

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

SEB BANCORP, INC.
Marietta, Georgia

and

FEDERAL RESERVE BANK OF ATLANTA
Atlanta, Georgia

and

BANKING COMMISSIONER OF
THE STATE OF GEORGIA
Atlanta, Georgia

Docket No. 09-072-WA/RB-HC

WHEREAS, SEB Bancorp, Inc., Marietta, Georgia (“SEBB”), a registered bank holding company, owns and controls Security Exchange Bank, Marietta, Georgia (the “Bank”), a state chartered nonmember bank;

WHEREAS, it is the common goal of SEBB, 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 SEBB so that SEBB may serve as a source of strength to the Bank;

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

WHEREAS, on May 12, 2009, the board of directors of SEBB, at a duly constituted meeting, adopted a resolution authorizing and directing David H. McGinnis to enter into this Agreement on behalf of SEBB, and consenting to compliance with each and every provision of this Agreement by SEBB 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, SEBB, the Reserve Bank, and the Commissioner agree as follows:

Dividends and Debt Payment

1. (a) SEBB 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 (the “Director”) of the Board of Governors of the Federal Reserve System (the “Board of Governors”), and the Commissioner; and

(b) SEBB 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 and the Commissioner.

2. (a) SEBB shall not pay any principal, interest, or other sums on debt that is held by Insiders without the prior written approval of the Reserve Bank, the Director, and the Commissioner.

(b) For the purpose of this paragraph, the following terms shall be defined as:
(i) “Insider” shall include any of SEBB’s or the Bank’s current or former executive officers, directors, principal shareholders, their immediate families, their related interests, or persons acting on their behalf; (ii) “immediate family” shall be defined as set forth in section 225.41(b)(3) of Regulation Y of the Board of Governors (12 C.F.R. § 225.41(b)(3)); and (iii)

“related interests” shall be defined as set forth in section 215.2(n) of Regulation O of the Board of Governors (12 C.F.R. § 215.2(n)).

3. All requests for prior approval shall be received by the Reserve Bank and the Commissioner at least 30 days prior to the proposed dividend declaration date or debt payment. All requests shall contain, at a minimum, current and projected information on SEBB’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. For requests to declare or pay dividends, SEBB 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 Department of Banking and Finance Statement of Policies.

Debt and Stock Redemption

4. a) SEBB 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) SEBB 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

5. (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, SEBB 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 Commissioner.

(b) SEBB 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

6. 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

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

- (a) Robert D. Hawkins
Assistant Vice President
Federal Reserve Bank of Atlanta
1000 Peachtree Street, N.E.
Atlanta, Georgia 30309-4470
- (b) Robert M. Braswell
Commissioner
Georgia Department of Banking and Finance
2990 Brandywine Road, Suite 200
Atlanta, GA 30341-5565
- (c) David H. McGinnis
President & CEO
SEB Bancorp, Inc.
833 South Cobb Drive
Marietta, GA 30060

Miscellaneous

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

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

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

11. 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 SEBB, the Bank, any nonbank subsidiary of SEBB, or any of their current or former institution-affiliated parties and their successors and assigns.

12. 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) and by the Commissioner pursuant to the Official Code of Georgia Annotated § 7-1-91.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 8th day of June, 2009.

SEB BANCORP, INC.

FEDERAL RESERVE BANK
OF ATLANTA

By: /s/ David H. McGinnis
David H. McGinnis
President

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

GEORGIA DEPARTMENT OF
BANKING AND FINANCE

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