

**FORM OF CERTIFICATE OF DESIGNATIONS  
FOR WARRANT PREFERRED STOCK**

[SEE ATTACHED]

FORM OF [CERTIFICATE OF DESIGNATIONS]

OF

FIXED RATE NON-CUMULATIVE PERPETUAL PREFERRED STOCK, SERIES [●]

OF

[●]

[*Insert name of Issuer*], a [corporation/bank/banking association] organized and existing under the laws of the [*Insert jurisdiction of organization*] (the “Issuer”), in accordance with the provisions of Section[s] [●] of the [*Insert applicable statute*] thereof, does hereby certify:

The board of directors of the Issuer (the “Board of Directors”) or an applicable committee of the Board of Directors, in accordance with the [[certificate of incorporation/articles of association] and bylaws] of the Issuer and applicable law, adopted the following resolution on [●] creating a series of [●] shares of Preferred Stock of the Issuer designated as “Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series [●]”.

**RESOLVED**, that pursuant to the provisions of the [[certificate of incorporation/articles of association] and the bylaws] of the Issuer and applicable law, a series of Preferred Stock, par value \$[●] per share, of the Issuer be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Part 1. Designation and Number of Shares. There is hereby created out of the authorized and unissued shares of preferred stock of the Issuer a series of preferred stock designated as the “Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series [●]” (the “Designated Preferred Stock”). The authorized number of shares of Designated Preferred Stock shall be [●].

Part 2. Standard Provisions. The Standard Provisions contained in Schedule A attached hereto are incorporated herein by reference in their entirety and shall be deemed to be a part of this [Certificate of Designations] to the same extent as if such provisions had been set forth in full herein.

Part 3. Definitions. The following terms are used in this [Certificate of Designations] (including the Standard Provisions in Schedule A hereto) as defined below:

(a) “Common Stock” means the common stock, par value \$[●] per share, of the Issuer.

(b) “Dividend Payment Date” means February 15, May 15, August 15 and November 15 of each year.

(c) “Junior Stock” means the Common Stock, ***[Insert titles of any existing Junior Stock]*** and any other class or series of stock of the Issuer the terms of which expressly provide that it ranks junior to Designated Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Issuer.

(d) “Liquidation Amount” means \$[1,000]<sup>1</sup> per share of Designated Preferred Stock.

(e) “Minimum Amount” means \$***[Insert \$ amount equal to 25% of the aggregate value of the Designated Preferred Stock issued on the Original Issue Date]***.

(f) “Parity Stock” means any class or series of stock of the Issuer (other than Designated Preferred Stock) the terms of which do not expressly provide that such class or series will rank senior or junior to Designated Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Issuer (in each case without regard to whether dividends accrue cumulatively or non-cumulatively). Without limiting the foregoing, Parity Stock shall include the Issuer’s UST Preferred Stock [and] ***[Insert title(s) of any other classes or series of Parity Stock]***.

(g) “Signing Date” means ***[Insert date of applicable securities purchase agreement]***.

(h) “UST Preferred Stock” means the Issuer’s Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series [●].

Part. 4. Certain Voting Matters. ***[To be inserted if the Charter provides for voting in proportion to liquidation preferences:*** Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Designated Preferred Stock and any Voting Parity Stock has been cast or given on any matter on which the holders of shares of Designated Preferred Stock are entitled to vote shall be determined by the Issuer by reference to the specified liquidation amount of the shares voted or covered by the consent as if the Issuer were liquidated on the record date for such vote or consent, if any, or, in the absence of a record date, on the date for such vote or consent. For purposes of determining the voting rights of the holders of Designated Preferred Stock under Section 7 of the Standard Provisions forming part of this [Certificate of Designations], each holder will be entitled to one vote for each \$1,000 of liquidation preference to which such holder’s shares are entitled.] ***[To be inserted if the Charter does not provide for voting in proportion to liquidation preferences:*** Holders of shares of Designated Preferred Stock will be entitled to one vote for each such share on any matter on which holders of Designated Preferred Stock are entitled to vote, including any action by written consent.]

*[Remainder of Page Intentionally Left Blank]*

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<sup>1</sup> If Issuer desires to issue shares with a higher dollar amount liquidation preference, liquidation preference references will be modified accordingly. In such case (in accordance with Section 4.6 of the Securities Purchase Agreement), the issuer will be required to enter into a deposit agreement.

IN WITNESS WHEREOF, ***[Insert name of Issuer]*** has caused this [Certificate of Designations] to be signed by [●], its [●], this [●] day of [●].

***[Insert name of Issuer]***

By: \_\_\_\_\_

Name:

Title:

**STANDARD PROVISIONS**

Section 1. General Matters. Each share of Designated Preferred Stock shall be identical in all respects to every other share of Designated Preferred Stock. The Designated Preferred Stock shall be perpetual, subject to the provisions of Section 5 of these Standard Provisions that form a part of the Certificate of Designations. The Designated Preferred Stock shall rank equally with Parity Stock and shall rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Issuer.

Section 2. Standard Definitions. As used herein with respect to Designated Preferred Stock:

(a) “Acquiror,” in any Holding Company Transaction, means the surviving or resulting entity or its ultimate parent in the case of a merger or consolidation or the transferee in the case of a sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of the consolidated assets of the Issuer and its subsidiaries, taken as a whole.

(b) “Appropriate Federal Banking Agency” means the “appropriate Federal banking agency” with respect to the Issuer as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

(c) “Bank Holding Company” means a company registered as such with the Board of Governors of the Federal Reserve System pursuant to 12 U.S.C. §1842 and the regulations of the Board of Governors of the Federal Reserve System thereunder.

(d) “Business Combination” means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Issuer’s stockholders.

(e) “Business Day” means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

(f) “Bylaws” means the bylaws of the Issuer, as they may be amended from time to time.

(g) “Certificate of Designations” means the Certificate of Designations or comparable instrument relating to the Designated Preferred Stock, of which these Standard Provisions form a part, as it may be amended from time to time.

(h) “Charter” means the Issuer’s certificate or articles of incorporation, articles of association, or similar organizational document.

(i) “Dividend Period” has the meaning set forth in Section 3(a).

- (j) “Dividend Record Date” has the meaning set forth in Section 3(a).
- (k) “Holding Company Preferred Stock” has the meaning set forth in Section 7(c)(iv).
- (l) “Holding Company Transaction” means the occurrence of (a) any transaction (including, without limitation, any acquisition, merger or consolidation) the result of which is that a “person” or “group” within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended, (i) becomes the direct or indirect ultimate “beneficial owner,” as defined in Rule 13d-3 under that Act, of common equity of the Issuer representing more than 50% of the voting power of the outstanding Common Stock or (ii) is otherwise required to consolidate the Issuer for purposes of generally accepted accounting principles in the United States, or (b) any consolidation or merger of the Issuer or similar transaction or any sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of the consolidated assets of the Issuer and its subsidiaries, taken as a whole, to any Person other than one of the Issuer’s subsidiaries; *provided* that, in the case of either clause (a) or (b), the Issuer or the Acquiror is or becomes a Bank Holding Company or Savings and Loan Holding Company.
- (m) “Liquidation Preference” has the meaning set forth in Section 4(a).
- (n) “Original Issue Date” means the date on which shares of Designated Preferred Stock are first issued.
- (o) “Person” means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company or trust.
- (p) “Preferred Director” has the meaning set forth in Section 7(b).
- (q) “Preferred Stock” means any and all series of preferred stock of the Issuer, including the Designated Preferred Stock.
- (r) “Qualified Equity Offering” means the sale and issuance for cash by the Issuer to persons other than the Issuer or any of its subsidiaries after the Original Issue Date of shares of perpetual Preferred Stock, Common Stock or any combination of such stock, that, in each case, qualify as and may be included in Tier 1 capital of the Issuer at the time of issuance under the applicable risk-based capital guidelines of the Issuer’s Appropriate Federal Banking Agency (other than any such sales and issuances made pursuant to agreements or arrangements entered into, or pursuant to financing plans which were publicly announced, on or prior to November 17, 2008).
- (s) “Savings and Loan Holding Company” means a company registered as such with the Office of Thrift Supervision pursuant to 12 U.S.C. §1467(a) and the regulations of the Office of Thrift Supervision promulgated thereunder.
- (t) “Standard Provisions” mean these Standard Provisions that form a part of the Certificate of Designations relating to the Designated Preferred Stock.
- (u) “Successor Preferred Stock” has the meaning set forth in Section 5(a).

(v) “Voting Parity Stock” means, with regard to any matter as to which the holders of Designated Preferred Stock are entitled to vote as specified in Sections 7(a) and 7(b) of these Standard Provisions that form a part of the Certificate of Designations, any and all series of Parity Stock upon which like voting rights have been conferred and are exercisable with respect to such matter.

### Section 3. Dividends.

(a) Rate. Holders of Designated Preferred Stock shall be entitled to receive, on each share of Designated Preferred Stock if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, but only out of assets legally available therefor, non-cumulative cash dividends with respect to each Dividend Period (as defined below) at a per annum rate of 9.0% on the Liquidation Amount per share of Designated Preferred Stock, and no more, payable quarterly in arrears on each Dividend Payment Date, commencing with the first such Dividend Payment Date to occur at least 20 calendar days after the Original Issue Date. In the event that any Dividend Payment Date would otherwise fall on a day that is not a Business Day, the dividend payment due on that date will be postponed to the next day that is a Business Day and no additional dividends will accrue as a result of that postponement. The period from and including any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a “Dividend Period”, provided that the initial Dividend Period shall be the period from and including the Original Issue Date to, but excluding, the next Dividend Payment Date.

Dividends that are payable on Designated Preferred Stock in respect of any Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of dividends payable on Designated Preferred Stock on any date prior to the end of a Dividend Period, and for the initial Dividend Period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months, and actual days elapsed over a 30-day month.

Dividends that are payable on Designated Preferred Stock on any Dividend Payment Date will be payable to holders of record of Designated Preferred Stock as they appear on the stock register of the Issuer on the applicable record date, which shall be the 15th calendar day immediately preceding such Dividend Payment Date or such other record date fixed by the Board of Directors or any duly authorized committee of the Board of Directors that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a “Dividend Record Date”). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Holders of Designated Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on Designated Preferred Stock as specified in this Section 3 (subject to the other provisions of the Certificate of Designations).

(b) Non-Cumulative. Dividends on shares of Designated Preferred Stock shall be non-cumulative. If the Board of Directors or any duly authorized committee of the Board of Directors does not declare a dividend on the Designated Preferred Stock in respect of any Dividend Period, the holders of Designated Preferred Stock shall have no right to receive any dividend for such Dividend Period, and the Issuer shall have no obligation to pay a dividend for

such Dividend Period, whether or not dividends are declared for any subsequent Dividend Period with respect to the Designated Preferred Stock.

