) or to vest the Surviving Corporation with full title to all properties, assets, rights, approvals, immunities and franchises of any of the Parties to the Merger, the proper officers and directors of each Party and their respective Subsidiaries shall take all such necessary action as may be reasonably requested by Parent.

7.12. Takeover Statutes.

Neither Parent nor Target shall take any action that would cause any Takeover Statute to become applicable to this Agreement, the Merger, or any of the other transactions contemplated hereby, and each of Parent and Target shall take all necessary steps to exempt (or ensure the continued exemption of) the Merger and the other transactions contemplated hereby from any applicable Takeover Statute now or hereafter in effect. If any Takeover Statute may become, or may purport to be, applicable to the transactions contemplated hereby, each of Parent and Target will grant such approvals and take such actions as are necessary so that the transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to eliminate or minimize the effects of any Takeover Statute on any of the transactions contemplated by this Agreement, including, if necessary, challenging the validity or applicability of any such Takeover Statute.

7.13. Approval, Execution and Delivery of Subsequent Transaction Documents.

Following the date of this Agreement, and promptly following Parent's written request, Target shall, and shall cause Target Bank to, obtain, and provide to Parent evidence of, the approvals of their respective boards of directors of, and shall execute and deliver to Parent, such transaction documents (including agreements and plans of combination and merger) as Parent shall deem necessary or appropriate in order to effect the Subsequent Transactions. The approvals of the boards of directors and related transaction documents with respect to the Subsequent Transactions shall be in such form as Parent shall specify in writing, and the approvals of the boards of directors and the transaction documents shall include any such board approvals and transaction documents as are required to be included with applications for the approval of the Subsequent Transactions by Regulatory Authorities; provided, that completion of the Subsequent Transactions provided for in those transaction documents in each case shall be expressly conditioned upon and subject to completion of the Merger, and none of such Subsequent Transactions shall be completed unless and until the Merger shall have become effective.

7.14. Real Property Matters.

(a) At its option and expense, following the date of this Agreement Parent may cause to be conducted (i) any inspections it deems appropriate of any or all Operating Properties and Participation Facilities, including title examinations, physical surveys, zoning compliance reviews, and structural inspections of the property and improvements thereon, all easements, and all rights appurtenant to the property (collectively, the "Property Examination"), and (ii) site inspections, environmental assessments, historic reviews, and regulatory analyses of any or all of the Operating Properties and Participation Facilities, together with such other studies, testing and intrusive sampling and analyses as Parent shall deem necessary or desirable (collectively, the "Environmental Survey"); provided, that any investigation or reviews conducted by or on behalf of Parent shall be performed in such a manner as will not interfere unreasonably with Target or Target Bank's normal operations.

If, in the course of the Property Examination or Environmental Survey, Parent identifies one or more Material Defects (as defined below), Parent will give prompt written notice thereof to Target describing the facts or conditions constituting each such Material Defect.

(b) For purposes of this Agreement, the term "Material Defect" shall mean:

(i) the existence of any Lien, or the existence of any facts or conditions, that constitute or with the passage of time or otherwise, will constitute, a breach of Target's representations

and warranties contained in Section 4.11 relating or with respect to any of the Operating Properties or Participation Facilities;

(ii) the existence of any material structural defects or state of disrepair in the improvements on any of the Operating Properties or Participation Facilities (including any equipment, fixtures or other components related thereto); or

(iii) the existence of facts or circumstances relating to any of the Operating Properties or Participation Facilities indicating that (A) there has been the Release of any Hazardous Material on, from, under, at, adjacent to, or relating to any Operating Property or Participation Facility, or (B) any action has been taken or not taken, or a condition or event likely has occurred or exists, with respect to an Operating Property or Participation Facility (including any removal or disposal of materials) which constitutes or would constitute a violation of any Environmental Law or any contract or other agreement between any of the Target Entities and any other Person, as to which, in either such case, Parent reasonably believes, based on the advice of legal counsel or other consultants, that, before or after the Effective Time, any of the Target Entities, the Surviving Corporation or Parent respectively, could incur costs or become responsible or liable for assessment, removal, clean-up, remediation, monetary damages (including any liability to other Persons for property damage or personal injury), or civil, criminal or administrative penalties, or other corrective action.

(c) In the event that Target reasonably believes that, with respect to all Operating Properties and Participation Facilities, the total of (i) the costs and expenses that any of the Target Entities, the Surviving corporation or Parent could incur, in the aggregate, in fully correcting all Material Defects identified by Parent, plus (ii) all other amounts for which any of the Target Entities, the Surviving corporation or Parent could reasonably become responsible or liable, in the aggregate, related to all such Material Defects as described in Section 7.14(b)(iii), in either case whether before or after the Effective Time, would have a Material Adverse Effect on Target, then Parent shall have the right and option, exercisable upon written notice to Target, to terminate this Agreement as provided in Section 9.1(j); provided, that Parent shall not be obligated to give any such notice or exercise its termination right while it continues in good faith to investigate, to determine the nature and cost of potential corrective actions, if any, or to remedy any such Material Defect.

(d) It is contemplated that Parent will conduct the Property Examination and the Environmental Survey as soon as practicable following the date of this Agreement and prior to the Effective Time. It is the intent of this Agreement, and Target and Parent understand and agree, that, upon completion of the Property Examination and Environmental Survey, if any of the facts, conditions, circumstances or other matters revealed by the Property Examination or Environmental Survey reveal a Material Defect, then Parent may exercise its rights under this Section 7.14.

ARTICLE 8

CONDITIONS PRECEDENT TO OBLIGATIONS TO CONSUMMATE

8.1. Conditions to Obligations of Each Party.

The respective obligations of each Party to perform this Agreement and consummate the Merger and the other transactions contemplated hereby are subject to the satisfaction of the following conditions, unless waived by the Parties pursuant to Section 10.6:

(a) Shareholder Approval. The shareholders of Target shall have adopted this Agreement, and the consummation of the transactions contemplated hereby, including the Merger, as and to the extent required by Law or by the provisions of any governing instruments.

(b) Regulatory Approvals. All Requisite Regulatory Approvals shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof shall have expired; provided, that no such Requisite Regulatory Approval shall impose a Materially Burdensome Condition.

(c) Legal Proceedings. No court or Regulatory Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent) or taken any other action which prohibits or makes illegal consummation of the transactions contemplated by this Agreement (including the Merger).

8.2. Conditions to Obligations of Parent and Merger Sub.

The obligations of Parent and Merger Sub to perform this Agreement and consummate the Merger and the other transactions contemplated hereby are subject to the satisfaction of the following conditions, unless waived by Parent pursuant to Section 10.1(a):

(a) Representations and Warranties. For purposes of this Section 8.1(a), the accuracy of the representations and warranties of Target set forth in this Agreement shall be assessed as of the date of this Agreement and as of the Effective Time with the same effect as though all such representations and warranties had been made on and as of the Effective Time (provided that representations and warranties which are confined to a specified date shall speak only as of such date). The representations and warranties set forth in Sections 4.1, 4.3(a), 4.3(b), 4.3(c), 4.4(a), 4.4(b), 4.4(c), 4.9, and 4.34 shall be true and correct in all respects (except for inaccuracies which are de minimis in amount). The representations and warranties set forth in each other section in ARTICLE 4 shall, in the aggregate, be true and correct in all respects except where the failure of such representations and warranties to be true and correct, either individually or in the aggregate, would not reasonably be likely to have a Material Adverse Effect with respect to Target or, after the Merger, with respect to Parent or the Surviving Corporation; provided, that, for purposes of this sentence only, those representations and warranties which are qualified by references to "material" or "Material Adverse Effect" shall be deemed not to include such qualifications.

(b) Performance of Agreements and Covenants. Each and all of the agreements and covenants of Target to be performed and complied with pursuant to this Agreement and the other agreements contemplated hereby prior to the Effective Time shall have been duly performed and complied with in all material respects.

