#2010-122

AGREEMENT BY AND BETWEEN
Seaside National Bank & Trust
Orlando, Florida
and
The Comptroller of the Currency

Seaside National Bank & Trust, Orlando, Florida ("Bank") and the Comptroller of the Currency of the United States of America ("Comptroller") wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

The Comptroller has found unsafe and unsound banking practices relating to ineffective risk management processes at the Bank.

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors ("Board"), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

ARTICLE I

JURISDICTION

(1) This Agreement shall be construed to be a "written agreement entered into with the agency" within the meaning of 12 U.S.C. § 1818(b)(1).

(2) This Agreement shall be construed to be a "written agreement between such depository institution and such agency" within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).

(3) This Agreement shall be construed to be a "formal written agreement" within the meaning of 12 C.F.R. § 5.51(c)(6)(ii). See 12 U.S.C. § 1831i.

(4) This Agreement shall be construed to be a "written agreement" within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(5) This Agreement shall not cause the Bank to be designated as in "troubled condition," as set forth in 12 C.F.R. § 5.51(c)(6).

(6) All reports or plans which the Bank or Board has agreed to submit to the Assistant Deputy Comptroller pursuant to this Agreement shall be forwarded to the:

Assistant Deputy Comptroller
North Florida Field Office
8375 Dix Ellis Trail, Suite 403
Jacksonville, Florida 32256

ARTICLE II

ACTION PLAN

(1) Within ninety (90) days, the Board shall develop and submit to the Assistant Deputy Comptroller for prior written determination of no supervisory objection a written action plan ("Action Plan") detailing the Board's assessment of what needs to be accomplished in order to ensure envisioned growth is prudently managed without any undue negative impact to capital or earnings. The Action Plan shall specify how the Board will implement the plan, set forth a timetable for implementation of the plan, and include:

(a) A written strategic plan for the Bank covering at least a three-year period. The strategic plan shall establish objectives for the Bank's overall risk profile, earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, product line development and market segments that the Bank intends to promote or develop, together with strategies to achieve those objectives and, at a minimum, include:

(i) a mission statement that forms the framework for the establishment of strategic goals and objectives;

(ii) an assessment of the Bank's present and future operating environment;

(iii) the development of strategic goals and objectives to be accomplished over the short and long term;

(iv) an identification of the Bank's present and future product lines (assets and liabilities) that will be utilized to accomplish the strategic goals and objectives established in (1)(a) of this Article;

(v) product line development and market segments that the Bank intends to promote or develop;

(vi) an action plan to improve bank earnings and accomplish identified strategic goals and objectives, including individual responsibilities, accountability and specific time frames;

(vii) a financial forecast to include projections for major balance sheet and income statement accounts and desired financial ratios over the period covered by the strategic plan;

(viii) control systems to mitigate risks associated with planned new products, growth, or any proposed changes in the Bank's operating environment;

(ix) specific plans to establish responsibilities and accountability for the strategic planning process, new products, growth goals, or proposed changes in the Bank's operating environment; and

(x) systems to monitor the Bank's progress in meeting the plan's goals and objectives.

(b) A detailed written capital plan covering a three-year period, including:

(i) projections for growth and capital requirements based upon a detailed analysis of the Bank's assets, liabilities, earnings, fixed assets, and off-balance sheet activities;

(ii) projections of the sources and timing of additional capital to meet the Bank's current and future needs;

(iii) the primary source(s) from which the Bank will strengthen its capital structure to meet the Bank's needs;

(iv) contingency plans that identify alternative methods should the primary source(s) under paragraph (1)(b)(iii) above not be available; and

(v) a dividend policy that permits the declaration of a dividend only:

▪ when the Bank is in compliance with its approved capital program;

▪ when the Bank is in compliance with 12 U.S.C. §§ 56 and 60; and

▪ with the prior written determination of no supervisory objection by the Assistant Deputy Comptroller. Upon receiving a determination of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall implement and adhere to the dividend policy.

