P98000116201

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

☐ PICK-UP ☐ WAIT ☐ MAIL

(Business Entity Name)

(Document Number)

Certified Copies _____ Certificates of Status _____

Special Instructions to Filing Officer:

Office Use Only

100336828561

11/12/19--01001--006 **227.50

NOV 08 2019

SMITH MACKINNON, PA
ATTORNEYS AT LAW

SUITE 1200
CITRUS CENTER
255 SOUTH ORANGE AVENUE
ORLANDO, FLORIDA 32801

POST OFFICE BOX 2254
ORLANDO, FLORIDA 32802-2254

TELEPHONE: (407) 843-7300
FACSIMILE: (407) 843-2448
EMAIL: JPG7300@AOL.COM

JOHN P. GREELEY

November 6, 2019

Via Federal Express

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

Re: Community Bank & Trust of Florida
Ocala, Florida

Dear Ryan:

Enclosed are three copies of each of the following documents:

1. Restated Articles of Incorporation for Florida Community Bankshares, Inc. ("FCBI");

2. Articles of Merger between FCBI and Community Bank & Trust of Florida ("CBTF"); and

3. Articles of Merger between CBTF and MIDFLORIDA Credit Union ("MFCU").

Please note that the Restated Articles convert FCBI to a successor institution. The Articles of Merger for FCBI and CBTF are for the merger of FCBI with and into CBTF. Finally, the Articles of Merger between CBTF and MFCU are for the merger of CBTF with and into MFCU.

I have also enclosed a check in the amount of $227.50 payable to the Florida Secretary of State representing the following filing fees:

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

2. Articles of Merger between FCBI and CBTF - $70.00 filing fee and $17.50 for two certified copies; and

3. Articles of Merger between CBTF and MFCU - $70.00 filing fee and $17.50 for two certified copies.

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

Please do not file the documents with the Florida Secretary of State until I call you the morning of Friday, November 8, 2019. At that time, we anticipate that we will have the final approval of the merger transaction from NCUA.

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

Very truly yours,

John P. Greeley

JPG:br
Enclosures
Copy to: Hugh F. Dailey
President and Chief Executive Officer
Community Bank & Trust of Florida

Michael Cheeseman
MIDFLORIDA Credit Union

ARTICLES OF MERGER
OF
COMMUNITY BANK & TRUST OF FLORIDA
WITH AND INTO
MIDFLORIDA CREDIT UNION

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

FIRST: The names of the parties to the merger (the "Merger") contemplated by these Articles of Merger are MIDFLORIDA Credit Union and Community Bank & Trust of Florida. The surviving party in the Merger is MIDFLORIDA Credit Union.

SECOND: The Plan of Merger is set forth in the Agreement and Plan of Merger by and among Florida Community Bankshares, Inc., MIDFLORIDA Credit Union and Community Bank & Trust of Florida dated as of May 3, 2019 (the "Merger Agreement"). A copy of the Merger Agreement is attached hereto as Exhibit A and made a part hereof by reference as if fully set forth herein.

THIRD: The Merger shall become effective at 11:59 p.m., Eastern Standard Time, on November 8, 2019, in accordance with the provisions of the Codes and the Act and applicable law.

FOURTH: The Merger Agreement was adopted by the sole shareholder of Community Bank & Trust of Florida pursuant to the applicable provisions of the Act and the Codes on April 26, 2019. The Merger Agreement was adopted by the Board of Directors of MIDFLORIDA Credit Union on February 21, 2019, pursuant to the applicable provisions of the Codes. No approval of the Merger Agreement was required by the members of MIDFLORIDA Credit Union.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused these Articles of Merger to be executed by a duly authorized officer on November 6, 2019.

MIDFLORIDA CREDIT UNION

By: _____
D. Kevin Jones
Chief Executive Officer

COMMUNITY BANK & TRUST OF FLORIDA

By: _____
Hugh F. Dailey
President and Chief Executive Officer

IN WITNESS WHEREOF, the parties have caused these Articles of Merger to be executed by a duly authorized officer on November 6, 2019.

MIDFLORIDA CREDIT UNION

By: _____
D. Kevin Jones
Chief Executive Officer

COMMUNITY BANK & TRUST OF FLORIDA

By: _____
Hugh F. Dailey
President and Chief Executive Officer

EXHIBIT A

MERGER AGREEMENT

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

MIDFLORIDA CREDIT UNION,

FLORIDA COMMUNITY BANKSHARES, INC.,

AND

COMMUNITY BANK & TRUST OF FLORIDA

Dated as of May 3, 2019

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

DEFINED TERMS

TERM	SECTION
Accounts Receivable	3.6
Acquisition Proposal	5.7(a)
Agreement	Preamble
Auto Receivable	3.9
Bank Accounts	3.6
Business Loan	3.8
Buyer	Preamble
Cash on Hand	3.6
Certificate of Merger	1.2
Certificates	2.5(a)
Claim	5.10(a)
Closing	1.5
Closing Date	1.5
Code	2.5(e)
Consolidation Merger Agreement	1.4
Consolidation Merger	1.4
Continuing Entity	Recitals
Contracts	3.21
Conversion Fund	2.5
Commercial Mortgage Loan	3.8
CUSO	1.6
Deposit(s)	3.13(a)
Disclosure Schedule	Article 3
Disclosure Schedule Updates	5.9(a)
Dissenting Shares	2.4(c)
Dissenting Laws	2.4(c)
Effective Time	1.2
Employee Benefit Plan	3.17
Encumbrances	3.5
Environmental Laws	3.18
ERISA	3.17
Excluded Contracts	3.21
FBCA	1.1
FDIA	3.13(a)
FDIC	3.13(b)
FFIC	1.1
FHLB	3.6
Fixed Assets	3.6
Former Seller Employee	6.1(d)
General Exceptions	3.1(a)
Governmental Authority	3.15
Holder(s)	2.1

TERM	SECTION
Holding Company	Preamble
Home Equity Loan	3.8(a)
Indemnified Parties	5.10(a)
Letter of Transmittal	2.5(a)
Liquid Assets	3.6
Loans	3.7
Loan Debtor	3.7(b)
Loan Documents	3.7(c)
Material Adverse Effect	3.4
Maximum Amount	5.10(b)
Merger	Recitals
Merger Consideration	2.1
Mortgage	3.8
Mortgaged Property	3.8(a)
NCUA	3.2
OREO	3.18(b)
Other Assets	3.6
Parties	Preamble
Party	Preamble
Paying Agent	2.5
Per Share Merger Consideration	2.3
Permitted Encumbrances	3.5
Pre-Closing Tax Period	3.15(a)
Proxy Statement	5.3
Purchase Price	2.1
Real Estate	3.5
Records	3.25
Regulators	3.2
Residential Mortgage Loan	3.8
Return Item	3.13(b)(1)
Seller	Preamble
Seller Common Stock	Recitals
Seller Financial Statements	3.3
Seller's Insurer	5.10(b)
Seller Real Estate	3.5
Seller Special Dividend	2.7
Shareholders Meeting	5.3
Superior Acquisition Proposal	5.7(b)
Tax	3.15(a)
Tax Authority	3.15(a)
Tax Return	3.15(a)
Unfunded Commitment	3.7(b)

EXHIBITS

Exhibit A	Form of Consolidation Merger Agreement
Exhibit B	Form of Restated Articles of Incorporation of Holding Company
Exhibit C	Form of Voting Agreement

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement"), is entered into as of MAY 3, 2019, by and among MIDFLORIDA CREDIT UNION, a state chartered credit union organized under the laws of the state of Florida ("Buyer"), FLORIDA COMMUNITY BANKSHARES, INC., a Florida corporation and registered bank holding company (the "Holding Company"), and COMMUNITY BANK & TRUST OF FLORIDA, a Florida chartered banking corporation and wholly-owned subsidiary of Holding Company ("Seller"). Buyer, Holding Company and Seller are referred to in this Agreement each as a "Party" and collectively as the "Parties."

RECITALS:

A. The Parties to this Agreement desire to effect a reorganization whereby Buyer acquires Seller through the merger (the "Merger") of Buyer and Seller, with Buyer being the continuing entity following the Merger (the "Continuing Entity").

B. Pursuant to the terms of this Agreement, and except as provided herein, each issued and outstanding share of common stock of Seller, $5.00 par value per share ("Seller Common Stock"), shall be converted at the Effective Time of the Merger into the right to receive cash as set forth in this Agreement.

C. The Parties desire to make certain representations, warranties and agreements in connection with the Merger and agree to certain prescribed conditions to the Merger.

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

ARTICLE 1

THE MERGER

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

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

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

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

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

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

Section 1.4 Merger of Holding Company into Seller. Buyer, Holding Company and the Seller shall take all action necessary or deemed appropriate by Buyer to cause the Holding Company and Seller to enter into an agreement and plan of merger, in the form attached hereto as Exhibit A (the "Consolidation Merger Agreement"), pursuant to which the Holding Company and Seller shall merge (the "Consolidation Merger") immediately prior to the consummation of the Merger, with Seller being the surviving entity thereof. As a part of the consummation of the Consolidation Merger, the Holding Company shall amend and restate its articles of incorporation in the form attached hereto as Exhibit B to be consistent with the form of a "successor institution" under the FFIC. In the Consolidation Merger, each share of Holding Company common stock shall be converted into one share of Seller Common Stock (other than shares held by Holding Company shareholders who perfect their dissenters' rights of appraisal).

Section 1.5 Closing. The consummation of the transactions contemplated by this Agreement shall take place at a closing (the "Closing") to be held on such date as the Parties mutually agree after the date on which all of the conditions set forth in Article 7 and Article 8 of this Agreement have been satisfied (the "Closing Date"). The Closing shall take place at 9:00 a.m., local time, on the Closing Date through mail and/or electronic transmission, or at such other place and time upon which the Parties may agree.

Section 1.6 CUSO. In connection with the Closing, the Buyer may organize a trust company pursuant to the FFIC and also a credit union service organization ("CUSO") as a wholly-owned subsidiary of the Buyer and to own all of the outstanding shares of the trust company, and for such trust company to succeed to the fiduciary and trust operations of the Seller.

ARTICLE 2

MERGER CONSIDERATION

Section 2.1 Merger Consideration. The aggregate amount to be paid to the shareholders of the Seller (the "Holders" and, individually, a "Holder") shall be an amount in cash equal to $126.20 per share for each Seller share outstanding (the "Merger Consideration"), after taking into account 1,077,216 outstanding shares Holding Company shares resulting in a total consideration of $135,943,351 (the "Purchase Price").

Section 2.2 Closing Statement and Transaction Expenses Statement. Not less than five (5) business days prior to the Closing Date, Seller shall deliver to Buyer for its comment and approval a statement that sets forth the name of each holder of Holding Company common stock

who will own shares of Seller Common Stock upon consummation of the Consolidation Merger (subject to Holding Company shareholders who exercise dissenters' rights) and the Merger Consideration to be paid to each such shareholder at Closing pursuant to Section 2.3 of this Agreement.

Section 2.3 Payment of Merger Consideration. Subject to the procedures set forth in Section 2.5, the Buyer shall cause the Paying Agent to pay and distribute (or cause to be paid and distributed) a portion of the Merger Consideration to each Holder of Seller Common Stock issued and outstanding at the Effective Time in an amount per share equal to the quotient of (a) the aggregate amount of the Purchase Price divided by (b) the total number of shares of Seller Common Stock outstanding as of immediately prior to the Effective Time (the "Per Share Merger Consideration").

