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

Written Agreement by and between BEACH FIRST NATIONAL BANCSHARES, INC. Myrtle Beach, South Carolina and FEDERAL RESERVE BANK OF RICHMOND Richmond, Virginia	Docket No. 10- 012-WA/RB-HC

WHEREAS, Beach First National Bancshares, Inc., Myrtle Beach, South Carolina ("Beach First"), a registered bank holding company, owns and controls Beach First National Bank, Myrtle Beach, South Carolina (the "Bank"), a national bank, and various nonbank subsidiaries;

WHEREAS, it is the common goal of Beach First and the Federal Reserve Bank of Richmond (the "Reserve Bank") to maintain the financial soundness of Beach First so that Beach First may serve as a source of strength to the Bank;

WHEREAS, Beach First and the Reserve Bank have mutually agreed to enter into this Written Agreement (the "Agreement"); and

WHEREAS, on January 25, 2010, the board of directors of Beach First, at a duly constituted meeting, adopted a resolution authorizing and directing Raymond E. Cleary, III to enter into this Agreement on behalf of Beach First, and consenting to compliance with each

and every provision of this Agreement by Beach First 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, Beach First and the Reserve Bank agree as follows:

Source of Strength

1. The board of directors of Beach First shall take appropriate steps to fully utilize its financial and managerial resources, pursuant to Regulation Y of the Board of Governors of the Federal Reserve System (the "Board of Governors") (12 C.F.R. § 225.4), to ensure that the Bank complies with the Cease & Desist Order entered into with the OCC on November 4, 2009 and any other supervisory action taken by the Bank's federal regulators.

Dividends and Distributions

2. (a) Beach First 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 of the Federal Reserve System (the "Board of Governors").

(b) Beach First 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) Beach First 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 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 a minimum, current and projected information on Beach First's capital, earnings, and cash flow; the Bank's capital, asset quality, earnings, and allowance for loan and lease losses (the "ALLL"); and identification of the sources of funds for the proposed payment or distribution. For requests to declare or pay dividends, Beach First 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) Beach First 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) Beach First shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank.

Capital Plan

4. Within 60 days of this Agreement, Beach First shall submit to the Reserve Bank an acceptable written plan to maintain sufficient capital at Beach First on a consolidated basis. 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, App. A and D) and the applicable capital adequacy guidelines for the Bank issued by the Office of the Comptroller of the Currency (the "OCC");

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

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

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

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

5. Beach First shall notify the Reserve Bank, in writing, no more than 30 days after the end of any quarter in which any of the consolidated organization's capital ratios fall below the approved plan's minimum ratios. Together with the notification, Beach First shall submit an acceptable capital plan that details the steps Beach First will take to increase the consolidated organization's capital ratios to or above the approved plan's minimums.

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, Beach First 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) Beach First 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 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 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.

Approval and Implementation of Plan

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

(b) Within 10 days of approval by the Reserve Bank, Beach First shall adopt the approved capital plan. Upon adoption, Beach First shall promptly 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.

Communications

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

(a) Jeff K. Thomas
Assistant Vice President
Federal Reserve Bank of Richmond
P.O. Box 27622
Richmond, Virginia 23261

(b) Walter E. Standish, III
President and Chief Executive Officer
Beach First National Bancshares, Inc.
3751 Grissom Parkway
Myrtle Beach, South Carolina 29577

Miscellaneous

10. Notwithstanding any provision of this Agreement, the Reserve Bank may, in its sole discretion, grant written extensions of time to Beach First to comply with any provision of this Agreement.

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

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

13. 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 Beach First, the Bank, any nonbank subsidiary of Beach First, or any of their current or former institution-affiliated parties and their successors and assigns.

14. 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 29th day of January, 2010.

BEACH FIRST NATIONAL.
BANCSHARES, INC.

By: /s/ Raymond E. Cleary, III
Raymond E. Cleary, III
Chairman

FEDERAL RESERVE BANK
OF RICHMOND

By: /s/ A. Linwood Gill, III
A. Linwood Gill, III
Vice President