(c) Priority of Dividends. So long as any share of Designated Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than dividends payable solely in shares of Common Stock) or Parity Stock, subject to the immediately following paragraph in the case of Parity Stock, and no Common Stock, Junior Stock or Parity Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Issuer or any of its subsidiaries unless full dividends on all outstanding shares of Designated Preferred Stock for the most recently completed Dividend Period have been or are contemporaneously declared and paid (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Designated Preferred Stock on the applicable record date). The foregoing limitation shall not apply to (i) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice; (ii) the acquisition by the Issuer or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Issuer or any of its subsidiaries), including as trustees or custodians; and (iii) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Signing Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside for the benefit of the holders thereof on the applicable record date) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period related to such Dividend Payment Date) in full upon Designated Preferred Stock and any shares of Parity Stock, all dividends declared on Designated Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Designated Preferred Stock and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) (subject to their having been declared by the Board of Directors or a duly authorized committee of the Board of Directors out of legally available funds and including, in the case of Parity Stock that bears cumulative dividends, all accrued but unpaid dividends) bear to each other. If the Board of Directors or a duly authorized committee of the Board of Directors determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Issuer will provide written notice to the holders of Designated Preferred Stock prior to such Dividend Payment Date.



Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or any duly authorized committee of the Board of Directors may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and holders of Designated Preferred Stock shall not be entitled to participate in any such dividends.

#### Section 4. Liquidation Rights.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Issuer, whether voluntary or involuntary, holders of Designated Preferred Stock shall be entitled to receive for each share of Designated Preferred Stock, out of the assets of the Issuer or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Issuer, subject to the rights of any creditors of the Issuer, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Issuer ranking junior to Designated Preferred Stock as to such distribution, payment in full in an amount equal to the sum of (i) the Liquidation Amount per share and (ii) the amount of any declared and unpaid dividends on each such share (such amounts collectively, the "Liquidation Preference").

(b) Partial Payment. If in any distribution described in Section 4(a) above the assets of the Issuer or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Issuer ranking equally with Designated Preferred Stock as to such distribution, holders of Designated Preferred Stock and the holders of such other stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Issuer ranking equally with Designated Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Issuer shall be entitled to receive all remaining assets of the Issuer (or proceeds thereof) according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 4, the merger or consolidation of the Issuer with any other corporation or other entity, including a merger or consolidation in which the holders of Designated Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Issuer, shall not constitute a liquidation, dissolution or winding up of the Issuer.

#### Section 5. Redemption.

(a) Optional Redemption. Except as provided below, the Designated Preferred Stock may not be redeemed prior to the later of (i) first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date; and (ii) the date on which all outstanding shares of

UST Preferred Stock have been redeemed, repurchased or otherwise acquired by the Issuer. On or after the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date, the Issuer, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, out of funds legally available therefor, the shares of Designated Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, the amount equal to any declared and unpaid dividends plus any dividends accrued but unpaid for the then current Dividend Period at the rate set forth in Section 3(a) to, but excluding, the date fixed for redemption (regardless of whether any dividends are actually declared for that Dividend Period).

Notwithstanding the foregoing, prior to the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date, the Issuer, at its option, subject to the approval of the Appropriate Federal Banking Agency and subject to the requirement that all outstanding shares of UST Preferred Stock shall previously have been redeemed, repurchased or otherwise acquired by the Issuer, may redeem, in whole or in part, at any time and from time to time, the shares of Designated Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, an amount equal to any declared and unpaid dividends plus any dividends accrued but unpaid for the then current Dividend Period at the rate set forth in Section 3(a) to, but excluding, the date fixed for redemption (regardless of whether any dividends are actually declared for that Dividend Period); *provided* that (x) the Issuer (or any successor by Business Combination) has received aggregate gross proceeds of not less than the Minimum Amount (plus the “Minimum Amount” as defined in the relevant certificate of designations for each other outstanding series of preferred stock of such successor that was originally issued to the United States Department of the Treasury (the “Successor Preferred Stock”) in connection with the Troubled Asset Relief Program Capital Purchase Program) from one or more Qualified Equity Offerings (including Qualified Equity Offerings of such successor), and (y) the aggregate redemption price of the Designated Preferred Stock (and any Successor Preferred Stock) redeemed pursuant to this paragraph may not exceed the aggregate net cash proceeds received by the Issuer (or any successor by Business Combination) from such Qualified Equity Offerings (including Qualified Equity Offerings of such successor).

The redemption price for any shares of Designated Preferred Stock shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Issuer or its agent. Any declared but unpaid dividends for the then current Dividend Period payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 3 above.

(b) No Sinking Fund. The Designated Preferred Stock will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Designated Preferred Stock will have no right to require redemption or repurchase of any shares of Designated Preferred Stock.

(c) Notice of Redemption. Notice of every redemption of shares of Designated Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Issuer. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Designated Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Designated Preferred Stock. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Designated Preferred Stock at such time and in any manner permitted by such facility. Each notice of redemption given to a holder shall state: (1) the redemption date; (2) the number of shares of Designated Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) Partial Redemption. In case of any redemption of part of the shares of Designated Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions hereof, the Board of Directors or a duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Designated Preferred Stock shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been deposited by the Issuer, in trust for the *pro rata* benefit of the holders of the shares called for redemption, with a bank or trust company doing business in the Borough of Manhattan, The City of New York, and having a capital and surplus of at least \$500 million and selected by the Board of Directors, so as to be and continue to be available solely therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Issuer, after which time the holders of the shares so called for redemption shall look only to the Issuer for payment of the redemption price of such shares.

(f) Status of Redeemed Shares. Shares of Designated Preferred Stock that are redeemed, repurchased or otherwise acquired by the Issuer shall revert to authorized but unissued shares of Preferred Stock (*provided* that any such cancelled shares of Designated Preferred Stock

may be reissued only as shares of any series of Preferred Stock other than Designated Preferred Stock).

Section 6. Conversion. Holders of Designated Preferred Stock shares shall have no right to exchange or convert such shares into any other securities.

Section 7. Voting Rights.

(a) General. The holders of Designated Preferred Stock shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) Preferred Stock Directors. Whenever, at any time or times, dividends payable on the shares of Designated Preferred Stock have not been paid for an aggregate of six quarterly Dividend Periods or more, whether or not consecutive, the authorized number of directors of the Issuer shall automatically be increased by two and the holders of the Designated Preferred Stock shall have the right, with holders of shares of any one or more other classes or series of Voting Parity Stock outstanding at the time, voting together as a class, to elect two directors (hereinafter the "Preferred Directors" and each a "Preferred Director") to fill such newly created directorships at the Issuer's next annual meeting of stockholders (or at a special meeting called for that purpose prior to such next annual meeting) and at each subsequent annual meeting of stockholders until full dividends have been paid on the Designated Preferred Stock for at least four consecutive Dividend Periods, at which time such right shall terminate with respect to the Designated Preferred Stock, except as herein or by law expressly provided, subject to revesting in the event of each and every subsequent default of the character above mentioned; *provided* that it shall be a qualification for election for any Preferred Director that the election of such Preferred Director shall not cause the Issuer to violate any corporate governance requirements of any securities exchange or other trading facility on which securities of the Issuer may then be listed or traded that listed or traded companies must have a majority of independent directors. Upon any termination of the right of the holders of shares of Designated Preferred Stock and Voting Parity Stock as a class to vote for directors as provided above, the Preferred Directors shall cease to be qualified as directors, the term of office of all Preferred Directors then in office shall terminate immediately and the authorized number of directors shall be reduced by the number of Preferred Directors elected pursuant hereto. Any Preferred Director may be removed at any time, with or without cause, and any vacancy created thereby may be filled, only by the affirmative vote of the holders a majority of the shares of Designated Preferred Stock at the time outstanding voting separately as a class together with the holders of shares of Voting Parity Stock, to the extent the voting rights of such holders described above are then exercisable. If the office of any Preferred Director becomes vacant for any reason other than removal from office as aforesaid, the remaining Preferred Director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

(c) Class Voting Rights as to Particular Matters. So long as any shares of Designated Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Charter, the vote or consent of the holders of at least 66 2/3% of the shares of Designated Preferred Stock at the time outstanding, voting as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Authorization of Senior Stock. Any amendment or alteration of the Certificate of Designations for the Designated Preferred Stock or the Charter to authorize or create or increase the authorized amount of, or any issuance of, any shares of, or any securities convertible into or exchangeable or exercisable for shares of, any class or series of capital stock of the Issuer ranking senior to Designated Preferred Stock with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Issuer;

(ii) Amendment of Designated Preferred Stock. Any amendment, alteration or repeal of any provision of the Certificate of Designations for the Designated Preferred Stock or the Charter (including, unless no vote on such merger or consolidation is required by Section 7(c)(iii) below, any amendment, alteration or repeal by means of a merger, consolidation or otherwise) so as to adversely affect the rights, preferences, privileges or voting powers of the Designated Preferred Stock;

(iii) Share Exchanges, Reclassifications, Mergers and Consolidations. Subject to Section 7(c)(iv) below, any consummation of a binding share exchange or reclassification involving the Designated Preferred Stock, or of a merger or consolidation of the Issuer with another corporation or other entity, unless in each case (x) the shares of Designated Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Issuer is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of Designated Preferred Stock immediately prior to such consummation, taken as a whole; or

(iv) Holding Company Transactions. Any consummation of a Holding Company Transaction, unless as a result of the Holding Company Transaction each share of Designated Preferred Stock shall be converted into or exchanged for one share with an equal liquidation preference of preference securities of the Issuer or the Acquiror (the "Holding Company Preferred Stock"). Any such Holding Company Preferred Stock shall entitle holders thereof to cumulative dividends from the date of issuance of such Holding Company Preferred Stock at a per annum rate of 9.0% on the amount of liquidation preference of such stock, and shall have such other rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of Designated Preferred Stock immediately prior to such conversion or exchange, taken as a whole;

*provided, however,* that for all purposes of this Section 7(c), any increase in the amount of the authorized Preferred Stock, including any increase in the authorized amount of Designated Preferred Stock necessary to satisfy preemptive or similar rights granted by the Issuer to other persons prior to the Signing Date, or the creation and issuance, or an increase in the authorized or issued amount, whether pursuant to preemptive or similar rights or otherwise, of any other series

of Preferred Stock, or any securities convertible into or exchangeable or exercisable for any other series of Preferred Stock, ranking equally with and/or junior to Designated Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and the distribution of assets upon liquidation, dissolution or winding up of the Issuer will not be deemed to adversely affect the rights, preferences, privileges or voting powers, and shall not require the affirmative vote or consent of, the holders of outstanding shares of the Designated Preferred Stock.

(d) Changes after Provision for Redemption. No vote or consent of the holders of Designated Preferred Stock shall be required pursuant to Section 7(c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of the Designated Preferred Stock shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been deposited in trust for such redemption, in each case pursuant to Section 5 above.

(e) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of Designated Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules of the Board of Directors or any duly authorized committee of the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Charter, the Bylaws, and applicable law and the rules of any national securities exchange or other trading facility on which Designated Preferred Stock is listed or traded at the time.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Issuer and the transfer agent for Designated Preferred Stock may deem and treat the record holder of any share of Designated Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Issuer nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Designated Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Charter or Bylaws or by applicable law. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Company or any similar facility, such notices may be given to the holders of Designated Preferred Stock in any manner permitted by such facility.

Section 10. No Preemptive Rights. No share of Designated Preferred Stock shall have any rights of preemption whatsoever as to any securities of the Issuer, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Replacement Certificates. The Issuer shall replace any mutilated certificate at the holder's expense upon surrender of that certificate to the Issuer. The Issuer shall replace certificates that become destroyed, stolen or lost at the holder's expense upon delivery to the

Issuer of reasonably satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be reasonably required by the Issuer.

