

**PLEDGE AGREEMENT**

This **PLEDGE AGREEMENT**, dated as of February 15, 2011 (as amended, supplemented or otherwise modified from time to time, this "Agreement"), is made and entered into by Treaty Oak Bancorp, Inc. (the "Pledgor") in favor of the United States Department of the Treasury (the "Pledgee").

**WHEREAS**, pursuant to an Amended and Restated Stock Purchase Agreement effective as of December 21, 2010 (as amended, supplemented or otherwise modified from time to time, the "Carlile Agreement"), the Pledgor agreed to sell to Carlile Bancshares, Inc., a Texas corporation with its principal offices in Fort Worth, Texas (together with any successor thereof, "Carlile"), all of the outstanding capital stock of the Treaty Oak Bank, a Texas banking association with its principal offices in Austin, Texas.

**WHEREAS**, pursuant to a Securities Repurchase Agreement, dated as of February 15, 2011 (as amended, supplemented or otherwise modified from time to time, the "Securities Repurchase Agreement") by and between the Pledgor and the Pledgee, the Pledgor has agreed to repurchase from the Pledgee all of the (i) Fixed Rate Cumulative Perpetual Preferred Stock, Series B and (ii) Fixed Rate Cumulative Perpetual Preferred Stock, Series C (collectively, the "Shares") issued by the Pledgor and owned by the Pledgee. As part of the consideration for such Shares, the Pledgor has agreed to pay the Pledgee a deferred purchase price of \$150,000 (as defined in the Securities Repurchase Agreement, the "Deferred Purchase Price").

**WHEREAS**, the Pledgor will pursuant to the Carlile Agreement become the obligee on a secured promissory note made by Carlile to the Pledgor in the aggregate principal amount of \$150,000 (the "Carlile Note"), and Carlile's obligations thereunder are secured by loans and other real estate owned held by Carlile Capital, LLC (the "Carlile Assets") which security interest will be granted under and perfected by the documents listed on Schedule I hereto (collectively, the "Carlile Collateral Documents").

**WHEREAS**, in the Securities Repurchase Agreement the Pledgor has agreed that its obligations with respect to the Deferred Purchase Price are to be secured by a pledge of the Carlile Note (the Carlile Note and all rights and interests arising under the Carlile Collateral Documents are referred to herein as the "Pledged Instrument") to the Pledgee.

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgor hereby agrees with the Pledgee, as follows:

1. **Security Interest.** The Pledgor hereby pledges, assigns and grants to the Pledgee a first priority security interest and lien in the "Collateral" (as hereinafter defined) to secure the prompt and complete payment and performance of the "Secured Obligations" (as hereinafter defined).

2. Collateral. The pledge and security interest described above are granted in respect of the following collateral, whether now existing or hereafter from time to time acquired (the "Collateral"):

(a) All of the Pledgor's right, title and interest in and to the Pledged Instrument, including all certificates, agreements or instruments, if any, representing the Pledged Instrument, options, pledges, security interests and other rights of any nature whatsoever which may be issued or granted to the Pledgor in respect of the Pledgor's interest in the Pledged Instrument while this Agreement is in effect, and all income and benefits, including all payments of any kind (including payments of principal arising thereunder, dividends, distributions payable or distributable in cash, property, or stock but excluding the regular quarterly interest payments of 2% per annum paid thereunder), registration rights and subscription rights, instruments and other property from time to time received, collected, receivable or otherwise distributed in respect of, pursuant to or in exchange for any or all of the Pledgor's interest in any of the foregoing and all proceeds of the foregoing; and

(b) All additions, substitutes, replacements for and proceeds of the property described in paragraph (a) above (including all notes, bonds and other evidences of indebtedness, shares, units, membership interests or other proceeds of conversions or splits of any securities included in the Collateral). Any additions, substitutes, replacements for and proceeds of the property described in paragraph (a) above that is cash or a cash equivalent shall, if delivered to the Pledgor, be held in trust by the Pledgor for the Pledgee and delivered to the Pledgee in accordance with Section 6(j). Any securities received by the Pledgor which constitute such additions, substitutes and replacements for, or proceeds of, the property described in paragraph (a) above shall, if delivered to the Pledgor, be held in trust by the Pledgor for the Pledgee and shall be immediately delivered to the Pledgee to the address specified in Section 11(c).