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

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

(b) Shares of Seller Common Stock which are issued and outstanding immediately prior to the Effective Time and which are held by a Holder who has not voted such shares in favor of the Merger and who has properly demanded appraisal rights in the manner provided by the FBCA ("Dissenting Shares") shall not be converted into a right to receive a portion of the Merger Consideration unless and until the Effective Time has occurred and the Holder of such Dissenting Shares becomes ineligible for such appraisal rights. The Holders of Dissenting Shares shall be entitled only to such appraisal and the dissenters' rights as are granted by the FBCA (the "Dissenting Laws"). Each Holder of Dissenting Shares who becomes entitled to payment for such shares pursuant to the Dissenting Laws shall receive payment therefore from Buyer in accordance with the Dissenting Laws; provided, however, that (i) if any such Holder of Dissenting Shares shall have failed to establish entitlement to appraisal rights as provided in the Dissenting Laws, or (ii) if any such Holder of Dissenting Shares shall have effectively withdrawn demand for appraisal of such shares or lost the right to appraisal and payment for shares under the Dissenting Laws, such Holder of Dissenting Shares shall forfeit the right to appraisal of such shares and each such Dissenting Share shall be treated as if it had been, as of the Effective Time, converted into a right to receive the Per Share Merger Consideration, without interest thereon, as provided in Section 2.4(a) of this Agreement.

Section 2.5 Exchange of Certificates. Prior to the Effective Time, the Buyer shall deliver to a third party designated by Buyer and reasonably satisfactory to Seller (sometimes referred to herein as the "Paying Agent") sufficient cash for payment of the Merger Consideration pursuant to Section 2.3. Such cash is referred to in this Article 2 as the "Conversion Fund." Buyer shall be solely responsible for the payment of any fees and expenses of the Paying Agent. The Conversion Fund shall be invested by the Paying Agent as directed by Buyer and any net profits resulting from, or interest or income produced by, such investments shall be payable as directed by Buyer.

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

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

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

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

(e) Buyer or Seller (as appropriate) shall be entitled to deduct and withhold from consideration otherwise payable pursuant to this Agreement to any Holder such amounts as are required to be deducted and withheld with respect to the making of such payment under the Internal Revenue Code of 1986, as amended (the "Code"), or any provision of state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Holder in respect of which such deduction and withholding was made.

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

(g) Any portion of the Conversion Fund that remains unclaimed by the Holders for six (6) months after the Effective Time shall be paid to Buyer, or its successors in interest. Any Holder who has not theretofore complied with this Article 2 shall thereafter look only to Buyer, or its successors in interest, for the payment of the Per Share Merger Consideration. Notwithstanding the foregoing, none of Buyer, Seller, the Paying Agent or any other person shall be liable to any former holder of shares of Seller Common Stock for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar laws.

Section 2.6 Payment of Transaction Expenses. On the Closing Date, Holding Company and Seller shall fully pay or cause to be paid each Transaction Expense, to the extent not paid prior to the Closing Date, and Seller shall furnish Buyer with appropriate evidence that full payment has been made. Schedule 2.6 sets for the estimate for the following expenses (collectively, the "Transaction Expenses"):

(A) legal fees;

(B) accounting and valuation fees;

(C) investment banking fees;

(D) fees and expenses for the termination and de-conversion of Seller's data processing agreement;

(E) change in control payments; and

(F) amounts paid by the Holding Company to repay in full the principal and accrued and unpaid interest on its subordinated indebtedness as contemplated by Section 2.7.

Section 2.7 Payment of Holding Company Subordinated Debt; Seller Special Dividend. Immediately prior to the Consolidation Merger, the Seller shall dividend to the Holding Company such amount so that the Holding Company can pay its portion of the Transaction Expenses and the outstanding principle balance and interest payments owed on subordinated debt (the "Seller Special Dividend"). The Holding Company shall use the Seller Special Dividend to pay its portion of the expenses incurred in connection with this Agreement and the outstanding principle balance and interest payments owned on subordinated debt.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES CONCERNING SELLER AND HOLDING COMPANY

On or prior to the date hereof, Seller has delivered to Buyer a schedule ("Disclosure Schedule") setting forth, among other things, items the disclosure of which is necessary or appropriate either (i) in response to an express disclosure requirement contained in a provision hereof or (ii) as an exception to one or more representations or warranties contained in this Article III or to one or more of Holding Company's or Seller's covenants contained in Article V.

Holding Company and Seller represent and warrant to Buyer, as follows:

Section 3.1 Organization and Authority; Capitalization.

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

(b) The authorized capital stock of Seller consists of as of the date of this Agreement 2,000,000 shares of common stock, $5.00 par value per share, and will consist of 2,000,000 authorized shares of common stock at the Closing, and, as of the date of this Agreement, 1,120,884 shares are issued and outstanding and 1,077,216 shares will be issued and outstanding at the Closing. The issued and outstanding shares of common stock of Seller have been duly and validly authorized and issued and are fully paid and non-assessable and owned by the Holding Company. There are no options, agreements, contracts, or other rights in existence to purchase or acquire any shares of capital stock of Seller, whether now or hereafter authorized or issued. To the knowledge of the Holding Company and Seller, none of the issued and outstanding shares of Seller Common Stock are, nor on the Closing Date will they be, subject to any claim of right that would prevent or delay the consummation of any transaction contemplated hereby.

(c) The authorized capital stock of the Holding Company consists of as of the date of this Agreement, and will consist of at the Closing, 3,000,000 shares of common stock, par value $.01 per share, of which 1,077,216 shares are issued and outstanding as of the date of this Agreement, and 1,000,000 shares of preferred stock, par value $.01 per share, none of which shares are issued and outstanding. The issued and outstanding shares of common stock of the Holding Company have been duly and validly authorized and issued and are fully paid and non-assessable. There are no options, agreements, contracts, or other rights in existence to purchase

or acquire any shares of capital stock of the Holding Company, whether now or hereafter authorized or issued.

(d) None of the shares of Seller Common Stock have been issued in violation of any federal or state securities laws or any other legal requirement. Since December 31, 2018, except as disclosed in Schedule 3.1(d), no shares of Seller Common Stock have been purchased, redeemed or otherwise acquired, directly or indirectly, by Seller, and no dividends or other distributions payable in any equity securities of Seller have been declared, set aside, made or paid to Holding Company. None of the shares of authorized common stock of Seller are, nor on the Closing Date will they be, subject to any claim of right inconsistent with this Agreement.

Section 3.2 Conflicts; Consents; Defaults. Except as set forth in the Disclosure Schedule, neither the execution and delivery of this Agreement by Seller nor the consummation of the transactions will (i) conflict with, result in the breach of, constitute a default under or accelerate the performance required by, any order, law, regulation, contract, instrument or commitment to which Seller is a party or by which it is bound, which breach or default would have a Material Adverse Effect on Seller, (ii) violate the charter or bylaws of Seller, (iii) require any consent, approval, authorization or filing under any law, regulation, judgment, order, writ, decree, permit, license or agreement to which Seller is a party, or (iv) require the consent or approval of any other party to any material contract, instrument or commitment to which Seller is a party, in each case other than any required approvals of or notices as to this Agreement and the transactions by the FDIC, FBCA, FFIC, and National Credit Union Administration ("NCUA") (the "Regulators"), Holding Company, as the Seller's sole shareholder, and the shareholders of Holding Company. For purposes of this Agreement, "Material Adverse Effect" means any event, occurrence, fact, condition, or change that is, or would reasonably be expected to become, materially adverse to (1) the financial condition, results of operation, Assets or business of the Seller, or (2) the ability of the Seller to perform its respective obligations under this Agreement, other than (A) the effects of any change attributable to or resulting from changes in economic conditions, laws, regulations or accounting guidelines applicable to depository institutions generally or in general levels of interest rates, (B) employee departures or terminations after announcement of this Agreement, (C) the issuance or compliance with any directive or order of any Regulator, or (D) actions taken by Seller pursuant to the terms of this Agreement or with the written consent of Buyer

Section 3.3 Financial Information. Except as set forth in the Disclosure Schedule, the Seller's audited balance sheet of Seller as of December 31, 2018, and related audited income statement for the year ending December 31, 2018, together with the notes thereto, and the unaudited periodic financial statements of Seller as of March 31, 2019 (collectively referred to herein as "Seller Financial Statements"), copies of which have been provided to Buyer, have been prepared in accordance with GAAP and fairly present the financial position and the results of operations, and cash flows of the Seller, as of the dates and for the periods indicated subject to, as in the case of the financial statements of Seller as of March 31, 2019, the absence of footnote disclosures and changes resulting from normal year-end adjustments.

Section 3.4 Absence of Changes. Except as set forth in the Disclosure Schedule, no events or transactions have occurred since December 31, 2018 which have resulted in a Material Adverse Effect as to Seller.

Section 3.5 Title to Real Estate. Except as may be disclosed in the Disclosure Schedule, Seller has good, marketable and insurable title, free and clear of all mortgages, claims, charges, liens, encumbrances, easements, restrictions, options, pledges, calls, commitments, security interests, conditional sales agreements, title retention agreements, leases, and other restrictions of any kind whatsoever (the "Encumbrances") (except taxes which are a lien but not yet payable and utility easements, rights-of-way, and other restrictions which do not have a Material Adverse Effect on the Seller) (the "Permitted Encumbrances") to the real estate, buildings and fixtures owned by Seller and used by Seller in its business ("Seller Real Estate"), including any other real estate owned, as such real estate is classified on the books of Seller ("OREO", together with Seller Real Estate, the "Real Estate"). The Seller Real Estate complies in all material respects with all applicable private agreements, zoning requirements and other governmental laws and regulations relating thereto, and to Seller's knowledge there are no condemnation proceedings pending or threatened with respect to the Seller Real Estate.

Section 3.6 Title to Assets Other Than Real Estate. Seller is the lawful owner of and has good and marketable title to the loans, all bonds and other investment securities (including FHLB stock) owned by Seller on the Closing Date, together with accrued interest thereon, if any, and including any amounts due to or from brokers or custodians ("Liquid Assets"), all petty cash, vault cash, ATM cash and teller cash ("Cash on Hand"), cash in all of Seller's demand deposit accounts, including, without limitation, those for payroll and cashier's checks ("Bank Accounts"), the prepaid expenses recorded or reflected on the books of Seller at the close of business on the Closing Date (including, without limitation, prepaid FDIC deposit premiums relating to the Deposits, all accounts receivable reflected on Seller's books and records as of the close of business on the Closing Date ("Accounts Receivable"), the furniture, equipment, trade fixtures, ATMs, office supplies, sales material, Deposit account forms, loan forms and all other forms and similar items used in connection with the Seller's banking business and all other tangible personal property owned or leased by Seller, located in or upon the branches or used in the Seller's business ("Fixed Assets"), and the assets of the Seller at the close of business on the Closing Date not otherwise enumerated herein other than the Excluded Assets ("Other Assets") owned by it, free and clear of all Encumbrances other than the lien of the Federal Home Loan Bank of Atlanta (the "FHLB") with respect to certain of the loans. Delivery to Buyer of the instruments of transfer of ownership contemplated by this Agreement will vest in Buyer good and marketable title to any loans, the Fixed Assets, Liquid Assets, Cash on Hand, cash in the Bank Accounts, prepaid expenses, Accounts Receivable, all Records (as defined below) and the Other Assets, all of which shall be free and clear of all Encumbrances, other than the lien of the FHLB.

Section 3.7 Loans. Seller represents and warrants as to each loan, loan agreement, note, lease or other borrowing agreement, any loan participation sold or purchased, and any guaranty, renewal or extension thereof (collectively, "Loans") that, except as may be set forth in the Disclosure Schedule:

(a) Seller is the sole owner and holder of the Loan and all servicing rights relating thereto. The Loan is not assigned or pledged (other than to the FHLB), and Seller has good and marketable title thereto. Seller has the full right, subject to no interest or participation of, or agreement with, any other party (other than to the FHLB), to sell and assign the Loan to

Buyer, free and clear of any right, claim or interest of any person or entity (other than to the FHLB), and such sale and assignment to Buyer will not impair the enforceability of the Loan.