Section 12. Other Rights. The shares of Designated Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Charter or as provided by applicable law.

**FORM OF WAIVER**

In consideration for the benefits I will receive as a result of my employer's participation in the United States Department of the Treasury's TARP Capital Purchase Program, I hereby voluntarily waive any claim against the United States or any state or territory thereof or my employer or any of its directors, officers, employees and agents for any changes to my compensation or benefits that are required in order to comply with Section 111(b) of the Emergency Economic Stabilization Act of 2008, as amended ("*EESA*"), and rules, regulations, guidance or other requirements issued thereunder (collectively, the "*EESA Restrictions*").

I acknowledge that the EESA Restrictions may require modification of the employment, compensation, bonus, incentive, severance, retention and other benefit plans, arrangements, policies and agreements (including so-called "golden parachute" agreements), whether or not in writing, that I have with my employer or in which I participate as they relate to the period the United States holds any equity or debt securities of my employer acquired through the TARP Capital Purchase Program and I hereby consent to all such modifications. I further acknowledge and agree that if my employer notifies me in writing that I have received payments in violation of the EESA Restrictions, I shall repay the aggregate amount of such payments to my employer no later than fifteen business days following my receipt of such notice.

This waiver includes all claims I may have under the laws of the United States or any other jurisdiction related to the requirements imposed by the EESA Restrictions (including without limitation, any claim for any compensation or other payments or benefits I would otherwise receive absent the EESA Restrictions, any challenge to the process by which the EESA Restrictions were adopted and any tort or constitutional claim about the effect of the foregoing on my employment relationship) and I hereby agree that I will not at any time initiate, or cause or permit to be initiated on my behalf, any such claim against the United States, my employer or its directors, officers, employees or agents in or before any local, state, federal or other agency, court or body.

In witness whereof, I execute this waiver on my own behalf, thereby communicating my acceptance and acknowledgement to the provisions herein.

Respectfully,

---

Name:

Title:

Date:



**FORM OF OPINION**

(a) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the state of its incorporation.

(b) The Preferred Shares have been duly and validly authorized, and, when issued and delivered pursuant to the Agreement, the Preferred Shares will be duly and validly issued and fully paid and non-assessable, will not be issued in violation of any preemptive rights, and will rank *pari passu* with or senior to all other series or classes of Preferred Stock issued on the Closing Date with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Company.

(c) The Warrant has been duly authorized and, when executed and delivered as contemplated by the Agreement, will constitute a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) The shares of Warrant Preferred Stock issuable upon exercise of the Warrant have been duly authorized and reserved for issuance upon exercise of the Warrant and when so issued in accordance with the terms of the Warrant will be validly issued, fully paid and non-assessable, and will rank *pari passu* with or senior to all other series or classes of Preferred Stock, whether or not issued or outstanding, with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Company.

(e) The Company has the corporate power and authority to execute and deliver the Agreement and the Warrant and to carry out its obligations thereunder (which includes the issuance of the Preferred Shares, Warrant and Warrant Shares).

(f) The execution, delivery and performance by the Company of the Agreement and the Warrant and the consummation of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of the Company and its stockholders, and no further approval or authorization is required on the part of the Company.

(g) The Agreement is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity; *provided, however*, such counsel need express no opinion with respect to Section 4.5(h) or the severability provisions of the Agreement insofar as Section 4.5(h) is concerned.

ANNEX E

**FORM OF WARRANT**

[SEE ATTACHED]

**FORM OF WARRANT TO PURCHASE PREFERRED STOCK**

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR SUCH LAWS. THIS INSTRUMENT IS ISSUED SUBJECT TO THE RESTRICTIONS ON TRANSFER AND OTHER PROVISIONS OF A SECURITIES PURCHASE AGREEMENT BETWEEN THE ISSUER OF THESE SECURITIES AND THE INVESTOR REFERRED TO THEREIN, A COPY OF WHICH IS ON FILE WITH THE ISSUER. THE SECURITIES REPRESENTED BY THIS INSTRUMENT MAY NOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH SAID AGREEMENT. ANY SALE OR OTHER TRANSFER NOT IN COMPLIANCE WITH SAID AGREEMENT WILL BE VOID.

**WARRANT  
to purchase**

\_\_\_\_\_

**Shares of Preferred Stock**

of \_\_\_\_\_

Issue Date: \_\_\_\_\_

1. Definitions. Unless the context otherwise requires, when used herein the following terms shall have the meanings indicated.

“*Board of Directors*” means the board of directors of the Company, including any duly authorized committee thereof.

“*business day*” means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

“*Charter*” means, with respect to any Person, its certificate or articles of incorporation, articles of association, or similar organizational document.

“*Company*” means the Person whose name, corporate or other organizational form and jurisdiction of organization is set forth in Item 1 of Schedule A hereto.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“*Exercise Price*” means the amount set forth in Item 2 of Schedule A hereto.

“*Expiration Time*” has the meaning set forth in Section 3.

“*Issue Date*” means the date set forth in Item 3 of Schedule A hereto.

“*Liquidation Amount*” means the amount set forth in Item 4 of Schedule A hereto.

“*Original Warrantholder*” means the United States Department of the Treasury. Any actions specified to be taken by the Original Warrantholder hereunder may only be taken by such Person and not by any other Warrantholder.

“*Person*” has the meaning given to it in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act.

“*Preferred Stock*” means the series of perpetual preferred stock set forth in Item 5 of Schedule A hereto.

“*Purchase Agreement*” means the Securities Purchase Agreement – Standard Terms incorporated into the Letter Agreement, dated as of the date set forth in Item 6 of Schedule A hereto, as amended from time to time, between the Company and the United States Department of the Treasury (the “*Letter Agreement*”), including all annexes and schedules thereto.

“*Regulatory Approvals*” with respect to the Warrantholder, means, to the extent applicable and required to permit the Warrantholder to exercise this Warrant for shares of Preferred Stock and to own such Preferred Stock without the Warrantholder being in violation of applicable law, rule or regulation, the receipt of any necessary approvals and authorizations of, filings and registrations with, notifications to, or expiration or termination of any applicable waiting period under, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

“*SEC*” means the U.S. Securities and Exchange Commission.

“*Securities Act*” means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“*Shares*” has the meaning set forth in Section 2.

“*Warrantholder*” has the meaning set forth in Section 2.

“*Warrant*” means this Warrant, issued pursuant to the Purchase Agreement.

2. Number of Shares; Exercise Price. This certifies that, for value received, the United States Department of the Treasury or its permitted assigns (the “*Warrantholder*”) is entitled, upon the terms and subject to the conditions hereinafter set forth, to acquire from the

Company, in whole or in part, after the receipt of all applicable Regulatory Approvals, if any, up to an aggregate of the number of fully paid and nonassessable shares of Preferred Stock set forth in Item 7 of Schedule A hereto (the “*Shares*”), at a purchase price per share of Preferred Stock equal to the Exercise Price.

3. Exercise of Warrant; Term. Subject to Section 2, to the extent permitted by applicable laws and regulations, the right to purchase the Shares represented by this Warrant is exercisable, in whole or in part by the Warrantholder, at any time or from time to time after the execution and delivery of this Warrant by the Company on the date hereof, but in no event later than 5:00 p.m., New York City time on the tenth anniversary of the Issue Date (the “*Expiration Time*”), by (A) the surrender of this Warrant and Notice of Exercise annexed hereto, duly completed and executed on behalf of the Warrantholder, at the principal executive office of the Company located at the address set forth in Item 8 of Schedule A hereto (or such other office or agency of the Company in the United States as it may designate by notice in writing to the Warrantholder at the address of the Warrantholder appearing on the books of the Company), and (B) payment of the Exercise Price for the Shares thereby purchased, by having the Company withhold, from the shares of Preferred Stock that would otherwise be delivered to the Warrantholder upon such exercise, shares of Preferred Stock issuable upon exercise of the Warrant with an aggregate Liquidation Amount equal in value to the aggregate Exercise Price as to which this Warrant is so exercised.

If the Warrantholder does not exercise this Warrant in its entirety, the Warrantholder will be entitled to receive from the Company within a reasonable time, and in any event not exceeding three business days, a new warrant in substantially identical form for the purchase of that number of Shares equal to the difference between the number of Shares subject to this Warrant and the number of Shares as to which this Warrant is so exercised. Notwithstanding anything in this Warrant to the contrary, the Warrantholder hereby acknowledges and agrees that its exercise of this Warrant for Shares is subject to the condition that the Warrantholder will have first received any applicable Regulatory Approvals.

4. Issuance of Shares; Authorization. Certificates for Shares issued upon exercise of this Warrant will be issued in such name or names as the Warrantholder may designate and will be delivered to such named Person or Persons within a reasonable time, not to exceed three business days after the date on which this Warrant has been duly exercised in accordance with the terms of this Warrant. The Company hereby represents and warrants that any Shares issued upon the exercise of this Warrant in accordance with the provisions of Section 3 will be duly and validly authorized and issued, fully paid and nonassessable and free from all taxes, liens and charges (other than liens or charges created by the Warrantholder, income and franchise taxes incurred in connection with the exercise of the Warrant or taxes in respect of any transfer occurring contemporaneously therewith). The Company agrees that the Shares so issued will be deemed to have been issued to the Warrantholder as of the close of business on the date on which this Warrant and payment of the Exercise Price are delivered to the Company in accordance with the terms of this Warrant, notwithstanding that the stock transfer books of the Company may then be closed or certificates representing such Shares may not be actually delivered on such date. The Company will at all times reserve and keep available, out of its authorized but unissued preferred stock, solely for the purpose of providing for the exercise of this Warrant, the aggregate number of shares of Preferred Stock then issuable upon exercise of this Warrant at any

time. The Company will use reasonable best efforts to ensure that the Shares may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the Shares are listed or traded.

5. No Rights as Stockholders; Transfer Books. This Warrant does not entitle the Warrantholder to any voting rights or other rights as a stockholder of the Company prior to the date of exercise hereof. The Company will at no time close its transfer books against transfer of this Warrant in any manner which interferes with the timely exercise of this Warrant.

6. Charges, Taxes and Expenses. Issuance of certificates for Shares to the Warrantholder upon the exercise of this Warrant shall be made without charge to the Warrantholder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company.

7. Transfer/Assignment.

(A) Subject to compliance with clause (B) of this Section 7, this Warrant and all rights hereunder are transferable, in whole or in part, upon the books of the Company by the registered holder hereof in person or by duly authorized attorney, and a new warrant shall be made and delivered by the Company, of the same tenor and date as this Warrant but registered in the name of one or more transferees, upon surrender of this Warrant, duly endorsed, to the office or agency of the Company described in Section 3. All expenses (other than stock transfer taxes) and other charges payable in connection with the preparation, execution and delivery of the new warrants pursuant to this Section 7 shall be paid by the Company.

(B) The transfer of the Warrant and the Shares issued upon exercise of the Warrant are subject to the restrictions set forth in Section 4.4 of the Purchase Agreement. If and for so long as required by the Purchase Agreement, this Warrant shall contain the legends as set forth in Section 4.2(a) of the Purchase Agreement.