3. Secured Obligations. The following obligations (collectively, the "Secured Obligations") are secured by this Agreement:

(a) The full and prompt payment when due of the Deferred Purchase Price and all debts, obligations and liabilities of the Pledgor owing to the Pledgee, whether now existing or hereafter incurred, arising under this Agreement and any and all renewals, extensions and rearrangements thereof, and the due performance and compliance by the Pledgor with all of the terms, conditions and agreements contained herein and in the Securities Repurchase Agreement; and

(b) All costs and expenses incurred by the Pledgee, including taxes, assessments, the reasonable fees, disbursements and other charges of the Pledgee's legal counsel and financial advisors, and expenses of sales, to enforce this Agreement and the Securities Repurchase Agreement, to maintain, preserve, collect and realize upon the Collateral and all costs and expenses incurred by the Pledgee relating to the Carlile Note and any of the Carlile Collateral Documents.

4. Procedure. The Pledgor shall deliver the Carlile Note and any investment securities and other instruments and documents which are a part of the Collateral and in the Pledgor's possession to the Pledgee, in a form suitable for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank with signatures appropriately guaranteed in form and substance suitable to the Pledgee. To the extent that the Pledgor at any time or from time to time owns, acquires or obtains any right, title or interest in any Collateral, such Collateral shall automatically (and without the taking of any action by the Pledgor) be pledged pursuant to Section 2, and the Pledgor shall immediately take such actions as the Pledgee shall reasonably request with respect thereto to perfect its security interest therein.

5. Representations and Warranties. The Pledgor hereby represents and warrants to the Pledgee as follows:

(a) Jurisdiction of Incorporation. The exact legal name of the Pledgor, the type of organization of the Pledgor, the jurisdiction of organization of the Pledgor and the organizational identification number of the Pledgor is listed on Schedule II hereto. The Pledgor is duly organized, validly existing and in good standing under the laws of Texas.

(b) Authority and Compliance. The Pledgor has full power and capacity to execute and deliver this Agreement and to incur and perform the obligations provided for herein. No consent or approval of any governmental authority or other third party is or will be required as a condition to the enforceability of this Agreement.

(c) Binding Agreement. This Agreement is duly authorized, executed and delivered by the Pledgor and is enforceable against the Pledgor in accordance with its terms.

(d) Ownership. The Pledgor will, upon the completion of the transactions contemplated by the Carlile Agreement be the sole record and beneficial owner of the Pledged Instrument, free and clear of any right of setoff (except as provided in the Carlile Agreement and the Pledged Instrument), claim, pledge, lien, security interest, encumbrance or other charge of any type ("Lien"), except for the security interest created hereunder.

(e) No Conflict. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor the fulfillment of, nor the compliance with, the terms, conditions or provisions hereof, will conflict with, result in a breach of, or constitute a default under (i) any relevant statute, law, ordinance, rule or regulation applicable to the Pledgor or the Collateral or (ii) any indenture, agreement or other instrument, or any judgment, order or decree, to which the Pledgor is a party or by which any of its assets including the Collateral, may be bound. There is no litigation, claim or judicial, administrative or governmental proceeding of which the Pledgor has been notified or, to the

knowledge of the Pledgor, threatened with respect to the Collateral, nor is there any basis for any such litigation, claim or proceeding.

(f) Security Interest. The pledge of the Collateral pursuant to this Agreement creates a valid security interest in the Collateral and a perfected first priority security interest in the Collateral, securing the payment of the Secured Obligations.

(g) Financing Statements. No financing statement or similar instrument covering the Collateral is or will be on file in any public office, and no security interest has attached or been perfected in the Collateral or any part thereof, other than the financing statement filed in favor of the Pledgee as secured party pursuant to the terms of this Agreement and the security interest created herein.

6. Pledgor's Covenants. Until full payment and performance of all of the Secured Obligations, unless the Pledgee otherwise consents in writing:

(a) Perfection of Lien. On or before the date hereof, the Pledgor shall cause the Carlile Collateral Documents to be executed and in full force and effect and the Pledgor shall obtain a first priority, perfected Lien on and security interest in the Carlile Assets in accordance with the terms of the Carlile Collateral Documents and, at all times after the first date on which the Lien on and security interest in the Carlile Assets is perfected, the Pledgor shall maintain a perfected, valid and enforceable Lien on and security interest in the Carlile Assets.