(b) Except for any commitment of Seller to fund additional advances under any Loan, or under any new unfunded Loan commitment on and after the Closing Date (the "Unfunded Commitment"), the full principal amount of the Loan has been advanced to an obligor or guarantor, including a third party pledgor, with respect to the Loan Documents (as defined below) relating to a Loan (the "Loan Debtor"), either by payment direct to him or her, or by payment made on his or her approval, and there is no requirement for future advances thereunder. The unpaid principal balance of each Loan and the amount of the Unfunded Commitment in each case as of December 31, 2018, is as stated on Schedule 3.7(b).

(c) To the Seller's knowledge, each of the Loan Documents is genuine, and each is the legal, valid and binding obligation of the maker thereof, subject to the General Exceptions. For purposes of this Agreement, "Loan Documents" means, with respect to each Loan, the constituent documents relating thereto, including, without limitation, the Loan application, appraisal report, title insurance policy, promissory note, deed of trust, Loan agreement, security agreement, and guarantee, if any. To the knowledge of Seller, all parties to the Loan Documents had legal capacity to enter into the Loan Documents, and the Loan Documents have been duly and properly executed by such parties.

(d) All federal, state and local laws and regulations affecting the origination by Seller, and Seller's administration and servicing, of the Loans prior to the Closing Date, including without limitation, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity and disclosure laws, have been complied with in all material respects. Without limiting the generality of the foregoing, Seller has timely provided all disclosures, notices, estimates, statements and other documents required to be provided to the obligor or guarantor, including third party pledger, with Loan Debtor under applicable law and has documented receipt of such disclosures, estimates, statements and other documents as required by law and what Seller believes to be prudent loan origination policies and procedures except where the failure to do so would not have a Material Adverse Effect.

(e) To Seller's knowledge, the Loan Debtor has no rights of rescission, setoff, counterclaims, or defenses to the Loan Documents, except such defenses arising by virtue of bankruptcy, creditors' rights laws, and general principles of equity.

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

(g) Seller has not modified such Loan in any material respect or waived any material provision of or default under such Loan or the related Loan Documents, except in accordance with its customary loan administration policies and procedures. Any such modification or waiver is in writing and is contained in the loan file.

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

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

(j) Origination and servicing of all loans issued under the Small Business Administration's guaranteed lending programs are in material compliance with the specifications, regulations and requirements of the Small Business Administration.

(k) Origination and servicing of all loans issued under the United Stated Department of Agriculture's guaranteed lending programs are in material compliance with the specifications, regulations and requirements of the United States Department of Agriculture.

Section 3.8 Residential and Commercial Mortgage Loans and Certain Business Loans. Except as set forth in the Disclosure Schedule, Seller represents and warrants as to each "Residential Mortgage Loan" (as defined by 15 U.S.C. § 1602(5)), loan secured by a Mortgage on real property used for commercial purposes, including five- or greater unit residential real property ("Commercial Mortgage Loan") and each term or revolving loan to a commercial enterprise secured by personal property or a mixture of real and personal property, or unsecured ("Business Loan") that is secured in whole or in part by a mortgage or deed of trust encumbering real property and, if applicable, fixtures and securing the obligations of a Loan Debtor with respect to a Loan ("Mortgage") that.

(a) The Mortgage is a valid first lien on the real property encumbered by a Mortgage (the "Mortgaged Property") securing the related Loan (or a subordinate lien if expressly permitted under the relevant loan approval report), and the Mortgaged Property is free and clear of all Encumbrances having priority over the first lien (or subordinate lien, if applicable) of the Mortgage, except for liens for real estate taxes and special assessments not yet due and payable, easements and restrictions of record, and, in the case of a closed-end or revolving Residential Mortgage Loan secured by a Mortgage with no lower priority than a second mortgage priority on the applicable Mortgaged Property (the "Home Equity Loan") or a Mortgage securing a guarantee of a Business Loan, the permitted lien of the senior mortgage or deed of trust.

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

(c) Except as set forth in the Loan file, all of which actions were taken in the ordinary course of business, Seller has not (i) satisfied, canceled, or subordinated the Loan in

whole or in part; (ii) released the Mortgaged Property, in whole or in part, from the lien of the Loan; or (iii) executed any instrument of release, cancellation, modification, or satisfaction.

(d) To Seller's knowledge, all taxes, government assessments, insurance premiums, and municipal charges, and leasehold payments which previously became due and owing have been paid, or an escrow payment has been established in an amount sufficient to pay for every such item which remains unpaid. Except as set forth in the Loan file, if applicable, Seller has not advanced funds, or induced, solicited, or knowingly received any advance of funds by a party other than the Loan Debtor.

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

(f) To Seller's knowledge, the Mortgaged Property is free and clear of all mechanics' liens or liens in the nature thereof, and no rights are outstanding that under law could give rise to any such lien.

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

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

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

(j) No claims have been made under any lender's title insurance policy respecting any of the Mortgaged Property, and Seller has not done, by act or omission, anything which would impair the coverage of any such lender's title insurance policy.

(k) To Seller's knowledge, there is in force for each Loan, a hazard insurance policy, including, to the extent required by applicable law, flood insurance, meeting the specifications of FNMA/FHLMC in the case of a Residential Mortgage Loan (other than Home Equity Loans and business purpose Residential Mortgage Loans). All such insurance policies contain a standard mortgagee clause naming the Seller and its successors and assigns as mortgagee, and all premiums thereon have been paid. The Mortgage obligates the Loan Debtor thereunder to maintain the hazard insurance policy at the Loan Debtor's cost and expense and, on the Loan Debtor's failure to do so, authorizes the holder of the Mortgage to obtain and maintain such insurance at such Loan Debtor's cost and expense, and to seek reimbursement therefor from the Loan Debtor. Seller has not engaged in, and has no knowledge of the Loan Debtor's having engaged in, any act or omission which would impair the coverage of any such policy, the benefits of the endorsement provided for therein, or the validity and binding effect of either.

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

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

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

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

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

Section 3.9 Auto Receivables. Seller represents and warrants to Buyer as to any Loan or installment sale contract arising from the purchase of, and secured by, an automobile, light-duty vehicle, all-terrain vehicle, boat or motorcycle ("Auto Receivable") that:

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

(b) The vehicle described in the Auto Receivable has been delivered to and accepted by the vehicle purchaser and such acceptance shall not have been revoked;

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

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

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

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

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

Section 3.10 Unsecured Loans. Except as set forth in the Disclosure Schedule, no Unsecured Loan has been charged-off under Seller's normal procedures since December 31, 2018.

Section 3.11 Allowance. Except as set forth in the Disclosure Schedule, to Seller's knowledge, the Allowance shown on the Seller Financial Statements as of December 31, 2018, with respect to the Loans is adequate as of such date under the requirements of GAAP to provide for possible losses on items for which reserves were made.

Section 3.12 Investments. Except for investments pledged to secure FHLB advances or public deposits or as otherwise set forth in the Disclosure Schedule, none of the investments reflected in the Seller Financial Statements as of December 31, 2018, and none of the investments made by Seller since December 31, 2018, are subject to any restriction, whether contractual or statutory, which materially impairs the ability of Seller to dispose freely of such investment at any time and each of such investments complies with regulatory requirements concerning such investments.

Section 3.13 Deposits.

(a) Seller has made available (or will make available) to Buyer a true and complete copy of the account forms for all Deposits offered by Seller. For purposes of this Agreement, "Deposit(s)" means a deposit or deposits as defined in Section 3(l)(1) of the Federal Deposit Insurance Act ("FDIA") as amended, 12 U.S.C. § 1813(l)(1), including without limitation the aggregate balances of all savings accounts with positive balances domiciled at the Branches, including accounts accessible by negotiable orders of withdrawal, other demand instruments, Retirement Accounts, and all other accounts and deposits, together with Accrued Interest thereon, if any. Except as set forth on Schedule 3.13(a) of the Disclosure Schedule, all the accounts related to the Deposits are in material compliance with all applicable laws, orders and regulations and were originated in material compliance with all applicable laws, orders and regulations.

(b) Schedule 3.13(b) is a true and correct schedule of the Deposits prepared as of the date indicated thereon (which shall be updated through the Closing Date), listing by category and the amount of such deposits, together with the amount of Accrued Interest thereon. All Deposits are insured to the fullest extent permissible by the Federal Deposit Insurance Corporation (the "FDIC"). Subject to the receipt of all requisite regulatory approvals, Seller has and will have at the Closing Date all rights and full authority to transfer and assign the Deposits without restriction. As of the date hereof, with respect to the Deposits:

(1) Subject to items returned without payment in full ("Return Items") and immaterial bookkeeping errors, all interest accrued or accruing on the Deposits has been properly credited thereto, and properly reflected on Seller's books of account, and Seller is not in default in the payment of any thereof;

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

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

(4) None of the Deposits are subject to any Encumbrances or any legal restraint or other legal process, other than those securing loans, public Deposits, customary court orders, levies, and garnishments affecting the depositors, all of which Encumbrances (other than Loans, customary court orders, levies, and garnishments) are described on Schedule 3.13(b).

Section 3.14 Contracts. Schedule 3.14 of the Disclosure Schedule lists or describes the following:

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

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

(c) Each lease or license with respect to personal property involving an annual amount in excess of $15,000;

(d) The name, annual salary and primary department assignment as of December 31, 2018, of each employee of Seller and any employment or consulting agreement or arrangement with respect to each such person; and

(e) Each agreement, Loan, contract, lease, guaranty, letter of credit, line of credit or commitment of Seller not referred to elsewhere in this Section which (i) involves payment by Seller (other than as disbursement of Loan proceeds to customers) of more than $15,000 annually or $30,000 in the aggregate over its remaining term unless, in the latter case, such is terminable within one (1) year without premium or penalty; (ii) involves payments based on profits of Seller; (iii) relates to the future purchase of goods or services in excess of the requirements of its respective business at current levels or for normal operating purposes; or (iv) were not made in the ordinary course of business.

(f) Final and complete copies of each document, plan or contract listed and described in the Disclosure Schedule pursuant to this Agreement have been provided to Buyer.

Section 3.15 Tax Matters.

(a) Tax Definitions. The following terms, as used in this Agreement, shall have the following meanings:

"Tax Authority" means any Regulator, federal, state or local governmental authority or instrumentality, court, administrative agency or commission, or quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax.

"Tax" means all federal, provincial, territorial, state, municipal, local, domestic, foreign or other taxes, imposts, and assessments including, without limitation, ad valorem, capital, capital stock, customs and import duties, disability, documentary stamp, employment, excise, franchise, gains, goods and services, gross income, gross receipts, income, intangible, inventory, license, mortgage recording, net income, occupation, payroll, personal property, production, profits, property, real property, recording, rent, sales, social security, stamp, transfer, transfer gains, unemployment, use, value added, windfall profits, and withholding, together with any interest, additions, fines or penalties with respect thereto or in respect of any failure to comply with any requirement regarding Tax Returns and any interest in respect of such additions, fines or penalties.

"Pre-Closing Tax Period" means any Tax period ending on or before the Closing Date.

"Tax Return" means any declaration, estimate, return, report, information statement, schedule or other document (including any related or supporting information) with respect to Taxes that is required to be filed with any Tax Authority.

(b) Tax Representations.

(i) Except as set forth in the Disclosure Schedule, all Tax Returns required to be filed by Holding Company or Seller have been duly and timely filed with the appropriate Tax Authority (after giving effect to any valid extensions of time in which to make such filings) in accordance in all material respects with all applicable laws and all such Tax Returns are correct and complete in all material respects.

(ii) Holding Company or Seller has delivered or made available to Buyer complete and accurate copies of all material Tax Returns of Holding Company or Seller for all taxable years since the period beginning January 1, 2017, and complete and accurate copies of any Tax Authority examination reports and statements of Tax deficiencies assessed against or agreed to by Holding Company or Seller since January 1, 2017.

(iii) Neither Holding Company nor Seller is (A) the subject to any agreement extending the period for assessment or collection of any Tax; or (B) a party to any

action or proceeding with, nor has any claim been asserted against it by, any Tax Authority for assessment or collection of Taxes.

(iv) All Tax withholding and deposit requirements imposed on or with respect to the Holding Company or Seller have been satisfied in all material respects.

(v) Neither Holding Company nor Seller has been a "distributing corporation" or a "controlled corporation" in a transaction intended to be governed by Section 355 of the Code or such portion of Section 356 of the Code as relates to Section 355 of the Code.

(vi) Neither Holding Company nor Seller will or would be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (A) change in method of accounting made prior to the Closing Date for a taxable period ending on or prior to the Closing Date, including by reason of the application of Section 481 of the Code (or any similar provision of state or local law); (B) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, or local law) executed on or prior to the Closing Date; (C) installment sale or open transaction disposition made on or prior to the Closing Date; (D) prepaid amount received on or prior to the Closing Date; or (E) election under Section 108(i) of the Code.

(vii) To Holding Company's or Seller's knowledge, neither Holding Company nor Seller is the subject of any pending or threatened action or proceeding by any Taxing Authority for assessment or collection of Taxes. Further, neither Holding Company nor Seller: (A) is or has ever been a party to or bound by any Tax indemnity agreement, Tax sharing agreement, Tax allocation agreement or other similar agreement (except for any such agreement between the Holding Company and the Seller); or (B) has been, or expects to be, party to a "reportable transaction" within the meaning of Section 6707A of the Code and Treasury Regulation Section 1.6011-4(b).

(viii) The reserve for taxes in the consolidated audited financial statements of Holding Company and Seller for the year ended December 31, 2018, is, in the opinion of management of Holding Company and Seller, adequate to cover all of the Tax liabilities of Holding Company and Seller (including, without limitation, income Taxes and franchise fees) as of such date in accordance with GAAP.

Section 3.16 Employee Matters.

(a) Except as may be disclosed in the Disclosure Schedule, Seller has not entered into any collective bargaining agreement with any labor organization with respect to any group of employees of the Seller, and to the knowledge of the Seller, there is no present effort nor existing proposal to attempt to unionize any group of employees of the Seller.

(b) Except as may be disclosed in the Disclosure Schedule, (i) the Seller is and has been in material compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, including, without limitation, any such laws respecting employment discrimination and occupational safety and health requirements, and the Seller is not engaged in any unfair labor practice; (ii) there is no

unfair labor practice complaint against Seller pending or, to the knowledge of Seller, threatened before the National Labor Relations Board; (iii) there is no labor dispute, strike, slowdown or stoppage actually pending or, to the knowledge of Seller, threatened against or directly affecting Seller; and (iv) Seller has not experienced any work stoppage or other such labor difficulty during the past five years.

Section 3.17 Employee Benefit Plans.

(a) Each (a) nonqualified deferred compensation or retirement plan or arrangement that is an Employee Pension Benefit Plan, (b) qualified defined contribution retirement plan or arrangement that is an Employee Pension Benefit Plan (as defined in the section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (c) qualified defined benefit retirement plan or arrangement that is an Employee Pension Benefit Plan (including any Multiemployer Plan (as defined in ERISA Section 3(37))), or (d) Employee Welfare Benefit Plan (as defined in ERISA section 3(1)) (collectively the "Employee Benefit Plan") or material fringe benefit plan or program of Seller (and each related trust, insurance contract, or fund) complies in form and in operation in all material respects with the applicable requirements of ERISA, the Code, and other applicable legal requirements. No such Employee Benefit Plan is under audit by the IRS or the U.S. Department of Labor.

(b) All premiums or other payments due for all periods ending on or before the Closing Date have been paid or will be paid with respect to each Employee Benefit Plan that is an Employee Welfare Benefit Plan.

(c) Except for the agreements with Hugh F. Dailey and David R. Denyer, Seller is not a party to or bound by any employment, change in control or similar type agreement with any employee or service provider.

Section 3.18 Environmental Matters.

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

(b) Except as may be disclosed in the Disclosure Schedule, no activity or condition exists at or upon the Seller Real Estate or, to the knowledge of Seller, the OREO, that violates any Environmental Law, and no condition has existed or event has occurred with respect to the Seller Real Estate, or to the knowledge of Seller, any OREO that, with notice or the passage of time, or both, would constitute a violation of any Environmental Law or obligate (or potentially obligate) Seller to remedy, stabilize, neutralize or otherwise alter the environmental condition of any of the Seller Real Estate, or, to the knowledge of Seller, any OREO where the aggregate cost of such actions would be material to Seller. Except as may be disclosed in the Disclosure Schedule, and to the knowledge of Seller, Seller has not received any notice from any person or entity that Seller is or was in violation of any Environmental Law or that Seller is

responsible (or potentially responsible) for the cleanup or other remediation of any pollutants, contaminants, or hazardous or toxic wastes, substances or materials at, on or beneath any such property.

Section 3.19 No Undisclosed Liabilities. Seller does not have any material liability, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due (and, to the knowledge of Seller, there is no past or present fact, situation, circumstance, condition or other basis for any present or future action, suit or proceeding, hearing, charge, complaint, claim or demand against Seller giving rise to any such liability) required in accordance with GAAP to be reflected in an audited balance sheet of Seller or the notes thereto, except (i) for liabilities set forth or reserved against in the Seller Financial Statements as of December 31, 2018, (ii) for liabilities occurring in the ordinary course of business of Seller since December 31, 2018, (iii) liabilities relating to the possible sale of Seller or other transactions contemplated by this Agreement, and (iv) as may be disclosed in the Disclosure Schedule.

Section 3.20 Litigation. Except as set forth in the Disclosure Schedule, there is no action, suit, proceeding or investigation pending against Seller or to the best knowledge of Seller threatened against Seller, before any court or arbitrator or any governmental body, agency, or official involving a monetary claim for $15,000 or more or equitable relief (*i.e.*, specific performance or injunctive relief).

Section 3.21 Performance of Obligations. Seller has performed in all material respects all obligations required to be performed by it to date under the Contracts, the Deposits, and the Loan Documents, and Seller is not in material default under, and, to Seller's knowledge, no event has occurred which, with the lapse of time or action by a third party, could result in a material default under, any such agreements or arrangements. For purposes of this Agreement, "Contracts" means the service and maintenance agreements, leases of personal and real property, and any other agreements, licenses and permits to which Seller is a party (including contracts relating to the Safe Deposit Boxes); *provided, however*, that, for purposes of clarification only, such contracts shall not include any Employee Benefit Plans (as defined below) maintained, administered or contributed to or by Seller (collectively, the "Excluded Contracts"). All Excluded Contracts shall be addressed by Seller and the third-party prior to the Closing Date, and Buyer will not accept responsibility or liability with respect thereto.

Section 3.22 Compliance with Law. Seller has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business in all material respects and has conducted its business in compliance in all material respects with all applicable federal, state and local statutes, laws, regulations, ordinances, rules, judgments, orders or decrees applicable thereto or to the employees conducting such businesses.

Section 3.23 Brokerage. Except for Seller's agreement with Hovde Group, LLC, there are no existing claims or agreements for brokerage commissions, finders' fees, or similar compensation in connection with the transactions contemplated by this Agreement payable by Seller.

Section 3.24 Interim Events. Since December 31, 2018, Seller has not paid or declared any dividend or made any other distribution to its shareholders or taken any other action which if taken after the date of this Agreement would require the prior written consent of Buyer under Section 5.1 hereof.

Section 3.25 Records. The Records to be delivered to Buyer under Section 3.6 of this Agreement are and shall be sufficient to enable Buyer to conduct a banking business with respect thereto under the same standards as Seller has heretofore conducted such business. Seller shall not retain any Records except those Records strictly necessary and required for the disposition of its Charter post-Closing and its dissolution or as otherwise allowed by this Agreement. For purposes of this Agreement, "Records" means (i) all open records and original documents, located at the branches, relating to the Loans, any account domiciled at the branches through which Seller accepts payments or deposits for credit or deposit to another account domiciled at the branches, safe deposit boxes, the Bank Accounts, the Other Assets, or the Deposits; and (ii) an account history of all accounts related to Deposits, Loans, Cash on Hand, Liquid Assets, the Bank Accounts, and safe deposit boxes. Records includes but is not limited to signature cards, customer cards, customer statements, legal files, pending files, all open account agreements, Retirement Account agreements, safe deposit box records, and computer records

Section 3.26 Community Reinvestment Act. Seller's rating in its most recent examination or interim review with respect to the Community Reinvestment Act is set forth on Schedule 3.26.

Section 3.27 Insurance. All material insurable properties owned or held by Seller are adequately insured by what Seller believes to be financially sound and reputable insurers in such amounts and against fire and other risks insured against by extended coverage and public liability insurance, as is customary with banks of similar size. The Disclosure Schedule sets forth, for each material policy of insurance maintained by Seller the amount and type of insurance, the name of the insurer and the amount of the annual premium. All amounts due and payable under such insurance policies are fully paid, and all such insurance policies are in full force and effect.

Section 3.28 Regulatory Enforcement Matters. Except as may be disclosed in the Disclosure Schedule, the Seller is not subject to, and has received no notice or advice that it may become subject to, any order, agreement or memorandum of understanding with any federal or state agency charged with the supervision or regulation of banks or bank holding companies or engaged in the insurance of financial institution deposits or any other governmental agency having supervisory or regulatory authority with respect to Seller.

Section 3.29 Regulatory Approvals. The information furnished or to be furnished by Seller for the purpose of enabling Seller or Buyer to complete and file all requisite regulatory applications is or will be true and complete as of the date so furnished. There are no facts known to the Seller which Seller has not disclosed to Buyer in writing, which, insofar as Seller can now reasonably foresee, may have a Material Adverse Effect on the ability of the Buyer or Seller to obtain all requisite regulatory approvals or to perform its obligations pursuant to this Agreement.

Section 3.30 Representations Regarding Financial Condition.

(a) Seller is not entering into this Agreement in an effort to hinder, delay or defraud their creditors.

(b) Seller is not insolvent.

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

Section 3.31 Limitation of Warranties. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, SELLER EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE FIXED ASSETS OR WITH RESPECT TO ANY OTHER ASSETS BEING TRANSFERRED TO OR LIABILITIES BEING ASSUMED BY BUYER (EXCLUDING THE REAL ESTATE), INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

Section 3.32 Disclosure. No representation or warranty contained in this Article 3 and no statement or information relating to Seller or any Assets or liabilities contained in (i) this Agreement (including the Schedules and Exhibits hereto), or (ii) in any certificate or document furnished or to be furnished by or on behalf of Seller to Buyer pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements made herein or therein, in light of the circumstances in which they were made, not misleading.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES CONCERNING BUYER

As a material inducement to Seller to enter into and perform its obligations under this Agreement, Buyer represents and warrants to Seller as follows:

Section 4.1 Organization. Buyer is a Florida state chartered credit union (federally insured by the NCUA) duly organized, validly existing, and in good standing (to the extent applicable) under the laws of the State of Florida with full power and authority to carry on its business as now being conducted and to own and operate the properties which it now owns and/or operates. The execution, delivery and performance by Buyer of this Agreement are within Buyer's power, have been duly authorized by all necessary corporation action. This Agreement has been duly executed and delivered by Buyer and constituted the valid and legally binding obligation of Buyer, enforceable against it in accordance with its terms, subject to the General Exceptions.