(c) Certificates. Target shall have delivered to Parent (i) a certificate, dated as of the Closing Date and signed on its behalf by its chief executive officer and its chief financial officer, to the effect that the conditions set forth in Section 8.1 as such conditions relate to Target and in Sections 8.1(a) and 8.1(b) have been satisfied, and with respect to the incumbency and authority of officers of Target who sign this Agreement and other transaction documents related to the Merger, and (ii) certified copies of resolutions duly adopted by Target's board of directors and shareholders evidencing the taking of all corporate action necessary to authorize the execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, all in such reasonable detail as Parent and its counsel shall request.

(d) FIRPTA Certificate. Target shall have delivered to Parent a certificate stating that Target Common Stock is not a "United States real property interest" within the meaning of Section 897(c)(1)(A)(ii) of the Internal Revenue Code satisfying the requirements of §§1.897-2(h) and 1.1445-2(c)(3) of Title 26 of the Code of Federal Regulations, in form and substance reasonably satisfactory to Parent.

(e) Resignations of Directors and Executive Officers. To the extent requested by Parent, each director and executive officer of Target and each of the Target Subsidiaries shall have delivered to Parent his or her resignation, in form and substance reasonable satisfactory to Parent, from their positions as such (but, in the case of executive officers and directors who are employees of Target or a Target Subsidiary, not from their employment), effective as of the Effective Time or effective as of such later time as Target shall specify in the case of any one or more executive officers.

(f) 280G. No amount paid or payable (whether in cash, in property, or in the form of benefits) by the Target Entities, or by Parent or the Surviving Corporation on behalf of any of the Target Entities, in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event), including any items or amounts disclosed pursuant to Section 4.19(g) or any other Section of Target's Disclosure Memorandum, will be an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code, and none of the Target Entities will have any indemnity or gross-up obligation for any Taxes imposed under Section 4999 of the Internal Revenue Code.

(g) Consents to Assignment; Estoppel Certificates. Target and each Target Subsidiary shall have obtained and delivered to Parent each Consent and/or estoppel certificate requested by Parent as described in Section 6.1(h) above which, in connection with the Merger or the other transactions described in this Agreement, is required in order for Parent or the Surviving Corporation to succeed to the rights of any Target Entity under any Contract in accordance with the terms of that Contract and to continue the that Target Entity's operations after the Merger and other transactions described in this Agreement substantially as those operations are conducted on the date of this Agreement, provided, that Target's failure to obtain and deliver to Parent any such Consents and/or estoppel certificates will not cause this condition to fail to be satisfied if the absence of such Consents and/or estoppel certificates, individually or in the aggregate, would not reasonably be likely to result in a Material Adverse Effect with respect to Target or, following the Merger, with respect to Parent or the Surviving Corporation.

(h) ESOP Matters.

(i) The ESOP Financial Advisor shall have issued the updated ESOP Fairness Opinion dated on or about the Closing Date, and the ESOP Trustees shall have delivered the ESOP Fairness Opinion to Parent. ✓

(ii) The ESOP Trustees shall have delivered a certificate to Parent, dated on or about the Closing Date, stating that the ESOP Trustees have made the ESOP Determination. ✓

(iii) Target shall have properly adopted and executed the Target Savings Plan Amendment. ✓

8.3. Conditions to Obligations of Target.

The obligations of Target to perform this Agreement and consummate the Merger and the other transactions contemplated hereby are subject to the satisfaction of the following conditions, unless waived by Target pursuant to Section 10.1(b):

(a) Representations and Warranties. For purposes of this Section 8.1(a), the accuracy of the representations and warranties of Parent and Merger Sub set forth in this Agreement shall be assessed as of the date of this Agreement and as of the Effective Time with the same effect as though all such representations and warranties had been made on and as of the Effective Time (provided that representations and warranties which are confined to a specified date shall speak only as of such date).

The representations and warranties of Parent and Merger Sub set forth in Sections 5.1, 5.2(a), 5.2(c), 5.3 and 5.5 shall be true and correct (except for inaccuracies which are de minimis in amount). The representations and warranties set forth in each other section in ARTICLE 5 shall, in the aggregate, be true and correct in all respects except where the failure of such representations and warranties to be true and correct, either individually or in the aggregate, would not reasonably be likely to have a Material Adverse Effect with respect to Parent; provided, that, for purposes of this sentence only, those representations and warranties which are qualified by references to "material" or "Material Adverse Effect" shall be deemed not to include such qualifications.

(b) Performance of Agreements and Covenants. Each and all of the agreements and covenants of Parent and Merger Sub to be performed and complied with pursuant to this Agreement and the other agreements contemplated hereby prior to the Effective Time shall have been duly performed and complied with in all material respects.

(c) Certificates. Parent shall have delivered to Target (i) a certificate, dated as of the Closing Date and signed on its behalf by its chief executive officer, president or chief operating officer and its chief financial officer, to the effect that the conditions set forth in Section 8.1 as such conditions relate to Parent or Merger Sub and in Sections 8.1(a) and 8.1(b) have been satisfied, and to the incumbency and authority of officers of the Parent and Merger Sub who sign this Agreement and other transaction documents related to the Merger, and (ii) certified copies of resolutions duly adopted by Parent's and Merger Sub's respective boards of directors evidencing the taking of all corporate action by Parent or Merger Sub (as applicable) necessary to authorize the execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, all in such reasonable detail as Target and its counsel shall request.

ARTICLE 9

TERMINATION

9.1. Termination.

Notwithstanding any other provision of this Agreement, and notwithstanding the approval of this Agreement by the shareholders of Target, this Agreement may be terminated and the Merger abandoned at any time prior to the Effective Time:

(a) by mutual written agreement of Parent and Target;

(b) by either Parent or Target, by written notice to the other, in the event (i) any Regulatory Authority has denied a Requisite Regulatory Approval and such denial has become final and nonappealable, provided that the Party seeking to terminate this Agreement pursuant to this Section 9.1(b)(i) shall have used its reasonable best efforts to contest, appeal and change such denial, (ii) any Law or Order permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement shall have become final and nonappealable, provided that, with respect to such Order, the Party seeking to terminate this Agreement pursuant to this Section 9.1(b)(ii) shall have used its reasonable best efforts to contest, appeal and remove such Order, or (iii) the shareholders of Target fail to vote their approval of the matters relating to this Agreement and the transactions contemplated hereby at the Shareholders' Meeting where such matters were presented to such shareholders for approval and voted upon, provided that, if Target is electing to terminate under this Section 9.1(b)(iii), Target shall not have materially breached any of its obligations under Sections 7.1 and 7.2;

(c) by Parent or Target, by written notice to the other, in the event that the Merger shall not have been consummated by September 30, 2018 or such later date as shall be mutually agreed upon in writing by Parent and Target, if the failure to consummate the transactions contemplated hereby on or before such date is not caused by any breach of this Agreement by the Party electing to terminate pursuant to this Section 9.1(c);

(d) by Parent, by written notice to Target, in the event that any of the conditions precedent to the obligations of Parent to consummate the Merger contained in Section 8.1 or Section 8.2 cannot be satisfied or fulfilled by the date specified in Section 9.1(c) (provided that the failure of such condition to be satisfied or fulfilled is not a result of Parent's failure to perform, in any material respect, any of its covenants or agreements contained in this Agreement or the breach by Parent of any of its material representations or warranties contained in this Agreement);

(e) by Target, by written notice to Parent, in the event that any of the conditions precedent to the obligations of Target to consummate the Merger contained in Section 8.1 or Section 8.3 cannot be satisfied or fulfilled by the date specified in Section 9.1(c) (provided that the failure of such condition to be satisfied or fulfilled is not a result of Target's failure to perform, in any material respect, any of its covenants or agreements contained in this Agreement or the breach by Target of any of its material representations or warranties contained in this Agreement);

(f) by Parent or Target, by written notice to the other, at any time prior to the receipt of the Target Shareholder Approval, if (i) the board of directors of Target has received a Superior Proposal that did not result from a breach of Section 7.2 and (ii) to the extent permitted by and effected in accordance with this Agreement, including Section 7.2, the board of directors of Target approves such Superior Proposal; or

(g) by Parent, by written notice to Target, in the event that the board of directors of Target has (i) failed to recommend the Merger and the approval of this Agreement by the shareholders of Target, (ii) breached the terms of Section 7.2 in any respect adverse to Parent, or (iii) breached its obligations under Section 7.1 by failing to call, give notice of, convene or hold the Shareholders' Meeting, or to distribute the Proxy Statement in connection therewith, in accordance with Section 7.1;

(h) by Parent, by written notice to Target, if there shall have occurred any Material Adverse Effect with respect to Target;

(i) by Parent, by written notice to Target, if the Holders of 10% or more of the outstanding shares of Target Common Stock give notice of their intent to demand appraisal of such shares in accordance with applicable provisions of the FBCA; or

(j) by Parent, by written notice to Target, in the manner described in Section 7.14.

