

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

STATE OF GEORGIA
DEPARTMENT OF BANKING AND FINANCE
ATLANTA, GEORGIA

Written Agreement by and among

INTEGRITY BANCSHARES, INC.
Alpharetta, Georgia

FEDERAL RESERVE BANK OF ATLANTA
Atlanta, Georgia

and

BANKING COMMISSIONER OF THE
STATE OF GEORGIA
Atlanta, Georgia

Docket No. 08-006-WA/RB-HC

WHEREAS, in recognition of their common goal to maintain the financial soundness of Integrity Bancshares, Inc., Alpharetta, Georgia (“Bancshares”), a registered bank holding company that owns and controls Integrity Bank, Alpharetta, Georgia (the “Bank”), a state chartered nonmember bank, Bancshares, the Federal Reserve Bank of Atlanta (the “Reserve Bank”), and the Banking Commissioner of the State of Georgia (the “Commissioner”) have mutually agreed to enter into this Written Agreement (the “Agreement”); and

WHEREAS, on April 30, 2008, the board of directors of Bancshares, at a duly constituted meeting, adopted a resolution authorizing and directing C.J. Puckett, Chairman, to enter into this Agreement on behalf of Bancshares, and consenting to compliance by Bancshares and its institution-affiliated parties, as defined in sections 3(u) and

8(b)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”) (12 U.S.C. §§ 1813(u) and 1818(b)(3)), with each and every provision of this Agreement.

NOW, THEREFORE, Bancshares, the Reserve Bank, and the Commissioner agree as follows:

Dividends

1. (a) Bancshares shall not directly or indirectly take dividends or any other form of payment representing a reduction in capital from the Bank without the prior written approval of the Reserve Bank and the Commissioner.

(b) Bancshares shall not declare or pay any dividends unless such declaration or payment is consistent with the Board of Governors of the Federal Reserve System’s (the “Board of Governors”) Policy Statement on the Payment of Cash Dividends by State Member Banks and Bank Holding Companies, dated November 14, 1985 (Federal Reserve Regulatory Service, 4-877 at page 4-323) and the Georgia Department of Banking and Finance Statement of Policies. During the term of this Agreement, Bancshares shall also not declare or pay any dividends without the prior written approval of the Reserve Bank, the Director of the Division of Banking Supervision and Regulation of the Board of Governors (“Director”), and the Commissioner.

(c) Bancshares and its nonbank subsidiaries shall not make any distributions of interest, principal, or other sums on subordinated debentures or trust preferred securities without the prior written approval of the Reserve Bank, the Director, and the Commissioner (*see*, Capital Adequacy Guidelines for Bank Holding Companies: Risk-Based Measure, appendix A of Regulation Y of the Board of Governors (12 C.F.R. Part 225 appendix A, section II.A.1.c.iv)).

(d) All requests for prior approval shall be received by the Reserve Bank and the Commissioner at least 30 days prior to the proposed dividend declaration date, proposed distribution on subordinated debentures, and required notice of deferral on trust preferred securities. All requests shall contain, but not be limited to, current and projected information on consolidated earnings; the cash flow, capital, asset quality, and loan loss reserve needs of the Bank; identification of the sources of funds for the proposed payment or distribution; and, to the extent that the proposed payment or distribution will be made with dividends paid by the Bank, whether the Bank's federal and state regulators have approved the dividend payment to Bancshares. The Reserve Bank, the Director, and the Commissioner will determine whether to approve the request to pay dividends or make distributions pursuant to Federal Reserve policy and the Georgia Department of Banking and Finance Statement of Policies, including, but not limited to, the proposed payment's impact on Bancshares' continued ability to serve as a source of financial strength to the Bank.

Debt and Stock Redemption

2. (a) Bancshares shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank and the Commissioner. All requests for prior written approval shall contain, but not be limited to, a statement regarding the purpose of the debt, the terms of the debt, and the planned source(s) for debt repayment, and an analysis of the cash flow resources available to meet such debt repayment.

(b) Bancshares shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank and the Commissioner.

