

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

FIRST GEORGIA COMMUNITY CORP.
Jackson, Georgia

FIRST GEORGIA COMMUNITY BANK
Jackson, Georgia

FEDERAL RESERVE BANK
OF ATLANTA
Atlanta, Georgia

and

BANKING COMMISSIONER OF THE
STATE OF GEORGIA
Atlanta, Georgia

Docket No. 08-023-WA/RB-HC
08-023-WA/RB-SM

WHEREAS, in recognition of their common goal to maintain the financial soundness of First Georgia Community Corp., Jackson, Georgia (“First Georgia”), a registered bank holding company, and its subsidiary bank, First Georgia Community Bank, Jackson, Georgia (the “Bank”), a state chartered bank that is a member of the Federal Reserve System, First Georgia, the Bank, 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 September 11, 2008, the boards of directors of First Georgia and the Bank, at duly constituted meetings, adopted resolutions authorizing and directing William B. Jones, Chairman, to enter into this Agreement on behalf of First Georgia and the Bank, and consenting to compliance by First Georgia and the Bank and their 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, First Georgia, the Bank, the Reserve Bank, and the Commissioner agree as follows:

Management and Staffing Review

1. Within 60 days of this Agreement, the board of directors of the Bank shall complete an assessment of the Bank's management and staffing needs and the qualifications and performance of all senior Bank officers. The primary purpose of the review shall be to aid in the development of a suitable management structure that is adequately staffed by qualified and trained personnel (the "Management Review"). The Management Review shall, at a minimum, address, consider, and include:

(a) The identification of the type and number of officers needed to manage and supervise properly the affairs of the Bank; and

(b) an evaluation of each officer to determine whether the individual possesses the ability, experience, and other qualifications required to perform competently present and anticipated duties, including the ability to adhere to applicable laws and regulations and the Bank's established policies and procedures, restore and maintain the Bank to a safe and sound condition, and comply with the requirements of this Agreement.

2. Upon completion of the assessment, the board of directors shall forward to the Reserve Bank and the Commissioner a written report that includes the findings and conclusions of the assessment and any plans to recruit, hire, provide necessary training, or appoint additional or replacement personnel with the requisite ability, experience, and other qualifications to perform competently their assigned duties.

Credit Risk Management

3. Within 60 days of this Agreement, the Bank shall submit an acceptable written plan to the Reserve Bank and the Commissioner that describes the specific actions that the board of directors proposes to take to strengthen credit risk management practices. The plan shall, at a minimum, address, consider, and include:

- (a) Measures to improve the Bank's prompt identification of problem loans; and
- (b) procedures to identify, monitor, and control risks associated with concentrations of credit by types of loan and borrower/guarantor and consistent with the Interagency Guidance on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices, dated December 12, 2006 (SR 07-1, January 4, 2007).

Lending and Credit Administration

4. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner an acceptable written plan to continue improving loan underwriting and credit administration that, at a minimum, addresses, considers, and includes:

- (a) Underwriting standards that are appropriate for each type of loan product offered by the Bank, and include and provide for, at a minimum, documented analysis of the borrower's repayment source, creditworthiness, global cash flow and debt service ability, and minimum requirements for borrower's equity;

(b) credit administration procedures that require the maintenance of credit files that adequately document project status, the borrower's ability to repay the loan according to its terms, and the periodic submission by borrowers of current financial statements and project status;

(c) standards for obtaining new appraisals consistent with Subpart G of Regulation Y of the Board of Governors of the Federal Reserve System (the "Board of Governors") (12 C.F.R. Part 225, Subpart G) made applicable to state member banks by section 208.50 of Regulation H of the Board of Governors (12 C.F.R. § 208.50);

(d) policies and procedures to identify and report to the Bank's board of directors loans in excess of loan-to-value limits, promptly update the loan-to-value exception report, and reduce excess aggregate loans;

(e) policy and procedures for the transfer of problem loans to special assets or workout staff;

(f) updated policies and procedures regarding accounting for sales of other real estate owned ("OREO") and nonaccrual loans; and

(g) measures to address the deficiencies in loan policies and procedures and credit administration noted in the report of the findings from the examination of the Bank conducted by the Reserve Bank that was commenced on March 31, 2008 (the "Report of Examination").

Loan Review

5. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner an acceptable written program for the on-going review and grading of the Bank's loan portfolio by a qualified independent party or by qualified staff that is independent of the Bank's lending function. The program shall, at a minimum, address, consider, and include:

- (a) The scope and frequency of the loan review, including at least a semi-annual external loan review;
- (b) standards and criteria for assessing the credit quality of the loans;
- (c) application of loan grading standards and criteria to the loan portfolio; and
- (d) periodic written reports to the board of directors that identify the status of those loans that are adversely graded and the prospects for full collection or strengthening of the quality of any such loans.