9.2. Effect of Termination.

In the event of the termination and abandonment of this Agreement pursuant to Section 9.1, this Agreement shall become void and have no further force or effect and there shall be no Liability on the part of any Party for any matters addressed herein or other claim relating to this Agreement and the transactions contemplated hereby, except that (a) the provisions of this Section 9.2, Section (c), and ARTICLE 10, shall survive any such termination and abandonment and (b) no such termination shall relieve the breaching Party from Liability to the other Party resulting from any fraud or intentional material breach by the breaching Party occurring prior to such termination or abandonment.

9.3. Non-Survival of Representations and Covenants.

The respective representations, warranties, obligations, covenants, and agreements of the Parties shall not survive the Effective Time except this Section 9.3, Sections 7.4, 7.5, 7.6, 7.7 and 7.8 and ARTICLE 1, ARTICLE 2, ARTICLE 3, and ARTICLE 10.

ARTICLE 10 MISCELLANEOUS

10.1. Definitions.

- (a) Except as otherwise provided herein, the capitalized terms set forth below shall have the following meanings:

"Acquisition Agreement" means a letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or other similar agreement.

"Acceptable Confidentiality Agreement" means an executed confidentiality agreement with Target in writing that (i) is no less favorable to Target in the aggregate than the Confidentiality Agreement and (ii) does not prohibit Target from providing any information to Parent in accordance with Section 7.2 or otherwise prohibit the Company from complying with its obligations under Section 7.2.

"Acquisition Proposal" means any offer or proposal (whether communicated to Target, or publicly announced to Target's shareholders and whether binding or non-binding) by any Person (other than a Parent Entity) for an Acquisition Transaction.

"Acquisition Transaction" means any transaction or series of related transactions (other than the transactions contemplated by this Agreement) involving: (i) any acquisition or purchase, direct or indirect, by any Person or "Group" (other than a Parent Entity) of 20% or more in interest of the total outstanding voting securities of any Target Entity, or any tender offer or exchange offer that if consummated would result in any Person or "Group" (other than a Parent Entity) beneficially owning 20% or more in interest of the total outstanding voting securities of any Target Entity, or any merger, consolidation, business combination or similar transaction involving any Target Entity pursuant to which the shareholders of Target immediately preceding such transaction would hold less than 80% of the equity interests in the surviving or resulting entity (which includes the parent corporation of any constituent corporation to any such transaction) of such transaction; (ii) any sale, lease, exchange, transfer, license, acquisition or disposition of 20% or more of the consolidated Assets of the Target Entities, taken as a whole; or (iii) any liquidation or dissolution of Target.

"Affiliate" of a Person means any other Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person and "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a person, whether through the ownership of voting securities, as trustee or executor, by contract or any other means.

"Assets" of a Person means all of the assets, properties, deposits and businesses of such Person of every kind, nature, character and description.

“BHC Act” means the federal Bank Holding Company Act of 1956, as amended.

“Business Day” means any day other than a Saturday, a Sunday or a day on which all banking institutions in New York, New York are authorized or obligated by Law or executive order to close.

“Call Reports” mean Consolidated Reports of Condition and Income (FFIEC Form 041) or any successor form of the Federal Financial Institutions Examination Council of Target, Target Bank or Parent.

“Closing Date” means the date on which the Closing occurs.

“Confidentiality Agreement” means the Confidentiality Agreement entered into by Parent and Target, dated as of September 22, 2017.

“Consent” means any consent, approval, authorization, clearance, exemption, waiver, or similar affirmation by any Person pursuant to any Contract, Law, Order, or Permit.

“Contract” means any written contract, agreement, lease, sublease, license, sublicense or other legally binding commitment or arrangement.

“Default” means (i) any breach or violation of, or default under, any Contract, Law, Order, or Permit, (ii) any occurrence of any event that with the passage of time or the giving of notice or both would constitute a breach or violation of, or default under, any Contract, Law, Order, or Permit.

“Disclosure Memorandum” of a Party means a letter delivered by such Party to the other Parties prior to execution of this Agreement, setting forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more representations or warranties contained in ARTICLE 4 and ARTICLE 5 or to one or more of its covenants contained in this Agreement; provided, that (i) no such item is required to be set forth in a Disclosure Memorandum as an exception to a representation or warranty if its absence would not be reasonably likely to result in the related representation or warranty being deemed untrue or incorrect, (ii) the mere inclusion of an item in a Disclosure Memorandum as an exception to a representation or warranty shall not be deemed an admission by a Party that such item represents a material exception or fact, event or circumstance or that such item is reasonably likely to result in a Material Adverse Effect on the Party making the representation or warranty, and (iii) any disclosures made with respect to a section of ARTICLE 4 or ARTICLE 5 shall be deemed to qualify any other section of ARTICLE 4 or ARTICLE 5 that is specifically referenced or cross-referenced and (B) other sections of ARTICLE 4 or ARTICLE 5 to the extent it is reasonably apparent on its face (notwithstanding the absence of a specific cross reference) from a reading of the disclosure that such disclosure applies to such other sections.

“Derivative Transaction” means any swap transaction, option, warrant, forward purchase or sale transaction, futures transaction, cap transaction, floor transaction or collar transaction relating to one or more currencies, commodities, bonds, equity securities, loans, interest rates, catastrophe events, weather-related events, credit-related events or conditions or any indexes, or any other similar transaction (including any option with

respect to any of these transactions) or combination of any of these transactions, including collateralized mortgage obligations or other similar instruments or any debt or equity instruments evidencing or embedding any such types of transactions, and any related credit support, collateral or other similar arrangements related to such transactions.

"Employee Benefit Plan" means each pension, retirement, profit-sharing, deferred compensation, stock option, restricted stock, employee stock ownership, share purchase, severance pay, vacation, bonus, retention, change in control or other incentive plan, medical, vision, dental or other health plan, any life insurance plan, flexible spending account, cafeteria plan, vacation, holiday, disability or any other employee benefit plan or fringe benefit plan, including any "employee benefit plan," as that term is defined in Section 3(3) of ERISA and any other plan, fund, policy, program, practice, custom understanding or arrangement providing compensation or other benefits.

"Environmental Laws" means all Laws, orders, permit, opinion or agency requirement relating to pollution or protection of human health or safety or the environment (including ambient air, surface water, ground water, land surface, or subsurface strata) including the Comprehensive Environmental Response Compensation and Liability Act, as amended, 42 U.S.C. 9601 *et seq.*, the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 *et seq.*, the Federal Water Pollution and Control Act (33 U.S.C. § 1251 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*), and the Occupational Health and Safety Act (29 U.S.C. § 651 *et seq.*), as such laws have been amended or supplemented now or in the future, and other Laws relating to emissions, discharges, releases, or threatened releases of any Hazardous Material, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of any Hazardous Material.

"Equity Rights" means all arrangements, calls, commitments, Contracts, options, rights (including preemptive rights or redemption rights), scrip, understandings, warrants, or other binding obligations of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of the capital stock or equity interests of a Person or by which a Person is or may be bound to issue additional shares of its capital stock or other equity interests.

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

"ERISA Affiliate" means any entity which together with a Target Entity would be treated as a single employer under Section 414 of the Internal Revenue Code.

"ESOP" means the employee stock ownership plan portion of the Target Savings Plan.