8. Exchange and Registry of Warrant. This Warrant is exchangeable, upon the surrender hereof by the Warrantholder to the Company, for a new warrant or warrants of like tenor and representing the right to purchase the same aggregate number of Shares. The Company shall maintain a registry showing the name and address of the Warrantholder as the registered holder of this Warrant. This Warrant may be surrendered for exchange or exercise in accordance with its terms, at the office of the Company, and the Company shall be entitled to rely in all respects, prior to written notice to the contrary, upon such registry.

9. Loss, Theft, Destruction or Mutilation of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in the case of any such loss, theft or destruction, upon receipt of a bond, indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company shall make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the same aggregate number of Shares as provided for in such lost, stolen, destroyed or mutilated Warrant.

10. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a business day, then such action may be taken or such right may be exercised on the next succeeding day that is a business day.

11. Rule 144 Information. The Company covenants that it will use its reasonable best efforts to timely file all reports and other documents required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations promulgated by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of any Warrantholder, make publicly available such information as necessary to permit sales pursuant to Rule 144 under the Securities Act), and it will use reasonable best efforts to take such further action as any Warrantholder may reasonably request, in each case to the extent required from time to time to enable such holder to, if permitted by the terms of this Warrant and the Purchase Agreement, sell this Warrant without registration under the Securities Act within the limitation of the exemptions provided by (A) Rule 144 under the Securities Act, as such rule may be amended from time to time, or (B) any successor rule or regulation hereafter adopted by the SEC. Upon the written request of any Warrantholder, the Company will deliver to such Warrantholder a written statement that it has complied with such requirements.

12. Adjustments and Other Rights. For so long as the Original Warrantholder holds this Warrant or any portion thereof, if any event occurs that, in the good faith judgment of the Board of Directors of the Company, would require adjustment of the Exercise Price or number of Shares into which this Warrant is exercisable in order to fairly and adequately protect the purchase rights of the Warrants in accordance with the essential intent and principles of the Purchase Agreement and this Warrant, then the Board of Directors shall make such adjustments in the application of such provisions, in accordance with such essential intent and principles, as shall be reasonably necessary, in the good faith opinion of the Board of Directors, to protect such purchase rights as aforesaid.

Whenever the Exercise Price or the number of Shares into which this Warrant is exercisable shall be adjusted as provided in this Section 12, the Company shall forthwith file at the principal office of the Company a statement showing in reasonable detail the facts requiring such adjustment and the Exercise Price that shall be in effect and the number of Shares into which this Warrant shall be exercisable after such adjustment, and the Company shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each Warrantholder at the address appearing in the Company's records.

13. No Impairment. The Company will not, by amendment of its Charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in taking of all such action as may be necessary or appropriate in order to protect the rights of the Warrantholder.

14. Governing Law. This Warrant will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the laws of the State of New York applicable to contracts made and

to be performed entirely within such State. Each of the Company and the Warrantholder agrees (a) to submit to the exclusive jurisdiction and venue of the United States District Court for the District of Columbia for any civil action, suit or proceeding arising out of or relating to this Warrant or the transactions contemplated hereby, and (b) that notice may be served upon the Company at the address in Section 17 below and upon the Warrantholder at the address for the Warrantholder set forth in the registry maintained by the Company pursuant to Section 8 hereof. To the extent permitted by applicable law, each of the Company and the Warrantholder hereby unconditionally waives trial by jury in any civil legal action or proceeding relating to the Warrant or the transactions contemplated hereby or thereby.

15. Binding Effect. This Warrant shall be binding upon any successors or assigns of the Company.

16. Amendments. This Warrant may be amended and the observance of any term of this Warrant may be waived only with the written consent of the Company and the Warrantholder.

17. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of delivery if delivered personally, or by facsimile, upon confirmation of receipt, or (b) on the second business day following the date of dispatch if delivered by a recognized next day courier service. All notices hereunder shall be delivered as set forth in Item 9 of Schedule A hereto, or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

18. Entire Agreement. This Warrant, the forms attached hereto and Schedule A hereto (the terms of which are incorporated by reference herein), and the Letter Agreement (including all documents incorporated therein), contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous arrangements or undertakings with respect thereto.

*[Remainder of page intentionally left blank]*



[Form of Notice of Exercise]

Date: \_\_\_\_\_

TO: [Company]

RE: Election to Purchase Preferred Stock

The undersigned, pursuant to the provisions set forth in the attached Warrant, hereby agrees to subscribe for and purchase such number of shares of Preferred Stock covered by the Warrant such that after giving effect to an exercise pursuant to Section 3(B) of the Warrant, the undersigned will receive the net number of shares of Preferred Stock set forth below. The undersigned, in accordance with Section 3 of the Warrant, hereby agrees to pay the aggregate Exercise Price for such shares of Preferred Stock in the manner set forth in Section 3(B) of the Warrant.

Number of Shares of Preferred Stock:<sup>1</sup> \_\_\_\_\_

The undersigned agrees that it is exercising the attached Warrant in full and that, upon receipt by the undersigned of the number of shares of Preferred Stock set forth above, such Warrant shall be deemed to be cancelled and surrendered to the Company.

Holder: \_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

---

1. Number of shares to be received by the undersigned upon exercise of the attached Warrant pursuant to Section 3(B) thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by a duly authorized officer.

Dated: \_\_\_\_\_

**COMPANY:** \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

**Attest:**

By: \_\_\_\_\_

Name:

Title:

**[Signature Page to Warrant]**

## SCHEDULE A

### Item 1

Name:

Corporate or other organizational form:

Jurisdiction of organization:

### Item 2

Exercise Price:<sup>2</sup>

### Item 3

Issue Date:

### Item 4

Liquidation Amount:

### Item 5

Series of Perpetual Preferred Stock:

### Item 6

Date of Letter Agreement between the Company and the United States Department of the Treasury:

### Item 7

Number of shares of Preferred Stock:<sup>3</sup>

### Item 8

Company's address:

### Item 9

Notice information:

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<sup>2</sup> \$0.01 per share or such greater amount as the Charter may require as the par value of the Preferred Stock.

<sup>3</sup> The initial number of shares of Preferred Stock for which this Warrant is exercisable shall include the number of shares required to effect the cashless exercise pursuant to Section 3(B) of this Warrant (e.g., such number of shares of Preferred Stock having an aggregate Liquidation Amount equal in value to the aggregate Exercise Price) such that, following exercise of this Warrant and payment of the Exercise Price in accordance with such Section 3(B), the net number of shares of Preferred Stock delivered to the Warrantholder (and rounded to the nearest whole share) would have an aggregate Liquidation Amount equal to 5% of the aggregate amount invested by the United States Department of the Treasury on the investment date.

**SCHEDULE 2.2(H)**  
**FINANCIAL STATEMENTS**

THIS COPY FOR  
YOUR FILES

HAVILAND BANCSHARES, INC.

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FINANCIAL STATEMENTS  
AND  
ACCOUNTANTS' COMPILATION REPORT

FR Y-9SP  
YEAR ENDED DECEMBER 31, 2006

**Brungardt Hower****Ward Elliott & Pfeifer L.C.**

*CERTIFIED PUBLIC ACCOUNTANTS  
and  
MANAGEMENT CONSULTANTS*

209 East 13th Street P.O. Box 40  
Hays, KS 67601-0040

Ph. (785) 628-8238  
Fax (785) 625-5766

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OFFICES IN HAYS AND GARDEN CITY

ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Haviland Bancshares, Inc.

We have compiled the accompanying balance sheet of Haviland Bancshares, Inc. as of December 31, 2006, and the related statement of earnings for the year ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Board of Governors of the Federal Reserve System, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Board of Governors of the Federal Reserve System, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

*Brungardt Hower  
Ward Elliott & Pfeifer L.C.*

Hays, Kansas  
February 9, 2007

**FR Y-9SP Parent Company Only Financial Statements for Small Bank Holding Companies**  
**0001063945 -- Haviland Bancshares, Inc.**

ACCEPTED DATA for the Semi-annual Period Ended December 31, 2006  
 Submitted on 2007-02-12 17:08:00.0 Eastern Time

Report at the close of business as of the last calendar day of June and December  
 See Accountants' Compilation Report

**Cover Information**

**NOTE: The Parent Company Only Financial Statements for Small Bank Holding Companies must be signed by an authorized officer of the bank holding company.**

I, STANLEY ROBERTSON  
 (Name of Chief Financial Officer or Equivalent of the named bank holding company),

attest that the Parent Company Only Financial Statements for Small Bank Holding Companies for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

  
 (Signature of Chief Financial Officer or Equivalent)

2/12/07  
 Date of Signature

**Bank Holding Company Information:**

Printed Name of Chief Financial Officer (or Equivalent)	Stan Robertson
Legal Title of Bank Holding Company	Haviland Bancshares, Inc.
(Mailing Address of the Bank Holding Company) Street/P.O. Box	209 N. Main
	City Haviland KS Zip Code 67059

**Person to whom questions about this report should be directed:**

Name/Title	Ed Pratt, CPA
Area Code/Phone Number (format: 555-555-5555)	785-628-8238 FAX Number 785-625-5766
E-mail Address of Contact	edpratt@bhcpa.com

## See Accountants' Compilation Report

<b>Schedule SI--Income Statement (for Calendar Year-to-Date)</b>	
The Income Statement is to be reported on a calendar year-to-date basis in thousands of dollars.	
	Dollar Amounts in Thousands
<b>1. Income from bank subsidiary(s):</b>	
a. Dividends	50
b. Other Income	0
<b>2. Income from nonbank subsidiary(s):</b>	
a. Dividends	0
b. Other Income	0
<b>3. Income from subsidiary bank holding company(s):</b> (This item is to be reported only by those holding companies that are tiered bank holding companies.)	
a. Dividends	
b. Other Income	
<b>4. Other Income</b>	637
<b>5. TOTAL OPERATING INCOME (Sum of items 1, 2, 3, and 4)</b>	687
<b>6. Interest expense</b>	3
<b>7. Other expenses</b>	1039
<b>8. TOTAL OPERATING EXPENSE (Sum of items 6 and 7)</b>	1042
<b>9. Income (loss) before income taxes and before undistributed income of subsidiary(s) (item 5 minus item 8)</b>	-355
<b>10. Applicable income taxes (benefits) (estimated) (See instructions)</b>	216
<b>11. Income (loss) before undistributed income of subsidiary(s) (item 9 minus item 10)</b>	-571
<b>12. Equity in undistributed income (loss) of subsidiary(s): (See instructions)</b>	
a. Bank subsidiary(s)	400
b. Nonbank subsidiary(s)	0
c. Subsidiary bank holding company(s) (This item is to be reported only by those holding companies that are tiered bank holding companies.)	
<b>13. Net income (loss) (Sum of items 11 and 12)</b>	-171
<b>Memoranda</b>	
<b>1. Cash dividends declared by the bank holding company to its shareholders</b>	238
	Below, Select "Yes" or "No".
<b>2. Does the reporting bank holding company have a Subchapter S election in effect for federal income tax purposes for the current tax year? (Select Yes or No.)</b>	0
<b>3. Interest expense paid to special-purpose subsidiaries that issued trust preferred securities (included in item 7 above)</b>	0



