EXHIBIT 1.2  
  
  
  
  
  
  
  
  
  
  
  
  
 POCAHONTAS BANCORP, INC.  
  
 Up to 2,875,000 Shares  
 (Anticipated Maximum)  
  
 COMMON STOCK  
 ($.01 Par Value)  
  
 Subscription Price $10.00 Per Share  
  
 AGENCY AGREEMENT  
  
  
 \_\_\_\_\_\_\_\_\_\_\_\_, 1997  
  
  
Friedman, Billings, Xxxxxx & Co., Inc.  
0000 Xxxxxxxxxx Xxxxxx Xxxxx  
Xxxxxxxxx, Xxxxxxxx 00000  
  
Ladies and Gentlemen:  
  
 Pocahontas Bancorp, Inc. a Delaware corporation (the "Company"),  
Pocahontas Federal Mutual Holding Company (the "MHC") and Pocahontas Federal  
Savings and Loan Association, Pocahontas, Arkansas, a federal stock savings bank  
(the "Bank"), with its deposit accounts insured by the Savings Association  
Insurance Fund ("SAIF") administered by the Federal Deposit Insurance  
Corporation ("FDIC"), hereby confirm their agreement with Friedman, Billings,  
Xxxxxx & Co., Inc. (the "Agent") as follows (defined terms used herein shall  
have the same definition given in the Prospectus dated \_\_\_\_\_\_\_\_\_\_\_\_, 1998 unless  
otherwise defined herein):  
  
 Section 1. The Offering. Pocahontas Bancorp, Inc., a Delaware corporation,  
will convert first to a federal stock holding company and thereafter to an  
interim federal stock savings bank. Thereafter, it will merge into the Bank. The  
MHC, in accordance with its Plan of Conversion and Reorganization adopted by its  
Board of Directors (the "Plan"), intends to convert to an interim federal stock  
savings bank and merge with and into the Bank, pursuant to which the MHC will  
cease to exist (the "Conversion"). In connection therewith, each stockholder  
other than the MHC immediately prior to the Conversion ("Public Stockholders")  
will receive Exchange Shares of the Company's common stock ("Common Stock," or  
"Shares") pursuant to a ratio that will result in Public Stockholders owning in  
the aggregate immediately after the Conversion the same percentage of the  
outstanding shares of Common Stock, before giving effect to (a) the payment of  
cash in lieu of fractional shares and (b) the purchase by such stockholders of  
additional shares of Common Stock in the Offering.  
  
  
 Pursuant to the Plan and in connection with the Conversion, the Company is  
offering up to 2,875,000 shares of its common stock (the "Conversion Stock") in  
a subscription and community offering (the "Offerings"). Conversion Stock is  
first being offered in a subscription offering with nontransferable subscription  
rights being granted, in the following order of priority, to (i) depositors of  
the Bank with account balances of $50.00 or more as of the close of business on  
September 30, 1996 ("Eligible Account Holders"); (ii) the Bank's KSOP; (iii)  
depositors of the Bank with account balances of $50.00 or more as of the close  
of business on December 31, 1997 ("Supplemental Eligible Account Holders"); (iv)  
depositors of the Bank as of the close of business on \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 1998  
(other than Eligible Account Holders and Supplemental Eligible Account Holders)  
and certain borrowers ("Other Members") and (v) stockholders of the Company,  
other than the Mutual Holding Company ("Public Stockholders"). Subscription  
rights will expire if not exercised by Noon, Central time, on March \_\_, 1998,  
unless extended.  
  
 Subject to the prior rights of holders of subscription rights, Conversion  
Stock not subscribed for in the Subscription Offering is being offered in the  
Community Offering to certain members of the general public to whom a copy of  
the Prospectus is delivered, with preference given to natural persons residing  
in the Local Community. The Primary Parties reserve the absolute right to reject  
or accept any orders in the Community Offering in whole or in part, either at  
the time of receipt of an order or as soon as practicable following the  
Expiration Date.  
  
 The Company has filed with the Securities and Exchange Commission (the  
"Commission") a registration statement on Form S-1 (File No. 333-\_\_\_\_\_) (the  
"Registration Statement") containing a prospectus relating to the Offerings for  
the registration of the Shares under the Securities Act of 1933 (the "1933  
Act"), and has filed such amendments thereof, if any, and such amended  
prospectuses as may have been required to the date hereof. The prospectus, as  
amended, on file with the Commission at the time the Registration Statement  
initially became effective is hereinafter called the "Prospectus," except that  
if any prospectus is filed by the Company pursuant to Rule 424(b) or (c) of the  
rules and regulations of the Commission under the 1933 Act (the "1933 Act  
Regulations") differing from the prospectus on file at the time the Registration  
Statement initially becomes effective, the term "Prospectus" shall refer to the  
prospectus filed pursuant to Rule 424(b) or (c) from and after the time said  
prospectus is filed with the Commission.  
  
 In accordance with the regulations of the Office of Thrift Supervision  
("OTS") governing the conversions of savings associations (the "Conversion  
Regulations"), the MHC has filed with the OTS an Application for Conversion on  
Form AC (the "Conversion Application"), including the prospectus, and has filed  
such amendments thereto, if any, as may have been required by the OTS. The  
Conversion Application has been approved by the OTS and the related Prospectus  
has been authorized for use by the OTS.  
  
  
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 Section 2. Retention of the Agent; Compensation; Sale and Delivery of the  
Shares. Subject to the terms and conditions herein set forth, the Company, the  
MHC and the Bank hereby appoint the Agent as their financial advisor and  
marketing agent to utilize its best efforts to solicit subscriptions for Shares  
of the Company's Common Stock and to advise and assist the Company and the Bank  
with respect to the Company's sale of the Shares in the Offerings and in the  
areas of market making, research coverage and syndicate formation (if  
necessary).  
  
 On the basis of the representations, warranties, and agreements herein  
contained, but subject to the terms and conditions herein set forth, the Agent  
accepts such appointment and agrees to consult with and advise the Company, the  
MHC and the Bank as to the matters set forth in the letter agreement ("Letter  
Agreement"), dated \_\_\_\_\_\_\_\_\_\_\_\_, 1997, between the Bank and the Agent (a copy of  
which is attached hereto as Exhibit A). It is acknowledged by the Company, the  
MHC and the Bank that the Agent shall not be required to purchase any Shares and  
shall not be obligated to take any action which is inconsistent with all  
applicable laws, regulations, decisions or orders. In the event of a Community  
Offering, the Agent will assemble and manage a selling group of broker-dealers  
which are members of the National Association of Securities Dealers, Inc. (the  
"NASD") to participate in the solicitation of purchase orders for shares under a  
selected dealers' agreement ("Selected Dealers' Agreement"), the form of which  
is set forth as Exhibit B to this Agreement.  
  
 The obligations of the Agent pursuant to this Agreement shall terminate  
upon the completion or termination or abandonment of the Plan by the Company or  
upon termination of the Offerings, but in no event later than 45 days after the  
completion of the Subscription Offering (the "End Date"). All fees or expenses  
due to the Agent but unpaid will be payable to the Agent in next day funds at  
the earlier of the Closing Date (as hereinafter defined) or the End Date. In the  
event the Offerings are extended beyond the End Date, the Company, the MHC, the  
Bank and the Agent may agree to renew this Agreement under mutually acceptable  
terms.  
  
 In the event the Company is unable to sell a minimum of 2,125,000 Shares  
within the period herein provided, this Agreement shall terminate and the  
Company shall refund to any persons who have subscribed for any of the Shares,  
the full amount which it may have received from them plus accrued interest as  
set forth in the Prospectus; and none of the parties to this Agreement shall  
have any obligation to the other parties hereunder, except as set forth in this  
Section 2 and in Sections 6, 8 and 9 hereof.  
  
 In the event the Offerings are terminated for any reason not attributable  
to the action or inaction of the Agent, the Agent shall be paid the fees due to  
the date of such termination pursuant to subparagraphs (a) and (b) below.  
  
  
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 If all conditions precedent to the consummation of the Conversion,  
including, without limitation, the sale of all Shares required by the Plan to be  
sold, are satisfied, the Company agrees to issue, or have issued, the Shares  
sold in the Offering and to release for delivery certificates for such Shares on  
the Closing Date (as hereinafter defined) against payment to the Company by any  
means authorized by the Plan, provided, however, that no funds shall be released  
to the Company until the conditions specified in Section 7 hereof shall have  
been complied with to the reasonable satisfaction of the Agent and their  
counsel. The release of Shares against payment therefor shall be made on a date  
and at a place acceptable to the Company, the MHC, the Bank and the Agent (it  
being understood that such date shall not be more than ten business days after  
termination of the Offering) or such other time or place as shall be agreed upon  
by the Company, the MHC, the Bank and the Agent. Certificates for shares shall  
be delivered directly to the purchasers in accordance with their directions. The  
date upon which the Company shall release or deliver the Shares sold in the  
Offering, in accordance with the terms herein, is called the "Closing Date."  
  
 The Agent shall receive the following compensation for its services  
hereunder:  
  
 (a) An advisory and management fee to the Agent in the amount of  
 $50,000, of which $25,000 has been paid and of which $25,000 will be  
 paid upon OTS approval of the Plan application. Such fees shall be  
 deemed to be earned when due. Should the Conversion be terminated  
 for any reason not attributable to the action or inaction of the  
 Agent, the Agent shall have earned and be entitled to be paid fees  
 accruing through the stage at which point the termination occurred,  
 including any accrued legal fees expanded by the Agent.  
  
 (b) A marketing fee of 1.00% of the aggregate Purchase Price of Common  
 Stock sold in the Subscription Offering and Community Offering,  
 excluding those shares purchased by the Bank's officers, directors,  
 or employees (or members of their immediate families) or by any  
 KSOP, tax-qualified or stock compensation plans (except IRA's) or  
 similar plan created by the Bank for some or all of its directors or  
 employees. The management fee of $50,000 will be subtracted from the  
 marketing fee.  
  
 (c) The decision to utilize other selected Broker-Dealers will be made  
 jointly by the Agent and the Bank. Selected broker-dealers who  
 assist in the subscription or purchase, excluding those shares  
 purchased by the Bank's officers, directors or employees or by any  
 KSOP, tax-qualified or stock based compensation plans (except IRA's)  
 or similar plan created by the Bank for some or all of its directors  
 or employees or by member depositors in the original subscription  
 phase of the offering, will be paid a fee not to exceed 4% of the  
 aggregate   
  
  
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 Actual Purchase Price of the shares of common stock sold by them in  
 the Subscription and/or Community Offerings. The Agent's fee for  
 such shares shall equal 1.5% of the aggregate Actual Purchase Price  
 of the shares of common stock sold by selected broker-dealers in the  
 Subscription and/or Community Offering. Fees with respect to  
 subscriptions or purchases effected with the assistance of  
 Registered Representatives employed by a Broker/Dealer other than  
 the Agent shall be paid to the Agent at Closing and then transmitted  
 by the Agent to such Broker/Dealer.  
  
 (d) The Bank and the Company hereby agree to reimburse the Agent, from  
 time to time upon the Agent's request, for its reasonable  
 out-of-pocket expenses, including without limitation, accounting,  
 communication, travel expenses, and legal fees and expenses, for  
 amounts not to exceed $29,500. Further, the Bank will reimburse the  
 Agent for (i) up to $29,500 of legal fees, and (ii) expenses of such  
 counsel. The Bank will bear the expenses of the Offerings  
 customarily borne by issuers including, without limitation, OTS,  
 SEC, "Blue Sky," and NASD filing and registration fees; the fees of  
 the Bank's accountants, conversion agent, data processor, attorneys,  
 appraiser, transfer agent and registrar, printing, mailing and  
 marketing expenses associated with the Conversion; and the fees set  
 forth under this Section 2.  
  
 Full payment of the Agent's actual and accountable expenses, advisory fees  
and compensation shall be made in next day funds on the earlier of the Closing  
Date or a determination by the Bank to terminate or abandon the Plan.  
  
 In the event of an oversubscription or other event, which causes the  
Offerings to continue beyond the original expiration date or a resolicitation of  
subscribers, the parties agree to renegotiate the expense cap on legal fees  
applicable to the Agent.  
  
 Section 3. Prospectus; Offering. The Shares are to be initially offered in  
the Offerings at the Purchase Price as defined and set forth on the cover page  
of the Prospectus.  
  