"ESOP Determination" means the determination by the ESOP Trustees, in the exercise of each of their fiduciary discretion under ERISA and in accordance with ERISA, that Target entering into this Agreement and the consummation of the transactions contemplated by this Agreement is prudent, is in the best interest of the participants and beneficiaries of the ESOP for the exclusive purpose of providing benefits to the participants and beneficiaries of the ESOP, and does not constitute a "prohibited transaction" under ERISA nor otherwise violate ERISA.

"ESOP Fairness Opinion" means an opinion of the ESOP Financial Advisor, to the effect that (i) the consideration to be paid to the ESOP Trustees, on behalf of the ESOP, in connection with the transactions contemplated by this Agreement is not less than "adequate consideration" (as defined in Section 3(18) of ERISA) and (ii) the transactions contemplated by this Agreement are fair to the ESOP from a financial point of view.

"ESOP Financial Advisor" means Hopkins & Howard, P.C., the independent appraiser meeting the requirements of Section 401(a)(28)(C) of the Internal Revenue Code that has been duly engaged by the ESOP Trustees on behalf of the ESOP in connection with the transactions contemplated by this Agreement.

"ESOP Trust" means the trust related to the ESOP, as set forth in the trust agreement originally effective January 1, 2012, and amended and restated effective December 1, 2012, by and between HomeBanc and the ESOP Trustees.

"ESOP Trustees" mean Jerry D. Campbell, Debra Hanes Novakoski and Jeffrey D. Saunders, each in their capacity as trustee of the ESOP Trust, being advised by, independent legal counsel experienced in ESOP transactions engaged by such ESOP Trustees on behalf of the ESOP in connection with the transactions contemplated by this Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exhibit" means the Exhibits so marked, copies of which are attached to this Agreement. Such Exhibits are hereby incorporated by reference herein and made a part hereof, and may be referred to in this Agreement and any other related instrument or document without being attached hereto.

"Federal Reserve" means the Board of Governors of the Federal Reserve System or a Federal Reserve Bank acting under the appropriately delegated authority thereof, as applicable.

"GAAP" means U.S. generally accepted accounting principles, consistently applied during the periods involved.

"Hazardous Material" means any materials, substances, wastes, chemical substances, or mixtures listed, defined, designated, classified or regulated as "hazardous," "toxic," "radioactive," a "pollutant," or a "contaminant," or otherwise regulated under any Environmental Laws, whether by type or quantity, including pesticides, oil or other petroleum products or byproducts, asbestos or materials containing (or presumed to contain) asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, lead, radon, methyl tertiary butyl ether, and mold or other fungi which form the basis for material liability under any Environmental Laws.

"Intellectual Property" means copyrights, patents, trademarks, service marks, service names, trade names, brand names, internet domain names, logos together with all goodwill associated therewith, registrations and applications therefor, technology rights and licenses, computer software (including any source or object codes therefor or documentation relating thereto), trade secrets, franchises, inventions, and other intellectual property rights.

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

"Knowledge" or "knowledge" as used with respect to (i) Target, means the actual knowledge (after reasonable investigation) of the Persons listed in Section 10.1(a)(1) of Target's Disclosure Memorandum and (ii) Parent, means the actual knowledge (after reasonable investigation) of the Persons listed in Section 10.1(a) of Parent's Disclosure Memorandum.

"Law" means any code, law (including common law), ordinance, regulation, reporting or licensing requirement having the force of law, rule, or statute applicable to a Person or its Assets or Liabilities, including those promulgated, interpreted or enforced by any Regulatory Authority.

"Liability" means any direct or indirect, primary or secondary, liability, indebtedness, obligation, penalty, cost or expense (including costs of investigation, collection and defense), claim, deficiency, guaranty or endorsement of or by any Person (other than endorsements of notes, bills, checks, and drafts presented for collection or deposit in the Ordinary Course) of any type, whether accrued, absolute or contingent, liquidated or unliquidated, matured or unmatured, or otherwise.

"Lien" means any mortgage, lien, pledge, charge, security interest, lease, license, conditional sale agreement or other title retention agreement, option, rights of way, easement, imperfection or irregularities of title or other encumbrances of any kind which affect the customary use any of the properties or Assets of the Target Entities or to which any such properties or Assets are subject, other than Permitted Liens.

"Litigation" means any action, arbitration, cause of action, lawsuit, claim, complaint, criminal prosecution, governmental or other examination or investigation, audit (other than regular audits of financial statements by outside auditors), compliance review, inspection, hearing, administrative or other proceeding relating to or affecting a Party, its business, its records, its policies, its practices, its compliance with Law, its actions, its Assets (including Contracts related to it), or the transactions contemplated by this Agreement, but shall not include regular, periodic examinations of depository institutions and their Affiliates by Regulatory Authorities.

"Loans" means any written or oral loan, loan agreement, note or borrowing arrangement (including leases, credit enhancements, guarantees and interest bearing Assets, and Loans in which a Target Entity has purchased or sold a participation interest) to which any of the Target Entities are party as a creditor.

"Losses" means any and all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs, and expenses, including interest, penalties, cost of investigation and defense, and reasonable attorneys' and other professional fees and expenses.

"Material" or "material" for purposes of this Agreement shall be determined in light of the facts and circumstances of the matter in question; provided that any specific monetary amount stated in this Agreement shall determine materiality in that instance.

"Material Adverse Effect" means with respect to any Party and its Subsidiaries, any fact, circumstance, event, change, effect, development or occurrence that, individually or in

the aggregate together with all other facts, circumstances, events, changes, effects, developments or occurrences, directly or indirectly, (i) has had or would reasonably be expected to result in a material adverse effect on the condition (financial or otherwise), results of operations, Assets, liabilities or business of such Party and its Subsidiaries taken as a whole; provided, that a "Material Adverse Effect" shall not be deemed to include effects to the extent resulting from (A) changes after the date of this Agreement in GAAP or regulatory accounting requirements, (B) changes after the date of this Agreement in Laws of general applicability to companies in the financial services industry, (C) changes after the date of this Agreement in global, national or regional political conditions or general economic or market conditions in the United States (and with respect to each of Target and Parent, in the respective markets in which they operate), including changes in prevailing interest rates, credit availability and liquidity, currency exchange rates, and price levels or trading volumes in the United States or foreign securities markets) affecting other companies in the financial services industry, (D) after the date of this Agreement, general changes in the credit markets or general downgrades in the credit markets, (E) failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including any underlying causes thereof unless separately excluded hereunder, or changes in the trading price of a Party's common stock, in and of itself, but not including any underlying causes unless separately excluded hereunder, (F) the public disclosure of this Agreement and the impact thereof on relationships with customers or employees, (G) any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism, (H) actions or omissions taken with the prior written consent of the other Parties hereto or expressly required by this Agreement, (I) earthquakes, hurricanes, tsunamis, tornadoes, floods, mudslides, wild fires or other natural disasters, weather conditions and other force majeure events in the United States; or (J) with respect to Target, any matters set forth in the Target's Disclosure Memorandum, and with respect to Parent, any matters set forth in the Parent's Disclosure Memorandum; except, with respect to clauses (A), (B), (C), (D), and (G), to the extent that the effects of such change disproportionately affect such Party and its Subsidiaries, taken as a whole, as compared to other companies in the industry in which such Party and its Subsidiaries operate or (ii) prevents or materially impairs the ability of such Party to timely consummate the transactions contemplated hereby.

"Ordinary Course" means the conduct of the business of Target and Target Bank in substantially the same manner as such business was operated on the date of this Agreement, including operations in conformance and consistent with Target and Target Bank's policies, practices and procedures prior to and as of such date.

"Operating Property" means any property owned, leased, or operated by the Party in question or by any of its Subsidiaries or in which such Party or Subsidiary holds a security interest or other interest (including an interest in a fiduciary capacity), and, where required by the context, includes the owner or operator of such property, but only with respect to such property.

"Order" means any administrative decision or award, decree, injunction, judgment, order, consent decree, quasi-judicial decision or award, ruling, or writ of any federal, state, local or foreign or other court, arbitrator, mediator, tribunal, administrative agency, or Regulatory Authority.