## See Accountants' Compilation Report

<b>Schedule SC—Balance Sheet</b>	
<b>Assets</b>	<b>Dollar Amounts in Thousands</b>
<b>1. Cash and due from depository institutions:</b>	
a. Balances with subsidiary or affiliated depository institutions	864
b. Balances with unrelated depository institutions	0
<b>2. Securities</b>	0
<b>3. Loans and lease financing receivables (exclusive of loans and lease financing receivables due from bank(s) and nonbank subsidiaries):</b>	
a. Loans and leases, net of unearned income	0
b. LESS: Allowance for loan and lease losses	0
c. Loans and leases, net of unearned income and the allowance for loan and lease losses (item 3.a minus 3.b)	0
<b>4. Investment in bank subsidiary(s): (See instructions)</b>	
a. Equity investment	2657
b. Goodwill	30
c. Loans and advances to and receivables due from bank subsidiary(s)	0
<b>5. Investment in nonbank subsidiary(s): (See instructions)</b>	
a. Equity investment	0
b. Goodwill	0
c. Loans and advances to and receivables due from nonbank subsidiary(s)	0
<b>6. Investment in subsidiary bank holding company(s) (These items are to be completed only by tiered bank holding companies):</b>	
a. Equity investment	
b. Goodwill	
c. Loans and advances to and receivables due from subsidiary bank holding company(s)	
<b>7. Other assets</b>	131
<b>8. Balances due from related nonbank companies (other than investments)</b> (This item is to be reported only by lower-tier parent holding companies.)	0
<b>9. TOTAL ASSETS (Sum of items 1 through 8)</b>	<b>3682</b>

## See Accountants' Compilation Report

<b>Liabilities and Equity Capital</b>	
	Dollar Amounts in Thousands
<b>10. Short-term borrowings:</b>	
a. Commercial paper	0
b. Other short-term borrowings	0
<b>11. Long-term borrowings (includes limited-life preferred stock and related surplus)</b>	44
<b>12. Accrued interest payable (See instructions)</b>	0
<b>13. Other liabilities</b>	226
<b>Liabilities and Equity Capital Continued</b>	
<b>14. Balances due to subsidiaries and related institutions:</b>	
a. Subsidiary bank(s)	0
b. Nonbank subsidiaries and related institutions:	0
<b>15. Not applicable</b>	
<b>16. Equity capital:</b>	
a. Perpetual preferred stock (including related surplus)	0
b. Common stock (including related surplus)	1015
c. Retained earnings	2395
d. Accumulated other comprehensive income (Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.)	2
e. Other equity capital components (Includes treasury stock and unearned Employee Stock Ownership Plan shares.)	0
f. Total equity capital (sum of 16.a through 16.e)	3412
<b>17. TOTAL LIABILITIES AND EQUITY CAPITAL (Sum of items 10 through 14.b, and 16.f)</b>	3682

<b>MEMORANDUM (to be completed annually only by top-tier and single-tier bank holding companies for the December 31 report date)</b>	Below, Select "Yes", "No" or "N/A".
1. Has the bank holding company engaged in a full scope independent external audit at any time during the calendar year? Note: top-tier bank holding companies must select Yes or No. Only lower-tier bank holding companies should select N/A.: 0	
2. If response to Memorandum item 1 is yes, indicate below the name and address of the bank holding company's independent external auditing firm (see instructions), and the name and e-mail address of the auditing firm's engagement partner. (The Federal Reserve regards information submitted in response to Memorandum item 2.b, as confidential.)	
a.1. Name of External Auditing Firm	2. City 3. State 4. Zip Code
b.1. Name of Engagement Partner	
2. E-mail Address	

<b>Schedule SC-M—Memoranda</b>	
<b>Items 1 through 13 are to be completed by all bank holding companies filing the FR Y-9SP report.</b>	
	<b>Dollar Amounts in Thousands</b>
<b>1. Total consolidated assets of the bank holding company</b>	21821
<b>2. Bank holding company (parent company only) borrowings not held by financial institution(s) or by insiders (including directors) and their interests (included in items 10 or 11 above)</b>	44
<b>3. Treasury stock (report only if the amount exceeds 5% of equity capital) included in item 16.e above</b>	0
<b>4. Amount of nonvoting capital, including related surplus (included in balance sheet items 16.a., 16.b., 16.c., and 16.d.)</b>	0
<b>5. Total loans from parent bank holding company and nonbank subsidiary(s) to insiders (excluding directors) and their interests</b>	0
<b>6. Pledged securities</b>	0
<b>7. a. Fair value of securities classified as available-for-sale in item 2 of the balance sheet</b>	0
<b>b. Amortized cost of securities classified as held-to-maturity in item 2 of the balance sheet</b>	0
<b>8. a. Total off-balance-sheet activities conducted either directly or through a nonbank subsidiary</b>	0
<b>b. Total debt and equity securities (other than trust preferred securities) outstanding that are registered with the Securities and Exchange Commission</b>	0
<b>9. Balances held by the subsidiary bank(s) due from nonbank subsidiaries of the parent bank holding company</b>	0
<b>10. Balances held by the subsidiary bank(s) due to nonbank subsidiaries of the parent bank holding company</b>	0
<b>11. Other assets (only report amounts that exceed 25 percent of balance sheet, line item 7)</b>	
<b>a. Accounts receivable</b>	0
<b>b. Income taxes receivable</b>	0
<b>c. Premises and fixed assets</b>	0
<b>d. Net deferred tax assets</b>	0
<b>e. Cash surrender value of life insurance policies</b>	0
<b>f. Investment In Mullinville Insurance Agency</b>	90
<b>g.</b>	
<b>h.</b>	
<b>12. Other liabilities (only report amounts that exceed 25 percent of balance sheet, line item 13)</b>	
<b>a. Accounts payable</b>	0
<b>b. Income taxes payable</b>	226
<b>c. Dividends payable</b>	0
<b>d. Net deferred tax liabilities</b>	0
<b>e.</b>	
<b>f.</b>	
<b>g.</b>	

13. Notes payable to special-purpose subsidiaries that issued trust preferred securities (included in balance sheet, item 14.b)		0
		Below, 1 for "Yes," 0 for "No," or Blank for Lower-tier BHCs only. (See instructions to the left of the item.)
14. Have all changes in investments and activities been reported to the Federal Reserve on the Bank Holding Company Report of Changes in Organizational Structure (FR Y-10)? This item must be completed only by the top-tier bank holding company (and single-tier bank holding companies). The top-tier bank holding company must not leave blank or select N/A. Lower-tier bank holding companies should report N/A. The top-tier bank holding company must select yes or for no changes to report; or select No. If the answer to this question is no, complete the FR Y-10.		0
<b>Bank Holding Company Official verifying FR Y-10 reporting:</b>		
Name of bank holding company official verifying FR Y-10 reporting (page 4 of the form)	Stan Robertson	
Area Code/Phone Number (format: 555-555-5555)	620-862-5222	
<b>Memoranda Items 15 through 16 should only be completed by tiered bank holding companies:</b>		
		Dollar Amounts in Thousands
15. Short-term borrowings included in balance sheet item 14.b:		
a. From parent bank holding company		
b. From subsidiary bank holding company		
16. Long-term borrowings included in balance sheet item 14.b:		
a. From parent bank holding company		
b. From subsidiary bank holding company		
<b>Memorandum Item 17 is to be completed only by the top-tier bank holding company (and single-tier bank holding companies) for its consolidated nonbank and thrift subsidiaries:</b>		
17.a. Total combined nonbank assets of nonbank subsidiaries		0
b. Total combined loans and leases of nonbank subsidiaries		0
c. Total aggregate operating revenue of nonbank subsidiaries		0
d. Combined thrift assets included in 17.a		0
		Number (Unrounded)
e. Number of nonbank subsidiaries included in 17.a	0	
f. Number of thrift subsidiaries included in 17.d	0	

The following two questions (items 18 and 19) will be used to determine if the reporting bank holding company must complete the Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12). In most cases, these questions are only applicable to the top-tier BHC (and single-tier BHC). See the line item instructions for further details.

For questions 18, 19, and 20 below, select "Yes," "No," or "N/A". (See instructions above and left of each item.)

18. Does the bank holding company hold, either directly or indirectly through a subsidiary or affiliate, any nonfinancial equity investments (see instructions for definition) within a Small Business Investment Company (SBIC) structure, or under section 4(c)(6) or 4(c)(7) of the Bank Holding Company Act, or pursuant to the merchant banking authority of section 4(k)(4)(H) of the Bank Holding Company Act, or pursuant to the investment authority granted by Regulation K? (Select Yes or No.)

0

If the answer to item 18 is no, your organization does not need to complete the FR Y-12. Answer N/A to item 19 and proceed to items 20.a and 20.b, below. If the answer to item 18 is yes, proceed to item 19.

19. Do your aggregate nonfinancial equity investments (see instructions for definition) equal or exceed (on an acquisition cost basis) 10 percent of the BHC's total capital as of the report date? (Select Yes, No or N/A.)

If the answer to both item 18 and item 19 is yes, your organization must complete the FR Y-12. Answer N/A to item 20.a and item 20.b and proceed to item 21 below.

If the answer to either item 18 or item 19 is no, your organization does not need to complete the FR Y-12. Proceed to items 20.a. and 20.b. below.

Items 20.a. and 20.b. are to be completed by all bank holding companies that are not required to file the FR Y-12.

20.a. Has the bank holding company sold or otherwise liquidated its holding of any nonfinancial equity investment since the previous reporting period? (Select 'Yes', 'No', or 'N/A'.)

0

b. Does the bank holding company manage any non-financial equity investments for the benefit of others? (Select Yes, No, or N/A.)

0

Memoranda items 21 and 22 are to be completed only by top-tier bank holding companies (and single-tier bank holding companies) who have made an effective election to become a financial holding company. See the line item instructions for further details.

21. Net assets of broker-dealer subsidiaries engaged in underwriting or dealing securities pursuant to Section 4(k)(4)(E) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act

22. Net assets of subsidiaries engaged in insurance or reinsurance underwriting pursuant to Section 4(k)(4)(B) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act

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**HAVILAND BANCSHARES, INC.**

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**FINANCIAL STATEMENTS  
AND  
ACCOUNTANTS' COMPILATION REPORT**

**FR Y-9SP  
YEAR ENDED DECEMBER 31, 2007**

**Brungardt Hower**209 East 13th Street P.O. Box 40  
Hays, KS 67601-0040Ph. (785) 628-8238  
Fax (785) 625-5766**Ward Elliott & Pfeifer L.C.**

OFFICES IN HAYS AND GARDEN CITY

*CERTIFIED PUBLIC ACCOUNTANTS  
and  
MANAGEMENT CONSULTANTS*ACCOUNTANTS' COMPILATION REPORTBoard of Directors  
Haviland Bancshares, Inc.