(b) Rights to Collateral. The Pledgor shall defend the Collateral against all claims and demands of all persons at any time claiming any interest therein adverse to the Pledgee. The Pledgor shall keep the Collateral free from all Liens, except the security interest hereby created.

(c) Sale or Assignment. Except as contemplated by this Agreement, the Pledgor shall not sell, assign, transfer, lease, lend, assign or otherwise hypothecate, pledge or encumber the Collateral or any interest therein nor reduce the Pledgor's interest in any of the Collateral.

(d) Carlile Related Documents; Amendment and Waiver. Each of the Carlile Collateral Documents shall be in form and substance satisfactory to the Pledgee. The Pledgor shall not consent to any amendment, waiver, modification or forbearance under the Carlile Agreement, the Carlile Note, the Carlile Collateral Documents, or to any other document, instrument or agreement governing the terms of the Collateral or the rights of the Pledgor with respect thereto except with the prior written consent of the Pledgee.

(e) Pledgee's Costs. The Pledgor shall pay all costs and expenses, including taxes, assessments, the reasonable fees, disbursements and other charges of the Pledgee's legal counsel and financial advisors, and expenses of sales, to enforce this Agreement and the Securities Repurchase Agreement, to maintain, preserve, collect and realize upon the Collateral and all costs and expenses incurred by the

Pledgee relating to the Carlile Note and any of the Carlile Collateral Documents. Whether the Collateral is or is not in the Pledgee's possession, and without any obligation to do so and without waiving the Pledgor's default for failure to make any such payment, the Pledgee at its option may pay any such reasonable costs and expenses and discharge encumbrances on the Collateral, and such payments shall be a part of the Secured Obligations. The Pledgor agrees to reimburse the Pledgee on demand for any costs so incurred.

(f) Additional Documents. The Pledgor will, from time to time, at its own expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action that from time to time may be necessary or desirable, or that the Pledgee may reasonably request, in order to: (i) create, preserve, perfect, confirm or validate the Pledgor's lien on the Collateral and cause the Pledgee to have control thereof (as "control" is defined in the Uniform Commercial Code as in effect from time to time in the State of New York); (ii) enable the Pledgee to exercise and enforce any of its rights, powers and remedies with respect to the Collateral; (iii) enable the Pledgee to comply with any federal or state law in order to obtain, create or perfect the Pledgee's interest in the Collateral; or (iv) enable the Pledgee to obtain the full benefits of this Agreement. The Pledgor authorizes the Pledgee to execute and file such financing statements or continuation statements in such jurisdictions with such descriptions of collateral and other information set forth therein as the Pledgee may reasonably deem necessary or desirable for the purposes set forth in the preceding sentence.

(g) Notice of Changes. The Pledgor shall notify the Pledgee at least thirty days prior to any change in the Pledgor's legal name, address, jurisdiction of incorporation, identity or corporate structure.

(h) Power of Attorney. The Pledgor hereby appoints the Pledgee and any officer thereof as the Pledgor's attorney-in-fact with full power in the Pledgor's name and on the Pledgor's behalf, from time to time after the occurrence and during the continuance of an "Event of Default" (as defined below), to do every act which the Pledgor is obligated to do or may be required to do hereunder or to take any action or institute any proceedings or execute any instrument which the Pledgee may deem reasonably necessary or advisory to accomplish the purposes of this Agreement; however, nothing in this paragraph shall be construed to obligate the Pledgee to take any action hereunder nor shall the Pledgee be liable to the Pledgor for failure to take any action hereunder. This appointment shall be deemed a power coupled with an interest and shall not be terminable as long as the Secured Obligations are outstanding.