"Parent Entities" means, collectively, Parent and all Parent Subsidiaries, including the Merger Sub.

"Parent Financial Statements" means (i) the consolidated statements of condition (including related notes and schedules, if any) of Parent as of September 30, 2017 (unaudited), and as of December 31, 2016 and 2015 (audited, together with Parent's independent accountants' report thereon), and the related statements of operations, changes in shareholders' equity, and cash flows (including related notes and schedules, if any) for the three and nine months ended September 30, 2017, and for each of the two fiscal years ended December 31, 2016 and 2015, as filed by Parent in SEC Documents and (ii) the consolidated statements of condition of Parent (including related notes and schedules, if any) and related statements of operations, changes in shareholders' equity, and cash flows (including related notes and schedules, if any) included in SEC Documents filed with respect to periods ended subsequent to September 30, 2017.

"Parent Subsidiaries" means the Subsidiaries of Parent, which shall include any corporation, bank, savings association, limited liability company, limited partnership, limited liability partnership or other organization acquired as a Subsidiary of Parent after the date hereof and held as a Subsidiary by Parent at the Effective Time.

"Participation Facility" means any facility or property in which the Party in question or any of its Subsidiaries participates in the management and, where required by the context, said term means the owner or operator of such facility or property, but only with respect to such facility or property.

"Party" means either of Target, Parent or Merger Sub, and "Parties" means Target, Parent and Merger Sub.

"Permit" means any federal, state, local, or foreign governmental approval, authorization, certificate, easement, filing, franchise, license, notice, permit, or right to which any Person is a party or that is or may be binding upon or inure to the benefit of any Person or its securities, Assets, or business.

"Permitted Liens" means (i) statutory Liens for current Taxes, assessments or other governmental charges not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings, provided a reserve is established therefor as required by GAAP; (ii) mechanics', carriers', workers', warehousemen's, repairers' and similar Liens arising or incurred in the ordinary course with respect to Liabilities that are not yet delinquent; (iii) easements, rights of way, and other similar encumbrances that do not materially affect the use of the properties or Assets subject thereto or affected thereby for the purposes for which they currently are used, or otherwise materially impair business operations at such properties, (iv) such imperfections or irregularities of title or Liens as do not materially affect the economic value of the properties or Assets subject thereto or affected thereby or the use thereof for the purposes for which they currently are used, or otherwise materially impair business operations at such properties and (v) restrictions on the transfer of securities arising under Securities Laws.

"Person" means a natural person or any legal, commercial or governmental entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, limited liability partnership, trust, business association, group acting in concert, or any person acting in a Representative capacity.

“Previously Disclosed” by a Party means information set forth in its Disclosure Memorandum as referenced herein or, if applicable, information set forth in its SEC Documents that were filed (in the case of Parent, filed by its parent bank holding company) after January 1, 2015, but prior to the date hereof (but disregarding risk factor disclosures contained under the heading “Risk Factors” or disclosures of risk factors set forth in any “forward-looking statements” disclaimer or other statements that are similarly non-specific or cautionary, predictive or forward-looking in nature); provided, that information and documents commonly known as “confidential or non-public supervisory information” that is prohibited from disclosure shall not be disclosed by any Party and nothing in this Agreement shall require such disclosure.

“Regulatory Authorities” means, collectively, the SEC, state securities authorities, the Financial Industry Regulatory Authority, the Securities Investor Protector Corporation, applicable securities, commodities and futures exchanges, and other industry self-regulatory organizations, the Federal Reserve, the FDIC, the Office of the Comptroller of the Currency, the Consumer Financial Protection Bureau, the IRS, the United States Department of Labor, the United States Department of Justice, the Pension Benefit Guaranty Corporation, and all other foreign, federal, state, county, local or other governmental, banking or regulatory agencies, authorities (including taxing and self-regulatory authorities), instrumentalities, commissions, boards, courts, administrative agencies, commissions or bodies.

“Release” means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching, migration or other movement of a Hazardous Material into the indoor or outdoor environment or into or out of property owned by any of the Target Entities.

“Representative” means, with respect to any Person, any officer, director, employee, investment banker, financial or other advisor, attorney, accountant, consultant, or other representative or agent of or engaged or retained by such Person.

“Requisite Regulatory Approvals” means approvals of Regulatory Authorities required by Law in order to consummate the Merger and other transactions contemplated in this Agreement (including the Subsequent Transactions), including necessary approvals of, or waivers of applications for approvals by, the Federal Reserve, the FDIC, the Florida Financial Services Commission and Office of Financial Regulation, and the North Carolina Commissioner of Banks.

“SEC” means the United States Securities and Exchange Commission.

“SEC Documents” means all forms, proxy statements, registration statements, reports, schedules, and other documents filed, together with any amendments thereto, by Parent’s parent bank holding company with the SEC on or after January 1, 2015.

“Securities Act” means the Securities Act of 1933, as amended.

“Securities Laws” means the Securities Act, the Exchange Act, the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, the Trust Indenture Act of 1939, as amended, and the rules and regulations of any Regulatory Authority promulgated thereunder.

"Series A Preferred Stock" means the \$0.01 par value Target Senior Non-Cumulative Perpetual Preferred Stock, Series A.

"Series B Preferred Stock" means the \$0.01 par value Target Series Non-Cumulative Perpetual Preferred Stock.

"Series C Preferred Stock" means the \$0.01 par value Target Series C Convertible Preferred Stock.

"Subsidiaries" means all those corporations, associations, or other business entities of which the entity in question either (i) owns or controls more than 50% of the outstanding equity securities or other ownership interests either directly or through an unbroken chain of entities as to each of which more than 50% of the outstanding equity securities is owned directly or indirectly by its parent (provided, there shall not be included any such entity the equity securities of which are owned or controlled in a fiduciary capacity), (ii) in the case of partnerships, serves as a general partner, (iii) in the case of a limited liability company, serves as a managing member, or (iv) otherwise has the ability to elect a majority of the directors, trustees or managing members thereof.

"Superior Proposal" means any unsolicited bona fide written Acquisition Proposal with respect to which the board of directors of Target determines in its good faith judgment (based on, among other things, the advice of outside legal counsel and a financial advisor) to be more favorable, from a financial point of view, to Target's shareholders than the Merger and the other transactions contemplated by this Agreement (as it may be proposed to be amended by Parent), taking into account all relevant factors (including the Acquisition Proposal and this Agreement (including any proposed changes to this Agreement that may be proposed by Parent in response to such Acquisition Proposal)); provided, that for purposes of the definition of "Superior Proposal," the references to "20%" and "80%" in the definitions of Acquisition Proposal and Acquisition Transaction shall be deemed to be references to "100%".

"Target Bank" means HomeBanc, a Florida banking corporation and a wholly owned Subsidiary of Target.

"Target Common Stock" means the Target Non-Voting Common Stock and the Target Voting Common Stock.

"Target Entities" means, collectively, Target and all Target Subsidiaries.

"Target Financial Statements" means (i) the consolidated statements of condition (including related notes and schedules, if any) of Target as of September 30, 2017 (unaudited), and as of December 31, 2016 and 2015 (audited, together with Target's independent accountants' report thereon), and the related statements of operations, changes in shareholders' equity, and cash flows (including related notes and schedules, if any) for the three and nine months ended September 30, 2017, and for each of the fiscal years ended December 31, 2016 and 2015 and (ii) the consolidated statements of condition of Target (including related notes and schedules, if any) and related statements of operations, changes in shareholders' equity, and cash flows (including related notes and schedules, if any) with respect to periods ended subsequent to September 30, 2017.

"Target Non-Voting Common Stock" means the \$0.01 par value non-voting common stock of Target.

"Target Preferred Stock" means the Target preferred stock, \$0.01 par value per share, including the Series A Preferred Stock, the Series B Preferred Stock and the Series C Preferred Stock.

"Target Subsidiary" means the Subsidiaries of Target, which shall include Target Bank, the entities set forth on Section 4.4(d) of Target's Disclosure Memorandum and any corporation, bank, savings association, limited liability company, limited partnership, limited liability partnership or other organization acquired as a Subsidiary of Target after the date hereof and held as a Subsidiary by Target at the Effective Time.