We have compiled the accompanying balance sheet of Haviland Bancshares, Inc. as of December 31, 2007, and the related statement of earnings for the year ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Board of Governors of the Federal Reserve System, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Board of Governors of the Federal Reserve System, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

*Brungardt Hower**Ward Elliott & Pfeifer L.C.*Hays, Kansas  
February 11, 2008

**FR Y-9SP Parent Company Only Financial Statements for Small Bank Holding Companies**  
**0001063945 -- Haviland Bancshares, Inc.**

ACCEPTED DATA for the Semi-annual Period Ended December 31, 2007  
 Submitted on 2008-02-12 11:33:22.0 Eastern Time

Report at the close of business as of the last calendar day of June and December  
 See Accountants' Compilation Report

**Cover Information**

**NOTE: The Parent Company Only Financial Statements for Small Bank Holding Companies must be signed by an authorized officer of the bank holding company.**

I, STAN ROBERTSON  
 (Name of Chief Financial Officer or Equivalent of the named bank holding company),

attest that the Parent Company Only Financial Statements for Small Bank Holding Companies for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Stan Robertson  
 (Signature of Chief Financial Officer or Equivalent)

2-14-08  
 Date of Signature

**Bank Holding Company Information:**

Printed Name of Chief Financial Officer (or Equivalent)	Stan Robertson
Legal Title of Bank Holding Company	Haviland Bancshares, Inc.
(Mailing Address of the Bank Holding Company) Street/P.O. Box	209 N. Main
	City Haviland KS Zip Code 67059
<b>Person to whom questions about this report should be directed:</b>	
Name/Title	Ed Pratt, CPA
Area Code/Phone Number (format: 555-555-5555)	785-628-8238 FAX Number 785-625-5766
E-mail Address of Contact	edpratt@bhcpa.com



## See Accountants' Compilation Report

**Schedule SI--Income Statement (for Calendar Year-to-Date)**

The Income Statement is to be reported on a calendar year-to-date basis in thousands of dollars.

	Dollar Amounts in Thousands
<b>1. Income from bank subsidiary(s):</b>	
a. Dividends	0
b. Other Income	0
<b>2. Income from nonbank subsidiary(s):</b>	
a. Dividends	0
b. Other Income	0
<b>3. Income from subsidiary bank holding company(s):</b> (This item is to be reported only by those holding companies that have subsidiary bank holding companies..)	
a. Dividends	
b. Other Income	
<b>4. Other Income</b>	1043
<b>5. TOTAL OPERATING INCOME (Sum of items 1, 2, 3, and 4)</b>	1043
<b>6. Interest expense</b>	3
<b>7. Other expenses</b>	1041
<b>8. TOTAL OPERATING EXPENSE (Sum of items 6 and 7)</b>	1044
<b>9. Income (loss) before income taxes and before undistributed income of subsidiary(s) (item 5 minus item 8)</b>	-1
<b>10. Applicable income taxes (benefits) (estimated) (See instructions)</b>	0
<b>11. Income (loss) before undistributed income of subsidiary(s) (item 9 minus item 10)</b>	-1
<b>12. Equity in undistributed income (loss) of subsidiary(s): (See instructions)</b>	
a. Bank subsidiary(s)	404
b. Nonbank subsidiary(s)	0
c. Subsidiary bank holding company(s) (This item is to be reported only by those holding companies that have subsidiary bank holding companies..)	
<b>13. Net income (loss) (Sum of items 11 and 12)</b>	403
<b>Memoranda</b>	
<b>1. Cash dividends declared by the bank holding company to its shareholders</b>	250
	Below, Select "Yes" or "No".
<b>2. Does the reporting bank holding company have a Subchapter S election in effect for federal income tax purposes for the current tax year? (Select Yes or No.)</b>	0
<b>3. Interest expense paid to special-purpose subsidiaries that issued trust preferred securities (included in item 7 above)</b>	0

## See Accountants' Compilation Report

<b>Schedule SC--Balance Sheet</b>	
<b>Assets</b>	
	Dollar Amounts in Thousands
<b>1. Cash and due from depository institutions:</b>	
a. Balances with subsidiary or affiliated depository institutions	262
b. Balances with unrelated depository institutions	0
<b>2. Securities</b>	0
<b>3. Loans and lease financing receivables (exclusive of loans and lease financing receivables due from bank(s) and nonbank subsidiaries):</b>	
a. Loans and leases, net of unearned income	0
b. LESS: Allowance for loan and lease losses	0
c. Loans and leases, net of unearned income and the allowance for loan and lease losses (item 3.a minus 3.b)	0
<b>4. Investment in bank subsidiary(s): (See instructions)</b>	
a. Equity investment	3024
b. Goodwill	30
c. Loans and advances to and receivables due from bank subsidiary(s)	0
<b>5. Investment in nonbank subsidiary(s): (See instructions)</b>	
a. Equity investment	0
b. Goodwill	0
c. Loans and advances to and receivables due from nonbank subsidiary(s)	0
<b>6. Investment in subsidiary bank holding company(s) (These items are to be completed only by companies that have subsidiary bank holding companies):</b>	
a. Equity investment	
b. Goodwill	
c. Loans and advances to and receivables due from subsidiary bank holding company(s)	
<b>7. Other assets</b>	241
<b>8. Balances due from related nonbank companies (other than investments)</b> (This item is to be reported only by lower-tier parent holding companies.)	0
<b>9. TOTAL ASSETS (Sum of items 1 through 8)</b>	<b>3557</b>

## See Accountants' Compilation Report

<b>Liabilities and Equity Capital</b>	
	Dollar Amounts in Thousands
10. Short-term borrowings:	
a. Commercial paper	0
b. Other short-term borrowings	0
11. Long-term borrowings (includes limited-life preferred stock and related surplus)	27
12. Accrued interest payable (See instructions)	0
13. Other liabilities	3
<b>Liabilities and Equity Capital Continued</b>	
14. Balances due to subsidiaries and related institutions:	
a. Subsidiary bank(s)	0
b. Nonbank subsidiaries and related institutions:	0
15. Not applicable	
16. Equity capital:	
a. Perpetual preferred stock (including related surplus)	0
b. Common stock (including related surplus)	1015
c. Retained earnings	2548
d. Accumulated other comprehensive income (Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.)	-36
e. Other equity capital components (Includes treasury stock and unearned Employee Stock Ownership Plan shares.)	0
f. Total equity capital (sum of 16.a through 16.e)	3527
17. TOTAL LIABILITIES AND EQUITY CAPITAL (Sum of items 10 through 14.b, and 16.f)	3557

<b>MEMORANDUM (to be completed annually only by top-tier and single-tier bank holding companies for the December 31 report date)</b>	Below, Select "Yes", "No" or "N/A".
1. Has the bank holding company engaged in a full scope independent external audit at any time during the calendar year? Note: top-tier bank holding companies must select Yes or No. Only lower-tier bank holding companies should select N/A.: 0	
2. If response to Memorandum item 1 is yes, indicate below the name and address of the bank holding company's independent external auditing firm (see instructions), and the name and e-mail address of the auditing firm's engagement partner. (The Federal Reserve regards information submitted in response to Memorandum item 2.b, as confidential.)	
a.1. Name of External Auditing Firm	
	2. City 3. State 4. Zip Code
b.1. Name of Engagement Partner	
2. E-mail Address	

## See Accountants' Compilation Report

Schedule SC-M--Memoranda	
Items 1 through 13 are to be completed by all bank holding companies filing the FR Y-9SP report.	
	Dollar Amounts in Thousands
1. Total consolidated assets of the bank holding company	26902
2. Bank holding company (parent company only) borrowings not held by financial institution(s) or by insiders (including directors) and their interests (included in items 10 or 11 above)	27
3. Treasury stock (report only if the amount exceeds 5% of equity capital) included in item 16.e above	0
4. Amount of nonvoting capital, including related surplus (included in balance sheet items 16.a., 16.b., 16.c., and 16.d.)	0
5. Total loans from parent bank holding company and nonbank subsidiary(s) to insiders (excluding directors) and their interests	0
6. Pledged securities	0
7. a. Fair value of securities classified as available-for-sale in item 2 of the balance sheet	0
b. Amortized cost of securities classified as held-to-maturity in item 2 of the balance sheet	0
8. a. Total off-balance-sheet activities conducted either directly or through a nonbank subsidiary	0
b. Total debt and equity securities (other than trust preferred securities) outstanding that are registered with the Securities and Exchange Commission	0
9. Balances held by the subsidiary bank(s) due from nonbank subsidiaries of the parent bank holding company	0
10. Balances held by the subsidiary bank(s) due to nonbank subsidiaries of the parent bank holding company	0
11. Other assets (only report amounts that exceed 25 percent of balance sheet, line item 7)	
a. Accounts receivable	0
b. Income taxes receivable	0
c. Premises and fixed assets	0
d. Net deferred tax assets	0
e. Cash surrender value of life insurance policies	0
f. Investment In Mullinville Insurance Agency	72
g. FNMA	101
h.	
12. Other liabilities (only report amounts that exceed 25 percent of balance sheet, line item 13)	
a. Accounts payable	0
b. Income taxes payable	0
c. Dividends payable	0
d. Net deferred tax liabilities	0
e.	
f.	
g.	

13. Notes payable to special-purpose subsidiaries that issued trust preferred securities (included in balance sheet, item 14.b)		0
		Below, 1 for "Yes," 0 for "No," or Blank for Lower-tier BHCs only. (See instructions to the left of the item.)
14. Have all changes in investments and activities been reported to the Federal Reserve on the Bank Holding Company Report of Changes in Organizational Structure (FR Y-10)? This item must be completed only by the top-tier bank holding company (and single-tier bank holding companies). The top-tier bank holding company must not leave blank or select N/A. Lower-tier bank holding companies should report N/A. The top-tier bank holding company must select yes or for no changes to report; or select No. If the answer to this question is no, complete the FR Y-10.		0
<b>Bank Holding Company Official verifying FR Y-10 reporting:</b>		
Name of bank holding company official verifying FR Y-10 reporting (page 4 of the form)	Stan Robertson	
Area Code/Phone Number (format: 555-555-5555)	620-862-5222	
<b>Memoranda Items 15 through 16 should only be completed by tiered bank holding companies:</b>		
		Dollar Amounts in Thousands
15. Short-term borrowings included in balance sheet item 14.b:		
a. From parent bank holding company		
b. From subsidiary bank holding company		
16. Long-term borrowings included in balance sheet item 14.b:		
a. From parent bank holding company		
b. From subsidiary bank holding company		
<b>Memorandum Item 17 is to be completed only by the top-tier bank holding company (and single-tier bank holding companies) for its consolidated nonbank and thrift subsidiaries:</b>		
17.a. Total combined nonbank assets of nonbank subsidiaries		0
b. Total combined loans and leases of nonbank subsidiaries		0
c. Total aggregate operating revenue of nonbank subsidiaries		0
d. Combined thrift assets included in 17.a		0
		Number (Unrounded)
e. Number of nonbank subsidiaries included in 17.a		0
f. Number of thrift subsidiaries included in 17.d		0