(i) Other Parties and Other Collateral. No renewal or extensions of or any other indulgence with respect to the Secured Obligations or any part thereof, no release of any security, no release of any person (including any maker, indorser, guarantor or surety) liable on the Secured Obligations, no delay in enforcement of payment, and no delay or omission or lack of diligence or care in exercising any

right or power with respect to the Secured Obligations or any security therefor or guaranty thereof or under this Agreement shall in any manner impair or affect the rights of the Pledgee under any law, hereunder or under the Securities Repurchase Agreement. The Pledgee shall not be required to file suit or assert a claim for personal judgment against any person for any part of the Secured Obligations or seek to realize upon any other security for the Secured Obligations, before foreclosing or otherwise realizing upon the Collateral. The Pledgor waives any right that can be waived to the benefit of or to require or control application of any other security or proceeds thereof, and agrees that the Pledgee shall have no duty or obligation to the Pledgor to apply to the Secured Obligations any such other security or proceeds thereof. The Pledgor waives any right to require that any action be brought against any other person or to require that resort be had to any other security. The Pledgor further waives any right of subrogation or to enforce any right of action against any other obligor on any Secured Obligation or other pledgor to the Pledgee of collateral for the Secured Obligations until the Secured Obligations are paid in full.

(j) Copies of Written Notices. The Pledgor shall deliver to the Pledgee copies of any written notices or other form of reporting that the Pledgor and Carlile deliver to one another under the Carlile Agreement, the Carlile Note, the Carlile Collateral Documents, or any other document, instrument or agreement governing the terms of the Collateral or the rights of the Pledgor with respect thereto, within five business days of receipt (or deemed receipt) thereof by the Pledgor or Carlile, as the case may be.

(k) Payment/Assignment Covenant. The Pledgor shall pay the Deferred Purchase Price to the Pledgee in one or more installments, each equal to the lesser of each payment made on or in respect of the Carlile Note (other than the regular quarterly interest payments of 2% per annum) and the remaining unpaid balance of the Deferred Purchase Price. In furtherance of the foregoing, until the Deferred Purchase Price has been paid in full in cash, the Pledgor shall cause Carlile to pay all amounts due under or in respect of the Carlile Note (other than the regular quarterly interest payments of 2% per annum) directly to the Pledgee as a payment by the Pledgor of the Deferred Purchase Price. In the event any of the payments are paid by Carlile to the Pledgor, such payments shall be received in trust for the benefit of the Pledgee, shall be segregated from other property of the Pledgor and the Pledgor shall immediately transfer such payments to the Pledgee. All payments under this Section 6(k) shall be made by wire transfer of immediately available funds, to an account designated in writing by the Pledgee to the Pledgor. Such account shall initially be the account designated under Section 2.02(B)(2) of the Securities Repurchase Agreement and may be changed from time to time by the Pledgee. Until the Deferred Purchase Price has been paid in full in cash, any non cash payment, distributions, additions, substitutes and replacements for, or proceeds of, the property described above in Section 2, shall, if delivered to the Pledgor, be held in trust by the Pledgor for the Pledgee and shall be immediately delivered to the Pledgee to the address specified in Section 11(c).

7. Voting. Until all Secured Obligations are paid in full in cash, the Pledgor shall not (i) be entitled to exercise any consent or voting rights with respect to, or attaching to any of the Collateral or give consents, waivers or ratifications in respect thereof, and (ii) cast any vote or give any consent, waiver or ratification or take any other action that would violate or be inconsistent with the terms of this Agreement or the Securities Repurchase Agreement.

8. Assignment of Payments, Dividends and Distributions. Without limiting the Pledgor's obligations and the Pledgee's rights under Sections 2(b) and 6(k), if at any time there shall have occurred an Event of Default, the Pledgee shall be entitled to receive directly, and to retain as part of the Collateral all notes, instruments, stock or other securities or property paid or distributed by way of dividend or otherwise in respect of the Collateral or by reason of any consolidation, merger exchange of stock, conveyance of assets, liquidation or similar corporate reorganization. Without limiting the Pledgor's obligations and the Pledgee's rights under Sections 2(b) and 6(k), if at any time there shall have occurred an Event of Default, all dividends, distributions or other payments which are received by the Pledgor shall be received in trust for the benefit of the Pledgee, shall be segregated from other property of the Pledgor and shall be forthwith paid over to the Pledgee as Collateral in the same form received (with any necessary endorsement).