"Target Stock Plans" means the existing stock option and other stock-based compensation plans of Target designated as follows: (a) HomeBancorp, Inc. Amended & Restated 2008 Employee Restricted Stock Plan, as amended, and (b) HomeBancorp, Inc. Amended & Restated 2007 Non-Qualified Stock Option Plan, as amended.

"Target Voting Common Stock" means the \$0.01 par value voting common stock of Target.

"Tax" or "Taxes" means any federal, state, county, local, or foreign taxes, or, to the extent in the nature of a tax, any charges, fees, levies, imposts, duties, or other assessments, including income, gross receipts, excise, employment, sales, use, transfer, recording license, payroll, franchise, severance, documentary, stamp, occupation, windfall profits, environmental, commercial rent, capital stock, paid-up capital, profits, withholding, Social Security, single business and unemployment, real property, personal property, registration, ad valorem, value added, alternative or add-on minimum, estimated, or other tax, imposed or required to be withheld by the United States or any state, county, local or foreign government or subdivision or agency thereof, including any interest, penalties, and additions imposed thereon or with respect thereto.

"Tax Returns" means all U.S. federal, state, provincial, local and non-U.S. returns, estimates, statements, elections, forms, transfer pricing studies and reports relating to Taxes, including any amendment thereof.

10.2. Referenced Pages.

The terms set forth below shall have the meanings ascribed thereto in the referenced pages:

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Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed followed by the words “without limitation.” The word “or” shall not be exclusive and “any” means “any and all.” The words “hereby,” “herein,” “hereof,” “hereunder” and similar terms refer to this Agreement as a whole and not to any specific Section. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require. If a word or phrase is defined, the other grammatical forms of such word or phrase have a corresponding meaning. Reference to any Person includes such Person’s successors and assigns, if applicable, but only if such successors or assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in another capacity. A reference to a document, agreement or instrument also refers to all addenda, exhibits or schedules thereto. A reference to any “copy” or “copies” of a document, agreement or instrument means a copy or copies that are complete and correct. Unless otherwise specified in this Agreement, all accounting terms used in this Agreement will be interpreted, and all accounting determinations under this Agreement will be made, in accordance with GAAP. Any capitalized terms used in any schedule, Exhibit or Disclosure Memorandum, but not otherwise defined therein shall have the meaning set forth in this Agreement. All references to “dollars” or “\$” in this Agreement are to United States dollars. All references to “the transactions contemplated by this Agreement” (or similar phrases) include the transactions provided for in this Agreement, including the Merger. Any Contract or Law defined or referred to herein or in any Contract that is referred to herein means such Contract or Law as from time to time amended, modified or supplemented, including (in the case of Contracts) by waiver or consent and (in the case of Law) by succession of comparable successor Law and references to all attachments thereto and instruments incorporated therein. The term “made available” means any document or other information that was (a) provided (whether by physical or electronic delivery) by one Party or its representatives to the other applicable Party or its representatives at least two Business Days prior to the date hereof, (b) included in the virtual data room (on a continuation basis without subsequent modification) of a Party at least two Business Days prior to the date hereof, or (c) filed by a Party with the SEC and publicly available on EDGAR at least two Business Days prior to the date hereof.

10.3. Expenses; Termination Fee.

(a) Except as otherwise provided in this Section 10.3, and whether or not this Agreement shall be terminated or the Merger be consummated, each of the Parties shall bear and pay all direct costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder,

including filing, registration and application fees, printing and mailing fees, and fees and expenses of its own financial or other consultants, including the ESOP Financial Advisor, investment bankers, accountants, and counsel.

(b) Notwithstanding the provisions of Sections 9.2 or 10.3(a), if:

(i) this Agreement is terminated by Parent pursuant to:

- (A) Section (b)(iii), under circumstances in which Target has failed to comply in all material respects with its obligations under Sections 7.1 and 7.2;
- (B) Section 9.1(c), under circumstances where the failure to complete the Merger by the date specified in that Section 9.1(c) was within the reasonable control of Target;
- (C) Section 9.1(d), under circumstances where the inability of a condition to Parent's obligations to consummate the Merger specified in Section 8.1 or 8.2 to be satisfied by the date specified in Section 9.1(c) was the result of Target's failure to perform, in any material respect, any of its covenants or agreements contained in this Agreement or the breach by Target of any of its material representations or warranties contained in this Agreement; or
- (D) Section (f); or
- (E) Section 9.1(g);

then Target shall pay its own out-of-pocket expenses as provided in Section 10.3(a) above, and Target shall be obligated to pay to Parent an amount equal to Parent's aggregate documented out-of-pocket expenses actually incurred by it in negotiating and preparing this Agreement, performing due diligence, and otherwise in connection with or attempting to consummate the transactions contemplated hereby, but in no event more than \$250,000;

(ii) this Agreement is terminated by Target pursuant to:

- (A) Section (c), under circumstances where the failure to complete the Merger by the date specified in Section 9.1(c) was within the reasonable control of Parent; or
- (B) Section 9.1(e), under circumstances where the inability of a condition to Target's obligations to consummate the Merger specified in Section 8.1 or 8.3 to be satisfied by the date specified in Section 9.1(c) was the result of Parent's failure to perform, in any material respect, any of its covenants or agreements contained in this Agreement or the breach by Parent of any of its material representations or warranties contained in this Agreement;

then Parent shall pay its own out-of-pocket expenses as provided in Section 10.3(a) above, and Parent shall be obligated to pay to Target an amount equal to its documented out-of-pocket expenses actually incurred by it in negotiating and preparing this Agreement, performing due diligence, and otherwise in connection with or attempting to consummate the transactions contemplated hereby, but in no event more than an aggregate of \$250,000; and

(iii) if an expense reimbursement payment is required to be made by a Party pursuant to either Section 10.3(b)(i) or subsection (ii) above, such expense reimbursement payment by Target or Parent to the other shall be paid in same-day funds within two Business Days following the date of termination of this Agreement.

(c) Notwithstanding the provisions of Sections 9.2 or 10.3(a) above, if:

(i) either Target or Parent terminates this Agreement pursuant to Section 9.1(b)(iii), and at the time of such termination any Person has made and not withdrawn an Acquisition Proposal, and within 12 months of such termination Target shall either (A) consummate an Acquisition Transaction or (B) enter into an Acquisition Agreement with respect to an Acquisition Transaction, whether or not such Acquisition Transaction is subsequently consummated;

(ii) Parent or Target terminates this Agreement pursuant to Section (f); or

(iii) Parent terminates this Agreement pursuant to Section 9.1(g), and at the time of such termination any Person has made and not withdrawn an Acquisition Proposal, and within 12 months of such termination Target shall either (A) consummate an Acquisition Transaction or (B) enter into an Acquisition Agreement with respect to an Acquisition Transaction, whether or not such Acquisition Transaction is subsequently consummated;

then, in addition to Target's obligation, if any, to reimburse Parent for its documented out-of-pocket expenses as provided in Section 10.3(b)(i), Target shall pay to Parent an amount equal to \$3,000,000 (the "Termination Fee"). Except as otherwise provided below, the payment of the Termination Fee by Target pursuant to this Section 10.3(c) constitutes liquidated damages and not a penalty, and, together with Target's obligation, if any, under Section 10.3(b)(i), shall be the sole monetary remedy of Parent in the event of termination of this Agreement pursuant to Sections 9.1(b)(iii), (f) or 9.1(g). If the Termination Fee shall be payable pursuant to subsection (i) or (iii) of this Section 10.3(c), the Termination Fee shall be paid in same-day funds at or prior to the earlier of the date of consummation of such Acquisition Transaction or the date of execution of an Acquisition Agreement with respect to such Acquisition Transaction. If the Termination Fee shall be payable pursuant to subsection (ii) of this Section 10.3(c), the Termination Fee shall be paid in same-day funds within two Business Days from the date of termination of this Agreement.