<p><i>The following two questions (items 18 and 19) will be used to determine if the reporting bank holding company must complete the Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12). In most cases, these questions are only applicable to the top-tier BHC (and single-tier BHC). See the line item instructions for further details.</i></p>	
	<p>For questions 18, 19, and 20 below, select "Yes," "No," or "N/A". (See instructions above and left of each item.)</p>
<p>18. Does the bank holding company hold, either directly or indirectly through a subsidiary or affiliate, any nonfinancial equity investments (see instructions for definition) within a Small Business Investment Company (SBIC) structure, or under section 4(c)(6) or 4(c)(7) of the Bank Holding Company Act, or pursuant to the merchant banking authority of section 4(k)(4)(H) of the Bank Holding Company Act, or pursuant to the investment authority granted by Regulation K? (Select Yes or No.)</p>	0
<p><i>If the answer to item 18 is no, your organization does not need to complete the FR Y-12. Answer N/A to item 19 and proceed to items 20.a and 20.b, below. If the answer to item 18 is yes, proceed to item 19.</i></p>	
<p>19. Do your aggregate nonfinancial equity investments (see instructions for definition) equal or exceed (on an acquisition cost basis) 10 percent of the BHC's total capital as of the report date? (Select Yes, No or N/A.)</p>	
<p><i>If the answer to both item 18 and item 19 is yes, your organization must complete the FR Y-12. Answer N/A to item 20.a and item 20.b and proceed to item 21 below.</i></p>	
<p><i>If the answer to either item 18 or item 19 is no, your organization does not need to complete the FR Y-12. Proceed to items 20.a. and 20.b. below.</i></p>	
<p><b>Items 20.a. and 20.b. are to be completed by all bank holding companies that are not required to file the FR Y-12.</b></p>	
<p>20.a. Has the bank holding company sold or otherwise liquidated its holding of any nonfinancial equity investment since the previous reporting period? (Select 'Yes', 'No', or 'N/A'.)</p>	0
<p>b. Does the bank holding company manage any non-financial equity investments for the benefit of others? (Select Yes, No, or N/A.)</p>	0
<p><b>Memoranda items 21 and 22 are to be completed only by top-tier bank holding companies (and single-tier bank holding companies) who have made an effective election to become a financial holding company. See the line item instructions for further details.</b></p>	
<p>21. Net assets of broker-dealer subsidiaries engaged in underwriting or dealing securities pursuant to Section 4(k)(4)(E) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act</p>	
<p>22. Net assets of subsidiaries engaged in insurance or reinsurance underwriting pursuant to Section 4(k)(4)(B) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act</p>	

<b>Notes to the Parent Company Only Financial Statements</b>
--

Enter in the lines provided below any additional information on specific line items on the financial statements that the bank holding company wishes to explain, that has been separately disclosed in the bank holding company's quarterly reports to its shareholders, in the press releases, or on its quarterly reports to the Securities and Exchange Commission (SEC).

Also include any transactions which previously would have appeared as footnotes to the Balance Sheet and Income Statement. Each additional piece of information disclosed should include the appropriate reference to schedule and item number, as well as a description of the additional information and the dollar amount (in thousands of dollars) associated with that disclosure.

<b>Notes to the Financial Statements</b>	
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	Dollar Amounts in Thousands
1.	
2.	
3.	
4.	
5.	

### Remarks

(Please limit your comments to 3,500 characters.)

Edit Explanations					
Edit Type	Edit Check	Target Item	Comparison Series	Occurrence	Explanation

There are no Edit Explanations for this report.

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HAVILAND BANCSHARES, INC.

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FINANCIAL STATEMENTS  
AND  
ACCOUNTANTS' COMPILATION REPORT

FR Y-9SP  
YEAR ENDED DECEMBER 31, 2008



**Brungardt Hower**209 East 13th Street P.O. Box 40  
Hays, KS 67601-0040Ph. (785) 628-8238  
Fax (785) 625-5766**Ward Elliott & Pfeifer L.C.**

OFFICES IN HAYS AND GARDEN CITY

*CERTIFIED PUBLIC ACCOUNTANTS  
and  
MANAGEMENT CONSULTANTS*ACCOUNTANTS' COMPILATION REPORTBoard of Directors  
Haviland Bancshares, Inc.

We have compiled the accompanying balance sheet of Haviland Bancshares, Inc. as of December 31, 2008, and the related statement of earnings for the year ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Board of Governors of the Federal Reserve System, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Board of Governors of the Federal Reserve System, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

*Brungardt Hower**Ward Elliott & Pfeifer L.C.*Hays, Kansas  
February 10, 2009

**FR Y-9SP Parent Company Only Financial Statements for Small Bank Holding Companies**  
**0001063945 -- Haviland Bancshares, Inc.**

ACCEPTED DATA for the Semi-annual Period Ended December 31, 2008  
 Submitted on 2009-02-11 10:17:43.0 Eastern Time

**Report at the close of business as of the last calendar day of June and December**  
**See Accountants' Compilation Report**

**Cover Information**

**NOTE: The Parent Company Only Financial Statements for Small Bank Holding Companies must be signed by an authorized officer of the bank holding company.**

I, STANLEY ROBERTSON  
 (Name of Chief Financial Officer or Equivalent of the named bank holding company),

attest that the Parent Company Only Financial Statements for Small Bank Holding Companies for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

  
 (Signature of Chief Financial Officer or Equivalent)

2/14/09  
 Date of Signature

**Bank Holding Company Information:**

Printed Name of Chief Financial Officer (or Equivalent)	Stan Robertson
Legal Title of Bank Holding Company	Haviland Bancshares, Inc.
(Mailing Address of the Bank Holding Company) Street/P.O. Box	209 N. Main
	City Haviland KS Zip Code 67059
<b>Person to whom questions about this report should be directed:</b>	
Name/Title	Mark A. Werth, CPA
Area Code/Phone Number (format: 555-555-5555)	785-628-8238 FAX Number 785-625-5766
E-mail Address of Contact	markw@bhcpa.com

**Schedule SI--Income Statement****The Income Statement is to be reported on a calendar year-to-date basis in thousands of dollars.**

	Dollar Amounts in Thousands
<b>1. Income from bank subsidiary(s):</b>	
a. Dividends	0
b. Other income	0
<b>2. Income from nonbank subsidiary(s):</b>	
a. Dividends	0
b. Other income	0
<b>3. Income from subsidiary bank holding company(s):<sup>1</sup></b>	
a. Dividends	
b. Other income	
<b>4. Other income</b>	1497
<b>5. TOTAL OPERATING INCOME (Sum of items 1, 2, 3, and 4)</b>	1497
<b>6. Interest expense</b>	2
<b>7. Other expenses</b>	1519
<b>8. TOTAL OPERATING EXPENSE (Sum of items 6 and 7)</b>	1521
<b>9. Income (loss) before income taxes and before undistributed income of subsidiary(s) (item 5 minus item 8)</b>	-24
<b>10. Applicable income taxes (benefits) (estimated) (See instructions)</b>	-8
<b>11. Income (loss) before undistributed income of subsidiary(s) (item 9 minus item 10)</b>	-16
<b>12. Equity in undistributed income (loss) of subsidiary(s): (See instructions)</b>	
a. Bank subsidiary(s)	398
b. Nonbank subsidiary(s)	0
c. Subsidiary bank holding company(s)	
<b>13. Net income (loss) (Sum of items 11 and 12)</b>	382

**MEMORANDA**

<b>1. Cash dividends (or non-taxable distributions) declared by the bank holding company to its shareholders</b>	225
	Below, Select "Yes" or "No".
<b>2. Does the reporting bank holding company have a Subchapter S election in effect for federal income tax purposes for the current tax year? (Select Yes or No.)</b>	0
<b>3. Interest expense paid to special-purpose subsidiaries that issued trust preferred securities (included in item 7 above)</b>	0
<i>Memorandum item 4 is to be completed by bank holding companies that have elected to account for financial instruments or servicing assets and liabilities at fair value under a fair value option.</i>	
<b>4. Net change in fair values of financial instruments accounted for under a fair value option</b>	

**Footnote:**

1. This item is to be reported only by those holding companies that have subsidiary bank holding companies.

## Schedule SC--Balance Sheet

ASSETS		Dollar Amounts in Thousands
1. Cash and due from depository institutions:		
a. Balances with subsidiary or affiliated depository institutions		99
b. Balances with unrelated depository institutions		0
2. Securities		0
3. Loans and lease financing receivables (exclusive of loans and lease financing receivables due from bank(s) and nonbank subsidiaries):		
a. Loans and leases, net of unearned income	0	
b. LESS: Allowance for loan and lease losses	0	
c. Loans and leases, net of unearned income and the allowance for loan and lease losses (item 3.a minus 3.b)		0
4. Investment in bank subsidiary(s): (See instructions)		
a. Equity investment		3287
b. Goodwill		30
c. Loans and advances to and receivables due from bank subsidiary(s)		0
5. Investment in nonbank subsidiary(s): (See instructions)		
a. Equity investment		0
b. Goodwill		0
c. Loans and advances to and receivables due from nonbank subsidiary(s)		0
6. Investment in subsidiary bank holding company(s) (These items are to be completed only by companies that have subsidiary bank holding companies):		
a. Equity investment		
b. Goodwill		
c. Loans and advances to and receivables due from subsidiary bank holding company(s)		
7. Other assets		142
8. Balances due from related nonbank companies (other than investments)		0
9. TOTAL ASSETS (Sum of items 1 through 8)		3558

<b>LIABILITIES AND EQUITY CAPITAL</b>	
	Dollar Amounts in Thousands
10. Short-term borrowings:	
a. Commercial paper	0
b. Other short-term borrowings	0
11. Long-term borrowings (includes limited-life preferred stock and related surplus)	8
12. Accrued interest payable (See instructions)	0
13. Other liabilities	0
14. Balances due to subsidiaries and related institutions:	
a. Subsidiary bank(s)	0
b. Nonbank subsidiaries and related institutions:	0
15. Not applicable	
16. Equity capital:	
a. Perpetual preferred stock (including related surplus)	0
b. Common stock (including related surplus)	1015
c. Retained earnings	2705
d. Accumulated other comprehensive income	-170
e. Other equity capital components	0
f. Total equity capital (sum of items 16.a through 16.e)	3550
17. TOTAL LIABILITIES AND EQUITY CAPITAL (Sum of items 10 through 14.b, and 16.f)	3558

**Footnotes:**

1. This item is to be reported only by lower-tier parent bank holding companies.
2. Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.
3. Includes treasury stock and unearned Employee Stock Ownership Plan shares.

<b>MEMORANDA (to be completed annually only by top-tier and single-tier bank holding companies for the December 31 report date)</b>		Below, Select "Yes", "No" or "N/A".	
1. Has the bank holding company engaged in a full-scope independent external audit at any time during the calendar year? Note: top-tier bank holding companies must select Yes or No. Only lower-tier bank holding companies should select N/A.: 0			
2. If response to Memorandum item 1 is yes, indicate below the name and address of the bank holding company's independent external auditing firm (see instructions), and the name and e-mail address of the auditing firm's engagement partner. <sup>3</sup>			
a.1. Name of External Auditing Firm			
		2. City 3. State 4. Zip Code	
b.1. Name of Engagement Partner			
2. E-mail Address			
<i>Memoranda items 3.a and 3.b are to be completed by the bank holding companies that have elected to account for financial instruments or servicing assets and liabilities at fair value under a fair value option.</i>			
3. Financial assets and liabilities measured at fair value:			
a. Total assets			
b. Total liabilities			

Footnote:

See Accountants' Compilation Report

3. The Federal Reserve regards information submitted in response to Memorandum item 2.b. as confidential.

## Schedule SC-M--Memoranda

Items 1 through 13 are to be completed by all bank holding companies filing the FR Y-9SP report.

