FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of	)	MODIFICATION OF CONSENT ORDER
FARMERS EXCHANGE BANK LOUISVILLE, ALABAMA	)	
(INSURED STATE NONMEMBER BANK)	)	FDIC-10-382b

On August 10, 2010, the Federal Deposit Insurance Corporation ("FDIC") and the Superintendent of Banks, Alabama State Banking Department ("Department") issued a Consent Order ("ORDER") to Farmers Exchange Bank, Louisville, Alabama ("Bank"), that remains in full force and effect, except as modified herein. The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a Stipulation and Consent to the Issuance of a Modification of Consent Order ("STIPULATION") dated October 25, 2012.

With this STIPULATION, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law or regulation, to the issuance of this Modification of Consent Order ("MODIFICATION") by the FDIC and the Department.

Having determined that the requirements for the issuance of an order under 12 U.S.C. § 1818(b) and Code of Alabama Annotated Section 5-2A-12 (1980) have been satisfied, the FDIC and the Department accept the STIPULATION and hereby modify the ORDER as follows:

Paragraph 3 of the ORDER is hereby stricken, and in its stead is inserted the following:

CAPITAL

3. (a) Effective as of September 30, 2012, the Bank shall have and maintain leverage ratio of not less than eight percent (8%) and a Total Risk-based Capital Ratio of at least twelve percent (12%).

(b) Within 90 days from the effective date of this MODIFICATION, the Bank shall develop and adopt a plan for maintaining the capital levels required by paragraph 3(a) during the life of this MODIFICATION. The plan shall be submitted to the Supervisory Authorities for review.

(c) The level of capital to be maintained during the life of this MODIFICATION pursuant to paragraph 3(a) shall be in addition to a fully funded allowance for loan and lease losses ("ALLL"), the adequacy of which shall be satisfactory to the Supervisory Authorities as determined at subsequent examinations and/or visitations.

(d) Any increase in Tier 1 capital necessary to meet the requirements of paragraph 3 (a) of this MODIFICATION may be accomplished by the following:

(i) the sale of common stock;

(ii) the direct contribution of cash by the Board, shareholders, and/or parent holding company; or

(iii) any other means acceptable to the Supervisory Authorities.

Any increase in Tier 1 capital necessary to meet the requirements of paragraph 3 of this MODIFICATION may not be accomplished through a deduction from the Bank's ALLL.

(e) If all or part of any necessary increase in Tier 1 capital required by paragraph 3 of this MODIFICATION is accomplished by the sale of new securities, the Board shall forthwith take all necessary steps to adopt and implement a plan for the sale of such additional securities, including the voting of any shares owned or proxies held or controlled by them in favor of the plan. Should the implementation of the plan involve a public distribution of the Bank's securities (including a distribution limited only to the Bank's existing shareholders), the Bank shall prepare offering materials fully describing the securities being offered, including an accurate description of the financial condition of the Bank and the circumstances giving rise to the offering, and any other material disclosures necessary to comply with any applicable securities laws. Prior to the implementation of the plan and, in any event, not less than 15 days prior to the dissemination of such materials, the plan and any materials to be used in the sale of the securities shall be submitted to the FDIC, Division of Risk Management Supervision, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Room MB-5073, Washington, D.C. 20429, and the Alabama State Banking Department, 401 Adams Avenue, Suite 680, Montgomery, Alabama 36130-1201, for review. Any changes requested to be made in the plan or materials shall be made prior to their dissemination.

(f) In complying with the provisions of paragraph 3 of this MODIFICATION, the Bank shall provide to any subscriber and/or purchaser of the Bank's securities, a written notice of any planned or existing development or other changes that are materially different from the information reflected in any offering materials used in connection with the sale of Bank securities. The written notice required by this paragraph shall be furnished within 10 days from the date such material development or change was planned or occurred, whichever is earlier, and shall be furnished to every subscriber and/or purchaser of the Bank's securities who received or was tendered the information contained in the Bank's original offering materials.

(g) For the purposes of this MODIFICATION, the terms "Tier 1 capital" and "total assets" shall have, the meanings ascribed to them in Part 325 of the FDIC's Rules and Regulations, 12 C.F.R. §§ 325.2(v) and 325.2(x).

Paragraph 23 is hereby stricken, and in its stead is inserted the following:

DISCLOSURE TO SHAREHOLDERS

23. Within 30 days from the effective date of this MODIFICATION, the Bank shall send a copy of this MODIFICATION, or otherwise furnish a description of this MODIFICATION, to its parent holding company. The description shall fully describe this MODIFICATION in all material respects.

The provisions of ORDER as modified by this MODIFICATION shall not bar, estop, or otherwise prevent the FDIC, the Department, or any other federal or state agency or department from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This MODIFICATION shall become immediately upon its issuance.

The provisions of this MODIFICATION shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of the ORDER as modified by this MODIFICATION shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this MODIFICATION shall have been modified, terminated, suspended, or set aside in writing by the Supervisory Authorities.

This MODIFICATION shall be effective on the date of issuance.

Issued Pursuant to Delegated Authority.

Dated this 31st day of October, 2012.

By:

/s/

Thomas J. Dujenski
Regional Director
Atlanta Region
Federal Deposit Insurance Corporation

The Alabama Superintendent of Banks, having duly approved the foregoing MODIFICATION, and the Bank, through its Board, agree that the issuance of said MODIFICATION by the Federal Deposit Insurance Corporation shall be binding as between the Bank and the Alabama Superintendent of Banks to the same degree and legal effect that such MODIFICATION would be binding on the Bank if the Alabama Superintendent of Banks had issued a separate MODIFICATION that included and incorporated all the provisions of the foregoing MODIFICATION pursuant to the provisions of the §5-2A-12, Code of Alabama, 1980.

Dated this 31st day of October, 2012.

/s/

John D. Harrison
Superintendent of Banks
Alabama State Banking Department