9. Defaults. A default (an "Event of Default") shall be deemed to have occurred hereunder if:

- (a) all or any portion of the Deferred Purchase Price is not fully paid when due under the Securities Repurchase Agreement;
- (b) the Pledgor does not direct Carlile to pay over to the account as provided in Section 6(j) or otherwise fails to comply with Section 6(j);
- (c) the Pledgor otherwise fails in any material respect to perform or comply with any term, covenant or agreement hereunder after the Pledgee provides written notice and if not cured within 14 days;
- (d) any representation or warranty hereunder, the Securities Repurchase Agreement was untrue in any material respect when made;
- (e) any default or event of default by Carlile occurs under the Carlile Note;
- (f) any amendment, waiver, modification or forbearance under the Carlile Agreement, the Carlile Note or any of the Carlile Collateral Documents, that is not previously agreed by the Pledgee, was made;
- (g) (i) the Pledgor shall generally not pay its debts as such debts become due, shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors, (ii) any proceeding shall be instituted by or against the Pledgor seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment,

protection, relief or composition of it or its debts, under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a custodian, receiver, trustee or other similar official for it or for any substantial part of its property; provided, however, that, in the case of any such proceedings instituted against the Pledgor (but not instituted by the Pledgor), either such proceedings shall remain undismissed or unstayed for a period of 60 days or more or any action sought in such proceedings shall occur or (iii) the Pledgor shall take any corporate action to authorize any action set forth in clauses (i) and (ii) above.

10. Remedies in Case of Event of Default. In case an Event of Default shall have occurred and be continuing, the Pledgee shall be entitled to exercise all of the rights, powers and remedies (whether vested in it by this Agreement or by law) for the protection and enforcement of its rights in respect of the Collateral, including all the rights and remedies of a secured party upon default under the Uniform Commercial Code as in effect from time to time in the State of New York, and the Pledgee shall be entitled, without limitation, to exercise any or all of the following rights, which the Pledgor hereby agrees to be commercially reasonable:

- (a) to receive all amounts payable in respect of the Collateral otherwise paid under Section 6(j) or Section 8 to the Pledgor;
- (b) to transfer all or any part of the Collateral into the Pledgee's name or the name of its nominee or nominees;
- (c) to vote all or any part of the Collateral and give all consents, waiver and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (the Pledgor hereby irrevocably constituting and appointing the Pledgee the proxy and attorney-in-fact of the Pledgor, with full power of substitution to do so, in accordance with Section 6(g));
- (d) at any time and from time to time to sell, assign and deliver, or grant options to purchase, all of any part of the Collateral, or any interest therein, at any public or private sale, without demand of performance, advertisement or, notice of intention to sell or of the time or place of sale or adjournment thereof or to redeem or otherwise purchase or dispose (all of which are hereby waived by the Pledgor to the extent permitted by applicable law), for cash, on credit or for other property, for immediate or future delivery without any assumption of credit risk, and for such price or prices and on such terms as the Pledgee in its absolute discretion may determine in compliance with any mandatory requirements of applicable law, provided at least 10 days' written notice of the time and place of any such sale shall be given to the Pledgor. The Pledgee shall not be obligated to make any such sale of Collateral regardless of whether any such notice of sale has theretofore been given. The Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of

marshalling the Collateral and any other security or the Secured Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Pledgee may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. The Pledgee shall not be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing nor shall any of them be under any obligation to take any action whatsoever with regard thereto; and

(e) to set off any and all Collateral against any and all Secured Obligations.

The Pledgor specifically understands and agrees that any sale or redemption by the Pledgee of all or part of the Collateral pursuant to the terms of this Agreement may be effected by the Pledgee at times and in manners which could result in the proceeds of such sale or redemption being significantly and materially less than might have been received if such sale or redemption had occurred at different times or in different manners, and the Pledgor hereby releases the Pledgee and its officers and representatives from and against any and all obligations and liabilities arising out of or related to the timing or manner of any such sale or redemption.

11. General.

(a) Term; Binding Effect. This Agreement shall remain in full force and effect until payment and satisfaction in full of all Secured Obligations. The provisions of this Agreement shall bind and inure to the benefit of the Pledgor and its successors and assigns and the Pledgee and its successors and assigns; provided, however, that no assignment or other transfer of the Pledgor's rights or obligations hereunder shall be made or be effective without the Pledgee's prior consent, nor shall it relieve the Pledgor of its obligations hereunder. All representations, warranties and agreements of the Pledgor shall be binding upon the successors and permitted assigns of the Pledgor.