	Dollar Amounts in Thousands
1. Total consolidated assets of the bank holding company	27499
2. Bank holding company (parent company only) borrowings not held by financial institution(s) or by insiders (including directors) and their interests (included in balance sheet items 10 or 11 above)	8
3. Treasury stock (report only if the amount exceeds 5% of equity capital) included in item 16.e above	0
4. Amount of nonvoting equity capital, including related surplus (included in balance sheet items 16.a., 16.b., 16.c., and 16.d.)	0
5. Total loans from parent bank holding company and nonbank subsidiary(s) to insiders (excluding directors) and their interests	0
6. Pledged securities	0
7. a. Fair value of securities classified as available-for-sale (included in item 2 of the balance sheet)	0
b. Amortized cost of securities classified as held-to-maturity (included in item 2 of the balance sheet)	0
8. a. Total off-balance-sheet activities conducted either directly or through a nonbank subsidiary	0
b. Total debt and equity securities (other than trust preferred securities) outstanding that are registered with the Securities and Exchange Commission	0
9. Balances held by the subsidiary bank(s) due from nonbank subsidiaries of the parent bank holding company	0
10. Balances held by the subsidiary bank(s) due to nonbank subsidiaries of the parent bank holding company	0
11. Other assets (only report amounts that exceed 25 percent of balance sheet, line item 7)	
a. Accounts receivable	0
b. Income taxes receivable	5
c. Premises and fixed assets	0
d. Net deferred tax assets	0
e. Cash surrender value of life insurance policies	0
f. Investment in Mullinville Insurance Agency	66
g. Accounts Receivable	37
h.	
12. Other liabilities (only report amounts that exceed 25 percent of balance sheet, line item 13)	
a. Accounts payable	0
b. Income taxes payable	0
c. Dividends payable	0
d. Net deferred tax liabilities	0
e.	
f.	
g.	

13. Notes payable to special-purpose subsidiaries that issued trust preferred securities (included in balance sheet, item 14.b)		0
		Below, 1 for "Yes," 0 for "No," or Blank for Lower-tier BHCs only. (See instructions to the left of the item.)
14. Have all changes in investments and activities been reported to the Federal Reserve on the Bank Holding Company Report of Changes in Organizational Structure (FR Y-10)? This item must be completed only by the top-tier bank holding company (and single-tier bank holding companies). The top-tier bank holding company must not leave blank or select N/A. Lower-tier bank holding companies should report N/A. The top-tier bank holding company must select yes or for no changes to report; or select No. If the answer to this question is no, complete the FR Y-10.		1
<b>Bank Holding Company Official verifying FR Y-10 reporting:</b>		
Name of bank holding company official verifying FR Y-10 reporting	Stan Robertson	
Area Code/Phone Number (format: 555-555-5555)	620-862-5222	
<b>Memoranda Items 15 through 16 should only be completed by tiered bank holding companies:</b>		
		Dollar Amounts in Thousands
15. Short-term borrowings included in balance sheet item 14.b:		
a. From parent bank holding company		
b. From subsidiary bank holding company		
16. Long-term borrowings included in balance sheet item 14.b:		
a. From parent bank holding company		
b. From subsidiary bank holding company		
<b>Memorandum Item 17 is to be completed only by the top-tier bank holding company (and single-tier bank holding companies) for its consolidated nonbank and thrift subsidiaries:</b>		
17.a. Total combined nonbank assets of nonbank subsidiaries		0
b. Total combined loans and leases of nonbank subsidiaries		0
c. Total aggregate operating revenue of nonbank subsidiaries		0
d. Combined thrift assets included in 17.a		0
		Number (Unrounded)
e. Number of nonbank subsidiaries included in 17.a		0
f. Number of thrift subsidiaries included in 17.d		0



<p><i>The following two questions (items 18 and 19) will be used to determine if the reporting bank holding company must complete the Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12). In most cases, these questions are only applicable to the top-tier BHC (and single-tier BHC). See the line item instructions for further details.</i></p>	
	<p>For questions 18, 19, and 20 below, select "Yes," "No," or "N/A". (See instructions above and left of each item.)</p>
<p>18. Does the bank holding company hold, either directly or indirectly through a subsidiary or affiliate, any nonfinancial equity investments (see instructions for definition) within a Small Business Investment Company (SBIC) structure, or under section 4(c)(6) or 4(c)(7) of the Bank Holding Company Act, or pursuant to the merchant banking authority of section 4(k)(4)(H) of the Bank Holding Company Act, or pursuant to the investment authority granted by Regulation K? (Select Yes, No, or N/A.)</p>	<p>0</p>
<p><i>If the answer to item 18 is no, your organization does not need to complete the FR Y-12. Answer N/A to item 19 and proceed to items 20.a and 20.b, below. If the answer to item 18 is yes, proceed to item 19.</i></p>	
<p>19. Do your aggregate nonfinancial equity investments (see instructions for definition) equal or exceed (on an acquisition cost basis) 10 percent of the BHC's total capital as of the report date? (Select Yes, No or N/A.)</p>	
<p><i>If the answer to both item 18 and item 19 is yes, your organization must complete the FR Y-12. Answer N/A to item 20.a and item 20.b and proceed to item 21 below.</i></p>	
<p><i>If the answer to either item 18 or item 19 is no, your organization does not need to complete the FR Y-12. Proceed to items 20.a. and 20.b. below.</i></p>	
<p><b>Items 20.a. and 20.b. are to be completed by all bank holding companies that are not required to file the FR Y-12.</b></p>	
<p>20.a. Has the bank holding company sold or otherwise liquidated its holding of any nonfinancial equity investment since the previous reporting period? (Select Yes, No, or N/A.)</p>	<p>0</p>
<p>b. Does the bank holding company manage any non-financial equity investments for the benefit of others? (Select Yes, No, or N/A.)</p>	<p>0</p>
<p><b>Memoranda items 21 and 22 are to be completed only by top-tier bank holding companies (and single-tier bank holding companies) who have made an effective election to become a financial holding company. See the line item instructions for further details.</b></p>	
<p>21. Net assets of broker-dealer subsidiaries engaged in underwriting or dealing securities pursuant to Section 4(k)(4)(E) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act</p>	
<p>22. Net assets of subsidiaries engaged in insurance or reinsurance underwriting pursuant to Section 4(k)(4)(B) of the Bank Holding Company Act as amended by the Gramm-Leach-Bliley Act</p>	

**Notes to the Parent Company Only Financial Statements**

Enter in the lines provided below any additional information on specific line items on the financial statements that the bank holding company wishes to explain, that has been separately disclosed in the bank holding company's quarterly reports to its shareholders, in its press releases, or on its quarterly reports to the Securities and Exchange Commission (SEC).

Also include any transactions which previously would have appeared as footnotes to the Balance Sheet and Income Statement. Each additional piece of information disclosed should include the appropriate reference to schedule and item number, as well as a description of the additional information and the dollar amount (in thousands of dollars) associated with that disclosure.

**Notes to the Financial Statements**

	Dollar Amounts in Thousands
1.	
2.	
3.	
4.	
5.	

**Remarks**

(Please limit your comments to 3,500 characters.)

**Edit Explanations**

Edit Type	Edit Check	Target Item	Comparison Series	Occurrence	Explanation
There are no Edit Explanations for this report.					

<b>Notes to the Parent Company Only Financial Statements</b>
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Enter in the lines provided below any additional information on specific line items on the financial statements that the bank holding company wishes to explain, that has been separately disclosed in the bank holding company's quarterly reports to its shareholders, in the press releases, or on its quarterly reports to the Securities and Exchange Commission (SEC).

Also include any transactions which previously would have appeared as footnotes to the Balance Sheet and Income Statement. Each additional piece of information disclosed should include the appropriate reference to schedule and item number, as well as a description of the additional information and the dollar amount (in thousands of dollars) associated with that disclosure.

<b>Notes to the Financial Statements</b>	
	Dollar Amounts in Thousands
1.	
2.	
3.	
4.	
5.	

**Remarks**

(Please limit your comments to 3,500 characters.)

<b>Edit Explanations</b>					
Edit Type	Edit Check	Target Item	Comparison Series	Occurrence	Explanation
There are no Edit Explanations for this report.					

**SCHEDULE A****ADDITIONAL TERMS AND CONDITIONS****Company Information:**

Name of the Company:	Haviland Bancshares, Inc.
Corporate or other organizational form:	Corporation
Jurisdiction of Organization:	State of Kansas
Appropriate Federal Banking Agency:	Federal Reserve Bank of Kansas City, Missouri
Notice Information:	Mr. Stanley Robertson 209 North Main Haviland, KS 67059

**Terms of the Purchase:**

Series of Preferred Stock Purchased:	Fixed Rate Cumulative Perpetual Preferred Stock, Series A
Per Share Liquidation Preference of Preferred Stock:	\$1000
Number of Shares of Preferred Stock Purchased:	425
Dividend Payment Dates on the Preferred Stock:	February 15, May 15, August 15, November 15 of each year
Series of Warrant Preferred Stock:	Fixed Rate Cumulative Perpetual Preferred Stock, Series B
Number of Warrant Shares:	21.00021
Number of Net Warrant Shares (after net settlement):	21
Exercise Price of the Warrant:	\$.01 per share
Purchase Price:	\$425,000

**Closing:**

Location of Closing: Telephonic  
Time of Closing: 9:00 am (EST)  
Date of Closing: March 13, 2009

**Wire Information for Closing:**

ABA: [REDACTED]  
Bank: [REDACTED]  
Account Name: *[intentionally blank]*  
Account Number: *[intentionally blank]*  
Beneficiary: [REDACTED]

**For Further Credit to:** [REDACTED]

**Contact for Confirmation of Wire Information:** Stan Robertson  
President, Haviland State Bank  
209 N. Main Street  
P.O. Box 348  
Haviland, KS 67059  
[REDACTED]  
Phone: (620) 862-5222

**SCHEDULE B**

**CAPITALIZATION**

Capitalization Date: February 28, 2009

Common Stock

Par value: \$0.00 per share

Total Authorized: 1,000,000 shares

Outstanding: 12,524 shares

Subject to warrants, options, convertible securities, etc.: none.

Reserved for benefit plans and other issuances: none.

Remaining authorized but unissued: 987,476 shares

Shares issued after Capitalization Date (other than pursuant to warrants, options, convertible securities, etc. as set forth above): none.

Preferred Stock

Par value: \$.01.

Total Authorized: 1,000,000

Outstanding (by series): None.

Reserved for issuance: 0.

Remaining authorized but unissued: 1,000,000.

Holder of 5% or more of any class of capital stock

Willard A. Matthews Trust  
c/o Stephen K. Matthews  
(6034 Shares, 48.18%)

Primary Address

8045 W. 383rd Street  
Lacygne, Kansas 66040-4086

**SCHEDULE C**

**LITIGATION**

List any exceptions to the representation and warranty in Section 2.2(1) of the Securities Purchase Agreement — Standard Terms.

If none, please so indicate by checking the box:

**SCHEDULE D**

**COMPLIANCE WITH LAWS**

List any exceptions to the representation and warranty in the second sentence of Section 2.2(m) of the Securities Purchase Agreement — Standard Terms.

If none, please so indicate by checking the box:

List any exceptions to the representation and warranty in the last sentence of Section 2.2(m) of the Securities Purchase Agreement — Standard Terms.

If none, please so indicate by checking the box:



**SCHEDULE E**

**REGULATORY AGREEMENTS**

List any exceptions to the representation and warranty in Section 2.2(s) of the Securities Purchase Agreement — Standard Terms.

If none, please so indicate by checking the box: