

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

Written Agreement by and between

BONIFAY HOLDING COMPANY, INC.
Bonifay, Florida

and

FEDERAL RESERVE BANK OF ATLANTA
Atlanta, Georgia

Docket No. 08-012-WA/RB-HC

WHEREAS, in recognition of their common goal to maintain the financial soundness of Bonifay Holding Company, Inc., Bonifay, Florida (“BHCI”), a registered bank holding company that owns and controls The Bank of Bonifay, Bonifay, Florida (the “Bank”), a state chartered nonmember bank, BHCI and the Federal Reserve Bank of Atlanta (the “Reserve Bank”) have mutually agreed to enter into this Written Agreement (the “Agreement”); and

WHEREAS, on June 25, 2008, the board of directors of BHCI, at a duly constituted meeting, adopted a resolution authorizing and directing Michael A. Medley, Chairman, to enter into this Agreement on behalf of BHCI, and consenting to compliance by BHCI 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, BHCI and the Reserve Bank agree as follows:

Dividends

1. (a) BHCI 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.

(b) BHCI 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). During the term of this Agreement, BHCI shall also 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 ("Director").

(c) BHCI 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 (*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 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 BHCI. The Reserve Bank and the Director will determine whether to approve the request to pay dividends or make distributions pursuant to Federal Reserve policy, including, but not limited to, the proposed payment's impact on BHCI's continued ability to serve as a source of financial strength to the Bank.

Debt and Stock Redemption

2. (a) BHCI 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) BHCI shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank.

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

3. (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, BHCI 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 Reserve Bank.

(b) BHCI 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

4. (a) 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 written progress reports detailing the form and manner of all actions taken to secure BHCI's compliance with the provisions of this Agreement and the results thereof. The Reserve Bank may, in writing, discontinue the requirement for progress reports or modify the reporting schedule.

Communications

5. 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. Michael A. Medley
Chairman
Bonifay Holding Company, Inc.
300 North Waukesha Street
Bonifay, Florida 32455

Miscellaneous

6. Notwithstanding any provision of this Agreement to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to BHCI to comply with any provision of this Agreement.

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

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

9. 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 BHCI, any of its current or former institution-affiliated parties, and their successors and assigns.

10. 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 21st day of July, 2008.

BONIFAY HOLDING COMPANY, INC.

FEDERAL RESERVE BANK
OF ATLANTA

By: /s/ Michael A. Medley
Michael A. Medley
Chairman

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