Asset Improvement

6. (a) The Bank shall not, directly or indirectly, extend or renew any credit to or for the benefit of any borrower, including any related interest of the borrower, who is obligated to the Bank in any manner on any extension of credit or portion thereof that has been charged off by the Bank or classified, in whole or in part, "loss" or "doubtful" in the Report of Examination or in any subsequent report of examination, as long as such credit remains uncollected.

(b) The Bank shall not, directly or indirectly, extend or renew any credit to or for the benefit of any borrower, including any related interest of the borrower, whose extension of credit has been classified "substandard" in the Report of Examination or in any subsequent report of examination, without the prior approval of the board of directors. The board of directors shall document in writing the reasons for the extension of credit or renewal, specifically certifying that:

(i) the extension of credit is necessary to protect the Bank's interest in the ultimate collection of the credit already granted or (ii) the extension of credit is in full compliance with the Bank's written loan policy, is adequately secured, and a thorough credit analysis has been performed indicating that the extension or renewal is reasonable and justified, all necessary loan documentation has been properly and accurately prepared and filed, the extension of credit will not impair the Bank's interest in obtaining repayment of the already outstanding credit, and the board of directors reasonably believes that the extension of credit or renewal will be repaid according to its terms. The written certification shall be made a part of the minutes of the board of directors meetings, and a copy of the signed certification, together with the credit analysis and related information that was used in the determination, shall be retained by the Bank in the borrower's credit file for subsequent supervisory review. For purposes of this Agreement, the term "related interest" is defined as set forth in section 215.2(n) of Regulation O of the Board of Governors (12 C.F.R. § 215.2(n)).

7. (a) Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner an acceptable written plan designed to improve the Bank's position through repayment, amortization, liquidation, additional collateral, or other means on each loan or other asset in excess of \$100,000, including OREO, that (i) is past due as to principal or interest more than 90 days as of the date of this Agreement; (ii) is on the Bank's problem loan list; or (iii) was adversely classified in the Report of Examination.

(b) Within 30 days of the date that any additional loan or other asset in excess of \$100,000, including OREO, becomes past due as to principal or interest for more than 90 days, is on the Bank's problem loan list, or is adversely classified in any subsequent report of examination of the Bank, the Bank shall submit to the Reserve Bank and the Commissioner an acceptable written plan to improve the Bank's position on such loan or asset.

(c) Within 30 days after the end of each calendar quarter thereafter, the Bank shall submit a written progress report to the Reserve Bank and the Commissioner to update each asset improvement plan, which shall include, at a minimum, the carrying value of the loan or other asset and changes in the nature and value of supporting collateral, along with a copy of the Bank's current problem loan list, extension report, and past due/non-accrual report.

Allowance for Loan and Lease Losses

8. (a) Within 10 days of this Agreement, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified "loss" in the Report of Examination that have not been previously collected in full or charged off. Thereafter the Bank shall, within 30 days from the receipt of any federal or state report of examination, charge off all assets classified "loss" unless otherwise approved in writing by the Reserve Bank and the Commissioner.

(b) Within 60 days of this Agreement, the Bank shall review and revise its ALLL methodology consistent with relevant supervisory guidance, including the Interagency Policy Statements on the Allowance for Loan and Lease Losses, dated July 2, 2001, and December 13, 2006, and the findings and recommendations regarding the ALLL set forth in the Report of Examination, and submit a description of the revised methodology to the Reserve Bank and the Commissioner. The revised ALLL methodology shall be designed to maintain an adequate ALLL and shall address, consider, and include, at a minimum, the reliability of the Bank's loan grading system, the volume of criticized loans, concentrations of credit, the current level of past due and nonperforming loans, past loan loss experience, evaluation of probable losses in the Bank's loan portfolio, including adversely classified loans, and the impact of market conditions on loan and collateral valuations and collectibility.

(c) Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner an acceptable written program for the maintenance of an adequate ALLL. The program shall include policies and procedures to ensure adherence to the revised ALLL methodology and provide for periodic reviews and updates to the ALLL methodology, as appropriate. The program shall also provide for a review of the ALLL by the board of directors on at least a quarterly calendar basis. Any deficiency found in the ALLL shall be remedied in the quarter it is discovered, prior to the filing of the Consolidated Reports of Condition and Income, by additional provisions. The board of directors shall maintain written documentation of its review, including the factors considered and conclusions reached by the Bank in determining the adequacy of the ALLL. During the term of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner, within 30 days after the end of each calendar quarter, a written report regarding the board of directors' quarterly review of the ALLL and a description of any changes to the methodology used in determining the amount of ALLL for that quarter.

Capital Plan

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

- (a) Compliance with the Capital Adequacy Guidelines for State Member Banks: Risk-Based Measure and Tier 1 Leverage Measure, Appendices A and B of Regulation H of the Board of Governors (12 C.F.R. Part 208, App. A and B) and the Statement of Policies of the Commissioner of Banking and Finance;
- (b) the volume of adversely classified assets;
- (c) the adequacy of the loan loss reserve;

- (d) any planned asset growth;
- (e) the anticipated level of retained earnings;
- (f) anticipated and contingent liquidity needs; and
- (g) the source and timing of additional funds to fulfill the future capital and loan

loss reserve needs of the Bank.