(b) Waiver. No delay of either party hereto in exercising any power or right shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right. No waiver by either party hereto of any right hereunder shall be binding upon such party unless in writing, and no failure by either party to exercise any power or right hereunder shall operate as a waiver of any other or further exercise of such right or power or of any further default. Each right, power and remedy of either party hereto as provided for herein or in the Securities Repurchase Agreement, or which shall now or hereafter exist at law or in equity or by statute or otherwise, shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by either party hereto of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any or all other such rights, powers or remedies.

(c) Notice. All notices and other communications hereunder shall be in writing and shall be deemed given on (i) the date of delivery if delivered personally or telecopied (upon telephonic confirmation of receipt), (ii) on the first business day following the date of dispatch if delivered by a recognized next day courier service, or (iii) on the third business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(d) Modifications. No provision hereof shall be modified or limited except by a written agreement expressly referring hereto and to the provisions so modified or limited, which shall be signed by the Pledgor and the Pledgee. The provisions of this Agreement shall not be modified or limited by course of conduct.

(e) Partial Invalidity. The unenforceability or invalidity of any provision of this Agreement shall not affect the enforceability or validity of any other provision herein.

(f) Interpretation. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section references are to this Agreement unless otherwise specified. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” The term “person” as used in this Agreement shall mean any individual, corporation, limited liability company, limited or general partnership, joint venture, government or any agency or political subdivision thereof, or any other entity or any group (as defined in Section 13(d)(3) of the U.S. Securities Exchange Act of 1934, as amended) comprised of two or more of the foregoing. In this Agreement, all references to “dollars” or “\$” are to United States dollars. This Agreement and any documents or instruments delivered pursuant hereto or in connection herewith shall be construed without regard to the identity of the person who drafted the various provisions of the same. Each and every provision of this Agreement and such other documents and instruments shall be construed as though all of the parties participated equally in the drafting of the same. Consequently, the parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting party shall not be applicable either to this Agreement or such other documents and instruments.

(g) Governing Law; Choice of Forum. This Agreement and any claim, controversy or dispute arising under or related to this Agreement, the relationship of the parties, and/or the interpretation and enforcement of the rights and duties of the parties shall be enforced, governed, and construed in all respects (whether in contract or in tort) 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 with such state. Each of the parties hereto agrees (i) to submit to the exclusive jurisdictions and venue of the United States District Court of the District of Columbia and the United States Court of Federal Claims for any and all civil actions, suits or proceedings arising out of or relating to this Agreement or the transactions contemplated hereby, and (ii) that notice may be served upon (A) the Pledgor at the address and in the manner set forth for notices to the Pledgor in Section 11(c) and (B) the Pledgee at the address and in the manner set forth for notices to the Pledgee in Section 11(c), but otherwise in accordance with federal law.

(h) Waiver of Jury Trial. **Each of the parties hereby unconditionally waives trial by jury in any civil legal action or proceeding relating to this Agreement or the transactions contemplated hereby.**

(i) Entire Agreement. This Agreement, the Securities Repurchase Agreement and the Warrant to purchase 3,098,341 shares of the Pledgor's common stock for the benefit of the Pledgee, contain the entire agreement and understanding of the parties with respect to the subject matter hereof and supersede all prior communications, representations and negotiations with respect thereto.

**[This space intentionally left blank]**

**IN WITNESS WHEREOF**, the parties hereto have caused this Pledge Agreement to be duly executed as of the date first above written.

**PLEDGOR:**

**TREATY OAK BANCORP, INC.**

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Name: JEREMY L. NASW  
Title: PRESIDENT

**PLEDGEE:**

**UNITED STATES DEPARTMENT OF  
THE TREASURY**

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

**IN WITNESS WHEREOF**, the parties hereto have caused this Pledge Agreement to be duly executed as of the date first above written.

**PLEDGOR:**

**TREATY OAK BANCORP, INC.**

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

**PLEDGEE:**

**UNITED STATES DEPARTMENT OF  
THE TREASURY**

By:   
Name: Timothy G. Massad  
Title: Acting Assistant Secretary  
for Financial Stability

**SCHEDULE I**

**Carlile Collateral Documents**

Security Agreement, dated as of February [ ] 2011, between Carlile Capital, LLC and Treaty Oak Bancorp, Inc.

**SCHEDULE II**

Legal Name of the Pledgor: Treaty Oak Bancorp, Inc.

Type of Organization of the Pledgor: Corporation

Jurisdiction of Organization of the Pledgor: State of Texas

Organizational Identification Number of the Pledgor:

