

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

Written Agreement by and between

TCB HOLDING COMPANY
The Woodlands, Texas

and

FEDERAL RESERVE BANK OF
DALLAS
Dallas, Texas

Docket No. 12-0045-WA/RB-HC

WHEREAS, TCB Holding Company, The Woodlands, Texas (“TCB”), a registered bank holding company, owns and controls Texas Community Bank, National Association, The Woodlands, Texas (the “Bank”), a national bank;

WHEREAS, it is the common goal of TCB and the Federal Reserve Bank of Dallas (the “Reserve Bank”) to maintain the financial soundness of TCB so that TCB may serve as a source of strength to the Bank;

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

WHEREAS, on July 12, 2012, the board of directors of TCB, at a duly constituted meeting, adopted a resolution authorizing and directing Charlie Milstead to enter into this Agreement on behalf of TCB, and consenting to compliance with each and every provision of this Agreement by TCB 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, TCB and the Reserve Bank agree as follows:

Source of Strength

1. The board of directors of TCB shall take appropriate steps to fully utilize TCB’s financial and managerial resources, pursuant to section 38A of the FDI Act (12 U.S.C. § 1831o-1) and 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 Office of the Comptroller of the Currency (“OCC”) on September 15, 2010, and any other supervisory action taken by the Bank’s federal regulator.

Dividends

2. (a) TCB 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 of the Board of Governors.

(b) TCB 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) All requests for prior approval shall be received by the Reserve Bank at least 30 days prior to the proposed dividend declaration date. All requests shall contain, at a minimum, current and projected information on TCB’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, TCB 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) TCB and any 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) TCB shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank.

Cash Flow Projections

4. Within 30 days of this Agreement, TCB shall submit to the Reserve Bank a written statement of its planned sources and uses of cash for debt service, operating expenses, and other purposes ("Cash Flow Projection") for 2012. TCB shall submit to the Reserve Bank a Cash Flow Projection for each calendar year subsequent to 2012 at least one month prior to the beginning of that calendar year.

Regulatory Reports

5. (a) Within 60 days of this Agreement, TCB shall submit to the Reserve Bank acceptable written procedures to strengthen and maintain internal controls to ensure that all required regulatory reports and notices filed with the Reserve Bank accurately reflect TCB's

financial condition and organizational structure and are filed in accordance with the applicable instructions for preparation.

(b) Within 30 days of this Agreement, TCB shall file amended regulatory reports to correct any previously filed report that does not comply with regulatory reporting requirements.

Compliance with Laws and Regulations

6. (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, TCB 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) TCB 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).

Progress Reports

7. Within 45 days after the end of each calendar quarter following the date of this Agreement, the board of directors shall submit to the Reserve Bank 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

8. All communications regarding this Agreement shall be sent to:
 - (a) Ms. DaVana Warren
Enforcement Examiner II
Federal Reserve Bank of Dallas
2200 N. Pearl St.
Dallas, Texas 75201
 - (b) Mr. Charlie Milstead
Director
TCB Holding Company
16610 Interstate 45
The Woodlands, Texas 77384

Miscellaneous

9. Notwithstanding any provision of this Agreement, the Reserve Bank may, in its sole discretion, grant written extensions of time to TCB to comply with any provision of this Agreement.
10. The provisions of this Agreement shall be binding upon TCB and its institution-affiliated parties, in their capacities as such, and their successors and assigns.
11. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank.
12. The provisions of this Agreement shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, or any other federal or state agency from taking any other action affecting TCB, the Bank, or any of their current or former institution-affiliated parties and their successors and assigns.

13. 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 13th day of July, 2012.

TCB HOLDING COMPANY

FEDERAL RESERVE BANK
OF DALLAS

By: Charlie Milstead
Charlie Milstead
Director

By: Earl Anderson
Earl Anderson
Vice President