 Section 4. Representations and Warranties. The Company, the MHC and the  
Bank jointly and severally represent and warrant to the Agent on the date hereof  
as follows:  
  
 (a) The Registration Statement was declared effective by the  
 Commission on \_\_\_\_\_\_\_\_\_, 1998. At the time the Registration Statement,  
 including the Prospectus contained therein (including any amendment or  
 supplement thereto), became effective, the Registration Statement complied  
 in all material respects with the requirements of the 1933 Act and the  
 1933 Act Regulations and the Registration Statement, including the  
 Prospectus contained therein (including any amendment or supplement  
 thereto), and   
  
  
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 any information regarding the Company or the Bank contained in Sales  
 Information (as such term is defined in Section 8 hereof) authorized by  
 the Company or the Bank for use in connection with the Offerings, did not  
 contain an untrue statement of a material fact or omit to state a material  
 fact required to be stated therein or necessary to make the statements  
 therein, in light of the circumstances under which they were made, not  
 misleading, and at the time any Rule 424(b) or (c) Prospectus was filed  
 with the Commission and at the Closing Date referred to in Section 2, the  
 Registration Statement, including the Prospectus contained therein  
 (including any amendment or supplement thereto), any information regarding  
 the Company or the Bank contained in Sales Information (as such term is  
 defined in Section 8 hereof) authorized by the Company or the Bank for use  
 in connection with the Offerings will not contain an untrue statement of a  
 material fact or omit to state a material fact necessary in order to make  
 the statements therein, in light of the circumstances under which they  
 were made, not misleading; provided, however, that the representations and  
 warranties in this Section 4(a) shall not apply to statements or omissions  
 made in reliance upon and in conformity with written information furnished  
 to the Company or the Bank by the Agent expressly regarding the Agent for  
 use in the Prospectus under the caption "The Conversion-Marketing  
 Arrangements" or statements in or omissions from any Sales Information or  
 information filed pursuant to state securities or blue sky laws or  
 regulations regarding the Agent.  
  
 (b) The Conversion Application was approved by the OTS on \_\_\_\_\_\_\_\_\_,  
 1998 and the related Prospectus has been authorized for use by the OTS. At  
 the time of the approval of the Conversion Application, including the  
 Prospectus (including any amendment or supplement thereto), by the OTS and  
 at all times subsequent thereto until the Closing Date, the Conversion  
 Application, including the Prospectus (including any amendment or  
 supplement thereto), will comply in all material respects with the  
 Conversion Regulations except to the extent waived by the OTS. The  
 Conversion Application, including the Prospectus (including any amendment  
 or supplement thereto), does not include any untrue statement of a  
 material fact or omit to state a material fact required to be stated  
 therein or necessary to make the statements therein, in light of the  
 circumstances under which they were made, not misleading; provided,  
 however, that the representations and warranties in this Section 4(b)  
 shall not apply to statements or omissions made in reliance upon and in  
 conformity with written information furnished to the Company, the MHC or  
 the Bank by the Agent expressly regarding the Agent for use in the  
 Prospectus contained in the Conversion Application under the caption "The  
 Conversion-Marketing Arrangements" or statements in or omissions from any  
 sales information or information filed pursuant to state securities or  
 blue sky laws or regulations regarding the Agent.  
  
  
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 (c) No order has been issued by the OTS preventing or suspending the  
 use of the Prospectus and no action by or before any such government  
 entity to revoke any approval, authorization or order of effectiveness  
 related to the Conversion is, to the best knowledge of the Company, the  
 MHC or the Bank, pending or threatened.  
  
 (d) At the Closing Date referred to in Section 2, the Plan will have  
 been adopted by the Boards of Directors of the Company, the MHC and the  
 Bank and the offer and sale of the Shares will have been conducted in all  
 material respects in accordance with the Plan, the Conversion Regulations,  
 and all other applicable laws, regulations, decisions and orders,  
 including all terms, conditions, requirements and provisions precedent to  
 the Conversion imposed upon the Company, the MHC or the Bank by the OTS,  
 the Commission or any other regulatory authority and in the manner  
 described in the Prospectus. To the best knowledge of the Company, no  
 person has sought to obtain review of the final action of the OTS in  
 approving or taking no objection to the Plan or in approving or taking no  
 objection to the Conversion or the Holding Company Application pursuant to  
 the Conversion Regulations or any other statute or regulation.  
  
 (e) The Bank has been organized and is a validly existing federally  
 chartered savings and loan association in stock form of organization and  
 upon the Conversion will continue as such, is duly authorized to conduct  
 its business and own its property as described in the Registration  
 Statement and the Prospectus; the Bank has obtained all material licenses,  
 permits and other governmental authorizations currently required for the  
 conduct of its business; all such licenses, permits and governmental  
 authorizations are in full force and effect, and the Bank is in all  
 material respects complying with all laws, rules, regulations and orders  
 applicable to the operation of its business; the Bank is existing under  
 the laws of the United States and is duly qualified as a foreign  
 corporation to transact business and is in good standing in each  
 jurisdiction in which its ownership of property or leasing or property or  
 the conduct of its business requires such qualification, unless the  
 failure to be so qualified in one or more of such jurisdictions would not  
 have a material adverse effect on the condition, financial or otherwise,  
 or the business, operations or income of the Bank. The Bank does not own  
 equity securities or any equity interest in any other business enterprise  
 except as described in the Prospectus or as would not be material to the  
 operations of the Bank. Upon completion of the sale by the Company of the  
 Shares contemplated by the Prospectus, (i) all of the authorized and  
 outstanding capital stock of the Bank will continue to be owned by the  
 Company, and (ii) the Company will have no direct subsidiaries other than  
 the Bank. The Conversion will have been effected in all material respects  
 in accordance with all applicable statutes, regulations, decisions and  
 orders; and, except with respect to the filing of certain post-sale,  
 post-Conversion reports, and documents in compliance with the 1933 Act  
 Regulations or the OTS'   
  
  
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 resolutions or letters of approval or no objection taken, all terms,  
 conditions, requirements and provisions with respect to the Conversion  
 (except those that are conditions subsequent) imposed by the Commission or  
 the OTS, if any, will have been complied with by the Company, the MHC and  
 the Bank in all material respects or appropriate waivers will have been  
 obtained and all material notice and waiting periods will have been  
 satisfied, waived or elapsed.  
  
 (f) The Company has been duly incorporated and is validly existing  
 as a corporation in good standing under the laws of the State of Delaware  
 with corporate power and authority to own, lease and operate its  
 properties and to conduct its business as described in the Registration  
 Statement and the Prospectus, and the Company is qualified to do business  
 as a foreign corporation in each jurisdiction in which the conduct of its  
 business requires such qualification, except where the failure to so  
 qualify would not have a material adverse effect on the condition,  
 financial or otherwise, or the business, operations or income of the  
 Company. The Company has obtained all material licenses, permits and other  
 governmental authorizations currently required for the conduct of its  
 business; all such licenses, permits and governmental authorizations are  
 in full force and effect, and the Company is in all material respects  
 complying with all laws, rules, regulations and orders applicable to the  
 operation of its business.  
  
 (g) The MHC has been duly organized and is a validly existing  
 federally chartered mutual holding company, with corporate power and  
 authority to own, lease and operate its properties and to conduct its  
 business as described in the Registration Statement and the Prospectus,  
 and the MHC is qualified to do business as a foreign corporation in each  
 jurisdiction in which the conduct of its business requires such  
 qualification, except where the failure to so qualify would not have a  
 material adverse effect on the condition, financial or otherwise, or the  
 business, operations or income of the MHC. The MHC has obtained all  
 material licenses, permits and other governmental authorizations currently  
 required for the conduct of its business; all such licenses, permits and  
 governmental authorizations are in full force and effect, and the MHC is  
 in all material respects complying with all laws, rules, regulations and  
 orders applicable to the operation of its business.  
  
 (h) The Bank is a member of the Federal Home Loan Bank of Dallas  
 ("FHLB-Dallas"). The deposit accounts of the Bank are insured by the FDIC  
 up to the applicable limits; and no proceedings for the termination or  
 revocation of such insurance are pending or, to the best knowledge of the  
 Company, the MHC or the Bank, threatened. Upon consummation of the  
 Conversion, the liquidation account for the benefit of Eligible Account  
 Holders and Supplemental Eligible Account Holders   
  
  
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 will be duly established in accordance with the requirements of the  
 Conversion Regulations.  
  
 (i) The Company, the MHC and the Bank have good and marketable title  
 to all real property and other assets material to the business of the  
 Company, the MHC and the Bank and to those properties and assets described  
 in the Registration Statement and Prospectus as owned by them, free and  
 clear of all liens, charges, encumbrances or restrictions, except such as  
 are described in the Registration Statement and Prospectus or are not  
 material to the business of the Company, the MHC and the Bank taken as a  
 whole; and all of the leases and subleases material to the business of the  
 Company, the MHC and the Bank under which the Company, the MHC or the Bank  
 hold properties, including those described in the Registration Statement  
 and Prospectus, are in full force and effect.  
  
 (j) The Company, the MHC and the Bank have received an opinion of  
 their special counsel, Xxxx Xxxxxx Xxxxxx Xxxxxxxx & Xxxxxx ("Xxxx  
 Xxxxxx"), with respect to the federal income tax consequences of the  
 conversion of the MHC from mutual to stock form, and the sale of the  
 Shares as described in the Registration Statement and the Prospectus, and  
 an opinion from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("\_\_\_\_\_\_\_") with respect to  
 the Arkansas state income tax consequences of the proposed transaction;  
 all material aspects of the opinions of Xxxx Xxxxxx and  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are accurately summarized in the Prospectus;  
 and the facts and representations upon which such opinions are based are  
 truthful, accurate and complete.  
  
 (k) The Company, the MHC and the Bank have all such power,  
 authority, authorizations, approvals and orders as may be required to  
 enter into this Agreement, to carry out the provisions and conditions  
 hereof and to issue and sell the Shares to be sold by the Company as  
 provided herein and as described in the Prospectus.  
  
 (l) The Company, the MHC and the Bank are not in violation of any  
 directive received from the OTS, the FDIC, or any other agency to make any  
 material change in the method of conducting their businesses so as to  
 comply in all material respects with all applicable statutes and  
 regulations (including, without limitation, regulations, decisions,  
 directives and orders of the OTS and the FDIC) and, except as set forth in  
 the Registration Statement and the Prospectus, there is no suit or  
 proceeding or charge or action before or by any court, regulatory  
 authority or governmental agency or body, pending or, to the knowledge of  
 the Company, the MHC and the Bank, threatened, which might materially and  
 adversely affect the Conversion, the performance of this Agreement or the  
 consummation of the transactions contemplated in the Plan and as described  
 in the Registration Statement   
  
  
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 and the Prospectus or which might result in any material adverse change in  
 the condition (financial or otherwise), earnings, capital or properties of  
 the Company, or the Bank, or which would materially affect their  
 properties and assets.  
  
 (m) The financial statements which are included in the Prospectus  
 fairly present the financial condition, results of operations, retained  
 earnings and cash flows of the Company and/or the Bank (as applicable) at  
 the respective dates thereof and for the respective periods covered  
 thereby and comply as to form in all material respects with the applicable  
 accounting requirements of Titles 12 and 17 of the Code of Federal  
 Regulations and generally accepted accounting principles (including those  
 requiring the recording of certain assets at their current market value).  
 Such financial statements have been prepared in accordance with generally  
 accepted accounting principles consistently applied through the periods  
 involved, present fairly in all material respects the information required  
 to be stated therein and are consistent with the most recent financial  
 statements and other reports filed by the Bank with the OTS and the FDIC,  
 except that accounting principles employed in such regulatory filings  
 conform to the requirements of such authorities and not necessarily to  
 generally accepted accounting principles. The other financial, statistical  
 and pro forma information and related notes included in the Prospectus  
 present fairly the information shown therein on a basis consistent with  
 the audited and unaudited financial statements of the Company and/or the  
 Bank (as applicable) included in the Prospectus, and as to the pro forma  
 adjustments, the adjustments made therein have been properly applied on  
 the basis described therein.  
  
 (n) Since the respective dates as of which information is given in  
 the Registration Statement and the Prospectus; (i) there has not been any  
 material adverse change, financial or otherwise, in the condition of the  
 Company, the MHC, the Bank or in the earnings, capital or properties of  
 the Company, the MHC or the Bank, whether or not arising in the ordinary  
 course of business; (ii) there has not been any material increase in the  
 long-term debt of the Bank or in loans past due 90 days or more or real  
 estate acquired by foreclosure, by deed-in-lieu of foreclosure or deemed  
 in-substance foreclosure or any material decrease in surplus and reserves  
 or total assets of the Bank nor has the Company or the Bank issued any  
 securities or incurred any liability or obligation for borrowing other  
 than in the ordinary course of business; (iii) there have not been any  
 material transactions entered into by the Company, the MHC or the Bank,  
 except with respect to those transactions entered into in the ordinary  
 course of business; (iv) the capitalization, liabilities, assets,  
 properties and business of the Company, the MHC and the Bank conform in  
 all material respects to the descriptions thereof contained in the  
 Prospectus; and (v) neither the Company, the MHC nor the Bank has any  
 material contingent liabilities, except as set forth in the Prospectus.  
  
  
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 (o) As of the date hereof and as of the Closing Date, neither the  
 Company, the MHC nor the Bank is in violation of its articles of  
 incorporation or bylaws or charter or bylaws, as applicable, or in default  
 in the performance or observance of any material obligation, agreement,  
 covenant, or condition contained in any material contract, lease, loan  
 agreement, indenture or other instrument to which it is a party or by  
 which it or any of its property may be bound; the consummation of the  
 Conversion, the execution, delivery and performance of this Agreement and  
 the consummation of the transactions herein contemplated have been duly  
 and validly authorized by all necessary corporate action on the part of  
 the Company and the Bank and this Agreement has been validly executed and  
 delivered by the Company, the MHC and the Bank and is the valid, legal and  
 binding Agreement of the Company, the MHC and the Bank enforceable in  
 accordance with its terms, except as the enforceability thereof may be  
 limited by (i) bankruptcy, insolvency, reorganization, moratorium,  
 conservatorship, receivership or other similar laws now or hereafter in  
 effect relating to or affecting the enforcement of creditors' rights  
 generally or the rights of creditors of Federal savings institutions and  
 their holding companies, (ii) general equitable principles, (iii) laws  
 relating to the safety and soundness of insured depository institutions,  
 and (iv) applicable law or public policy with respect to the  
 indemnification and/or contribution provisions contained herein, and  
 except that no representation or warranty need be made as to the effect or  
 availability of equitable remedies or injunctive relief (regardless of  
 whether such enforceability is considered in a proceeding in equity or at  
 law). The consummation of the transactions herein contemplated will not:  
 (i) conflict with or constitute a breach of, or default under, the  
 articles of incorporation and bylaws of the Company or the charters and  
 bylaws of the Bank or the MHC (in either mutual or capital stock form), or  
 any material contract, lease or other instrument to which the Company, the  
 MHC or the Bank has a beneficial interest, or any applicable law, rule,  
 regulation or order; (ii) violate any authorization, approval, judgment,  
 decree, order, statute, rule or regulation applicable to the Company, the  
 MHC or the Bank, except for such violations which would not have a  
 material adverse effect on the financial condition and results of  
 operations of the Company, the MHC and the Bank on a consolidated basis;  
 or (iii) with the exception of the liquidation account established in the  
 Conversion, result in the creation of any material lien, charge or  
 encumbrance upon any property of the Company, the MHC or the Bank.  
  
 (p) No default exists, and no event has occurred which with notice  
 or lapse of time, or both, would constitute a default on the part of the  
 Company, the MHC or the Bank, in the due performance and observance of any  
 term, covenant or condition of any indenture, mortgage, deed of trust,  
 note, bank loan or credit agreement or any other instrument or agreement  
 to which the Company, the MHC or the Bank is a party or by which any of  
 them or any of their property is bound or affected except such   
  
  
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 defaults which would not have a material adverse effect on the financial  
 condition or results of operations of the Company, the MHC and the Bank on  
 a consolidated basis; such agreements are in full force and effect; and no  
 other party to any such agreements has instituted or, to the best  
 knowledge of the Company, the MHC or the Bank, threatened any action or  
 proceeding wherein the Company, the Bank or the MHC would or might be  
 alleged to be in default thereunder under circumstances where such action  
 or proceeding, if determined adversely to the Company, the MHC or the  
 Bank, would have a material adverse effect on the Company, the MHC and the  
 Bank, taken as a whole.  
  
 (q) Upon consummation of the Conversion, the authorized, issued and  
 outstanding equity capital of the Company will be within the range set  
 forth in the Prospectus under the caption "Capitalization"; the Shares  
 will have been duly and validly authorized for issuance and, when issued  
 and delivered by the Company pursuant to the Plan against payment of the  
 consideration calculated as set forth in the Plan and in the Prospectus,  
 will be duly and validly issued, fully paid and non-assessable; no  
 preemptive rights exist with respect to the Shares; and the terms and  
 provisions of the Shares will conform in all material respects to the  
 description thereof contained in the Registration Statement and the  
 Prospectus. To the best knowledge of the Company, the MHC and the Bank,  
 upon the issuance of the Shares, good title to the Shares will be  
 transferred from the Company to the purchasers thereof against payment  
 therefor, subject to such claims as may be asserted against the purchasers  
 thereof by third-party claimants.  
  
 (r) No approval of any regulatory or supervisory or other public  
 authority is required in connection with the execution and delivery of  
 this Agreement or the issuance of the Shares, except for the approval or  
 non-objection, as applicable, of the Commission, the OTS, and any  
 necessary qualification, notification, registration or exemption under the  
 securities or blue sky laws of the various states in which the Shares are  
 to be offered, and except as may be required under the rules and  
 regulations of the NASD and/or the Nasdaq National Market.  
  
 (s) Deloitte & Touche ("Deloitte"), which has certified the  
 financial statements of the Bank included in the Prospectus as of  
 September 30, 1997 and 1996 and for each of the years in the three year  
 period ended September 30, 1997, has advised the Company, the MHC and the  
 Bank in writing that they are, with respect to the Company, the MHC and  
 the Bank, independent public accountants within the meaning of the Code of  
 Professional Ethics of the American Institute of Certified Public  
 Accountants and Title 121 of the Code of Federal Regulations and Section  
 571.2(c)(3).  
  
  
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 (t) RP Financial, LC which has prepared the Bank's Conversion  
 Valuation Appraisal Report as of \_\_\_\_\_\_, 1997 (as amended or supplemented,  
 if so amended or supplemented) (the "Appraisal"), has advised the Company  
 in writing that it is independent of the Company, the MHC and the Bank  
 within the meaning of the Conversion Regulations.  
  
 (u) The Company, the MHC and the Bank have timely filed all required  
 federal, state and local tax returns; the Company, the MHC and the Bank  
 have paid all taxes that have become due and payable in respect of such  
 returns, except where permitted to be extended, have made adequate  
 reserves for similar future tax liabilities and no deficiency has been  
 asserted with respect thereto by any taxing authority.  
  
 (v) The Company, the MHC and the Bank are in compliance in all  
 material respects with the applicable financial recordkeeping and  
 reporting requirements of the Currency and Foreign Transactions Reporting  
 Act of 1970, as amended, and the regulations and rules thereunder.  
  
 (w) To the knowledge of the Company, the MHC and the Bank, neither  
 the Company, the MHC, the Bank nor employees of the Company, the MHC or  
 the Bank have made any payment of funds of the Company, the MHC or the  
 Bank as a loan for the purchase of the Shares (other than a loan by the  
 Company to the KSOP) or made any other payment of funds prohibited by law,  
 and no funds have been set aside to be used for any payment prohibited by  
 law.  
  
 (x) Prior to the Conversion, the Bank had \_\_\_\_\_\_\_\_\_\_\_ shares of  
 authorized capital stock, of which \_\_\_\_\_\_\_\_\_ shares were issued and  
 outstanding, the Company had \_\_\_\_\_\_ shares of authorized capital stock, of  
 which \_\_\_\_\_\_\_\_ shares were issued and outstanding and the MHC was not  
 authorized to issue shares. Neither the Bank, the Company nor the MHC has:  
 (i) other than as described in the Prospectus issued any securities within  
 the last 18 months (except for notes to evidence other bank loans and  
 reverse repurchase agreements or other liabilities in the ordinary course  
 of business or as described in the Prospectus); (ii) had any material  
 dealings within the 12 months prior to the date hereof with any member of  
 the NASD, or any person related to or associated with such member, other  
 than discussions and meetings relating to the proposed offering and  
 routine purchases and sales of United States government and agency  
 securities; (iii) entered into a financial or management consulting  
 agreement except as contemplated hereunder and except for the Letter  
 Agreement set forth in Exhibit A; and (iv) engaged any intermediary  
 between the Agents and the Company, the MHC and the Bank in connection  
 with the offering of the Shares, and no person is being compensated in any  
 manner for such service.  
  
  
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 (y) The Company, the MHC and the Bank have not relied upon the Agent  
 or the Agent's counsel for any legal, tax or accounting advice in  
 connection with the Conversion.  
  
 (z) The Company is not required to be registered under the  
 Investment Company Act of 1940, as amended.  
  
 Any certificates signed by an officer of the Company, the MHC or the Bank  
pursuant to the conditions of this Agreement and delivered to the Agent or its  
counsel that refers to this Agreement shall be deemed to be a representation and  
warranty by the Company, the MHC or the Bank to the Agent as to the matters  
covered thereby with the same effect as if such representation and warranty were  
set forth herein.  
  
 Section 5. Representations and Warranties of the Agent. The Agent  
represents and warrants to the Company, the MHC and the Bank that:  
  
 (a) The Agent is a corporation and is validly existing in good  
 standing under the laws of the State of Delaware with full power and  
 authority to provide the services to be furnished to the Bank, the  
 MHC and the Company hereunder.  
  
 (b) The execution and delivery of this Agreement and the  
 consummation of the transactions contemplated hereby have been duly  
 and validly authorized by all necessary action on the part of the  
 Agent, and this Agreement has been duly and validly executed and  
 delivered by the Agent and is the legal, valid and binding agreement  
 of the Agent, enforceable in accordance with its terms.  
  
 (c) Each of the Agent and its employees, agents and representatives  
 who shall perform any of the services hereunder shall be duly  
 authorized and empowered, and shall have all licenses, approvals and  
 permits necessary to perform such services, including appropriate  
 licenses and the Company's approvals in the various states in which  
 securities shall be offered.  
  
 (d) The execution and delivery of this Agreement by the Agent, the  
 consummation of the transactions contemplated hereby and compliance  
 with the terms and provisions hereof will not conflict with, or  
 result in a breach of, any of the terms, provisions or conditions  
 of, or constitute a default (or event which with notice or lapse of  
 time or both would constitute a default) under, the articles of  
 incorporation of the Agent or any agreement, indenture or other  
 instrument to which the Agent is a party or by which it or its  
 property is bound.  
  
  
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 (e) No approval of any regulatory or supervisory or other public  
 authority is required in connection with the Agent's execution and  
 delivery of this Agreement, except as may have been received.  
  
 (f) There is no suit or proceeding or charge of action before or by  
 any court, regulatory authority or government agency or body or, to  
 the knowledge of the Agent, pending or threatened, which might  
 materially adversely affect the Agent's performance of this  
 Agreement.  
  
 Section 5.1 Covenants of the Company, the MHC and the Bank. The Company,  
the MHC and the Bank hereby jointly and severally covenant with the Agent as  
follows:  
  
 (a) The Company has filed the Registration Statement with the  
 Commission. The Company will not, at any time after the date the  
 Registration Statement is declared effective, file any amendment or  
 supplement to the Registration Statement without providing the Agent and  
 its counsel an opportunity to review such amendment or supplement or file  
 any amendment or supplement to which amendment or supplement the Agent or  
 its counsel shall reasonably object. (b) The MHC has filed the Conversion  
 Application with the OTS. The Bank will not, at any time after the  
 Conversion Application is approved by the OTS, file any amendment or  
 supplement to such Conversion Application without providing the Agent and  
 its counsel an opportunity to review such amendment or supplement or file  
 any amendment or supplement to which amendment or supplement the Agent or  
 its counsel shall reasonably object.  
  
 (c) The Company and the Bank will use their best efforts to cause  
 any post-effective amendment to the Registration Statement to be declared  
 effective by the Commission and any post-effective amendment to the  
 Conversion Application to be approved by the OTS and will immediately upon  
 receipt of any information concerning the events listed below notify the  
 Agent: (i) when the Registration Statement, as amended, has become  
 effective; (ii) when the Conversion Application, as amended, has been  
 approved by the OTS; (iii) of any comments from the Commission, the OTS or  
 any other governmental entity with respect to the Conversion or the  
 transactions contemplated by this Agreement; (iv) of the request by the  
 Commission, the OTS or any other governmental entity for any amendment or  
 supplement to the Registration Statement or the Conversion Application or  
 for additional information; (v) of the issuance by the Commission, the OTS  
 or any other governmental entity of any order or other action suspending  
 the Offering or the use of the Registration Statement or the Prospectus or  
 any other filing of the Company or the Bank under the Conversion  
 Regulations, or other applicable law, or the threat of any such action;  
 (vi) the issuance by the Commission, the OTS or any state authority of any  
 stop order suspending the   
  
  
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 effectiveness of the Registration Statement or the approval of the  
 Conversion Application, or of the initiation or threat of initiation or  
 threat of any proceedings for any such purpose; or (vii) of the occurrence  
 of any event mentioned in paragraph (h) below. The Company, the MHC and  
 the Bank will make every reasonable effort (i) to prevent the issuance by  
 the Commission, the OTS or any state authority of any such order and, if  
 any such order shall at any time be issued, (ii) to obtain the lifting  
 thereof at the earliest possible time.  
  
 (d) The Company, the MHC and the Bank will deliver to the Agent and  
 to its counsel two conformed copies of the Registration Statement and the  
 Conversion Application, as originally filed and of each amendment or  
 supplement thereto, including all exhibits. Further, the Company, the MHC  
 and the Bank will deliver such additional copies of the foregoing  
 documents to counsel to the Agent as may be required for any NASD and blue  
 sky filings.  
  
 (e) The Company, the MHC and the Bank will furnish to the Agent,  
 from time to time during the period when the Prospectus (or any later  
 prospectus related to this offering) is required to be delivered under the  
 1933 Act or the Securities Exchange Act of 1934 (the "1934 Act"), such  
 number of copies of such Prospectus (as amended or supplemented) as the  
 Agent may reasonably request for the purposes contemplated by the 1933  
 Act, the 1933 Act Regulations, the 1934 Act or the rules and regulations  
 promulgated under the 1934 Act (the "1934 Act Regulations"). The Company  
 authorizes the Agent to use the Prospectus (as amended or supplemented, if  
 amended or supplemented) in any lawful manner contemplated by the Plan in  
 connection with the sale of the Shares by the Agent.  
  
 (f) The Company, the MHC and the Bank will comply with any and all  
 material terms, conditions, requirements and provisions with respect to  
 the Conversion and the transactions contemplated thereby imposed by the  
 Commission, the OTS, the Conversion Regulations or the OTS, and by the  
 1933 Act, the 1933 Act Regulations, the 1934 Act and the 1934 Act  
 Regulations to be complied with prior to or subsequent to the Closing Date  
 and when the Prospectus is required to be delivered, the Company, the MHC  
 and the Bank will comply, at their own expense, with all material  
 requirements imposed upon them by the Commission, the OTS, the Conversion  
 Regulations or the OTS, and by the 1933 Act, the 1933 Act Regulations, the  
 1934 Act and the 1934 Act Regulations, including, without limitation, Rule  
 10b-5 under the 1934 Act, in each case as from time to time in force, so  
 far as necessary to permit the continuance of sales or dealing in shares  
 of Common Stock during such period in accordance with the provisions  
 hereof and the Prospectus.  
  
  
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 (g) If, at any time during the period when the Prospectus relating  
 to the Shares is required to be delivered, any event relating to or  
 affecting the Company, the MHC or the Bank shall occur, as a result of  
 which it is necessary or appropriate, in the opinion of counsel for the  
 Company, the MHC and the Bank or in the reasonable opinion of the Agent's  
 counsel, to amend or supplement the Registration Statement or Prospectus  
 in order to make the Registration Statement or Prospectus not misleading  
 in light of the circumstances existing at the time the Prospectus is  
 delivered to a purchaser, the Company and the Bank will at their expense,  
 prepare and file with the Commission and the OTS and furnish to the Agent  
 a reasonable number of copies of an amendment or amendments of, or a  
 supplement or supplements to, the Registration Statement or Prospectus (in  
 form and substance satisfactory to the Agent and its counsel after a  
 reasonable time for review) which will amend or supplement the  
 Registration Statement or Prospectus so that as amended or supplemented it  
 will not contain an untrue statement of a material fact or omit to state a  
 material fact necessary in order to make the statements therein, in light  
 of the circumstances existing at the time the Prospectus is delivered to a  
 purchaser, not misleading. For the purpose of this Agreement, the Company,  
 the MHC and the Bank each will timely furnish to the Agent such  
 information with respect to itself as the Agent may from time to time  
 reasonably request.  
  
 (h) The Company, the MHC and the Bank will take all necessary  
 actions, in cooperating with the Agent, and furnish to whomever the Agent  
 may direct, such information as may be required to qualify or register the  
 Shares for offering and sale by the Company or to exempt such Shares from  
 registration, or to exempt the Company as a broker-dealer and its  
 officers, directors and employees as broker-dealers or agents under the  
 applicable securities or blue sky laws of such jurisdictions in which the  
 Shares are required under the Conversion Regulations to be sold or as the  
 Agent and the Company, the MHC and the Bank may reasonably agree upon;  
 provided, however, that the Company shall not be obligated to file any  
 general consent to service of process or to qualify to do business in any  
 jurisdiction in which it is not so qualified. In each jurisdiction where  
 any of the Shares shall have been qualified or registered as above  
 provided, the Company will make and file such statements and reports in  
 each fiscal period as are or may be required by the laws of such  
 jurisdiction.  
  
 (i) The liquidation account for the benefit of Eligible Account  
 Holders and Supplemental Eligible Account Holders will be duly established  
 and maintained by the Bank in accordance with the requirements of the OTS,  
 and such Eligible Account Holders and Supplemental Eligible Account  
 Holders who continue to maintain their savings accounts in the Bank will  
 have an inchoate interest in their pro rata portion of the liquidation  
 account which shall have a priority superior to that of the holders of  
 shares of Common Stock in the event of a complete liquidation of the Bank.  
  
  
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 (j) The Company, the MHC and the Bank will not sell or issue,  
 contract to sell or otherwise dispose of, for a period of 90 days after  
 the Closing Date, without the Agent's prior written consent, any shares of  
 Common Stock other than the Shares or other than in connection with any  
 plan or arrangement described in the Prospectus.  
  
 (k) The Company shall maintain the effectiveness of the registration  
 of its Common Stock under Section 12 (g) of the 1934 Act for not less than  
 three (3) years or such shorter period as may be required by the OTS.  
  
 (l) During the period during which the Company's Common Stock is  
 registered under the 1934 Act or for three years from the date hereof,  
 whichever period is greater, the Company will furnish to its stockholders  
 as soon as practicable after the end of each fiscal year an annual report  
 of the Company (including a consolidated balance sheet and statements of  
 consolidated income, stockholders' equity and cash flows of the Company  
 and its subsidiaries as at the end of and for such year, certified by  
 independent public accountants in accordance with Regulation S-X under the  
 1933 Act and the 1934 Act).  
  
 (m) During the period of three years from the date hereof, the  
 Company will furnish to the Agent: (i) as soon as practicable after such  
 information is publicly available, a copy of each report of the Company  
 furnished to or filed with the Commission under the 1934 Act or any  
 national securities exchange or system on which any class of securities of  
 the Company is listed or quoted (including, but not limited to, reports on  
 Forms 10-K, 10-Q and 8-K and all proxy statements and annual reports to  
 stockholders), (ii) a copy of each other non-confidential report of the  
 Company mailed to its stockholders or filed with the Commission, the OTS  
 or any other supervisory or regulatory authority or any national  
 securities exchange or system on which any class of securities of the  
 Company is listed or quoted, each press release and material news items  
 and additional documents and information with respect to the Company or  
 the Bank as the Agent may reasonably request; and (iii) from time to time,  
 such other nonconfidential information concerning the Company or the Bank  
 as the Agent may reasonably request.  
  
 (n) The Company and the Bank will use the net proceeds from the sale  
 of the Shares in the manner set forth in the Prospectus under the caption  
 "Use of Proceeds."  
  
 (o) Other than as permitted by the Conversion Regulations, the Home  
 Owners Loan Act of 1933 (the "HOLA"), the 1933 Act, the 1933 Act  
 Regulations, and the laws of any state in which the Shares are registered  
 or qualified for sale or exempt   
  
  
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 from registration, neither the Company, the MHC nor the Bank will  
 distribute any prospectus, offering circular or other offering material in  
 connection with the offer and sale of the Shares.  
  
 (p) The Company will use its best efforts to (i) encourage and  
 assist two market makers to maintain a market for the Shares and (ii)  
 continue to list the Shares on the Nasdaq National Market.  
  
 (q) The Bank will maintain appropriate arrangements for depositing  
 all funds received from persons mailing subscriptions for or orders to  
 purchase Shares in the Offerings on an interest bearing basis at the rate  
 described in the Prospectus until the Closing Date and satisfaction of all  
 conditions precedent to the release of the Bank's obligation to refund  
 payments received from persons subscribing for or ordering Shares in the  
 Offerings in accordance with the Plan and as described in the Prospectus  
 or until refunds of such funds have been made to the persons entitled  
 thereto or withdrawal authorizations canceled in accordance with the Plan  
 and as described in the Prospectus. The Bank will maintain such records of  
 all funds received to permit the funds of each subscriber to be separately  
 insured by the FDIC (to the maximum extent allowable) and to enable the  
 Bank to make the appropriate refunds of such funds in the event that such  
 refunds are required to be made in accordance with the Plan and as  
 described in the Prospectus.  
  
 (r) The Company and the Bank will take such actions and furnish such  
 information as are reasonably requested by the Agent in order for the  
 Agent to ensure compliance with the NASD's "Interpretation Relating to  
 Free Riding and Withholding."  
  
 (s) Neither the Bank nor the MHC will amend the Plan of Conversion  
 without notifying the Agent prior thereto.  
  
 (t) The Company shall assist the Agent, if necessary, in connection  
 with the allocation of the Shares in the event of an oversubscription and  
 shall provide the Agent with any information necessary to assist the  
 Company in allocating the Shares in such event and such information shall  
 be accurate and reliable.  
  
 (u) Prior to the Closing Date, the Company, the MHC and the Bank  
 will inform the Agent of any event or circumstances of which it is aware  
 as a result of which the Registration Statement, the Conversion  
 Application and/or Prospectus, as then amended or supplemented, would  
 contain an untrue statement of a material fact or omit to state a material  
 fact necessary in order to make the statements therein not misleading.  
  
  
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 Section 5.2 Covenants of the Agent. The Agent hereby covenants with  
 the Company, the MHC and the Bank as follows:  
  
 (a) During the period when the Prospectus is used, the Agent will  
 comply, in all material respects and at its own expense, with all  
 requirements imposed upon it by the OTS and, to the extent applicable, by  
 the 1933 Act and the 1934 Act and the rules and regulations promulgated  
 thereunder.  
  
 (b) The Agent shall return unused prospectuses, if any, to the  
 Company promptly upon the completion of the Conversion.  
  
 (c) The Agent will distribute the Prospectuses or offering materials  
 in connection with the sales of the common stock only in accordance with  
 OTS regulations, the 1933 Act and the rules and regulations promulgated  
 thereunder.  
  
 (d) The Agent shall assist the Bank in maintaining arrangements for  
 the deposit of funds and the making of refunds, as appropriate (as  
 described in Section 5.1(r)), and shall perform the allocation of shares  
 in the event of an oversubscription, in conformance with the Plan and  
 applicable regulations and based upon information furnished to the Agent  
 by the Bank (as described in Section 5.1(v)).  
  
 Section 6. Payment of Expenses. Whether or not the Conversion is completed  
or the sale of the Shares by the Company is consummated, the Company, the MHC  
and the Bank jointly and severally agree to pay or reimburse the Agent for: (a)  
all filing fees in connection with all filings with the NASD; (b) any stock  
issue or transfer taxes which may be payable with respect to the sale of the  
Shares; (c) all reasonable expenses of the Conversion including but not limited  
to the Company, the MHC and the Bank's attorneys' fees, transfer agent,  
registrar and other agent charges, fees relating to auditing and accounting or  
other advisors and costs of printing all documents necessary in connection with  
the Conversion; and (d) all reasonable out-of-pocket expenses incurred by the  
Agent not to exceed $29,500 (including legal fees and expenses). Such  
out-of-pocket expenses include, but are not limited to, travel, communications  
and postage. However, such out-of-pocket expenses do not include expenses  
incurred with respect to the matters set forth in (a) or (b) above. In the event  
the Company is unable to sell a minimum of 2,125,000 Shares or the Conversion is  
terminated or otherwise abandoned, the Company, the MHC and the Bank shall  
reimburse the Agent in accordance with Section 2 hereof.  
  
 Section 7. Conditions to the Agent's Obligations. The Agent's obligations  
hereunder, as to the Shares to be delivered at the Closing Date, are subject, to  
the extent not waived by the Agent, to the condition that all representations  
and warranties of the Company,   
  
  
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the MHC and the Bank herein are, at and as of the commencement of the Offerings  
and at and as of the Closing Date, true and correct in all material respects,  
the condition that the Company, the MHC and the Bank shall have performed all of  
their obligations hereunder to be performed on or before such dates, and to the  
following further conditions:  
  
 (a) At the Closing Date, the Company, the MHC and the Bank shall  
 have conducted the Conversion in all material respects in accordance with  
 the Plan, the Conversion Regulations, and all other applicable laws,  
 regulations, decisions and orders, including all terms, conditions,  
 requirements and provisions precedent to the Conversion imposed upon them  
 by the OTS.  
  
 (b) The Registration Statement shall have been declared effective by  
 the Commission, the Conversion Application approved by the OTS, not later  
 than 5:30 p.m. on the date of this Agreement, or with the Agent's consent  
 at a later time and date; and at the Closing Date, no stop order  
 suspending the effectiveness of the Registration Statement shall have been  
 issued under the 1933 Act or proceedings therefore initiated or threatened  
 by the Commission, or any state authority and no order or other action  
 suspending the authorization of the Prospectus or the consummation of the  
 Conversion shall have been issued or proceedings therefore initiated or,  
 to the Company's, the MHC's or the Bank's knowledge, threatened by the  
 Commission, the OTS or any state authority.  
  
 (c) At the Closing Date, the Agent shall have received:  
  
 (1) The favorable opinion, dated as of the Closing Date and  
 addressed to the Agent and for its benefit, of Xxxx Xxxxxx, special  
 counsel for the Company, the MHC and the Bank, in form and substance  
 to the effect that:  
  
 (i) The Company has been duly incorporated and is  
 validly existing as a corporation under the laws of the State of  
 Delaware and has corporate power and authority to own, lease and  
 operate its properties and to conduct its business as described in  
 the Registration Statement and the Prospectus. All of the  
 outstanding capital stock of the Company is duly authorized and  
 validly issued, fully paid and non-assessable.  
  
 (ii) The Bank has been duly organized and is a validly  
 existing federal savings association in capital stock form of  
 organization, duly authorized to conduct its business and own its  
 property as described in the Registration Statement and Prospectus.  
 All of the outstanding capital stock of the Bank is duly authorized  
 and validly issued, fully paid and non-assessable   
  
  
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 and owned by the Company, free and clear of any liens, encumbrances,  
 claims or other restrictions.  
  
 (iii) The MHC has been duly organized and is a validly  
 existing federal mutual holding company duly authorized to conduct  
 its business and own its property as described in the Registration  
 Statement and Prospectus.  
  
 (iv) The Bank is a member of the FHLB-Dallas. The  
 deposit accounts of the Bank are insured by the FDIC up to the  
 maximum amount allowed under law and no proceedings for the  
 termination or revocation of such insurance are pending or, to such  
 counsel's Actual Knowledge, threatened; the description of the  
 liquidation account as set forth in the Prospectus under the caption  
 "The Conversion and Reorganization-Liquidation Rights" to the extent  
 that such information constitutes matters of law and legal  
 conclusions has been reviewed by such counsel and is accurate in all  
 material respects.  
  
 (v) Upon consummation of the Conversion, the authorized,  
 issued and outstanding capital stock of the Company will be within  
 the range set forth in the Prospectus under the caption  
 "Capitalization," and except for shares issued as described in the  
 Prospectus or pursuant to employee stock benefit plans described in  
 the Prospectus in the section titled "Management of the Bank --  
 Executive Compensation," no shares of Common Stock have been issued  
 prior to the Closing Date; at the time of the Conversion, the Shares  
 subscribed for pursuant to the Offerings will have been duly and  
 validly authorized for issuance, and when issued and delivered by  
 the Company pursuant to the Plan against payment of the  
 consideration calculated as set forth in the Plan and the  
 Prospectus, will be duly and validly issued and fully paid and  
 non-assessable; the issuance of the Shares is not subject to  
 preemptive rights and the terms and provisions of the Shares conform  
 in all material respects to the description thereof contained in the  
 Prospectus. To such counsel's Actual Knowledge, upon the issuance of  
 the Shares, good title to the Shares will be transferred from the  
 Company to the purchasers thereof against payment therefor, subject  
 to such claims as may be asserted against the purchasers thereof by  
 third-party claimants.  
  
 (vi) The execution and delivery of this Agreement and  
 the consummation of the transactions contemplated hereby have been  
 duly and validly authorized by all necessary action on the part of  
 the Company, the MHC, and the Bank; and this Agreement is a valid  
 and binding obligation of the Company, the MHC and the Bank,  
 enforceable in accordance with its terms, except as the  
 enforceability thereof may be limited by (i) bankruptcy,   
  
  
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 insolvency, moratorium, reorganization, conservatorship,  
 receivership or other similar laws now or hereafter in effect  
 relating to or affecting the enforcement of creditors' rights  
 generally or the rights of creditors of savings institutions and  
 their holding companies, (ii) general equitable principles, (iii)  
 laws relating to the safety and soundness of insured depository  
 institutions, and (iv) applicable law or public policy with respect  
 to the indemnification and/or contribution provisions contained  
 herein, including, without limitation, the provisions of Section 23A  
 and 23B of the Federal Reserve Act, and except that no opinion need  
 to be expressed as to the effect or availability of equitable  
 remedies or injunctive relief (regardless of whether such  
 enforceability is considered in a proceeding in equity or at law).  
  
 (vii) The Conversion Application has been approved by  
 the OTS and the Prospectus has been authorized for use by the OTS  
 and no action has been taken, and to such counsel's Actual  
 Knowledge, none is pending or threatened, to revoke any such  
 authorization or approval.  
  
 (viii) The Plan has been duly adopted by the required  
 vote of the directors of the Company, the MHC and the Bank and,  
 based upon the certificate of the inspector of election, by the  
 members of the MHC, the stockholders of the Company and the  
 stockholders of the Bank.  
  
 (ix) Subject to the satisfaction of the conditions to  
 the OTS' approval of the Conversion, no further approval,  
 registration, authorization, consent or other order of or notice to  
 any federal or Delaware regulatory agency is required in connection  
 with the execution and delivery of this Agreement, the issuance of  
 the Shares and the consummation of the Conversion, except as may be  
 required under the securities or blue sky laws of various  
 jurisdictions (as to which no opinion need be rendered) and except  
 as may be required under the rules and regulations of the NASD  
 and/or the Nasdaq National Market (as to which no opinion need be  
 rendered).  
  
 (x) The Registration Statement is effective under the  
 1933 Act and no stop order suspending the effectiveness has been  
 issued under the 1933 Act or proceedings therefor initiated or, to  
 such counsel's Actual Knowledge, threatened by the Commission.  
  
 (xi) At the time the Conversion Application, including  
 the Prospectus contained therein, was approved by the OTS, the  
 Conversion Application, including the Prospectus contained therein,  
 complied as to form in all material respects with the requirements  
 of the Conversion Regulations, the HOLA and all applicable rules and  
 regulations promulgated thereunder (other   
  
  
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 than the financial statements, the notes thereto, and other tabular,  
 financial, statistical and appraisal data included therein, as to  
 which no opinion need be rendered).  
  
 (xii) At the time that the Registration Statement became  
 effective, (i) the Registration Statement (as amended or  
 supplemented, if so amended or supplemented) (other than the  
 financial statements, the notes thereto and other tabular,  
 financial, statistical and appraisal data included therein, as to  
 which no opinion need be rendered) complied as to form in all  
 material respects with the requirements of the 1933 Act and the 1933  
 Act Regulations, and (ii) the Prospectus (other than the financial  
 statements, the notes thereto and other tabular, financial,  
 statistical and appraisal data included therein, as to which no  
 opinion need be rendered) complied as to form in all material  
 respects with the requirements of the 1933 Act, the 1933 Act  
 Regulations, the Conversion Regulations and federal law.  
  
 (xiii) The terms and provisions of the Shares of the  
 Company conform, in all material respects, to the description  
 thereof contained in the Registration Statement and Prospectus, and  
 the form of certificate used to evidence the Shares is in due and  
 proper form.  
  
 (xiv) There are no legal or governmental proceedings  
 pending or to such counsel's Actual Knowledge, threatened which are  
 required to be disclosed in the Registration Statement and  
 Prospectus, other than those disclosed therein, and to such  
 counsel's Actual Knowledge, all pending legal and governmental  
 proceedings to which the Company, the MHC or the Bank is a party or  
 of which any of their property is the subject, which are not  
 described in the Registration Statement and the Prospectus,  
 including ordinary routine litigation incidental to the Company's,  
 the MHC's or the Bank's business, are, considered in the aggregate,  
 not material.  
  
 (xv) To such counsel's Actual Knowledge, there are no  
 material contracts, indentures, mortgages, loan agreements, notes,  
 leases or other instruments required to be described or referred to  
 in the Conversion Application, the Registration Statement or the  
 Prospectus or required to be filed as exhibits thereto other than  
 those described or referred to therein or filed as exhibits thereto  
 in the Conversion Application, the Registration Statement or the  
 Prospectus. The description in the Conversion Application, the  
 Registration Statement and the Prospectus of such documents and  
 exhibits is accurate in all material respects and fairly presents  
 the information required to be shown.  
  
  
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 (xvi) To such counsel's Actual Knowledge, the Company,  
 the MHC and the Bank have conducted the Conversion, in all material  
 respects, in accordance with all applicable requirements of the Plan  
 and the HOLA and regulations thereunder, and the Plan complies in  
 all material respects with all applicable Delaware and federal laws,  
 rules, regulations, decisions and orders including, but not limited  
 to, the Conversion Regulations (except where a written waiver has  
 been received); no order has been issued by the OTS, the Commission  
 or any state authority to suspend the Offerings or the use of the  
 Prospectus, and no action for such purposes has been instituted or,  
 to such counsel's Actual Knowledge, threatened by the OTS or the  
 Commission or any state authority and, to such counsel's Actual  
 Knowledge, no person has sought to obtain regulatory or judicial  
 review of the final action of the OTS approving the Plan, the  
 Conversion Application or the Prospectus.  
  
 (xvii) To such counsel's Actual Knowledge, the Company,  
 the MHC and the Bank have obtained all material federal and Delaware  
 licenses, permits and other governmental authorizations currently  
 required for the conduct of their businesses and all such licenses,  
 permits and other governmental authorizations are in full force and  
 effect, and the Company, the MHC and the Bank are in all material  
 respects complying therewith, except where the failure to have such  
 licenses, permits and other governmental authorizations or the  
 failure to be in compliance therewith would not have a material  
 adverse affect on the business or operations of the Bank, the MHC  
 and the Company, taken as a whole.  
  
 (xviii) To such counsel's Actual Knowledge, neither the  
 Company, the MHC nor the Bank is in violation of its articles of  
 incorporation, bylaws, or charter, as applicable, or, to such  
 counsel's Actual Knowledge, in default or violation of any  
 obligation, agreement, covenant or condition contained in any  
 contract, indenture, mortgage, loan agreement, note, lease or other  
 instrument to which it is a party or by which it or its property may  
 be bound except for such defaults or violations which would not have  
 a material adverse impact on the financial condition or results of  
 operations of the Company, the MHC nor the Bank on a consolidated  
 basis; to such counsel's Actual Knowledge, the execution and  
 delivery of this Agreement, the occurrence of the obligations herein  
 set forth and the consummation of the transactions contemplated  
 herein will not conflict with or constitute a breach of, or default  
 under, or result in the creation or imposition of any lien, charge  
 or encumbrance upon any property or assets of the Company, the MHC  
 or the Bank pursuant to any material contract, indenture, mortgage,  
 loan agreement, note, lease or other instrument to which the  
 Company, the MHC or the Bank is  
  
  
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 a party or by which any of them may be bound, or to which any of the  
 property or assets of the Company, the MHC or the Bank is subject  
 (other than the establishment of a liquidation account), and such  
 action will not result in any violation of the provisions of the  
 articles of incorporation, bylaws or charter, as applicable, of the  
 Company, the MHC or the Bank, or any applicable federal or Delaware  
 law, act, regulation (except that no opinion need be rendered with  
 respect to the securities or blue sky laws of various jurisdictions  
 or the rules and regulations of the NASD and/or the Nasdaq National  
 Market) or order or court order, writ, injunction or decree.  
  
 (xix) The Company's articles of incorporation and bylaws  
 comply in all material respects with the General Corporation Law  
 ("GCL") of the State of Delaware. The Bank's and the MHC's charter  
 and bylaws comply in all material respects with the HOLA and the  
 rules and regulations of the OTS.  
  
 (xx) To such counsel's Actual Knowledge, neither the  
 Company, the MHC nor the Bank is in violation of any directive from  
 the OTS or the FDIC to make any material change in the method of  
 conducting its respective business.  
  
 (xxi) The information in the Prospectus under the  
 captions "Regulation," "The Conversion," "Restrictions on  
 Acquisition of the Company" and "Description of Capital Stock of  
 Pocahontas Bancorp," to the extent that such information constitutes  
 matters of law, summaries of legal matters, documents or  
 proceedings, or legal conclusions, has been reviewed by such counsel  
 and is correct in all material respects. The description of the  
 Conversion process under the caption "The Conversion" in the  
 Prospectus has been reviewed by such counsel and is in all material  
 respects correct. The discussion of statutes or regulations  
 described or referred to in the Prospectus are accurate summaries  
 and fairly present the information required to be shown. The  
 information under the caption "The Conversion-Tax Aspects" has been  
 reviewed by such counsel and constitutes a correct summary of the  
 opinions rendered by Xxxx Xxxxxx and Deloitte to the Company, the  
 MHC and the Bank with respect to such matters.  
  
 In giving such opinion, such counsel may rely as to all  
 matters of fact on certificates of officers or directors of the  
 Company, the MHC and the Bank and certificates of public officials.  
 Such counsel's opinion shall be limited to matters governed by  
 federal laws and by the State of Delaware General Corporation Law.  
 With respect to matters involving the application of   
  
  
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 Delaware law, such counsel may rely, to the extent it deems proper  
 and as specified in its opinion, upon the opinion of local counsel  
 (providing that such counsel states that it believes the Agent is  
 justified in relying upon such specified opinion or opinions). The  
 opinion of Xxxx Xxxxxx shall be governed by the Legal Opinion Accord  
 ("Accord") of the American Bar Association Section of Business Law  
 (1991). The term "Actual Knowledge" as used herein shall have the  
 meaning set forth in the Accord. For purposes of such opinion, no  
 proceedings shall be deemed to be pending, no order or stop order  
 shall be deemed to be issued, and no action shall be deemed to be  
 instituted unless, in each case, a director or executive officer of  
 the Company, the MHC or the Bank shall have received a copy of such  
 proceedings, order, stop order or action. In addition, such opinion  
 may be limited to present statutes, regulations and judicial  
 interpretations and to facts as they presently exist; in rendering  
 such opinion, such counsel need assume no obligation to revise or  
 supplement it should the present laws be changed by legislative or  
 regulatory action, judicial decision or otherwise; and such counsel  
 need express no view, opinion or belief with respect to whether any  
 proposed or pending legislation, if enacted, or any proposed or  
 pending regulations or policy statements issued by any regulatory  
 agency, whether or not promulgated pursuant to any such legislation,  
 would affect the validity of the Conversion or any aspect thereof.  
 Such counsel may assume that any agreement is the valid and binding  
 obligation of any parties to such agreement other than the Company,  
 the MHC or the Bank.  
  
 In addition, such counsel shall provide a letter stating that  
 during the preparation of the Conversion Application, the  
 Registration Statement and the Prospectus, they participated in  
 conferences with certain officers of, the independent public and  
 internal accountants for, and other representatives of the Company,  
 the MHC and the Bank, at which conferences the contents of the  
 Conversion Application, the Registration Statement and the  
 Prospectus and related matters were discussed and, while such  
 counsel has not confirmed the accuracy or completeness of or  
 otherwise verified the information contained in the Conversion  
 Application, the Registration Statement or the Prospectus, and does  
 not assume any responsibility for such information, based upon such  
 conferences and a review of documents deemed relevant for the  
 purpose of rendering their opinion (relying as to materiality as to  
 factual matters on certificates of officers and other factual  
 representations by the Company, the MHC and the Bank), nothing has  
 come to their attention that would lead them to believe that the  
 Conversion Application, the Registration Statement, the Prospectus,  
 or any amendment or supplement thereto (other than the financial  
 statements, the notes thereto, and other tabular, financial,  
 statistical and appraisal data included therein as to which no  
 opinion need be rendered)   
  
  
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 contained an untrue statement of a material fact or omitted to state  
 a material fact required to be stated therein or necessary to make  
 the statements therein, in light of the circumstances under which  
 they were made, not misleading.  
  
 (2) The favorable opinion, dated as of the Closing Date and  
 addressed to the Agent and for its benefit, of the Bank's local  
 counsel, in form and substance to the effect that, to the best of  
 such counsel's knowledge, (i) the Company, the MHC and the Bank have  
 good and marketable title to all properties and assets which are  
 material to the business of the Company, the MHC and the Bank and to  
 those properties and assets described in the Registration Statement  
 and Prospectus, as owned by them, free and clear of all liens,  
 charges, encumbrances or restrictions, except such as are described  
 in the Registration Statement and Prospectus, or are not material in  
 relation to the business of the Company, the MHC and the Bank  
 considered as one enterprise; (ii) all of the leases and subleases  
 material to the business of the Company, the MHC and the Bank under  
 which the Company, the MHC and the Bank hold properties, as  
 described in the Registration Statement and Prospectus, are in full  
 force and effect; (iii) to counsel's actual knowledge based on  
 certificates of officers, the Bank is duly qualified as a foreign  
 corporation to transact business and is in good standing in each  
 jurisdiction in which its ownership of property or leasing of  
 property or the conduct of its business requires such qualification,  
 unless the failure to be so qualified in one or more of such  
 jurisdictions would not have a material adverse effect on the  
 condition, financial or otherwise, or the business, operations or  
 income of the Bank; and (iv) the MHC is duly qualified as a foreign  
 corporation to transact business and is in good standing in each  
 jurisdiction in which its ownership of property or leasing of  
 property or the conduct of its business requires such qualification,  
 unless the failure to be so qualified in one or more of such  
 jurisdictions would not have a material adverse effect on the  
 condition, financial or otherwise, or the business, operations or  
 income of the MHC.  
  
 (3) The favorable opinion, dated as of the Closing Date, of  
 Peabody & Xxxxx, the Agent's counsel, with respect to such matters  
 as the Agent may reasonably require. Such opinion may rely upon the  
 opinions of counsel to the Company, the MHC and the Bank, and as to  
 matters of fact, upon certificates of officers and directors of the  
 Company, the MHC and the Bank delivered pursuant hereto or as such  
 counsel shall reasonably request.  
  
 (d) At the Closing Date, the Agents shall receive a certificate of  
 the Chief Executive Officer and the Chief Financial Officer of the Company  
 and a certificate of the Chief Executive Officer and the Chief Financial  
 Officer of the MHC and the Bank,   
  
  
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 both dated as of such Closing Date, to the effect that: (i) they have  
 reviewed the Prospectus and, in their opinion, at the time the Prospectus  
 became authorized for final use, the Prospectus did not contain any untrue  
 statement of a material fact or omit to state a material fact necessary in  
 order to make the statements therein, in light of the circumstances under  
 which they were made, not misleading; (ii) since the date the Prospectus  
 became authorized for final use, no material adverse change in the  
 condition, financial or otherwise, or in the earnings, capital, properties  
 or business of the Company, the MHC and the Bank has occurred and, to  
 their knowledge, no other event has occurred, which should have been set  
 forth in an amendment or supplement to the Prospectus which has not been  
 so set forth, and the conditions set forth in this Section 7 have been  
 satisfied; (iii) since the respective dates as of which information is  
 given in the Registration Statement and Prospectus, there has been no  
 material adverse change in the condition, financial or otherwise, or in  
 the earnings, capital or properties of the Company, the MHC or the Bank,  
 independently, or of the Company, the MHC and the Bank considered as one  
 enterprise, whether or not arising in the ordinary course of business;  
 (iv) the representations and warranties in Section 4 are true and correct  
 with the same force and effect although expressly made at and as of the  
 Closing Date; (v) the Company, the MHC and the Bank have complied in all  
 material respects with all agreements and satisfied all conditions on  
 their part to be performed or satisfied at or prior to the Closing Date  
 and will comply in all material respects with all obligations to be  
 satisfied by them after Conversion; (vi) no stop order suspending the  
 effectiveness of the Registration Statement has been initiated or, to the  
 best knowledge of the Company, the MHC or the Bank, threatened by the  
 Commission or any state authority; (vii) no order suspending the  
 Offerings, the Conversion or the effectiveness of the Prospectus has been  
 issued and no proceedings for that purpose are pending or, to the best  
 knowledge of the Company, the MHC or the Bank, threatened by the OTS, the  
 Commission or any state authority; and (viii) to the best knowledge or the  
 Company or the Bank, no person has sought to obtain review of the final  
 action of the OTS approving the Plan.  
  
 (e) Prior to and at the Closing Date: (i) in the reasonable opinion  
 of the Agent, there shall have been no material adverse change in the  
 condition, financial or otherwise (other than as a result of a change in  
 law or regulation and affecting the savings association industry as a  
 whole), or in the earnings or business of the Company, the MHC or the Bank  
 independently, or of the Company, the MHC and the Bank considered as one  
 enterprise, from that as of the latest dates as of which such condition is  
 set forth in the Prospectus other than transactions referred to or  
 contemplated therein; (iii) the Company, the MHC or the Bank shall not  
 have received from the OTS or the FDIC any direction (oral or written) to  
 make any material change in the method of conducting their business with  
 which it has not complied (which direction, if any, shall have been  
 disclosed to the Agents) or which materially and   
  
  
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 adversely would affect the business, operations or financial condition or  
 income of the Company, the MHC and the Bank considered as one enterprise;  
 (iv) the Company, the MHC and the Bank shall not have been in default (nor  
 shall any event have occurred which, with notice or lapse of time or both,  
 would constitute a default) under any provision of any agreement or  
 instrument relating to any outstanding indebtedness; (v) no action, suit  
 or proceedings, at law or in equity or before or by any federal or state  
 commission, board or other administrative agency, shall be pending or, to  
 the knowledge of the Company, the MHC or the Bank, threatened against the  
 Company, the MHC or the Bank or affecting any of their properties wherein  
 an unfavorable decision, ruling or finding would materially and adversely  
 affect the business operations, financial condition or income of the  
 Company, the MHC and the Bank considered as one enterprise; and (vi) the  
 Shares have been qualified or registered for offering and sale or exempted  
 therefrom under the securities or blue sky laws of the jurisdictions as  
 the Agents shall have requested and as agreed to by the Company and the  
 Bank.  
  
 (f) Concurrently with the execution of this Agreement, the Agents  
 shall receive a letter from Deloitte dated as of the date of the  
 Prospectus and addressed to the Agent: (i) confirming that Deloitte is a  
 firm of independent public accountants within the meaning of Rule 101 of  
 the Code of Professional Ethics of the American Institute of Certified  
 Public Accountants and applicable regulations of the OTS and FDIC and  
 stating in effect that in Deloitte's opinion the financial statements of  
 the Company and/or the Bank (as applicable) as of September 30, 1997 and  
 1996 and for each of the three years in the period ended September 30,  
 1997, as are included in the Prospectus and covered by their opinion  
 included therein, comply as to form in all material respects with the  
 applicable accounting requirements and related published rules and  
 regulations of the OTS, the FDIC, the SEC and the 1933 Act; (ii) a  
 statement from Deloitte in effect that, on the basis of certain agreed  
 upon procedures (but not an audit in accordance with generally accepted  
 auditing standards) consisting of a reading of the latest available  
 unaudited interim consolidated financial statements of the Company  
 prepared by the Company, a reading of the minutes of the meetings of the  
 Board of Directors of the Company and the Bank and consultations with  
 officers of the Company and the Bank responsible for financial and  
 accounting matters, nothing came to their attention which caused them to  
 believe that: (A) the unaudited financial statements included in the  
 Prospectus, are not in conformity with the 1933 Act, applicable accounting  
 requirements of the OTS, the FDIC, and the SEC and generally accepted  
 accounting principles applied on a basis substantially consistent with  
 that of the audited financial statements included in the Prospectus; or  
 (B) during the period from the date of the latest unaudited consolidated  
 financial statements included in the Prospectus to a specified date not  
 more than three business days prior to the date of the Prospectus, except  
 as has been described in the Prospectus, there was any material increase  
 in   
  
  
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 borrowings, other than normal deposit fluctuations, by the Company or the  
 Bank; or (C) there was any decrease in consolidated net assets of the  
 Company or the Bank at the date of such letter as compared with amounts  
 shown in the latest unaudited consolidated statement of condition included  
 in the Prospectus; and (iii) a statement from Deloitte that, in addition  
 to the audit referred to in their opinion included in the Prospectus and  
 the performance of the procedures referred to in clause (ii) of this  
 subsection (f), they have compared with the general accounting records of  
 the Company and the Bank, which are subject to the internal controls of  
 the Company and the Bank, the accounting system and other data prepared by  
 the Company and the Bank, directly from such accounting records, to the  
 extent specified in such letter, such amounts and/or percentages set forth  
 in the Prospectus as the Agent may reasonably request; and they have  
 reported on the results of such comparisons.  
  
 (g) At the Closing Date, the Agent shall receive a letter from  
 Deloitte dated the Closing Date, addressed to the Agent, confirming the  
 statements made by them in the letter delivered by them pursuant to  
 subsection (f) of this Section 7, the "specified date" referred to in  
 clause (ii) of subsection (f) thereof to be a date specified in such  
 letter, which shall not be more than three business days prior to the  
 Closing Date.  
  
 (h) At the Closing Date, the Agent shall receive a letter from RP  
 Financial, LC, dated the date thereof and addressed to counsel for the  
 Agent (i) confirming that said firm is independent of the Company, the MHC  
 and the Bank and is experienced and expert in the area of corporate  
 appraisals within the meaning of Title 12 of the Code of Federal  
 Regulations, Part 303, (ii) stating in effect that the Appraisal prepared  
 by such firm complies in all material respects with the applicable  
 requirements of Title 12 of the Code of Federal Regulations, and (iii)  
 further stating that their opinion of the aggregate pro forma market value  
 of the Company, the MHC and the Bank expressed in their Appraisal dated as  
 of \_\_\_\_\_\_\_, 1997, and most recently updated, remains in effect.  
  
 (i) The Company, the MHC and the Bank shall not have sustained since  
 the date of the latest audited financial statements included in the  
 Prospectus any material loss or interference with their businesses from  
 fire, explosion, flood or other calamity, whether or not covered by  
 insurance, or from any labor dispute or court or governmental action,  
 order or decree, otherwise than as set forth or contemplated in the  
 Registration Statement and Prospectus.  
  
 (j) At or prior to the Closing Date, the Agent shall receive: (i) a  
 copy of the letter from the OTS approving the Conversion Application and  
 authorizing the use of the Prospectus; (ii) a copy of the order from the  
 Commission declaring the Registration Statement effective; (iii)  
 certificates from the OTS evidencing the existence of the Bank   
  
  
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 and the MHC; (iv) certificates of good standing from the State of Delaware  
 evidencing the good standing of the Company; (v) a certificate from the  
 FDIC evidencing the Bank's insurance of accounts, and (vi) a certificate  
 of the FHLB-Dallas evidencing the Bank's membership thereof.  
  
 (k) Subsequent to the date hereof, there shall not have occurred any  
 of the following: (i) a suspension or limitation in trading in securities  
 generally on the New York Stock Exchange or in the over-the-counter  
 market, or quotations halted generally on the Nasdaq National Market, or  
 minimum or maximum prices for trading have been fixed, or maximum ranges  
 for prices for securities have been required by either of such exchanges  
 or the NASD or by order of the Commission or any other governmental  
 authority; (ii) a general moratorium on the operations of commercial banks  
 or federal savings associations or a general moratorium on the withdrawal  
 of deposits from commercial banks or federal savings associations declared  
 by federal or state authorities; (iii) the engagement by the United States  
 in hostilities which have resulted in the declaration, on or after the  
 date hereof, of a national emergency or war; or (iv) a material decline in  
 the price of equity or debt securities if the effect of such a declaration  
 or decline, in the Agent's reasonable judgment, makes it impracticable or  
 inadvisable to proceed with the Offerings or the delivery of the shares on  
 the terms and in the manner contemplated in the Registration Statement and  
 Prospectus.  
  
 Section 8. Indemnification.  
  
 (a) The Company, the MHC and the Bank jointly and severally agree to  
 indemnify and hold harmless the Agent, its officers, directors, agents,  
 servants and employees and each person, if any, who controls the Agent  
 within the meaning of Section 15 of the 1933 Act or Section 20(a) of the  
 1934 Act, against any and all loss, liability, claim, damage or expense  
 whatsoever (including but not limited to settlement expenses), joint or  
 several, that the Agent or any of them may suffer or to which the Agent  
 and any such persons may become subject under all applicable federal or  
 state laws or otherwise, and to promptly reimburse the Agent and any such  
 persons upon written demand for any expense (including fees and  
 disbursements of counsel) incurred by the Agent or any of them in  
 connection with investigating, preparing or defending any actions,  
 proceedings or claims (whether commenced or threatened) to the extent such  
 losses, claims, damages, liabilities or actions: (i) arise out of or are  
 based upon any untrue statement or alleged untrue statement of a material  
 fact contained in the Registration Statement (or any amendment or  
 supplement thereto), preliminary or final Prospectus (or any amendment or  
 supplement thereto), the Conversion Application (or any amendment or  
 supplement thereto), or any blue sky application or other instrument or  
 document executed by the Company, the MHC or the Bank based upon written  
 information supplied by the Company, the MHC or the Bank filed in any  
 state or   
  
  
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 jurisdiction to register or qualify any or all of the Shares or to claim  
 an exemption therefrom, or provided to any state or jurisdiction to exempt  
 the Company as a broker-dealer or its officers, directors and employees as  
 broker-dealers or agents, under the securities laws thereof (collectively,  
 the "Blue Sky Application"), or any application or other document,  
 advertisement, oral statement or communication ("Sales Information")  
 prepared, made or executed by or on behalf of the Company, the MHC or the  
 Bank with their consent or based upon written or oral information  
 furnished by or on behalf of the Company, the MHC or the Bank, whether or  
 not filed in any jurisdiction, in order to qualify or register the Shares  
 or to claim an exemption therefrom under the securities laws thereof; (ii)  
 arise out of or based upon the omission or alleged omission to state in  
 any of the foregoing documents or information, a material fact required to  
 be stated therein or necessary to make the statements therein, in light of  
 the circumstances under which they were made, not misleading; or (iii)  
 arise from any theory of liability whatsoever relating to or arising from  
 or based upon the Registration Statement (or any amendment or supplement  
 thereto), preliminary or final Prospectus (or any amendment or supplement  
 thereto), the Conversion Application (or any amendment or supplement  
 thereto), any Blue Sky Application or Sales Information or other  
 documentation distributed in connection with the Conversion; provided,  
 however, that no indemnification is required under this paragraph (a) to  
 the extent such losses, claims, damages, liabilities or actions arise out  
 of or are based upon any untrue material statement or alleged untrue  
 material statements in, or material omission or alleged material omission  
 from, the Registration Statement (or any amendment or supplement thereto),  
 preliminary or final Prospectus (or any amendment or supplement thereto),  
 the Conversion Application, any Blue Sky Application or Sales Information  
 made in reliance upon and in conformity with information furnished in  
 writing to the Company or the Bank by the Agent regarding the Agent and  
 provided further that such indemnification shall be to the extent  
 permitted by the OTS and the FDIC.  
  
 (b) The Agent agrees to indemnify and hold harmless the Company, the  
 MHC and the Bank, their directors and officers and each person, if any,  
 who controls the Company, the MHC or the Bank within the meaning of  
 Section 15 of the 1933 Act or Section 20(a) of the 1934 Act against any  
 and all loss, liability, claim, damage or expense whatsoever (including  
 but not limited to settlement expenses), joint or several, which they, or  
 any of them, may suffer or to which they, or any of them may become  
 subject under all applicable federal and state laws or otherwise, and to  
 promptly reimburse the Company, the MHC, the Bank, and any such persons  
 upon written demand for any expenses (including reasonable fees and  
 disbursements of counsel) incurred by them, or any of them, in connection  
 with investigating, preparing or defending any actions, proceedings or  
 claims (whether commenced or threatened) to the extent such losses,  
 claims, damages, liabilities or actions arise out of or are based upon any  
 untrue statement or alleged untrue statement of a material fact contained  
 in the   
  
  
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 Registration Statement (or any amendment or supplement thereto), the  
 Conversion Application (or any amendment or supplement thereto) or the  
 preliminary or final Prospectus (or any amendment or supplement thereto),  
 or are based upon the omission or alleged omission to state in any of the  
 foregoing documents a material fact required to be stated therein or  
 necessary to make the statements therein, in the light of the  
 circumstances under which they were made, not misleading; provided,  
 however, that the Agent's obligations under this Section 8(b) shall exist  
 only if and only to the extent (i) that such untrue statement or alleged  
 untrue statement was made in, or such material fact or alleged material  
 fact was omitted from, the Registration Statement (or any amendment or  
 supplement thereto), the preliminary or final Prospectus (or any amendment  
 or supplement thereto) or the Conversion Application (or any amendment or  
 supplement thereto), any Blue Sky Application or Sales Information in  
 reliance upon and in conformity with information furnished in writing to  
 the Company or the Bank by the Agent regarding the Agent. In no case shall  
 the Agent be liable or responsible for any amount in excess of the fees  
 received by the Agent pursuant to Section 2 of this Agreement.  
  
 (c) Each indemnified party shall give prompt written notice to each  
 indemnifying party of any action, proceeding, claim (whether commenced or  
 threatened), or suit instituted against it in respect of which indemnity  
 may be sought hereunder, but failure to so notify an indemnifying party  
 shall not relieve it from any liability which it may have on account of  
 this Section 8 or otherwise. An indemnifying party may participate at its  
 own expense in the defense of such action. In addition, if it so elects  
 within a reasonable time after receipt of such notice, an indemnifying  
 party, jointly with any other indemnifying parties receiving such notice,  
 may assume defense of such action with counsel chosen by it and approved  
 by the indemnified parties that are defendants in such action, unless such  
 indemnified parties reasonably object to such assumption on the ground  
 that there may be legal defenses available to them that are different from  
 or in addition to those available to such indemnifying party. If an  
 indemnifying party assumes the defense of such action, the indemnifying  
 parties shall not be liable for any fees and expenses of counsel for the  
 indemnified parties incurred thereafter in connection with such action,  
 proceeding or claim, other than reasonable costs of investigation. In no  
 event shall the indemnifying parties be liable for the fees and expenses  
 of more than one separate firm of attorneys (and any special counsel that  
 said firm may retain) for each indemnified party in connection with any  
 one action, proceeding or claim or separate but similar or related  
 actions, proceedings or claims in the same jurisdiction arising out of the  
 same general allegations or circumstances.  
  
 (d) The agreements contained in this Section 8 and in Section 9  
 hereof and the representations and warranties of the Company, the MHC and  
 the Bank set forth in this Agreement shall remain operative and in full  
 force and effect regardless of: (i) any   
  
  
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 investigation made by or on behalf of the Agent or its officers, directors  
 or controlling persons, agents or employees or by or on behalf of the  
 Company, the MHC or the Bank or any officers, directors or controlling  
 persons, agents or employees of the Company, the MHC or the Bank; (ii)  
 deliver of and payment hereunder for the Shares; or (iii) any termination  
 of this Agreement.  
  
 Section 9. Contribution. In order to provide for just and equitable  
contribution in circumstances in which the indemnification provided for in  
Section 8 is due in accordance with its terms but is for any reason held by a  
court to be unavailable from the Company, the Bank or the Agent, the Company,  
the Bank and the Agent shall contribute to the aggregate losses, claims, damages  
and liabilities (including any investigation, legal and other expenses incurred  
in connection with, and any amount paid in settlement of, any action, suit or  
proceeding of any claims asserted, but after deducting any contribution received  
by the Company, the Bank or the Agent from persons other than the other party  
thereto, who may also be liable for contribution) in such proportion so that the  
Agent shall be responsible for that portion represented by the percentage that  
the fees paid to the Agent pursuant to Section 2 of this Agreement (not  
including expenses) bears to the gross proceeds received by the Company from the  
sale of the Shares in the Offerings and the Company and the Bank shall be  
responsible for the balance. If, however, the allocation provided above is not  
permitted by applicable law or if the indemnified party failed to give the  
notice required under Section 8 above, then each indemnifying party shall  
contribute to such amount paid or payable by such indemnified party in such  
proportion as is appropriate to reflect not only such relative fault of the  
Company and the Bank on the one hand and the Agent on the other in connection  
with the statements or omissions which resulted in such losses, claims, damages  
or liabilities (or actions, proceedings or claims in respect thereto), but also  
the relative benefits received by the Company and the Bank on the one hand and  
the Agent on the other from the Offerings (before deducting expenses). The  
relative fault shall be determined by reference to, among other things, whether  
the untrue or alleged untrue statement of a material fact or the omission or  
alleged omission to state a material fact relates to information supplied by the  
Company and/or the Bank on the one hand or the Agent on the other and the  
parties' relative intent, good faith, knowledge, access to information and  
opportunity to correct or prevent such statement or omission. The Company, the  
Bank and the Agent agree that it would not be just and equitable if contribution  
pursuant to this Section 9 were determined by pro-rata allocation or by any  
other method of allocation which does not take into account the equitable  
considerations referred to above in this Section 9. The amount paid or payable  
by an indemnified party as a result of the losses, claims, damages or  
liabilities (or actions, proceedings or claims in respect thereof) referred to  
above in this Section 9 shall be deemed to include any legal or other expenses  
reasonably incurred by such indemnified party in connection with investigating  
or defending any such action, proceeding or claim. It is expressly agreed that  
the Agent shall not be liable for any loss, liability, claim, damage or expense  
or be required to contribute any amount which in the aggregate exceeds the  
amount paid (excluding reimbursable expenses) to   
  
  
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the Agent under this Agreement. It is understood that the above stated  
limitation on the Agent's liability is essential to the Agent and that the Agent  
would not have entered into this Agreement if such limitation had not been  
agreed to by the parties to this Agreement. No person found guilty of any  
fraudulent misrepresentation (within the meaning of Section 11(f) of the 0000  
Xxx) shall be entitled to contribution from any person who was not found guilty  
of such fraudulent misrepresentation. The obligations of the Company and the  
Bank under this Section 9 and under Section 8 shall be in addition to any  
liability which the Company and the Bank may otherwise have. For purposes of  
this Section 9, each of the Agent's, the Company's or the Bank's officers and  
directors and each person, if any, who controls the Agent or the Company or the  
Bank within the meaning of the 1933 Act and the 1934 Act shall have the same  
rights to contribution as the Agent, the Company or the Bank. Any party entitled  
to contribution, promptly after receipt of notice of commencement of any action,  
suit, claim or proceeding against such party in respect of which a claim for  
contribution may be made against another party under this Section 9, will notify  
such party from whom contribution may be sought, but the omission to so notify  
such party shall not relieve the party from whom contribution may be sought from  
any other obligation it may have hereunder or otherwise than under this Section  
9.  
  
 Section 10. Survival of Agreements, Representations and Indemnities. The  
respective indemnities of the Company, the Bank and the Agent and the  
representations and warranties and other statements of the Company and the Bank  
set forth in or made pursuant to this Agreement shall remain in full force and  
effect, regardless of any termination or cancellation of this Agreement or any  
investigation made by or on behalf of the Agent, the Company, the Bank or any  
controlling person referred to in Section 8 hereof, and shall survive the  
issuance of the Shares, and any legal representative, successor or assign of the  
Agent, the Company, the Bank, and any such controlling person shall be entitled  
to the benefit of the respective agreements, indemnities, warranties and  
representations.  
  
 Section 11. Termination. The Agent may terminate its obligations under  
this Agreement by giving the notice indicated below in this Section 11 at any  
time after this Agreement becomes effective as follows:  
  
 (a) In the event the Company fails to sell all of the Shares by  
 \_\_\_\_\_\_\_\_\_\_\_, 1998, and in accordance with the provisions of the Plan or as  
 required by the Conversion Regulations, and applicable law, this Agreement  
 shall terminate upon refund by the Bank to each person who has subscribed  
 for or ordered any of the Shares the full amount which it may have  
 received from such person, together with interest as provided in the  
 Prospectus, and no party to this Agreement shall have any obligation to  
 the other hereunder, except for payment by the Company and/or the Bank as  
 set forth in Sections 2(a) and (d), 6, 8 and 9 hereof.  
  
  
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 (b) If any of the conditions specified in Section 7 shall not have  
 been fulfilled when and as required by this Agreement unless waived in  
 writing, or by the Closing Date, this Agreement and all of the Agent's  
 obligations hereunder may be canceled by the Agent by notifying the  
 Company, the MHC and the Bank of such cancellation in writing or by  
 telegram at any time at or prior to the Closing Date, and any such  
 cancellation shall be without liability of any party to any other party  
 except as otherwise provided in Sections 2, 6, 8 and 9 hereof.  
  
