

**AMENDMENT TO  
THE AGREEMENT AND PLAN OF MERGER**

THIS AMENDMENT TO THE AGREEMENT AND PLAN OF MERGER, dated as of July 30, 2011 (this "Amendment"), is among FNBNY Bancorp, Inc., a Delaware corporation (the "Parent"), Modern Capital Holdings LLC, a Delaware limited liability company and the sole shareholder of Parent ("Modern Capital"), MadNat Acquisition Corporation, a New York corporation and a wholly owned subsidiary of Parent ("Merger Sub"), Madison National Bancorp, Inc., a New York corporation (the "Company"), and Madison National Bank, a national banking association and a direct, wholly owned subsidiary of the Company (the "Bank"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Merger Agreement (as defined below).

WHEREAS, Parent, Modern Capital, Merger Sub, the Company and the Bank are parties to that certain Agreement and Plan of Merger, dated as of October 21, 2010 (the "Merger Agreement"); and

WHEREAS, the parties to the Merger Agreement desire to amend the terms and conditions of the Merger Agreement as set forth herein.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Coordination of the Application. Section 6.14 of the Merger Agreement is hereby amended by inserting a new Subsection (d) to read in its entirety as follows:

"The Company shall have the right to participate in any comment or response to the FRB in connection with the FR Y-3 application submitted to the FRB by Parent and Modern Capital on July 12, 2011 (the "Application"). Parent and Modern Capital shall (i) notify the Company as to the timing of any submissions to the FRB made by Parent and/or Modern Capital in connection with the Application, and (ii) use reasonable best efforts to include the Company's outside counsel in any call with the FRB addressing the Application process."

2. Extension of the Outside Date. Clause (i) of Section 8.1(b) of the Merger Agreement is hereby amended and restated to read in its entirety as follows:

"the Merger shall not have been consummated on or before January 31, 2012 (the "Outside Date"), provided that (x) the right to terminate the Agreement pursuant to this Section 8.1(b)(1) shall not be available to any party whose material breach of this Agreement primarily contributes to the failure of the Merger to be consummated by such date and (y) Parent has delivered \$500,000 to the Company within two (2) Business Days of July 31, 2011 and, beginning on September 1,

2011 and ending on January 1, 2012, delivers to the Company \$500,000 on the first Business Day of each calendar month (each such payment, an “Extension Payment”), provided further, that the Extension Payments payable after the fourth calendar month during the extension period (i.e., the fifth and sixth Extension Payments) shall be paid into an escrow account established at the Bank, and any funds in such escrow account maintained by the Bank shall be released either (a) to the Company upon the termination of the Agreement or (b) to Parent on the Closing Date;”

3. Termination by the Company. Section 8.1(d) of the Merger Agreement is hereby amended by deleting Clause (iii) thereof and inserting a new Clause (iii) to read in its entirety as follows:

“Parent or any Affiliate thereof fails to make any Extension Payment, and such failure has not been cured by the close of the next Business Day.”

4. Interest Rate Risk. Notwithstanding any provision in the Merger Agreement, the Company and the Bank shall be permitted to take any and all actions that they, in their sole discretion, believe are necessary to manage their interest rate risk position, including but not limited to, incurring borrowings or executing sales and purchases of securities or assets consistent with safe and sound banking practices, the Formal Agreement and any other regulatory order or directive.

5. Counterparts; Effectiveness. This Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party. This Amendment may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes

6. Effect on Merger Agreement.

(a) This Amendment shall be construed in connection with and as part of the Merger Agreement, and except as modified and expressly amended by this Amendment, all terms, conditions and covenants contained in the Merger Agreement are hereby ratified and shall be and remain in full force and effect.

(b) Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Amendment may refer to the Merger Agreement and without making specific reference to this Amendment but nevertheless all such references shall include this Amendment unless the context otherwise requires.

*[signatures follow]*