Section 4.2 Authorization; No Violations. The execution and delivery of this Agreement and the performance of Buyer's obligations hereunder have been duly and validly authorized by the board of directors of Buyer, do not violate or conflict with Buyer's charter or

by-laws, any applicable law, court order or decree to which Buyer is a party or subject, or by which Buyer is bound, and require no further corporate or member approval on the part of Buyer. The execution and delivery of this Agreement and the performance of Buyer's obligations hereunder do not and will not result in any default or give rise to any right of termination, cancellation or acceleration under any material note, bond, mortgage, indenture or other agreement by which Buyer or its respective properties are bound, which would reasonably be expected to have a Buyer Material Adverse Effect. This Agreement, when executed and delivered, and subject to the approvals described in Section 4.3, will be a valid, binding and enforceable obligation of Buyer, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors generally and to general principles of equity.

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

Section 4.4 Licenses; Permits. Buyer and its subsidiaries hold all material licenses, certificates, permits, franchises and rights from all appropriate federal, state or other Governmental Authorities necessary for the conduct of their respective businesses as currently conducted and the ownership of their respective current assets. There is no pending, or to Buyer's knowledge threatened, litigation against Buyer and its subsidiaries seeking to challenge or prohibit the transactions contemplated by this Agreement.

Section 4.5 Financial Ability. On the Effective Date, Buyer will have all funds necessary to consummate the Merger and pay the Merger Consideration payable hereunder and will be "well capitalized" under the NCUA upon consummation of the transactions contemplated by this Agreement.

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

Section 4.7 Financial Information. The audited consolidated balance sheet of Buyer as of December 31, 2018, and the related audited consolidated income statement for the year ended December 31, 2018, together with the notes thereto, and the unaudited periodic financial statements of Buyer as of March 31, 2019 copies of which have been provided to Seller, have been prepared in accordance with GAAP and fairly present, in all material respects, the consolidated financial position and the consolidated results of operations and cash flows of Buyer as of the dates and for the periods indicated subject to, as in the case of the financial

statements of Buyer as of March 31, 2019, the absence of footnote disclosures and changes resulting from normal year-end adjustments.

Section 4.8 No Omissions. None of the representations and warranties contained in Article 4 or in the Schedules provided for herein by Buyer is false or misleading in any material respect or omits to state a fact herein necessary to make such statements not misleading in any material respect.

ARTICLE 5

AGREEMENTS AND COVENANTS

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

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

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

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

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

(e) authorize or enter into any contract or amend, modify or supplement any contract relating to or affecting its operations or involving any of the Assets or liabilities which obligates Seller to expend $15,000 or more;

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

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

(h) make any changes in its accounting systems, policies, principles or practices relating to or affecting its operations or involving any of the Assets or liabilities, except in accordance with GAAP and regulatory requirements;

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

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

(k) make or renew any (1) Business Loan in excess of $750,000, (2) Residential Mortgage Loan in excess of $484,350, (3) Home Equity Loan with a loan to value ratio in excess of 80% or in excess of $250,000, or (4) any Unsecured Loan or Auto Receivable in excess of 100,000; provided, however, that notwithstanding the foregoing, Seller shall have the authority to make or renew any Loan in excess of the foregoing limits if, within three business days following the delivery by the Seller to the Buyers of a complete loan package for such Loan, the Buyer has not objected to such Loan;

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

(m) transfer, assign, encumber, or otherwise dispose of, or enter into any contract, agreement, or understanding to transfer, assign, encumber, or otherwise dispose of, any of the Assets except in the ordinary course of business or for the Seller Special Dividend (as defined in Section 2.7);

(n) invest in any Fixed Assets or improvements except for commitments previously disclosed to Buyer in writing, made on or before the date of this Agreement for replacements of furniture, furnishings and equipment, normal maintenance and refurbishing, purchased or made in the ordinary course of business and for emergency and casualty repairs and replacements;

(o) except as expressly provided for elsewhere in this Agreement or Disclosure Schedule 5.1(o), increase or agree to increase the salary, remuneration, or compensation of its employees or pay or agree to pay any bonus to any such employees, other than cost of living increases to employees in the ordinary course of business that do not provide for an overall payroll increase of more than 3.0% per annum;

(p) enter into any new employment agreements with employees of Seller or any consulting or similar agreements with directors of Seller; provided, however, that Seller shall be permitted to engage the assistance of temporary or contract employees, to the extent Seller deems necessary, to assist Seller in the performance of its obligations under this Agreement;

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

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

(s) fail to maintain deposit rates substantially in accord with past standards and practices in the ordinary course of business;

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

(u)--- fail to comply in all material respects with the Contracts;

(v) except in the ordinary course of business (including creation of deposit liabilities, enter into repurchase agreements, purchases or sales of federal funds, and sales of certificates of deposit), borrow or agree to borrow any material amount of funds or directly or indirectly guarantee or agree to guarantee any material obligations of others except pursuant to outstanding letters of credit; *provided, however*, the Seller shall not take any additional FHLB advances other than overnight or other short-term (less than 90 days) advances, which shall not exceed 5% of the total assets of Seller in the aggregate;

(w) purchase or otherwise acquire any investment security for their own account that exceeds $500,000 or purchase or otherwise acquire any security other than U.S. Treasury or other governmental obligations or asset-backed securities issued or guaranteed by United States governmental or other governmental agencies, the FHLB, Fannie Mae, Freddie Mac, or Federal Farm Credit Bureau, in either case having a stated maturity of ten (10) years or less, or engage in any activity that would be inconsistent with the classification of investment securities as either "held to maturity" or "available for sale";

(x) except as required by applicable law or regulation: (1) implement or adopt any material change in its interest rate risk management and hedging policies, procedures or practices; (2) fail to follow its existing policies or practices with respect to managing its exposure to interest rate risk; or (3) fail to use commercially reasonable means to avoid any material increase in its aggregate exposure to interest rate risk; or

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

Section 5.2 Access to Information.

(a) To the extent permissible under applicable law and pending the Closing, representatives of Buyer shall, during normal business hours and on reasonable advance notice to Seller, be given reasonable access to Seller's and the Holding Company's records and business activities and be afforded the opportunity to observe their business activities and consult with

their officers, employees and vendors regarding the same on an ongoing basis and to plan integration and transitional matters; provided, however, that the foregoing actions do not interfere with the business operations of Seller and the Holding Company. Buyer will, and will direct all of its agents, employees and advisors to, maintain the confidentiality of all such information in accordance with Section 10.3.

(b) Notwithstanding anything contained herein to the contrary, neither Seller nor the Holding Company shall be required to provide access or disclose information where such access or disclosure would violate or prejudice the rights of its customers, jeopardize the attorney-client privilege of Seller or Holding Company, relates to confidential Regulator examination material, or contravene any law, rule, regulation, order, judgment, decree, fiduciary duty or binding agreement entered into prior to the date of this Agreement or in the ordinary course of business.

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

Section 5.4 Regulatory Filings. As promptly as practicable after the date of this Agreement, but no later than forty-five (45) days after the date hereof, Buyer and Seller shall file all applications, filings, notices, consents, permits, requests, or registrations required to obtain authorizations of any Regulator and consents of all third parties necessary to consummate the Merger and Consolidation Merger including, to the extent applicable, the organization by the Buyer of the CUSO and the trust company contemplated by Section 1.6. Buyer and Seller will use their reasonable and diligent efforts to obtain such authorizations from the Regulators and consents from third parties as promptly as practicable and will consult with one another with respect to the obtaining of all such authorizations and consents necessary or advisable to consummate the Merger and Consolidation Merger. Seller and Buyer agree to use their reasonable and diligent efforts to cooperate in connection with obtaining such authorizations and

consents. Each party will keep the other party apprised of the status of material matters relating to completion of the Merger and Consolidation Merger. Copies of applications and correspondence of each party with its Regulators shall be promptly provided to the other party. Each of Buyer and Seller agrees, upon request, to furnish the other party with all information concerning itself and its respective directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with any filing, notice or application made by or on behalf of Buyer or Seller to any third party or the Regulator.

Section 5.5 Reasonable Best Efforts. Subject to the terms and conditions of this Agreement, the Parties shall use reasonable best efforts to satisfy the various conditions to Closing and to consummate the Merger as soon as reasonably practicable. None of the Parties will intentionally take or intentionally permit to be taken any action that would be in breach of the terms or provisions of this Agreement (including any action that would impair or impede the timely obtainment of the regulatory approvals referenced in Sections 7.4 and 8.4) or that would cause any of the representations contained herein to be or become untrue.

Section 5.6 Business Relations and Publicity. Seller shall use reasonable best efforts to preserve the reputation and relationship of Seller and the Holding Company with suppliers, clients, customers, employees, and others having business relations with Seller or the Holding Company. Buyer and Seller shall coordinate all publicity relating to the transactions contemplated by this Agreement and, except as otherwise required by applicable law or with respect to employee information meetings conducted on a need-to-know basis, neither Party shall issue any press release, publicity statement or other public notice or communication, whether written or oral, relating to this Agreement or any of the transactions contemplated hereby without obtaining the prior consent of the other, which consent shall not be unreasonably withheld, conditioned or delayed, to be provided within three (3) days of receiving a proposed draft of the same. Nothing herein shall impose any restrictions or limitations on Buyer or Seller with respect to disclosures that are required by any state or federal securities law.

Section 5.7 No Conduct Inconsistent with this Agreement.

(a) Seller, the Holding Company, and any affiliates, outside advisors, consultants, or agents shall not during the term of this Agreement, directly or indirectly, solicit, facilitate or encourage inquiries or proposals or enter into any agreement with respect to, or initiate or participate in any negotiations or discussions with any person or entity concerning, any proposed transaction or series of transactions involving or affecting Seller or the Holding Company (or the securities or assets of either) that, if effected, would constitute an acquisition of control of either Seller or the Holding Company within the meaning of 12 U.S.C. § 1817(j) (disregarding the exceptions set forth in 12 U.S.C. § 1817(j)(17)) and the regulations of the Federal Reserve thereunder (each, an "Acquisition Proposal"), or furnish any information to any person or entity proposing or seeking an Acquisition Proposal.

(b) Notwithstanding the foregoing, in the event that the Holding Company board determines in good faith and after consultation with outside legal counsel, that an Acquisition Proposal which was not solicited by or on behalf of Seller, the Holding Company, or any affiliates, outside advisors, consultants, or agents and did not otherwise result from a breach of Section 5.7(a) constitutes or is reasonably likely to result in a Superior Acquisition Proposal

and that failure to pursue such Acquisition Proposal could result in a breach of its fiduciary duties under applicable law, the Holding Company board may, so long as Holding Company complies at all times with its obligations under Section 5.7(c), (i) furnish information with respect to Seller or the Holding Company to such person or entity making such Acquisition Proposal pursuant to a customary confidentiality agreement, (ii) participate in discussions or negotiations regarding such Acquisition Proposal, (iii) withdraw, modify or otherwise change in a manner adverse to Buyer, Holding Company's recommendation to its shareholders with respect to this Agreement, the Merger and Consolidation Merger contemplated by this Agreement, and/or (iv) terminate this Agreement in order to concurrently enter into an agreement with respect to such Acquisition Proposal; provided, however, that the Holding Company board may not terminate this Agreement pursuant to this Section 5.7(b) unless and until (A) five (5) business days have elapsed following the delivery to Buyer of a written notice of such determination by the Holding Company board and during such five (5) business-day period, Seller and the Holding Company otherwise cooperate with Buyer with the intent of enabling the Parties to engage in good faith negotiations so that the Merger and other transactions contemplated hereby may be effected, and (B) at the end of such five (5) business-day period the Holding Company board continues, in good faith and after consultation with outside legal counsel, to believe the Acquisition Proposal at issue constitutes a Superior Acquisition Proposal. A "Superior Acquisition Proposal" shall mean an Acquisition Proposal (excluding any Acquisition Proposal the terms of which were made known to the Holding Company board prior to the date of this Agreement) containing terms which the Holding Company board determines, in its good faith judgment, to be more favorable from a financial perspective than the Merger.