(2) Upon obtaining a notice of no supervisory objection from the Assistant Deputy Comptroller, the Bank shall immediately adopt, implement, and adhere to the Action Plan. The Board shall establish appropriate procedures for the implementation of the Action Plan.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

ARTICLE III

DEPENDENCE ON WHOLESALE LIABILITIES

(1) Within ninety (90) days, the Board shall improve the Bank's liquidity position and maintain adequate sources of stable funding given the Bank's anticipated liquidity and funding needs. Such actions shall include, but not be limited to:

(a) reduction of wholesale or credit sensitive liabilities and/or increase of liquid assets;

(b) develop a written strategy for increasing and maintaining core deposits;

(c) improve liquidity management information systems (MIS) to accurately reflect the level of liquidity risk including identification of brokered deposits;

(d) improve the monitoring and management of rollover risk;

(e) develop a collateral management plan to expand and further diversify contingent funding sources; and

(f) develop a detailed action plan for the Bank's current liquidity scenario as required by the Board-approved contingency funding policy.

ARTICLE IV

WHOLESALE RESIDENTIAL PORTFOLIO

(1) The Bank shall take immediate and continuing action to protect its interest in those loans originated by Taylor Bean & Whitaker, funded by Colonial Bank and ultimately purchased by the Bank pursuant to the COLB Loan Participation Agreement ("TBW Portfolio"). Within thirty (30) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written program designed to eliminate the basis of concern surrounding the TBW Portfolio. The program shall include, at a minimum, segmentation of the portfolio into pools of loans with common risk characteristics and a written strategy to eliminate the risk within each pool.

(2) The strategy in paragraph (1) of this Article should include a plan to obtain necessary information to make each pool more marketable or provide evidence of its quality should the Bank decide to hold the pool of loans in its own portfolio.

(a) the plan should include an analysis of required loan loss reserves needed for all loans remaining in the portfolio on a quarterly basis; and

(b) the plan should be updated as needed, but at least monthly, with updates provided to the Board.

(3) Upon adoption, a copy of the program for the TBW Portfolio, shall be forwarded to the Assistant Deputy Comptroller.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plan developed pursuant to this Article.

(5) The Board, or a designated committee, shall conduct a review, on at least a monthly basis, to determine:

(a) the status of each loan pool in the TBW Portfolio;

(b) management's adherence to the program adopted pursuant to this Article; and,

(c) the need to revise the program or take alternative action.

(6) A copy of each review shall be forwarded to the Assistant Deputy Comptroller on a monthly basis.

ARTICLE V

INTEREST RATE RISK POLICY

(1) Within ninety (90) days, the Board shall adopt, implement, and thereafter ensure Bank adherence to a written interest rate risk policy. In formulating this policy, the Board shall refer to the "Interest Rate Risk" booklet of the Comptroller's Handbook. The policy shall provide for a coordinated interest rate risk strategy and, at a minimum, address:

(a) the establishment of adequate management reports on which to base sound interest rate risk management decisions;

(b) establishment and guidance of the Bank's strategic direction and tolerance for interest rate risk;

(c) implementation of effective tools to measure and monitor the Bank's performance and overall interest rate risk profile;

(d) employment of competent personnel to manage interest rate risk;

(e) prudent limits on the nature and amount of interest rate risk that can be taken; and,

(f) periodic review of the model to independently validate the accuracy of its results.

(2) Upon adoption, a copy of the written policy shall be forwarded to the Assistant Deputy Comptroller for review.

(3) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the policy developed pursuant to this Article.

ARTICLE VI

CLOSING

(1) Although the Board has agreed to submit certain programs and reports to the Assistant Deputy Comptroller for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Assistant Deputy Comptroller for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Agreement in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

(a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Agreement;

(b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement;

(c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and

(d) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) This Agreement is intended to be, and shall be construed to be, a supervisory "written agreement entered into with the agency" as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract. The Bank also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory

responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

Signed
Kennard L. Page
Assistant Deputy Comptroller
North Florida Field Office

5/3/2010
Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

Signed	4/26/2010
Charles Bailes, III	Date
/s/	4/26/2010
Steven Barnett	Date
/s/	4/26/2010
John D. Cochran, II	Date
/s/	5/25/2010
Glen Davis	Date
/s/	4/15/2010
Anil Deshpande	Date
/s/	4/27/2010
Michael Fess	Date
/s/	4/30/2010
Brian P. Golson	Date
/s/	4/26/2010
Gideon Haymaker	Date
/s/	April 26, 2010
Thomas O’Shane	Date
/s/	4/26/2010
Ed Timberlake	Date

/s/	April 27, 2010
Charles Valentine	Date
/s/	04/29/2010
Richard Walsh	Date
/s/	5-3-2010
Thomas Yochum	Date