10.4. Entire Agreement; Third Party Beneficiaries.

Except as otherwise expressly provided herein, this Agreement (including the Disclosure Memorandum of each of Target and Parent, the Exhibits, the schedules, and the other documents and instruments referred to herein) constitutes the entire agreement between the Parties with respect to the transactions contemplated hereunder and supersedes all prior agreements, arrangements or understandings (including any Acquisition Agreement between or among the Parties) with respect thereto, written or oral. Nothing in this Agreement expressed or implied, is intended to confer upon any Person, other than the Parties or their respective successors, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, other than as provided in Section 7.8. The representations and warranties in this Agreement are the product of negotiations among the Parties and are for the sole benefit of the Parties. Any inaccuracies in such representations and warranties are subject to waiver by the Parties in accordance herewith without notice or liability to any other Person. In some instances, the representations and warranties in this Agreement may represent an allocation among the Parties of risks associated with particular matters regardless of the knowledge of any of the Parties. Consequently, Persons other than the Parties may not rely upon the representations and warranties in this Agreement as characterizations of

actual facts or circumstances as of the date of this Agreement or as of any other date. Notwithstanding any other provision hereof to the contrary, no consent, approval or agreement of any third party beneficiary will be required to amend, modify or waive any provision of this Agreement.

10.5. Amendments.

To the extent permitted by Law, this Agreement may be amended by a subsequent writing signed by each of the Parties upon the approval of each of the Parties, whether before or after Target Shareholder Approval of this Agreement has been obtained; provided, that after obtaining Target Shareholder Approval, there shall be made no amendment that requires further approval by such Target shareholders.

10.6. Waivers.

(a) Prior to or at the Effective Time, Parent, acting through its board of directors, chief executive officer or other authorized officer, shall have the right to waive any Default in the performance of any term of this Agreement by Target, to waive or extend the time for the compliance or fulfillment by Target of any and all of its obligations under this Agreement, and to waive any or all of the conditions precedent to the obligations of Parent under this Agreement, except any condition which, if not satisfied, would result in the violation of any Law. No such waiver shall be effective unless in writing signed by a duly authorized officer of Parent.

(b) Prior to or at the Effective Time, Target, acting through its board of directors, chief executive officer or other authorized officer, shall have the right to waive any Default in the performance of any term of this Agreement by Parent or Merger Sub, to waive or extend the time for the compliance or fulfillment by Parent or Merger Sub of any and all of their respective obligations under this Agreement, and to waive any or all of the conditions precedent to the obligations of Target under this Agreement, except any condition which, if not satisfied, would result in the violation of any Law. No such waiver shall be effective unless in writing signed by a duly authorized officer of Target.

(c) The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right of such Party at a later time to enforce the same or any other provision of this Agreement. No waiver of any condition or of the breach of any term contained in this Agreement in one or more instances shall be deemed to be or construed as a further or continuing waiver of such condition or breach or a waiver of any other condition or of the breach of any other term of this Agreement.

10.7. Assignment.

Except as expressly contemplated hereby, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any Party (whether by operation of Law or otherwise) without the prior written consent of the other Parties. Any purported assignment in contravention hereof shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

10.8. Notices.

All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered by hand, by facsimile transmission (followed by overnight courier), by registered or certified mail, postage pre-paid, or by courier or overnight carrier, or by email (with receipt confirmed) to the persons at the addresses set forth below (or at such other address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered:

Parent or Merger Sub:

First-Citizens Bank & Trust company
4300 Six Forks Road
Raleigh, NC 27609
Facsimile Number: 919-716-7518
Attention: Barry P. Harris IV
Email: barry.harris@firstcitizens.com
Telephone: 919-716-2206

Copy (which shall not constitute notice)
to counsel:

Ward and Smith, P.A.
1001 College Court
New Bern, NC 28563
Facsimile Number: 252-672-5477
Attention: William R. Lathan, Jr.
Email: wrl@wardandsmith.com
Telephone: 252-672-5458

Target:

HomeBancorp, Inc.
101 East Kennedy Boulevard
Suite 4100
Tampa, FL 33602
Facsimile Number: 813-762-1370
Attention: Jeffrey D. Saunders
Email: jeff.saunders@homebanc.com

Copy (which shall not constitute notice)
to counsel:

Covington & Burling LLP
One CityCenter
850 Tenth Street NW
Washington, DC 20001
Facsimile Number: (202) 778-5986
Attention: Frank M. Conner III
Email: rconner@cov.com;
Telephone: 202-662-5986
Attention: Michael P. Reed
Email: mreed@cov.com
Telephone: 202-662-5988

10.9. Governing Law; Jurisdiction; Waiver of Jury Trial

(a) The Parties agree that this Agreement, and all claims or causes of action (whether in contract, tort or statute) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), shall be governed by, construed in all respects, and enforced in accordance with the internal Laws of the State of North Carolina (including its statutes of limitations) without regard to any conflict of Laws or choice of Law principles that might

otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

(b) Each Party agrees that it will bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contemplated hereby exclusively in any federal or state court of competent jurisdiction located in the State of North Carolina (the "Chosen Courts"), and, solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party, and (iv) agrees that service of process upon such party in any such action or proceeding will be effective if notice is given in accordance with Section 10.8.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SUIT OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.9.

10.10. Counterparts; Signatures.

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

10.11. Captions; Articles and Sections.

The captions contained in this Agreement are for reference purposes only and are not part of this Agreement. Unless otherwise indicated, all references to particular Articles or Sections shall mean and refer to the referenced Articles and Sections of this Agreement.

10.12. Interpretations.

Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party, whether under any rule of construction or otherwise. No Party to this Agreement shall be considered the draftsman. The Parties acknowledge and agree that this Agreement has been reviewed, negotiated, and accepted by all Parties and their attorneys and, unless otherwise defined herein, the words used shall be construed and interpreted according to their ordinary meaning so as fairly to accomplish the purposes and intentions of all Parties.

10.13. Enforcement of Agreement.

The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached and that money damages would be both incalculable and an insufficient remedy for any breach of this Agreement. It is accordingly agreed that the Parties shall be entitled, without the requirement of posting bond, to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the Parties waives any defense in any action for specific performance that a remedy at law would be adequate.

10.14. Severability.

Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

[signatures on following page]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by its duly authorized officers as of the day and year first above written.

PARENT:

FIRST-CITIZENS BANK & TRUST COMPANY

By: /S/ CRAIG L. NIX
Name: Craig L Nix
Title: Chief Financial Officer

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by its duly authorized officers as of the day and year first above written.

MERGER SUB:

FC MERGER SUBSIDIARY II, INC.

By: /S/ CRAIG L. NIX
Name: Craig L Nix
Title: President

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by its duly authorized officers as of the day and year first above written.

TARGET:

HOME Bancorp, Inc.

By: /s/ JERRY L. CAMPBELL
Name: Jerry L. Campbell
Title: Chairman & Chief Executive Officer

EXHIBIT A
LIST OF SIGNATORIES TO SUPPORT AGREEMENT

- Jerry D. Campbell
- Dana M. Cluckey
- Barry J. Eckhold
- Randolph H. Fields
- Dennis J. Ibold
- David A. Jones
- Robert G. Liggett, Jr.
- Frederick A. Raffa
- William C. Rands III
- Debra A. Hanses Novakoski
- Jeffrey D. Saunders
- TNH Financials Fund, LP

EXHIBIT B
FORM OF SUPPORT AGREEMENT

This Agreement (this "Agreement"), dated as of December ____, 2017, is entered into by and between the undersigned shareholder ("Shareholder") of HomeBancorp, Inc., a Florida corporation ("Target"), and First-Citizens Bank & Trust Company, a North Carolina banking corporation ("Parent"). Capitalized terms used but not defined herein shall have the same meanings provided in the Merger Agreement (as defined below).