(c) In addition to the obligations of Holding Company set forth in Section 5.7(a) and 5.7(b), Holding Company shall immediately advise Buyer orally and in writing of any request for information or of any Acquisition Proposal, the material terms and conditions of such request or Acquisition Proposal and the identity of the person or entity making such request or Acquisition Proposal. Seller shall keep Buyer reasonably informed of the status and details (including amendments or proposed amendments) of any such request or Acquisition Proposal, including the status of any discussions or negotiations with respect to any Superior Acquisition Proposal.

Section 5.8 Board and Committee Meeting Minutes. Seller shall provide Buyer with copies of minutes and consents from all of its board and committee meetings (if any) no later than seven days thereafter except for any confidential discussion of this Agreement and the transaction contemplated hereby or any third party proposal to acquire control of Seller or any other matter that has been determined to be confidential, and except for information where such disclosure would violate or prejudice the rights of its customers, jeopardize the attorney-client privilege of Seller or the Holding Company, relates to confidential Regulator examination material, or contravene any law, rule, regulation, order, judgement, decree, fiduciary duty or binding agreement entered into prior to the date of this Agreement or in the ordinary course of business.

Section 5.9 Disclosure Schedules, Updates and Notifications.

(a) From and after the date hereof to the Effective Time, if any Party becomes aware of any facts, circumstances or of the occurrence or impending occurrence of any event that

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

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

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

Section 5.10 Indemnification.

(a) For a period of five (5) years after the Closing Date, Buyer shall indemnify, defend and hold harmless the present and former directors, officers and employees of the Seller and the Holding Company, and all such directors, officers and employees of the Seller and the Holding Company and their subsidiaries serving as fiduciaries under any of the respective benefits plans of the Seller and the Holding Company (the "Indemnified Parties") to the fullest extent allowable under the FBCA against all costs and expenses (including reasonable attorneys' fees, expenses and disbursements), judgements, fines, losses, claims, damages, settlements or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative (each, a "Claim"), arising out of or pertaining to the fact that the Indemnified Party is or was a director, officer, employee, or fiduciary of Seller or Holding Company or their subsidiaries or any such benefit plan or is or was serving at the request of Seller or Holding Company and their subsidiaries as a director, officer, manager, employee, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other business or non-profit enterprise (including any Employee Benefit Plan), whether asserted or claimed prior to, at or after the Closing Date (including with respect to the consummation of the transactions contemplated by this Agreement), and provide advancement of expenses to the Indemnified Parties (provided that the Indemnified Party to whom expenses are advanced provides an undertaking to repay advances if

it shall be determined that such Indemnified Party is not entitled to be indemnified pursuant to the FBCA).

(b) Buyer shall use its best efforts, and Seller's Insurer will provide Buyer written authorization to exercise the tail coverage (extended reporting provision) (and Seller and Holding Company shall cooperate prior to the Closing Date) to maintain in effect for a period of five (5) years after the Closing Date, Seller's and Holding Company's existing directors' and officers' liability insurance policy, including Seller's existing Management Professional Liability policy providing coverages for Directors and Officers Liability, Professional Liability, Employment Practices Liability, Fiduciary Liability and Network Security Liability and limited to limits provided through The Travelers Companies, Inc. ("Seller's Insurer") (provided that Buyer may substitute therefor (i) policies with comparable coverage and amounts containing terms and conditions which are substantially no less advantageous or (ii) with the consent of Seller and Holding Company (given prior to the Closing Date) any other policy with respect to claims arising from facts or events which occurred on or prior to the Closing Date and covering persons who are currently covered by such insurance) provided, that Buyer shall not be obligated to make premium payments for such five (5) year period in respect of such policy (or coverage replacing such policy) which exceed, for the portion related to Seller's and Holding Company's directors and officers, $25,000 (the "Maximum Amount"). If the amount of premium that is necessary to maintain or procure such insurance coverage exceeds the Maximum Amount, Buyer shall use its reasonable best efforts to maintain the most advantageous policies of director's and officer's liability insurance obtainable for a premium equal to the Maximum Amount or may request Seller and/or Holding Company to procure tail coverage, at Buyer's expense, at a single premium cost equal to the Maximum Amount.

(c) Any Indemnified Party wishing to claim indemnification under this Section 5.10 shall, within thirty (30) days, notify Buyer upon learning of any Claim, provided that failure to so notify shall not affect the obligation of Buyer under this Section 5.10 unless, and only to the extent that, Buyer is materially prejudiced in the defense of such Claim as a consequence. In the event of any such Claim (whether arising before or after the Effective Time), (i) Buyer shall have the right to assume the defense thereof and Buyer shall not be liable to such Indemnified Parties for any legal expenses of other counsel or any other expenses subsequently incurred by such Indemnified Parties in connection with the defense thereof, unless such Indemnified Party is advised in writing by counsel that the defense of such Indemnified Party by Buyer would create an actual or potential conflict of interest (in which case, Buyer shall not be obligated to reimburse or indemnify any Indemnified Party for the expenses of more than one such separate counsel for all Indemnified Parties, in addition to one local counsel in the jurisdiction where defense of any Claim has been or is to be asserted), (ii) the Indemnified Parties will cooperate in the defense of any such matter, (iii) Buyer shall not be liable for any settlement effected without its prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), (iii) Buyer shall not settle any Claim without such Indemnified Party's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), and (iv) Buyer shall have no obligation hereunder in the event that a federal or state banking agency or a court of competent jurisdiction shall determine that indemnification of an Indemnified Party in the manner contemplated hereby is prohibited by applicable laws and regulations.

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

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

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

Section 5.11 Financial Statements. Prior to the Closing Date, Seller shall deliver to Buyer a monthly balance sheet and income statement of Seller and the Holding Company as of the end of each month promptly after they become available. Such monthly financial statements shall be prepared consistent with past practice and in conformity in all material respects with GAAP (excluding footnote disclosure and subject to normal, recurring year-end adjustments) applied on a basis consistent with the Seller Financial Statements described in Section 3.3.

Section 5.12 Benefit Plans. To the extent permitted by applicable legal requirements, upon the written request of Buyer, Seller and the Holding Company shall make such changes to the Benefit Plans and shall take such actions with respect to the Benefit Plans as may be necessary to amend or terminate any Benefit Plan on or before the Closing on terms reasonably acceptable to Buyer; provided, however, that neither Company nor Seller shall be obligated to take any such required action that is irrevocable until immediately prior to the Effective Time.

Section 5.13 Pre-Closing Adjustments. Seller agrees that it shall, as Buyer shall reasonably request: (a) make any accounting adjustments or entries to its books of account and other financial records; (b) make or not make additional provisions to Seller's allowance for

Loan and lease losses; (c) sell or transfer any investment securities held by it; (d) charge-off any Loan; (e) dispose of certain identified governmental and municipal Deposits; (f) make any applicable change-in-control payments in connection with Seller employment agreements; (g) adopt any new GAAP standard released from the date of this Agreement up to and including the Effective Time; (e) create any new reserve account or make additional provisions to any other existing reserve account; (f) make changes in any accounting method; (g) accelerate, defer or accrue any anticipated obligation, expense or income item; and (h) make any other adjustments which would affect the financial reporting of the Holding Company and/or Seller, on a consolidated basis after the Effective Time; *provided, however*, that neither Seller nor the Holding Company shall be obligated to take any such requested action until immediately prior to the Closing and at such time as Seller shall have received reasonable assurances in writing that all conditions precedent to Buyer's obligations under this Agreement (except for the completion of actions to be taken at the Closing) have been satisfied, and no such adjustment which Seller or the Holding Company would not have been required to make but for the provisions of this Section 5.13 in and of itself shall result in a breach of any warranty or representation made herein, change the amount of the Merger Consideration to be paid to the Holders pursuant to Section 2.1, or delay the Closing or Buyer's receipt of the required regulatory approvals of the Merger, the Consolidation Merger and all other transactions contemplated by this Agreement.

Section 5.14 Certain Tax Matters.

(a) Tax Returns. The Holding Company Shareholder Representative, at its sole cost and expense, shall prepare and timely file, or cause to be prepared and timely filed, all income Tax Returns of Holding Company and Seller for any Pre-Closing Tax Period, which are required to be filed after the Closing Date. Such Tax Returns shall be prepared in a manner consistent with the prior practices of Holding Company and Seller unless otherwise required by applicable law. Each such Tax Return shall be submitted by the Holding Company Shareholder Representative to Buyer (together with applicable schedules and statements) at least 45 days prior to the due date (taking into account any timely filed extensions) of such Tax Return. If Buyer objects to any item on any such Tax Return, it shall, within 20 days after delivery of such Tax Return, notify the Holding Company Shareholder Representative in writing that it so objects, specifying with particularity any such item and stating the specific factual or legal basis for any such objection. If a notice of objection shall be duly delivered, the parties shall cooperate in good faith and use their reasonable efforts to resolve such items. If Buyer and the Holding Company Shareholder Representative are unable to reach an agreement within 10 days after receipt by the Holding Company Shareholder Representative of such notice of objection, the disputed items shall be resolved by a nationally recognized firm of independent certified public accountants selected by the Buyer and the Shareholder Representative (or, if the Buyer and the Shareholder Representative cannot agree on such firm, they shall cause their respective selected accounting firms to select a firm) (the "Tax Referee"), who shall resolve such dispute within a reasonable period of time based on the due date of such Tax Return and the Tax Return shall be filed to reflect the Tax Referee's resolution, which shall be final, conclusive and binding on the parties. Each party shall be responsible for its respective fees and expenses associated with any dispute, and the costs associated with any Tax Referee shall be paid equally by Buyer, on the one hand, and the Holding Company Shareholder Representative, on the other hand. Buyer shall prepare and timely file, or cause to be prepared and timely filed, all non-income related Tax Returns of Holding Company and Seller for a Pre-Closing Tax Period, which are

required to be filed after the Closing Date.

(b) Cooperation. The Holding Company Shareholder Representative and Buyer will provide each other with such cooperation and information as they may reasonably request of each other in connection with Tax matters attributable to a Pre-Closing Tax Period, including: (i) preparing or filing any Tax Return; (ii) determining a Tax liability or right of refund of Taxes; or (iii) in connection with any audit or other proceeding, in respect of Taxes. Buyer shall provide prompt written notice to the Holding Company Shareholder Representative of any audit or examination of a Pre-Closing Tax Period that may give rise to a Tax liability for the Holding Company shareholders (a "Pre-Closing Tax Matter"). Buyer shall permit the Holding Company Shareholder Representative to participate, at the expense of the Holding Company Shareholder Representative, in such audit or examination and shall make available relevant documents in connection therewith. Prior to any settlement or compromise of any audit or examination with respect to a Pre-Closing Tax Matter, the Holding Company Shareholder Representative shall be permitted to provide written comments on the proposed settlement or compromise which Buyer shall reasonably consider in good faith. The Holding Company Shareholder Representative shall have the right in its sole judgement to approve any settlement based upon the outcome of any Pre-Closing Tax Matter as long as any such settlement does not adversely affect Buyer or cause Buyer to incur any amounts for a Tax liability relating to a Pre-Closing Tax Period or additional expenses in relation thereto.

(c) Holding Company Shareholder Representative Fund. Prior to the Closing, Holding Company will establish a fund from its earnings in the amount of $50,000 to be used by the Holding Company Shareholder Representative for the sole purpose of covering any out-of-pocket expenses incurred by the Holding Company Shareholder Representative in connection with the matters contemplated in this Section 5.14. On the third anniversary of the Closing Date, the Holding Company Shareholder Representative will return any unused portion of such fund to Buyer. The foregoing $50,000 fund shall be maintained in an account at Buyer and shall include a provision for the automatic transfer of the ownership of the remaining proceeds in such account to Buyer on the third anniversary of the Closing Date.

