

CAPITAL RESTORATION PLAN GUARANTY AGREEMENT

[For national banks] This Agreement is made this _____ day of _____, 20__, by and between [INSERT NATIONAL BANK NAME, CITY, STATE], a national banking association chartered and examined by the Office of the Comptroller of the Currency (“OCC”) pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 et seq., (“Bank”) and [First Bankholding Corporation, Inc.], a “controlling company” that controls the Bank for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 (“Guarantor”).

[For federal savings associations] This Agreement is made this _____ day of _____, 20__, by and between [INSERT FEDERAL SAVINGS ASSOCIATION NAME, CITY, STATE], a federal savings association chartered and examined by the Office of the Comptroller of the Currency (“OCC”) pursuant to the Home Owners’ Loan Act of 1933, as amended, 12 U.S.C. § 1461 et seq., (“Bank”) and [First Federal Bancorp], a “controlling company” that controls the Bank for purposes of 12 U.S.C. § 1831o and 12 C.F.R. Part 6 (“Guarantor”).

WHEREAS, the Bank is [undercapitalized, significantly undercapitalized, critically undercapitalized] pursuant to 12 U.S.C. § 1831o and 12 C.F.R. Part 6. The Bank was notified, or was deemed to have notice, in accordance with 12 C.F.R. 6.3, that it is [undercapitalized, significantly undercapitalized, critically undercapitalized] on [Date].

WHEREAS, the Bank has submitted a capital restoration plan (“CRP”) in accordance with 12 U.S.C. § 1831o(e). The CRP is attached as Exhibit A and incorporated herein by reference.

WHEREAS, the Bank desires to obtain the Guarantor’s guaranty that the Bank will comply with the CRP to obtain approval of the CRP from the OCC;

WHEREAS, the Guarantor desires to guarantee the Bank’s performance of the CRP and to provide assurances of performance.

WHEREAS, the Guarantor represents that it owns and controls ___% of the stock of the Bank and expects to derive advantage from its guaranty by enhancing the financial strength of the Guarantor and the value to its shareholders by enhancing the financial strength of its asset, the Bank;

NOW THEREFORE, in consideration of the representations set forth above, the parties agree as follows:

1. Guaranty. The Guarantor(s) [jointly and severally] unconditionally guarantee(s) that the Bank will comply with the CRP until the OCC notifies the Bank, in writing, that the Bank has been “adequately capitalized”, in accordance with 12 C.F.R. 6.4, on average for four consecutive quarters.

2. Additional Undertakings by Guarantor. The Guarantor shall use its best efforts to: (a) take any actions directly required of the controlling company under the CRP; (b) take any corporate actions necessary to enable the Bank to take actions required of the Bank under the CRP; (c) not take any action that would impede the Bank’s ability to implement its CRP; (d) ensure that the

Bank has competent management; and (e) restrict transactions between the Guarantor and the Bank as provided in 12 C.F.R. Part 6.

3. Performance of Guaranty. Upon receipt of written notice from the OCC that the Bank has failed to comply with the CRP, the Bank shall notify the Guarantor in writing of its failure to comply with the CRP and the Guarantor shall pay to the Bank, or its successors or assigns, the amount indicated in the Bank's notice as necessary to bring the Bank into compliance with the CRP. The amount indicated in the Bank's notice to the Guarantor shall be the amount indicated in the OCC's notice to the Bank. Notwithstanding the foregoing, the Guarantor's total liability under this Agreement shall not exceed 5 percent of the Bank's total assets at the time the Bank was notified, in accordance with 12 C.F.R. 6.3, that the Bank was [undercapitalized, significantly undercapitalized, or critically undercapitalized] or the amount necessary to bring the Bank into compliance with all capital standards applicable to the Bank at the time the Bank failed to so comply.

4. Grant of Security Interest. To secure its performance under this Agreement and to provide adequate assurance of performance, as required under 12 U.S.C. § 1831o, the Guarantor has entered into a security agreement pledging certain specified assets of the Guarantor on behalf of the Bank. The Security Agreement is attached hereto as Exhibit B and incorporated herein by reference.

5. Authority of Guarantor. The Board of Directors of the Guarantor have entered into a resolution ("Resolution") certifying that the Guarantor is authorized to enter into this Agreement. A certified copy of the Resolution is attached hereto as Exhibit C and incorporated herein by reference.

6. Miscellaneous.

A. Legally Binding, Enforceable Commitment. The parties agree that the Agreement is a binding and enforceable contractual commitment.

B. Conservatorship or Receivership of the Bank. This Agreement shall survive the appointment of a conservator or receiver for the Bank, and shall continue as a binding contractual commitment of the Guarantor, its successors and assigns.

C. Governing Laws. This Agreement and the rights and obligations hereunder shall be governed by and shall be construed in accordance with the federal law of the United States, and, in the absence of controlling federal law, in accordance with the laws of the State of [INSERT STATE].

D. No Waiver. No failure or delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver or forbearance thereof, nor shall any partial exercise of any right or remedy preclude other or further exercise of any other right or remedy.

E. Fees and Expenses. The Guarantor shall pay any attorneys' fees and other reasonable expenses incurred by the Bank in exercising its rights or seeking any remedies hereunder.

F. Severability. In the event any one or more of the provisions contained herein should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

G. No Oral Change. This Agreement may not be modified, amended, changed, discharged, or terminated orally, but may be done so only by an agreement and signed by the party against whom the enforcement of the modification, amendment, change, discharge or termination is sought.

H. Multiple Guarantors. The Bank may, in its discretion, enforce this Agreement against any and all Guarantors.

I. Modification. This Agreement (and the accompanying Security Agreement, if any) reflects the complete and full agreement entered among the parties and may not be modified, released, renewed or extended in any manner except by a writing signed by all the parties and unless such modification is approved by the OCC in writing.

J. Authority to Execute. Each of the undersigned warrants that he or she is duly authorized to execute the Agreement and to bind the parties to the Agreement. Each of the undersigned acknowledges that this Agreement is binding without reference to whether it is signed by any other person or persons.

K. Addresses for Notice. Any notice hereunder shall be in writing and shall be delivered by hand or sent by United States express mail or commercial express mail, postage prepaid, and addressed as follows:

If to the Bank: [INSERT BANK ADDRESS]

If to the Guarantor: [INSERT GUARANTOR ADDRESS]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

By: _____
[INSERT BANK NAME and TITLE]

By: _____
[INSERT GUARANTOR NAME and TITLE]