WHEREAS, the boards of directors of Target and Parent contemplate the acquisition of Target and its wholly owned subsidiary, HomeBanc, by Parent through the merger of a transitory subsidiary of Parent into and with Target (the "Merger") as described in an Agreement and Plan of Merger (the "Merger Agreement") proposed to be entered into between them as of the date hereof; and

WHEREAS, because of the substantial expense that Parent will incur in connection with the transactions contemplated by the Merger Agreement, concurrent with its execution of the Merger Agreement, Parent desires to be assured of support for the Merger by Target's directors and certain of Target's officers and shareholders, in their individual capacities; and

WHEREAS, Shareholder is a shareholder of Target and, as a result of the Merger, Shareholder would receive cash consideration for his or her shares of Target Common Stock and any shares of Target's Series C Preferred Stock that Shareholder holds, in the manner to be provided in the Merger Agreement; and

WHEREAS, Shareholder desires that Parent enter into the Merger Agreement, and Parent is willing to do so on the condition, among others, that each of Target's directors and certain of its officers and shareholders as set forth in the Merger Agreement, including Shareholder, agree to vote their shares of Target Common Stock in favor of the Merger.

NOW, THEREFORE, as an inducement to Parent to execute and deliver the Merger Agreement and incur the substantial expenses that it will incur in connection with the Merger, and in consideration of the cash consideration to be received by Shareholder for his or her shares of Target Common Stock and any shares of Series C Preferred Stock in the Merger and the premises and other good and valuable consideration, and intending to be legally bound hereby, Shareholder agrees as described below.

1. Support Agreement

(a) *Agreement to Vote.* Exhibit A to this Agreement lists all shares of Target Common Stock as to which Shareholder has sole power to vote or to direct the voting ("Sole Voting Shares"), and all shares of Target Common Stock as to which Shareholder has shared power to vote or to direct the voting ("Shared Voting Shares"), in each case excluding the shares of Target Common Stock also listed on Exhibit A which are held by Shareholder, or with respect to which Shareholder has sole or shared voting power, solely as a fiduciary for persons other than Shareholder ("Fiduciary Shares"). The Sole Voting Shares and Shared Voting Shares are sometimes referred to in this Agreement, collectively, as the "Shares."

At any meeting of Target shareholders, including any adjournment or postponement thereof, at which the Merger Agreement or any amendment thereto is submitted for approval (the "Target Shareholders' Meeting"), Shareholder agrees to vote or cause or direct to be voted for approval of the Merger Agreement and the Merger all Sole Voting Shares, and to the extent of his or her power and authority, to vote or cause to be voted for approval of the Merger Agreement and the Merger all Shared

Voting Shares. Shareholder shall not be obligated to vote any Fiduciary Shares pursuant to this Agreement.

(b) *Agreement to Cooperate.* Subject to Section 1(a), in addition to the specific matters provided for elsewhere herein, Shareholder shall take all action reasonably requested by Parent with respect to voting the Shares to support and to facilitate consummation of the Merger and the other transactions described in or contemplated by the Merger Agreement.

(c) *Covenants of Shareholder.* Shareholder further covenants and agrees as follows:

(i) *Restrictions on Transfer.* Until the earlier of the day following the date of final adjournment of the Shareholders' Meeting, or the termination of the Merger Agreement in accordance with its terms, Shareholder will not pledge, hypothecate, grant a security interest in, sell, transfer or otherwise dispose of or encumber any of the Shares, and will not enter into any agreement, arrangement or understanding (other than an appointment of proxy solicited by Target for the purpose of voting the Shares in accordance with Section 1 hereof) which would during that term restrict, establish a right of first refusal to, or otherwise relate to, the transfer or voting of the Shares. Notwithstanding the foregoing, the following transfers of the Shares shall be permitted: (a) transfers by will or operation of law; (b) transfers pursuant to any pledge agreement, subject to the pledgee agreeing in writing to be bound by the terms of this Agreement with respect to those pledged Shares, provided, that no action shall be required to be taken to obtain a pledge agreement from any pledgee with respect to any pledge existing as of the date of this Agreement; (c) transfers in connection with estate or tax planning or similar purposes, including transfers to relatives, trusts, foundations and charitable organizations, subject to the transferee first agreeing in writing to be bound by the terms of this Agreement with respect to those transferred Shares; (d) transfers to one or more other shareholders of Target who are bound by a comparable voting agreement with Parent or who first agree to be bound by the terms of this Agreement with respect to those transferred Shares; (e) transfers to any entity with which Shareholder shares in common an investment manager or advisor that has voting authority with respect to Shareholder's and the entity's investments and which entity is bound, or agrees in writing to be bound, by the terms of this Agreement with respect to those transferred Shares; and (f) such transfers as Parent may otherwise permit in its sole discretion

(ii) *Other Acquisition Proposals.* Until the earlier of the day following the date of final adjournment of the Shareholders' Meeting, or the termination of the Merger Agreement in accordance with its terms, and to the extent of his, her or its power and authority, Shareholder will not directly or indirectly vote or direct or cause to be voted any Shares in favor of, and he, she or it will vote, direct or cause the Shares to be voted against, any Acquisition Agreement, other than the Merger Agreement.

(iii) *Additional Shares.* The provisions of this Section 1 shall apply to all Shares currently owned and hereafter acquired, beneficially or of record, by Shareholder.

(d) *No Prior Proxies.* Shareholder represents, warrants and covenants that any proxies or voting rights previously given with respect to the Shares are not irrevocable, and that any such proxies or voting rights are irrevocably revoked.

(e) *Certain Events.* Shareholder agrees that this Agreement and the obligations hereunder shall attach to the Shares and shall be binding upon any Person to which legal or beneficial ownership of the Shares shall pass, whether by operation of law or otherwise, including Shareholder's successors or assigns. In the event of any stock split, stock dividend, merger, exchange, reorganization, recapitalization or other change in the capital structure of Target affecting the Shares, the number of Shares subject to the terms of this Agreement shall be appropriately adjusted, and this Agreement and the obligations hereunder shall attach to any additional Shares issued to or acquired by Shareholder.

(f) **Capacity Only as a Shareholder.** This Agreement relates solely to the capacity of Shareholder in his individual capacity as a shareholder or beneficial owner of the Shares and is not in any way intended to affect or prevent the exercise by Shareholder of his or her responsibilities as a director or officer of Target.

(g) **Waiver of Statutory Appraisal Rights.** Shareholder hereby waives all statutory rights of appraisal or to dissent from the Merger that he or she, as a shareholder of Target, may have with respect to the Shares under Florida Law as a result of the Merger.

(h) **Termination; Responsibility for Default.** This Agreement shall terminate upon the earlier of consummation of the Merger or the termination of the Merger Agreement. If this Agreement is terminated, it shall forthwith become null and void, and there shall be no further obligation on the part of Shareholder, except that nothing in this Section 1 shall relieve Shareholder from any liability for breach of this Agreement before such termination.

(i) **Specific Performance.** The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by Shareholder in accordance with their specific terms or were otherwise breached. Parent shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by Shareholder and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which Parent is entitled at law or in equity. Shareholder waives the posting of any bond or security in connection with any proceeding related thereto.

2. Amendments.

This Agreement may not be modified, amended, altered or supplemented except by execution and delivery of a written agreement by all of the parties hereto.

3. Governing Law.

This Agreement shall in all respects be governed by and construed in accordance with the Laws of the State of Florida without regard to any conflict of Laws or choice of Law principles that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

4. Benefit of Agreement; Assignment.

This Agreement shall be binding upon and inure to the benefit of, and shall be enforceable by, the parties hereto and their respective personal representatives, successors and assigns, except that Shareholder may not transfer or assign any of his or her rights or obligations hereunder other than in accordance with Section 1(c)(i).

5. Counterparts.

This Agreement may be executed in one or more counterparts, and by the different parties in separate counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

EXHIBIT C

DIRECTORS AND OFFICERS OF SURVIVING CORPORATION

Pursuant to Section 1.6 of the foregoing Agreement and Plan of Merger, the persons name below as directors and officers of FC Merger Subsidiary II, Inc., shall become the directors and officers of Home Bancorp, Inc., at the Effective Time of the merger.

Directors

Craig L. Nix

Barry P. Harris IV

Jason W. Grooters

Officers

Craig L. Nix	President and Chief Executive Officer
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Barry P. Harris IV	Vice President and Secretary
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Jason W. Grooters	Vice President, Chief Financial Officer and Assistant Secretary
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