(d) Holding Company Shareholder Representative. For purposes of this Agreement, the "Holding Company Shareholder Representative" shall mean C. Winston Bailey, Hugh F. Dailey, and David R. Denyer, acting by a majority vote.

(e) . Holding Company Shareholder Distributions. The Holding Company shall have the right to pay quarterly cash distributions to its shareholders up through the Closing (and prorated for any interim calendar quarter period) of $0.38 per share.

Section 5.15 Director and Employee Fees. Prior to the Closing, the Holding Company and the Seller shall have the right to continue to pay fees to their respective directors in the ordinary course of business and consistent with past practice.

Section 5.16 Board Positions. At the Closing, the Seller will propose two existing non-employee directors to serve as volunteer board members on the Buyer's board of directors. The proposed board members must be approved the Buyer's regulators and be consistent with the diversity and professional requirements of the Buyer's board of directors. Upon approval by the

Buyer's board of directors, the proposed members will immediately join the Buyer's board of directors and will be subsequently nominated for a two or three year term at the Buyer's next annual meeting.

Section 5.17 Subsidiaries. At or prior to the Closing, the Holding Company and Seller shall dissolve or merge into either of them, Official Land Title, Inc. and Florida Community Bankshares Capital Trust I.

ARTICLE 6

EMPLOYEE BENEFIT MATTERS

Section 6.1 Employees.

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

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

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

(d) Buyer agrees that those employees of Seller who become employees of Buyer on the Closing Date ("Former Seller Employees"), while they remain employees of Buyer after the Closing Date will be provided with benefits under Employee Benefit Plans during their period of employment which are no less favorable in the aggregate than those provided by Buyer to similarly situated employees of Buyer except as otherwise provided herein. Further, Buyer will honor and carryover the accumulated years of service of each Former Seller Employee for the purpose of participation in such Buyer Employee Benefit Plans. Except as hereinafter provided, at the Closing Date, Buyer will amend or cause to be amended each employee benefit and welfare plan of Buyer in which Former Seller Employees are eligible to participate, to the extent necessary and allowable under applicable law, so that as of the Closing Date:

(i) such plans take into account for purposes of eligibility, participation, vesting, and benefit accrual (except that there shall not be any benefit

accrual for past service under any qualified defined benefit pension plan), the service of such employees with Seller as if such service were with Buyer;

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

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

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

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

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

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

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

Section 6.3 Other Employee Benefit Matters.

(a) Buyer and Seller shall take such actions prior to the Closing Date as may be reasonably necessary to enable the employees of Seller after the Closing Date to transfer the amount credited to their accounts under the Seller's profit sharing plan through a rollover contribution into either a qualified defined contribution-plan of Buyer or a separate third party individual retirement account, or to take a cash distribution from the Seller's profit sharing plan. For purposes of any vesting determinations in connection with a qualified defined contribution plan of Buyer, service with Seller prior to the Closing Date shall be counted. For purposes of eligibility to participate in any matching contribution under a qualified defined contribution plan of Buyer, Seller's employees shall be eligible on terms and conditions consistent with those then

currently provided by Buyer to its other similarly-situated employees based on their employment date with Buyer.

(b) If, within six (6) months after the Closing Date, any Former Seller Employee who does not have an employment agreement with the Buyer is terminated by the Buyer other than "for cause" or as a result of unsatisfactory job performance, then the Buyer shall pay severance to such Former Seller Employee in an amount equal to one week of base salary for each 12 months of such Former Seller Employee's prior employment with Seller; provided, however, that in no event will the total amount of severance for any single Former Seller Employee be less than two (2) weeks of such base salary nor greater than twenty (20) weeks of such salary. Any severance to which a Former Seller Employee may be entitled in connection with a termination occurring more than six (6) months after the Closing Date will be as set forth in the severance policies of the Buyer as then in effect.

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

(d) At the Closing, the Seller shall pay the amounts owed to its two executive officers pursuant to their respective salary continuation agreement and as set forth on Disclosure Schedule 6.3(d).

(e) At the Closing, the Holding Company shall pay the stock appreciation rights amount owed to a director as set forth on Disclosure Schedule 6.3(e).

ARTICLE 7

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

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

Section 7.1 Performance. Each of the acts and undertakings and covenants of the Holding Company and the Seller to be performed at or before the Closing pursuant to this Agreement shall have been duly performed in all material respects.

Section 7.2 Representations and Warranties. The representations and warranties of the Holding Company and the Seller contained in Article 3 of this Agreement shall be true, correct and complete in all material respects on and as of the Closing Date (unless they speak to an earlier date) with the same effect as though made on and as of the Closing Date, except to the extent that inaccuracies in those representations and warranties do not have a Material Adverse Effect on Seller.

Section 7.3 Closing Certificate. Buyer shall have received a certificate of Seller signed by the chief executive officer or the chief financial officer of Seller, dated as of the Closing Date, certifying in such detail as Buyer may reasonably request, as to the fulfillment of

the conditions to the obligations of Buyer set forth in this Agreement that are required to be fulfilled by the Holding Company and the Seller on or before the Closing.

Section 7.4 Regulatory and Other Approvals. Buyer shall have obtained, in accordance with the filings and requests set forth in Section 5.4, the approval of the Federal Reserve, the FDIC, NCUA, and all other appropriate Governmental Authorities of the transactions contemplated by this Agreement, the Merger and Consolidation Merger contemplated by the Consolidation Merger Agreement, all required regulatory waiting periods shall have expired, and there shall be pending on the Closing Date no motion for rehearing or appeal from such approval or any suit or action seeking to enjoin the Merger or to obtain substantial damages in respect of such transaction.

Section 7.5 Approval of Merger and Delivery of Agreement. This Agreement, and the Merger shall have been approved by the shareholders of the Holding Company in accordance with the Holding Company's charter, by-laws and the FBCA, and the proper officers of Seller shall have executed and delivered to Buyer the Certificate of Merger, in the form prepared by Buyer, subject to Seller's review, and suitable for filing with the Florida Secretary of State, and shall have executed and delivered all such other certificates, statements or instruments as may be necessary or appropriate to effect such a filing. The Holders of not more than 5% of the shares of Holding Company common stock shall have given written demand for appraisal rights in accordance with the FBCA. The Consolidation Merger Agreement shall have been approved by the Holding Company board and by the Holding Company Shareholders.

Section 7.6 No Litigation. No suit or other action shall have been instituted or threatened in writing seeking to enjoin the consummation of the Merger or to obtain other relief in connection with this Agreement or the transactions contemplated herein that Buyer believes, in good faith and with the written advice of outside counsel, makes it undesirable or inadvisable to consummate the Merger by reason of the probability that the proceeding would result in the issuance of an order enjoining the Merger or in a determination that Seller or the Holding Company has failed to comply with applicable legal requirements of a material nature in connection with the Merger or actions preparatory thereto or would have a Company Material Adverse Effect.

Section 7.7 No Material Adverse Changes. Between the date of this Agreement and the Closing, the Seller shall not have experienced a Material Adverse Effect.

Section 7.8 Voting Agreement. Prior to the execution of this Agreement, Buyer shall have received a Voting Agreement, in the form attached hereto as Exhibit C, executed by the Seller board and the Holding Company board.

Section 7.9 Consents. Seller shall have obtained or caused to be obtained all written consents or approvals of the Merger as may be required or are determined by Buyer to be advisable under the contracts set forth on Schedule 3.14 of the Seller Disclosure Schedule, each of which shall be satisfactory to Buyer in form and substance.

Section 7.10 Consolidation Merger Agreement. The Consolidation Merger Agreement shall have been duly authorized and approved by Seller and the Holding Company and the other

terms and conditions of the Consolidation Merger Agreement shall have been satisfied so as to permit the Consolidation Merger to be consummated as contemplated thereby.

Section 7.11 Officer Agreements. The Employment Agreement entered into between the Buyer and Hugh F. Dailey and the Agreement entered into between the Buyer and David R. Denyer, each as a condition to the Buyer entering into this Agreement, shall be in full force and effect as of the Closing.

Section 7.12 Other Documents. Buyer shall have received at the Closing such other customary documents, certificates, or instruments as they may have reasonably requested evidencing compliance by Seller with the terms and conditions of this Agreement.

ARTICLE 8

CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER

Unless the conditions are waived by Seller, all obligations of Seller under this Agreement are subject to the fulfillment, on or before the Closing, of each of the following conditions:

Section 8.1 Performance. Each of the acts and undertakings and covenants of Buyer to be performed at or before the Closing pursuant to this Agreement shall have been duly performed in all material respects.

Section 8.2 Representations and Warranties. The representations and warranties of Buyer contained in Article 4 of this Agreement shall be true, correct and complete in all material respects on and as of the Closing Date (unless they speak to an earlier date) with the same effect as though made on and as of the Closing Date, except to the extent that inaccuracies in those representations and warranties do not have a Material Adverse Effect on Buyer.

Section 8.3 Closing Certificates. Seller shall have received a certificate of Buyer signed by a senior executive officer of Buyer, dated as of the Closing Date, certifying in such detail as Seller may reasonably request, as to the fulfillment of the conditions to the obligations of Seller as set forth in this Agreement that are required to be fulfilled by Buyer on or before the Closing.

Section 8.4 Regulatory and Other Approvals. Buyer shall have obtained in accordance with Section 5.4 the approval of all appropriate regulatory entities of the transactions contemplated by this Agreement, the Merger and Consolidation Merger contemplated by the Consolidation Merger Agreement, all required regulatory waiting periods shall have expired, and there shall be pending on the Closing Date no motion for rehearing or appeal from such approval or any suit or action seeking to enjoin the Merger or to obtain substantial damages in respect of such transaction.

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

Section 8.6 Delivery of Certificates. The proper officers of Buyer shall have executed and delivered to Seller the Certificate of Merger, in the form prepared by Buyer, subject to Seller's review, and suitable for filing with the Florida Secretary of State, and shall have executed and delivered all such other certificates, statements or instruments as may be necessary or appropriate to effect such a filing.

Section 8.7 No Litigation. No suit or other action shall have been instituted or threatened in writing seeking to enjoin the consummation of the Merger or to obtain other relief in connection with this Agreement or the transactions contemplated herein that Seller believes, in good faith and with the written advice of outside counsel, makes it undesirable or inadvisable to consummate the Merger by reason of the probability that the proceeding would result in the issuance of an order enjoining the Merger or in a determination that Buyer has failed to comply with applicable legal requirements of a material nature in connection with the Merger or actions preparatory thereto.

Section 8.8 Other Documents. Seller shall have received at the Closing all such other customary documents, certificates, or instruments as they may have reasonably requested evidencing compliance by Buyer with the terms and conditions of this Agreement.

Section 8.9 Seller Special Dividend. The Seller shall have received all approvals from the Regulators to pay the Seller Special Dividend.

Section 8.10 Tax Opinion. Within ten (10) business days following the date of this Agreement, the Seller and the Holding Company shall have received a draft of a tax opinion from the accountants for the Seller and the Holding Company as to the income tax consequences of the Merger and the Consolidation Merger to the shareholders of the Holding Company (and who will own shares of Bank common stock at the Effective Time) who own shares for investment purposes, and that any shares held for investment purposes would be considered a capital asset under the Code § 1221, and any such gain or loss would be considered a capital gain or loss, and there shall have been no change in such tax opinion as of the Effective Time.

ARTICLE 9

NON-SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 9.1 Non-Survival. None of the representations, warranties, covenants and agreements in this Agreement shall survive the Effective Time, except for those covenants or agreements contained herein which by their terms apply in whole or in part after the Effective Time, including, but not limited to Article 1, Article 2, Section 5.10, Section 5.12, Article 6, Article 9, and Article 10.