10. The Bank's board of directors shall monitor and review the sufficiency of the Bank's capital on a monthly basis and shall reflect such reviews in the minutes of the board of directors' meetings.

Earnings Plan and Budget

11. (a) Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner a written business plan for 2009 to improve the Bank's earnings and overall condition. The plan, at a minimum, shall provide for or describe:

- (i) a realistic and comprehensive budget for calendar year 2009, including income statement and balance sheet projections; and
- (ii) a description of the operating assumptions that form the basis for, and adequately support, major projected income, expense, and balance sheet components.

(b) A business plan and budget for each calendar year subsequent to 2009 shall be submitted to the Reserve Bank and the Commissioner at least 30 days prior to the beginning of that calendar year.

Liquidity/Funds Management

12. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank and the Commissioner an acceptable written plan designed to improve management of the Bank's liquidity position and funds management practices. The plan shall, at a minimum, address, consider, and include:

- (a) Measures to enhance the monitoring and reporting of the Bank's liquidity position; and
- (b) reduce reliance on volatile liabilities, including brokered deposits.

13. Within 60 days of this Agreement, the Bank shall revise and submit to the Reserve Bank and the Commissioner an acceptable written contingency funding plan that, at a minimum, identifies available sources of liquidity and includes adverse scenario planning.

Dividends

14. (a) First Georgia and the Bank shall 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.

(b) First Georgia shall not take 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.

(c) First Georgia 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.

(d) All requests for prior approval shall be received 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 a minimum, current and projected information, as appropriate, on the parent's capital, earnings, and cash flow; the Bank's capital, asset quality, earnings and loan loss reserve needs; and identification of the sources of funds for the proposed payment or distribution. For requests to declare or pay dividends, First Georgia and the Bank, as appropriate, 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), and the Georgia Commissioner of Banking and Finance Statement of Policies.

Debt and Stock Redemption

15. (a) First Georgia and its nonbank subsidiaries 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) First Georgia 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.

Compliance with Laws and Regulations

16. The Bank shall immediately take steps to correct the violations of law noted in the Report of Examination. In addition, the board of directors shall take necessary steps designed to ensure that the Bank complies with all applicable laws and regulations in the future.

17. 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, First Georgia and the Bank 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.*).

18. First Georgia and the Bank 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).

Compliance with the Agreement

19. (a) Within 10 days of this Agreement, the boards of directors shall appoint a compliance committee (the "Compliance Committee") to monitor and coordinate First Georgia's and the Bank's compliance with the provisions of this Agreement. The Compliance Committee shall include at least three outside directors who are not executive officers of First Georgia and the Bank, as defined in sections 215.2(e)(1) of Regulation O of the Board of Governors (12 C.F.R. §§ 215.2(e)(1)). At a minimum, the Compliance Committee shall meet at least monthly, keep detailed minutes of each meeting, and report its findings to the boards of directors.

(b) Within 30 days after the end of each calendar quarter following the date of this Agreement, First Georgia and the Bank 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 this Agreement and the results thereof.

Approval and Implementation of Plans and Programs

20. (a) The Bank shall submit written plans and programs that are acceptable to the Reserve Bank and the Commissioner within the time periods set forth in paragraphs 3, 4, 5, 7(a), 7(b), 8(c), 9, 12, and 13 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank and the Commissioner, the Bank shall adopt the approved plans and programs. Upon adoption, the Bank shall promptly implement the approved plans and programs and thereafter fully comply with them.

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

Communications

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

- (a) Mr. Robert Hawkins
Assistant Vice President
Federal Reserve Bank of Atlanta
1000 Peachtree Street, N.E.
Atlanta, Georgia 303-9-4470
- (b) Mr. Robert M. Braswell, Commissioner
Department of Banking and Finance
2990 Brandywine Road, Suite 200
Atlanta, Georgia 30341

- (c) Mr. William B. Jones
Chairman
First Georgia Community Corp.
150 Covington Street
Jackson, Georgia 30233

Miscellaneous

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

23. The provisions of this Agreement shall be binding upon First Georgia and the Bank and their institution-affiliated parties, in their capacities as such, and their successors and assigns.

24. 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.

25. 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 First Georgia or the Bank or any of their current or former institution-affiliated parties and their successors and assigns.

26. 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).

27. This Agreement is issued by the Commissioner under Section 7-1-91(d) of the Financial Institutions Code of Georgia.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 11th day of September 2008.

FIRST GEORGIA COMMUNITY
CORP.

By: /s/ William B. Jones
William B. Jones
Chairman

FEDERAL RESERVE BANK
OF ATLANTA

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

FIRST GEORGIA COMMUNITY
BANK

By: /s/ William B. Jones
William B. Jones
Chairman

GEORGIA DEPARTMENT
OF BANKING AND FINANCE

By: /s/ Robert M. Braswell
Robert M. Braswell
Commissioner