 (c) If the Agent elects to terminate this Agreement as provided in  
 this Section, the Company, the MHC and the Bank shall be notified promptly  
 by the Agent by telephone or telegram, confirmed by letter.  
  
 The Company, the MHC and the Bank may terminate this Agreement in the  
event the Agent is in material breach of the representations and warranties or  
covenants contained in Section 5 and such breach has not been cured after the  
Company and the Bank have provided the Agent with notice of such breach.  
  
 This Agreement may also be terminated by mutual written consent of the  
parties hereto.  
  
 Section 12. Notices. All communications hereunder, except as herein  
otherwise specifically provided, shall be mailed in writing and if sent to the  
Agent shall be mailed, delivered or telegraphed and confirmed to Friedman,  
Billings, Xxxxxx & Co., Inc., 0000 00xx Xxxxxx Xxxxx, Xxxxxxxxx, Xxxxxxxx  
00000-0000, Attention: Xxxxx Xxxxxxxxxx (with a copy to Peabody & Xxxxx, 0000  
00xx Xxxxxx, X.X., Xxxxx 000, Xxxxxxxxxx, X.X. 00000, Attention: Xxxxxxx X.  
Xxxxxxx, Esq.) and, if sent to the Company, the MHC and the Bank, shall be  
mailed, delivered or telegraphed and confirmed to the Company, the MHC and the  
Bank at 000 Xxxx Xxxxxxxx, Xxxxxxxxxx, Xxxxxxxx 00000-0000, Attention: Xxxx  
Xxxxxx, President and Chief Executive Officer (with a copy to Xxxx Xxxxxx,  
Attention: Xxxxxx Xxxxxxxx, Esq.)  
  
 Section 13. Parties. The Company, the MHC and the Bank shall be entitled  
to act and rely on any request, notice, consent, waiver or agreement purportedly  
given on behalf of the Agent, when the same shall have been given by the  
undersigned. The Agent shall be entitled to act and rely on any request, notice,  
consent, waiver or agreement purportedly given on behalf of the Company, the MHC  
or the Bank, when the same shall have been given by the undersigned or any other  
officer of the Company, the MHC or the Bank. This Agreement shall inure solely  
to the benefit of, and shall be binding upon, the Agent, the Company, the MHC,  
the Bank, and their respective successors, legal representatives and assigns,  
and no other person shall have or be construed to have any legal or equitable  
right, remedy or claim under or in respect of or by virtue of this Agreement or  
any provision herein contained. It is understood and agreed that this Agreement  
is the exclusive agreement among the parties   
  
  
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hereto, and supersedes any prior agreement among the parties and may not be  
varied except in writing signed by all the parties.  
  
 Section 14. Closing. The closing for the sale of the Shares shall take  
place on the Closing Date at such location as mutually agreed upon by the Agent  
and the Company, the MHC and the Bank. At the closing, the Company, the MHC and  
the Bank shall deliver to the Agent in next day funds the commissions, fees and  
expenses due and owing to the Agent as set forth in Sections 2 and 6 hereof and  
the opinions and certificates required hereby and other documents deemed  
reasonably necessary by the Agent shall be executed and delivered to effect the  
sale of the Shares as contemplated hereby and pursuant to the terms of the  
Prospectus.  
  
 Section 15. Partial Invalidity. In the event that any term, provision or  
covenant herein or the application thereof to any circumstance or situation  
shall be invalid or unenforceable, in whole or in part, the remainder hereof and  
the application of said term, provision or covenant to any other circumstances  
or situation shall not be affected thereby, and each term, provision or covenant  
herein shall be valid and enforceable to the full extent permitted by law.  
  
 Section 16. Construction. This Agreement shall be construed in accordance  
with the laws of the State of Delaware.  
  
 Section 17. Counterparts. This Agreement may be executed in separate  
counterparts, each of which so executed and delivered shall be an original, but  
all of which together shall constitute but one and the same instrument.  
  
  
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 If the foregoing correctly sets forth the arrangement among the Company,  
the MHC, the Bank, and the Agent, please indicate acceptance thereof in the  
space provided below for that purpose, whereupon this letter and the Agent's  
acceptance shall constitute a binding agreement.  
  
 Very truly yours,  
  
POCAHONTAS BANCORP, INC. POCAHONTAS FEDERAL SAVINGS  
 AND LOAN ASSOCIATION  
  
  
By: By:  
 ---------------------------------- ----------------------------------  
 Xxxx Xxxxxx Xxxx Xxxxxx  
 President and Chief Executive President and Chief Executive  
 Officer Officer  
  
  
POCAHONTAS FEDERAL MUTUAL  
 HOLDING COMPANY  
  
  
By:  
 ----------------------------------  
 Xxxx Xxxxxx  
 President and Chief Executive  
 Officer  
  
  
Accepted as of the date first above written  
  
FRIEDMAN, BILLINGS, XXXXXX & CO., INC.  
  
  
By:  
 ----------------------------------  
 Xxxxx Xxxxxxxxxx  
 Vice President  
  
  
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 EXHIBIT B  
  
 POCAHONTAS BANCORP, INC.  
  
 Up to 2,875,000 Shares (Anticipated Maximum)  
 (Par Value $.01 Per Share)  
  
 Selected Dealers' Agreement  
  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 1998  
  
  
Gentlemen:  
  
 We have agreed to assist Pocahontas Federal Savings and Loan Association  
(the "Bank"), a federally chartered stock savings bank, and the Bank's federal  
mutual holding company, Pocahontas Federal Mutual Holding Company (the "MHC"),  
in connection with the offer and sale of up to 2,875,000 shares of the  
conversion common stock, par value $.01 per share (the "Common Stock") of  
Pocahontas Bancorp, Inc. (the "Company"), a Delaware corporation, to be issued  
in connection with the conversion of the MHC. The total number of shares of  
Common Stock to be offered may be decreased to a minimum of 25 shares. The price  
per share has been fixed at $10.00. The Common Stock, the number of shares to be  
issued, and certain of the terms on which they are being offered, are more fully  
described in the enclosed Prospectus dated \_\_\_\_\_\_\_\_\_, 1998 (the "Prospectus").  
In connection with the Conversion, the Company, on a best-efforts basis is  
offering for sale between 2,125,000 and 2,875,000 shares (the "Shares") of the  
Common Stock, in a Subscription Offering, as defined, as contemplated by Office  
of Thrift Supervision (the "OTS") Regulation. Any Shares not sold in the  
Subscription Offering will be offered to the general public in a community  
offering (the "Community Offering") giving preference to residents of the Bank's  
Local Community, as defined in the Prospectus.  
  
 The Subscription and Community Offerings are being conducted under a Plan  
of Conversion (the "Plan") adopted by the Bank and the MHC pursuant to which the  
MHC intends to convert from a federal mutual holding company to an interim  
federal stock savings bank and simultaneously merge with and into the Company  
(the "Conversion"). As part of the Conversion, the Company will sell the Common  
Stock to the public as provided for in the Plan. The Subscription and Community  
Offerings are further being conducted in accordance with the regulations of the  
OTS subject to the restrictions contained in the Plan.  
  
 The Common Stock is also being offered in accordance with the Plan by  
broker/dealers licensed by the National Association of Securities Dealers, Inc.  
("NASD"), which have been approved by the Bank ("Approved Brokers").  
  
  
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 We are offering the selected dealers (of which you are one) the  
opportunity to participate in the solicitation of offers to buy the Common Stock  
and we will pay you a fee in the amount of four percent (4%) of the dollar  
amount of the Common Stock sold on behalf of the Company by you, as evidenced by  
the authorized designation of your firm on the order form or forms for payment  
therefor to the special account established by the Bank for the purpose of  
holding such funds. It is understood, of course, that payment of your fee will  
be made only out of compensation received by us for the Common Stock sold on  
behalf of the Company by you, as evidenced in accordance with the preceding  
sentence. As soon as practicable after the closing date of the offering, we will  
remit to you, only out of our compensation as provided above, the fees to which  
you are entitled hereunder.  
  
 Each order form for the purchase of Common Stock must set forth the  
identity and address of each person to whom the certificates for such Common  
Stock should be issued and delivered. Such order form also must clearly identify  
your firm in order for you to receive compensation. You shall instruct any  
subscriber who elects to send his order form to you to make any accompanying  
check payable to "Pocahontas Bancorp, Inc."  
  
 This offer is made subject to the terms and conditions herein set forth  
and is made only to selected dealers who are members in good standing of the  
NASD who are to comply with all applicable rules of the NASD, including, without  
limitation, the NASD's Interpretation With Respect to Free-Riding and  
Withholding and Section 24 of Article III of the NASD's Rules of Fair Practice.  
  
 Orders for Common Stock will be subject to confirmation and we, acting on  
behalf of the Company, the MHC and the Bank, reserve the right in our unfettered  
discretion to reject any order in whole or in part, to accept or reject orders  
in the order of their receipt or otherwise, and to allot. Neither you nor any  
other person is authorized by the Company, the MHC and the Bank, or by us to  
give any information or make any representations other than those contained in  
the Prospectus in connection with the sale of any of the Common Stock. No  
selected dealer is authorized to act as agent for us when soliciting offers to  
buy the Common Stock from the public or otherwise. No selected dealer shall  
engage in any stabilizing (as defined in Rule 10b-7 promulgated under the  
Securities Exchange Act of 1934) with respect to the Company's Common Stock  
during the offering.  
  
 We and each selected dealer assisting in selling Common Stock pursuant  
hereto agree to comply with the applicable requirements of the Securities  
Exchange Act of 1934 and applicable state rules and regulations. Each  
customer-carrying selected dealer that is not a $250,000 net capital reporting  
broker/dealer agrees that it will not use a sweep arrangement and that it will  
transmit all customer checks by noon of the next business day after receipt  
thereof. In addition, we and each selected dealer confirm that the Securities  
and Exchange Commission interprets Rule 15c2-8 promulgated under the Securities  
Exchange Act of 1934 as   
  
  
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requiring that a Prospectus be supplied to each person who is expected to  
receive a confirmation of sale 48 hours prior to delivery of such person's order  
form.  
  
 We and each selected dealer further agree that to the extent that your  
customers desire to pay for shares with funds held by or to be deposited with  
us, in accordance with the interpretations of the Securities and Exchange  
Commission of Rule 15c2-4 promulgated under the Securities and Exchange Act of  
1934, either (a) upon receipt of an executed order form or direction to execute  
an order form on behalf of a customer to forward the offering price of the  
Common Stock ordered on or before twelve noon Delaware time of the next business  
day following receipt or execution of an order form by us to the Company for  
deposit in a segregated account or (b) to solicit indications of interest in  
which event (i) we will subsequently contact any customer indicating interest to  
confirm the interest and give instructions to execute and return an order form  
or to receive authorization to execute the order form on the customer's behalf,  
(ii) we will mail acknowledgments of receipt of orders to each customer  
confirming interest on the business day following such confirmation, (iii) we  
will debit accounts of such customers on the third business day (the "Debit  
Date") following receipt of the confirmation referred to in (i), and (iv) we  
will forward complete order forms together with such funds to the Company on or  
before twelve noon on the next business day and each selected dealer  
acknowledges that if the procedure in (b) is adopted, our customers' funds are  
not required to be in their accounts until the Debit Date.  
  
 Unless earlier terminated by us, this Agreement shall terminate upon the  
closing date of the Conversion. We may terminate this Agreement or any  
provisions hereof any time by written or telegraphic notice to you. Of course,  
our obligations hereunder are subject to the successful completion of the  
Conversion.  
  
 You agree that at any time or times prior to the termination of this  
Agreement you will, upon our request, report to us the number of shares of  
Common Stock sold on behalf of the Company by you under this Agreement.  
  
 We shall have full authority to take such actions as we may deem advisable  
in respect of all matters pertaining to the offering. We shall be under no  
liability to you except for lack of good faith and for obligations expressly  
assumed by us in this Agreement.  
  
 Upon application to us, we will inform you as to the states in which we  
believe the Common Stock has been qualified for sale under, or are exempt from  
the requirements of, the respective blue sky laws of such states, but we assume  
no responsibility or obligation as to your rights to sell Common Stock in any  
state.  
  
 Additional copies of the Prospectus and any supplements thereto will be  
supplied in reasonable quantities upon request.  
  
  
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 Any notice from us to you shall be deemed to have been duly given if  
mailed, telephoned, or telegraphed to you at the address to which this Agreement  
is mailed.  
  
 This Agreement shall be construed in accordance with the laws of the State  
of Delaware.  
  
 Please confirm your agreement hereto by signing and returning the  
confirmations accompanying this letter at once to us at Friedman, Billings,  
Xxxxxx & Co., Inc., Potomac Tower, 0000 Xxxxxxxxxx Xxxxxx Xxxxx, Xxxxxxxxx,  
Xxxxxxxx 00000. The enclosed duplicate copy will evidence the agreement between  
us.  
  
FRIEDMAN, BILLINGS, XXXXXX & CO., INC.  
  
  
By:  
 ----------------------------------  
 Xxxxx Xxxxxxxxxx  
 Vice President  
  
CONFIRMED AS OF:  
  
  
 , 1997  
  
  
(Name of Dealer)  
  
  
By:  
 ----------------------------------  
  
  
Its:  
 ---------------------------------  
  
  
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