

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 between

MID STATE BANKS, INC.
Hawkinsville, Georgia

FEDERAL RESERVE BANK OF ATLANTA
Atlanta, Georgia

and

STATE OF GEORGIA
DEPARTMENT OF BANKING AND
FINANCE
Atlanta, Georgia

Docket No. 10-079-WA/RB-HC

WHEREAS, Mid State Banks, Inc., Hawkinsville, Georgia (“Mid State”), a registered bank holding company, owns and controls PlantersFIRST, Cordele, Georgia (the “Bank”), a state chartered nonmember bank, and one nonbank subsidiary;

WHEREAS, it is the common goal of Mid State, the Federal Reserve Bank of Atlanta (the “Reserve Bank”), and the Banking Commissioner of the State of Georgia (the “Commissioner”) to maintain the financial soundness of Mid State so that Mid State may serve as a source of strength to the Bank;

WHEREAS, Mid State, the Reserve Bank and the Commissioner have mutually agreed to enter into this Written Agreement (the “Agreement”); and

WHEREAS, on April 14, 2010, the board of directors of Mid State, at a duly constituted meeting, adopted a resolution authorizing and directing Bobby G. Shepard to enter into this Agreement on behalf of Mid State, and consenting to compliance with each and every provision of this Agreement by Mid State 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)).

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

Source of Strength

1. The board of directors of Mid State shall take appropriate steps to fully utilize Mid State’s financial and managerial resources, pursuant to section 225.4(a) of Regulation Y of the Board of Governors of the Federal Reserve System (the “Board of Governors”) (12 C.F.R. § 225.4(a)), to serve as a source of strength to the Bank, including, but not limited to, taking steps to ensure that the Bank complies with the Consent Order entered into with the Commissioner on January 21, 2010, and any other supervisory action taken by the Bank’s federal or state regulator.

Dividends and Distributions

2. (a) Mid State shall not declare or pay any dividends without the prior written approval of the Reserve Bank and the Director of the Division of Banking Supervision and Regulation (the “Director”) of the Board of Governors.

(b) Mid State 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.

(c) Mid State and its nonbank subsidiary 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 and the Director.

(d) All requests for prior approval shall be received by the Reserve Bank 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, at minimum, current and projected information on Mid State's capital, earnings, and cash flow; the Bank's capital, asset quality, earnings, and allowance for loan and lease losses; and identification of the sources of funds for the proposed payment or distribution. For requests to declare or pay dividends, Mid State must also demonstrate that the requested declaration or payment of dividends is consistent with 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).

Debt and Stock Redemption

3. (a) Mid State and its nonbank subsidiary shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank. 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) Mid State shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank.

Compliance with Laws and Regulations

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, Mid State 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.*).

(b) Mid State 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 FDIC's regulations (12 C.F.R. Part 359).

Progress Reports

5. Within 30 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 compliance with the provisions of this Agreement and the results thereof, and a parent company only balance sheet, income statement, and, as applicable, report of changes in stockholders' equity.

Communications

6. 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 30349-4470
- (b) Mr. Robert Braswell
Commissioner
Georgia Department of Banking and Finance
2990 Brandywine Road, Suite 200
Atlanta, Georgia 30341

- (c) Mr. Sam A. Way, III
Chairman of the Board
Mid State Banks, Inc.
P. O. Box 1407
Hawkinsville, GA 31036

Miscellaneous

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

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

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

10. 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 Mid State, the Bank, any nonbank subsidiary of Mid State, or any of their current or former institution-affiliated parties and their successors and assigns.

11. 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).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 2nd day of June, 2010.

MID STATE BANKS, INC.

By: /s/ Bobby G. Shepard
Bobby G. Shepard
Executive Vice President

FEDERAL RESERVE BANK
OF ATLANTA

By: /s/ Robert D. Hawkins
Robert D. Hawkins
Assistant Vice President

GEORGIA DEPARTMENT OF BANKING
AND FINANCE

By: /s/ Robert Braswell
Robert Braswell
Commissioner