Capital Plan

3. Within 60 days of this Agreement, Bancshares shall submit to the Reserve Bank and the Commissioner an acceptable written plan to maintain a sufficient capital position at the consolidated organization and the Bank. The plan shall, at a minimum, address, consider, and include:

(a) The consolidated organization's and the Bank's current and future capital requirements, including compliance with the Capital Adequacy Guidelines for Bank Holding Companies: Risk-Based Measure and Tier 1 Leverage Measure, Appendices A and D of Regulation Y of the Board of Governors (12 C.F.R. Part 225, appendices A and D) and the Georgia Department of Banking and Finance Statement of Policies;

(b) the adequacy of the Bank's capital, taking into account the volume of classified credits, concentrations of credit, adequacy of loss reserves, current and projected asset growth, and projected retained earnings;

(c) the source and timing of additional funds to fulfill the consolidated organization's and the Bank's future capital requirements;

(d) federal or state supervisory requests for additional capital at the Bank or the requirements of any supervisory action imposed on the Bank by any federal or state regulator;

(e) the requirements of section 225.4(a) of Regulation Y of the Board of Governors (12 C.F.R. § 225.4(a)) that Bancshares serve as a source of strength to the Bank; and

(f) procedures for Bancshares to notify the Reserve Bank and the Commissioner, in writing, no more than thirty days after the end of any quarter in which Bancshares' consolidated capital ratios or the Bank's capital ratios (total risk-based, Tier 1 risk-

based, or leverage) fall below the plan's minimum ratios and to submit to the Reserve Bank and the Commissioner an acceptable written plan that details the steps Bancshares will take to increase its and the Bank's capital ratios above the plan's minimum within 30 days of such calendar quarter-end date.

Appointment of New Officers and Directors, and Severance and Indemnification Payments

4. (a) In appointing any new director or senior executive officer, or changing the responsibilities of any senior executive officer so that the officer would assume a different senior executive officer position, Bancshares shall comply with the notice provisions of section 32 of the FDI Act (12 U.S.C. § 1831i) and Subpart H of Regulation Y of the Board of Governors (12 C.F.R. §§ 225.71 *et seq.*), and request and obtain the approval of the Commissioner.

(b) Bancshares shall comply with the restrictions on indemnification and severance payments of section 18(k) of the FDI Act (12 U.S.C. § 1828(k)) and Part 359 of the Federal Deposit Insurance Corporation's regulations (12 C.F.R. Part 359).

Approval, Implementation, and Progress Reports

5. (a) Bancshares shall submit a written capital plan that is acceptable to the Reserve Bank and the Commissioner within the applicable time period set forth in paragraph 3 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank and the Commissioner, Bancshares shall adopt the approved capital plan. Upon adoption, Bancshares shall implement the approved plan, and thereafter fully comply with it.

(c) During the term of this Agreement, the approved capital plan shall not be amended or rescinded without the prior written approval of the Reserve Bank and the Commissioner.

6. Within 15 days after the end of each calendar quarter following the date of this Agreement, the board of directors shall submit to the Reserve Bank and the Commissioner written progress reports detailing the form and manner of all actions taken to secure Bancshares' compliance with the provisions of this Agreement and the results thereof. The Reserve Bank and the Commissioner may, in writing, discontinue the requirement for progress reports or modify the reporting schedule.

Communications

7. All communications regarding this Agreement shall be sent to:

- (a) Mr. Robert D. Hawkins
Assistant Vice President
Federal Reserve Bank of Atlanta
1000 Peachtree Street, N.E.
Atlanta, Georgia 30309-4470
- (b) Mr. Robert M. Braswell
Commissioner
Department of Banking and Finance
2990 Brandywine Road
Suite 200
Atlanta, Georgia 30341
- (c) Mr. Gregory Jones
Director of Regulatory Relations
Integrity Bancshares, Inc.
11138 State Bridge Road
Alpharetta, Georgia 30022

Miscellaneous

8. Notwithstanding any provision of this Agreement to the contrary, the Reserve Bank and the Commissioner may, in their sole discretion, grant written extensions of time to Bancshares to comply with any provision of this Agreement.

9. The provisions of this Agreement shall be binding upon Bancshares and each of its institution-affiliated parties, in their capacities as such, and their successors and assigns.

10. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended by the Reserve Bank and the Commissioner.

11. The provisions of this Agreement shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, the Commissioner, or any other federal or state agency from taking any other action affecting Bancshares, any of its current or former institution-affiliated parties, and their successors and assigns.

12. Pursuant to section 50 of the FDI Act (12 U.S.C. § 1831aa), this Agreement is enforceable by the Board of Governors under section 8 of the FDI Act (12 U.S.C. § 1818) and by the Commissioner pursuant to the Official Code of Georgia Annotated § 7-1-91.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 30th day of April, 2008.

Integrity Bancshares, Inc.

Federal Reserve Bank of Atlanta

By: /s/ C.J. Puckett
Mr. C.J. Puckett
Chairman

By: /s/ Robert D. Hawkins
Mr. Robert D. Hawkins

Banking Commissioner of the
State of Georgia

By: /s/ Robert Braswell (by GML)
Mr. Robert Braswell