ARTICLE 10

GENERAL

Section 10.1 Expenses. Except as otherwise provided in Article 2 and this Section 10.1, all costs and expenses incurred in the consummation of this transaction, including any brokers' or finders' fees, shall be paid by the Party incurring such cost or expense.

Notwithstanding the foregoing, in any action between the parties seeking enforcement of any of the terms and provisions of this Agreement or in connection with any of the property described herein, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, and reasonable attorneys' fees and expenses as determined by the court.

(a) In the event that this Agreement is terminated pursuant to Section 10.2(e) (Superior Acquisition Proposal), then Seller shall pay to Buyer a termination fee equal to $7,000,000 within three (3) Business Days from such termination. Notwithstanding anything contained in this Section 10.1(a), any such sum paid pursuant to this Section 10.1(a) shall constitute liquidated damages and the receipt thereof shall be Buyer's sole and exclusive remedy under this Agreement

(b) All costs and expenses reasonably estimated to have been incurred by Seller or the Holding Company shall either be paid or accrued for on or prior to the Closing Date.

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

(a) By Seller or Buyer after the expiration of ten (10) Business Days after any Regulator shall have denied or refused to grant the approvals or consents required under this Agreement to be obtained pursuant to this Agreement, unless within said ten (10) Business Day period Buyer and Seller agree to submit or resubmit an application to, or appeal the decision of, the regulatory authority which denied or refused to grant approval thereof;

(b) By the non-breaching party after, the expiration of twenty (20) Business Days from the date that a party hereto has given notice to the another party of such other party's material breach or misrepresentation of any obligation, warranty, representation, or covenant in this Agreement; *provided, however*, that no such termination shall take effect if within said twenty (20) Business Day period the party so notified shall have fully and completely corrected the grounds for termination as specified in such notice; *provided further, however*, that no such termination shall take effect if within thirty (30) Business Days of the failure by the notified party to make such correction within said twenty (20) day period, the notifying party delivers to the notified party a written election not to terminate this Agreement notwithstanding such breach or misrepresentation, and any such election to proceed shall not waive such party's right to seek damages or other equitable relief;

(c) By Seller or Buyer if the transactions provided for in this Agreement are not consummated by December 31, 2019, unless the date is extended by the mutual written agreement of the parties, provided a party that is then in breach of this Agreement shall not be entitled to exercise such right of termination;

(d) The mutual written consent of the parties to terminate;

(e) By Seller if Seller shall contemporaneously enter into a definitive agreement with a third party providing a Superior Acquisition Proposal; *provided*, that the right to terminate this Agreement under this Section 10.2(c) shall not be available to Seller unless it delivers to Buyer (1) written notice of Seller's intention to terminate at least five (5) Business Days prior to termination and (2) the Fee referred to in Section 10.1(a) is paid; or

Section 10.3 Confidential Information. Buyer and Seller each covenant that (a) during the term of this Agreement and (b) in the event the transactions contemplated by this Agreement are not consummated, following the termination of this Agreement, each such Party will keep in strict confidence and return or destroy (in such Party's discretion) all documents containing any information concerning the properties, business, and assets of the other Parties that may have been obtained in the course of negotiations or examination of the affairs of each other Party either prior or subsequent to the execution of this Agreement (other than such information as shall be in the public domain or otherwise ascertainable from public or outside sources or was independently developed by such Party without reference to any confidential or proprietary information of the other party), except to the extent that disclosure is required by judicial process or governmental or regulatory authorities.

Section 10.4 Non-Assignment. Neither this Agreement nor any of the rights, interests or obligations of the Parties under this Agreement shall be assigned by any Party (whether by operation of law or otherwise) without the prior written consent of the other Party, provided, that Buyer may assign this Agreement and its obligations hereunder to a wholly-owned subsidiary or an affiliate of Buyer, without the prior written consent of any other Party, so long as Buyer continues to remain liable for the performance of all of its covenants and obligations set forth in this Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. This Agreement is not intended nor should it be construed to create any express or implied rights in any third parties, except for (i) the rights set forth in Section 5.10 which are intended to benefit each Indemnified Party and his or her heirs and representatives, (ii) the rights set forth in Section 5.12 and Article 6 of this Agreement, which are intended to benefit each Former Seller Employee and individual set forth therein, (iii) the rights set forth in Section 5.14 of this Agreement, which are intended to benefit the Holding Company Shareholder Representative, and (iv) if the Effective Time occurs, the right of the holders of Holding Company common stock and Seller common stock to receive the Merger Consideration payable pursuant to this Agreement.

Section 10.5 Notices. All notices, requests, demands, and other communications provided for in this Agreement shall be in writing and shall be deemed to have been given (a) when delivered in person, (b) the third business day after being deposited in the United States mail, registered or certified mail (return receipt requested), or (c) the first business day after being deposited with Federal Express or any other recognized national overnight courier service, in each case addressed as follows:

To Seller or:
Holding Company

Florida Community Bankshares, Inc.
Attention: Hugh F. Dailey
1603 SW 19th Avenue
Ocala, Florida 34471

E-mail: hfdailey@gmail.com

With a copy to:

John P. Greeley
Smith Mackinnon, PA
255 South Orange Avenue, Suite 1200
Orlando, Florida 32801
Email: jpg7300@aol.com

To Buyer:

MIDFLORIDA Credit Union
Attention: D. Kevin Jones
129 S. Kentucky Avenue
Lakeland, Florida 33801
Email: kevinjones@midflorida.com

With copy to:

Michael M. Bell, Esq.
Howard & Howard, PLLC
450 West Fourth Street
Royal Oak, Michigan 48067-2557
Email: mb@h2law.com

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

Section 10.7 Knowledge. Whenever any statement in this Agreement or in any list, certificate or other document delivered to any party pursuant to this Agreement is made "to the knowledge" or "to the best knowledge" of the Seller or the Holding Company, such knowledge shall mean facts and other information that Hugh F. Dailey and/or David R. Denyer actually knows after due inquiry. Further, any statement in this Agreement or in any list, certificate or other document delivered to any party pursuant to this Agreement is made "to the knowledge" or "to the best knowledge" of the Buyer, such knowledge shall mean facts and other information that D. Kevin Jones and/or Steve Moseley actually knows after due inquiry

Section 10.8 Interpretation. The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole. Article, Section, Exhibit and Schedule references are to the Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. The table of contents and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes," "including" or similar expressions are used in this Agreement, they will be understood to be followed by the words "without limitation." The words describing the singular shall include the plural and vice versa, and words denoting any gender shall include all genders and words denoting natural persons shall include corporations, partnerships and other entities and vice versa. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement will be

construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

Section 10.9 Entire Agreement. This Agreement, including the Schedules and agreements delivered pursuant hereto, set forth the entire understanding of the Parties and supersede all prior agreements, arrangements, and communications, whether oral or written, including but not limited to the Original Agreement and Plan of Merger. This Agreement shall not be modified or amended other than by written agreement of the Parties hereto. Captions appearing in this Agreement are for convenience only and shall not be deemed to explain, limit, or amplify the provisions hereof.

Section 10.10 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida (without regard to any applicable conflicts of law), except that it shall also be governed by and construed in accordance with federal law to the extent federal law applies. The sole and exclusive venue for any action arising out of this Agreement shall be a Florida State Court situated in Polk County, Florida, or a U.S. Federal District Court with jurisdiction over Polk County, Florida.

Section 10.11 Severability. In the event that a court of competent jurisdiction shall finally determine that any provision of this Agreement or any portion thereof is unlawful or unenforceable, such provision or portion thereof shall be deemed to be severed from this Agreement, and every other provision and portion thereof that is not invalidated by such determination shall remain in full force and effect. To the extent that a provision is deemed unenforceable by virtue of its scope but may be made enforceable by limitation thereof, such provision shall be enforceable to the fullest extent permitted under the laws and public policies of the state whose laws are deemed to govern enforceability.

Section 10.12 Waiver. Except as provided in Section 10.1(a), rights and remedies of the Parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law: (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other Parties; (b) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one Party will be deemed to be a waiver of any obligation of such Party or of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

Section 10.13 Time of the Essence. Whenever performance is required to be made by a party under a specific provision of this Agreement, time shall be of the essence.

Section 10.14 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any covenants in this Agreement were not performed in accordance

with their specific terms or otherwise were materially breached. It is accordingly agreed that, without the necessity of proving actual damages or posting bond or other security, the parties shall be entitled to temporary and/or permanent injunction or injunctions to prevent breaches of such performance and to specific enforcement of the terms and provisions in addition to any other remedy to which they may be entitled, at law or in equity.

** Signature Page Follows **

IN WITNESS WHEREOF, the Parties have each executed this Agreement and Plan of Merger as of the day and year first written above.

MIDFLORIDA CREDIT UNION

By: _____
Name: D. Kevin Jones
Title: CEO

FLORIDA COMMUNITY BANKSHARES, INC.

By: _____
Name: Hugh F. Dailey
Title: President and Chief Executive Officer

COMMUNITY BANK & TRUST OF FLORIDA

By: _____
Name: Hugh F. Dailey
Title: President and Chief Executive Officer

EXHIBITS OMITTED

OFFICE OF FINANCIAL REGULATION

CERTIFICATE OF MERGER

WHEREAS, Section 655.412, and 657.065, Florida Statutes, provides for the merger and consolidation of financial institutions; and

WHEREAS, the Office of Financial Regulation ("Office") is satisfied that the terms of the Agreement and Plan of Merger between the financial institutions described below comply with the Florida Statutes, and that the other regulatory conditions of the Office have been met,

NOW, THEREFORE, I, Jeremy W. Smith, Director of the Division of Financial Institutions, Office of Financial Regulation, does hereby issue this Certificate authorizing consummation of the merger and consolidation of the following constituent financial institutions:

MIDFLORIDA Credit Union, Lakeland, Polk County, Florida — Charter # 672

Community Bank and Trust of Florida, Ocala, Marion County, Florida — Charter # 275-T

under the charter of: MIDFLORIDA Credit Union
under the title of: MIDFLORIDA Credit Union
under State Charter No: 672

And, the Office further authorizes MIDFLORIDA Credit Union to continue the transaction of a general credit union business with main offices at 129 S. Kentucky Avenue, Lakeland, Polk County, Florida, and with branch offices as authorized by law. On the effective date of merger, 11:59 p.m., eastern daylight time on November 8, 2019, the charter and franchise of Community Bank and Trust of Florida shall be deemed terminated and surrendered.

Signed and Sealed this 8th day of November 2019.

Jeremy W. Smith, Director
Division of Financial Institutions

FLORIDA OFFICE OF

FINANCIAL REGULATION

Having been approved by the Office of Financial Regulation ("OFR") on September 17, 2019, to merge Florida Community Successor Bank, Ocala, Marion County, Florida, with and into Community Bank and Trust of Florida, Ocala, Marion County, Florida. Prior to the merger, Florida Community Bancshares, Inc., Ocala, Marion County, Florida intends to file "Restate Articles of Incorporation" to become a successor institution ("Florida Community Successor Bank") in accordance with Section 658.40(4), Florida Statutes. Florida Community Successor Bank will subsequently merge with and into Community Bank and Trust of Florida, Ocala, Marion County, Florida. Having been satisfied that the conditions of approval have been met, the OFR does not object to the filing with the Department of State of the attached Restated Articles of Incorporation for Florida Community Bancshares, Inc., or the subsequent merger of Florida Community Successor Bank with and into Community Bank and Trust of Florida.

Signed on this 8th day of November 2019.

Jeremy W. Smith, Director,
Division of Financial Institutions

STREET ADDRESS: 101 East Gaines Street, Suite 636 • PHONE (850) 410-9800 • FAX (850) 410-9548
MAILING ADDRESS: Division of Financial Institutions, 200 East Gaines Street, Tallahassee, FL 32399-0371
Visit us on the web: WWW.FLOFR.COM • Toll Free: (800) 848-3792